Financial year 1 January to 31 December

Annual Report 2025

The Pharmaconomists' Pension Fund

Sammen giver vi mere tilbage

Approved at the General Meeting of the Company on 20 April 2026

Chairman of the General Meeting:

Marianne Kjær

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Management's Review

The year under review

In 2025, we achieved significant results for our members.

Members in employment are experiencing significant increases in their projected pensions, and in 2025, more pensioners again saw pension increases.

3,319 members received retirement pension, 277 members received disability pension and 251 families received assistance following the death of a family member. In addition, payments were made to members under group insurance schemes through Forenede Gruppeliv.

2025 was also a year characterised by heightened geopolitical turmoil, particularly following the inauguration of a new administration in the US.

The Pension Fund's investment strategy is robust and will continue to ensure stable pensions for its members despite geopolitical tension. We do this by being one of the pension funds which diversifies our investments across the widest range of asset types. In addition to investments in listed assets, the Pension Fund also invests in bonds, Danish real estate, European infrastructure, corporate loans and minor unlisted enterprises, which are generally less affected by sudden share market turbulence.

Thanks to its robust investment strategy, the Pension Fund's investment portfolio performed satisfactorily in 2025, generating a return of 6.3%, equivalent to DKK 720 million.

The return of 6.3% is slightly below that of the top-performing pension providers. This is to be expected in a year when interest rates around the world rose. Rising interest rates have a negative impact on returns, but they also imply setting aside fewer reservations for the future to provide members with the pensions promised by the Pension Fund. Overall, this is very positive for the members. In 2026, the Pension Fund will once again be able to offer a high rate of interest on policyholders' savings to all members. That is the strength of a joint, collective pension scheme.

Denmark's best labour market pension fund

For the second year in a row, PKA was in 2025 elected best labour market pension fund in Denmark. The award is granted by online medium FinansWatch and the accounting and consulting services firm EY based on the Pension Fund's financial ratios.

Increasing share prices despite trade conflicts

Despite pressure on global trade in 2025 due to high tariffs and share market volatility – particularly in the first half of the year – the share markets proved resilient in the face of these shocks and once again delivered strong returns in 2025. Expectations of AI (artificial intelligence) boosting global productivity were thus a key driver of share market performance in 2025, and the major US tech companies once again accounted for the largest increases. European shares also delivered attractive returns in 2025 owing to expectations that the upcoming massive investments in European infrastructure and defence will boost earnings and growth. Since public investment is expected to be funded largely through the issuance of new government bonds, this drove up European interest rates.

All things considered, 2025 was a satisfactory year in terms of returns, despite price decreases on bonds due to rising interest rates on longer-term government bonds. The US dollar also saw significant declines, reflecting the structural challenges symbolised in particular by the rising and unsustainable US national debt.

Attractive rate of interest on policyholders' savings in 2025 and 2026

The rate of interest on policyholders’ savings is determined on the basis of several years’ average return on investments. In years of high returns, funds are set aside for years of low returns. This evens out the difference between good and less good years. For members, this means stable and secure pension increases over the years. PKA has never experienced negative rates of interest on policyholders’ savings.

The Pension Fund fixed the rate of interest on policyholders’ savings for 2025 at 7%, and this rate will remain in effect in 2026.2025 marked the third consecutive year that the Pension Fund raised its rate of interest on policyholders' savings, most recently from 4% in 2024 to 7% in 2025. This positive development has been made possible because, since 2018, the Pension Fund has been working to optimise its investments and make members’ pensions more stable and predictable. The strategy continues, and the object of the Pension Fund is to maintain the high rate of interest on policyholders’ savings.

Over the past ten years, all members of the Pension Fund have received an average rate of 4.1%.

On track to meeting the 2027 strategic goals

PKA has defined three overall goals to be achieved by 2027:

1. The market's highest rate of interest on policyholders’ savings and a place in the top three of pension funds with respect to return.
2. The degree of coverage to be increased for all members.
3. All members are to be satisfied with the advice and information they receive.

At the end of 2025, the status is that PKA is well on its way to meeting the first goal: PKA has for years consistently ranked in top three in terms of returns and has offered some of the highest rates of interest on policyholders’ savings.

Goal number two is also on track. The returns achieved and the pension contribution increases agreed upon during the 2024 collective bargaining have both had a positive impact on the degree of coverage in 2025.

Following up on goal number three, PKA conducted a member satisfaction survey in 2025 in collaboration with Megafon. The survey of nearly 2,500 members revealed increasing overall satisfaction, confidence in the pension scheme and satisfaction with the information and advice provided. The percentage of members who are aware that their pension schemes include coverage in the event of illness has also increased.

