

Poul Due Jensens Fond

Poul Due Jensens Vej 7-11, 8850 Bjerringbro

CVR no. 83 64 88 13

Annual report 2025

The Board meeting adopted the annual report on 26 February 2026

Chairman of the Board of Directors:



Flemming Konradsen

POUL DUE JENSEN / GRUNDFOS FOUNDATION

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POUL DUE JENSEN / GRUNDFOS FOUNDATION

Statement by Management

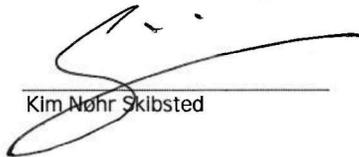
The Board of Directors and the Executive Board have today discussed and approved the annual report of Poul Due Jensens Fond for the financial year 1 January – 31 December 2025.

The annual report has been prepared in accordance with the IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the Foundation financial statements give a true and fair view of the financial position of the Group and the Foundation at 31 December 2025 and of the results of their operations and cash flows for the financial year 1 January – 31 December 2025.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the Foundation's operations and financial matters, the results for the year and the Group's and the Foundation's financial position as well as a description of the most significant risks and elements of uncertainty facing the Group and the Foundation.

Bjerringbro, 26 February 2026
Executive Board:



Kim Nøhr Skibsted

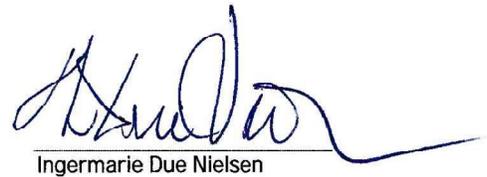
Board of Directors:



Flemming Konradsen
Chairman



Jacoba Theresia Maria van
der Meijs
Vice chairman



Ingermarie Due Nielsen



Annette Due Jensen



Poul Due Jensen



Elsebeth Nielsen



Søren Lund Nielsen



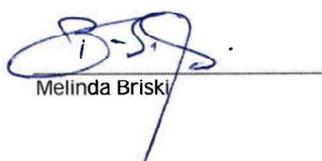
Jesper Richter Rasmussen



[Helena Due Langvad \(Mar 4, 2026 17:02:49 GMT+8\)](#)
Helena Videbæk Due
Langvad



Agnes Eszter Pauer



Melinda Briski



Claus Aagaard

POUL DUE JENSEN / GRUNDFOS FOUNDATION

Independent auditor's report

Opinion

We have audited the consolidated financial statements and the Foundation financial statements of Poul Due Jensens Fond for the financial year 1 January - 31 December 2025, which comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including material accounting policy information, for the Group and the Foundation. The consolidated financial statements and the Foundation financial statements are prepared in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the Foundation financial statements give a true and fair view of the financial position of the Group and the Foundation at 31 December 2025 and of the results of the Group's and the Foundation's operations and cash flows for the financial year 1 January - 31 December 2025 in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of 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 consolidated financial statements and the Foundation financial statements" (hereinafter collectively referred to as "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 Group 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.

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 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 our procedures, 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 Statements Act. We did not identify any material misstatement of the Management's review.

POUL DUE JENSEN / GRUNDFOS FOUNDATION

Independent auditor's report

Management's responsibilities for the financial statements

Management is responsible for the preparation of consolidated financial statements and Foundation financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of 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 Group's and the Foundation'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 Group or the Foundation 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.

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 Group's and the Foundation'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 Group's and the Foundation'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 Group and the Foundation 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.
- ▶ Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements and the parent company financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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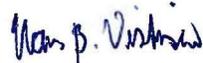
Independent auditor's report

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.

Copenhagen, 26 February 2026
EY Godkendt Revisionspartnerselskab
strationCVR no. 30 70 02 28



Henrik Kronborg Iversen
State Authorised
Public Accountant
mne24687



Hans B. Vistisen
State Authorised
Public Accountant
mne23254

POUL DUE JENSEN / GRUNDFOS FOUNDATION

Management's review

Group information

Poul Due Jensens Fond owns, via its 100% owned holding company PDJF A/S, 88.0% of the share capital in Grundfos Holding A/S, while the founder's family owns 8.4% and the employees own 3.6%. Furthermore, PDJF A/S owns 100% of the share capital in PDJF Direct Invest ApS.

Grundfos Holding A/S, based in Bjerringbro, Denmark, is the Parent Company of the Grundfos Group. Grundfos Holding A/S directly or indirectly owns the entire share capital in all subsidiaries except for Grundfos Saudi Arabia Company Limited, Saudi Arabia with an ownership of 75%.

Group companies:

Argentina, Bombas Grundfos de Argentina S.A.	Denmark, Grundfos Water Treatment Denmark A/S	Italy, DAB Pumps S.p.A.
Austria, Grundfos Water Treatment Austria GmbH	Denmark, Sintex A/S	Italy, DWT Holding S.p.A.
Austria, Grundfos Pumpen Vertrieb G.m.b.H.	Egypt, Grundfos Holding Egypt LLC	Italy, Grundfos Water Treatment Italy S.r.l.
Australia, DAB Pumps Oceania Pty. Ltd.	Egypt, Grundfos Egypt LLC	Italy, F.D.T. S.r.l.
Australia, Grundfos Australia Holding Pty. Ltd.	Egypt, Grundfos Service Egypt LLC	Italy Everblue S.r.l.
Australia, Grundfos Pumps Pty. Ltd.	Finland, OY Grundfos Environment Finland AB	Italy, Grundfos Pompe Italia S.r.l.
Australia, Metasphere Australia Pty.	Finland, OY Grundfos Pumput AB	Japan, Grundfos Pumps K.K.
Belgium, Grundfos Water Treatment Belgium NV	France, DAB Pumps France	Kazakhstan, Grundfos Kazakhstan LLP
Belgium, Grundfos Bellux S.A.	France, Grundfos Water Treatment France S.A.S.	Kenya, Grundfos Kenya Ltd.
Brazil, Bombas Grundfos do Brasil Ltda.	France, Pompes Grundfos Distribution S.A.S.	Korea, Grundfos Pumps Korea Ltd.
Bulgaria, Grundfos Bulgaria EOOD	France, Pompes Grundfos S.A.S.	Latvia, GRUNDFOS Pumps Baltic SIA
Canada, Grundfos Canada Inc.	Germany, Biral GmbH	Malaysia, Grundfos Pumps SDN, BHD
Canada, Newterra Ltd.		
Canada, DAB Pumps Canada Inc.		
Chile, Bombas Grundfos Chile SpA	Germany, DAB Pumps GmbH	Mexico, Bombas Grundfos de Mexico Manufacturing S.A. de C.V.
China, DAB Pumps (Qingdao) Co. Ltd.	Germany, Deutsche Vortex GmbH & Co. KG	Mexico, Bombas Grundfos de Mexico S.A. de C.V.
China, Grundfos Pumps (Changshu) Co. Ltd.	Germany, Grundfos Water Treatment Germany GmbH	Mexico, DAB Pumps de Mexico S.A. de C.V.
China, Grundfos (China) Holding Co. Ltd.	Germany, Grundfos GmbH	Netherlands, DAB Pumps B.V.
China, Grundfos Pumps (Chongqing) Co. Ltd.	Germany, Grundfos Pumpenfabrik GmbH	Netherlands, Grundfos Water Treatment Netherlands B.V.
China, Grundfos Pumps (Hong Kong) Ltd.	Germany, Grundfos Verwaltung GmbH	Netherlands, Solvermedia B.V.
China, Grundfos Pumps (Shanghai) Co. Ltd.	Germany, Grundfos Dosing & Disinfection GmbH	Netherlands, Grundfos Nederland B.V.
China, Grundfos Pumps (Suzhou) Ltd.	Ghana, Grundfos Pumps Ghana Ltd.	New Zealand, Grundfos Pumps NZ Ltd.
China, Grundfos Pumps (Wuxi) Ltd.	Greece, Grundfos Hellas Single-Member A.E.B.E.	Nigeria, Grundfos Water Solutions NGA Limited
Colombia, Grundfos Columbia S.A.S.	Hungary, DAB Pumps Hungary Kft.	Norway, Grundfos Water Treatment Norway AS
Croatia, Grundfos Sales Croatia d.o.o.	Hungary, Grundfos Water Treatment Hungary Kft.	Norway, Grundfos Norge AS
Czechia, Grundfos Water Treatment Czech Republic s.r.o.	Hungary, Grundfos Shared Services Kft.	Peru, Grundfos de Peru S.A.C.
Czechia, Grundfos Sales Czechia and Slovakia s.r.o.	Hungary, Grundfos Hungary Manufacturing Ltd.	Philippines, Grundfos IS Support & Operations Centre Philippines Inc.
Denmark, Armacoat A/S	Hungary, Grundfos South East Europe Kft.	Philippines, Grundfos Pumps (Philippines) Inc.
Denmark, Eurotank A/S	India, Grundfos Pumps India Private Ltd.	Poland, Centrum Badawczo-Wdrozeniowe Unitex Sp.z o.o.
Denmark, Grundfos A/S	Indonesia, PT DAB Pumps Indonesia	Poland, DAB Pumps Poland Sp.Z.o.o.
Denmark, Grundfos DK A/S	Indonesia, PT Grundfos Pompa	Poland, Grundfos Water Treatment Poland sp. z o.o.
Denmark, Grundfos Finance A/S	Indonesia, PT Grundfos Trading Indonesia	Poland, Grundfos Pompy Sp.z.o.o.
Denmark, Grundfos Operations A/S	Ireland, Grundfos (Ireland) Ltd.	Portugal, Bombas Grundfos (Portugal) S.A.
Denmark, Grundfos US ApS	Ireland, Mechanical Equipment Company Ireland Ltd	Romania, SC Grundfos Pompe Romania SRL

POUL DUE JENSEN / GRUNDFOS FOUNDATION

Management's review

Group companies (continued):

Saudi Arabia, Grundfos Saudi Arabia Company Limited	Switzerland, Grundfos Water Treatment Switzerland AG	United Kingdom, Grundfos Watermill Ltd.
Serbia, Grundfos Srbija d.o.o.	Switzerland, Grundfos Handels AG	United Kingdom, Metasphere Limited
Singapore, MECO Water Purification (Asia) Pte	Switzerland, Grundfos Pumpen AG	USA, Grundfos CBS Inc.
Singapore, Grundfos (Singapore) Pte. Ltd.	Taiwan, Grundfos Pumps (Taiwan) Ltd.	USA, Grundfos Americas Corporation
Slovakia, Grundfos Water Treatment Slovakia spol. s.r.o.	Thailand, Grundfos (Thailand) Ltd.	USA, Grundfos Pumps Corporation
Slovenia, Grundfos Ljubljana d.o.o.	Türkiye, Grundfos Pompa Sanayi ve Ticaret Ltd.Sti.	USA, Grundfos Pumps Manufacturing Corporation
South Africa, DAB Pumps South Africa (Pty) Ltd.	Ukraine, Grundfos Water Treatment Ukraine LLC	USA, Grundfos US Holding Corporation
South Africa, Grundfos Holding South Africa (Pty) Ltd	Ukraine, LLC Grundfos Ukraine	USA, Mechanical Equipment Company Inc.
South Africa, Grundfos (Pty) Ltd.	United Arab Emirates, Grundfos Gulf Distribution FZE	USA, Newterra Corporation Inc.
Spain, Bombas Grundfos España S.A.	United Arab Emirates, Grundfos Trading L.L.C.	USA, Sterling Fluid Systems (USA) LLC (DBA Peerless Pump Company)
Spain, DAB Pumps Iberica S.L.	United Kingdom, DAB Pumps Ltd.	USA, DAB Pumps Inc.
Sweden, Grundfos Water Treatment Sweden AB	United Kingdom, Grundfos Manufacturing Ltd.	USA, SFS (USA) Holding Inc.
Sweden, Grundfos AB	United Kingdom, Grundfos Pumps Ltd.	USA, Grundfos Water Utility Inc.
Switzerland, Biral AG	United Kingdom, Grundfos Water Treatment UK Ltd.	USA, Water Works Inc.
		Vietnam, Grundfos Vietnam Company Ltd.

Associates via ownership in Grundfos Holding A/S and PDJF Direct Invest ApS

Megat Projekt Sp. z o.o., Poland - 50% ownership.

TEMcompany ApS - 25% ownership.

There are restrictions on access to liquidity among the Group's companies but the amounts on which the restrictions occur are immaterial.

The German subsidiary Deutsche Vortex GmbH & Co. KG, Ludwigsburg, uses the exemption in the § 264b HGB to prepare, audit and publish individual annual accounts.

POUL DUE JENSEN / GRUNDFOS FOUNDATION

Management's review

Financial highlights

DKKm	2025	2024	2023	2022	2021
Consolidated profit and loss account					
Revenue	34,733	33,226	34,407	33,341	28,733
Earnings before interest and tax (EBIT) before special items	3,813	3,726	4,418	4,053	3,347
Earnings before interest and tax (EBIT)	3,813	4,200	4,418	3,202	3,347
Net finance income and expenses	513	-1,012	1,937	-2,406	-788
Profit before tax	4,326	3,188	6,355	796	2,559
Consolidated profit after tax	3,292	2,066	4,949	268	1,793
Consolidated balance sheet - assets					
Intangible assets	6,240	4,504	2,818	2,609	2,627
Property, plant and equipment	7,786	7,653	7,112	6,517	6,640
Financial assets	1,376	1,321	1,111	1,214	885
Current assets	31,843	32,863	30,572	28,181	26,313
Total assets	47,245	46,341	41,613	38,521	36,465
Liabilities					
Equity	29,389	26,790	25,384	20,903	20,173
Non-current liabilities	7,773	8,469	6,709	7,635	6,621
Current liabilities	10,083	11,082	9,520	9,983	9,671
Total liabilities and equity	47,245	46,341	41,613	38,521	36,465
Key figures and financial ratios					
Distributions, net	343	295	255	236	200
Capital investments tangible	1,234	1,331	1,593	1,234	1,078
Capital investments, intangible	327	359	278	193	256
Total capital investments	1,561	1,690	1,871	1,427	1,334
Research and development costs, incl. capitalised costs	2,206	1,941	1,914	1,657	1,395
Interest-bearing net deposit/loan	18,481	18,523	17,586	14,059	14,589
Net cash flow from operating and investment activities	3,111	3,191	4,410	1,243	2,849
Sales growth	4.5 %	-3.4 %	3.2%	16.0%	9.1%
Sales growth in local currencies	5.7 %	-2.4 %	4.2%	12.1%	10.4%
EBIT before special items as a percentage of net turnover	11.0 %	11.2 %	12.8%	12.2%	11.6%
Return on equity	11.7 %	7.9 %	21.4%	1.3%	9.3%
Equity ratio	62.2 %	57.8 %	61.0%	54.3%	55.3%
Sustainability key figures					
Emission Scope 1 and Scope 2 (1,000 t CO ₂ e)	66.7	76.5	94.1	100.3	114.6
Emission Scope 3 (1,000 t CO ₂ e)	106,562	108,220	121,915	138,581	-
EMS (Score)	77	77	78	76	77
Women leaders	25 %	25 %	25 %	24 %	22 %
Water withdrawal (m ³)	350,711	335,610	339,608	365,126	341,538
Number of employees of year-end	21,442	20,826	19,946	20,033	20,161

Sales growth: Annual change in consolidated net turnover measured in DKK.

Sales growth in local currencies: Annual change in consolidated net turnover adjusted for currency impact.

Interest-bearing net deposit/loan: Securities, Cash and cash equivalents and Interest-bearing debt.

Return on equity: Consolidated profit after tax as a percentage of the average equity.

Equity ratio: Equity at year-end as a percentage of total assets.

Net cash flow from operating and investment activities: Net cash flow from operating and investments activities before impact from purchase/sale of securities and acquisition/sale of companies.

Women leaders: The figures covers share of women at all levels of the organisation.

POUL DUE JENSEN / GRUNDFOS FOUNDATION

Management's review

Primary activities

Poul Due Jensens Fond (Grundfos Fonden or the Foundation) was established in 1975 by the Founder of Grundfos, Poul Due Jensen, with the aim of ensuring a financially sound and sustainable development of Grundfos and its affiliated companies.

The Foundation owns, via its 100% owned holding company PDJF A/S, 88.0% of Grundfos Holding A/S being the supreme holding company of all other Grundfos companies worldwide. As the majority owner of Grundfos, the Foundation is therefore determined and committed to continue to own, protect and develop Grundfos. Active ownership of Grundfos is the Foundation's answer to this obligation.

Besides exercising the active ownership, the Foundation also distributes funds for philanthropic activities for the common good. Distributions for philanthropic activities are secondary to the active ownership of Grundfos Holding A/S and can hence fluctuate if the dividends from Grundfos Holding A/S become insufficient to support both purposes, or if the Grundfos Group would need an increased economical commitment from the Foundation.

Please refer to the section on Sustainability further down for more detailed information on the sustainability of the business.

Development in activities and finances

This year's profit in the Foundation amounts to DKK 2,901m compared to a profit of DKK 3,610m in 2024.

The Foundation made donations of DKK 343m in 2025 compared to DKK 295m in 2024 cf. below for more information. The donation level is in line with the expectations in the Annual Report for 2024 as there has been no material unforeseen events.

In 2025, as part of a group-internal reorganization, the Foundation has transferred the portfolio of listed shares and bonds to the subsidiary, PDJF A/S, against issuance of a loan note. The loan note has subsequently been partially converted to equity through a capital increase. Further, the Foundation has transferred all its shares in Grundfos Holding A/S (including the related buy-back obligation) and PDJF Direct Invest ApS to PDJF A/S as an in-kind contribution (capital increase).

Statutory report on corporate governance

The Board of Directors of the Foundation consists of 12 members, of whom the Grundfos Group's EU-based employees elect four. Of the remaining eight, four are descendants of Grundfos' Founder and four are external members elected by the Board itself.

Today, the group of descendants and external board members consist of three men and five women. The gender balance is hence 37% men and 63% women among the descendants and the external members.

The Foundation's compliance target is 16 out of 19 recommendations. The Comply or Explain reports covering 2025 and previous years are available at www.pdjf.dk/governance.

POUL DUE JENSEN / GRUNDFOS FOUNDATION

Management's review

Board of Directors

In February 2025 Claus Aagaard replaced Jens Winther Moberg as member of the Board of Directors of the Foundation.

CVs for all Board members and employee representatives

Member	Flemming Konradsen (Chairman)	Jacoba Theresia Maria van der Meijs (Vice- Chairman)	Elsebeth Gerner Nielsen
Occupation	CSO, Novo Nordisk Foundation	Non-Executive Director	Strategic Director, Sangens Hus
Gender	Male	Female	Female
First elected	2019	2023	2018
Year of birth	1965	1966	1960
Mandate expires	2026	2028	2027
Re-elected	Yes	No	Yes
Election	Flemming Konradsen was elected as an external member by the Board of Directors	Jabine van der Meijs was elected as an external member by the Board of Directors	Elsebeth Gerner Nielsen was elected as an external member by the Board of Directors
Grundfos Shareholder	No	Yes	No
Special competencies	<p>Technology</p> <ul style="list-style-type: none"> - Environmental health - Water supply systems - Wastewater treatment systems - Irrigation <p>Management and leadership</p> <ul style="list-style-type: none"> - CSO, Novo Nordisk Foundation (present) - Professor, Deputy Head of Department, University of Copenhagen (past) - Chair, Danish Research Council for Development Research (past) - Research Program Leader, International Water Management Institute (past) - Chair, management committee, Building Stronger Universities program, Universities Denmark (past) - Deputy Head of Department and Head of Section, University of Copenhagen (past) - Member of advisory and steering committees of several international research centres and programs at universities, UN organisations and Nongovernmental Organisations (past) - Leadership role in youth exchange organisation (past) - Chair, Research Council for Development Research, Danish Ministry of Foreign Affairs, Government of Denmark (past) - Member, Global Health Committee, Swedish Research Council, Sweden (past) - Member, Steering Committee, Norwegian Research Program in Global Health, Norway (past) - Member, United Nations DDT Expert Group, UNChemicals (past) - Deputy Chair, Review Committee, Climate, Environment and Health Calls, Belmont Forum (past) <p>Economy and finance</p> <ul style="list-style-type: none"> - Grants review committee - Drafting of donation strategies 	<p>Management and leadership</p> <ul style="list-style-type: none"> - Jabine worked in executive finance roles for Shell in the UK, Brunei, Australia, and the Netherlands, including: - Finance Director Shell Australia (2007-2009) - Global Vice President Finance Capital Projects, Shell Global Solutions (2010-2016) - Jabine was Executive Vice President & CFO of The Royal Schiphol Group (2017-2021) <p>Economy and finance</p> <ul style="list-style-type: none"> - Qualified Accountant (ACMA/CGMA) - Extensive career in various executive finance leadership roles, covering a broad range of areas, such as strategy, accounting, reporting, business planning, treasury, M&A, economics & investment decisions, audit, risk & control, governance, finance systems, tax, insurance, commercial procurement and IT <p>Technology</p> <ul style="list-style-type: none"> - Jabine has worked throughout her career in high-tech companies where technology and innovation are at the core of the business <p>Grundfos history, development and values</p> <ul style="list-style-type: none"> - Shared values - Member of the Grundfos Holding Board since 2021 <p>Other managerial positions or positions of trust</p> <ul style="list-style-type: none"> - Board member at Grundfos Holding A/S - Board Member at various other international companies - Chane Terminals Holding - Pharming NV - VFS Global AG - CHDR Foundation - Owner and Director of - G and A International BV 	<p>Technology</p> <ul style="list-style-type: none"> - Through her work as rector of Design School Kolding, Elsebeth has a comprehensive understanding of digitalization and new and emerging technology. - She was a member of the Danish Council for Technology and Innovation, and her special interests lie in bridging the gap between people and technology. <p>Management and leadership</p> <ul style="list-style-type: none"> - Secretary General, the Danish Folk High Schools, 2020-2021 - Rector, Design School Kolding, 2008-2019 - Vice-president Cumulus - Minister for Culture 1998-2001 - Member of Parliament 1994-2007 <p>Economy and finance</p> <ul style="list-style-type: none"> - MA, Economics (Cand.rer.soc). - Elsebeth has been in charge of the financial affairs of Design School Kolding since being appointed rector in 2008. In addition, she has gained valuable financial expertise as a board member of several Danish institutions, organization and companies <p>Charitable donations</p> <ul style="list-style-type: none"> - Former Vice-Chairman, SPAR NORD FONDEN - Former Board member, Fonden for Det Danske Studenterhus i Paris - Former Chair of the Danish Brundtland Commission and The Green Foundation <p>Grundfos history, development and values</p> <ul style="list-style-type: none"> - Elsebeth's values – sustainability and social inclusion – are commensurate with the basic values of Grundfos. She is fully committed to Poul Due Jensen's philosophy, "There are obligations that go beyond those derived from legislation and tax payments."

