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Financial year 1 January to 31 December

# Annual Report 2024

**PKA+ Pension Forsikringselskab A/S**

Approved at the General Meeting of the Company on 29 April 2025

Chair of the General Meeting:

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Christina Bjørnbak Hallstein

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# Management's Review

## Purpose and business foundation

PKA+ Pension Forsikringselskab A/S (PKA+) carries out life assurance activities.

The primary object of the Company's is to ensure reasonable and proper management of existing customers and members. No new pension customers are admitted.

## Savings scheme as from 2025

According to the 2024 collective agreements, all government-employed members of the PKA community as well as midwives, occupational therapists and physiotherapists employed at municipal and regional levels from 2025 are entitled to dispose of part of their pension.

Members may now, for the part of the pension contribution exceeding 15%, choose whether to pay the amount into the pension as before, have the amount paid out as salary, or set up a savings scheme with PKA. If the member chooses the savings scheme, she will get a simple insurance-based investment product. She will be able to withdraw money from her savings scheme on an ongoing basis, but at least DKK 10,000 at a time.

The savings scheme will be placed in PKA+Pension Forsikringselskab A/S.

## The year under review

In 2024, the world saw more geopolitical turmoil and more consequences of climate change than the year before. As the development may affect customers' pensions, it is important to have an investment strategy of diversified assets and risk, which is capable of navigating a changing world.

This was a success where the Company generated a return of 6.9% on those of its assets that related to average interest rate. The corresponding return on assets subject to market rate was 16.8%.

## Rising shares and declining interest rates

In 2024, share markets in general increased, supported by interest rate cuts in both the US and Europe as a result of declining inflation. The optimism of the previous year continued into 2024 in anticipation of AI (artificial intelligence) increasing global productivity. As a consequence, the tech companies once again showed the largest increases in 2024. European share markets also achieved positive returns, although they were slightly below those of the US.

In conclusion, 2024 yielded generous returns, despite the interest rates on long-term bonds increasing moderately in anticipation of rising inflation following the US presidential election.

## Rate of interest on policyholders' savings

During 2024, the rate of interest on policyholders' savings was 4% before tax.

The rate of interest on policyholders' savings for 2025 is differentiated between the Company's products and interest rate groups to ensure an optimum share of collective bonus potential for the groups. The rate of interest on policyholders' savings is therefore determined for each calculation basis. Previously, a common rate of interest on policyholders' savings was applied to all groups.

The rate of interest on policyholders' savings will, across interest rate groups and products, be 3.9% before tax for 2025.

## Revenue

In the 2024 financial year, PKA+' total income from regular premiums and single premiums totalled DKK 31.4 million on DKK 49.2 million the year before.

Insurance policies based on regular premiums declined by DKK 7.2 million in 2024, while single premiums decreased from DKK 20.5 million in 2023 to DKK 18.1 million in 2024. Group life premiums totalled DKK 0.5 million in 2024.

## Profit/loss for the year

The Company achieved a profit of DKK 42.7 million in 2024. The Board of Directors proposes that the profit be transferred to retained earnings.

Results for the year are considered satisfactory, and the Company remains financially sound.

## Social responsibility

### Active ownership

Responsibility is deeply embedded in the Company and any investments made. Being a responsible investor, the Company applies the objectives of the Paris Agreement for climate neutrality in 2050, the UN Global Compact, OECD's guidelines for multinational companies, and the UN's guidelines for human rights and businesses. Moreover, a particular focal point is ensuring that the investee companies comply with workers' rights and human rights and display responsible behaviour in the areas of tax and remuneration.

Responsible investments are formally guaranteed by the Company's policies and guidelines for responsible investments, its policy for active ownership and its tax policy.

Active ownership has long been an important part of the Company's work on responsible investments since the Company expects that positive changes towards more sustainable business models are best achieved through dialogue with the investee companies. Dialogue has the purpose of ensuring the long-term value creation of companies, thereby generating the highest possible return to members. If there is no indication that a company will improve in the long term, and if it continues to act in conflict with the Company's policies and guidelines for responsible investments, the company will be excluded from the Company's investment universe. Companies which are excluded are registered and published on the Company's website, where information is also available about companies under observation or with which there is an ongoing dialogue.

The Company has chosen to avoid specific types of activities completely. These include controversial companies operating within weapons, tobacco, oil sand and coalmines. As regards companies using coal as, for example, energy supply, the Company has set a limit of 20%. This means that if a company's revenue from coal exceeds 20%, the Company will not invest in it unless the company is prepared to change and is willing to enter into a dialogue to phase out its coal share.

The Company exercises active ownership through EOS Hermes. Refer to the climate reporting section to read about the outcome of the collaboration with EOS Hermes in terms of the number and nature of dialogues.

In recent years, large groups of investors have joined forces in alliances to maximise their influence towards the world's biggest companies. In accordance with its active ownership, the Company is part of a worldwide investor alliance, Climate Action 100+, which consists of more than 600 investors. Since 2017, the alliance has monitored the 168 listed companies in the world that have the highest carbon emission levels for the purpose of making them adjust their business models to the Paris Agreement's goal of a carbon-neutral world by 2050.

Based on the most recent report by Climate Action 100+ and the follow-up work performed internally by the PKA organisation in general, a total of 25 of the 168 CA100+ companies were excluded in 2024.

The PKA organisation as a whole has acceded to phase 2 of Climate Action 100+, see the section on climate reporting.

The work with Climate Action 100+ goes hand in hand with the Company's support for the Paris Agreement. To that end, the PKA organisation as a whole has joined the investor alliance GFANZ as well as the IIGCC's Paris Aligned Investment Initiative. It has been decided that the Company is to become carbon neutral by 2050, and interim targets have been set for reducing carbon emissions in 2025 and 2030. The Company's reduction targets and results are described in the climate reporting section.

The comprehensive legislation on sustainability reporting is currently being considered by the European Commission. Some regulatory simplification is expected to be implemented, which will reduce and simplify reporting requirements. PKA supports the work of the European Commission to make reporting requirements even more targeted at key issues related to sustainability. The changes will not affect PKA's goals neither in the climate nor social areas.

## Significant risks

### Risks associated with the Company's business model

Previously, the Company's primary object was to provide access to PKA's competencies and brand for new customer groups that do not naturally belong to the remaining PKA pension funds. In 2022, the Company's strategic focus changed to the effect that unit-linked product groups (which are not a natural part of the PKA pension funds) are terminated and will cease paying premiums over the coming years. The average rate portfolio will continue as a run-off portfolio, and it is being examined what measures may be implemented to align the business model with the new strategy.

### Savings scheme

The most significant risks relate to market risks and operational risks.

#### Market risks

PKA+ is pursuing a long-term investment strategy aimed at securing high, stable returns in a responsible manner. A sustained low return on investment assets or major financial losses constitute the market risks of the Company. This risk is hedged by diversifying the investments into several different asset classes.

No assets are allocated to specific customer groups as investment of the Company's funds is made collectively. In terms of customers with average rate products, any losses on the investments will be covered collectively within the individual customer groups and by the capital base while ensuring that losses on the financial markets are not passed on to the members' savings in the years in question; instead the customers receive the rate of interest on policyholders' savings applicable from time to time. Customers with unit-linked products carry the risk of any losses on their investments themselves.

Risk taking is a prerequisite for achieving an adequate return to ensure robust pension benefits. In this context, it is essential that the Board of Directors determine the desired risk appetite by means of an investment strategy.

The Company's risk appetite is determined on the basis of protecting the solvency. In its risk management policy, the Board of Directors determines the confidence levels setting the Company's risk framework in terms of solvency.

PKA+ has a capital plan and a capital contingency plan. According to the capital plan, the financial situation in the Company's strategic planning period is estimated to be adequate.

#### Operational risks

The administration maps out the operational risks that may have the most severe financial or reputational impact on the Company. The most significant risks are identified in an established annual

process during which the consequences and probability of events are assessed. One very significant type of risk, which is a particular focal point of the Company, is IT-related risks.

The Company is exposed to IT and cyber risks in connection with employees' use of its IT infrastructure. All work related to IT operations, security and administration is sub-outsourced to Forca.

Forca has implemented safeguards by way of technical protection, antivirus software on PCs and servers, monitoring of internal networks, monitoring of Internet traffic from firewalls, scanning of all Internet traffic and all emails as well as control of all operations.

### Other focus areas

Other major focus areas are currently geopolitical and ESG risks. Such risks are not directly quantified in the Company's risk models, but are managed through guidelines, controls, business procedures, etc. Geopolitical and ESG risks often happen through the market risk components, where especially ESG risks have already to a certain extent been included in the financial markets. Therefore, the assessment of these risks is focused on structural conditions, typically reflected over periods which are longer than a year.

### Data ethics

The use of artificial intelligence for data collection and processing is rapidly evolving in the insurance and pension industry, and new opportunities are arising regularly. That is why PKA finds it important to take responsibility and have a clear framework in place, and we give priority to these efforts. In 2024, PKA was nominated as a finalist for the Data Ethics Award, which is granted by the business organisation Danish Industry and Finansforbundet (Financial Services Union Denmark). Such recognition is a testament to our work to ensure transparency and security for our members.

We have contributed to the trade association Insurance & Pension Denmark's development of the guidelines 'Sæt dataetikken i system' ('Systematise data ethics'), launched in April 2024, and 'Knæk koden' ('Break the code'), launched in November 2024. The purpose of the guidelines is to facilitate pension and insurance companies' definition of data ethics policies and principles. Moreover, the guidelines will assist companies in putting the data ethics principles into practice while creating transparency and understandability of data processing for all, including in particular members and customers.

See PKA's data ethics guidelines and principles at [pka.dk/dataetik](https://pka.dk/dataetik).

### Capital structure

The total capital base to meet the solvency capital requirement (SCR) was DKK 921 million at the end of 2024 compared to DKK 812 million at the end of 2023.

The solvency capital requirement (SCR) is determined applying the standard model. At 1 January 2024, the SCR was determined at DKK 190 million, and at the end of 2024, it amounted to DKK 214 million.

The solvency coverage ratio as a percentage for the past five years is illustrated in the table below.

#### Solvency coverage ratio as a percentage

	2020	2021	2022	2023	2024
Solvency coverage ratio as a percentage	206	195	309	427	430

The sensitivity analysis is provided in the Company's Solvency & Financial Condition Report (SFCR) for 2024, which is available on the website: <https://pka.dk/reports-and-arsrapporter>.

## Provisions for pension agreements

Provisions for pension agreements decreased by DKK 31 million in 2024 to DKK 1,042 million. Of this amount, DKK 852 million is allocated to average interest rate and DKK 189 million to market rate.

The provisions are particularly affected by payment of large amounts due to members on withdrawal from the fund, which is partly a consequence of the Company's changed strategy.

## Uncertainty related to recognition and measurement

In the preparation of the annual report, estimates and judgements are made about the future which have an impact on the carrying amount of assets and liabilities.

The most significant area is pension obligations. This area remains the same as in the preparation of the annual report for 2023.

In Management's assessment, the assumptions used are reasonable, but subject to some uncertainty. Accounting estimates are described in detail in note 1 'Accounting policies'.

## Organisation

### Board of Directors

In 2024, the Board of Directors monitored the day-to-day operations of the Company. In addition, it is the responsibility of the Board of Directors to determine and ensure implementation of the overall strategy. In this regard, the Board of Directors explored two specific topics in 2024.

### Macroeconomics in the EU

On a field trip to Germany and France in the autumn of 2024, the Board of Directors visited the European Central Bank, Deutsche Bank and the OECD as well as attended presentations on macroeconomics in Europe, Europe's industrial position and the green transition in Europe and around the world. Field trips like this provide the Board of Directors with valuable insight into the Company's business partners, and, at the same time, the trip is a source of inspiration for and additional training in board work while also generally strengthening the relationships on the Board of Directors.

### Audit Committee

The Company is required by law to establish an audit committee. The chairman must be independent, and at least one member must be qualified in accounting or audit.