With a strong investment strategy delivering attractive returns and ensuring stable pension payments, the Pension Fund is, all in all, well prepared for times of geopolitical turmoil.

Priority areas for future work

In 2025, the Pension Fund worked on a number of priority areas.

The priority areas are:

Investment in a new geopolitical reality
With the new, more uncertain world order and Europe facing challenges in both security and competitiveness, PKA is focused on diversifying its investments across a range of asset types while supporting the surrounding community.

A balanced distribution of insurance and pension benefits
PKA must balance funding between pension benefits and insurance to ensure lifelong pensions and financial protection in case of illness or death. To strike an appropriate balance, PKA continuously monitors societal developments while adapting the pension scheme accordingly.

Strengthening our relationship with younger generations
PKA intends to have more young people participate as members. Insights into age diversity and how today's young people prefer to participate in democratic processes will help coin a strategy for an even stronger and more representative members' participation within PKA.

ESG – balancing returns, risk and broader objectives
PKA remains committed to combining attractive returns with long-term, responsible investments that create value for its members and society. PKA continuously develops and adapts its active ownership policy to encourage companies to act more responsibly.

The Pension Fund will continue to work on these areas.

DKK 15 billion

Assets

6.3 %

Return

5.6 %

Average return, 10 years

DKK 268 million

Contributions before tax and labour market contributions

2025

Pharmaconomists' Pension Fund

DKK 589 million

Payments, including distributions from equity

7 %

Rate of interest on policyholders' savings of 7 % in 2026

4.1 %

Average rate of interest on policyholders' savings 10 years, 2017-2026

DKK 522

Costs per member

DKK 616 million

Profit for members

8,939

No. of members

DKK 2 billion

Climate-related investments

Profit/loss for the year

Five-year overview – selected financial ratios

The Pension Fund		2021	2022	2023	2024	2025
Membership contributions after labour market contributions and tax	DKK million	204	200	194	206	222
Pension benefits, exclusive of distribution from equity	DKK million	(465)	(494)	(493)	(503)	(526)
Investment return	DKK million	1,146	(918)	1,117	1,161	720
Pension operating expenses	DKK million	(3)	(3)	(3)	(3)	(5)
Profit/loss for the year	DKK million	172	(83)	130	128	86
Profit for members	DKK million	1,222	(679)	855	925	616
Provisions	DKK million	9,727	8,633	9,240	9,805	10,011
Equity	DKK million	1,410	1,269	1,331	1,401	1,423
Assets	DKK million	13,837	13,663	14,540	16,012	14,767
Financial ratios						
Return	%	10.7	(8.1)	11.1	10.7	6.3
Costs per member	DKK	369	356	354	366	522

Income

Total return before pension investment returns tax on the Pension Fund's assets was 6.3%, corresponding to DKK 720 billion.

Growth – savings and assets

Membership contributions made as part of employment constituted DKK 222 million. The Pension Fund paid DKK 526 million in pension benefits.

Assets totalled DKK 15 billion at the end of 2025.

Administrative expenses

Administrative expenses totalled DKK 5 million in 2025 up DKK 2 million on the previous year. In 2025, the cost per member constituted DKK 522.

Profit/Loss

Profit for the year totalled DKK 86 million, which by the Board of Directors is proposed transferred to the line item 'Retained earnings' under equity.