POUL DUE JENSEN / GRUNDFOS FOUNDATION

Management's review

Board of Directors (continued)

Member	Flemming Konradsen (Chairman)	Jacoba Theresia Maria van der Meijs (Vice Chairman)	Elsebeth Gerner Nielsen
Special competencies (continued)	<ul style="list-style-type: none"> - Drafting calls for proposals - Review and selection of individuals for scholarships <p>Charitable donations</p> <ul style="list-style-type: none"> - Grants review committee - Drafting of donation strategies - Drafting calls for proposals - Review and selection of individuals for scholarships - Member of the Humanitarian and Development Aid Advisory Panel - Program management and strategy development for philanthropic foundations <p>Grundfos history, development and values</p> <ul style="list-style-type: none"> - Shared values but no history of employment <p>Other managerial positions or positions of trust</p> <ul style="list-style-type: none"> - CSO, Novo Nordisk Foundation - Chair, Board, PDJF A/S 	<ul style="list-style-type: none"> - Deputy Chair, Board, PDJF A/S 	<p>Other managerial positions or positions of trust</p> <ul style="list-style-type: none"> - Chair of the Board, Fora Folkeoplysning - Board member, Dansk lærerforeningens forlag og Matematiklærerforeningens forlag - Board member, Kulturens Analyseinstitut - Board member, Lone Dybkjær Fonden - Board member, Nikolai og Felix Fonden – H.H. Prins Nikolai's og H.H. Prins Felix's Fond - Director, Sangens Hus - Director, Gerner Advice - Board member, PDJF A/S
Independence	Flemming Konradsen meets the independence criteria as defined by the Danish Committee for Good Foundation Governance.	Jacoba van der Meijs does not meet the independence criteria as defined by the Danish Committee for Good Foundation Governance for the following reasons: <ul style="list-style-type: none"> - Is a shareholder in the Grundfos Group - Double membership of the Board of Grundfos Holding A/S and the Board of the Poul Due Jensen Foundation. 	Elsebeth Gerner Nielsen meets the independence criteria as defined by the Danish Committee for Good Foundation Governance.

POUL DUE JENSEN / GRUNDFOS FOUNDATION

Management's review

Board of Directors (continued)

Member	Poul Due Jensen	Helena Videbæk Due Langvad	Ingermarie Due Nielsen
Occupation	Group President & CEO, Grundfos	Global Digital Marketing Manager	Stud farm owner
Gender	Male	Female	Female
First elected	1993	2022	1975
Year of birth	1971	1994	1951
Mandate expires	2027	2026	2026
Re-elected	Yes	No	Yes
Election	Poul Due Jensen was elected by the Board of Directors among the descendants of Grundfos' founder. Poul Due Jensen was initially elected in August 1993, effective from February 1994	Helena Videbæk Due Langvad was elected by the Board of Directors among the descendants of Grundfos' founder, Poul Due Jensen	Ingermarie Due Nielsen was elected by the Board of Directors among the descendants of Grundfos' founder, Poul Due Jensen
Grundfos Shareholder	Yes	Yes	Yes
Special competencies	<p>Management and leadership</p> <ul style="list-style-type: none"> - Various leadership positions in Canada, USA, Singapore and Denmark <p>Sales and marketing</p> <ul style="list-style-type: none"> - Business Administration and Marketing and Executive education from Stanford University, IMD and INSEAD. - Experience in sales, marketing and branding since 1994 - Group Executive Vice President in Grundfos Holding A/S – responsible for sales, marketing and service from 2015 to 2019 <p>Grundfos history, development and values</p> <ul style="list-style-type: none"> - Founder's grandson - Lifelong experience with Grundfos history, development and values <p>Other managerial positions or positions of trust</p> <ul style="list-style-type: none"> - CEO, Grundfos Holding A/S - CEO and Board member, Bjerringbro Savværk Holding A/S - Director and board member Ormstrup Gods A/S - Director Hunters' Point Bjerringbro ApS - Director NDJ Jagt ApS - Director Zini ApS - Board member, PDJF A/S 	<p>Economy and finance</p> <ul style="list-style-type: none"> - Master of Science (MSc/Cand.merc) in Economics and Business administration - B2B Marketing and Purchasing - Financial Planner in Financial Planning and Analysis at Grundfos - Experience in Finance, Analysis and Sales <p>Sales and marketing</p> <ul style="list-style-type: none"> - Global Digital Marketing Manager in CBS at Grundfos - Bachelor's degree (BA) in international marketing management - Head of Marketing at Kanpla (a SaaS Company) - Experience in Sales and Marketing Technology - Product Owner in Candeno (a SaaS Company) <p>Management and leadership</p> <ul style="list-style-type: none"> - Graduate responsible in CBS Marketing at Grundfos - Board member, Danish Business Association of Singapore - Business Development Manager in Candeno (a SaaS Company) - Grundfos history, development and values - Founder's great-granddaughter - Lifelong experience with Grundfos history, development and values <p>Other managerial positions or positions of trust</p> <ul style="list-style-type: none"> - Board member, Danish Business Association of Singapore - Board member PDJF A/S <p>Helena Videbæk Due Langvad does not meet the independence criteria as defined by the Danish Committee for Good Foundation Governance for the following reasons:</p> <ul style="list-style-type: none"> - Is a shareholder in the Grundfos Group - Is a niece of Grundfos' CEO, Poul Due Jensen 	<p>Economy and finance</p> <ul style="list-style-type: none"> - Board member in Nutrax Finance from 1991 to 1996 <p>Management and leadership</p> <ul style="list-style-type: none"> - Manager – Elkær Stutteri from 1974 - Board member and consultant in Nutrax ApS from 1992 to 2004 - Board member in Elkær Stutteri ApS from 1986 -1992 <p>Charitable donations</p> <ul style="list-style-type: none"> - Board member, Jubilæumsfonden for Grundfos A/S <p>Grundfos history, development and values</p> <ul style="list-style-type: none"> - Founder's daughter - Lifelong experience with Grundfos history, development and values <p>Other managerial positions or positions of trust</p> <ul style="list-style-type: none"> - Board member, Ingermarie Due Nielsen's Fond - Board member, Elkær Stutteri's Fuldblodsfond - Board member, Jubilæumsfonden for Grundfos A/S - Board member, PDJF A/S <p>Ingermarie Due Nielsen does not meet the independence criteria as defined by the Danish Committee for Good Foundation Governance for the following reasons:</p> <ul style="list-style-type: none"> - Has been a member of the Board of the Poul Due Jensen Foundation more than 12 years - Is a shareholder in the Grundfos Group - Is an aunt of Grundfos' CEO, Poul Due Jensen
Independence	<p>Poul Due Jensen does not meet the independence criteria as defined by the Danish Committee for Good Foundation Governance for the following reason:</p> <ul style="list-style-type: none"> - Has been a member of the Board of the Poul Due Jensen Foundation more than 12 years - Is an executive of the Grundfos Group - Is a shareholder in the Grundfos Group 	<p>Helena Videbæk Due Langvad does not meet the independence criteria as defined by the Danish Committee for Good Foundation Governance for the following reasons:</p> <ul style="list-style-type: none"> - Is a shareholder in the Grundfos Group - Is a niece of Grundfos' CEO, Poul Due Jensen 	<p>Ingermarie Due Nielsen does not meet the independence criteria as defined by the Danish Committee for Good Foundation Governance for the following reasons:</p> <ul style="list-style-type: none"> - Has been a member of the Board of the Poul Due Jensen Foundation more than 12 years - Is a shareholder in the Grundfos Group - Is an aunt of Grundfos' CEO, Poul Due Jensen

POUL DUE JENSEN / GRUNDFOS FOUNDATION

Management's review

Board of Directors (continued)

Member	Annette Due Jensen	Claus Aagaard	Melinda Briski
Occupation	Board member, Poul Due Jensen Foundation	CFO, Mars Incorporated	HR Manager (Country & Plant HR Support, Hungary)
Gender	Female	Male	Female
First elected	1989	2025	2020
Year of birth	1969	1967	1984
Mandate expires	2028	2029	2028
Re-elected	Yes	No	Yes
Election	Annette Due Jensen was elected by the Board of Directors among the descendants of Grundfos' founder. Annette Due Jensen served on the Board of Directors from 1989-1994 and again from 2018 onward.	Claus Aagaard was elected as an external member by the Board of Directors	Melinda Briski was elected among the EU-based employees of Grundfos
Grundfos Shareholder	Yes	Yes	No
Special competencies	<p>Management and leadership</p> <ul style="list-style-type: none"> - Business Academy Education in Economics and Leadership - Copenhagen Business School – Executive Board Education 2014 - Independent owner of a dermatology clinic (2007-2010) - Professional skin therapist (1994-2006) - Doctor examined skin therapist (1992-1994) <p>Sales and Marketing</p> <ul style="list-style-type: none"> - Sales and marketing consultant E, Sæther Copenhagen and L'Oréal Copenhagen - Sales and Marketing, Grundfos Fresno - Examined Front Desk Manager <p>Grundfos history, development and values</p> <ul style="list-style-type: none"> - Foundation governance - Long-term ownership and stewardship - Family governance - Founder's granddaughter - Lifelong experience with Grundfos history, development and values - Foundation Board Member from 1989-1994 <p>Charitable donations</p> <ul style="list-style-type: none"> - Strategic philanthropy - Member of the Donations Committee, Poul Due Jensen Foundation (grant evaluation, prioritisation and oversight) <p>Other managerial positions or positions of trust</p> <ul style="list-style-type: none"> - Board member, PDJF A/S 	<p>Management and leadership</p> <ul style="list-style-type: none"> - Extensive, global leadership experience <p>Economy and finance</p> <ul style="list-style-type: none"> - More than 20 years experiences as CFO of large units or companies with experience in strategy, capital allocation, M&A, risk management and controls, general finance and accounting activities <p>Charitable donations</p> <ul style="list-style-type: none"> - Bread for the City is a receiver of charitable donations – gained understanding of impact donations - Member of the board of the Mars Impact fund – a fund dedicated to boosting progress in areas relevant to the business of Mars Incorporated <p>Other managerial positions or positions of trust</p> <ul style="list-style-type: none"> - Officer and member of the Executive Board of Mars Incorporated, USA and 7 wholly owned subsidiaries - Member of the Board of Directors of Bread for the City Inc (DC based non-profit caring for impoverished people in the DC area) - Chairman of the Board of Directors at Grundfos Holding A/S - Board member, PDJF A/S 	<p>Management and leadership</p> <ul style="list-style-type: none"> - Group management and translation for Royal Days international folk dance festivals <p>Economy and finance</p> <ul style="list-style-type: none"> - Weekly headcount follow up - Statistics analysis <p>Sales and Marketing</p> <ul style="list-style-type: none"> - College degree faculty of Economics 2003-2007 - NQR examination major of Marketing 2008 - Degree in Communication and Media Studies 2021-2024 <p>Grundfos history, development and values</p> <ul style="list-style-type: none"> - Grundfos employee in different roles since 2010 - Works Council member 2012-2014 (GMH) <p>Other managerial positions or positions of trust</p> <ul style="list-style-type: none"> - Board member, PDJF A/S
Independence	Annette Due Jensen does not meet the independence criteria as defined by the Danish Committee for Good Foundation Governance for the following reasons: <ul style="list-style-type: none"> - Is a shareholder in the Grundfos Group - Sibling to Grundfos' CEO, Poul Due Jensen 	Claus Aagaard does not meet the independence criteria as defined by the Danish Committee for Good Foundation Governance for the following reasons: <ul style="list-style-type: none"> - Is a shareholder in the Grundfos Group - Double membership of the Board of Grundfos Holding A/S and the Board of the Poul Due Jensen Foundation 	Melinda Briski is an employee representative and thus not considered independent.

POUL DUE JENSEN / GRUNDFOS FOUNDATION

Management's review

Board of Directors (continued)

Member	Ágnes Eszter Pauer	Søren Lund Nielsen	Jesper Richter Rasmussen
Occupation	Senior Secretary	Senior Service Specialist	Lead Community Engagement Specialist
Gender	Female	Male	Male
First elected	2024	2024	2024
Year of birth	1976	1975	1982
Mandate expires	2028	2028	2028
Re-elected	No	No	No
Election	Ágnes Eszter Pauer was elected among the EU-based employees of Grundfos	Søren Lund Nielsen was elected among the Denmark-based employees of Grundfos.	Jesper Richter Rasmussen was elected among the Denmark-based employees of Grundfos
Grundfos Shareholder	No	Yes	Yes
Special competencies	<p>Management and leadership</p> <ul style="list-style-type: none"> - Social responsibility related project management - Event planning, organizing and execution - Leading several refurbishment project in different Plants <p>Economy and finance</p> <ul style="list-style-type: none"> - Negotiation of projects and financial follow up of their execution <p>Charitable donations</p> <p>Practical cooperation with different NGOs, including:</p> <ul style="list-style-type: none"> - Caring Hands Association (support children in foster homes) - St. Kristóf House (home for disabled people) - Aska Foundation (dog shelter) <p>Technology</p> <ul style="list-style-type: none"> - SAP key user and trainer <p>Grundfos history, development and values</p> <ul style="list-style-type: none"> - Senior Assistant to Plant Director since 2013 - Particularly focused on social responsibility and community grants <p>Other managerial positions or positions of trust</p> <ul style="list-style-type: none"> - Board member at Grundfos Holding A/S - Board member, PDJF A/S 	<p>Technology</p> <ul style="list-style-type: none"> - Worked 9 years in product development, building prototypes. - In my many years working for Grundfos, I have worked both in production, product development and service. This has given me a broad experience with tools, technologies, processes and a high knowledge of our portfolio of products. <p>Grundfos history, development and values</p> <ul style="list-style-type: none"> - Employed from 1990-1995 and from 2001 in various positions: apprentice, tool-setter, maintenance technician, development, and currently in Service. - Strong belief in our founders' values. <p>Other managerial positions or positions of trust</p> <ul style="list-style-type: none"> - Board member at Grundfos Holding A/S - Chairman, Grundfos Jubilee Club - Board member, PDJF A/S 	<p>Sales and Marketing</p> <ul style="list-style-type: none"> - Master's degree in Corporate Communication that includes marketing, plus a number of years in the digital consultancy and e-commerce business. <p>Charitable donations</p> <ul style="list-style-type: none"> - Have worked with the Community Engagement Grants since 2020 and been responsible for them since 2021. <p>Grundfos history, development and values</p> <ul style="list-style-type: none"> - Joined Grundfos in 2014 as an Application Specialist in the IS department. Transitioned to Sustainability department in 2017 as a Senior Sustainability Advisor and took responsibility of Water2Life. Responsibility of Community Grants was added in 2021. Moved to HR in 2022 but kept current responsibilities. Now also responsible for volunteering globally in Grundfos. <p>Other managerial positions or positions of trust</p> <ul style="list-style-type: none"> - Board member at LoveSpring - Board member, PDJF A/S
Independence	Ágnes Eszter Pauer is an employee representative and thus not considered independent. - Double membership of the Board of Grundfos Holding A/S and the Board of the Poul Due Jensen Foundation	Søren Lund Nielsen is an employee representative and thus not considered independent. - Double membership of the Board of Grundfos Holding A/S and the Board of the Poul Due Jensen Foundation	Jesper Richter Rasmussen is an employee representative and thus not considered independent.

POUL DUE JENSEN / GRUNDFOS FOUNDATION

Management's review

Active ownership of Grundfos

The Foundation's primary asset is the indirect ownership of 88.0% shareholding in Grundfos Holding A/S. The Foundation exercises its controlling ownership through election of not only the board members of Grundfos Holding A/S, but also via direct election of the chairman and the vice-chairman of the Board of Directors of Grundfos Holding A/S.

According to the Articles of Association of Grundfos Holding A/S, board members, chairman, and vice-chairman of the Board of Directors are directly elected at the Annual Meeting of Shareholders.

Besides, the Foundation has an ongoing dialogue with the Grundfos Holding A/S Board of Directors and Executive Management on development of Grundfos in general, but especially on long-term ambitions in respect of

- ▶ Annual organic growth in turnover
- ▶ Annual pre-tax profit
- ▶ A capital structure based on a high equity interest
- ▶ Return on equity
- ▶ Best-in-market development, manufacturing, sale and service of highly innovative products
- ▶ A socially responsible company believing that there are obligations that go beyond those derived from legislation and tax payments
- ▶ Sustainability in products, production processes and other activities, and
- ▶ Adherence to the Founders' six values (cf. section on Sustainability below).

This year's profit in Grundfos amounts to DKK 2,849m compared to a profit of DKK 3,433m in 2024, of which 50% is expected to be distributed to the shareholders: PDJF A/S, the Founder's descendants and the employee shareholders.

Detailed information about the performance and development of the entire Grundfos Holding A/S Group is available in the Annual Report of Grundfos Holding A/S to be published on www.grundfos.com. The consolidated result of the Foundation and its 100% owned companies plus the Grundfos Group can be found in this report.

Responsible investments

The Foundation wants to have an investment portfolio with a strong profile in respect of environmental, social and governance (ESG) factors, while maintaining an acceptable risk profile.

In addition to its dividend income from Grundfos, the Foundation invests its liquid reserves. The Foundation invests in securities (bonds, equities and mutual funds) to ensure a long-term return on investments.

The level of risk related to the investments must not impact the Foundation's capability to maintain active ownership of the Grundfos Group.

The Foundation wishes to contribute to sustainable development, which also means investing under a specific ESG policy, where both ethical principles and ESG principles for investments are determined, including investments under the UN Global Compact principles.

As part of the investment focus on ESG, the investment portfolio (i.e. stocks and bonds) is also closely monitored and measured regarding ESG.

The Foundation may, extraordinarily, and upon approval by the Board of Directors, invest in incubator-like technology companies that may eventually provide a commercial advantage for Grundfos. Such investments must be made upon request from or in consultation with the Grundfos Group, and the Foundation must secure intellectual property rights, patents and technology access with its investment.

POUL DUE JENSEN / GRUNDFOS FOUNDATION

Management's review

Responsible investments (continued)

- ▶ In 2023, the Foundation established a direct investment company, PDJF Direct Invest ApS, which has bought a minority stake in TEMcompany ApS (formerly Aarhus GeoInstruments ApS).
- ▶ In 2024, the Foundation established the holding company PDJF A/S, which will build and own the future Grundfos headquarters in Bjerringbro.
- ▶ In 2025, the investment portfolio as well as the ownership of Grundfos Holding A/S was moved from the Foundation to the holding company PDJF A/S.

The Board of Directors of the Poul Due Jensen Foundation is via the direct ownership of the holding company PDJF A/S and the indirect ownership of PDJF Direct Invest ApS the sole responsible decision-making body concerning the investments.

Philanthropic activities

The Foundation's philanthropic activities are based on the Foundation Strategy, covering three main areas:

- ▶ **Water & Development:** increase societal resilience towards water challenges and the accelerating effects of climate change for people where water is a challenge.
- ▶ **Research & Innovation:** create knowledge and solutions for the world's water-related challenges as well as rethink future industrial production with a transition towards sustainability and circular economy.
- ▶ **Social Inclusion:** create opportunities for people who have lost their sense of belonging by improving well-being and addressing deep-rooted systemic inequalities.

The year 2025 reminded us of how quickly things can change and how fragile times are. In a fragile time of world order and how we see it, the Foundation continues to contribute with lasting solutions that make a difference.

Volatility and unrest are rampant. Geopolitical tensions and conflicts have left their mark – not only on politics and economics but especially on people's living conditions. It has become more difficult to navigate as a nation, as a company and as a person.

In this reality, the Foundation has maintained its purpose: to contribute to lasting solutions that make a difference. The Foundation also marked its 50th anniversary with increased commitment on several fronts.

Philanthropic programs

The Foundation distributed a total of DKK 343m in 2025.

Within our philanthropic work, the year has been characterized by stable development and new initiatives. We have launched a series of charitable programs that reflect our ambition to act where the need is greatest – and where we can create the greatest impact.

The programs are based on collaboration with partners, communities and experts. We believe that change happens when we combine knowledge and technology with the will to make a difference.

We are committed to creating lasting and groundbreaking solutions. A good example is the strong research collaboration between Danish and foreign universities to develop district cooling for megacities, increasing energy efficiency along with well-being.

We support improved access to clean, safe and sustainable drinking water for the world's most vulnerable people, so that opportunities can be created to sustain a dignified and developing life.

And in Denmark we work with civil society to create space, rooms and communities for people in vulnerable situations.

POUL DUE JENSEN / GRUNDFOS FOUNDATION

Management's review

Income and investments

The Foundation's two major revenue streams are dividends from shares in the Grundfos Group and returns on shares and bonds. As a majority shareholder of Grundfos, we have followed its development closely. We can confirm that, despite unstable markets, the Group manages to create growth, earnings and - not least - increase loyalty among customers worldwide while maintaining an impressively high level of employee motivation.

This year, the Foundation has made the largest construction investment in Grundfos history. The future Grundfos headquarters will both be a beacon for sustainable construction and a symbol of our solid commitment to the local community.

Donations

The Board of Directors established an overall framework for donations of DKK 438m for the period from March 2025 to February 2026 including DKK 88m for unforeseen events. In 2025, the Foundation committed donations for DKK 343.0m to philanthropic projects within the strategic focus areas and increased the level compared to DKK 295.0m in 2024. After deducting the returned donations from unrealized projects, the total amount of donations in 2025 was DKK 342.8m (2024: DKK 294.9m).

Community engagement grants

The Poul Due Jensen Community Engagement Grant supports local community engagement in locations where Grundfos is present with offices or factories. This gives Grundfos companies and their employees better options to engage with the local community. The grant is only and directly given to a local authority, NGO, institution (or similar) that engages in social responsibility and is recommended by the local Grundfos staff. The initiative has become a success as local engagement and follow-up is very much needed to ensure progress and satisfactory results. The Foundation will continue and strengthen the Community Grant in the future and paired with the Grundfos Group's volunteering policy offering employees three paid days' leave to do voluntary work, our combined efforts can be a driver for progress all over the world.

In total, the Foundation committed DKK 42.3m to Community Engagement Grants.

Water and development

Since Poul Due Jensen built his first pump in 1945, Grundfos has been a pioneer in providing innovative and sustainable water solutions.

The Foundation understands water as a fundamental prerequisite for human development and quality of life, bringing access to water reduces inequality and enabling societal improvement.

Our aspiration is to increase societal resilience in relation to water challenges and the accelerating effects of climate change for people living in places where water is a challenge.

DKK 118.9m from the Foundation were committed to Water and Development.

Research and Innovation

Relentless innovation was the driving force for our founder, Poul Due Jensen. The Foundation follows the founder's view that the world is full of problems that can be solved in a better way.

Our aspiration is to create knowledge and solutions for the world's water-related challenges and rethink future industrial production with a transition towards sustainability and a circular economy.

In total, the Foundation committed DKK 111.4m to research and innovation initiatives in 2025.

POUL DUE JENSEN / GRUNDFOS FOUNDATION

Management's review

Social inclusion

In 1968, when Poul Due Jensen set up one of the world's first privately held sheltered workshops, he created a new inclusive space for marginalised people.

The Foundation believes in the fundamental value of communities. Everybody needs to feel part of a community, and everybody can contribute to communities and society.

Our aspiration is to create opportunities for people who have lost their sense of belonging by improving well-being and addressing deeply rooted systemic inequalities.

The 2025 social inclusion initiatives ended at DKK 35.6m.

Other

Grundfos was founded in 1945. In 1975, the Foundation was established as its majority owner.

The main purpose of the Foundation is to contribute to safeguarding and expanding the financial foundation of Grundfos, ensuring the continued existence and development of a healthy, commercial, and financial basis for the Grundfos Group.

