

GRUNDFOS DK A/S
Martin Bachs Vej 3
DK - 8850 Bjerringbro

CVR no. 19 34 27 35

Annual Report 2018

The Annual General Meeting adopted the annual report on 27 May 2019

Chairman of the meeting

Astrid Nørgaard Friis



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Company details

Company

GRUNDFOS DK A/S

Martin Bachs Vej 3

DK-8850 Bjerringbro, Denmark

CVR no. 19 34 27 35

Registered in the municipality of Viborg

Board of Directors

Chairman Hung Chung Humphrey Lau

Board member Truls Lystang

Board member Lars Schiøler Andersen

Board member Jens Erik Tredal, elected by employees

Board member Juel Skovgaard, elected by employees

Executive Board

CEO Jan Warrer

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

City Tower, Værkmestergade 2

DK – 8000 Aarhus C

Management statement

The Board of Directors and the Executive Board have today reviewed and approved the annual report of Grundfos DK A/S for the financial year 1 January to 31 December 2018.

The annual report is presented in accordance with the Danish Financial Statements Act.

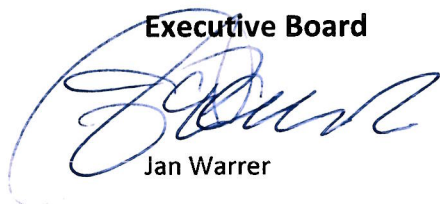
In our opinion, the annual accounts gives a true and fair view of the Company's assets, liabilities and financial position as at 31 December 2018 and of its financial performance for the financial year 1 January to 31 December 2018.

We believe that the management report contains a fair review of the matters covered by the report.

We recommend the annual report for adoption at the Annual General Meeting.

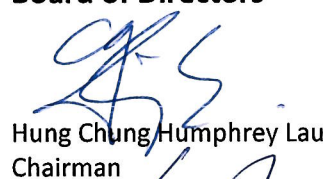
Bjerringbro, 27 May 2019

Executive Board

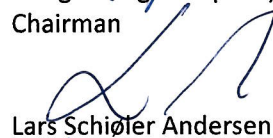


Jan Warrer

Board of Directors



Hung Chung Humphrey Lau
Chairman

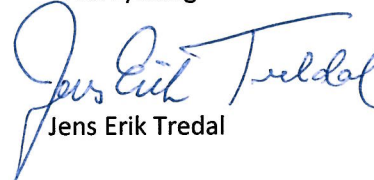


Lars Schiøler Andersen



Juel Skovgaard

Truls Lystang



Jens Erik Tredal

Independent auditor's report

To the shareholder of Grundfos DK A/S

Opinion

We have audited the financial statements of Grundfos DK A/S for the financial year 01.01.2018 - 31.12.2018, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31-12-2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's responsibilities for the audit of the financial statements section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material

misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

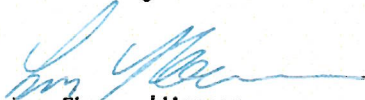
Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Aarhus, 27 May 2019

Deloitte

Statsautoriseret Revisionspartnerselskab

Business Registration No 33 96 35 56



Lars Siggaard Hansen
State-Authorised Public Accountant
Identification No (MNE) mne32208



Jacob Tækker Nørgaard
State-Authorised Public Accountant
Identification No (MNE) mne40049

Management commentary

| | 2018 DKK m | 2017 DKK m | 2016 DKK m | 2015 DKK m | 2014 DKK m |
|---|---------------|---------------|---------------|---------------|---------------|
| Key figures and financial ratios | | | | | |
| Key figures | | | | | |
| Net turnover | 607 | 566 | 567 | 573 | 566 |
| Gross profit | 107 | 91 | 87 | 84 | 66 |
| Operating profit/loss | 27 | 17 | 12 | 12 | -6 |
| Profit/loss for the year | 20 | 13 | 9 | 9 | -4 |
| Total assets | 200 | 193 | 173 | 182 | 180 |
| Equity | 53 | 41 | 42 | 39 | 30 |
| Financial ratios | | | | | |
| Gross margin (%) | 17.6 | 16.0 | 15.3 | 14.7 | 11.7 |
| Net margin (%) | 3.4 | 2.3 | 1.6 | 1.6 | -0.8 |
| Return on equity (%) | 43.5 | 31.4 | 22.5 | 26.0 | -11.1 |
| Equity ratio (%) | 26.4 | 21.4 | 24.2 | 21.5 | 16.7 |

Definition of key figures:

Gross margin (%) =
$$\frac{\text{Gross profit} \times 100}{\text{Net turnover}}$$

Net margin (%) =
$$\frac{\text{Profit for the year} \times 100}{\text{Net turnover}}$$

Return on equity (%) =
$$\frac{\text{Profit for the year} \times 100}{\text{Average equity}}$$

Equity ratio (%) =
$$\frac{\text{Equity} \times 100}{\text{Total assets}}$$

The shown key figures are calculated using Finansforeningens guidance.