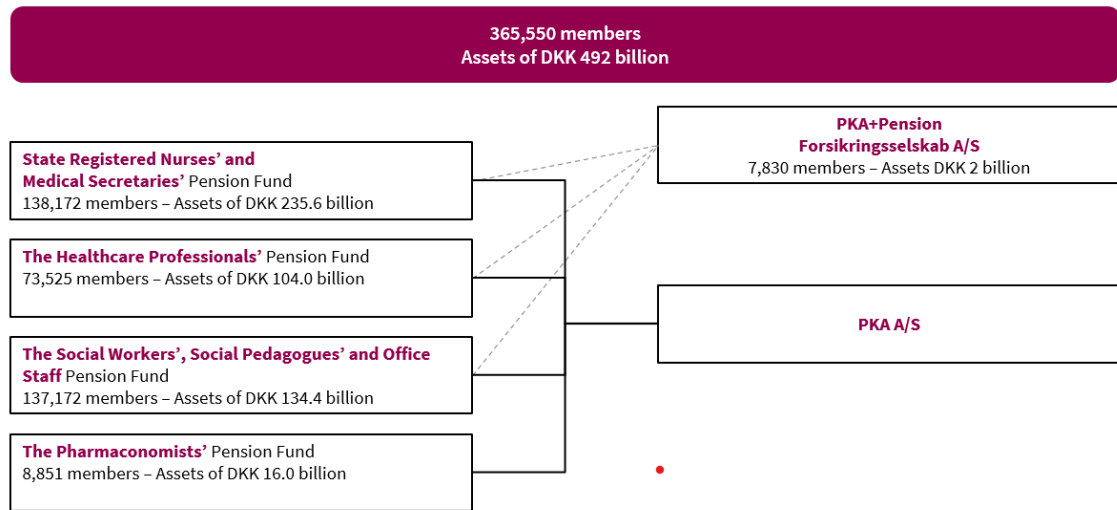
The Chair of the Audit Committee is Susanne Kure, who both meets the independence requirements and has the required qualifications in accounting or auditing. The other member of the Audit Committee is Henrik Klitmøller.

### Organisation

The Company and its group enterprises are managed by PKA A/S. The Executive Board consists of CEO Jon Steingrim Johnsen.

The Executive Board, the area directors, the responsible actuary and the key personnel in accordance with the requirements of the Solvency II rules are all employees of the Company.

## PKA A/S



The Board of Directors is composed of members appointed by Danish Regions, KL – Local Government Denmark and the trade organisations of the pension funds. In addition, there are two board level employee representatives.

The Chairman of PKA A/S' Board of Directors is Anders Kühnau, regional council member and Chairman of Danish Regions.

### PKA's remuneration policy

Only employees of PKA's investment department are part of a bonus scheme. The investment manager is not covered by the bonus scheme.

Find an overview of PKA's [current remuneration policy](#) on our website. Moreover, our [remuneration report provides](#) details on the remuneration of the Executive Board and the Board of Directors of the Company.

## Gender representation

### Report on target figures for the gender representation on the Board of Directors and at the other management levels

Financial legislation contains rules on the determination of target figures for the gender representation on the Board and at other management levels. Target figures must be set if one gender is underrepresented among the members of the Board elected by the general meeting and at other management levels below the Board of Directors.

The obligation to prepare a gender diversity policy at other management levels applies to enterprises with at least 50 employees and in which one gender is underrepresented at the management levels below the Board of Directors. Underrepresentation exists if one gender is represented by less than 40%. The Company must annually, in Management's Review, report on its compliance with the target figures. The reporting requirement will lapse with effect from the financial year 2025.

### 2023/24 overview – target figures

	2023	2024
<b>The supreme management body</b>		
Total number of members (elected by the general meeting)	4	4
Gender underrepresentation as a percentage	25	50

Target figure as a percentage	N/A	N/A
Year of achievement of target figure	N/A	N/A
<b>Other management levels</b>		
Number of members	5	5
Gender underrepresentation as a percentage	20	20
Target figure as a percentage	40	40
Year of achievement of target figure	2023	2027

### Target figures on the Board of Directors

As of 2023, only members of the Board of Directors elected by the general meeting will be included when determining the target figure for the share of underrepresented gender on the Board. All the Company's members of the Board of Directors are elected by the general meeting.

The Board of Directors had not, in 2024, set a target figure for the underrepresented gender on the Board of Directors since, at the beginning of 2024, a balanced gender distribution had been achieved among the board members elected by the general meeting of the Company.

At the end of 2024, the gender representation among board members elected by the general meeting was two women (50%) and two men (50%), which means that equal representation remains in place.

### Target figures at other management levels

The Company's other management levels comprise the Executive Board and the four area directors. The Board of Directors set a target figure for 2024 of 40% for the underrepresented gender of the other management levels of the Company; this is valid until the end of 2027 as equal gender representation was not in place<sup>1</sup>.

The Board of Directors set the deadline for meeting the target figure for the end of 2027, taking into account its experience that replacements are more infrequent in the group of employees designated as other management levels of the Company.

At the end of 2024, the gender representation remained one woman (20%) and four men (80%), which means that equal representation is still not in place, and the target figure has not been met.

It should be noted that the Company is characterised by having a limited number of employees. Moreover, the Company has transferred all pension and insurance administration, investment management as well as the servicing of the Board of Directors and the general meeting to PKA A/S, which provides the framework for the PKA community. All employees of the Company are also employed by PKA A/S.

The PKA A/S Board of Directors has chosen to introduce a policy for gender diversity at other management levels. Therefore, PKA A/S is currently working on initiatives to promote and support equal gender representation among employees. These initiatives include support for activities promoting the gender diversity of PKA A/S both during recruitment and in terms of employee retention.

### Policy for gender diversity at other management levels

Since the Company has fewer than 50 employees, there is no requirement for implementing a gender diversity policy for other management levels.

<sup>1</sup> Underrepresentation at other management levels of the Company exists if one gender is represented by less than 40%. The percentage is based on the calculation comprising five employees.

## Climate reporting – the PKA community

### PKA community

The PKA community constitutes a collective, administrative community of four pension funds, a pension company and a management company as defined in the section 'Organisation'.

Essentially, processes and administrative tasks are similar across the PKA community. The climate reporting stated on the following pages therefore includes data for the PKA community as a whole. The data and information included have been pro forma consolidated for the purpose of the climate report.

### Background

The climate report is based on a joint industry recommendation from the Danish trade association Insurance & Pension Denmark ('F&P') and an offshoot of the Danish Government's climate partnership for the financial sector, according to which the Pension Fund, together with the rest of the sector, has committed to actively contributing to the Government's goal of Denmark reducing its carbon emissions by 70% before 2030, 100% by 2045, and, in 2050, more greenhouse gases than the amount emitted must be removed. The industry recommendation for F&P climate reporting sets out the financial sector's efforts in four areas adopted by the financial sector's climate partnership. It is divided into two parts: part 1 is 'comply or explain' and part 2 is optional.

The PKA community has chosen to report on the following optional activities for 2024:

- **Carbon footprint of investments**
  1. Measurement of carbon emissions from the total portfolio of investment assets (scope 3), including assets invested in on behalf of customers
  2. Measurement of carbon footprint (scope 3)
- **Active commitment to climate improvements**
  1. Measurement of certified sustainable property investments divided into 'existing properties' and 'new builds' – both categories relate to the Danish properties
- **The Company's own emissions**
  1. CO<sub>2</sub> emissions in scopes 1, 2 and 3.

In 2024, the PKA community revisited its statement of carbon emissions and footprints for the baseline year. This was done to ensure that follow-up on the goals becomes increasingly correct and relevant. The data foundation for recalculation of the baseline year is based on MSCI's latest CO<sub>2</sub> models and the most recent estimated historical emissions for 2019 for scopes 1, 2 and 3. This means that data becomes comparable to the original data for 2019, which was also MSCI data. The result of the reassessment is shown in the table below. The recalculation reflects the uncertainty inherent in models of estimation. Going forward, the PKA community expects to perform the recalculation regularly.

### Reporting

Climate reporting	Entity	Target	2024	2023	2022 <sup>2</sup>	2021	2020	2019
<b>1 Carbon footprint of investments</b>								

1.1 Scopes 1 and 2

<sup>2</sup> In 2023, the Company adjusted data for 2022. The tables show the adjusted figures.

Carbon emissions from investment assets <i>Baseline year before recalculation</i>	Tonnes	-	706,121	913,752	1,041,953	1,077,369	1,227,616	1,270,870
								1,638,043
<b>Climate reporting</b>	<b>Entity</b>	<b>Target</b>	<b>2024</b>	<b>2023</b>	<b>2022<sup>3</sup></b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Carbon footprint: <i>Base year before recalculation</i>	Tonnes/ DKK million	(29) % <sup>4</sup>	4.4	6.9	8.3	7.7	9.5	11.9
								13.4

### 1.2 Scopes 1, 2 and 3

Carbon emissions from investment assets <i>Baseline year before recalculation</i>	Tonnes	-	8,697,562	9,296,814	8,251,029	-	-	5,878,984
								0
Carbon footprint <i>Baseline year before recalculation</i>	Tonnes/ DKK million	(50) % <sup>5</sup>	54.0	65.8	66.0	-	-	55.2
								48.4
1.3 Carbon emission reductions from ownership of green infrastructure	Tonnes	-	657,000	603,804	800,433	635,428	594,233	536,922

## 2. Active ownership of climate improvement

### 2.1 Dialogue in connection with active ownership

Own dialogue	No.	-	0	0	0	0	0	0
Dialogue through Climate Action 100+ as a lead/co-lead		-	0	0	0	0	0	0
Dialogue through ESG rating agency	No.	-	1,143	993	851	677	583	367
Total number of dialogues	No.	-	1,143	993	851	677	583	367

<sup>3</sup> In 2023, the Company adjusted data for 2022. The tables show the adjusted figures.

<sup>4</sup> The PKA community's carbon reduction target for 2025 is a negative 29% and includes scopes 1 and 2 for listed shares and bonds, derivatives and properties. Consequently, the carbon footprint in the table is exclusive of infrastructure and other unlisted investments to make data comparable to the target. Collection of data on infrastructure and other unlisted investments has begun. The data is shown separately below. Currently, data is very limited.

<sup>5</sup> The PKA community's carbon reduction target of a negative 50% applies to 2023 and includes scope 3 for listed shares and bonds, derivatives, properties and infrastructure. Currently, the PKA community has no available data on realised or estimated scope 3 emissions from infrastructure for the baseline year 2019. Consequently, the carbon footprint in the table is exclusive of infrastructure to make data comparable to the target. Currently, data is very limited.

2.2 Sustainability of property investments	The sustainability of property investments has been incorporated into PKA's guidelines for responsible investments. Read more about PKA's approach to investment in energy-efficient properties <a href="https://pka.dk/ansvarlighed/ansvarlige-investeringer/energieffektive-ejendomme">https://pka.dk/ansvarlighed/ansvarlige-investeringer/energieffektive-ejendomme</a> .
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### 2.3 Certified sustainable properties

Existing properties	%		20.2	17.7	13.0	11.9	12.5	11.9
New builds	%		100	100	58.7	29.6	21.3	18.8
<b>Climate reporting</b>	<b>Entity</b>	<b>Target</b>	<b>2024</b>	<b>2023</b>	<b>2022<sup>6</sup></b>	<b>2021</b>	<b>2020</b>	<b>2019</b>

### 3 Sustainable business models

3.1 Commitment to the Paris Agreement	PKA's commitment to the Paris Agreement has been incorporated in its guidelines for responsible investments and in its investment strategy. Reference is made to PKA's guidelines for responsible investment <a href="#">Policies and reports: Insight into responsible investments   Responsible investments</a>
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### 4. PKA's own emissions<sup>7</sup>

4.1 CO <sub>2</sub> scope 1	Tonnes	100 %	11.2	12.8	17.1	14.5	19.3	19.0
4.2 CO <sub>2</sub> scope 2 – market-based	Tonnes	100 %	4.6	5.5	4.8	6.2	8.0	32.9
CO <sub>2</sub> scope 2 – location-based	Tonnes	-	25.6	28.8	27.2	24.1	30.4	46.3
4.3 CO <sub>2</sub> scope 3	Tonnes	100 %	3,977	3,952	3,058			

#### 4.4 Share of renewable energy

– procured	%	-	43.6	46.0	41.2	40.7	38.5	31.9
– own production	%	-	0.0	0.0	0.0	0.0	0.0	0.0

### Climate footprint of investments by asset class

Asset class	Entity	2024	2023	2022
<b>Listed shares</b>				
Market value of asset class covered	DKK million	46,348	43,931	37,637
Covered part of asset class	%	99.6	99.6	99.2
Total emissions (scopes 1 and 2)	Tonnes	122,355	289,254	338,476
Carbon footprint (scopes 1 and 2)	Tonne/DKK million	2.6	6.6	9.0
Total emissions (scopes 1, 2 and 3)	Tonnes	2,004,360	3,502,649	2,912,240
Carbon footprint (scopes 1, 2 and 3)	Tonne/DKK million	43.2	79.7	77.4

<sup>6</sup> In 2023, the Company adjusted data for 2022. The tables show the adjusted figures.