With its obligation to give back to society, the Foundation contributes to creating a better world than the one we inherited through the three main donation areas and by investing in Bjerringbro and the surrounding area to develop and support relevant institutions, Grundfos interests and social causes closely aligned with the values of the founder.

The 2025 other initiatives ended at DKK 32.9m.

Awards

The 2025 Grundfos Prize was awarded to Associate Professor Elvis Genbo Xu, University of Southern Denmark, Department of Biology for his research in ecotoxicology and environmental contaminants.

3 students received the Grundfos Prize student awards and 43 talented Grundfos employees received the Grundfos People award from the Poul Due Jensen Foundation in 2025. Furthermore, Sustainability Steps Association received the Grundfos People Community Engagement award. The winners were invited to Denmark for a celebration.

In total, the Foundation awarded DKK 1.9m in 2025.

Returned donations

During 2025, donations of DKK 0.2m was returned to the Foundation.

Sustainability in the Foundation

Sustainability is a key value of the Foundation. Furthermore, it is an important part of the Foundation's and the Grundfos Group's values to act in a socially responsible and sustainable way. The six values of the Founder define the way Grundfos and the Foundation operate:

- ▶ **Sustainable:** Grundfos runs its business in a responsible and ever more sustainable way. We make products and solutions that help our customers save natural resources and reduce climate impact. We take an active role in the society around us. Grundfos is a socially responsible company. We take care of our people - also those with special needs.
- ▶ **Open and trustworthy:** In Grundfos we do what we say, and we say what we do. Our communication is open and honest among ourselves and with the world around us. We put the facts on the table - also when it is not pleasant.
- ▶ **Focused on people:** Grundfos is our people. We develop the individual. Everyone in Grundfos has passion and potential. Everyone has the power to influence. Everyone must feel respected and valued.

POUL DUE JENSEN / GRUNDFOS FOUNDATION

Management's review

Sustainability in the Foundation (continued)

- ▶ **Independent:** The main shareholder of Grundfos – now and in the future – is the Poul Due Jensen Foundation. Profit is a means to growth – not a goal in itself. We ensure a healthy financial foundation at all times.
- ▶ **Partnership:** Grundfos creates value through close relations with customers, suppliers and other stakeholders. We are a global company building on local entrepreneurship. We believe that diversity drives innovation and growth.
- ▶ **Relentlessly ambitious:** In Grundfos we never stop challenging ourselves to create better solutions faster. We take pride in delivering premium quality in everything we do. We show leadership and innovate the future.

Principles, policies and risk management in the daily and philanthropic activities

The Foundation's philanthropic activities directly affect the lives of thousands of beneficiaries, while the daily activities affect its own employees as well as employees of its partners and suppliers. Hence, we are very aware of our positive, as well as potential risk of negative impact on society and employees. This is also the case for our financial activities.

- ▶ Regarding human rights, the Foundation must consider whether its suppliers and partners adhere to its high standards and whether (financial) activities and projects contribute to improving the lives and opportunities of the people affected.
- ▶ Regarding environment and climate protection, the Foundation must consider how the environmental footprint of its (financial) activities and philanthropic projects affects the world.
- ▶ Regarding social and employee matters, the Foundation must consider how its (financial) activities impact the lives of employees both physically and psychologically. The same goes for the partners and suppliers of the Foundation and the communities that are at the receiving end of the Foundation's philanthropic projects.
- ▶ Regarding bribery and anti-corruption, the Foundation must consider how to manage its liquid reserves responsibly and continuously nourish a collaborative environment where integrity and high ethical standards are valued and rewarded, both internally and with its partners and suppliers.

The Foundation's purpose and values are in many ways totally aligned with the Grundfos Group. Being the major owner of the Grundfos Group since the Foundation was established in 1975, it has always complied with the company's approach on sustainability.

The Foundation's offices are in buildings owned and serviced by Grundfos in accordance with ambitious principles and policies. The Foundation supports the UN Global Compact principles. Furthermore, the Foundation strives to direct its investments and portfolio towards a greater focus on ESG (Environmental-Social-Governance) even though the boundaries move constantly.

Besides working directly with UN Sustainable Development Goal 4 (Quality education), Goal 6 (Clean water and sanitation), Goal 7 (Affordable and clean energy), Goal 8 (Decent work and economic growth) and Goal 9 (Industry, innovation and infrastructure) in the philanthropic activities, the Foundation indirectly works with UN Sustainable Development Goal 1 (No poverty), Goal 2 (Zero hunger), Goal 3 (Good health and wellbeing), Goal 5 (Gender equality), Goal 10 (Reduced inequalities), and Goal 13 (Climate action). Our investment policy follows UN Global Compact principles.

The Foundation has integrated sustainability and focus on resilience in philanthropic strategies and in the processes for developing philanthropic projects. The philanthropic strategies are focused on creating a positive impact in several areas, including social and human rights matters as well as environmental and climate protection. Sustainability and resilience of the supported initiatives are also - in their core meaning - direct and strict requirements and measures of success in all philanthropic projects as defined in the strategy document. The processes of ensuring sustainability and resilience after the Foundation's engagement with the project has ended has its own dedicated phase in the project development model applied by the Foundation.

POUL DUE JENSEN / GRUNDFOS FOUNDATION

Management's review

Principles, policies and risk management in the daily and philanthropic activities (continued)

The Asset Management also contains policies (Investment and ESG). The objective for the Investment Portfolio of the Foundation is to be oriented toward environmental, social, and governance factors (ESG) and thereby ESG is a fundamental part of assessing an investment. The ESG Policy outline the principles for how to invest in a sustainable and responsible way alongside the more fundamental assessment of investments and the ESG Policy should be seen together with the Investment Policy of the Foundation. The ESG Policy defines how ESG and exclusion should be observed in the Investment Portfolio.

The Foundation runs a lean organization and partnering is therefore key to reaching our philanthropic goals. We evaluate our partners carefully to ensure that values and goals are aligned and that the partners' organization has the necessary resources to execute the projects in line with the ambitions of the Foundation. To ensure that philanthropic donations are not misused, and partners behave with the same high ethical level as we expect from ourselves. We believe in trust and impact-documented programs and projects. Furthermore, our compliance processes will be subject to constant evaluation and development.

It is still the ambition that The Foundation and all partners meet at least once annually at a high level to discuss results, strategic opportunities, and challenges of the partnership.

Statutory statement on social responsibility, cf. FSA § 99a

Poul Due Jensens Fond (the Foundation) was established by Poul Due Jensen, the founder of Grundfos. As the majority shareholder of Grundfos, the Foundation's primary objective is to control and safeguard the company. Consequently, the Foundation's influence on society and the environment is closely tied to Grundfos's business operations. Hence, reporting on social responsibility, in accordance with the statutory requirements of FSA §99a, focuses on Grundfos's initiatives within corporate responsibility.

Continuity and balance in our reporting

Grundfos' approach to reporting on social responsibility remained consistent in 2025. The group continues to apply the same structure and reporting principles as in previous years, ensuring transparency and continuity for stakeholders. During 2025, Grundfos intensified its preparations for upcoming European sustainability reporting requirements. In particular, work advanced on strengthening data governance, internal controls and cross-functional collaboration to support future reporting in accordance with the European Sustainability Reporting Standards (ESRS), which Grundfos expects to adopt for the 2027 reporting year. Efforts included maturing methodologies, enhancing the non-financial data foundation and integrating CSRD-related requirements into established processes, ensuring that Grundfos is well prepared for the transition to the new regulatory framework.

Business model

Grundfos develops, manufactures and delivers pump, water and energy solutions for domestic buildings, commercial buildings, industry and water utilities worldwide. The Group creates value through engineering expertise, innovation, global production capabilities and a broad service and sales network. Core activities include the development and production of pumps, motors, controls, digital solutions and water treatment technologies, as well as service and lifecycle support. Value is created by combining advanced technologies, deep application knowledge and close collaboration with customers, enabling the delivery of solutions that optimise water and energy use, improve operational reliability and support customers' performance. The business model is underpinned by global sourcing, strong partnerships, a wide distribution network and continuous investment in research, product development and digital innovation.

POUL DUE JENSEN / GRUNDFOS FOUNDATION

Management's review

Social Responsibility in Grundfos

Grundfos continued its long-standing commitment to social responsibility in 2025 by further integrating sustainability into the core of the group's strategy, operations and value chain. Social responsibility is embedded in the way Grundfos works across markets, with an emphasis on transparency, responsible business conduct and long-term value creation. Throughout the year, Grundfos strengthened its governance, expanded responsibilities across functions, improved data quality and developed new capabilities to support the group's sustainability ambitions.

Grundfos' work builds on recognised global principles for responsible conduct and seeks to reduce negative impacts while contributing positively to society. Environmental and climate action, human rights, workplace well-being, diversity and inclusion, ethical business behaviour and responsible supply chain practices all form integral parts of this responsibility.

Grundfos' Sustainability Council continued to coordinate priorities across the organisation, ensuring alignment with the strategic direction and supporting systematic follow-up on targets, risks and results. The group's refined double materiality assessment in 2025 further strengthened the basis for identifying the most significant impacts and risks related to sustainability. The updated methodology included additional data sources, more robust analysis and broader stakeholder input, supporting a well-informed approach to prioritisation and reinforcing the foundation for future disclosures and decision-making.

Working towards these priorities requires engagement across regions and functions. In 2025, Grundfos enhanced cross-functional collaboration and improved internal processes to better integrate sustainability into product development, operations, supply chain, sales and service. Strengthened governance of non-financial data further ensured reliability and transparency, reflecting an increasing need for robust sustainability information both internally and externally.

Responsible Ownership and Governance

In 2025, Grundfos maintained its focus on governance as a foundation for responsible business conduct. Sustainability responsibilities are clearly anchored in the group's leadership structures, with the Board of Directors and Group Management providing strategic direction and oversight. The Sustainability Council continued to support coordination across business units, monitor progress on strategic sustainability themes and ensure consistency between global and local implementation.

The governance setup was further reinforced during the year with improvements to sustainability data controls and reporting processes. These developments are essential as sustainability metrics become increasingly embedded in strategic decision-making and operational planning. Grundfos also continued to align its governance with emerging regulatory frameworks and market expectations for transparency, especially in preparation for future CSRD-aligned reporting.

The group's strategic direction under Ignite '27 continued to guide key activities in 2025. Key elements of the strategy include strengthening competitiveness, expanding in water and wastewater treatment, accelerating digitalisation and improving sustainability performance across the value chain. These strategic priorities were reflected in initiatives introduced during the year, including product innovation, operational efficiency projects, strengthened M&A integration and improvements in customer engagement.

Climate and Environment

Climate action remained a central priority in 2025. Grundfos continued its transition towards a low-carbon footprint through a combination of operational improvements, product innovation and supply-chain engagement. The group published a climate transition action plan outlining its pathway towards net-zero value-chain emissions by 2050. This plan includes emission reduction levers across operations (Scope 1 and 2) and the supply chain and product use-phase (Scope 3).

POUL DUE JENSEN / GRUNDFOS FOUNDATION

Management's review

Climate and Environment (continued)

In 2025, Grundfos achieved substantial progress toward its climate targets. Scope 1 and 2 emissions were reduced by 45% compared to 2020, driven by increased use of renewable electricity, including solar installations in 24 countries, energy efficiency improvements in manufacturing and expanded electrification of company vehicles across 36 markets. Total emissions across scopes 1-3 were reduced by 25% compared to the 2020 baseline, reflecting improvements in operations, procurement and product efficiency.

Resource efficiency and circularity also advanced during the year. Grundfos continued implementing pilots for remanufacturing and component reuse and increased the use of recycled materials in product designs. Take-back schemes were expanded across 11 European countries, collecting 83 tonnes of end-of-life pumps for reuse or recycling. Water withdrawal in operations decreased to 350,711 m³, representing a 46% reduction since 2008.

Through its expanded double materiality assessment, environmental risks—including climate-related transition risks, water scarcity impacts, material availability and regulatory developments—were monitored with increased precision, informing mitigation plans and long-term strategic decisions.

Looking ahead, Grundfos will continue to implement its Climate Transition Action Plan, focusing on a further reduction of Scope 1 and 2 emissions and strengthening decarbonisation efforts across the value chain. Planned actions include expanding the use of renewable energy, increasing energy efficiency in operations, and deepening engagement with suppliers regarding carbon disclosure and water-related risks. Grundfos will also continue developing intelligent, energy-efficient water and climate solutions that help customers reduce energy consumption and support the ambition of achieving net-zero value chain emissions by 2050.

Definitions and calculation methods for environmental KPIs

Scope 1 and 2 greenhouse gas emissions comprise direct emissions from Grundfos' own operations (Scope 1) and indirect emissions from purchased electricity and heating (Scope 2). Emissions are calculated annually in tonnes of CO₂e based on energy consumption data and recognised conversion factors.

Scope 3 greenhouse gas emissions comprise significant indirect emissions occurring in the value chain, including purchased goods and services, transportation and the use of sold products. These emissions are calculated annually in tonnes of CO₂e based on activity data and estimated emission factors.

Water withdrawal (m³) reflects the total volume of water withdrawn from municipal supplies, groundwater or surface water across Grundfos' operations. Data is measured annually through metered consumption and relevant site-level reporting.

Human Rights

Human rights continued to be an area of increased focus in 2025. Grundfos strengthened its human rights governance structure, enhancing alignment across regions through a cross-functional Human Rights Forum and additional dedicated expertise in Corporate Affairs. These structures support consistent implementation of policies, risk assessments and corrective actions across the Group.

During 2025, Grundfos completed a comprehensive human rights risk and saliency assessment that identified priority risks related to discrimination, responsible recruitment, working hours, workplace conditions, freedom of association and supplier practices. This assessment applied a structured methodology based on severity, likelihood and irremediability, providing a stronger basis for decision-making and preventive actions. Targeted follow-up included a detailed on-site assessment in Hungary focused on working conditions, ergonomics, recruitment practices and supplier management. The assessment led to the implementation of corrective measures and ongoing monitoring.

POUL DUE JENSEN / GRUNDFOS FOUNDATION

Management's review

Human Rights (continue)

To support fair compensation, Grundfos conducted a global living-wage benchmark covering major markets representing a significant share of the workforce. These analyses will support the group's future wage development efforts and contribute to more consistent pay practices across regions.

Grundfos will continue to strengthen its governance of human rights in line with increasing regulatory expectations, including the forthcoming EU Corporate Sustainability Due Diligence Directive. Actions in the coming year include updated human rights risk assessments, new on-site human rights impact assessments, and the implementation of corrective measures based on earlier findings. Grundfos will also expand training for procurement teams and develop processes to ensure fair compensation and pay transparency across global operations.

Social and Employee Matters

Grundfos continued to strengthen its social and employee-related initiatives in 2025. Employee engagement remained high with a motivation score of 77 and an 89% participation rate in the annual survey. The group expanded its well-being indicators to include mental, physical and social dimensions, supporting a more holistic understanding of employee well-being across regions and job functions.

The number of employees grew to 21,442 in 2025, reflecting continued investment in organisational capacity. Workplace safety remained a core focus area, and Grundfos adopted Total Recordable Injury Rate (TRIR) as the primary safety KPI to provide a more comprehensive view of safety performance across global sites. The consolidated TRIR of 3.72 in 2025 led to renewed focus on preventive measures, cross-site learning, leadership accountability and safety culture reinforcement.

Grundfos advanced its diversity and inclusion efforts during the year. Women represented 25% of leadership positions and 40% of the Board of Directors, supported by targeted initiatives within leadership pipelines, inclusive recruitment processes and talent development. Furthermore, 27% of employees participated in volunteering activities, demonstrating strong community engagement across global operations and exceeding the group's target of 20%.

Grundfos is exposed to risks related to occupational health and safety, including workplace injuries in its global operations. Manufacturing complexity and varying regional safety standards increase the inherent risk of accidents, which may affect employee well-being, business continuity and productivity.

Looking ahead, Grundfos will continue to strengthen its global health, safety and well-being programmes. Focus areas include enhanced preventive safety measures, leadership accountability, cross-site learning and the implementation of a renewed health and safety strategy. Grundfos will also continue to advance its diversity and inclusion agenda, aiming to increase representation of women in leadership and foster an inclusive culture across the organisation.

Definitions and calculation methods for social KPIs

Total Recordable Injury Rate (TRIR) measures the number of recordable work-related injuries per one million working hours. This KPI includes injuries requiring medical treatment, restricted work, lost time or fatalities. TRIR is calculated annually based on reported incidents and total hours worked and is used as the primary indicator of workplace safety performance.

Employee Motivation Score (EMS) is a weighted average derived from the annual employee motivation survey and reflects the overall level of employee satisfaction and engagement across Grundfos.

POUL DUE JENSEN / GRUNDFOS FOUNDATION

Management's review

Anti-Corruption and Business Ethics

Grundfos applies a zero-tolerance approach to corruption and unethical behaviour, and 2025 saw further strengthening of the group's compliance framework. An updated global Code of Conduct was launched, and 90% of employees completed mandatory ethics training, covering anti-corruption, competition law, export controls, data privacy and human rights. New compliance materials, including an anti-corruption and anti-money-laundering booklet, supported consistent implementation of policies across regions.

The whistleblower programme remained a key element of Grundfos' governance structure. In 2025, 72 cases were reported, of which 29 were assessed as within scope, and 64 were closed by year-end. These reports provide important insights and ensure that concerns are addressed promptly and transparently. The group continued to improve internal processes and controls based on findings from the whistleblower system.

Grundfos faces significant risks related to bribery and corruption, particularly in interactions with suppliers and when operating in markets with varying regulatory environments. Insufficient supplier oversight or inadequate internal controls may expose the organisation to financial, legal and reputational risks.

Grundfos will continue strengthening its compliance framework to mitigate risks of corruption and unethical behaviour. Planned initiatives include enhanced internal controls, expanded mandatory ethics and anti-corruption training, continued development of the whistleblower system, and strengthened supplier due diligence within sustainability, ethics and business conduct.

Supply Chain Responsibility

Grundfos' global supply chain represents a significant area of impact, and responsible sourcing remained a priority in 2025. During the year, 572 suppliers were onboarded to sustainability assessment platforms, and 67 on-site audits were conducted to assess compliance with social, environmental and ethical requirements. The overall supplier CSR compliance rate reached 93.4%. These activities supported greater transparency, improved data quality and strengthened the Group's ability to manage risks in materials sourcing, labour practices and environmental impacts. Supplier engagement efforts were expanded in areas such as carbon disclosure, water risk management, chemical compliance and responsible minerals sourcing.

Water and Community Impact

Water is central to Grundfos' purpose, and 2025 saw continued progress in enabling safe water access and improved water efficiency. In total, 20.4 million people gained improved access to safe drinking water through Grundfos solutions and partnerships, bringing the cumulative number since 2020 to 70.6 million people. Customers saved 1.6 billion m³ of water in 2025 through the use of Grundfos technologies, demonstrating the group's continued contribution to water efficiency and resilience.

Grundfos continued to participate in large-scale water projects globally, including initiatives in Ethiopia, Uzbekistan, Iraq and China, aimed at improving water supply, treatment and community resilience. Operational water stewardship was strengthened through supplier water-risk assessments, context-based water analyses and targeted efficiency improvements. These activities reflect Grundfos' unique position to address water challenges and support sustainable development.

POUL DUE JENSEN / GRUNDFOS FOUNDATION

Management's review

Gender distribution in management

The policy of the Foundation is to support diversity and gender equality in its philanthropic work as well as in its own operations and in the Grundfos Group.

Supreme governing body

Leadership levels	2025	2024
Board of Directors excl. employee representatives		
Total members	8	8
The underrepresented gender in %	37,5%	37,5%
Target in %	50%	50%
Year for meeting targets	2025	2025
Top leadership		
Total members	2	2
The underrepresented gender in %	0%	0%
Target in %	N/A	N/A
Year for meeting targets	N/A	N/A

Board of Directors: Members of the Board of Directors excl. employee representatives

Top leadership: Executive Board and next level of people leaders in Poul Due Jensens Fond. In the Foundation it corresponds to the Executive Director and the Deputy Director.

Board of Directors

In December 2013, the Board of Directors agreed on a gender equality policy and set minimum targets for female representation among the board members. In 2025, there is an equal gender distribution in the Board of Directors as the group of descendants and external board members consist of three men (37,5%) and five women (62,5%) and the targets have been fulfilled.

Other levels of management

The Foundation's top leadership is made up by the Executive Director and the Deputy Director. In 2025, these two positions were both held by men (100%) and thus, the underrepresented gender makes up 0 % of the top leadership.

End of 2025, the Foundation had 2 or fewer members on top leadership level, and thus a target for the underrepresented gender is not required.

The Foundation employs less than 50 people and has opted not to have a specific policy for the underrepresented gender in management.

Leadership levels at Group Level

The Foundation has not set a target for the underrepresented gender in the Boards of Directors at Group level or laid down a Group policy for the underrepresented gender in management. Instead, it has ensured that Grundfos Holding A/S sets its own targets and policies, and that Grundfos Holding A/S is working towards fulfilling it. Please refer to Grundfos Holding A/S' Annual Report to read the statement on target figures and policies for the underrepresented gender in the Grundfos Group.

POUL DUE JENSEN / GRUNDFOS FOUNDATION

Management's review

Data Ethics Policy, cf. FSA § 99d

In the Foundation and its 100% owned subsidiaries and the Grundfos Group we are committed to responsible data consumption, including when we collect, store and use personal data, and implement new technologies. In the Grundfos Data Ethics Policy, we set out the key principles for our handling of data, as per section 99d of the Danish Financial Statements Act.

Below, we set out the principles we follow when we handle data, including collect, process and use personal data, and implement new technologies:

Annual review:

- ▶ on a yearly basis measure our level of data privacy and security maturity.

Control over personal data:

- ▶ prioritize the ability of data subjects to retain control over their personal data.
- ▶ have channels for data subjects to submit requests to exercise their rights.

Employees:

- ▶ believe that our employees should never lose their right to privacy in our workplaces. Therefore, we will only process personal data of our employees in a proportional, transparent manner and only to a necessary extent, where it has a legitimate ground.
- ▶ are responsible data controllers through the whole employee journey. I.e., during our recruitment, hiring, performance development and rewarding processes we take measures to have accurate data, so we can make bias free decisions.

GDPR as a standard:

- ▶ apply the European Union General Data Protection Regulation ("GDPR") as a common standard in countries with privacy laws less strict than the GDPR.

Human rights:

- ▶ recognize that personal data is part of human dignity and that respect for personal data is a basic human right. For those reasons, we will never treat personal data as an exploitable asset.

Internal awareness:

- ▶ educate, motivate and engage our employees to understand, promote and contribute actively to our privacy compliance.
- ▶ have available training tailored to the specific roles of our employees, including data privacy training of our employees in Marketing, Sales, HR and IT Services.

Legal compliance:

- ▶ commit to comply with privacy laws and other laws governing data and stay up to date with the legal developments.

New technologies, including artificial intelligence ("AI"):

- ▶ do not employ technologies or methods that can result in unfair treatment or consequences for data subjects.
- ▶ recognize AI as a possibility for innovation and development, however always being mindful users of AI.
- ▶ intend that no business solutions enabled by the use of generative AI may be designed, tested, or implemented without the approval of an internal Generative AI Expert Group with members from Grundfos IT, Legal, and Corporate Communications
- ▶ have implemented guidelines on how to use generative AI solutions in a compliant and ethical way.