Management commentary

Primary activities

Grundfos DK A/S activities include marketing and sale of the Grundfos Group's products and services, primarily in Denmark and secondarily in Iceland as well as a more precisely defined export area.

Development in activities and finances

In the financial year, the Company has realised revenue exceeding the level of 2017 with 7%.

The operating profit is higher than last year which is due to a higher gross profit realised as an outcome of the increased net turnover from sale of products and services.

Profit before tax for the year amounts to 27 mDKK compared with 17 mDKK last year. Tax on profit for the year is 7 mDKK against 4 mDKK last year. Profit after tax for the year thus amounts to 20 mDKK compared with 13 mDKK in 2017.

The result realised for the year is regarded satisfactory and exceeding the previous outlook in the 2017 annual report with an expected growth in turnover of 3-5%.

Composition of management

The Board of Directors in Grundfos DK A/S has five members, of which two have been elected by the employees. The remaining three members are men and as such women are under-represented in relation to the share of 40%, which legislation aims to ensure. When electing members for the Board of Directors this year, there were no relevant female candidates in the recruitment base. The board intends to increase the female representation to one out of three members. The board has set a goal for achieving this by the end of 2022.

For all other management positions Grundfos Holding A/S has defined a diversity policy, in which the first priorities are to increase the number of non-Danes and women in management positions. By the end of 2018 the status was 6% non-Danes and 35% female managers. The goal in Grundfos DK A/S for the gender distribution is that in 2022, at least 30% of our managers in general must be women.

CSR reporting

An overall report for the Grundfos Group's corporate social responsibility (CSR) has been prepared separately. Reference is made to this report for the Group's statement on corporate social responsibility.

For further information on corporate social responsibility (CSR) and Sustainability issues at Grundfos in general please see and download Sustainability Report at: www.grundfos.com/about-us/news-and-press/reports-magazines/sustainability-reports.html.

Particular risks**Business risks**

Grundfos DK A/S activities is marketing and sale of Grundfos Group's products and services. Geographically the risk is spread which reduce the risk relating to reduced turnover and demand on a single market.

Financial risks

The general framework for management of the financial risks of the Company and the Group is determined by the Board of Directors and managed on a day-to-day basis by the Group's Finance Department. The company is financed by Grundfos Group cashpool, which is included in debt to affiliated companies.

Foreign exchange risks

Most of the sale are invoiced in DKK and therefore there is no need for hedging. The risk concerning transactions in foreign currencies is assessed immaterial.

Credit risks

The credit risk relates to trade debtors and accounts receivable from affiliated companies. Trade debtors are closely monitored and the solvency of the customers assessed on a regular basis.

Events after the balance sheet date

No events have occurred after the balance sheet date which would significantly influence the evaluation of the annual report.

Expected development in 2019 - outlook

The activity level in Grundfos DK A/S is expected to be on an equal level compared to the realised in 2018. The net turnover and EBIT in 2019 are both expected to be on an equal level as this financial year.

Accounting policies

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act for large C - class enterprises.

In pursuance of section 86 (4) of the Danish Financial Statements Act, the Company has not prepared a cash flow statement. Referring to section 96 (3) of the Danish Financial Statements Act, the Company also does not disclose the fee paid to the auditors appointed by the general meeting. Referring to section 98b (3) of the Danish Financial Statements Act, the Company has not disclosed remuneration to Management.

The Company is included in the consolidated annual accounts for Grundfos Holding A/S, DK-8850 Bjerringbro. The consolidated annual accounts for Grundfos Holding A/S is available to the public at the offices of the Danish Business Authority under CVR no. 31 85 83 56.

The annual report has been presented in accordance with the same accounting policies as last year.

General information about recognition and measurement

Assets are recognised in the balance sheet when it is likely that future economic benefits accrue to the Company and the asset value can be measured reliably.

Liabilities are recognised in the balance sheet when they are probable and can be measured reliably.

Assets and liabilities are measured at cost at the initial recognition. Subsequently, assets and liabilities are measured for the individual items as described below.

At recognition and measurement, allowance is made for predictable losses and risks that appear before the annual report is presented and that confirm or deny conditions that were present on the balance sheet date.