<sup>7</sup> The method is described in the section on ESG financial highlights for own emissions.

<b>Listed bonds</b>				
Market value of covered asset class	DKK million	11,089	10,199	11,381
Covered part of asset class	%	96.9	86.6	87.5
Total emissions (scopes 1 and 2)	Tonnes	130,570	145,040	207,991
Carbon footprint (scopes 1 and 2)	Tonne/DKK million	11.8	14.2	18.3
Total emissions (scopes 1, 2 and 3)	Tonnes	1,519,024	1,423,800	1,443,714
Carbon footprint (scopes 1, 2 and 3)	Tonne/DKK million	137.0	139.6	126.9
<b>Asset class</b>	<b>Entity</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>

<b>Derivatives</b>				
Market value of covered asset class	DKK million	77,621	57,656	51,000
Covered part of asset class	%	99.2	99.6	99.2
Total emissions (scopes 1 and 2)	Tonnes	449,645	474,937	491,560
Carbon footprint (scopes 1 and 2)	Tonne/DKK million	5.8	8.2	9.6
Total emissions (scopes 1, 2 and 3)	Tonnes	5,170,627	4,365,844	3,891,149
Carbon footprint (scopes 1, 2 and 3)	Tonne/DKK million	66.6	75.7	76.3

<b>Directly owned property</b>				
Market value of covered asset class	DKK million	26,033	29,768	24,949
Covered part of asset class	%	84.5	90.8	75.5
Total emissions (scopes 1 and 2)	Tonnes	3,551	4,521	3,926
Carbon footprint (scopes 1 and 2)	Tonne/DKK million	0.1	0.2	0.2
Total emissions (scopes 1, 2 and 3)	Tonnes	3,551	4,521	3,926
Carbon footprint (scopes 1, 2 and 3)	Tonne/DKK million	0.1	0.2	0.2

<b>Infrastructure and other unlisted investments</b>				
Market value of covered asset class	DKK million	12,349	9,137	-
Covered part of asset class	%	41.3	34.8	-
Total emissions (scopes 1 and 2)	Tonnes	51,043	128,978	-
Carbon footprint (scopes 1 and 2)	Tonne/DKK million	3.1	14.1	-
Total emissions (scopes 1, 2 and 3)	Tonnes	111,167	199,946	-
Carbon footprint (scopes 1, 2 and 3)	Tonne/DKK million	9.0	21.9	-

### Comments on the carbon footprint of investment assets

Overall, the statement comprises 49% of the investment assets. The data coverage for the asset classes is shown in the table above.

The PKA community's overall 2025 subgoal for carbon footprint reduction for scopes 1 and 2 is 29% for listed shares and bonds, derivatives and properties. The carbon footprint of investment assets was 63% lower in 2024 than in the baseline year 2019, when taking into account scopes 1 and 2 in the asset classes included in the baseline year.

Since 2023, the PKA community's reporting has also included scope 3, which by far represents the largest part of the carbon emissions from investments. Since scope 3 covers emissions throughout the value chain, this is not surprising. One company's scope 3 emissions may be another company's scope 1, 2 or 3, which means that specific emissions are likely to be included in several carbon emission reports.

When including the carbon emissions for scope 3, the carbon emissions have dropped by 6% and the carbon footprint by 18% since 2023. Compared to the baseline year 2019, the carbon footprint is 2% lower. Data on scope 3 emissions, however, remains limited and subject to significant uncertainty.

The smaller carbon footprint is in all material respects attributable to listed shares and derivatives. This is primarily due to a reallocation to investments in shares with a carbon tilt that reduces the footprint by 30% compared to the general share index. The carbon emission decrease related to listed shares was partially offset by an increase related to derivatives, which is primarily due to the conversion of an equity mandate to an equity derivative.

### 1 Carbon footprint of investments

In its investment strategy 2019, the PKA community committed to the Paris Agreement and, thus, to working towards carbon neutrality by 2050. On 1 March 2021, the PKA community demonstrated this commitment by joining two global initiatives, the IIGCC's Paris Aligned Investment Initiative<sup>8</sup> and the Net Zero Asset Owner Alliance (NZAOA). The PKA community has, moreover, committed to using F&P's climate reporting. In 2024, PKA as a whole opted out of the NZAOA to focus its efforts under the auspices of the IIGCC.

In this context, the PKA community has committed to realising a number of ambitions, including setting subgoals for carbon reduction for 2025 and 2030, using 2019 as baseline year, and reporting annually on the portfolio's carbon footprint and carbon emissions.

The PKA community's measurement of the portfolio's carbon emissions and carbon footprint for scopes 1 and 2, respectively, as well as scopes 1, 2 and 3, as shown in the table under '1.1 Scopes 1 and 2' and '1.2 Scopes 1, 2 and 3', includes the PKA community's holdings for the following asset classes:

1. Listed shares
2. Listed bonds
3. Derivatives
4. Direct property investments
5. Infrastructure investments and a few other unlisted investments.

The PKA community is attempting to obtain carbon data for an increasing number of unlisted investments such as unlisted shares and credit investments. It is an ongoing process that is expected to take some time.

Recent statements from the US about reducing investments in the green transition are generally expected to have a negative impact on access to carbon data, for listed and unlisted investments alike. The PKA community has extensive investments in the US and will in cooperation with fund managers follow the development closely.

The PKA community has also chosen to determine the carbon emissions and footprint of the derivatives portfolio, although this has yet to become standard practice. The reason being that the PKA community uses derivatives as an active investment and not merely as hedging instruments. The statement includes the portion of derivatives related to active investments.

The portfolio's carbon emissions and footprints are determined in accordance with the 'CO<sub>2</sub> model for the financial sector' prepared by the business association Finance Denmark and F&P.

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<sup>8</sup> The PKA community has joined the Net Zero Asset Owner Commitment, which is part of the Paris Aligned Investment Initiative.

### 1.1 Listed shares and bonds

The following formula is used for the estimation of carbon emissions of listed shares and bonds:

$$\text{Total carbon emissions: } \sum_n^i \left( \frac{\text{investment value}_i}{\text{enterprise value (EVIC)}_i} * \text{Company's carbon emission}_i \right)$$

The following formula is used for the estimation of carbon footprint of listed shares:

$$\text{Carbon footprint: } \sum_n^i \left( \frac{\frac{\text{investment value}_i}{\text{enterprise value (EVIC)}_i} * \text{company's carbon emission}_i}{\text{Value of total investment in listed bonds}} \right)$$

The following formula is used for the estimation of carbon footprint of listed bonds:

$$\text{Carbon footprint: } \sum_n^i \left( \frac{\frac{\text{investment value}_i}{\text{enterprise value (EVIC)}_i} * \text{company's carbon emission}_i}{\text{Value of total investment in listed bonds}} \right)$$

The most up-to-date data from the data provider ISS has been applied to measure the portfolio's carbon emissions and carbon footprint. Data from ISS was also used in 2023 and 2022, whereas in previous years, the data provider MSCI was used.

### 1.2 Direct property investments

Carbon emissions related to properties are calculated based on energy labels. On the basis of the energy label for each property, the energy consumption of the portfolio is calculated based on emission factors published by the Danish Energy Authority. Residential properties and commercial properties are calculated separately.

The following formula is used for the estimation of carbon emissions of direct property investments:

$$\text{Total carbon emissions}^9: \sum_b^n \left( \frac{\text{investment value of building } b}{\text{property value}_b} * \text{buildings CO}_2 \text{ emissions}_b \right)$$

The following formula is used for the estimation of carbon footprint of direct property investments:

$$\text{Carbon footprint: } \sum_b^n \left( \frac{\frac{\text{investment value of building } b}{\text{property value}_b} * \text{buildings CO}_2 \text{ emissions}_b}{\text{Value of total portfolio of direct property investments}} \right)$$

The calculations were made for the PKA community's direct property investments in properties in operation. Foreign property funds and property loans are not included.

### 1.3 Carbon emission reductions from ownership of infrastructure

Since 2010, the PKA community has invested actively in renewable energy infrastructure.

Our carbon emission reductions can be estimated for some of our infrastructure investments.

The estimation of carbon emission reductions is based on the current annual energy production of the investments and the PKA community's ownership share and loans. Carbon emission reductions are calculated by applying the recognised method prepared by the International Energy Agency (IEA) using average emissions from non-renewable energy production in the countries where the PKA community's assets are located. The current conversion (CO<sub>2</sub> per kWh) depends on the energy mix in the market at which the renewable energy is sold. The conversion factor is obtained from the IEA.

As of 2023, infrastructure investments financed by both loans and equity (shares) are included in the determination of carbon emission reductions. In previous years, only infrastructure investments made through equity financing were included.

In previous years, data was based on current energy production for the entire calendar year. Data for 2024 is based on current energy production for January-November 2024, plus an estimate for energy production for the month of December.

<sup>9</sup> [b = building]

## Progress of the PKA community's net-zero strategy

In order to deliver on its carbon emission reduction targets in future, the PKA community depends on the asset classes as a whole contributing by reducing their carbon emissions and footprint. This will happen once the companies in which the PKA community invests seriously begin to reduce their carbon emissions and footprint. This is expected to take place as companies themselves commit to becoming carbon neutral by 2050. In terms of direct investments, such as property investments by the PKA community, the PKA community has developed its own strategy of carbon emission-reducing measures (see 'Sustainability of property investments' below).

With the current set-up for more systematic collection of data, future reports are expected to show progress over time to a higher extent. However, data will continue to be characterised by the addition of more asset classes (private equity and other unlisted assets), better and more scope 3 data and higher quality of data for listed investments as ESG reporting is implemented and matures in the organisations, especially in the EU.

## 2. Active commitment to climate improvements

### 2.1 Active ownership

The PKA community's policy on active ownership describes how to monitor, enter into dialogue, exercise voting rights, cooperate with other shareholders, communicate with relevant stakeholders and how to deal with actual and potential conflicts related to active ownership. The policy applies to the PKA community's investments in listed companies. Through active ownership, the PKA community encourages other companies to assent to the objectives of the Paris Agreement, thus committing themselves to becoming CO<sub>2</sub> neutral by 2050; partly through voting at the companies' general meetings, partly through dialogue with companies.

The PKA community cooperates with EOS Hermes about putting the policy into practice. EOS Hermes executes active ownership, votes at general meetings and enters into dialogue with companies on behalf of the PKA community. Through EOS Hermes, it is possible to engage in dialogue with more companies and to maximise influence in cooperation with other investors. Dialogue through EOS Hermes is shown in the table under '2.1 Dialogues on active ownership' through the 'ESG rating agency', which shows that, in 2024, EOS Hermes had 1,143 climate-related dialogues on behalf of the PKA community (2023: 993 climate dialogues).

The PKA community participates actively in investor coalitions, including the Climate Action 100+ initiative, which speaks on behalf of more than 600 investors under management. This allows monitoring of and dialogue with 168 of the world's largest and most climate-impacting companies. Phase 1 of the initiative was completed in the autumn of 2023. Climate Action 100+ phase 2 has now been initiated for the purpose of holding companies responsible for achieving the key goal of halving global carbon emissions by 2030. The first results of the work in phase 2 were published in October 2024, and the results are followed up by internal analyses.

### 2.2 Sustainability of property investments<sup>10</sup>

To address climate change, the PKA community's Board of Directors has decided that, in terms of new investments in property and the existing housing stock, such projects must include matters beyond regulatory requirements as also stated in the PKA community's guidelines for responsible investments. Consequently, the PKA community has had a goal of upgrading the average energy label from class D in 2008 to class B in 2020 for the entire portfolio of about 1 million m<sup>2</sup>. This goal has now been achieved, and the goal before the end of 2025 is for the PKA community's properties to obtain average energy labels between classes A and B, which corresponds to a further reduction of the property portfolio's carbon emissions of 50%.

The 2025 goal is to be achieved, for example, through energy-saving renovation of existing buildings, production of renewable energy via solar cells and wind turbines, waste management, utilisation of

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<sup>10</sup> The properties do not comply with the EU's Taxonomy Regulation's sustainability requirements.

outdoor areas for the promotion of a community feeling and biodiversity as well as establishment of charging stations for electric vehicles in up to 10% of the properties' parking spaces.