POUL DUE JENSEN / GRUNDFOS FOUNDATION

Management's review

Data Ethics Policy, cf. FSA § 99d (continued)

Security measures:

- ▶ implement appropriate technical and organizational measures, like using pseudonymized or aggregated data for product development whenever it is possible and implementing security and privacy measures when we develop new solutions.
- ▶ select our data controllers diligently and in line with the current security recommendations.

This policy is supplemented by some of our other policies and guidelines, including our Code of Conduct, Guidelines to Grundfos Employees on How to Process Personal Data, IT-Cybersecurity Rules of Behaviour and the above-mentioned Generative AI Guidance.

Management's report on the Group

Maintaining a robust business in a year of market headwinds

In 2025, the global economy was characterised by many national economies showing slow or no growth. Coinciding with this, geopolitical tensions led to greater uncertainty and, consequently, lower investment appetite. Overall, we have been operating in a fragile and volatile global business environment.

Fortunately, we were also exposed to geographies and applications showing significant growth, and we have been determined in taking full advantage of these growth pockets.

Across our key geographies, markets like Germany, the UK and other Central and Western European countries suffered from no growth, whereas we delivered solid growth in Southern Europe.

With 'Win in the US' being one of our strategic must-win battles, we are happy to be able to look back on high growth rates in the US. We did, on the other hand, experience continued challenges in China, where a depressed construction sector and fierce competition impact our business.

In Grundfos, we deliver solutions to many different applications, be it in domestic or commercial buildings, in industrial environments, in municipal water transport, processing or groundwater intake. Especially the data centre application has grown at a very high pace, and we are among the preferred suppliers to those who build and operate data centres.

We are leaders in supplying the most energy efficient pumping solutions, and our relentless focus on energy efficiency is recognised by our customers. Since 2020, we have almost doubled the sales of our most energy-efficient solutions measured as a share of our total sales. This is a business that is both profitable and has a substantial positive impact on greenhouse gas emissions (GHG).

In 2025, we in the Grundfos group have delivered solid growth, earnings and cash flow. This is a testament to the robustness of our business and a result of us taking full advantage of growth opportunities, whilst navigating the complex global market situations and trade barriers.

In August 2025, we welcomed the US-headquartered water treatment business Newterra into Grundfos. Since 2020, the Grundfos Industry division has executed five acquisitions in the water treatment space, earning us a significant position in water treatment across Europe and North America. Based on our financial and organisational strength, and firmly anchored in our strategy, we aim to continue building our business both organically and through acquisitions.

POUL DUE JENSEN / GRUNDFOS FOUNDATION

Management's review

Fluctuating sales with an overall upward-moving trend

Our full-year revenue for the group in 2025 amounted to DKK 34.7bn, representing a 5.7% increase compared to 2024 when measured in local currencies.

Measured in DKK, sales increased by 4.5%, reflecting a negative currency impact of 1.2%-point.

Our determination to seek out growth opportunities became the key to the solid growth we created in 2025.

Our Commercial Buildings Services (CBS) division has established itself as a prominent global supplier of the pumping solutions that deliver cooling in data centre buildings. This has been a significant contributor to CBS delivering 5% growth (measured in local currencies) in 2025.

Similarly, our Industry (IND) division is a leading global supplier of IT equipment cooling solutions, for example for data racks in data centres. Additionally, IND sales have been driven by strong growth in our water treatment business, supported both by organic sales growth in for example the pharma industry, and by acquisitions, most recently making the US-based company Newterra part of Grundfos. IND generated a strong 13% sales growth in 2025.

The Water Utility (WU) division has created growth both in the ground water intake applications and in our municipal business, delivering a total of 5% sales growth. Despite a continued dampened activity level in the construction sector for residential buildings, our Domestic Building Services (DBS) division accomplished 1% growth in sales.

The US-based Peerless Pump business continues its solid growth trajectory with 7% growth in 2025. Our Italy-headquartered DAB branded business saw a sales decline of 1% in the year.

Overall, 2025 demonstrated the continued robustness of our business, as we generated solid growth in markets that were volatile and fragile.

Financial performance in line with strategic ambition

For 2025, our EBIT before special items ratio to revenue is 10.6%, which is fully in line with our strategic ambition of a 10% EBIT ratio. Our solid earnings reflect the robustness of our business in an environment where many of our served markets have not been favourable.

EBIT before special items landed at DKK 3,666m (2024: DKK 3,590m).

Net income from finance items ended at DKK 104m (2024: DKK 315m), driven mainly by interest income on cash deposits and returns on our securities portfolio. Profit before tax amounted to DKK 3,770m (2024: DKK 4,379m) and profit after tax was DKK 2,849m (2024: DKK 3,433m).

Cash flow from operating activities amounted to DKK 4,199m (2024: DKK 4,471m). The decrease in cash flow from operating activities derives primarily from an increase in working capital.

Significant investment in the development of new products, services and solutions continues. Investments in 2025 totalled DKK 1,431m (2024: DKK 1,637m), equivalent to 4.1% of revenue (2024: 4.9%).

Free cash flow was DKK 2,848m (2024: 2,904m), largely as a result of the decrease in cash flow from operating activities.

Our balance sheet remains strong. The equity ratio at year-end equalled 72.0% (2024: 70.5%).

Revenue growth was on par with our outlook for the year as shared in last year's report, and earnings again met and exceeded the targeted 10% ratio for EBIT before special items/revenue.

POUL DUE JENSEN / GRUNDFOS FOUNDATION

Management's review

Sustainability performance shows continued dedication

More than 99% of our GHG emissions are scope 3 emissions. With a continued strong focus on transforming our portfolio towards a higher share of sales of energy-efficient products, we are well on our way to achieving our 2030 scope 3 target. We have currently reached a 25% reduction compared to our 2020 baseline, and we intend to maintain this reduction rate going forward.

Additionally, for scope 1 and 2, we have now reached a total emissions reduction compared to baseline of 45%, thereby making a solid progress towards our 2030 target.

Customer satisfaction score exceeds strategic targets

As a mark of the continued dedication of the Grundfos organisation to engaging in dialogue with customers and pursuing their needs, the annual customer satisfaction score reached an all-time high for the third consecutive year and exceeded both the 2025 target and our targets for the 2025-2027 strategy phase by two points.

This result is highly satisfactory and confirms that efforts made, particularly within the parameters 'Products and solutions', 'Buying experience', 'Responsiveness', 'Value for money', 'Marketing', 'Delivery' and 'Complaint handling,' have been fruitful. We are determined to exceed the expectations of our customers and be easy to do business with.

Innovation drives business and sustainability

At Grundfos, the innovative effort behind our smart water solutions is a cross-company effort, involving customers and close proximity to the applications. Behind every new and groundbreaking solution, there are years of research and development. This relentless spirit and dedication are pivotal for our ability to make a difference for our customers and distinguish ourselves from the competition.

As export restrictions impacted heavy rare earth materials during 2025, we benefitted greatly from our foresight and ensuing innovative efforts, which already some years ago eliminated these materials from the permanent magnets used in our products without compromising magnetic performance. This is an example of how innovation can strengthen supply chain resilience. We also constantly seek out more efficient and smart production technologies, as well as new software, AI, Internet of Things (IoT) and digital platforms that can support us in enabling greater value and more reliable and intelligent services for our customers.

Within product cyber security, we remain focused on enhancing our expertise and the security of our products. In 2025, this included completing conformity assessments of all Grundfos products in scope for the Radio Equipment Directive (RED) Delegated Act, which came into effect in August. This EU rule adds mandatory cyber security requirements to radio-enabled devices, including wirelessly connected pump solutions.

In 2025, Grundfos dedicated DKK 2,206m (2024: DKK 1,941m) to research and development, equivalent to 6.4% of revenue (2024: 5.8%).

High motivation score maintained

When Grundfos people are asked whether our company is a good place to work and if they can see themselves working here in future, the vast majority of our colleagues respond 'yes.' Our colleagues also tell us that they are kept very busy serving customers or enabling their colleagues across our business to develop, produce and sell our industry-leading water solutions. It is invaluable for us to maintain a dynamic dialogue with our people to identify opportunities for improvement, which our leaders follow up on every year.

One of the channels for this dialogue is the annual employee motivation survey. In 2025, 89% of all Grundfos group employees responded to the survey, and the motivation score was 77 for the entire group, which is the same result as in 2024.

Although the result is one point below our strategic target, fact remains that our employee motivation score is at a very high level, and that we continually can be proud that we offer our people a workplace with great opportunities to learn and grow.

POUL DUE JENSEN / GRUNDFOS FOUNDATION

Management's review

Uncertainty relating to recognition and measurement

In preparing the consolidated financial statements, management makes a number of estimates and assumptions related to the recognition and measurement of assets and liabilities, all of which are inherently subject to uncertainty. As of 31 December 2025, estimates and assumptions are particularly relevant in respect of the impairment testing of goodwill.

Grundfos is party to a number of disputes, lawsuits and legal actions, including tax disputes. It is the view of management that the outcome of these legal actions will have no other significant impact on the group's financial position beyond what has been recognised and stated in the annual report. See Note 28.

Financial risks

As a result of our global activities, group profit and equity are influenced by a number of financial risks. Foreign exchange risks in the operating companies are managed centrally, as are interest and liquidity risks. The Board of Directors has set up a policy for the use of financial instruments.

Foreign exchange risk

Grundfos' policy is to hedge foreign exchange rates for the most essential flow of goods, i.e. sale and purchase of goods. The objective of the policy is to reduce the potential adverse short-term (up to 18 months) impact of foreign exchange rate fluctuations on cash flows and earnings, and thereby allow for planning and counteractions in the case of longer-term adverse impacts.

Currency hedging is carried out centrally by Group Treasury and covers cash flow risk as well as fair value risk. Cash flow risk is hedged for a period of up to 18 months, aiming at a coverage of 50-90% of the expected exposure, whereas fair value hedging aims at 80-90% coverage of the balance sheet exposure. The most important currencies hedged are USD, AUD, GBP, CNY and HUF. At the end of 2025, currency contracts to reduce the foreign exchange risk in connection with the flow of goods amounted to DKK 6,630m (2024: DKK 6,760m). Reference is made to Note 31 for further details.

Other financial risks

Liquidity risk: Financial independence is a core value for Grundfos. Maintaining adequate liquidity is therefore key. In addition to unused borrowing facilities, net deposits amounted to DKK 6,774m by the end of 2025 (2024: DKK 8,174m).

Credit risk: Credit risks derive primarily from trade debtors, securities and bank receivables. Risks on trade debtors are diversified across a large number of customers, reducing the exposure. The credit risk on bank receivables, forward exchange contracts and similar instruments is reduced by selecting financial business partners with a high credit rating.

Raw material risk: Grundfos does not hedge raw materials. No single raw material constitutes a significant proportion of production costs.

Outlook for 2026 for the Foundation and the Group

For 2026, we forecast revenue growth measured in the local currencies in the range of 4 - 7%. The forecast does not include impacts from potential acquisitions and divestments in 2026.

We target an EBIT before special items ratio in line with our strategic ambition of 10%.

In 2026, the Foundation will set the provision for distribution to a level of DKK 500m including DKK 100m for unforeseen events.

POUL DUE JENSEN / GRUNDFOS FOUNDATION

Consolidated Financial Statements c - 31 December

Consolidated statement of profit and loss

Note	Amounts in DKK Millions	2025	2024
1	Revenue	34,733	33,226
	Production cost	-19,520	-19,343
	Gross profit	15,213	13,883
2,5,6	Research and development cost	-2,195	-1,839
3,5,6	Selling and distribution cost	-5,616	-5,127
4,5,6	Administrative cost	-3,589	-3,191
	Earnings before interest and tax (EBIT) before special items	3,813	3,726
7	Special items	0	474
	Earnings before interest and tax (EBIT)	3,813	4,200
8	Finance income	887	1,234
8	Finance expenses	-374	-2,246
	Profit before tax	4,326	3,188
9	Income tax expenses	-1,034	-1,122
	Profit for the year	3,292	2,066
	Attributable to		
	Parent foundation	3,289	2,060
	Non-controlling interests (NCI)	3	6
	Total	3,292	2,066

POUL DUE JENSEN / GRUNDFOS FOUNDATION

Consolidated Financial Statements 1 January – 31 December

Consolidated statement of other comprehensive income

Note	Amounts in DKK Millions	2025	2024
	Profit for the year	3,292	2,066
	Other comprehensive income that may be reclassified to profit and loss in subsequent periods:		
	Net gain/loss on cash flow hedges	217	-149
	Exchange rate adjustments on foreign operations	-590	-239
9	Tax on foreign exchange adjustments and hedging instruments	13	5
	Other comprehensive income that may be reclassified to profit and loss in subsequent periods, net of tax	-360	-383
	Other comprehensive income that will not be reclassified to profit and loss in subsequent periods		
18	Remeasurement gain/loss on defined benefit plans	13	60
9	Tax on defined benefit plans	-5	-16
	Other comprehensive income that will not be reclassified to profit and loss in subsequent periods, net of tax	8	44
	Other comprehensive income for the year, net of tax	-352	-339
	Total comprehensive income for the year, net of tax	2,940	1,727
	Attributable to		
	Parent foundation	2,941	1,720
	Non-controlling interests (NCI)	-1	7
	Total comprehensive income for the year, net of tax	2,940	1,727

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Consolidated statement of financial position

Note	Amounts in DKK Millions	2025	2024
	ASSETS		
	Non-current assets		
10	Intangible assets		
	Goodwill	3,611	2,256
	Other intangible assets	1,918	1,623
	Other intangible assets in progress	352	277
	Completed development projects	163	111
	Development projects in progress	196	237
	Total intangible assets	6,240	4,504
	Property, plant and equipment		
11	Land and buildings	2,908	3,128
11	Technical installations and machinery	2,709	2,616
11	Other technical installations	299	314
11	Property, plant and equipment in progress	1,114	1,005
12	Right-of-use assets	756	590
	Total property, plant and equipment	7,786	7,653
	Financial assets		
13	Securities	73	73
9	Deferred tax assets	1,077	1,014
18	Pension assets	164	165
	Other accounts receivables	62	69
	Total financial assets	1,376	1,321
	Total non-current assets	15,402	13,478
	Current assets		
14	Inventories	6,048	5,916
15	Trade and other receivables	6,730	6,533
9	Income tax receivable	631	813
13	Securities	15,222	14,566
16	Cash and cash equivalents	3,212	4,000
	Total current assets	31,843	31,828
	TOTAL ASSETS	47,245	45,306

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Consolidated statement of financial position

Note	Amounts in DKK Millions	2025	2024
	EQUITY AND LIABILITIES		
	Equity		
17	Basic capital	505	505
	Hedge transaction reserve	72	-101
	Exchange adjustment reserve	-556	-27
	Retained earnings	28,837	25,940
	Proposed provision for distribution	500	438
	Equity attributable to parent foundation	29,358	26,755
	Non-controlling interests	31	35
	Total equity	29,389	26,790
	Non-current liabilities		
18	Pensions and similar obligations	124	135
19	Provisions	687	1,102
9	Deferred tax liabilities	661	410
12, 20	Lease liabilities		
25		463	364
20, 25	Interest-bearing debt	10	58
22	Other liabilities	5,828	6,300
	Total non-current liabilities	7,773	8,369
	Current liabilities		
19	Provisions	491	395
21	Trade and other payables	2,844	2,939
20, 25	Interest-bearing debt	16	58
12, 20	Lease liabilities		
25		309	243
9	Income tax payable	659	1,166
22	Other liabilities	5,764	5,346
	Total current liabilities	10,083	10,147
	Total liabilities	17,856	18,516
	TOTAL LIABILITIES AND EQUITY	47,245	45,306

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Consolidated statement of cash flows

Note	Amounts in DKK Millions	2025	2024
	Operating activities		
	Profit after tax	3,292	2,066
6	Depreciation and amortisation of non-current assets	1,835	1,587
8	Finance income	-887	-1,234
8	Finance expenses	374	2,246
	Loss (-gains) on disposals of property, plant and equipment	-45	-24
	Other adjustments	-271	-489
9	Tax for the year	1,034	1,122
24	Changes in net working capital	340	-49
	Changes in warranty and other provisions	-307	423
	Cash flow from operations before financial items and tax	5,365	5,648
	Taxes paid	-1,270	-1,401
	Interest paid and realised currency losses	-106	-51
	Interest received and realised currency gains	664	640
8, 12	Interest paid on lease liabilities	-29	-25
	Cash flow from operating activities	4,624	4,811
	Investing activities		
10	Purchase of intangible assets	-327	-359
	Proceeds from sale of property, plant and equipment	80	70
11	Purchase of property, plant and equipment	-1,266	-1,331
27	Acquisition of subsidiaries, net of cash acquired	-2,046	-1,622
	Acquisition of equity interest	0	0
	Disposal of subsidiaries, net of cash disposed	0	0
13	Purchase of securities	-9,372	-7,400
	Sale of securities	8,856	5,115
	Cash flow from investing activities	-4,075	-5,527
	Net cash flow from operating and investing activities	549	-716
	Financing activities		
25	Payment of principal portion of lease liabilities	-352	-235
25	Proceeds from borrowings	0	0
25	Repayment of borrowings	-88	-11
	Purchase of own shares	-71	-79
	Distributions paid	-276	-243
	Dividend to minorities, with associated buy-back obligation	-209	-212
	Acquisition and sale of minority holdings and exploitation of buy-back obligations, net	-247	-416
	Cash flow from financing activities	-1,243	-1,196
	Net increase/decrease in cash and cash equivalents	-694	-1,912
	Cash and cash equivalents as at 1 January	4,000	5,957
	Exchange rate adjustments	-94	-45
	Available fund (Opening)	3,906	5,912
	Cash and cash equivalents as at 31 December	3,212	4,000

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Consolidated statement of changes in equity

Note	Amounts in DKK Millions	Basic capital	Hedge trans- action reserve	Exchange adjust- ment reserve	Retained earnings	Proposed provision for distribu- tion	Equity attribut- able to the parent founda- tion	Non- Control- ling Interest	Equity
	Balance at 1 January 2025	505	-101	-27	25,940	438	26,755	35	26,790
	Profit for the year	0	0	0	2,884	405	3,289	3	3,292
18	Actuarial gain/loss	0	0	0	13	0	13	0	13
	Fair value adjustment of hedging instruments	0	217	0	0	0	217	0	217
	Exchange rate adjustments, affiliated companies, etc.	0	0	-586	0	0	-586	-7	-593
	Tax on other comprehensive income	0	-44	57	-5	0	8	0	8
	Total other comprehensive income	0	173	-529	8	0	-348	-7	-355
	Extraordinary provision for distributions	0	0	0	0	0	0	0	0
	Distributions granted	0	0	0	0	-343	-343	0	-343
	Exercise of options (LTI)	0	0	0	-71	0	-71	0	-71
26	Share-based compensation expenses (LTI)	0	0	0	76	0	76	0	76
	Total other transactions	0	0	0	5	-343	-338	0	-338
	Balance at 31 December 2025	505	72	-556	28,837	500	29,358	31	29,389

Consolidated Financial Statements 1 January – 31 December

Consolidated Statement of changes in equity

Note	Amounts in DKK Millions	Basic capital	Hedge transaction reserve	Exchange adjustment reserve	Retained earnings	Proposed provision for distribution	Equity attributable to the parent foundation	Non-controlling Interest	Equity
	Balance at 1 January 2024	505	12	244	24,211	384	25,356	28	25,384
	Profit for the year	0	0	0	1,711	349	2,060	6	2,066
18	Actuarial gain/loss	0	0	0	60	0	60	0	60
	Fair value adjustment of hedging instruments	0	-149	0	0	0	-149	0	-149
	Exchange rate adjustments, affiliated companies, etc.	0	0	-240	0	0	-240	1	-239
	Tax on other comprehensive income	0	36	-31	-16	0	-11	0	-11
	Total other comprehensive income	0	-113	-271	44	0	-340	1	-339
	Distributions granted	0	0	0	0	-295	-295	0	-295
	Exercise of options (LTI)	0	0	0	-80	0	-80	0	-80
26	Share-based compensation expenses (LTI)	0	0	0	54	0	54	0	54
	Total other transactions	0	0	0	-26	-295	-321	0	-321
	Balance at 31 December 2024	505	-101	-27	25,940	438	26,755	35	26,790

Hedge transaction reserve

The Group has in OCI presented the gains and losses arising from the hedge transaction reserve, including those related to foreign currency forward contracts that are hedges of forecast revenue and inventory purchases, that may be reclassified to profit or loss in subsequent periods. In subsequent periods, the amount previously recorded in the cash flow hedge reserve will be recognised in profit or loss when the asset (liability) is being recovered (settled) or if the conditions for cash flow hedging are no longer fulfilled.

Exchange adjustment reserve

The Group recognised translation differences on foreign operations in a separate component of equity i.e. the exchange adjustment reserve.

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1 Revenue

Revenue break down according to the following divisions and regions:

Amounts in DKK Millions	2025	2024
Commercial Buildings Services	7,279	7,015
Domestic Buildings Services	7,838	7,889
Industry	10,215	7,909
Water Utility	5,144	5,039
Other	4,257	5,374
Total	34,733	33,226
Geographical markets		
Europe	18,550	17,484
North and South America	8,411	7,601
Asia	5,988	6,371
The Middle East/Africa	1,784	1,770
Total	34,733	33,226

Revenue includes pump solutions of DKK 31,710m (2024: DKK 30,448m), service sales of DKK 2,131m (2024: DKK 2,124m) and project sales of DKK 893m (2024: DKK 655m).

Contract balances

Contract liabilities (deferred income) are immaterial to the Group's consolidated financial statements.

Remaining performance obligations

The Group applies the practical expedient in IFRS 15.121 as substantially all contracts have an original expected duration of one year or less. Accordingly, the disclosure of remaining performance obligations is not presented.

Amounts in DKK Millions	2025	2024
2 Research and development cost		
Staff cost	1,568	1,356
Depreciation and amortisation	189	142
Other research and development cost	438	341
Total	2,195	1,839
3 Selling and distribution cost		
Staff costs	3,221	2,912
Distribution cost	674	631
Depreciation and amortisation	120	110
Other selling and distribution related cost	1,601	1,474
Total	5,616	5,127

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4	Administration cost Amounts in DKK Millions	2025	2024
	Staff cost	1,708	1,604
	Depreciation and amortisation	414	244
	Other administration	1,467	1,343
	Total	3,589	3,191
5	Staff cost		
	Wages and salaries	9,159	8,648
	Share-based payments	76	54
	Pensions, defined benefit plans	22	20
	Pensions, defined contribution plans	564	488
	Other social security cost	944	834
	Total	10,765	10,044

Staff cost includes our Long-Term incentive Programme (LTI) which is described in note 26 Share-based compensation expenses.