Income is recognised in the profit and loss account when earned, whereas costs are recognised by the amounts attributable to the financial year in question. Value adjustments of financial assets and liabilities are recognised in the profit and loss account as financial income or financial costs.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Exchange differences that arise between the exchange rate at the transaction date and the exchange rate at the payment date are recognised in the profit and loss account.

Accounts receivables and payables in foreign currency are translated into Danish kroner at the exchange rate on the balance sheet date. Realised and unrealised exchange rate adjustments are included in the profit and loss account.

Accounting policies

Profit and loss account

Net turnover

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and measured at fair value of the consideration fixed.

Contract work in progress is included in revenue on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage of completion method).

Costs of raw materials and consumables

Costs of raw materials and consumables comprise the consumption of raw materials and consumables for the financial year after adjustment for changes in inventories of these goods from the beginning to the end of the year. This item includes shrinkage, if any, and ordinary writedowns of the relevant inventories.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc. for the entity staff.

Depreciation, amortization and impairment losses

Depreciation, amortization and impairment losses relating to other fixtures and fittings, tools and equipment comprise amortization, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of property, plant and equipment.

Financials

Financials comprise interest received and interest paid, including interest on receivables and payables to group enterprises, as well as exchange rate adjustments of financials in foreign currencies.

Accounting policies

Tax on profit for the year

The anticipated tax on the taxable income of the year is recognised in the profit and loss account, adjustment being made for timing differences in relation to the provided deferred tax.

Changes in deferred tax as a consequence of changed tax rates are recognised in the profit and loss account.

Deferred tax is measured by the balance sheet liability method of all timing differences between the fiscal and financial value of assets and liabilities.

Deferred tax assets, including the tax base of tax loss carry forwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

The Company is jointly taxed with wholly owned Danish subsidiaries. The current Danish corporation tax is distributed among the jointly taxed Danish companies proportionally to their taxable income (full distribution with a refund concerning tax losses).

Balance sheet

Tangible fixed assets

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and write-downs.

Cost comprises the purchase price, expenses directly connected to the acquisition, and expenses for the preparation of the asset until the time when the asset is ready for use. For company-manufactured assets, cost comprises direct and indirect costs of materials, components, sub-suppliers and labour costs.

Tangible fixed assets are depreciated by the straight-line method through the anticipated useful and economic life to the estimated residual value. The useful lives and the residual value, if any, of large assets are determined individually, whereas the useful life of other assets is determined for groups of similar assets. The estimated useful lives are:

| | |
|--|--------------|
| Other fixtures and fittings, tools and equipment | 3 - 10 years |
|--|--------------|

Other fixtures and fittings, tools and equipment are written down to the lower of recoverable amount and carrying amount. The residual value is revised annually.

Accounting policies

Other investments

Other investments comprise unlisted shares recognised at cost. If costs exceeds net realisable value, investments are written down to such lower value.

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and goods for resale, consists of purchase price plus landing costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Trade debtors and accounts receivables

Trade debtors and accounts receivables are measured at amortised cost, usually equalling nominal value less provisions for bad and doubtful debts.

Contract work in progress

Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually the stage of completion is determined as the ratio of actual to total budgeted consumption of resources.

Each contract in progress is recognised in the balance sheet under receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Costs of sales work and of securing contracts as well as financing costs are recognised in the income statement as incurred.

If on aconto invoices are exceeding the accumulated costs for a certain project, the amount is stated as prepayments received.

Prepayments

Prepayments recognised under assets include costs incurred relating to the following accounting year. Prepayments are measured at cost.

Accounting policies

Cash

Cash comprises bank deposits.

Equity (dividend)

Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of the result.

Other provisions

Other provisions comprise expected expenses under guarantees which the Company normally incurs in relation to the products sold.

Non-recourse guarantee commitments comprise commitments to remedy defects and deficiencies within the guarantee period.

Once it is probable that total costs will exceed total income from a contract in progress, provision is made for the total loss estimated to result from the relevant contract.

Other provisions include other obligations, including obligations relating to anniversary lump sum payments.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carry forwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Financial liabilities

Other liabilities, including trade creditors, debt to affiliated companies including Grundfos Group cashpool and other debts are measured at amortised cost.

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Accounting policies

Income tax receivable or payable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Cash flow statement

Referring to section 86 (4) of the Danish Financial Statements Act, Grundfos DK A/S has not prepared any cash flow statement.