### 2.3 Certified sustainable properties<sup>11</sup>

Measurement of certified sustainable property investments is divided into 'existing properties' and 'new builds' – both categories relate to the Danish properties. The measurement point is calculated as the number of m2 certified according to a recognised certification standard (DGNB, BREEAM, LEED, the Danish Swan) as a percentage of the total number of m2 for each of the two building categories. At the end of 2024, the PKA community has certified properties at a total value of DKK 6.9 billion. One property is awaiting administrative issuance of certificates. When issued, the total value will increase to DKK 9.8 billion. The goal is for the total value to be at least DKK 11 billion by the end of 2025.

## 3 Sustainable business models

It appears from the PKA community's guidelines for responsible investment that the PKA community, as part of the PKA collaboration, supports the Paris Agreement and has committed to becoming carbon neutral by 2050 in line with the goals of the Paris Agreement (temperature increase must not exceed 1.5 degrees) using the best scientific knowledge available, including knowledge from the UN climate panel IPCC. The guidelines for responsible investment are an integral part of the PKA community's investment guidelines and have been adopted by its Board of Directors. The PKA community's investment process comprises four ESG steps:

- ESG due diligence
- ESG monitoring
- ESG reporting
- ESG management

The purpose of these four steps is to ensure the implementation of and compliance with the PKA community's guidelines for responsible investment to the greatest extent possible when making new investments.

According to its guidelines for responsible investment, the PKA community's external partners, such as asset managers, credit rating agencies, auditors, exchanges, proxy advisers and investment advisers, etc., are encouraged to make sure that products and services available to investors are consistent with the achievement of global carbon neutrality by 2050.

## 4. The Company's own emissions

All the pension funds in the PKA collaboration have outsourced their administration to Pensjonskassernes Administration A/S, hereinafter referred to as PKA A/S. The own emissions climate reporting stated on the following pages includes data for PKA A/S as a whole.

The PKA community bases its statement and report on climate impact on the principles of the Green House Gas Protocol (GHG), including relevance, completeness, consistency, transparency, accuracy and conservativeness.

In the second quarter of 2025, the PKA collaboration will relocate to new offices while at the same time changing from tenants to owning the office. In that connection, carbon emissions from the office are to be recognised as category 2 capital goods, and the method description will be updated. CO<sub>2</sub> scope 1 covers direct emissions resulting from the PKA community's own incineration of fuels and materials. The figure includes direct emissions from company cars made available by the PKA community.

CO<sub>2</sub> scope 2 covers indirect emissions originating from the energy used to produce electricity, district heating and, if applicable, district cooling, purchased by the PKA community from a third party for its

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<sup>11</sup> The properties do not comply with the EU's Taxonomy Regulation's sustainability requirements.

own use. CO<sub>2</sub> scope 2 is shown both according to the market-based and location-based calculation methods.

CO<sub>2</sub> scope 3 covers indirect emissions associated with the value chain in which the PKA community is part (for example through its procurement).

#### Environmental data – CO<sub>2</sub>e, scopes 1 and 2

The PKA community's direct electricity consumption is determined as its actual consumption. The share of common charges related to electricity and water consumption is based on the latest annual statement, which may cover a different period than the financial year but provides a valid basis.

Energy consumption is determined on the basis of data from CO<sub>2</sub> scopes 1 and 2 as well as electricity purchased from renewable energy sources. Currently, no own production of electricity is carried out.

#### Environmental data – CO<sub>2</sub>e, scope 3

CO<sub>2</sub> scope 3 currently covers emissions from purchased goods and services (category 1), business trips (category 6), employee commuting and teleworking (category 7) and PKA A/S' share of Forca's emissions (category 15). The categories are selected on the basis of a materiality assessment. The materiality criteria include the amount of emissions, possibilities for reductions, reputational risk and data availability.

The PKA community's approach is to report on CO<sub>2</sub> scope 3 at the earliest possible point in time, provided, of course, that reasonably valid data and proper documentation are available. This implies that a conservative approach has been chosen, based on amounts, for the determination of CO<sub>2</sub> scope 3 emissions compared to relevant emission factors from, for example, the Climate Compass.

From 2024, the PKA community has started reporting on employee commuting and teleworking under scope 3.

Emissions related to Forca are recognised in accordance with the method of operational control, i.e. by the PKA collaboration's ownership share of 33.33%. The reason for this is, on the one hand, that it is in line with the recommendations of the GHG protocol, and on the other hand that, through its dependence on Forca's reductions, the PKA collaboration is also motivated to affect Forca's reductions. Forca only determines CO<sub>2</sub> scopes 1 and 2 figures.

	Entity	Target	2024	2023	2022
<b>Environmental data – CO<sub>2</sub>e, scope 3</b>					
Category 1 – procurement	Tonnes	100%	3,648	3,593	2,862
Category 6 – business travel	Tonnes	100%	298	314	170
Category 7 – Employee commuting and teleworking	Tonnes	100%	1	-	-
Category 15 – investments (Forca)	Tonnes	100%	31	44	26
<b>Total</b>	<b>Tonnes</b>	<b>100%</b>	<b>3,977</b>	<b>3,952</b>	<b>3,058</b>

### Product information according to the Disclosure Regulation (SFDR)

According to the delegated act of the Disclosure Regulation, the Company must, for each product, account for the promotion of their environmental and/or social characteristics.

As in previous years, the Company has chosen to comply with the requirement for periodic disclosure of information on financial products in accordance with Article 8(1), (2) and (2a) of Regulation (EU) 2019/2088 and Article 6(1) of Regulation (EU) 2020/852 by preparing a supplementary report in connection with this annual report.

It should be noted that the data quality in this area is still under development, and efforts are made to enhance it. Therefore, the data disclosed are subject to uncertainty and are disclosed to the best of our ability. The calculation methods are also continuously being developed in order to provide as true and fair a view as possible. This implies that the figures of the supplementary report may be changed over the coming years as the data quality and calculation methods improve.

## ESG financial highlights

The ESG financial highlights have been compiled in accordance with the guidance prepared by FSR - Danish Auditors (FSR), Nasdaq and Danish Finance Society. The guidance and a description of the calculation methods can be found on FSR's website.

CO<sub>2</sub> scope 1 covers direct emissions resulting from the company's own incineration of fuels and materials. The figure includes direct emissions from company cars made available by the company.

CO<sub>2</sub> scope 2 covers indirect emissions originating from the energy used to produce electricity, district heating and, if applicable, district cooling, purchased by the company from a third party for its own use. CO<sub>2</sub> scope 2 is shown both according to the market-based and location-based calculation methods.

CO<sub>2</sub> scope 3 covers indirect emissions associated with the value chain in which the company is part (for example through its procurement). The Company bases its statement and report on climate impact on the principles of the Green House Gas Protocol (GHG).

	Entity	Target	2024	2023	2022	2021	2020
<b>Environmental data<sup>12</sup></b>							
CO <sub>2</sub> e, scope 1	Tonnes	100%	11.2	12.8	17.1	14.5	19.3
CO <sub>2</sub> e, scope 2 – market based	Tonnes	100%	4.6	5.5	4.8	6.2	8.0
CO <sub>2</sub> e, scope 2 – location based	Tonnes	-	25.6	28.8	27.2	24.1	30.4
CO <sub>2</sub> e, scope 3	Tonnes	100%	2,415	3,171	2,312	-	-
Energy consumption	GJ		1,164.1	1,226	1,262	1,106	1,197
Share of renewable energy	%		43.6	46.0	41.2	40.7	38.5
Water consumption	M3		636.6	613.0	586.4	344.2	644.0
<b>Social data</b>							
Full-time workforce	FTE		94.6	93.9	89.2	83.5	71.8
Gender diversity	%		48.9	49.0	50.7	50.8	44.4
Gender diversity of other management levels	%		33.3	44.4	47.4	41.2	43.8
Gender pay gap	Times		1.1	1.2	1.2	1.4	1.4
Employee turnover rate	%		14.1	8.9	7.7	10.8	10.2
Sickness absence	Days/FTE		2.7	4.0	7.4	3.4	3.6

<sup>12</sup> The method is described in the section on climate reporting.

Retention of members	%		N/A	N/A	N/A	N/A	N/A
<b>Governance data</b>							
Gender diversity on the Board of Directors	%		50.0	75.0	80.0	60.0	60.0
Attendance at meetings of the Board of Directors	%		94.7	75.0	87.5	95.0	95.0
Pay differential between CEO and employees	Times		5.4	5.0	4.9	5.1	5.0

Note: FTE expresses the number of full-time employees

The table is based on the management company PKA A/S with the exception of governance data for the Board of Directors, which are specific to the Company. For the same reason, the full-time workforce in the table differs from note 6 'Pension costs'. Last, but not least, CO<sub>2</sub> scope 3 will include pension fund-specific purchases in addition to PKA A/S' purchases.

The financial ratio for retention of members (customers) is omitted as it is not relevant for a labour market pension fund.

## Outlook

PKA+ is awaiting developments in the demand for the new savings scheme in 2025. An attractive and sound offer for members who want control over the part of their pension contribution exceeding 15%, but still want to invest the money.

In 2025, we face a world defined by its challenges. Denmark and Europe will have to deal with potential tariffs on exports to the US, while several countries face economic and political challenges at a time when more funds must be raised for defence expenditure.

In the US, inflation remains higher than deemed appropriate by the central bank, the new government's current measures do not appear to curb the situation, and that could result in high interest rates for an extended period of time. At the same time, the US tech sector is under pressure by China's development of AI technology.

Continued decreasing inflation and weak growth in Europe are expected to prompt further European interest rate cuts in 2025.

Regardless of the economic outlook, the Company has a robust portfolio, which is diversified across several different assets.

In 2024, it was decided to sub-outsource certain IT operations and IT development tasks over the next few years from Forca to Netcompany, one of Denmark's largest IT companies.

## Subsequent events

No events materially affecting the Company's Annual Report have occurred after the balance sheet date.

# Managerial posts

## Executive Board

Member	Other managerial posts
Jon Steingrim Johnsen CEO	<p>CEO of Pensionskassernes Administration A/S</p> <p>CEO of the State Registered Nurses' and Medical Secretaries' Pension Fund</p> <p>CEO of the Healthcare Professionals' Pension Fund</p> <p>CEO of the Social Workers', Social Pedagogues' and Office Staff Pension Fund</p> <p>CEO of the Pharmaconomists' Pension Fund</p> <p>Chairman of the Board of Directors of IIP Denmark GP ApS</p> <p>Chairman of the Board of Directors of Institutional Holding P/S</p> <p>Chairman of the Board of Directors of IIP Denmark P/S</p> <p>Member of the Board of Directors of AIP Management P/S</p> <p>Member of the Board of Directors of Ringkjøbing Landbobank Aktieselskab.</p> <p>Vice Chairman of Forca A/S</p> <p>Chairman of the Board of Directors of Komplementarselskabet PKA Ejendomme ApS</p> <p>Chairman of the Board of Directors of PKA Ejendomme P/S</p>

## Board of Directors

Member	Other managerial posts
Henrik Klitmøller Chairman of the Board of Directors Member of the Audit Committee	<p>Member of the Board of Directors of AkademikerPension – Akademikernes Pensionskasse</p> <p>Member of the Board of Directors of MP Investment Management A/S</p> <p>Member of the Board of Directors of Kjeld Mortensens Fond</p> <p>Chairman of the Board of Directors of the Pharmaconomists' Pension Fund</p>
Susanne Kure Member of the Board of Directors Chair of the Audit Committee	<p>Member of the Board of Directors and Chair of the Audit Committee of the Pharmaconomists' Pension Fund</p> <p>Member of the Board of Directors and of the Audit Committee of the Social Workers', Social Pedagogues' and Office Staff Pension Fund</p> <p>Member of the Board of Directors of Genan Holding A/S</p> <p>Member of the Board of Directors of PreSeed Ventures A/S</p> <p>Member of the Board of Directors of PSV Hafnium Management ApS</p> <p>Member of the Board of Directors of UCPH Ventures A/S</p> <p>Member of the Board of Directors of KommuneKredit</p>
Other members of the Board of Directors have no additional managerial posts.	

# Statement by Management

We have today considered and adopted the Annual Report for the financial year 1 January - 31 December 2024 of PKA+ Pension Forsikringselskab A/S.

The Annual Report is prepared in accordance with the Danish Insurance Business Act and other relevant legislation.

In our opinion, the Annual Report gives a true and fair view of the financial position of the Company at 31 December 2024 and of the results of the Company operations for the financial year 1 January - 31 December 2024.