Staff costs are recognised as follows:

Production cost	4,268	4,172
Research and development cost	1,568	1,356
Selling and distribution cost	3,221	2,912
Administration cost	1,708	1,604
Total	10,765	10,044
Average number of full-time employees	20,579	19,863
Numbers of employees at year-end	21,442	20,826

Staff cost includes fees to the Executive Board and the Board of Directors of the Foundation for the directorships in the Group and can be specified as follows:

Executive Board	3	3
Board of Directors	12	12
Total	15	15

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6 Depreciation, amortisation and impairments

Amounts in DKK Millions	2025	2024
Intangible non-current assets, note 10	434	341
Tangible non-current assets, note 11	1,105	1,001
Right-of-use assets, note 12	296	244
Total	1,835	1,586

Depreciation, amortisation and impairments are recognised as follows:

Production costs	1,112	1,090
Research and development costs	189	142
Selling and distribution costs	120	110
Administration costs	414	244
Total	1,835	1,586

7 Special items

Amounts in DKK Millions	2025	2024
Other cost related to the divestment	0	-121
Recycling of exchange adjustment reserve	0	-353
Total	0	- 474

8 Financial income and expenses

Amounts in DKK Millions	2025	2024
Interest income bonds	245	281
Value adjustments bonds	0	105
Dividend income shares	282	78
Value adjustments shares	179	557
Fair value adjustment of buy-back obligation	70	0
Interest income on bank deposits	78	165
Other financial income	33	48
Total	887	1234
Value adjustment bonds	10	0
Fair value adjustment of buy-back obligation	0	1,926
Dividend to minorities, with associated buy-back obligation	206	212
Interest on lease liabilities	29	25
Loss electricity swap	21	29
Interest expense on bank loans	12	10
Other finance expense	96	44
Total	374	2,246

Fair value adjustments recognised in the consolidated statement of profit and loss amounts to DKK - 599m (2024: DKK 548m).

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Notes to the consolidated financial statements

9 Tax

Amounts in DKK Millions	2025	2024
Income taxes in statement of profit or loss and reconciliation		
Tax on the profit for the year is specified as follows:		
Tax on profit/loss for the year	1,034	1,122
Tax on other comprehensive income, deferred	39	20
Tax on other comprehensive income, current	-57	-31
Total	1,016	1,111
Tax on the profit for the year is calculated as follows:		
Current income taxes	947	1,276
Deferred income taxes	54	-170
Change in deferred tax due to changes in tax rates	-1	0
Deferred income taxes regarding previous years	-12	23
Adjustment regarding previous years	43	-12
Top-up corporate income tax	3	5
Total	1,034	1,122
Effective tax rate is calculated as follows:		
Danish tax rate	22%	22%
Deviation in tax in foreign companies in relation to Danish tax rate	1%	1%
Non-taxable income and non-deductible expenses	0%	-3%
Non-deductible expenses regarding minority interests and buy-back obligations	0%	14%
Non-deductible withholding taxes	1%	1%
Other, including adjustments regarding previous years and top-up corporate income tax	0%	0%
Effective tax rate	24%	35%
Consolidated other comprehensive income:		
Deferred tax related to items recognised in OCI during in the year:		
Net gain/loss on cash flow hedges	-44	36
Remeasurement gain/loss on actuarial gains and losses	-5	-16
Deferred tax charged to OCI	-49	20
Consolidated income tax:		
Income tax receivable	631	813
Income tax payable	-659	-1,166
Total income tax	-28	-353

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Notes to the consolidated financial statements

9 Tax (continued)

Amounts in DKK Millions	2025	2024
Deferred taxes		
Changes in deferred tax		
Net deferred tax assets 1 January	604	567
Acquisition of companies	-95	-121
Exchange rate adjustment	-2	-10
Change in tax rate	1	0
Deferred tax recognised in profit or loss account	-43	148
Deferred tax recognised in equity	-49	20
Net deferred tax assets 31 December	<u>416</u>	<u>604</u>
Breakdown of deferred tax		
Non-current assets	-469	-458
Current assets	418	668
Provisions	313	335
Liabilities	154	59
Net deferred tax assets	<u>416</u>	<u>604</u>
Reflected in the statement of financial position as follows:		
Deferred tax assets	1,077	1,014
Deferred tax liabilities	-661	-410
Net deferred tax assets	<u>416</u>	<u>604</u>

The Grundfos Holding Group has tax losses of DKK 89m (2024: DKK 99m) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose.

Deferred tax assets have not been recognised in respect of these losses as they may not be used to offset taxable profits elsewhere in the Grundfos Group. They have arisen in subsidiaries that have been loss-making for some time, and there are no other tax planning opportunities or other evidence of recoverability in the near future.

Cumulative deferred income taxes recorded in equity amounted to DKK 135m (2024: DKK 174m). The Group does not recognise any deferred taxes on investments in subsidiaries because it controls the dividend policy of its subsidiaries – i.e. the Group controls the timing of reversal of the related taxable temporary differences and management is satisfied that no material amounts will reverse in the foreseeable future.

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Notes to the consolidated financial statements

10 Intangible assets

Amounts in DKK Millions	2025					Total
	Goodwill	Other intangible assets	Other intangible assets in progress	Completed development projects	Development projects in progress	
Cost at 1 January 2025	2,671	2,520	277	263	237	5,968
Acquisition of companies	1,422	483	0	0	0	1,905
Additions	0	56	191	9	71	327
Disposals	0	-86	0	-57	0	-143
Transfers	0	133	-116	140	-112	45
Exchange rate adjustments	-114	-82	0	0	0	-196
Cost at 31 December 2025	3,979	3,024	352	355	196	7,906
Amortisation and impairment at 1 January 2025	415	897	0	152	0	1,464
Amortisation	0	339	0	95	0	434
Amortisations and impairment on disposals	0	-86	0	-55	0	-141
Exchange rate adjustments	-47	-44	0	0	0	-91
Amortisation and impairment at 31 December 2025	368	1106	0	192	0	1,666
Carrying amount at 31 December 2025	3,611	1,918	352	163	196	6,240

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Notes to the consolidated financial statements

10 Intangible assets (continued)

Amounts in DKK Millions	2024					Total
	Goodwill	Other intangible assets	Other intangible assets in progress	Completed development projects	Development projects in progress	
Cost at 1 January 2024	1,546	2,161	144	192	185	4,228
Acquisition of companies	1,062	461	0	0	0	1,523
Additions	0	58	169	20	112	359
Disposals	0	-320	0	-9	0	-329
Transfers	0	97	-36	60	-60	61
Exchange rate adjustments	63	63	0	0	0	126
Cost at 31 December 2024	2,671	2,520	277	263	237	5,968
Amortisation and impairment at 1 January 2024						1,410
Amortisation	389	889	0	132	0	341
Amortisations and impairment on disposals	0	-319	0	-9	0	-328
Exchange rate adjustments	26	15	0	0	0	41
Amortisation and impairment at 31 December 2024	415	897	0	152	0	1,464
Carrying amount at 31 December 2024	2,256	1,623	277	111	237	4,504

Amortisation of intangible assets is included in the Consolidated Statement of Income and Loss as follows:

Amounts in DKK Millions	2025		2024	
	Other intangible assets	Completed development projects	Other intangible assets	Completed development projects
Research and development expenses	122	95	108	29
Selling and distribution expenses	114	0	107	0
Administration expenses	103	0	97	0
Total	339	95	312	29

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Notes to the consolidated financial statements

10 Intangible assets (continued)

Carrying amount of goodwill

Amounts in DKK Millions	2025	2024
Industry	3,260	0
Industry - Water treatment Solutions	0	1,801
Industry - Pump Solutions	0	93
Water Utility	228	239
Others	123	123
Total	3,611	2,256

Impairment test

At the end of 2025, the reported goodwill amounts to DKK 3,611 m. Goodwill primarily arose from the acquisitions of Silhorko-Eurowater in 2020, Mechanical Equipment Company Inc. (MECO) in 2021, Metasphere in 2023, the Commercial & Industrial business of Culligan in 2024 and Newterra Inc. and Newterra Ltd. in 2025.

Goodwill represents the premium paid by Grundfos above the fair value of the net assets acquired. It is attributable to synergies and know-how resulting from the combination of the businesses and the value of the employee base.

Goodwill is allocated to cash-generating units which are determined to be the most appropriate business segment levels it pertains to.

The ongoing evolution of our business structure and operations has resulted in a revision of the definition of cash-generating units (CGUs). Over time, our business areas have developed and matured, making the division level a more appropriate basis for assessing performance and allocating resources. Conducting impairment tests at this level aligns with how management monitors the business and supports goodwill, ensuring a more accurate representation of value creation across the organisation.

For the reporting period, following cash generating units were identified: (i) Industry and (ii) Water Utility. The allocation of goodwill to the cash generating units is specified in above table.

As at the reporting date, an impairment test was performed on the carrying amount of intangible assets with indefinite useful lives, which for the reporting period only represents goodwill.

Industry

Impairment tests are performed based on expected future cash flows that are built from budgets and long-term business plans. The carrying amount of the net assets including goodwill is compared to the recoverable amount. The recoverable amount is calculated using cash flow projections for a five-year period, which thereafter converge into a terminal value applying perpetuity growth. The projected cash flows represent management's best estimate of revenue, profitability and investment plans for the cash-generating units.

The discount rate applied to cash flow projections is 8.5% before tax and terminal value cash flows are extrapolated using a 2.0% growth rate, which represents the estimated long-term average growth rate for the industry.

The recoverable amount of the Industry is significantly higher than the carrying amount.

The group did not identify any reasonably possible change in key assumptions that could cause an impairment loss to be recognized for Industry.

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Notes to the consolidated financial statements

10 Intangible assets (continued)

Water Utility

Impairment tests are performed based on expected future cash flows that are built from budgets and long-term business plans. The carrying amount of the net assets including goodwill is compared to the recoverable amount. The recoverable amount is calculated using cash flow projections for a five-year period which from thereafter converge into a terminal value applying perpetuity growth. The projected cash flows represent management's best estimate of revenue, profitability and investment plans for the cash generating units.

The discount rate applied to cash flow projections is 8.5% before tax and terminal value cash flows are extrapolated using a 2.0% growth rate, which represents the estimated long-term average growth rate for the industry.

The recoverable amount of the Water Utility is significantly higher than the carrying amount.

The Group did not identify any reasonably possible change in key assumptions, which could cause an impairment loss to be recognised for Water Utility.

11 Property, plant and equipment

Amounts in DKK Millions	2025				Total
	Land and buildings	Technical installation and machinery	Other technical installations	Property, plant and equipment in progress	
Cost at 1 January 2025	7,350	14,800	1,582	1,005	24,737
Acquisition of companies	87	29	5	11	132
Additions	57	307	81	789	1,234
Disposals	-87	-359	-101	0	-547
Transfers	41	540	52	-678	-45
Exchange rate adjustments	-235	-152	-38	-13	-438
Cost at 31 December 2025	7,213	15,165	1,581	1,114	25,073
Depreciations and impairment at 1 January 2025	4,222	12,184	1,268	0	17,674
Depreciation	238	732	135	0	1,105
Write-down of the year	0	0	0	0	0
Depreciation and impairment on disposals	-66	-354	-95	0	-515
Transfers	0	0	0	0	0
Exchange rate adjustments	-89	-106	-26	0	-221
Depreciations and impairment at 31 December 2025	4,305	12,456	1,282	0	18,043
Carrying amount 31 December 2025	2,908	2,709	299	1,114	7,030

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Notes to the consolidated financial statements

11 Property, plant and equipment (continued)

Amounts in DKK Millions	2024				Total
	Land and buildings	Technical installation and machinery	Other technical installations	Property, plant and equipment in progress	
Cost at 1 January 2024	7,334	14,370	1,916	1,135	24,755
Acquisition of companies	35	7	6	1	49
Additions	59	404	75	793	1,331
Disposals	-40	-527	-434	-5	-1,006
Transfers	110	684	39	-894	-61
Exchange rate adjustments	-148	-138	-20	-25	-331
Cost at 31 December 2024	7,350	14,800	1,582	1,005	24,737
Depreciations and impairment at 1 January 2024	4,305	12,153	1,578	0	18,036
Depreciation	227	633	141	0	1,001
Write-down of the year	0	0	0	0	0
Depreciation and impairment on disposals	-31	-475	-431	0	-937
Transfer	0	0	0	0	0
Exchange rate adjustments	-279	-127	-20	0	-426
Depreciations and impairment at 31 December 2024	4,222	12,184	1,268	0	17,674
Carrying amount 31 December 2024	3,128	2,616	314	1,005	7,063

12 Right-of-use assets

The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets.

The Group has leases with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

The Group has lease contracts, primarily buildings and vehicles used in its operations. Leases of motor vehicles generally have lease terms between four and five years, and buildings have lease terms between one and ten years.

Set out below are the carrying amounts of right-of-use (ROU) assets recognised and the movements during the period:

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12 Right-of-use assets (continue)

Amounts in DKK Millions	2025			
	Land and buildings	Motor vehicles	Other equipment	Total
Carrying amount at 1 January 2025	304	239	47	590
Acquisition of companies	17	0	0	17
Additions	249	183	39	471
Disposal of ROU assets	-2	0	0	-2
Depreciations	-134	-137	-25	-296
Exchange rate adjustments	-16	-7	-1	-24
Carrying amount at 31 December 2025	418	278	60	756

Amounts in DKK Millions	2024			
	Land and buildings	Motor vehicles	Other equipment	Total
Carrying amount at 1 January 2024	190	167	36	393
Additions	215	197	33	445
Disposal of ROU assets	0	-6	-2	-8
Depreciations	-103	-118	-23	-244
Exchange rate adjustments	2	-1	3	4
Carrying amount at 31 December 2024	304	239	47	590

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

Amounts in DKK Millions	2025	2024
Balance at 1 January	607	401
Acquisition of companies	17	0
Additions	471	444
Interest	29	25
Disposals	-2	-8
Payments	-350	-255
Balance at 31 December	772	607
Current	309	243
Non-current	463	364
Total	772	607

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12 Right-of-use assets (continued)

Amounts in DKK Millions	2025	2024
Undiscounted lease liabilities maturity analysis:		
Less than one year	324	253
One to three years	389	304
More than three years	98	74
Total undiscounted lease liabilities at 31 December	<u>811</u>	<u>631</u>

The following are the amounts recognised in profit and loss:

Depreciation expense of right-of-use assets	296	244
Interest expense on lease liabilities	29	25
Expense relating to short-term leases	74	74
Variable lease payments	34	29
Total	<u>433</u>	<u>372</u>

The Group had total cash outflows for leases of DKK 379m in 2025 (DKK 258m in 2024).

The Group has several lease contracts that include extension and termination options. Management assesses whether or not it is reasonably certain that these options will be exercised after considering all relevant facts and circumstances.

13 Securities

Amounts in DKK Millions	2025	2024
Costs at 1 January	13,910	11,580
Additions during the year	10,058	7,400
Disposals during the year	-8,803	-5,070
Cost at 31 December	<u>15,165</u>	<u>13,910</u>
Value adjustments at 1 January	729	181
Value adjustments during the year	-599	548
Value adjustments at 31 December	<u>130</u>	<u>729</u>
Balance at 31 December	<u>15,295</u>	<u>14,639</u>
Current	15,222	14,566
Non-current	73	73
Total	<u>15,295</u>	<u>14,639</u>

The portfolio consists solely of listed shares and bonds and is distributed as follows:

Shares	7,266	6,844
Bonds	8,029	7,795
Total	<u>15,295</u>	<u>14,639</u>

Information about the Group's financial assets and associated risks is disclosed in note 29.

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14 Inventory

Amounts in DKK Millions	2025	2024
Raw materials and consumables	2,120	2,316
Work in progress	1,826	1,873
Manufactured goods and goods for resale	2,102	1,727
Total inventories	6,048	5,916

During 2025, DKK 16m (2024: DKK 24m) was recognized as an expense for inventories carried at net realisable value. This was recognised in production costs.

Amounts in DKK Millions	2025	2024
Provision for obsolete inventories at 1 January	629	605
Reversal of provision through profit and loss	-69	-48
Additional provision	85	72
Provision for obsolete inventories at 31 December	645	629

15 Trade and other receivables

Amounts in DKK Millions	2025	2024
Trade receivables	6,272	6,187
Customer bonus	-1,003	-1,035
Prepayments	305	305
Other current receivables	1,274	1,188
Total trade and other receivables	6,848	6,645
Allowance for expected credit loss	-118	-112
Trade and other receivables, net	6,730	6,533

Customer bonus is recognised at an estimated value according to underlying agreements. When finally settled, the bonus will set off against future payments from the customer.

Trade receivables are non-interest bearing and are generally on terms of 30 to 60 days.

The table below displays the movement in the allowance for expected credit losses of trade receivables and contract assets:

Amounts in DKK Millions	2025	2024
Balance at 1 January	112	130
Provisions during the year	48	31
Realised losses	-14	-8
Reversal of provision through profit and loss	-27	-40
Exchange rate adjustments	-1	-1
Balance at 31 December	118	112

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15 Trade and other receivables (continued)

Amounts in DKK Millions	2025	2024
Trade receivables' age profile		
Not overdue at the reporting date	5,674	5,694
Overdue less than 30 days	354	295
Overdue 30 to 60 days	100	81
Overdue 60 to 120 days	57	35
Overdue more than 120 days	87	82
Trade receivables before provision	6,272	6,187
Provision for bad debt at 31 December	-118	-112
Balance at 31 December	<u>6,154</u>	<u>6,075</u>

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a credit rating scorecard and individual credit limits are defined in accordance with this assessment. The Group's trade debtors comprise a large number of customers, and the Group's risk in that connection is not considered unusually high.

Outstanding customer receivables are regularly monitored. On 31 December 2025, the Group had 55 customers (2024: 42) that owed it more than DKK 10m each and accounted for approximately 23% (2024: 24%) of all the receivables outstanding.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than one year. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 29.

The letters of credit and other forms of credit insurance are considered an integral part of trade receivables and considered in the calculation of impairment. The Group evaluates the concentration of risk with respect to trade receivables and contract assets as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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16 Cash and cash equivalents

Amounts in DKK Millions	2025	2024
Cash at bank and on hand	3,212	4,000

Cash at banks earns interest at floating rates based on daily bank deposit rates.

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

17 Basic capital

The basic capital amounts to DKK 505m.

The basic capital shall always remain untouched while the retained earnings is for the free disposal of the Foundation in accordance with the Foundation's objective.

18 Pension and similar obligations

Defined contribution plans

The Group has made pension agreements with a considerable number of its employees. The majority of the agreements are for defined contribution plans. Contributions are paid to pension insurance plans and charged to the consolidated income statement in the period to which the contributions relate. Once the contributions have been paid, there are no further payment obligations.

Defined benefit plans

The Group has a number of defined benefit plans where the responsibility for the pension obligation towards the employees rests with the Group.

The largest plans are in Switzerland and the UK accounting for 70% (2024: 69%) of the Group's obligation (gross) and 77% (2024: 76%) of its plan assets.

The plans are primarily based on years of service, and benefits are generally determined on the basis of salary and rank. The Group assumes the risk associated with future developments in salary, interest rates, inflation, mortality and disability etc.

The majority of the obligations are funded with assets placed in independent pension funds. In a number of countries, some minor obligations are unfunded.

For these unfunded plans, the retirement benefit obligations amounted to DKK 113m or 6% of the present value of the gross obligation (2024: DKK 119m or 6%).

Switzerland

Participants are insured against the financial consequences of retirement, disability and death. The pension plans guarantee a minimum interest credit and fixed conversion rates at retirement. Contributions are paid by both the employee and the employer. The plans must be fully funded. In case of underfunding, recovery measures must be taken, such as additional financing from the employer or from the employer and employees, reduction of benefits or a combination of both.

The pension plans include a risk-sharing element between Grundfos and the plan participants.

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18 Pension and similar obligations (continued)

The UK

Participants are insured against the financial consequences of retirement and death. The schemes do not provide any insured disability benefits. The pension plans guarantee a defined benefit pension at retirement on a final salary basis. The majority of the pension plans do not include a risk-sharing element between Grundfos and the plan participants.

Actuarial assumptions

Actuarial calculations and valuations are performed annually for all major plans. The actuarial assumptions vary from country to country due to local conditions.

Discount rates at 31 December are based on the market yield of high quality corporate bonds or government bonds with a maturity approximating to the terms of the obligations.

Sensitivity analysis for Switzerland and the UK

The table below illustrates the sensitivity related to significant actuarial assumptions used in the calculation of the defined benefit obligation recognised at the reporting date. The sensitivity covers the plans in the United Kingdom and Switzerland. The analysis is based on changes in assumptions that the Group considered to be reasonably possible at the reporting date. It is estimated that the relevant changes in assumptions would have increased/(decreased) the defined benefit obligation by the amounts shown below:

	2025		2024	
	0.5%	-0.5%	0.5%	-0.5%
Discount rate	-83	92	-87	95
Salary increase	7	-7	8	-8
Pension increase	40	-37	42	-38

	2025		2024	
	CH	UK	CH	UK
Discount rate (%)	1.00	5.50	1.00	5.25
Salary increase (%)	1.25	4.30	2.00	4.80
Pension increase (%)	0.00	2.70	0.00	3.10

The fair values of each major class of plan assets are as follows:

Amounts in DKK Millions	2025	2024
Investments quoted in active markets		
Listed equity investments	331	681
Real estates	158	154
Corporate bonds	1,068	801
Cash and cash equivalents	30	29
Unquoted investments		
Insurance contracts	138	141
Corporate bonds	14	14
Other	196	188
Total	1,935	2,008

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18 Pension and similar obligations (continued)

Amounts in DKK Millions	2025			2024		
	Present value of obligation	Fair value of plan assets	Obligation, net	Present value of obligation	Fair value of plan assets	Obligation, net
Carrying amount at 1 January	1,970	2,000	-30	1,872	1,837	35
Current service cost	24	0	24	22	0	22
Past service cost	0	0	0	0	0	0
Interest on obligation/plan asset	65	70	-5	73	74	-1
Recognised in profit and loss	89	70	19	95	74	21
Actuarial gain/loss, demographic assumptions	7	0	7	-2	0	-2
Actuarial gain/loss, financial assumptions	-48	0	-48	41	0	41
Actuarial gain/loss, experience adjustments	9	0	9	-12	0	-12
Return on plan assets excl. interest income	0	-4	4	0	79	-79
Impact from asset ceiling	0	-15	15	0	8	-8
Recognised in other comprehensive income	-32	-19	-13	27	87	-60
Foreign exchange adjustments	-63	-76	13	38	47	-9
Acquisition and divestments, net	0	0	0	16	0	16
Employee contributions	10	10	0	10	10	0
Employer contributions	-6	29	-35	-4	33	-37
Benefits paid	-96	-102	6	-84	-88	4
Other changes	-155	-139	-16	-24	2	-26
Carrying amount at 31 December	1,872	1,912	-40	1,970	2,000	-30
Accumulated impact from asset ceiling	0	23	-23	0	8	-8
Pensions and similar obligations at 31 December	1,872	1,935	-63	1,970	2,008	-38
Carrying amount is reflected in the statement of financial position as follows:						
Net pension obligations			124			135
Net pension assets			-164			-165
Net pension obligations			-40			-30

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18 Pension and similar obligations (continued)

In 2025 the net pension position for the company has changed from a net asset of DKK 30m to a net asset of DKK 40m.

The estimated weighted average duration of the defined benefit obligation was 13.0 years (2024: 13.1 years) and is split into:

Members of defined benefit schemes	2025	2024
Active employees	2,143	2,170
Retired employees	541	572
Deferred vested	722	708
Total employees	3,406	3,450

The expected payments or contributions to the defined benefit plans within the next 12 months amount to DKK 20m (2024: DKK 25m).