Profit and loss statement for 2018

| | Note | 2018 DKK '000 | 2017 DKK '000 |
|--|-------------|--------------------------------|--------------------------------|
| Net turnover | 1 | 606,679 | 565,617 |
| Cost of raw materials and consumables | | -446,336 | -421,708 |
| Other external expenses | | -53,548 | -53,393 |
| Gross profit | | 106,795 | 90,516 |
| Staff costs | 2 | -79,027 | -72,653 |
| Depreciation, amortisation and impairment losses | 3 | -606 | -705 |
| Operating profit | | 27,162 | 17,158 |
| Other financial income | 4 | 216 | 141 |
| Other financial costs | 5 | -208 | -257 |
| Profit before tax | | 27,170 | 17,042 |
| Tax on profit for the year | 6 | -6,703 | -3,963 |
| Profit for the year | 7 | 20,467 | 13,079 |

Balance sheet at 31.12.2018

| | Note | 2018 DKK '000 | 2017 DKK '000 |
|--|-------------|--------------------------|--------------------------|
| Other fixtures and fittings, tools and equipment | | 1,046 | 1,331 |
| Tangible fixed assets | 8 | 1,046 | 1,331 |
| Other investments | | 330 | 330 |
| Fixed asset investments | 9 | 330 | 330 |
| Total fixed assets | | 1,376 | 1,661 |
| Manufactured goods and goods for resale | | 5,426 | 3,574 |
| Inventories | | 5,426 | 3,574 |
| Trade debtors | | 186,490 | 185,496 |
| Contract work in progress | 10 | 2,715 | 681 |
| Accounts receivable from affiliated companies | | 3,052 | 762 |
| Deferred tax | 11 | 437 | 161 |
| Prepayments | 12 | 478 | 885 |
| Accounts receivables | | 193,172 | 187,985 |
| Cash at bank and in hand | | 2 | 9 |
| Total current assets | | 198,600 | 191,568 |
| Total assets | | 199,976 | 193,229 |

Balance sheet at 31.12.2018

| | Note | 2018 DKK '000 | 2017 DKK '000 |
|---|-------------|--------------------------|--------------------------|
| Share capital | 13 | 22,000 | 22,000 |
| Retained profit | | 14,860 | 10,293 |
| Proposed dividend | | 15,900 | 9,100 |
| Equity | | 52,760 | 41,393 |
| Other provisions | 14 | 9,962 | 7,754 |
| Provisions | | 9,962 | 7,754 |
| Prepayments received from customers | | 495 | 1,202 |
| Trade creditors | | 5,492 | 17,451 |
| Debt to affiliated companies | | 77,429 | 93,973 |
| Income tax payable | | 3,311 | 560 |
| Other payables | | 50,527 | 30,896 |
| Short term liabilities | | 137,254 | 144,082 |
| Total liabilities | | 137,254 | 144,082 |
| Total equity, provisions and liabilities | | 199,976 | 193,229 |
| Unrecognised rental and lease commitments | 15 | | |
| Assets charged and collateral | 16 | | |
| Related parties and shareholders | 17 | | |
| Events after the balance sheet date | 18 | | |

Statement of changes in equity for 2018

| | Share Capital DKK '000 | Retained profit DKK '000 | Proposed dividend DKK '000 | Total DKK '000 |
|--------------------------|---------------------------------------|---|---|---------------------------|
| Equity 01.01.2018 | 22,000 | 10,293 | 9,100 | 41,393 |
| Dividend paid | | | -9,100 | -9,100 |
| Profit for the year | | 4,567 | 15,900 | 20,467 |
| Equity 31.12.2018 | 22,000 | 14,860 | 15,900 | 52,760 |

Notes

| | 2018 DKK '000 | 2017 DKK '000 |
|---|--------------------------------|--------------------------------|
| 1. Net turnover | | |
| Home market Denmark | 549,808 | 522,109 |
| Other countries | 56,871 | 43,508 |
| | 606,679 | 565,617 |
| <p>Grundfos DK A/S has only activities within the segment sale of pumps and related services. That is the reason for showing the net turnover on geographical areas only.</p> | | |
| 2. Staff costs | | |
| Salaries and wages | 73,031 | 66,523 |
| Pensions | 4,925 | 4,489 |
| Social contributions | 1,071 | 1,641 |
| | 79,027 | 72,653 |
| Average number of full time employees | 127 | 126 |
| 3. Depreciation, amortisation and impairment losses | | |
| Depreciation of other fixtures and fittings, tools and equipment | 606 | 705 |
| | 606 | 705 |
| 4. Other financial income | | |
| Financial income from affiliated companies | 38 | 8 |
| Other financial income | 178 | 133 |
| | 216 | 141 |
| 5. Other financial costs | | |
| Financial costs to affiliated companies | 15 | 138 |
| Other financial expenses | 193 | 119 |
| | 208 | 257 |
| 6. Tax on profit for the year | | |
| Current tax | 6,230 | 3,693 |
| Change in deferred tax | 505 | 270 |
| Adjustment of taxes, prior years | -32 | 0 |
| Tax on profit for the year | 6,703 | 3,963 |
| 7. Profit for the year | | |
| Proposed profit distribution: | | |
| Dividend | 15,900 | 9,100 |
| Retained profit | 4,567 | 3,979 |
| | 20,467 | 13,079 |