In our opinion, Management's Review includes a true and fair account of the development in the operations and financial circumstances, of the results for the year and of the financial position of the Company as well as a description of the most significant risks and elements of uncertainty facing the Company.

We recommend that the annual report be adopted at the annual general meeting.

Hellerup, 18 March 2025

Executive Board:

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Jon Steingrim Johnsen  
CEO

Hellerup, 18 March 2025

Board of Directors:

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Henrik Klitmøller Rasmussen  
Chairman

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Kasper Ejlertsen

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Susanne Kure

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Mia Linda Møller

# Independent Auditor's Report

## To the shareholders of PKA+ Pension Forsikringselskab A/S

### Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2024 and of the results of the Company operations for the financial year 1 January - 31 December 2024 in accordance with the Danish Insurance Business Act.

Our opinion is consistent with our Auditor's Long-form Report for the Audit Committee and the Board of Directors.

### What we have audited

The Financial Statements of PKA+ Pension Forsikringselskab A/S for the financial year 1 January - 31 December 2024 comprise income statement and statement of comprehensive income, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ('Financial Statements').

### Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the *Auditor's responsibilities for the audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

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

To the best of our knowledge, no prohibited non-audit services as referred to in Article 5(1) of Regulation (EU) no. 537/2014 have been provided.

### Appointment

We were first appointed auditors of PKA+ Pension Forsikringselskab A/S by a shareholder resolution on 26 April 2017 from the financial year 2017. We have been reappointed annually by shareholder resolution for a total period of uninterrupted engagement of eight years including the financial year 2024.

### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements for 2024. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p><b>Measurement of provisions for insurance and investment contracts</b></p> <p>The Company's total provisions for insurance and investment contracts were DKK 1,058 million, corresponding to 52% of the total balance sheet.</p> <p>The provisions primarily consist of life assurance provisions for guaranteed benefits, individual bonus potential, collective bonus potential and risk margin.</p> <p>The provisions are based on actuarial principles and involve significant accounting estimates associated with actuarial assumptions regarding the timing and amount of future payments to policyholders.</p> <p>Significant actuarial assumptions comprise discount yield curves, life expectancy, mortality, disablement, probabilities of early releases of pensions and conversions into paid-up policies as well as costs.</p> <p>We focused on the measurement of provisions for insurance and investment contracts because accounting estimates are inherently complex and influenced by subjectivity and, thus, associated with a high degree of estimation uncertainty.</p> <p>Reference is made to 'Accounting estimates' in note 1 and 'Life assurance provisions, average rate products' in note 19 and 'Life assurance provisions, unit-linked products' in note 20 to the Financial Statements.</p>	<p>We conducted risk assessment procedures to gain an understanding of IT systems, procedures and relevant controls related to the determination of provisions for insurance and investment contracts. As regards the controls, we assessed whether they had been designed and implemented in a manner which effectively addresses the risk of material misstatement. We tested selected controls, which we planned to rely on, as to whether they were carried out consistently.</p> <p>We assessed the methods and models used to calculate the provisions for insurance and investment contracts, including the division of responsibilities between the Company and the services organisation Forca. Forca's independent auditor has issued an auditor's report providing reasonable assurance that the provisions have been calculated based on the correct portfolio and actuarial assumptions.</p> <p>We used our own actuaries to assess the actuarial methods and models applied by the Company and the assumptions and calculations used.</p> <p>We assessed and challenged the methods and models used and significant assumptions in respect of discount yield curves, life expectancy, mortality, disablement, probabilities of early releases of pensions and conversions into paid-up policies as well as costs based on our industry knowledge in order to determine whether these comply with regulatory and accounting requirements. This included an assessment of the continuity of the basis for determining provisions.</p> <p>We assessed whether the disclosures on provisions were appropriate.</p>

### Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether 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 Management's Review provides the

information required under the Danish Insurance Business Act and other relevant legislation.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Insurance Business Act and the disclosure requirements of other relevant legislation. We did not identify any material misstatement in Management's Review.

### **Management's responsibilities for the Financial Statements**

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

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

### **Auditor's responsibilities for the audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

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

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

including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and, where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Hellerup, 18 March 2025

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

CVR no. 33 77 12 31

Stefan Vastrup

State Authorised Public Accountant

mne32126

Casper Larsen

State Authorised Public Accountant

mne45855

# Income statement and statement of comprehensive income

All figures are in DKK thousands

	Note	<b>2024</b>	<b>2023</b>
Gross premiums written	3	31,383	49,196
<b>Total premiums, net of reinsurance</b>		<b>31,383</b>	<b>49,196</b>
Income from associates		31,327	0
Interest income and dividends, etc.		2,308	11,226
Market value adjustments	4	117,951	147,883
Interest expenses		-24	-1,405
Administrative expenses related to investment activities		-3,173	-3,084
<b>Total investment return</b>		<b>148,389</b>	<b>154,619</b>
<b>Pension investment returns tax</b>		<b>-16,395</b>	<b>-4,887</b>
Benefits paid		-130,520	-136,016
Reinsurer's share received		0	-1
<b>Total claims and benefits, net of reinsurance</b>		<b>-130,520</b>	<b>-136,016</b>
Change in life assurance provisions, average interest rate	5	36,156	-2,304
Change in life assurance provisions, unit-linked products	6	-5,217	12,885
<b>Total change in life assurance provisions, net of reinsurance</b>		<b>30,939</b>	<b>10,581</b>
<b>Change in profit margin</b>		<b>-147</b>	<b>287</b>
<b>Change in surplus capital</b>		<b>171</b>	<b>914</b>
Administrative expenses		-3,029	-10,404
<b>Total operating expenses relating to insurance, net of reinsurance</b>	7	<b>-3,029</b>	<b>-10,404</b>
<b>Transferred investment return</b>		<b>-59,125</b>	<b>-66,633</b>
<b>TECHNICAL PROFIT OR LOSS</b>		<b>1,666</b>	<b>-2,342</b>
<b>TECHNICAL PROFIT OR LOSS ON HEALTH AND ACCIDENT INSURANCE</b>	8	<b>-1,813</b>	<b>-3,214</b>
Return on investment allocated to equity		58,960	66,977
<b>PROFIT/LOSS BEFORE TAX</b>		<b>58,813</b>	<b>61,421</b>
<b>Tax</b>	9	<b>-16,132</b>	<b>-14,942</b>
<b>PROFIT/LOSS FOR THE YEAR</b>		<b>42,681</b>	<b>46,479</b>
<b>Other comprehensive income</b>		<b>0</b>	<b>0</b>
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>42,681</b>	<b>46,479</b>
<b>Realised profit/loss</b>	10		

Profit for the year is transferred to equity.

# Balance sheet

## ASSETS

All figures are in DKK thousands

	Note	2024	2023
Investments in associates	22	613,659	0
<b>Total investment in associates</b>		<b>613,659</b>	<b>0</b>
Investment units		873,329	1
Bonds		333,792	1,716,365
Deposits with credit institutions		7,559	15,197
Derivative financial instruments	11	343	230
<b>Total other financial investment assets</b>		<b>1,215,024</b>	<b>1,731,794</b>
<b>TOTAL INVESTMENT ASSETS</b>	12	<b>1,828,683</b>	<b>1,731,794</b>
<b>INVESTMENT ASSETS RELATED TO UNIT-LINKED</b>	13	<b>192,583</b>	<b>185,805</b>
Total reinsurer's share of provisions for insurance contracts		111	111
Receivables related to direct insurance contracts		111	580
Other receivables		186	47,320
<b>TOTAL RECEIVABLES</b>		<b>409</b>	<b>48,011</b>
Current tax assets		247	1,594
Deferred tax assets	14	0	3,887
Cash at bank and in hand		1,798	5,776
<b>TOTAL OTHER ASSETS</b>		<b>2,046</b>	<b>11,257</b>
Interest receivable		3,081	473
Other prepayments and accrued income		7,890	8,798
<b>TOTAL PREPAYMENTS AND ACCRUED INCOME</b>		<b>10,971</b>	<b>9,271</b>
<b>TOTAL ASSETS</b>		<b>2,034,692</b>	<b>1,986,138</b>
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# Balance sheet

## EQUITY AND LIABILITIES

All figures are in DKK thousands

	Note	2024	2023
Share capital	16	63,000	63,000
Share premium	17	225,000	225,000
Retained earnings	18	614,304	571,623
<b>TOTAL EQUITY</b>		<b>902,304</b>	<b>859,623</b>
Surplus capital		9,219	9,390
<b>TOTAL SUBORDINATE LOAN CAPITAL</b>		<b>9,219</b>	<b>9,390</b>
Provisions for unearned premiums		7	19
Life assurance provisions, average interest rate products	19	852,428	888,584
Life assurance provisions, unit-linked products	20	189,374	184,158
<b>Total life assurance provisions</b>		<b>1,041,802</b>	<b>1,072,741</b>
Profit margin, average interest products		2,320	2,173
Provisions for claims outstanding		11,009	10,104
Risk margin on non-life insurance contracts		3,090	3,550
<b>TOTAL PROVISIONS FOR INSURANCE AND INVESTMENT CONTRACTS</b>		<b>1,058,229</b>	<b>1,088,588</b>
Debt relating to derivative financial instruments		45,538	392
Current tax liabilities		16,327	4,877
Other payables		186	18,627
<b>TOTAL DEBT</b>		<b>62,052</b>	<b>23,895</b>
<b>DEFERRED INCOME</b>		<b>2,888</b>	<b>4,642</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,034,692</b>	<b>1,986,138</b>
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# Equity and capital base

All figures are in DKK thousands

<b>Equity</b>	<b>2024</b>	<b>2023</b>
Equity at 1 January	859,623	913,144
Capital reduction	0	-100,000
Transferred from distribution of profit for the year	42,681	46,479
Other comprehensive income	0	0
<b>Total equity</b>	<b>902,304</b>	<b>859,623</b>
<b>Capital base</b>	<b>2024</b>	<b>2023</b>
Equity	902,304	859,623
Surplus capital	9,219	9,390
Difference between solvency and accounting provisions	9,256	-57,066
<b>Total capital base to meet the solvency capital requirem</b>	<b>920,779</b>	<b>811,947</b>

# Notes

## Note 1

### Accounting policies

The Annual Report for the Company has been prepared in accordance with the provisions of the Danish Insurance Business Act and the Danish Financial Supervisory Authority's Danish Executive Order on Presentation of Financial Statements on Financial Reports for Insurance Companies and Multi-employer Pension Funds.

A few reclassifications have been made. The associated notes are adjusted accordingly.

The Annual Report is presented in thousands of Danish kroner with no decimals. Each figure is rounded separately. Consequently, discrepancies between the totals stated and the sum of the underlying figures may occur.

The accounting policies remain unchanged compared to 2023.

### Principles for the distribution of profit and loss

Bonus related to interest, risk and administration is paid in advance to customers in accordance with the bonus rates notified to the Danish Financial Supervisory Authority. The net profit for the year is subsequently distributed between customers and equity according to the following rules.

The share of the realised profit for the year accruing to equity consists of a return equal to the return on investment before pension yield tax plus an operational risk charge of 0.5 % of the average life assurance provisions for insurance policies entitling to bonus.

If realised profit is insufficient in terms of allocating an operational risk charge to equity, the remaining part may be collected from the collective bonus potential of the individual groups. Losses related to the individual contribution groups covered by equity may be recovered in the following financial year from the individual groups' collective bonus potentials, if possible. The shares transferred from the collective bonus potential of the following financial year must be reported to the Danish Financial Supervisory Authority.

The above principles apply per group, see the Danish Executive Order on the Contribution Principle.

### Foreign currency translation

Foreign currency transactions are translated applying the exchange rate of the date of transaction. Balance sheet items in foreign currencies are translated at the closing rates at the balance sheet date.

All foreign exchange gains and losses are recognised under foreign currency translation adjustments in the income statement.

### General principles of recognition and measurement

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the enterprise, and the value of the asset can be measured reliably. Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the enterprise, and the liability can be measured reliably.

All income is recognised in the income statement as earned, and all costs are recognised with the amounts relating to the financial year.

Sale and purchase of financial instruments are recognised at the trade date.

On initial recognition, financial instruments are measured at fair value. Subsequently, financial instruments are measured as described for each item below.

### **General comments on accounting estimates and uncertainty relating to recognition and measurement**

The carrying amounts of certain assets and liabilities are determined on the basis of methods and assumptions implying the use of accounting estimates. These estimates are made by Management in accordance with accounting policies and on the basis of historical experience and assumptions considered by Management to be sound and realistic.

