

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

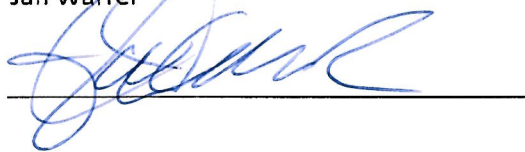
**CVR no. 19 34 27 35**

**Annual Report 2021**

The Annual General Meeting adopted the annual report on 24 May 2022

**Chairman of the meeting**

Jan Warrer



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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, Steen Bovbjerg, elected by employees

### Executive Board

CEO, Jan Warrer

### Auditors

EY Godkendt Revisionspartnerselskab

Værkmestergade 25

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 2021.

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

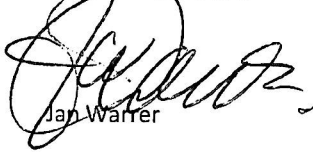
In our opinion, the annual accounts gives a true and fair view of the Company's assets, liabilities and financial position as at 31 December 2021 and of its financial performance for the financial year 1 January to 31 December 2021.

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, 24 May 2022

### Executive Board

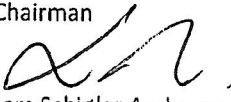


Jan Warrer

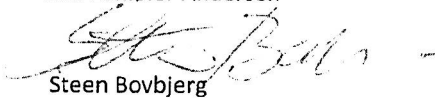
### Board of Directors




Hung Chung Humphrey Lau  
Chairman



Lars Schiøler Andersen



Steen Bovbjerg



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 1 January – 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including 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 financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021 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 our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

#### 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company 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 as to 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 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 the financial statements.

## Independent auditor's report

As part of an audit conducted in accordance with ISAs and 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 Company'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 Company'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 Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, 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's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, 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's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

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

Aarhus, 24 May 2022

**EY Godkendt Revisionspartnerselskab**

CVR no. 30 70 02 28



Morten Friis  
State-Authorised Public Accountant  
Identification No (MNE) mne32732



Peter Ørsø  
State-Authorised Public Accountant  
Identification No (MNE) mne44105

## Management commentary

	2021 DKK m	2020 DKK m	2019 DKK m	2018 DKK m	2017 DKK m
<b>Key figures and financial ratios</b>					
<b>Key figures</b>					
Net turnover	596	615	581	607	566
Gross profit	127	126	111	107	91
Operating profit	34	39	29	27	17
Profit for the year	26	29	20	20	13
Total assets	211	216	210	200	193
Equity	76	70	57	53	41
<b>Financial ratios</b>					
Gross margin (%)	21.3	20.6	19.1	17.6	16.0
Net margin (%)	4.4	4.8	3.4	3.4	2.3
Return on equity (%)	35.6	46.4	36.1	43.5	31.4
Equity ratio (%)	36.0	32.4	26.9	26.4	21.4

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

Financial highlights are defined and calculated in accordance with the current version of "Recommendations and Ratios" issued by CFA Society Denmark.



## 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 a small decrease of 3% in the revenue compared to the level of 2020.

The operating profit is lower than last year which is due to the lower turnover and higher staff costs.

Profit before tax for the year amounts to 34 mDKK compared with 38 mDKK last year. Profit after tax for the year amounts to 26 mDKK compared with 29 mDKK in 2020.

The result realised for the year is regarded satisfactory and in accordance with the outlook in the 2020 annual report with an expected stable development.

### 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 2025.

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 2021 the status was 6% non-Danes and 29% female managers. The goal in Grundfos DK A/S for the gender distribution is that in 2025, at least 30% of our managers in general must be women. As for the policy concerning the other management positions, the Group policy covers Grundfos DK as well, and hence the statement is part of Grundfos Group's Sustainability Report 2021. By publishing our Sustainability Report, we fulfil the requirements for corporate sustainability reporting set out in section 99a of the Danish Financial Statements Act as well as section 99b on the gender balance at management levels, etc. Please find our Sustainability Report here: <https://www.grundfos.com/sustainability/reports>.

### 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: <https://www.grundfos.com/sustainability/reports>.

### Data Ethics

In Grundfos we are committed to ensuring compliance with applicable data privacy laws, and we have a strong focus on the principles of self-determination, human dignity, responsibility, equality and fairness, progressiveness, and diversity. When bringing new products and services to market, we focus on privacy by design and default. We have not adopted a formal policy on data ethics but expect to do so in the coming years.

**Branch**

A branch has been established in Dubai in 2020 to support the service and maintenance business.

The address of the branch is:

Al Qouz Office Block,  
Plot no. 137, property 303  
Dubai

**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. For further details about subsequent events reference is made to note 19.