19 Provisions

	Warranty	Restruc- turing	Jubilee	Others	Total
Balance at 1 January 2025	213	615	181	488	1,497
Provision	167	19	43	22	251
Utilised	-185	-135	-18	-121	-459
Reversed	-4	-71	0	-13	-88
Acquisition of companies	8	0	1	0	9
Exchange rate adjustments	-11	0	-3	-18	-32
Balance at 31 December 2025	188	428	204	358	1,178
Current	164	240	20	67	491
Non-current	24	188	184	291	687
Balance at 1 January 2024	219	207	193	416	1,035
Provision	178	508	0	87	773
Utilised	-188	0	-9	-7	-204
Reversed	-3	-121	-3	-16	-143
Acquisition of companies	1	0	0	0	1
Exchange rate adjustments	6	21	0	8	35
Balance at 31 December 2024	213	615	181	488	1,497
Current	136	259	0	0	395
Non-current	77	356	181	488	1,102

Warranty

The provision is recognised for potential warranty claims on the basis of past experience and expected measures. The ordinary warranty on product sold covers a period of 24 months.

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19 Provisions (continued)

Restructuring

The provision covers the expected cost related to the announcement of the planned relocation of our Wahlstedt manufacturing activities. Payment will take place over one to two years. The reversed amount is a consequence of contractual commitments and liabilities which have been settled in 2025.

Jubilee

In the majority of companies there is an obligation to remunerate employees celebrating certain anniversaries (such as 25, 40 and 50 years). The payments vary among countries and companies.

Others

Other provisions include legal disputes to which the Group is a party.

20 Bank and other loans

Amounts in DKK Millions	Interest rate	Maturity	2025	2024
Bank loans	6.8%	2026	3	50
Other loans	5-6%	2026	22	27
Lease liabilities	0-3%	2026-2032	772	607
Bank overdrafts and loans			1	39
Total			798	723
Current			325	301
Non-current			473	422
Total			798	723

Bank overdrafts

The bank overdrafts are secured by a portion of the Group's short-term deposits.

21 Trade and other payables

Amounts in DKK Millions	2025	2024
Trade payables	2,844	2,939

Trade payables are non-interest bearing.

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22 Other liabilities

Amounts in DKK Millions	2025	2024
Buy-back obligation relating to shares	7,609	7,926
Staff related	1,481	1,395
Deferred income	558	539
VAT and other taxes	674	503
Accrued expenses	840	816
Accrued distributions	376	309
Other	54	158
Total	11,592	11,646
Current	5,764	5,346
Non-current	5,828	6,300
Total	11,592	11,646

Buy-back obligation relating to shares

The Group has a buy-back obligation to minority interests related to shares in Grundfos Holding A/S. Under the shareholders' agreement in Grundfos Holding A/S, minority interests in Grundfos Holding A/S must be able to sell their shareholdings back to the Group in whole or in part at a price that corresponds to the market value of the shares.

Amounts in DKK Millions	2025	2024
1 January	7,926	6,416
Additions of the year	213	204
Disposals of the year	-460	-620
Fair value adjustment	-70	1,926
31 December	7,609	7,926

DKK 4,680m is falling due after more than five years. (2024: DKK 5,127m).

Deferred income

Deferred income refers to prepayments from customers for goods and services where the Group has not yet fulfilled its contractual obligations.

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23 Fees to auditors appointed

Amounts in DKK Millions	2025	2024
Fee to EY for statutory audit	17	16
Fee to EY for other assurance engagements	4	4
Fee to EY for tax advisory services	6	7
Fee to EY for other services	6	7
Total	33	34

24 Changes in working capital

Changes in inventories	-132	-253
Changes in accounts receivable	-139	-994
Change in trade creditors, other liabilities and deferred income	82	927
Unrealised exchange rate adjustments	529	271
Total	340	-49

25 Changes in liabilities arising from financing activities

Amounts in DKK Millions	Current interest-bearing loans and borrowings	Current lease liabilities	Non-current interest-bearing loans and borrowings	Non-current lease liabilities	Total
Balance at 1 January 2025	58	243	58	364	723
Cash flows	-42	-140	-47	-210	-439
New leases	0	189	0	282	471
Other	0	26	0	41	67
Exchange rate adjustments	0	-9	-1	-14	-24
Balance at 31 December 2025	16	309	10	463	798
Balance at 1 January 2024	124	162	8	239	533
Cash flows	-66	-105	55	-152	-268
New leases	0	178	0	267	445
Other	0	10	0	15	25
Exchange rate adjustments	0	-2	-5	-5	-12
Balance at 31 December 2024	58	243	58	364	723

'Other' includes the effect of reclassification of non-current portion of interest-bearing loans and borrowings, including lease liabilities, to current due to the passage of time, the accrual of special dividends that were not yet paid at year end, and the effect of accrued but not yet paid interest on interest-bearing loans and borrowings, including lease liabilities. The Group classifies interest paid as cash flows from operating activities.

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26 Share-based compensation expenses

Long-Term Incentive Programme (LTI)

The LTI is targeted at Group Management and other members of senior management. Under this programme, Restricted Stock Units (RSUs) are granted to the executives.

These RSUs vest with them after a continued service of 3.5 years and are also contingent on targets for performance indicators that are defined for the programme for a specific year.

Following the vesting of RSUs under both these programmes, the executives will receive shares of Grundfos Holding A/S.

The expense recognised over the vesting period is based on the fair value of the RSUs at the grant date.

	No. of units	Weighted average grant date fair value (DKK per unit)
Outstanding as at 1 January 2024	161,043	1,434
Granted during the year	76,030	1,711
Vested during the year	-47,381	1,372
Forfeited during the year	-12,724	1,506
Outstanding as at 31 December 2024	176,968	1,565
Granted during the year	85,347	1,663
Vested during the year	-44,665	1,614
Forfeited during the year	-11,378	1,619
Outstanding as at 31 December 2025	206,272	1,592

The outstanding units are expected to vest over a weighted average period of 1.6 years (2024: 1.7 years).

Expense recognised during the year

Amounts in DKK Millions	2025	2024
Expense arising from equity-settled share-based payment transactions (LTI)	76	54
Total	76	54

There were no cancellations or modifications to the grants.

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26 Share-based compensation expenses (continued)

Inputs and model used

	2025	2024
Benchmark PE multiple	N/A	19.8
Annual growth in average profit after tax applied for share price calculation	N/A	18%
Benchmark EV/EBIT multiple	15.8	N/A
Annual growth in EBIT	0.3%	N/A

The share price is calculated once per year and is valid for a 12-month period. The methodology for calculating the share price is prescribed in the articles of association and is based on a multiples approach. In 2025, the articles of association were amended, resulting in a change to the underlying parameters used for the calculation.

Up to and including 2024, the share price was based on a price-earnings multiple derived from a peer group of companies and the Grundfos Group's profit after tax. For the share price valid from May 2025, the key parameters have shifted to an EV/EBIT multiple from a revised peer group and the EBIT of the Grundfos group.

27 Business combinations

On 15 August 2025, Grundfos acquired Newterra's water and wastewater treatment solutions in US and Canada, which are now integrated into Grundfos' Industry Division. From a legal perspective, Grundfos has acquired 2 limited liability companies. The total consideration amounted to DKK 2,046m.

The result of the acquired activities has been included in the consolidated financial statements as of 15 August 2025. The acquired business does not have a material impact on the consolidated financial statements, and therefore historical and pro forma disclosures have not been presented. Had the acquisition taken place at 1 January 2025, revenue would have been higher by DKK 381m and profit would have been higher by DKK 42m.

The fair values of the identifiable assets and liabilities of Newterra activities as at the date of acquisition were:

Amounts in DKK Millions	Fair value recognised in acquisition
Recognized amounts of identifiable assets acquired, and liabilities assumed	
Technology	225
Customer relations and distributors	231
Other intangible assets	27
Total intangible assets	483
Property, plant and equipment	132
Total non-current assets	615
Inventories	49
Trade receivables	179
Other receivables	7
Cash at bank	27
Total current assets	262
Total assets	877

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27 Business combination (continued)

Amounts in DKK Millions	Fair value recognised in acquisition
Long term liabilities	-450
Provisions	-9
Deferred tax	-95
Total non-current liabilities	-554
Short term liabilities	-6
Trade creditors	-54
Other payables	-68
Total current liabilities	-128
Total liabilities assumed	-682
Total identifiable net assets	195
Goodwill	1,422
Cash net	429
Total cash acquisition cost	2,046
Purchase consideration	2,046
Contingent purchase consideration	0
Fair value of consideration	2,046

The fair value of the trade receivables amounts to DKK 179m. The gross amount of trade receivables is DKK 187m.

The deferred tax liability mainly comprises the tax effect of the identified intangible assets.

As part of the purchase price allocation of the acquisition, goodwill of DKK 1,422m was identified after recognition of the fair value of identifiable assets, liabilities and contingent liabilities. Fair value adjustments were determined using discounted cash flows for identified assets. The intangible assets reflect the recognition of Technological know-how (DKK 225m) and Customer relations (DKK 231m) and other intangibles (DKK 27m). The deferred tax liability of DKK 95m is in relation to these intangible asset adjustments. The acquisition of the Newterra activities involved acquisition cost of DKK 50m, which is recognised as administrative expense.

The goodwill of DKK 1,422m comprises the value of expected commercial and scaling synergies arising from the integration of the Newterra business, into the Industry division.

The goodwill does not meet the criteria for recognition as an intangible asset under IAS 38. The amount of the goodwill is not expected to be deductible for income tax purposes.

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28 Commitments and contingencies

Commitments

Amounts in DKK Millions	2025	2024
Performance and payment guarantees	202	147
Purchase agreements of property, plant and equipment	97	143
Total	299	290

Lease contracts etc. are renewed on a continuous basis hence, there is a minor number of contracts committed not yet recorded as at 31 December 2025. The value of these contracts is considered to be immaterial.

At the balance sheet date, the Company had concluded contractual obligations for the building of a new headquarter.

Apart from this the Group is under no material obligations to acquire assets.

Contingencies

The Group is party to a number of disputes, lawsuits and legal actions including tax disputes. It is the view of management that the outcome of these legal actions will have no other significant impact on the Group's financial position beyond what has been recognised and stated in the Annual Report.

29 Financial risk management and financial assets

The Group's activities expose it to a variety of financial risks:

Market risks: Currency risk and raw materials

Credit risk

Liquidity risk

The main purpose of the Group's financial risk management is to finance the Group's operations and to provide guarantees to support its operations. The Group uses derivative financial instruments to hedge certain risk exposures.

The Group's financial risk activities are governed by the policies approved by the Board of Directors. Risk management is carried out by the Central Treasury department who are responsible for identifying, measuring and managing the Group's financial risks in accordance with the Group's policies and risk objectives.

It is the Group's policy that no trading in derivatives should be undertaken for speculative purposes.

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29 Financial risk management and financial assets (continued)

Financial risks

Market and financial risks

Financial risks	Description	Effect	Reference
Currency risk	The Group is exposed to fluctuations when performing sales and purchases in foreign currencies.	Effect: Moderate Threat: Moderate	Note 1 Revenue
Interest rate risk	The Group is exposed to fluctuations in interest rates related to cash position, financial investments and financing arrangements	Effect: Low Threat: Moderate	Note 13 Securities
Credit risk	The Group is exposed to the risk that a counterparty (mainly related to trade receivables and cash position) will not meet its obligation leading to a financial loss.	Effect: Moderate Threat: Low	Note 15 Trade and other receivables Note 20 Bank and other loans
Raw materials risk	The Group is exposed to raw material price inflation. No single raw material constitutes a significant proportion of production costs.	Effect: High Threat: Moderate	Note 14 Inventory

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: currency risk and other price risk, such as interest-rate risk and raw material risk. Financial instruments affected by market risk include transactions with entities in foreign currencies.

The sensitivity analysis in the following sections relates to the position as at 31 December in 2025 and 2024.

The sensitivity analysis has been prepared on the basis that the proportions of financial instruments in foreign currencies are all constant and on the basis of the hedge designations in place at 31 December 2025. Further, it is assumed that the exchange rate sensitivities have a symmetric impact, i.e. an increase in rates results in the same absolute movement as a decrease in rates.

The following assumption has been made in calculating the sensitivity analysis:

The sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective market risks.

This is based on the financial assets and financial liabilities held at 31 December 2025 and 2024 including the effect of hedge accounting.

The sensitivity analysis shows the effect on profit and equity of a reasonably possible change in exchange rates.

Hedges consist primarily of currency derivatives, which are further described in the following sections.

Risk on raw material prices is not hedged by way of financial instruments. Risks on change in interest rates are not considered material for the purposes of the financial statements.

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29 Financial risk management and financial assets (continued)

Financial instruments by category

Amounts in DKK Millions	2025	2024
Shares	7,266	6,844
Bonds	8,029	7,795
Long-term electricity swap	0	0
Financial assets measured at fair value through profit or loss	<u>15,295</u>	<u>14,639</u>
Trade receivables	6,272	6,187
Cash and cash equivalents	3,212	4,000
Financial assets measured at amortised cost	<u>9,484</u>	<u>10,187</u>
Forward currency contracts	68	0
Financial assets measured at fair value through other comprehensive income	<u>68</u>	<u>0</u>
Long-term electricity swap	30	23
Financial liabilities measured at fair value through profit and loss	<u>30</u>	<u>23</u>
Bank and other loans	26	116
Trade creditors	2,844	2,939
Lease liabilities	811	631
Financial liabilities measured at amortised cost	<u>3,681</u>	<u>3,686</u>
Buy-back obligation relating to shares	7,609	7,926
Financial liabilities measured at fair value through profit and loss	<u>7,609</u>	<u>7,926</u>
Forward currency contracts	0	149
Financial liabilities measured at fair value through OCI	<u>0</u>	<u>149</u>

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29 Financial risk management and financial assets (continued)

Fair value measurement

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

Fair value hierarchy

Amounts in DKK Millions	Quoted market prices (level 1)	Valuation based directly or indirectly market (level 2)	Valuation techniques based on unobservable inputs for valuation (level 3)	Total
2025				
Shares	7,266	0	0	7,266
Bonds	8,029	0	0	8,029
Forward currency contracts	0	68	0	68
Financial assets measured at fair value as of 31 December	15,295	68	0	15,363
Buy-back obligation relating to shares	0	0	7,609	7,609
Long-term electricity swap	0	0	30	30
Financial liabilities measured at fair value as of 31 December	0	0	7,639	7,639
2024				
Shares	6,844	0	0	6,844
Bonds	7,795	0	0	7,795
Financial assets measured at fair value as of 31 December	14,639	0	0	14,639
Buy-back obligation relating to shares	0	0	7,926	7,926
Forward currency contracts	0	149	0	149
Long-term electricity swap	0	0	23	23
Financial liabilities measured at fair value as of 31 December	0	149	7,949	8,098

There were no transfers between the three levels during 2025 or 2024.

Valuation techniques and assumptions used

Management assesses that the fair values of cash and short-term deposits, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts, largely due to the short-term maturities of these instruments.

Securities

Fair value of securities is based on observable market prices from stock exchanges.

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29 Financial risk management and financial assets (continued)

Buy-back obligation

The buy-back obligation is valued annually. Up to and including 2024, the buy-back obligations was valued with a price earnings approach. For 2025, the buy-back obligation is valued based on an EV/EBIT multiple approach. Management considers that the valuation method used is within the framework of generally accepted valuation methods for establishing fair value in the fair value hierarchy (level 3).

Price earnings values and EV/EBIT multiples are determined on the basis of comparable industries and revised peer group. Input to the profit for the year and the EBIT is based on the budget of the Grundfos Holding Group.

Foreign Exchange Derivatives

The Group enters into derivative financial instruments with various counterparties, principally financial institutions, with investment grade credit ratings. Foreign exchange forward contracts are valued using valuation techniques, which employ the use of market observable input. The most frequently applied valuation techniques include forward pricing and swap models using present value calculations.

The models incorporate various input including the foreign exchange spot and forward rates, yield curves of the respective currencies, and currency basis spreads between the respective currencies. As at 31 December 2025, the mark-to-market values of other derivative asset positions do not contain a credit valuation adjustment attributable to derivative counterparty default risk. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognised at fair value.

Electricity swap

The Group has entered into a long-term electricity swap, in which the Group purchases renewable electricity from a wind farm at a fixed price and sells it at market price with net settlements on a monthly basis. It is a ten-year contract with expiry in 2034. The volume in the electricity swap covers a portion of the Group's electricity consumption but is not considered a hedge. The valuation of electricity swaps is based on estimates on non-observable prices for a long-term period. The fair value of electricity swaps is determined by discounting estimated future cash flows. Discounting takes place on the basis of estimated price curves and volumes of electricity produced.

The instrument is classified as level 3 in the fair value hierarchy due to the use of significant unobservable inputs. These include:

- A fixed purchase price agreement (PPA) of EUR 47.55/MWh and a swap price of EUR 45.97/MWh, with additional value from renewable energy certificates priced at EUR 1.58/MWh.
- Forecast production volumes adjusted from P50 to P90, resulting in a probability-weighted output of 86.93% of expected annual generation.
- A discount rate of 9%, reflecting market participant assumptions including time value of money, credit risk, and liquidity risk.

These inputs are reviewed quarterly by Group Treasury, using internally developed valuation models and externally sourced market data. The valuation methodology and assumptions are subject to oversight by Group Finance and updated as necessary to reflect the changes in market conditions or contract terms.

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29 Financial risk management and financial assets (continued)

Foreign currency risks

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a local currency, normally being a foreign currency).

The Group manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 18-month period for hedges of forecasted sales and purchases.

The Group hedges its exposure to fluctuations on the translation into Danish Kroner of its foreign operations by using foreign currency swaps and forwards.

At 31 December 2025, the Group has hedged 80% of the next 12 months' exposure of its expected foreign currency sales. The hedged sales were highly probable at the reporting date. The foreign currency risk is hedged by using foreign currency forward contracts.

The majority of Grundfos' transactions are denominated in USD, EUR, AUD, GBP, CNY or HUF. The functional currency of the subsidiaries is generally the local currency, therefore, Grundfos has exposure to these currencies through the translate value of future EBIT and cash flows. The following table demonstrates the sensitivity to the possible change in the exchange rates of the currencies below after the effect of hedge accounting, with all other variables held constant. The Group's exposure to foreign currency changes for all other currencies is not material. Given the Danish Kroner has a fluctuation limit of a maximum +/- 2.25% through the European Exchange Rate Mechanism, the effect of EUR on sensitivity is minimal.

Currency Sensitivity – impact to equity (before tax)

	Increase in exchange rate	2025			2024		
		Monetary items	Hedging	Net	Monetary items	Hedging	Net
USD	5 %	66	-82	-16	37	-92	-55
AUD	5 %	6	-13	-7	3	-14	-11
GBP	5 %	17	-40	-23	17	-39	-22
CNY	5 %	47	-8	39	12	-22	-10
HUF	5 %	4	29	33	0	21	21
Total		140	-114	26	69	-146	-77

The impact on equity arises from monetary items and hedging instruments where the currency that the hedging instruments and monetary items are denominated in differs from the functional currency of the entity. The impact would have been the opposite if exchange rates had been decreasing by similar percentages. The analysis is based on the transaction currency.

Monetary items are expected to be converted to cash during a period of up to 60 days. Hedging contracts cover up to 80% of expected inflow in each currency for a period of up to 18 months.

Profit before tax will not be impacted by changes in the exchange rates due to a high degree of efficiency in the hedging.

Liquidity risk

The Group monitors its risk of a shortage of funds using a liquidity planning tool. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and lease contracts. The Group's policy is that not more than 25% of borrowings should mature in the next 12-month period. Approximately 10% of the Group's debt will mature in less than one year as at 31

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29 Financial risk management and financial assets (continued)

December 2025 (2024: 10%) based on the carrying value of borrowings reflected in the financial statements.

The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low.

The Group has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders. Further, to prevent significant restrictions to Grundfos' liquidity, cash is held among several investment grade financial institutions to minimise loss in an illiquidity event.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

Amounts in DKK Millions	Maturity				Total
	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	
As at 31 December 2025					
Interest-bearing loans and borrowings (excl. Items below)	0	16	10	0	26
Lease liabilities (refer to note 12)	77	232	463	0	772
Trade and other payables	2,367	477	0	0	2,844
Buy-back obligation relating to shares	0	1,781	1,148	4,680	7,609
Forward currency contracts	80	25	0	0	105
Long-term electricity swap	3	12	16	-1	30
Total	2,527	2,543	1,637	4,679	11,386
As at 31 December 2024					
Interest-bearing loans and borrowings (excl. Items below)	0	58	58	0	116
Lease liabilities (refer to note 12)	61	182	364	0	607
Trade and other payables	2,449	490	0	0	2,939
Buy-back obligation relating to shares	0	1,626	1,173	5,127	7,926
Forward currency contracts	40	109	0	0	149
Long-term electricity swap	1	7	13	2	23
Total	2,551	2,472	1,608	5,129	11,760

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30 Capital management

For the purpose of the Group's capital management, capital includes issued capital and all equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is in accordance with guidelines defined by the majority owner, Poul Due Jensens Fond, to ensure and support healthy economic growth and development of the Grundfos Group.

This includes to maintain a solid equity ratio – under the current economic conditions – at a level above 60%.

There is no written dividend policy; however, in recent years, dividend distribution has been at a level of 50% of the consolidated profit of the year.

Amounts in DKK Millions	31 December 2025	31 December 2024
Bank and other loans	798	723
Trade and other payables	2,844	2,939
Less: cash and short-term deposits	-18,434	-18,566
Net debt	<u>-14,792</u>	<u>-14,904</u>

In terms of liquidity, the Group has a cash reserve comprising cash and cash equivalent (see Note 16) and securities (see Note 13).

The Group has only few and immaterial loans. Thus, the Group is not subject to financial covenants from banks or other financial institutions.

Gearing ratio is negative, demonstrating that the Group has effectively no net debt.

31 Hedging activities and derivatives

Forward currency contracts are estimated by generally accepted valuation techniques based on relevant observable swap curves and exchange rates. The fair value applied is calculated mainly by external sources on the basis of discounted future cash flows. Anticipated cash flow for individual contracts is based on observable market data such as interest rates and exchange rates. In addition, fair values are based on non-observable data, including exchange rate volatilities, or correlation between yield curves and credit risks. Non-observable market data account for an insignificant part of the fair value of the derivative financial instruments.

Foreign currency risk

Foreign currency forward contracts are designated as hedging instruments in cash flow hedges of forecast cash inflows of predominantly, USD, EUR, AUD, GBP, CNY and cash outflows of HUF from operations denominated in the local currency of entities within the Group. Should there be a forecasted transaction in excess of DKK 50m, this will be considered significant, and therefore, between 50-90% of this cash flow exposure should be hedged.

Otherwise, the exposures of foreign currency cash flows must be within the following ratios:

0-6 months: 70% - 90%

7-12 Months: 50% - 80%

13-18 Months: 0% - 60%

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31 Hedging activities and derivatives (continued)

These forecast transactions are highly probable. Refer to the table below for the relevant amounts of the respective transactions. The foreign exchange forward contract balances vary with the level of expected foreign currency sales and purchases and changes in foreign exchange forward rates. Given the Danish Kroner has a fluctuation limit towards EUR of a maximum +/- 2.25% through the European Exchange Rate Mechanism, the Group has entered into foreign exchange forward contracts predominantly with EUR as the other leg of the currency pair.