Due to the nature of the estimates, the assumptions applied may prove to be incomplete, and unexpected future events or circumstances may also occur. Moreover, others may arrive at other estimates.

The significant estimates made by Management when determining the carrying amounts of certain assets and liabilities, and the significant estimation uncertainty associated with the preparation of the financial statements, are the same as when preparing the financial statements of the previous year. The areas primarily subject to estimates are liabilities related to life assurance provisions.

### **Measurement of life assurance provisions**

Determination of the carrying amounts of the life assurance provisions is subject to estimates related in particular to the discount yield curve and the assumptions of mortality, disability, repurchase and paid-up policies. Current best estimates of the assumptions are based on experience from the pension fund ownership as well as external data from the Danish Financial Supervisory Authority and Statistics Denmark.

### **Fair value of investment assets and financial liabilities**

Investment assets and financial liabilities are recognised at fair value or amortised cost.

Fair value is the price obtainable by selling an asset or is payable for the transfer of a liability in a normal transaction between independent parties at the time of measurement. The fair value is determined by the following hierarchy:

#### **Level 1 – quoted prices:**

Quoted prices (unadjusted) at regulated trading venues in active markets for identical assets, such as listed shares.

#### **Level 2 – other observable input than quoted prices for the asset:**

For financial investment assets where measurements are based on generally accepted valuation models with observable market data, such measurement is only to a limited extent subject to significant estimates. This applies for example to bonds that are less liquid and are measured at fair value based on modelled market prices, average market prices, etc.

#### **Level 3 – non-observable input**

In terms of financial investment assets for which measurement is based, only to a minor extent, on observable market data, measurement is influenced by estimates. This applies, for instance, to investments in investment properties, investments in group enterprises and associates investing in properties or direct infrastructure such as wind turbines and solar energy, as well as investments in unlisted shares, funds and loans, etc.

PKA+ returns and risk exposure are mainly generated by derivative financial instruments, which are determined and settled at the end of each month. At the balance sheet date, the value of these will typically be DKK 0. The underlying exposures of the financial instruments are partly based on assets from levels 2 and 3 of the fair value hierarchy.

Note 12 contains a breakdown of investment assets and financial liabilities by levels 1-3 of the fair value hierarchy.

## Income statement

### Gross premiums written

Gross premiums written include premiums paid in the year.

### Investment return

Income from associates includes the Company's share of their operating income after tax.

Interest and dividends, etc. include interest earned and dividends received, etc. for the year in respect of investment assets.

Market value adjustments include realised and unrealised gains and losses on investment assets.

### Pension investment returns tax

Pension investment returns tax is recognised in the income statement at an amount calculated on the basis of the customers' share of the return subject to tax on pension returns for the financial year.

### Benefits paid

Pension benefits include pensions processed and paid.

### Administration

The Company pays an annual fixed amount (tariff) per policy to PKA A/S for the agreed administrative services, which include salaries and remuneration to the Executive Board and Board of Directors as well as audit fees.

In addition, the Company pays a fixed rate per thousand of the fair value of the assets for portfolio management.

The tariff and rate per thousand are determined on an arm's length basis.

Costs relating to management of securities are recognised as administrative expenses related to investment activities

### Transferred investment return

The transferred investment return is calculated on the basis of the share of equity of the realised results and recognised in the 'Return on investment allocated to equity' item.

### Profit or loss on health and accident insurance

Profit or loss on health and accident insurance is calculated according to the rules for non-life insurance. The profit/loss is specified in note 8.

### Income tax

Total income tax is allocated using to the full allocation method, according to which enterprises showing a profit credits enterprises showing losses with the calculated tax benefit from utilising the loss.

Tax on profit for the year is recognised adjusted for tax-exempt income and non-deductible expenses. The tax is recognised as a joint taxation balance (receivable or payable) and as deferred income tax (tax asset or tax liability) in the balance sheet.

Extra payments and repayments related to tax are considered net financials and are not included in the calculated income tax.

## Balance sheet

### Assets

#### Investments in associates

Investments in associates are recognised with the Company's share of the associates' equity value. The associates' equity value is determined using measurement methods identical to those used by the Company. All adjustments are recognised in the item 'Income from associates'.

Associates are enterprises in which the Company holds more than 20% of the voting rights, and in which significant influence is exercised on the operational and financial management of the associates through representation on their boards of directors.

#### Investments

Listed investments are measured at fair value based on the quoted closing price at the balance sheet date.

#### Investment units

Investment units are measured at fair value based on quoted closing prices at the balance sheet date or other equivalent price.

#### Bonds

Fixed-income bonds, convertible loan stock and index-linked bonds plus indexation are measured at fair value based on the stock exchange's closing prices at the balance sheet date. The fair value of bonds drawn is based on the net present value of the bonds, which roughly constitutes the nominal value of the bonds.

#### Derivative financial instruments

Derivative financial instruments are measured at fair value. Instruments with positive fair values are recognised as assets in 'Derivative financial instruments', and instruments with negative fair values are recognised in 'Debt relating to derivative financial instruments'.

#### Receivables

Receivables are recognised at nominal value less any provision for bad debt.

#### Cash at bank and in hand

Cash and cash equivalents consist of the Company's share of operating cash funds deposited with banks. Cash and cash equivalents are measured at fair value.

#### Prepayments

Prepayments recognised in assets comprise interest receivable and any expenses incurred in relation to subsequent financial years. Prepayments are measured at amortised cost, which usually corresponds to the nominal value.

## Equity and liabilities

#### Provisions for insurance and investment contracts

Provisions for insurance and investment contracts are calculated by the Company's responsible actuary.

Life assurance provisions consist of the elements guaranteed benefits, individual bonus potential, collective bonus potential and risk margin.

The guaranteed benefits element of the life assurance provisions is determined by calculating, for each insurance policy, the market value of the expected guaranteed payment flows. The market value is calculated by discounting the individual payments using the interest rate determined by the European Supervisory Authority EIOPA, plus a volatility adjustment supplement, less the pension investment returns tax. Guaranteed benefits include an estimated amount to cover future insurance benefits arising from insurance events that occurred during the financial year but where no claim had been filed at the balance sheet date.

Individual bonus potential covers the value of obligations to grant a bonus on the basis of each insurance custody account qualifying for the bonus.

Collective bonus potential includes the insurance portfolio share of realised profit, which are assigned collectively to the insurance policies eligible for a bonus. The amount has not yet accrued to the individual customer.

The risk margin covers the amount that the Company will most likely have to pay another insurance company for it to take over the risk of settling the portfolio. The risk margin is, where possible, set off against the individual or collective bonus potential of the insurance policies – or alternatively, the capital base.

In terms of best estimate assumptions, it is not possible to conclude on the frequency of disability based on the Company's own observations. Therefore, the experience of the pension fund ownership is taken into account in determining the current best estimate.

Moreover, the Danish Financial Supervisory Authority's benchmark for life expectancy improvements is recognised in the mortality rate assumptions.

The discount yield curve is the assumption that has the greatest impact on the measurement of provisions.

### **Market rate**

Life assurance provisions for unit-linked products are measured at fair value, corresponding to the value of the assets linked with the insurance products less profit margin.

### **Profit margin**

The profit margin indicates the net present value of not yet earned profit of the Company on the insurance policies, which is expected to be recognised in the income statement over time. The profit margin is separated from the life assurance provisions.

### **Provisions for unearned premiums**

Provisions for unearned premiums relate to health and accident insurance and are determined according to the simplified method in the Danish Executive Order on the Presentation of Financial Statements for Insurance Companies and Multi-employer Pension Funds. A provision is made for the part of the premium relating to the risk period after the balance sheet date.

Moreover, estimates of the costs of loss-making health and accident insurance events occurring after the balance sheet date are also recognised, taking into account the applicable contractual limits.

### **Provisions for claims outstanding**

Provisions for claims outstanding comprise provisions for current benefits relating to health and accident insurance.

The provision for claims outstanding includes insurance benefits payable but which have yet to be paid, including bonus, and estimated, expected payments arising from insurance events that occurred during the financial year or earlier.

The provision for claims outstanding includes provisions for claims incurred but not reported (IBNR).

The provisions for claims outstanding are determined at the net present value of expected future payments, including expenses.

### Other items under equity and liabilities

Debt is measured at amortised cost, which usually corresponds to the nominal value.

### Financial ratios

Financial ratios are prepared in accordance with the rules of the Danish Financial Supervisory Authority's Danish Executive Order on Presentation of Financial Statements on Financial Reports for Insurance Companies.

#### Note 2

#### Five-year overview of financial highlights

All figures are in DKK million

Company		2020	2021	2022	2023	2024
Premiums		108	62	59	49	31
Claims and benefits		-101	-103	-68	-136	-131
Investment return		69	246	-103	155	148
Total operating expenses relating to insura		-3	-3	-5	-10	-3
Results from ceded business		0	0	0	0	0
Technical profit or loss		-14	66	-5	-2	2
Profit/loss for the year		9	133	-49	46	43
Total provisions for insurance and investment contracts		1,137	1,157	1,099	1,089	1,058
Total equity		829	962	913	860	902
Total assets		2,051	2,244	2,154	1,986	2,035
<b>Financial ratios</b>						
Return related to average interest products	%	3.0	12.3	-4.6	7.4	6.9
Return related to unit-linked products *	%	11.3	16.4	-4.6	12.5	16.8
Return risk related to unit-linked products *	%	3.8	2.0	-8.3	2.0	2.0
Costs of provisions	%	0.4	0.3	0.6	1.2	0.4
Costs per insured	DKK	378	346	594	1,138	356
Return on equity after tax	%	1.0	14.8	-5.2	5.2	4.8
Return on surplus capital which is assigned a return as equity	%	0.9	11.9	-5.5	6.6	5.9

### Note 3

#### Gross premiums written

	<u>2024</u>	<u>2023</u>
<b>Direct insurance</b>		
Premiums	12,786	27,669
Contributions	18,085	20,521
Group life premiums	512	1,006
<b>Total gross premiums written</b>	<b><u>31,383</u></b>	<b><u>49,196</u></b>

All gross premiums written are direct insurance.

#### Insurance contracts

Insured under group life contracts	512	1,006
Taken out by individuals	8,752	11,695
Made as part of employment	22,119	36,495

#### Bonus entitlement

Contracts entitling to bonus	13,962	17,539
Contracts not entitling to bonus	512	1,006
Contracts, market rate	16,909	30,652

#### Statement of the number of people insured

Taken out by individuals	2,093	2,279
Made as part of employment	5,737	6,470

#### Premiums by country

Denmark	31,159	48,814
Other EU countries	223	374
Other countries	0	8

### Note 4

#### Market value adjustments

	<u>2024</u>	<u>2023</u>
Investment units	53,839	1
Bonds	56,135	47,867
Derivative financial instruments	8,376	100,289
Cash at bank and in hand	-400	-274
<b>Total market value adjustments</b>	<b><u>117,951</u></b>	<b><u>147,883</u></b>

### Note 5

#### Change in life assurance provisions, average interest

	<u>2024</u>	<u>2023</u>
Guaranteed benefits	34,076	11,478
Individual bonus potential	16,178	20,984
Risk margin	867	644
Collective bonus potential	-14,964	-35,410
<b>Change in life assurance provisions, average interest rate pro</b>	<b><u>36,156</u></b>	<b><u>-2,304</u></b>

## Note 6

### Change in life assurance provisions, unit-linked

	<u>2024</u>	<u>2023</u>
Provisions, market rate	-5,266	12,868
Risk margin	49	17
<b>Change in life assurance provisions, unit-linked product</b>	<b><u>-5,217</u></b>	<b><u>12,885</u></b>

## Note 7

### Operating expenses relating to insurance, net of reinsurance

The Company is managed by PKA A/S

	<u>2024</u>	<u>2023</u>
<b>Remuneration to the Board of Directors</b>		
Remuneration paid to employer	51	60
Remuneration paid to members of the Board of Directors	347	375
<b>Total remuneration to the Board of Directors</b>	<b><u>398</u></b>	<b><u>435</u></b>

### Salary

There are no employees in PKA+ Pension other than those on the Executive Board, the four area directors and the four key functions under Solvency II.

The Executive Board and the four area directors are paid partly by the PKA+ Pension.

The four key functions are not paid by the Company.

Remuneration for the Executive Board and the Board of Directors is based solely on fixed salary, according to the remuneration policy.

Total remuneration for the Board of Directors and the Executive Board is available at [www.pka.dk](http://www.pka.dk).