**Expected development in 2022 - outlook**

The activity level in Grundfos DK A/S is expected to be on an equal level compared to the realised in 2021. The net turnover and EBIT in 2022 are both expected to be on an equal level as this financial year. The profit for the year is expected to be in the level 25 – 30 mDKK.

The company is currently not significantly affected by COVID-19 restrictions, but any continuation of the tightened restrictions may be significant socio-economic consequences, which can negatively affect the company and thus also the company's earnings and financial position negative.

Apart from this, no circumstances have occurred from the balance sheet date until today that upset the assessment of the annual report.

## 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
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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 advance 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 2021**

	<b>Note</b>	<b>2021</b> <b>DKK '000</b>	<b>2020</b> <b>DKK '000</b>
Net turnover	1	596.209	614.832
Cost of raw materials and consumables		-429.911	-438.494
Other external expenses		-39.321	-49.944
<b>Gross profit</b>		<b>126.977</b>	<b>126.394</b>
Staff costs	2	-92.232	-87.388
Depreciation, amortisation and impairment losses	3	-770	-420
<b>Operating profit</b>		<b>33.975</b>	<b>38.586</b>
Other financial income	4	214	97
Other financial costs	5	-36	-277
<b>Profit before tax</b>		<b>34.153</b>	<b>38.406</b>
Tax on profit for the year	6	-8.198	-9.072
<b>Profit for the year</b>	<b>7</b>	<b>25.955</b>	<b>29.334</b>

**Balance sheet at 31.12.2021**

	<u>Note</u>	<u>2021</u> <u>DKK '000</u>	<u>2020</u> <u>DKK '000</u>
Other fixtures and fittings, tools and equipment		5.513	1.292
Tangible fixed assets in progress		0	127
<b>Tangible fixed assets</b>	<b>8</b>	<b>5.513</b>	<b>1.419</b>
Other investments		330	330
<b>Financial fixed assets</b>	<b>9</b>	<b>330</b>	<b>330</b>
<b>Total fixed assets</b>		<b>5.843</b>	<b>1.749</b>
Manufactured goods and goods for resale		26.621	19.803
<b>Inventories</b>		<b>26.621</b>	<b>19.803</b>
Trade debtors		161.139	187.785
Contract work in progress	10	6.876	1.076
Accounts receivable from affiliated companies		4.501	4.142
Income tax receivable		2.950	0
Deferred tax	11	223	182
Prepayments	12	800	857
<b>Accounts receivables</b>		<b>176.489</b>	<b>194.042</b>
<b>Cash at bank and in hand</b>		<b>1.839</b>	<b>614</b>
<b>Total current assets</b>		<b>204.949</b>	<b>214.459</b>
<b>Total assets</b>		<b>210.792</b>	<b>216.208</b>

**Balance sheet at 31.12.2021**

	<b>Note</b>	<b>2021 DKK '000</b>	<b>2020 DKK '000</b>
Share capital	13	22.000	22.000
Retained profit		18.895	27.940
Proposed dividend		35.000	20.000
<b>Equity</b>		<b>75.895</b>	<b>69.940</b>
Other provisions	14	7.668	8.095
<b>Provisions</b>		<b>7.668</b>	<b>8.095</b>
Other liabilities	15	0	9.101
<b>Long term liabilities</b>		<b>0</b>	<b>9.101</b>
Prepayments received from customers	10	19.392	15.154
Trade creditors		4.521	4.419
Debt to affiliated companies		49.587	51.832
Income tax payable		0	6.109
Other payables		53.729	51.558
<b>Short term liabilities</b>		<b>127.229</b>	<b>129.072</b>
<b>Total liabilities</b>		<b>127.229</b>	<b>138.173</b>
<b>Total equity, provisions and liabilities</b>		<b>210.792</b>	<b>216.208</b>
Unrecognised rental and lease commitments	16		
Assets charged and collateral	17		
Related parties and shareholders	18		
Events after the balance sheet date	19		

**Statement of changes in equity for 2021**

	<b>Share Capital DKK '000</b>	<b>Retained profit DKK '000</b>	<b>Proposed dividend DKK '000</b>	<b>Total DKK '000</b>
Equity 01.01.2021	22.000	27.940	20.000	69.940
Dividend paid			-20.000	-20.000
Profit for the year		-9.045	35.000	25.955
<b>Equity 31.12.2021</b>	<b>22.000</b>	<b>18.895</b>	<b>35.000</b>	<b>75.895</b>