There is no proxy hedging for the currency risk hedging, and therefore the economic relationship between the hedged exposure and the hedge is high. Effectiveness is assessed using the critical terms match approach according to IFRS 9. The source of ineffectiveness is the credit risk of the hedging instruments. For hedges where the cost of hedging is applied, the change in basis spread is recognised in other comprehensive income and is a time effect during the life of the forward contract. At maturity, this amounts to zero.

The net amount of the foreign exchange contracts is presented within either 'Other Current Assets' or 'Other Current Liabilities', depending on whether the carrying amount is positive or negative

The Group is holding the following foreign exchange forward contracts as at 31 December 2025:

Foreign exchange forward contracts (highly probable forecast sales or purchases)

	Fair Value, Asset	Fair Value, Liability	Notional Amount	Maturity					Total
				Less than 1 month	1 to 3 months	3 to 6 months	6 to 9 months	9 to 12 months	
USD			EUR	21	53	79	57	34	244
AUD			EUR	5	9	19	16	9	58
GBP			EUR	13	14	23	23	17	90
CNY			EUR	11	30	46	37	34	158
HUF			EUR	-2,070	-4,570	-9,550	-7,120	-5,264	-28,574

Notional amount (in DKK millions)

	Fair Value, Asset	Fair Value, Liability	Notional Amount	Maturity					Total
				Less than 1 month	1 to 3 months	3 to 6 months	6 to 9 months	9 to 12 months	
USD	53.0	-2.2		136	340	499	361	215	1,551
AUD	1.3	-3.7		19	40	81	68	36	244
GBP	6.3	-1.7		112	118	198	197	141	766
CNY	5.4	-0.8		10	27	42	33	31	143
HUF	25.7	-0.3		-40	-88	-185	-138	-102	-553

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31 Hedging activities and derivatives (continued)

Average forward rate (EUR/one currency unit)

	Fair Value, Asset	Fair Value, Liability	Notional Amount	Maturity					
				Less than 1 month	1 to 3 months	3 to 6 months	6 to 9 months	9 to 12 months	Total
USD				1.013	1.113	1.173	1.186	1.176	1.147
AUD				1.662	1.796	1.805	1.807	1.795	1.791
GBP				0.857	0.863	0.870	0.887	0.893	0.875
CNY				6.385	7.593	8.221	8.308	8.195	7.951
HUF				420.458	418.162	418.882	409.898	399.741	412.982

The Group is holding the following foreign exchange forward contracts as at 31 December 2024:

Foreign exchange forward contracts (highly probable forecast sales or purchases)

	Fair Value, Asset	Fair Value, Liability	Notional Amount	Maturity					
				Less than 1 month	1 to 3 months	3 to 6 months	6 to 9 months	9 to 12 months	Total
USD			EUR	29	31	62	66	56	244
AUD			EUR	6	11	15	16	11	59
GBP			EUR	15	13	21	20	13	82
CNY			EUR	44	120	115	92	46	417
HUF			EUR	-1,900	-3,900	-6,180	-5,970	-4,540	-22,490

Notional amount (in DKKm)

	Fair Value, Asset	Fair Value, Liability	Notional Amount	Maturity					
				Less than 1 month	1 to 3 months	3 to 6 months	6 to 9 months	9 to 12 months	Total
USD	0.0	-76.0		211	222	443	472	401	1,749
AUD	4.0	4.0		25	48	66	72	47	258
GBP	0.0	-17.0		131	119	192	180	118	740
CNY	0.0	-9.0		43	118	112	90	45	409
HUF	0.0	-11.0		-34	-71	-112	-108	-82	-407

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31 Hedging activities and derivatives (continued)

Average forward rate (EUR/one currency unit)

	Fair Value, Asset	Fair Value, Liability	Notional Amount	Maturity					
				Less than 1 month	1 to 3 months	3 to 6 months	6 to 9 months	9 to 12 months	Total
USD				1.072	1.106	1.100	1.116	1.088	1.099
AUD				1.668	1.658	1.641	1.667	1.665	1.658
GBP				0.848	0.866	0.864	0.857	0.847	0.857
CNY				7.846	7.805	7.789	7.741	7.698	7.779
HUF				399.233	403.053	401.096	408.208	423.449	407.505

The impact of hedged items on the statement of financial position is, as follows:

Amounts in DKK Millions	Volume of foreign exchange forward contracts	Cash flow hedge reserve
31 December 2025		
Highly probable expected net cash flows from customers/to vendors	6,630	68
31 December 2024		
Highly probable expected net cash flows from customers/to vendors	6,760	149

The effect of the cash flow hedge in the statement of profit and loss and other comprehensive income is, as follows:

Amounts in DKK Millions	Total hedging gain/loss recognised in OCI	Ineffec- tiveness recognised in profit and loss	Line item in the statement of profit and loss
Year ended 31 December 2025			
Highly probable expected net cash flows from customers/ to vendors	68	0	Revenue/ production cost
Year ended 31 December 2024			
Highly probable expected net cash flows from customers/ to vendors	149	0	Revenue/ production cost

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32 Related parties

Related parties of the Poul Due Jensen Foundation comprise the board of Directors and the registered Group Management of the Poul Due Jensen Foundation.

Transactions with related parties

In the financial year, no transactions took place with the Board of Directors and the Executive Board other than the transactions as a result of conditions of employment.

For compensation of the Board of Directors and the Executive Board of the Group please refer to note 5.

33 Events after the balance sheet date

The Board of Directors of Poul Due Jensen Foundation has approved the issuance of these consolidated financial statements on 26 February 2026.

After the balance sheet date the Board of Directors has approved distributions of DKK 0m.

Subsequent to 31 December 2025, there have been no further events with any significant effect on the financial statements beyond what has been recognized and disclosed in the Annual Report.

34 Summary of material Accounting Policies

Basis of preparation

The Annual Report for the year ended 31 December 2025 has been prepared in accordance with IFRS Accounting Standards (R) as adopted by the European Union (EU), and additional disclosure requirements in the Danish Financial Statements Act applicable to reporting class C (Large) entities.

The Group has adopted all new, amended or revised IFRS Accounting Standards and interpretations as endorsed by the EU effective as of 1 January 2025.

The consolidated financial statements have been prepared on a historical cost basis, except for derivative financial instruments, earn out, buy-back obligation relating to shares and debt or securities and equity financial assets that have been measured at fair value.

The Annual Report is presented in Danish Kroner (DKK), the functional currency of the parent foundation, and all amounts are stated in millions, except when otherwise indicated.

Basis of consolidation

The consolidated financial statements comprise the parent company, Poul Due Jensen Foundation, and subsidiaries over which Poul Due Jensen Foundation exercises control.

Entities acquired or formed during the year are recognised in the consolidated financial statements from the date of acquisition or formation. Entities disposed of are recognised in the consolidated statement of profit or loss until the date of disposal.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent company and to non-controlling interests even if this means that the non-controlling interests have a negative balance. When necessary, the financial statements of subsidiaries are adjusted to align their accounting policies with those of the Group. All intra-group assets and liabilities, equity, income, expenses and cash flows arising from transactions between group entities are fully eliminated on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

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34 Summary of material Accounting Policies (continued)

Minority interests with related buy-back obligation

The contractual obligation to purchase minority interests (put option) gives rise to a financial commitment (derivative financial instrument). The financial commitment is measured at fair value and, when determined, it is assumed that the purchase of the shares will take place on the earliest possible date and for the maximum number of shares. As accounting policy, the foundation has chosen to immediately cease the recognition of minority interests and to include a financial commitment (derivative financial instrument). Any differences between the amount relating to minority interests and the recognition of the financial commitment related to the put option is recognised in the equity. Subsequent changes in the financial commitment is recognised directly in the profit and loss account.

Any dividends paid to the minority going forward are recognised in the consolidated financial statements as a cost, except in the situation where the dividend is a reduction in the debt to the minority. As a result, the minority's share of the result is allocated to the majority, as there is no minority. When the option is used, the financial commitment is offset by the payment by the Foundation of the exercise price related to the put option. If the option expires, the minority interest is re-recognised and any differences between the minority interest and the financial commitment are recognised as own funds.

New and amended standards and interpretations

The following accounting standards/amendments are effective as of 1 January 2025.

Amendments to IAS 21: Lack of exchangeability

The above standards and amendments do not have material impact on our financial statements.

Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

The following accounting standards / amendments are effective in future periods:

IFRS 18 – Presentation and Disclosure in Financial Statements – Replacement of IAS 1 Presentation of Financial Statements (effective 1 January 2027)

IFRS 19 – Subsidiaries without Public Accountability: Disclosures (effective 1 January 2027)

Amendments to IFRS 9 and IFRS 7 – Classification and Measurement (effective 1 January 2026)

Amendments to IFRS 9 and IFRS 7 – Nature-dependent Electricity Contracts (effective 1 January 2026)

IAS 21 – Reporting in Hyperinflationary Economies (effective 1 January 2027)

IFRS 10 and IAS 28 – Sale or Contribution of Assets (effective date deferred indefinitely)

The Group has performed assessments and evaluations of the potential impact of these new and amended standards. Based on these assessments, the group does not expect any of the changes to have a material effect on its consolidated financial statements or disclosures.

In particular, IFRS 18 introduces a new framework for presentation and disclosure in financial statements, replacing IAS 1. While this will require updates to the structure and presentation of the Group's financial statements, it does not change recognition or measurement principles. The Group has allocated resources to ensure compliance with the new disclosure requirements and will implement necessary changes to presentation formats before the effective date.

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34 Summary of material Accounting Policies (continued)

The adoption of these standards, including IFRS 18, is not expected to have material impact on our financial statements.

Critical accounting estimates and judgements

In preparing the consolidated financial statement, Management has made judgements, estimates and assumptions that affect how the Group's accounting policies are applied and the amount of assets, liabilities, income and expenses reported.

Judgements

The following provides information about judgements made in applying those accounting policies that most significantly impact the amounts recognised in the consolidated and separate financial statements:

Special items

The use of special items entails management judgement in the separation from ordinary items. Management carefully assesses individual classifications for a fair distinction between operating activities and significant income and expenses of a special nature. The exit decision from Russia and Belarus led to one-off expenses which management deems a special item.

Exit related expenses relate to impairment of assets and cost related to severance and other legal commitments arising from the Share Purchase Agreement with the buyer.

Management has assessed the various scenarios and likelihood in their judgement and estimation of the provision.

Assumptions and estimation uncertainties

Management makes accounting estimates and assumptions on which the recognition and measurement of the Group's revenues, expenses, assets and liabilities, and the accompanying disclosures, are based.

The following provides information about assumptions and estimation uncertainties which could result in outcomes that require a material adjustment to the carrying amounts of assets or liabilities affected in future periods.

Tax (Note 9)

Interpretation of local tax regulations, including transfer pricing, creates uncertainty regarding timing and measurement. Tax assets and liabilities are recognised based on the most likely future impact, considering expected taxable income.

The Group also applies IFRIC 23 for uncertain tax positions, mainly related to transfer pricing. Estimates involve judgement on audit outcomes, arm's length pricing and dispute resolution. Provisions are reviewed annually and adjusted for new information. Additional exposure beyond recognised amounts are disclosed in note 28.

Impairment test of goodwill (Note 10)

The key assumptions supporting recoverable amounts mainly comprise discount rate (WACC) and expectations regarding future production and unit prices. Please refer to Note 10 for more details related to the impairment test.

Depreciation on tangible non-current assets (Note 11)

The expected lifetime for tangible assets is determined based on experience and expectations for future use of the assets. Estimated lifetime is linked to uncertainty due to varying utilisation.

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34 Summary of material Accounting Policies (continued)

Inventories (Note 14)

Valuation of inventories includes estimates related to allocation of indirect cost and estimates on the net realisable value at which inventories are expected to be sold. Estimates in these areas are based on judgements such as determination of obsolete items and expected future turnover.

Trade receivables (Note 15)

The valuation of trade receivables includes estimates on the expected credit loss. These estimates are based on statistics over the historic risk of credit losses, and judgements over future risk of losses. By nature, this methodology is associated with uncertainty.

Pension obligations, defined benefit plans (Note 18)

Pension obligations under defined benefit plans are based on assumptions in the actual individual agreements (such as a fixed amount or a percentage of the employee's salary) and generic assumptions (interest, inflation, mortality etc.) which are associated with a degree of uncertainty. External actuarial support is used on significant plans.

The calculated pension obligation is measured at discounted present value.

Provisions (Note 19)

Provision for warranty is determined on historic experience on the level and size of claims under the warranty provided. The provision is adjusted annually. Management continually assesses provisions, including contingencies and the likely outcome of pending and potential legal proceedings. The outcome of such proceedings depends on future events, which are, by nature, uncertain. When considering provisions involving significant estimates, opinions and estimates by external legal experts and existing case law are applied in assessing the probable outcome of material legal proceedings.

Estimated cost of restructuring reflects the total estimated cost of decided or foreseen significant restructuring measures.

35 Group General Accounting Policies

Revenue

Pump solutions

Pump solution relates to sale of finished goods of which revenue is recognised in the statement of profit and loss when control of the products has been transferred to the customer (the performance obligation is satisfied at a point in time). Control is transferred when the products are delivered, which occurs when the Group has objective evidence that all criteria for transfer of risk has been satisfied. Sales are only recognized to the extent that it is highly probable that a significant reversal will not occur. Products are often sold with retrospective volume discounts. Revenue is measured at the fair value of the consideration agreed, excluding VAT, duties, and discounts in relation to the sale contract. Accumulated experience is used to estimate variable considerations (expected value method). The validity of assumptions and estimates are reassessed at each reporting date. Because of historical accurate estimates, it is highly probable that a significant reversal in the cumulative revenue recognized will not occur.

POUL DUE JENSEN / GRUNDFOS FOUNDATION

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Notes to the consolidated financial statements

35 Group General Accounting Policies (continued)

Service sales

Service income is recognized in the statement of profit and loss as the services are rendered. Accordingly, the recognised sale corresponds to the sales value of the work performed during the year. This is determined based on the actual cost incurred relative to the total expected cost. The sale of services is recognised in the statement of profit and loss when the aggregated income and expenses of the service contract can be reliably measured, and it is probable that the Group will receive the financial benefits, including payments.

Project sales

In addition to the standard pump sales Grundfos develops and delivers highly customised pump solution. The performance obligation is satisfied over time and payment is generally due upon completion of installation and acceptance of the customer. In some contracts, short-term advances are required before the installation service is provided.

A loss is recognized if the sum of the expected cost for services under the contract exceeds the transaction price.

The Group's standard payment terms are 30-60 days. However, there may be country-specific deviations from the standard payment terms. The Group does not expect to have any contracts where the period between the transfer of the promised products or services to the customer and payment by the customer exceeds one year. Therefore, the Group does not adjust any of the transaction prices for the time value of money. A receivable is recognised when the products are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

The Group's obligation to repair or replace faulty products under the standard warranty terms is recognised as a provision.

Production cost

Production cost comprises cost incurred in generating the revenue for the year. This includes direct and indirect cost such as staff cost, depreciation, amortisation and provisions for obsolete inventory.

Research and development cost

Research and development cost is cost that relates to the Company's R&D activities, including staff cost, amortisation and depreciation. Research costs is recognised in the profit and loss account in the year they are incurred.

Development cost incurred for the maintenance and optimisation of existing products or production processes are recognised in the profit and loss account. Cost for the development of new products is recognised in the profit and loss account, unless the criteria for recognition in the consolidated statement of financial position are met for the individual development project.

Staff cost

Staff cost includes the Group's total costs of wages, salaries, pensions and other social insurance costs.

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Notes to the consolidated financial statements

35 Group General Accounting Policies (continued)

Special items and earnings before interest and tax (EBIT) before special items

Special items include significant and rarely occurring items that are the result of external events over which Grundfos have no influence and are not attributable to Grundfos' normal operations. This includes – but is not limited to – unforeseeable events that would be considered as force majeure such as natural disasters and political actions that significantly impacts Grundfos' operations.

Consequently, operating profit (EBIT) before special items is defined as operating profit (EBIT) excluding the above-mentioned special items.

Finance income and expenses

Finance income and expenses comprise interest received, and interest paid, realised and unrealised gains and losses on securities, receivables, debt and transactions denominated in foreign currencies. Further, the interest element of leasing payments is included.

Fair value adjustments of the financial commitment (derivative financial instrument) to purchase minority interest (put option) is recognized directly in the profit and loss account.

Any dividends paid to the minority are recognised in the consolidated financial statements as a cost, except in the situation where the dividend is a reduction in the debt to the minority.

Goodwill

Goodwill is recognised at initial recognition in the statement of financial position at cost and allocated to cash-generating units as described under "Note 10 Intangible assets".

Subsequently, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised.

Other intangible assets

Other intangible assets are measured at cost less accumulated amortisation and write-downs.

Amortisation on other intangible assets is made according to the straight-line method over the anticipated economic life of the asset.

Estimated useful lives and residual values are reassessed annually. The estimated useful lives are:

Know-how	3-10 years
Customer relations	3-10 years
Other intangible assets	3-10 years

Development projects

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or utilisation opportunity within the group is demonstrated, and where the group intends to produce, market or use the project, are recognised as intangible assets, provided that the cost can be measured reliably and that there is sufficient assurance that future earnings or the net selling price can cover cost of sales, selling and distribution costs and administrative expenses and development costs.

Other development costs are recognised in the consolidated statement of profit or loss when incurred.

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Notes to the consolidated financial statements

35 Group General Accounting Policies (continued)

Recognised development projects are measured at cost less accumulated amortisation and impairment.

Cost includes direct and indirect expenses, including wages.

Completed development projects are generally amortised on a straight-line basis over 5 years.

Development projects in progress are not amortised, but annually tested for impairment.

Property, plant & equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the assets is available for use.

Depreciation is provided on a straight-line basis over the expected useful lives of the assets. The expected useful lives are as follows:

Buildings	20-40 years
Technical installations and machinery	3-10 years
Other technical installations	3-10 years
Land	Not depreciated

The remaining useful life is reassessed annually and adjusted as necessary. The residual value of an asset is considered when the depreciable amount of the asset is determined.

The basis of depreciation is calculated considering the asset's residual value less any impairment losses. The residual value is determined at the date of acquisition and reassessed annually. When the residual value exceeds the carrying amount of the assets, depreciation is discontinued. If the depreciation period or the residual value is changed, the changes are accounted for as accounting estimates, and the effect on depreciation is recognised prospectively.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price and the carrying amount at the date of disposal.

Gains and losses are recognised in the consolidated statement of profit or loss as other operating income or operating cost in the period of disposal.

Right-of-use assets and lease liability

For identified leases, a right-of-use asset and a corresponding lease liability are recognised on the lease commencement date. Upon initial recognition, the right-of-use asset is measured at cost corresponding to the lease liability recognised, adjusted for any lease prepayments or directly related costs, including dismantling and restoration costs.

Right-of-use assets depreciated by the straight-line method over the lease term or the useful life of the leased asset, whichever is shortest.

The lease liability is measured at the present value of lease payments of the lease term discounted using the interest rate implicit in the lease contract. In cases where the implicit interest rate cannot be determined, an appropriate incremental Grundfos borrowing rate is applied corresponding to the borrowing rate used in the country specific project.

Lease extensions are applied where they are available and when it is foreseeable and reasonably certain they will be exercised.

Right-of-use assets and lease liabilities are not recognised for low value lease assets below DKK 50.000 or leases with a term of 12 months or less. These are recognised as an expense on a straight-line basis over the term of the lease.

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Notes to the consolidated financial statements

35 Group General Accounting Policies (continued)

Trade receivables and other receivables

Receivables are measured at amortised cost less expected credit losses. The estimated value is discounted where relevant.

Contracted work in progress is measured at sales value of the completed part of the contracts as at the date of statement of financial position.

Expected credit loss is based on historic experience including impact from regional and specific circumstances.

An impairment analysis is performed to measure expected credit losses. The provision rates are based on days past due, customer geography, type and rating and coverage by letters of credit or other forms of credit insurance. Generally, trade receivables are written-off if past due for more than one year.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

Inventories

Inventories are measured at the lower of cost in accordance with the FIFO method and the net realisable value. The cost of goods for resale and raw materials and consumables comprises purchase price plus delivery cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables, direct wages and indirect costs such as material and labour, maintenance of and depreciation on production machinery, buildings and equipment and costs relating to production administration and management.

The net realisable value of inventories is determined as the selling price less costs of completion and costs incurred to make the sale, taking into account marketability, obsolescence and developments in the expected selling price.

Provisions

Provisions are recognised when, as a result of past events, the Group has a legal or a constructive obligation, and it is probable that there may be outflow of resources embodying economic benefits to settle the obligation.

Provisions are measured at the expected future cash flows and – where material – discounted, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Management continually assesses provisions, including contingencies and the likely outcome of pending and potential legal proceedings.

Pension and similar obligations

The Group has established defined-benefit plans with certain employees at some of the Group's foreign companies. The plans place the Group under an obligation to pay a certain benefit in connection with retirement (e.g. in the form of a fixed amount at retirement or a proportion of the employee's exit salary). The pension obligations are determined by discounting the pension obligations at the present value. The present value is determined based on assumptions about the future development in economic variables such as interest rates, inflation, mortality and disability probabilities, which are subject to some degree of uncertainty. External actuaries are used for the measurement of all significant defined-benefit plans. The assumptions used are disclosed in Note 18 Pension and similar obligations.

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Notes to the consolidated financial statements

35 Group General Accounting Policies (continued)

Tax

Income tax

Tax expense for the year includes current and deferred tax. Tax is recognised in the consolidated statement of profit or loss, except when the tax relates to items recognised in other comprehensive income or directly in equity, in which case the tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax

Current tax assets and tax liabilities arising from current or prior periods are recognised at the amounts expected to be received from or paid to the relevant tax authority.

Tax for the period is recognised in the consolidated statement of profit or loss.

The tax rates applied are those in force at the date of the statement of financial position.

Deferred tax

Deferred tax is measured using all temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry forwards, are recognised to the extent that future taxable income is likely to be available against which the differences can be used – either as a setoff against tax on future income or as a set-off against deferred tax liabilities.

Deferred tax assets are assessed on an ongoing basis and are recognised only to the extent that future taxable profits are likely to allow the recovery of the deferred tax asset.

Deferred tax assets and deferred tax liabilities are measured using the tax rates expected to apply in the year when the asset is realised, or the liability is settled.

Deferred tax assets and deferred tax liabilities are set off if a legal right to do so exists, and the deferred tax is attributable to the same legal tax entity.

A temporary exception from the requirement to account for deferred taxed arising from the implementation of the Global Minimum Tax has been applied.

Uncertain tax positions

Uncertain tax positions are recognized if it is probable that the uncertain tax position will affect the Group's future tax payments. Uncertain tax positions are measured at the expected future value to be settled.

Share-based payments

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

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35 Group General Accounting Policies (continued)

That cost is recognised in employee benefits expense, together with a corresponding increase in equity (retained earnings), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Financial instruments

Financial assets and financial liabilities

Financial assets and liabilities are measured at fair value through the consolidated statement of profit or loss or at fair value through other comprehensive income (hedging instruments). Financial instrument transactions are accounted for on settlement date.