	<u>2024</u>	<u>2023</u>
<b>Salaries</b>		
Salaries	338.8	296.6
Pension contribution	66.4	58.2
Payroll tax, etc.	62.0	54.3
<b>Total salaries</b>	<b><u>467.2</u></b>	<b><u>409.0</u></b>

The average number of full-time employees in 2024 was 0.1, compared to 0.1 in 2023.

### Auditor

The auditor's work is, to a great extent, performed jointly for the pension funds managed by PKA A/

Administrative expenses include audit fees, inclusive of VAT, of:

	<u>2024</u>	<u>2023</u>
<b>Auditor</b>		
Statutory audit of financial statements	131	131
Other assurance engagements	104	138
<b>Total audit fees</b>	<b><u>235</u></b>	<b><u>269</u></b>

Statutory audit of financial statements covers fees paid to both PricewaterhouseCoopers and

## Note 8

### Technical profit or loss on health and accident

	<u>2024</u>	<u>2023</u>
Gross premiums written	837	1,541
Change in provisions for unearned premiums	12	-6
Total earned premiums, net of reinsurance	849	1,535
Technical interest	0	-1,841
Gross claims paid	-2,351	-3,545
Change in provisions for claims outstanding	-905	506
Change in risk margin	460	-1,328
Total claims incurred, net of reinsurance	-2,796	-4,366
Administrative expenses	-30	-39
Total operating expenses relating to insurance, net of reinsurance	-30	-39
Technical profit or loss	-1,977	-4,711
Investment return	165	1,497
<b>Technical profit or loss on health and accident insurance</b>	<b><u>-1,813</u></b>	<b><u>-3,214</u></b>

### Claims, health and accident insurance

No. of policies	2,010	2,229
No. of claims	16	34
Average amount paid in damages for claims, in DKK thousand.	147	104
Claims frequency	0.8%	1.5%
Run-off profit/loss, net of reinsurance	-821	-386

### Financial highlights concerning health and accident insurance

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Gross earned premiums	849	1,535	2,186	3,056	2,693
Gross claims expenses	-2,796	-4,366	-15,093	-2,024	-840
Total operating expenses relating to insurance	-30	-39	-80	-41	-16
Technical profit or loss	-1,977	-4,711	-12,987	992	1,840
Investment return after technical interest	165	1,497	-19	197	60
Run-off profit/loss	-821	-386	-3,239	-395	-644
Total insurance provisions	14,099	13,654	12,833	355	658

### Financial ratios

Gross claims ratio	847.2%	103.8%	296.6%	90.1%	37.8%
Gross expense ratio	-7.9%	-1.4%	-1.8%	-1.8%	-0.7%
Combined ratio	839.4%	102.5%	294.7%	88.4%	37.1%
Operating ratio	231.9%	-8.7%	235.1%	88.4%	37.1%
Relative run-off	-8.1%	-3.6%	-1040.8%	-78.2%	-90.0%

**Note 9**
**Tax**

	<u>2024</u>	<u>2023</u>
Income tax for the year	11,787	5,600
Adjustment of deferred income tax	3,887	9,342
Adjustment of income tax relating to previous years	459	0
<b>Total tax</b>	<b><u>16,132</u></b>	<b><u>14,942</u></b>

Tax may be explained as follows:

Calculated tax on profit/loss for the year	15,291	15,478
Tax effect of:		
Non-taxable costs/income	642	823
Change in tax rate	-261	-1,359
Adjustment of tax relating to previous years	459	0
<b>Total</b>	<b><u>16,132</u></b>	<b><u>14,942</u></b>

**Note 10**
**Realised profit/loss**

	<u>2024</u>	<u>2023</u>
<b>Total realised profit/loss</b>	<b><u>111,419</u></b>	<b><u>132,160</u></b>
allocated to:		
Accrual of bonus and payment from equity before pensions re	20,993	15,252
Excess return related to market rate	-2,740	4,258
Pension investment returns tax	16,370	8,841
Transferred to collective bonus potential	18,183	34,550
Transferred to surplus capital before pension investment retu	632	777
Pension investment returns tax on return related to surplus c	-100	-124
Transferred to equity before income tax	58,080	68,547
Applied individual bonus potential	0	60
<b>Total amount allocated</b>	<b><u>111,419</u></b>	<b><u>132,160</u></b>

The principles of distribution of the realised profit/loss, as well as calculation of risk premium, are described in the accounting policies.

## Note 10 continued

### Outlays, return on equity in accordance with section 6 of the Executive Order on the Contribution Principle:

	Beginning of year	Reduction through realised profit/loss	Equity outlays for the year	End of year
Interest rate group 1, [0%;1%[	0	0	0	0
Interest rate group 2, [1%;2%[	0	0	0	0
Interest rate group 3, [2%;3%[	0	0	0	0
Interest rate group 4, [3%;4%[	0	0	0	0
Interest rate group 5, [4%;5%[	0	0	0	0
Interest rate groups, total	0	0	0	0
Risk group, disability	0	0	0	0
Risk group, death	0	0	0	0
Risk group, survival	0	0	0	0
Risk groups, total	0	0	0	0
Cost groups, total	205	-190	0	16
MIR	0	0	0	0
All groups, total	205	-190	0	16

## Note 11

### Other financial investment assets

The investment policy of the PKA+ Pension takes into account a number of social, environmental and ethical matters. PKA+ Pension does not invest in enterprises that deliberately and consistently violate national law or rules established by international organisations and adopted by Denmark. Further, PKA+ Pension does not invest in controversial weapons, coal mines or tobacco.

### Financial instruments

	Year to maturity	Principal amount	Carrying amount
<i>Derivative financial instruments 2024</i>			
Foreign exchange transactions	0-1	1,631,494	-45,195
<i>Derivative financial instruments 2023</i>			
Swaps	1-10	1,941,971	-161

In terms of derivative financial instruments, significant terms apply to the developments in interest rates, share prices and currencies.

In terms of financial instruments, such as bonds, shares, etc., no special significant terms or conditions affect future cash flows.

The carrying amount of derivative financial instruments in the balance sheet is the gross amount. The sum of all contracts of positive value is carried in assets under the item 'Derivative financial instruments'. The sum of all contracts of negative value is carried in liabilities and equity under the item 'Debt relating to derivative financial instruments'.

## Note 12

### Breakdown by measurement of investment assets and financial liabilities

Investment assets and financial liabilities are recognised at fair value or amortised cost, see Note 1 “Accounting policies” for details.

#### Investment assets and financial liabilities 2024

	Listed prices	Observable input	Non-observable input	Total
Associates	613,659	0	0	613,659
Investment units	873,329	0	0	873,329
Bonds	76,156	257,636	0	333,792
Deposits with credit institutions	7,559	0	0	7,559
Derivative financial instruments	0	343	0	343
Investment assets related to unit-linked products	172,008	20,575	0	192,583
	<b>1,742,711</b>	<b>278,555</b>	<b>0</b>	<b>2,021,266</b>
Debt relating to derivative financial instrument	0	-45,538	0	-45,538
<b>Financial liabilities at fair value</b>	<b>1,742,711</b>	<b>233,017</b>	<b>0</b>	<b>1,975,728</b>

#### Investment assets and financial liabilities related to unit-linked

	Listed prices	Observable input	Non-observable input	Total
Associates	31,404	0	0	31,404
Investment units	134,190	0	0	134,190
Bonds	6,082	20,575	0	26,657
Deposits with credit institutions	332	0	0	332
	<b>172,008</b>	<b>20,575</b>	<b>0</b>	<b>192,583</b>
Debt relating to derivative financial instrument	0	-1,117	0	-1,117
	<b>172,008</b>	<b>19,459</b>	<b>0</b>	<b>191,467</b>

#### Investment assets and financial liabilities 2023

	Listed prices	Observable input	Non-observable input	Total
Investment units	0	0	1	1
Bonds	29,180	1,687,185	0	1,716,365
Deposits with credit institutions	15,197	0	0	15,197
Derivative financial instruments	0	0	230	230
Investment assets related to unit-linked products	185,805	0	0	185,805
<b>Investment assets at fair value</b>	<b>230,183</b>	<b>1,687,185</b>	<b>231</b>	<b>1,917,599</b>

**Note 12 continued**

**Investment assets and financial liabilities related to unit-linked**

	<b>Listed prices</b>	<b>Observable input</b>	<b>Non-observable input</b>	<b>Total</b>
Bonds	185,805	0	0	185,805
	<b>185,805</b>	<b>0</b>	<b>0</b>	<b>185,805</b>

**Measurement based on unobservable inputs 2024**

	<b>Investment units</b>	<b>Derivative financial instruments</b>	<b>Total</b>
Beginning of year	1	-161	-161
Transferred to/from other levels	0	161	161
Purchase/Sale	0	0	0
Value adjustment	-1	0	-1
	<b>0</b>	<b>0</b>	<b>0</b>

**Measurement based on unobservable inputs 2023**

	<b>Investment units</b>	<b>Derivative financial instruments</b>	<b>Total</b>
Beginning of year	0	4,193	4,193
Transferred to/from other levels	0	0	0
Purchase/Sale	0	-405	-405
Value adjustment	1	-3,949	-3,949
	<b>1</b>	<b>-161</b>	<b>-161</b>

**Note 13**

**Investment assets, unit-linked products**

	<b>2024</b>	<b>2023</b>
Associates	31,404	0
Investment units	134,190	0
Bonds	26,657	185,805
Deposits with credit institutions	332	0
<b>Total investment assets, unit-linked products</b>	<b>192,583</b>	<b>185,805</b>
Interest receivable related to unit-linked products	228	0
Debt relating to derivative financial instruments	-1,117	0
	<b>191,695</b>	<b>185,805</b>

**Note 14**
**Deferred tax asset**

	<b>2024</b>	<b>2023</b>
Deferred tax 1 January	3,887	13,229
Deferred tax for the year	-3,887	-9,342

**Deferred tax 31 December**

	<b>0</b>	<b>3,887</b>
<i>Deferred tax relates to:</i>		
Deferred income tax	0	3,887
	<b>0</b>	<b>3,887</b>

**Note 15**
**Security**

	<b>2024</b>	<b>2023</b>
As security for clearing and for the fair value of derivative financial instruments, the Company has deposited bonds at a net value of	-45,406	0
Cash and cash equivalents and bonds received as security for the fair value of derivative financial instruments	0	12,768

**Note 16**
**Share capital**

	<b>2024</b>	<b>2023</b>
Share capital, beginning of year	63,000	83,000
Capital reduction during the year	0	-20,000
<b>Total share capital</b>	<b>63,000</b>	<b>63,000</b>

Apart from the capital increase in 2023 of DKK 20,000k, the share capital has not changed in the past five years.

The share capital is made up of 63,000 shares of DKK 1,000. The share capital is not divided into classes.