**Notes**

	<u>2021</u> DKK '000	<u>2020</u> DKK '000
<b>1. Net turnover</b>		
Home market Denmark	566.055	565.878
Other countries	30.154	48.954
	<u>596.209</u>	<u>614.832</u>
<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>		
<b>2. Staff costs</b>		
Salaries and wages	86.309	81.598
Pensions	5.268	4.995
Social contributions	655	795
	<u>92.232</u>	<u>87.388</u>
<p>Referring to section 98b (3) of the Danish Financial Statements Act, the Company has not disclosed remuneration to Management.</p>		
Average number of full time employees	<u>131</u>	<u>130</u>
<b>3. Depreciation, amortisation and impairment losses</b>		
Depreciation of other fixtures and fittings, tools and equipment	770	420
	<u>770</u>	<u>420</u>
<b>4. Other financial income</b>		
Financial income from affiliated companies	27	7
Other financial income	187	90
	<u>214</u>	<u>97</u>
<b>5. Other financial costs</b>		
Financial costs to affiliated companies	16	47
Other financial expenses	20	230
	<u>36</u>	<u>277</u>
<b>6. Tax on profit for the year</b>		
Current tax	8.239	8.438
Change in deferred tax	-49	500
Adjustment of taxes, prior years	8	134
Tax on profit for the year	<u>8.198</u>	<u>9.072</u>
<b>7. Profit for the year</b>		
<b>Proposed profit distribution:</b>		
Dividend	35.000	20.000
Retained profit	-9.045	9.334
	<u>25.955</u>	<u>29.334</u>

**Notes**

	Other fixtures and fittings, tools and equipment DKK '000	Tangible fixed assets in progress DKK '000
<b>8. Property, plant and equipment</b>		
Cost 01.01.2021	9.270	127
Additions of the year	4.991	3
Disposals of the year	0	-130
<b>Cost 31.12.2021</b>	<b>14.261</b>	<b>0</b>
Depreciation 01.01.2021	-7.978	0
Depreciation for the year	-770	0
Depreciation on disposals	0	0
<b>Depreciation 31.12.2021</b>	<b>-8.748</b>	<b>0</b>
<b>Accounting value 31.12.2021</b>	<b>5.513</b>	<b>0</b>
Accounting value 31.12.2020	1.292	127
		Other investments DKK '000
<b>9. Financial fixed assets</b>		
Cost 01.01.2021		330
<b>Cost 31.12.2021</b>		<b>330</b>
<b>Accounting value 31.12.2021</b>		<b>330</b>
Accounting value 31.12.2020		330
	2021 DKK '000	2020 DKK '000
<b>10. Contract work in progress</b>		
Contract work in progress	23.460	6.832
Progress billings regarding contract work in progress	-19.392	-7.473
Transferred to liabilities other than provisions	2.808	1.717
	<b>6.876</b>	<b>1.076</b>
<b>11. Deferred tax</b>		
Deferred tax 01.01	182	682
Deferred tax recognized in profit and loss account	49	-500
Adjustment to deferred tax in previous years	-8	0
<b>Deferred tax 31.12</b>	<b>223</b>	<b>182</b>

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 been divided into classes.

No movements have taken place in the period 01.01.2017 – 31.12.2021.

### 14. Liabilities under guarantee and other provisions

Other provisions comprises guarantees and provision for anniversary lump sum payments.

### 15. Other liabilities

Other liabilities relates to the long term part of holiday pay.

### 16. Unrecognised rental and lease commitments

Liabilities under rental or lease agreements until maturity in total

	2021 DKK '000	2020 DKK '000
	<u>14.521</u>	<u>10.168</u>

Liabilities under rental agreements or leases with group enterprises until expiry

	<u>4.194</u>	<u>4.194</u>
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The company has entered into a rental contract with a notice of termination of 12 months.

### 17. Assets charged and collateral

Performance guarantee of DKK 9,523k in 2021 (against DKK 6,234k in 2020).

There is no court case or alike which according to management can have significant impact on the company's 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

### 18. Related parties

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

- The company's parent foundation, the Poul Due Jensens Fond, the immediate parent Grundfos A/S, the Board of Directors of Grundfos DK A/S and the registered Management of Grundfos DK A/S.

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

### 19. Events after the balance sheet date

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

Management monitors the development of the current COVID-19 health situation closely and the impact on our business and employees. We seek to adhere with applicable legislation related to COVID-19 and adjusting our daily work and routines accordingly to minimize the spread and impact of the disease.

As of May 2022, we have to the best of our knowledge not experienced any material impact on our business, financial performance or our customers' ability to pay, however, Management acknowledges increased uncertainty related to the future and are taking measures to safeguard the company's financial position.