Notes

| | Other fixtures and fittings, tools and equipment DKK '000 | |
|---|--|---|
| 8. Property, plant and equipment | | |
| Cost 01.01.2018 | | 18,223 |
| Additions of the year | | 321 |
| Disposals of the year | | -9,894 |
| Cost 31.12.2018 | | 8,650 |
| Depreciation 31.12.2018 | | -16,892 |
| Depreciation for the year | | -606 |
| Depreciation on disposals | | 9,894 |
| Depreciation 31.12.2018 | | -7,604 |
| Accounting value 31.12.2018 | | 1,046 |
| Accounting value 31.12.2017 | | 1,331 |
| | | Other investments DKK '000 |
| 9. Fixed asset investments | | |
| Cost 01.01.2018 | | 330 |
| Cost 31.12.2018 | | 330 |
| Accounting value 31.12.2018 | | 330 |
| Accounting value 31.12.2017 | | 330 |
| | 2018 | 2017 |
| | DKK '000 | DKK '000 |
| 10. Contract work in progress | | |
| Contract work in progress | 9,550 | 12,097 |
| Progress billings regarding contract work in progress | -7,270 | -12,259 |
| Transferred to liabilities other than provisions | 435 | 843 |
| | 2,715 | 681 |
| Prepayments from customers total DKK 495k of which DKK 435k relates to prepayments from customers for work in progress. Prepayments of a total of DKK 60k relate to prepayments from trade receivables. | | |
| 11. Deferred tax | | |
| Deferred tax 01.01 | 161 | 431 |
| Deferred tax recognized in profit and loss account | -505 | -270 |
| Adjustment to deferred tax in previous years | 781 | 0 |
| Deferred tax 31.12 | 437 | 161 |

Deferred taxes relates to fixed assets, current assets and provisions.

Notes

12. Prepayments

Prepayments are relating to prepaid insurance and lease agreements.

13. Share capital

The share capital consists of shares at 1,000 DKK and multiples of these. The shares have not divided into classes.

No movements have taken place in the period 01.01.2014 – 31.12.2018.

14. Liabilities under guarantee and other provisions

Other provisions relates to jubilee provision and non recourse guratee commitments.

15. Unrecognised rental and lease commitments

| | <u>2018</u> DKK '000 | <u>2017</u> DKK '000 |
|---|-------------------------|-------------------------|
| Liabilities under rental or lease agreements until maturity in total | <u>13,814</u> | <u>15,876</u> |
| Liabilities under rental agreements or leases with group enterprises until expiry | <u>4,204</u> | <u>6,962</u> |

The company has entered into a rental contract with a notice of termination of 12 months.

16. Assets charged and collateral

Performance gurantee of DKK 6,829k in 2018 (against DKK 4,779k in 2017).

There is no court case or alike which according to management can have significant impact on the companys financial situation.

The Danish group enterprises participate in a Danish joint taxation arrangement with Grundfos Holding A/S serving as the administration company and are therefore jointly and severally liable from the financial year 2013 for the total income tax and from 1 July 2012 also for obligations, if any, to withhold tax on interest, royalties and dividends for the jointly taxed enterprises. The total net liability to the Danish tax authorities is recognised in financial statements of Grundfos Holding A/S.

Notes

17. Related parties

Related parties with a controlling influence in Grundfos DK A/S:

- The company's parent foundation, The Poul Due Jensens foundation and the immediate parent Grundfos A/S, both in Bjerringbro.

Transactions with related parties are only disclosed in the annual report if they are not on arm's length terms. Transactions between Grundfos DK A/S and related parties are on arm's length terms.

Grundfos DK A/S is included in the consolidated financial statements for Grundfos Holding A/S, 8850 Bjerringbro. The consolidated financial statements for Grundfos Holding A/S, 8850 Bjerringbro is available at Erhvervsstyrelsen (Register of Commerce) under CVR no. 31 85 83 56.

The following shareholder is registered as holding more than 5% of the Company's sharecapital:

GRUNDFOS A/S, Poul Due Jensens Vej 7, DK - 8850 Bjerringbro, 100 % of ownership

18. Events after the balance sheet date

No events have occurred after the balance sheet date that may materially impact the company's financial position.