**Note 17**
**Share premium**

	<b>2024</b>	<b>2023</b>
Share premium, beginning of year	225,000	305,000
Surplus capital used	0	-80,000
<b>Total share premium</b>	<b>225,000</b>	<b>225,000</b>

**Note 18**
**Retained earnings**

	<b>2024</b>	<b>2023</b>
Retained earnings, beginning of year	571,623	525,144
Transferred from distribution of profit for the year	42,681	46,479
<b>Total retained earnings</b>	<b>614,304</b>	<b>571,623</b>

**Note 19**
**Life assurance provisions**

	<b>2024</b>	<b>2023</b>
Life assurance provisions, beginning of year	888,584	886,280
Profit margin, beginning of year	0	0
Applied individual bonus potential	0	60
Total pension provisions, beginning of year	888,584	886,340
Collective bonus potential, beginning of year	-123,949	-88,538
Accumulated value adjustment, beginning of year	-5,574	-3,385
Retrospective pension provisions, beginning of year	759,062	794,417
Gross premiums written	14,474	18,545
Accrual of interest	29,230	24,646
Claims and benefits	-94,884	-70,613
Expense supplement after addition of expense bonus	-5,682	-6,019
Risk gain after addition of risk bonus	260	-1,180
Other	-854	-733
Retrospective provisions, end of year	701,606	759,062
Accumulated value adjustment, end of year	11,908	5,574
Collective bonus potential, end of year	138,913	123,949
Total pension provisions, end of year	852,428	888,584
Profit margin, end of year	0	0
<b>Total life assurance provisions</b>	<b>852,428</b>	<b>888,584</b>

**Allocation of provisions according to interest rate groups for the insurance portfolios covered by the contribution principle:**
**Pension provisions at 31 December 2024**

	<b>Guaranteed benefits</b>	<b>Individual bonus potential</b>	<b>Collective bonus potential</b>	<b>Risk margin</b>
Interest rate group 0, [(1%);0%[	2,329	499	101	171
Interest rate group 1, [0%;1%[	36,159	6,625	4,240	1,652
Interest rate group 2, [1%;2%[	98,054	1,664	31,388	225
Interest rate group 3, [2%;3%[	46,651	328	24,632	123
Interest rate group 4, [3%;4%[	3,890	3	919	8
Interest rate group 5, [4%;5%[	56	0	211	0
MIR				1,110
Group life				31
All interest rate groups	187,139	9,118	61,490	3,319

## Note 19 continued

### Allocation of provisions according to interest rate groups for the insurance portfolios covered by the contribution principle:

	<u>Guaranteed benefits</u>	<u>Individual bonus potential</u>	<u>Collective bonus potential</u>	<u>Risk margin</u>
<b>Pension provisions at 1 January 2024</b>				
Interest rate group 0, [(1);0%[	3,036	953	60	189
Interest rate group 1, [0%;1%[	38,436	8,545	2,762	1,456
Interest rate group 2, [1%;2%[	100,671	3,098	28,432	229
Interest rate group 3, [2%;3%[	52,635	639	22,975	132
Interest rate group 4, [3%;4%[	4,099	0	806	28
Interest rate group 5, [4%;5%[	59	0	201	0
MIR				1,140
Group life				1,012
	<hr/>	<hr/>	<hr/>	<hr/>
All interest rate groups	198,937	13,235	55,236	4,186

### Fordeling af hensættelserne efter tegningsrente for de forsikringsbestande, der ikke er

	<u>Guaranteed benefits</u>	<u>Individual bonus potential</u>	<u>Collective bonus potential</u>	<u>Total</u>
<b>Pension provisions at 31 December 2024</b>				
Technical rate [0%;1%]	476,850	37,088	61,791	575,730

### Pension provisions at 1 January 2024

Technical rate [0%;1%]	499,128	49,150	52,631	600,908
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### Overall allocation of collective bonus potential to risk groups and cost groups for the insurance portfolios covered by the contribution principle:

	<u>2024</u>	<u>2023</u>
Risk group, disability	12,647	12,537
Risk group, death	632	488
Risk group, survival	2,347	3,056
	<hr/>	<hr/>
Risk groups, total	15,627	16,081
Cost groups, total	0	0
	<hr/>	<hr/>
All groups	15,627	16,081

	<u>Risk group disability</u>	<u>Risk group death</u>	<u>Risk group survival</u>	<u>Total risk group</u>
<b>At 31 December 2024</b>				
Risk profit/loss after bonus, amount	110	144	-709	-455
Risk profit/loss after bonus, percentage	0.1%	0.6%	-0.4%	-0.2%
<b>At 1 January 2024</b>				
Risk profit/loss after bonus, amount	183	151	-73	261
Risk profit/loss after bonus, percentage	0.1%	0.6%	0.0%	0.1%

**Note 19 continued**

	<b>Cost contribution after</b>	<b>Operating expenses relating to insurance</b>	<b>Cost results, amount</b>	<b>Cost results, percentag</b>
<b>At 31 December 2024</b>				
Cost group	432	243	190	0.1%
<b>At 1 January 2024</b>				
Cost group	452	237	215	0.1%

**Rate of return and ratio of collective bonus potential to provisions for the insurance portfolios covered by the contribution principle:**

	<b>2024 Return percentage</b>	<b>2023 Return percentage</b>	<b>2024 Ratio of collective</b>	<b>2023 Ratio of collective</b>
Interest rate group 0, [(1%);0%[	6.9%	7.3%	20.0%	24.3%
Interest rate group 1, [0%;1%[	6.9%	7.3%	24.5%	23.3%
Interest rate group 2, [1%;2%[	6.9%	7.3%	33.6%	30.7%
Interest rate group 3, [2%;3%[	6.9%	7.3%	55.1%	45.5%
Interest rate group 4, [3%;4%[	6.9%	7.3%	26.6%	21.7%
Interest rate group 5, [4%;5%[	6.9%	7.3%	522.7%	471.2%
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>

**Rate of return and ratio of collective bonus potential to provisions for the insurance portfolios not covered by the contribution principle**

	<b>Return percentage</b>	<b>Return percentage</b>	<b>Ratio of collective bonus potential to provisions</b>	<b>Ratio of collective bonus potential to provisions</b>
Technical rate [0%;1%]	6.9%	7.3%	18.5%	17.8%

**Return on customer funds after costs and before tax are distributed by product:**

	<b>2024</b>	<b>2023</b>
Average rate	6.8%	7.1%
Market rate	15.7%	13.2%

**Note 20**

<b>Life assurance provisions, market rate</b>	<b>2024</b>	<b>2023</b>
Life assurance provisions, beginning of year	184,158	197,043
Profit margin, beginning of year	2,173	2,460
Retrospective pension provisions, beginning of year	186,331	199,503
Gross premiums written	16,909	30,652
Accrual of interest	26,789	15,478
Excess return	-2,740	4,258
Change in pension returns tax asset	0	775
Claims and benefits	-35,636	-65,403
Expense supplement after addition of expense bonus	-1,553	-1,534
Other	-101	16
Transferred to/from equity	995	944
Transferred to/from membership capital	702	1,642
Retrospective provisions, end of year	191,695	186,331
Profit margin, end of year	-2,320	-2,173
<b>Total life assurance provisions, market rate</b>	<b>189,374</b>	<b>184,158</b>

**Market rate determined per investment profile:**

	2024	2023	2024	2023	2024	2023
	Percent of average provisions	Percent of average provisions	Return as a percentage (before pension returns tax)	Return as a percentage (before pension returns tax)	Risk	Risk
<b>PKAekstra</b>						
Years to retirement						
30 years	3.3%	0.2%	7.6%	16.1%	3.3	3.3
15 years	4.0%	4.2%	4.8%	6.4%	3.3	3.3
5 years	0.2%	5.6%	1.1%	6.8%	2.0	2.0
5 years after	-	0.2%	-	0.0%	-	1.0
Non-lifecycle	-	-	-	-	-	-
<b>PKAbalance</b>						
Years to retirement						
30 years	2.5%	1.7%	5.0%	10.2%	3.3	3.3
15 years	2.9%	2.2%	4.2%	7.4%	3.3	3.3
5 years	3.5%	0.5%	3.5%	7.9%	2.0	2.0
5 years after	0.0%	0.0%	0.4%	1.9%	2.0	2.0
Non-lifecycle	-	-	-	-	-	-
<b>PKAsolid</b>						
Years to retirement						
30 years	-	-	-	-	-	-
15 years	-	-	-	-	-	-
5 years	-	-0.2%	-	0.0%	-	2.0
5 years after	-	-	-	-	-	-
Non-lifecycle	-	-	-	-	-	-

## Note 20, continued

<b>Allocation of profit margin on relevant portfolios</b>	<b>2024</b>	<b>2023</b>
Market rate, Solid	13	15
Market rate, Balance	1,935	1,829
Market rate, Ekstra	372	329
All interest rate groups	<b>2,320</b>	<b>2,173</b>

## Note 21

### Contingent liabilities

	<b>Company</b>	
	<b>2024</b>	<b>2023</b>
The following assets are provided as security for the insureds'		
Investment units	44,445	0
Bonds	480,422	1,112,758
Deposits with credit institutions	8,732	60,295
Interest receivable	2,738	473
<b>Total amount provided as security for provisions</b>	<b>536,338</b>	<b>1,173,526</b>

### Other liabilities, etc.

The Company has assumed no pension obligations, recourse guarantee commitments, liabilities related to guarantees or other obligations apart from what appears from the annual report.

## Note 22

### Related parties, etc.

<b>The Company has investments in the following associates:</b>	<b>Activity</b>	<b>Place of registered office</b>	<b>Owner ship interest</b>	<b>Profit/Loss</b>	<b>Equity</b>
AQR Global Credit *	Corporate credit	Copenhagen	56.8%	0.0	0.0

\*\* Enterprises in which the Company has significant influence but no control.

The following organisations own shares in the Company:

The State Registered Nurses' and Medical Secretaries' Pension Fund, Tuborg Boulevard 3, DK-2900 Hellerup, share of 49.2%

Healthcare Professionals' Pension Fund, Tuborg Boulevard 3, DK-2900 Hellerup, share of 21.0%

The Social Workers', Social Pedagogues' and Office Staff Pension Fund, Tuborg Boulevard 3, DK-2900 Hellerup, share of 29.8%

The Company has a total return swap agreement with the above owners of the Company. The agreement has been entered on an arm's length basis.

No transactions have been conducted with the Board of Directors and the Executive Board other than for remuneration purposes, see Note 7

Pensionskassernes Administration A/S performs administrative tasks for the Company. A management agreement has been concluded, and the services are settled on an arm's length basis. The administrative tasks include pension administration and asset management.

## **Note 23**

### **Risk information**

The business model of PKA+ is associated with a number of risks.

In connection with its work on risk and solvency, the Board of Directors has identified the most significant risks associated with the business model:

- Market risks
- Operational risks

Market risk is the Company's most significant risk. Market risk is the risk of the Company's assets, such as bonds, shares, properties and alternative investments, losing value as a consequence of capital market fluctuations. Market risk is also a factor when determining provisions at market value as these are interest rate sensitive. This means that the value of provisions changes as market rates change, and that provisions may need to be increased if interest rates decline. Share price exposure and interest rate risk constitute primary market risks to the Company. The Board of Directors has determined a risk framework for the different asset classes. The risks are quantified in the Company's risk models, and a capital reserve is maintained for this purpose.

The Company is exposed to a number of risks in its day-to-day operations, including operational risks. Operational risk management is to ensure that the Board of Directors is aware of the operational risks taken by the Company and that the Company does not take operational risks beyond the Board's risk appetite without involving the Board.

The purpose of operational risk management is to protect the Company against unintended losses, including financial losses, loss of reputation, business disruption and other negative consequences. The Company is aware that operational risks cannot be avoided but intends to mitigate such risks while striking the right balance between, on the one hand, consequence and probability and, on the other hand, the cost of mitigating the risk.

IT risks constitute a significant operational risk, which is an increasing focal point of the Company. The Company has defined its risk appetite in the IT security area and hedges IT risk by making demands of particularly its primary IT supplier, Forca, based on a risk assessment and a vulnerability

## Note 24

### Specification of investment assets and their return at fair value – average interest rate products

	Carrying amount		Return as a percentage p.a. before tax
	Beginning of year	End of year	
<b>Land and buildings</b>	<b>0</b>	<b>0</b>	<b>0.0</b>
Listed investments	0	327,779	5.9
Unlisted investments	0	0	0.0
<b>Total investments</b>	<b>0</b>	<b>327,779</b>	<b>5.9</b>
Government and mortgage bonds	954,159	160,025	3.1
Credit bonds and emerging markets bonds	0	385,106	4.7
<b>Total bonds and loans</b>	<b>954,160</b>	<b>545,131</b>	<b>6.1</b>
<b>Subsidiaries</b>	<b>0</b>	<b>0</b>	<b>0.0</b>
<b>Other investment assets</b>	<b>10,521</b>	<b>9,358</b>	<b>1.3</b>
<b>Derivative financial instruments hedging the net change in assets and liabilities</b>	<b>-81</b>	<b>-44,078</b>	

Return as a percentage is time-weighted based on returns on a daily basis.

### Specification of investment assets and their return at fair value – unit-linked products

	Carrying amount		Return as a percentage p.a. before tax
	Beginning of year	End of year	
<b>Land and buildings</b>	<b>0</b>	<b>0</b>	<b>0.0</b>
Listed investments	0	118,927	5.9
Unlisted investments	0	0	0.0
<b>Total investments</b>	<b>0</b>	<b>118,927</b>	<b>5.9</b>
Government and mortgage bonds	185,805	26,657	3.1
Credit bonds and emerging markets bonds	0	46,666	4.7
<b>Total bonds and loans</b>	<b>185,805</b>	<b>73,324</b>	<b>6.1</b>
<b>Subsidiaries</b>	<b>0</b>	<b>0</b>	<b>0.0</b>
<b>Other investment assets</b>	<b>0</b>	<b>332</b>	<b>1.3</b>
<b>Derivative financial instruments hedging the net change in assets and liabilities</b>	<b>0</b>	<b>-1,117</b>	

Return as a percentage is time-weighted based on returns on a daily basis.

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