Derivates and hedge accounting

Derivative financial instruments are measured at fair value.

An economic relationship between the hedged item and the hedging instrument exists when it is expected that the values of the hedged item and hedging instrument will typically move in opposite directions in response to movements in the same risk (hedged risk).

Effectiveness is monitored by comparing the change in the value of the future cash flow hedged to the change in the value of the derivative.

Changes in the fair value of derivative financial instruments designated as a hedge of a recognised asset or liability are recognised in other comprehensive income.

Changes in the fair value of derivative financial instruments that are not designated as a hedge or does not meet the criteria for hedge accounting are recognised as finance income or finance costs in the consolidated statement of profit or loss.

Other financial assets and liabilities

Receivables and other financial assets are measured at amortised cost and written down for expected credit loss on bad debt.

Payables are measured at amortised cost.

Fair value measurements

The Group uses fair value for certain disclosures and measurement of financial instruments and other investments. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the assumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, presuming that they are acting in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, thus maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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35 Group General Accounting Policies (continued)

All assets and liabilities for which fair value is measured or disclosed are categorised within the fair value hierarchy, described as follows, on the basis of the lowest level input that is significant to the fair value measurement as a whole.

LEVEL 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

LEVEL 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

LEVEL 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The fair value of interest rate swaps is determined by discounting estimated future cash flows. Discounting takes place on the basis of yield curves based in turn on market rates prevailing at the closing date. Fair value of the issued bonds is equal to the listed bond price at the balance sheet date.

The fair value of electricity swaps is determined by discounting estimated future cash flows. Discounting takes place on the basis of estimated price curves and estimated volumes of electricity produced.

Business combinations

Enterprises acquired during the year are recognised in the consolidated financial statements from the date of acquisition. The acquisition date is the date when the parent company effectively obtains control of the acquired enterprise. Enterprises disposed of are recognised in the consolidated statement of profit or loss until the disposal date.

For acquisitions of new enterprises in which the parent company is able to exercise control over the acquired enterprise, the purchase method is used. The acquired enterprise's identifiable assets, liabilities and contingent liabilities are measured at fair value at the acquisition date. Identifiable intangible assets are recognised if they are separable or arise from a contractual right. Deferred tax on revaluations is recognised.

Goodwill is initially measured at cost, being the excess of the consideration transferred, over the Group net identifiable assets acquired, and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in the consolidated statement of profit and loss as a gain from a bargain purchase. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group cash-generating units that are expected to benefit from the combination. Goodwill is tested for impairment at year-end or more frequently when impairment indicators are identified.

The cost of a business combination comprises the fair value of the consideration agreed upon. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the amount of that adjustment is included in the cost of the combination if the adjustment is probable and can be measured in a reliable manner. Subsequent changes to contingent considerations are recognised in the consolidated statement of profit or loss. If uncertainties regarding the measurement of identifiable assets, liabilities and contingent liabilities exist at the acquisition date, initial recognition will take place on the basis of preliminary fair values. If identifiable assets, liabilities and contingent liabilities are subsequently determined to have significantly different fair value at the acquisition date than first assumed, goodwill is adjusted up to twelve months after the acquisition. The effect of the adjustments is recognised in the opening balance of equity and the comparative figures are restated accordingly.

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35 Group General Accounting Policies (continued)

Government grants

Grants for R&D purposes are recognised as income in the consolidated profit and loss account under R&D costs, thus offsetting the costs they compensate.

Grants for the purchase of assets and development projects that are capitalised are offset in the cost of the assets to which the grants are given.

Foreign currency translation

For each of the reporting entities in the Group, a functional currency is determined. The functional currency of the parent company is DKK. The functional currency is the currency used in the primary financial environment in which the reporting entity operates. Transactions denominated in other currencies than the functional currency are foreign currency transactions. On initial recognition, foreign currency transactions are translated into the functional currency using the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the consolidated statement of profit or loss as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated into the functional currency using the exchange rates at the reporting date. The difference between the exchange rates at the date of statement of financial position and at the date at which the receivable or payable arose or the exchange rates in the latest annual report is recognised in the consolidated statement of profit or loss.

The consolidated statement of profit or loss and statement of comprehensive income of entities with a functional currency other than Danish kroner are translated at the exchange rates at the transaction date. Balance sheet items are translated at the exchange rates at the date of statement of financial position. An average exchange rate for each month is used as the exchange rate at the transaction date to the extent that this does not significantly distort the presentation of the underlying transactions.

Foreign currency translation adjustments that are considered part of the total net investment in entities with another functional currency than DKK are recognised in the consolidated financial statements in other comprehensive income under a separate reserve for foreign currency translation adjustments under equity.

Cash flow statement

The cash flow statement shows the cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as cash and cash equivalents at the beginning and end of the year.

The cash flow effect of acquisitions and disposals of entities is shown separately in cash flows from investing activities. Cash flows from acquired entities are recognised in the cash flow statement from the acquisition date. Cash flows from disposals of entities are recognised up until the date of disposal.

Cash flows from operating activities are calculated in accordance with the indirect method based on profit/loss after tax adjusted for non-cash operating items, changes in working capital, interest received and paid, including the interest element related to recognised lease commitments, dividends received and corporation tax paid.

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Notes to the consolidated financial statements

35 Group General Accounting Policies (continued)

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities and activities, of intangible assets, property, plant and equipment and other non-current assets as well as securities that are not presented as cash and cash equivalents.

Cash flows from financing activities comprise changes in the size or composition of the share capital and related expenses as well as borrowings, repayment of interest-bearing debt, repayment of lease commitments, purchase and sale of treasury shares and distribution of dividends to shareholders.

Cash and cash equivalents comprise cash at bank and in hand. Cash flow in currencies other than the functional currency are translated using average exchange rates unless this deviates significantly from the rate at the transaction date.

Contingent liabilities and assets

Contingent liabilities comprise obligations that are not recognised because the outflow of resources embodying economic benefits will probably not be required to settle the obligation or because the amount of the obligation cannot be measured with sufficient reliability.

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Parent Foundation Financial Statements 1 January – 31 December

Statement of profit and loss

Note	Amounts in DKK Millions	2025	2024
1,2,3	Administrative cost	-30	-37
	Earnings before interest and tax (EBIT)	-30	-37
	Income from investments in affiliated companies	2,805	3,010
4	Financial income	154	812
	Profit before tax	2,929	3,785
5	Income tax expenses	-28	-175
	Profit for the year	2,901	3,610
	Attributable to:		
	Retained earnings	792	1,740
	Reserve equity method	1,704	1,521
	Distributions	405	349
	Total	2,901	3,610

POUL DUE JENSEN / GRUNDFOS FOUNDATION

Parent Foundation Financial Statements 1 January – 31 December

Statement of other comprehensive income

Note	Amounts in DKK Millions	2025	2024
	Profit for the year	2,901	3,610
	Other comprehensive income that may be reclassified to profit and loss in subsequent periods (net of tax)		
	Other comprehensive income from affiliated companies	-306	-299
	Other comprehensive income that may be reclassified to profit and loss in subsequent period, net of tax	-306	-299
	Other comprehensive income that will not be reclassified to profit and loss in subsequent periods (net of tax)		
	Other comprehensive income from affiliated companies	-3	-27
	Other comprehensive income that will not be reclassified to profit and loss in subsequent periods, net of tax	-3	-27
	Other comprehensive income for the year, net of tax	-309	-326
	Total comprehensive income for the year, net of tax	2,592	3,284
	Attributable to:		
	Retained earnings	793	1,740
	Reserve equity method	1,394	1,195
	Distributions	405	349
	Total comprehensive income for the year, net of tax	2,592	3,284

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Parent Foundation Financial Statements 1 January – 31 December

Statement of financial position

Note	Amounts in DKK Millions	2025	2024
	ASSETS		
	Non-current assets		
	Property, plant and equipment		
6	Right-of-use assets	9	11
	Total, property, plant and equipment	9	11
	Financial assets		
7	Investments in affiliated companies	32,904	21,922
	Total financial assets	32,904	21,922
	Total non-current assets	32,913	21,933
	Current assets		
	Receivables from affiliated companies	1,149	0
5	Income tax receivable	0	30
8	Other receivables	3	41
9	Securities	0	9,859
10	Cash and cash equivalents	255	175
	Total current assets	1,407	10,105
	TOTAL ASSETS	34,320	32,038
	EQUITY AND LIABILITIES		
11	Basic capital	505	505
	Retained earnings	12,833	11,664
	Reserve equity method	20,090	19,108
	Proposed provision for distribution	500	438
	Total equity	33,928	31,715
	Non-current liabilities		
6	Lease liabilities	2	3
	Total non-current liabilities	2	3
	Current liabilities		
6	Lease liabilities	1	1
5	Income tax payable	4	0
12	Other liabilities	385	319
	Total current liabilities	390	320
	Total liabilities	392	323
	TOTAL LIABILITIES AND EQUITY	34,320	32,038

POUL DUE JENSEN / GRUNDFOS FOUNDATION

Parent Foundation Financial Statements 1 January – 31 December

Statement of cash flows

Note	Amounts in DKK Millions	2025	2024
	Operating activities		
	Profit after tax	2,901	3,610
3	Depreciation and amortisation of non-current assets	2	1
4	Finance income	-154	-812
4	Finance expenses	0	0
7	Income from investments in affiliated companies	-2,805	-3,010
5	Tax for the year	28	175
14	Changes in net working capital	37	10
	Dividend received	1,494	1,488
	Cash flow from operations before financial items and tax	1,503	1,462
	Taxes paid	6	-143
	Interest paid and realised currency losses	0	0
	Interest received and realised currency gains	102	280
	Interest paid on lease liabilities	0	0
	Cash flow from operating activities	1,611	1,599
	Investing activities		
	Purchase of affiliated company	0	-300
	Lending to affiliated companies	-1,237	0
9	Purchase of securities	0	-3,996
9	Sale of securities	0	3,224
	Cash flow from investing activities	-1,237	-1,072
	Net cash flow from operating and investing activities	374	527
	Financing activities		
15	Payment of principal portion of lease liabilities	-2	-1
	Distributions paid	-276	-243
	Acquisition and sale of minority holdings	-16	-242
	Cash flow from financing activities	-294	-486
	Net increase/decrease in cash and cash equivalents	80	41
	Cash and cash equivalents as at 1 January	175	134
	Cash and cash equivalents as at 31 December	255	175

POUL DUE JENSEN / GRUNDFOS FOUNDATION

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Statement of changes in equity

Note	Amounts in DKK Millions	Basic capital	Retained earnings	Reserve equity method	Proposed provision for distribution	Total
	Balance at 1 January 2025	505	11,664	19,108	438	31,715
	Profit for the year	0	792	1,704	405	2,901
	Other comprehensive income	0	0	-309	0	-309
	Distributions granted	0	0	0	-343	-343
	Adjustment to provision for distributions	0	0	0	0	0
	Transaction with non-controlling interests	0	377	-413	0	-36
	Total other transactions	0	377	-413	-343	-379
	Balance at 31 December 2025	505	12,833	20,090	500	33,928
	Balance at 1 January 2024	505	9,559	18,434	384	28,882
	Profit for the year	0	1,740	1,521	349	3,610
	Other comprehensive income	0	0	-327	0	-327
	Distributions granted	0	0	0	-295	-295
	Adjustment to provision for distributions	0	0	0	0	0
	Transaction with non-controlling interests	0	365	-520	0	-155
	Total other transactions	0	365	-520	-295	-450
	Balance at 31 December 2024	505	11,664	19,108	438	31,715

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1	Administration cost		
	Staff cost	17	16
	Depreciation and amortisation	2	1
	Other administration	11	20
	Total	30	37
2	Staff cost		
	Wages and salaries	16	15
	Pensions	1	1
	Total	17	16
	Staff costs are recognised as follows:		
	Administration cost	17	16
	Total	17	16
	Average number of full-time employees	9	9
	Numbers of employees at year-end	9	8
	Staff costs include fee to the Executive Board and the Board of Directors of the Foundation for the directorships in the Foundation and can be specified as follows:		
	Executive Board	3	3
	Board of Directors	6	6
	Total	9	9
3	Depreciation, amortisation and impairments		
	Amounts in DKK Millions	2025	2024
	Right-of-use assets, note 6	1	1
	Total	1	1
	Depreciation, amortisation and are recognised as follows:		
	Administration cost	1	1
	Total	1	1

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Amounts in DKK Millions		2025	2024
4	Financial income		
	Interest income bonds	0	189
	Value adjustments bonds	0	64
	Dividend income shares	0	60
	Value adjustments shares	6	468
	Interest income, group entities	141	0
	Other financial income	7	31
	Total	154	812
5	Tax		
	Income taxes in statement of profit or loss and reconciliation		
	Tax on the profit for the year is specified as follows:		
	Tax on profit/loss for the year	28	175
	Total	28	175
	Tax on the profit for the year has been calculated as follows:		
	Current income taxes	28	96
	Deferred income taxes	0	75
	Adjustment regarding previous years	0	0
	Top-up corporate income tax	0	4
	Total	28	175
	Effective tax rate can be calculated as follows:		
	Danish tax rate	22%	22%
	Non-taxable income and non-deductible expenses	-21%	-17%
	Other, including adjustments regarding previous years and top-up corporate income tax	0%	0
	Effective tax rate	1%	5%
	Income tax:		
	Income tax receivable	0	30
	Income tax payable	-4	0
	Total income tax	-4	30
	Changes in deferred tax		
	Amounts in DKK Millions	2025	2024
	Net deferred tax assets 1 January	0	75
	Deferred tax recognised in profit or loss account	0	-75
	Net deferred tax assets 31 December	0	0

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6 Right-of-use assets

The Foundation has lease contracts primarily for buildings. Leases of buildings have a lease term of 10 years.

The Foundation's obligations under its leases are secured by the lessor's title to the leased assets. The Foundation is restricted from assigning and subleasing the leased assets.

The Foundation also has leases with lease terms of 12 months or less and leases of low value. The Foundation applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

Amounts in DKK Millions	Property
Carrying amount at 1 January 2025	11
Additions	0
Depreciations	-2
Carrying amount at 31 December 2025	9
Carrying amount at 1 January 2024	12
Additions	0
Depreciations	-1
Carrying amount at 31 December 2024	11

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

Amounts in DKK Millions	2025	2024
Balance at 1 January	4	4
Exchange rate adjustments	0	0
Additions	0	0
Interest	0	0
Payments	-1	0
Balance at 31 December	3	4
Current	1	1
Non-Current	2	3
Total	3	4

Undiscounted lease liabilities maturity analysis

Less than one year	0	1
One to three years	1	1
More than three years	2	2
Total undiscounted lease liabilities at 31 December	3	4

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6 Right-of-use assets (continued)

The following are the amounts recognised in profit and loss:

Amounts in DKK Millions	2025	2024
Depreciation expense of right-of-use assets	2	1
Interest expense on lease liabilities	0	0
Expense relating to short-term leases	0	0
Variable lease payments	0	0
Total	2	1

The Foundation had total cash outflows for leases of DKK 0m in 2025 (DKK 0m in 2024).

The Foundation has lease contracts that include extension and termination options. Management assesses whether or not it is reasonably certain that these options will be exercised after considering all relevant facts and circumstances.

7 Investments in affiliated companies

Amounts in DKK Millions	2025	2024
Cost at 1 January	2,814	1,906
Additions	10,016	920
Disposals	-16	-12
Cost at 31 December	12,814	2,814
Value adjustments at 1 January	19,108	18,434
Share of profit	2,805	3,010
Dividends received	-1,494	-1,488
Disposals of the year	0	-121
Other value adjustments	-329	-727
Adjustments at 31 December	20,090	19,108
Carrying amount at 31 December	32,904	21,922

A specification of the investments in affiliated companies is evident from the management review.

In 2025, as part of a group-internal reorganization, the Foundation has transferred the portfolio of listed shares and bonds to PDJF A/S against issuance of a loan note. The loan note has subsequently been partially converted to equity through a capital increase.

8 Other receivables

Amounts in DKK Millions	2025	2024
Prepayments	3	3
Other current receivables	0	38
Total	3	41

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Amounts in DKK Millions		2025	2024
9	Securities		
	Costs at 1 January	9,172	8,355
	Additions during the year	0	3,996
	Disposals during the year	-9,172	-3,179
	Exchange rate adjustments	0	0
	Cost at 31 December	0	9,172
	Value adjustments at 1 January	687	199
	Value adjustments during the year	-687	488
	Value adjustments at 31 December	0	687
	Balance at 31 December	0	9,859
	Current	0	9,859
	Non-current	0	0
	Total	0	9,859

The portfolio consists solely of listed shares and bonds and is distributed as follows:

Shares	0	5,476
Bonds	0	4,383
Total	0	9,859

In 2025, as part of a group-internal reorganization, the Foundation has transferred the portfolio of listed shares and bonds to PDJF A/S.

10	Cash and cash equivalents		
	Cash at bank and on hand	255	175
	Total	255	175

Cash at banks earns interest at floating rates based on daily bank deposit rates.

11 Basic capital

The basic capital amounts to DKK 505m.

The basic capital shall always remain untouched while the retained earnings is for the free disposal of the Foundation in accordance with the Foundation's objective.

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Amounts in DKK Millions		2025	2024	
12	Other liabilities			
	Accrued expenses	8	8	
	Accrued distributions	376	309	
	Other	1	2	
	Total	385	319	
11	Fees to auditors appointed			
	Fee to EY for statutory audit	0	0	
	Fee to EY for other assurance engagements	0	0	
	Fee to EY for tax advisory services	1	1	
	Fee to EY for other services	0	1	
	Total	1	2	
14	Changes in working capital			
	Changes in accounts receivable	38	10	
	Change in other liabilities	-1	0	
	Total	37	10	
15	Changes in liabilities arising from financing activities			
Amounts in DKK Millions		Current lease liabilities	Non-current lease liabilities	Total
	Balance at 1 January 2025	1	3	4
	Cash flows	0	-1	-1
	New leases	0	0	0
	Balance at 31 December 2025	1	2	3
	Balance at 1 January 2024	1	3	4
	Cash flows	0	0	0
	New leases	0	0	0
	Balance at 31 December 2024	1	3	4

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16 Financial risk management and financial assets

The main purpose of the Foundation's financial liabilities is to finance the Foundation's operations and to provide guarantees to support its operations.

Foundation Management oversees the management of these risks, including overseeing that the Foundation's financial risk activities are governed by the policies and procedures outlined by Management and that financial risks are identified, measured and managed in accordance with the Foundation's policies and risk objectives. It is the Foundation's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees on policies for managing each of these risks.

Financial instrument by category

Amounts in DKK Millions	2025	2024
Shares	0	5,476
Bonds	0	4,383
Financial assets measured at fair value through profit or loss	0	9,859
Cash and cash equivalent	255	175
Financial assets measured at amortised cost	255	175

Fair value measurement

The following table provides the fair value measurement hierarchy of the Foundation's assets and liabilities.

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16 Financial risk management and financial assets (continued)

Fair value hierarchy

Amounts in DKK Millions	Quoted market prices (level 1)	Valuation based on directly or indirectly market (level 2)	Valuation techniques based on unobservable inputs for valuation (level 3)	Total
2025				
Shares	0	0	0	0
Bonds	0	0	0	0
Financial assets measured at fair value as of 31 December	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Financial liabilities measured at fair value as of 31 December	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
2024				
Shares	5,476	0	0	5,476
Bonds	4,383	0	0	4,383
Financial assets measured at fair value as of 31 December	<u>9,859</u>	<u>0</u>	<u>0</u>	<u>9,859</u>
Financial liabilities measured at fair value as of 31 December	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

There were no transfers between the 3 levels during 2025 or 2024.

Valuation techniques and assumptions used

Managements assesses that the fair values of cash and other current liabilities approximate their carrying amounts, largely due to the short-term maturities of these instruments.

Securities

Fair value of securities is based on observable market prices from stock exchanges.

Liquidity risk

There is no material liquidity risk in the Foundation.

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17 Related parties

Related parties of Poul Due Jensens Fond comprise key management personal, including the Executive Board and the Board of Directors of Poul Due Jensens Fond, as well as the Executive Board and the Board of Directors of Grundfos Holding A/S and PDJF A/S.

In addition, related parties comprise affiliated companies, including Grundfos Holding A/S and PDJF A/S, and enterprises in which the above persons have a controlling interest.

For more information about related parties, including compensation to Group Management, see note 32 Related parties under the Consolidated Financial Statements.

Transactions with related parties

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

Amounts in DKK Millions	2025	2024
Related party transactions		
Subsidiaries		
Sale of shares to Grundfos Holding A/S	0	378
Interest income from PDJF A/S	141	0
Cost of services	5	6
Dividend received	1,494	1,488
Capital increase, contributions in kind	21,620	0
Capital increase, debt conversion	10,000	0
Key management personnel		
Salaries and remunerations*	70	68
Dividends from Grundfos Holding A/S	72	75
Acquisition of shares in Grundfos Holding A/S	0	13
Sale of shares in Grundfos Holding A/S	3	136
Payable remuneration	40	48

*DKK 9m (2024: DKK 9m) has been paid from Poul Due Jensens Fond.

The amounts disclosed in the table are the amounts recognised as an expense or income during the reporting period.

Related undertakings

During the financial year, the Foundation purchased services for a total of DKK 5m in the Grundfos Group in which close relatives of members of the Foundation's board of directors are employed.

Amounts in DKK Millions	2025
Subsidiaries	
Grundfos Holding A/S	3
Grundfos A/S	2
Financial assets measured at fair value through profit or loss	5

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18 Events after the balance sheet date

The Board of Directors has approved the issuance of these financial statements on 26 February 2026.

After the balance sheet date the Board of Directors has approved distributions of DKK 0m.

Subsequent to 31 December 2025, there have been no further events with any significant effect on the financial statements beyond what has been recognized and disclosed in the Annual Report.

19 Parent Foundation Accounting Policies

Poul Due Jensens Fond is a Foundation domiciled in Denmark. The Annual Report for the period 1 January to 31 December 2025, comprises the Financial Statements of Poul Due Jensens Fond.

The Financial Statements of Poul Due Jensens Fond have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and Danish disclosure requirements for large class C companies.

Unless otherwise indicated, the Annual Report is presented in DKK rounded to the nearest million.

Besides the following section, the accounting policies for Poul Due Jensens Fond are the same as for the Group.

Investments in subsidiaries

Investments in subsidiaries are measured at cost on initial recognition and subsequently at the proportionate share of the companies' net asset value calculated in accordance with the parent Foundation's accounting policies with the deduction or addition of unrealised intra-group gains and losses and with the addition or deduction of goodwill calculated according to the purchase method.

Companies with a negative net asset value are recognised at DKK nil, and any receivable amount from these companies is written down, to the extent it is deemed to be irrecoverable, by the parent Foundation's share of the negative net asset value. If the negative net asset value exceeds the amount receivable, the residual amount is recognised under provisions to the extent that the parent Foundation has a legal or constructive obligation to cover the subsidiary's negative balance.

The proportionate share of the profit and loss of subsidiaries after tax is recognised in the income statement after full elimination of intra-group gains/losses.