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

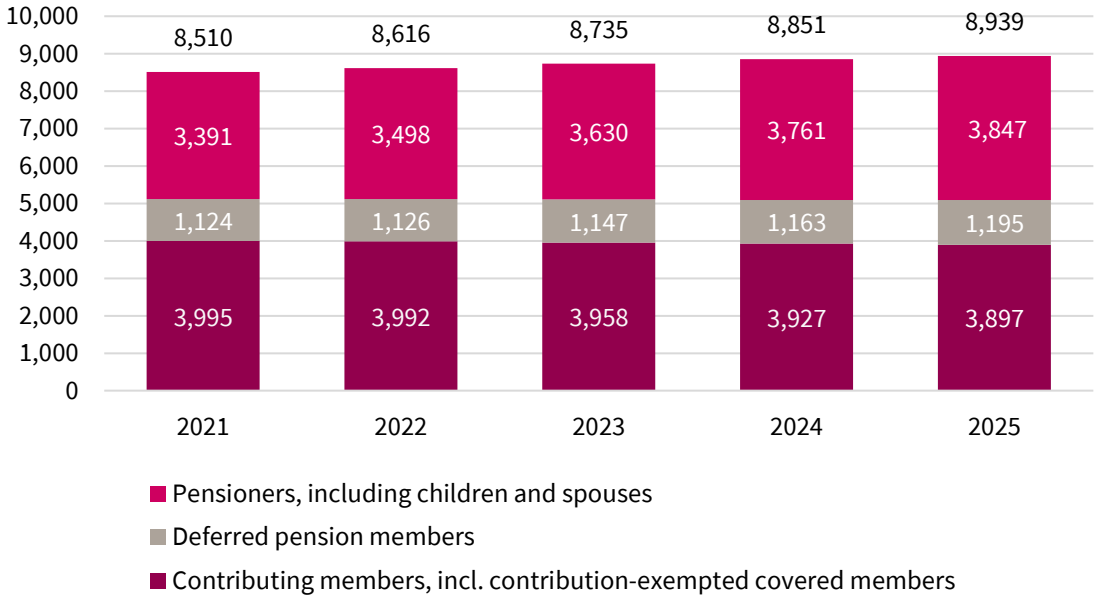
Profit for members

In 2025, the Pension Fund added interest of DKK 0.4 billion to its members. In addition to the accrual of interest, it is relevant in a member-owned pension fund to consider how the assets have changed in general. Equity increased by DKK 0.1 billion after profit for the year. Total bonus potentials increased by DKK 0.1 billion.

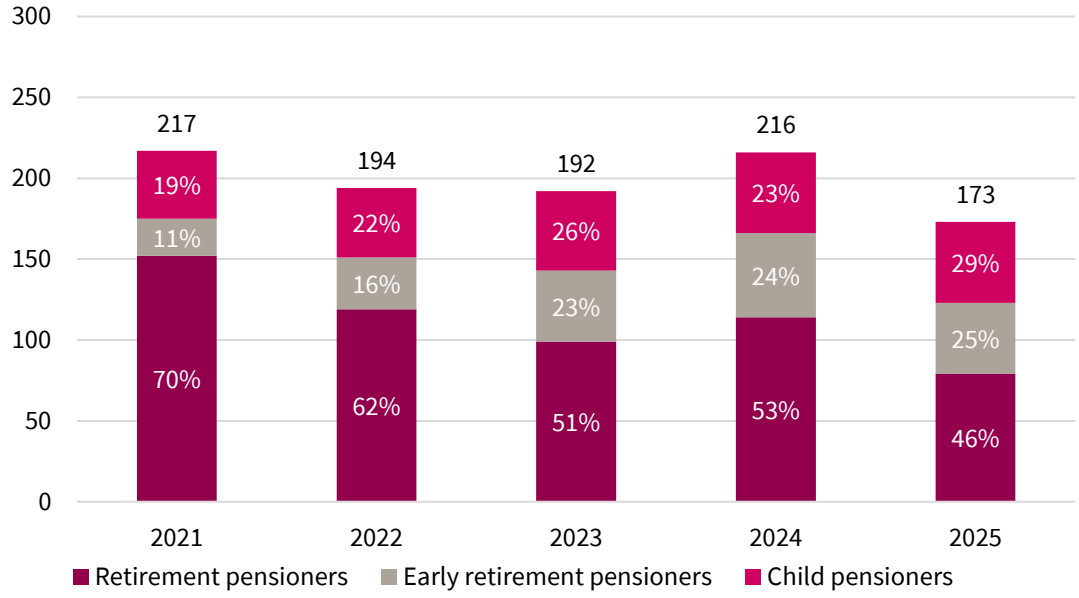
On this basis, the 2025 profit for members constituted DKK 0.6 billion. Over the past five years, members have received a total of DKK 2.8 billion, equivalent to a return on the members' total assets, including bonus potentials and equity, of 25%.

Members

Number of members



Addition of new pensioners



Average ages increased from 2021 to 2025

On average, members will be 1 year and 7 months older on retirement due to age in 2025 compared to 2021, which is in line with the general trend observed in the Danish labour market.

Average ages	2021	2025
All members	55 years, 4 months	55 years, 8 months
On retirement from the labour market[1]	63 years, 7 months	65 years, 1 month
On retirement due to age	63 years, 10 months	65 years, 5 months

Better balance between pension benefits and insurance

Pension contributions are intended to safeguard members both in old age and during their working life. It is important to strike the right balance between pension savings and insurance cover costs.

In 2021, the Board of Directors established principles on the balance between retirement pension and insurance. Retirement pension should be the primary focus, but members should be offered comprehensive insurance cover in the event of illness and death.

The Board of Directors reviews the status of this balance on a regular basis. As in previous years, 2025 saw increased use of insurance policies and, thus, rising payments.

In 2025, the Board of Directors discussed analyses showing that the incidence of illness is on a par with the period prior to the 2013 early retirement pension reform, but that the reform's new, temporary programmes have increased payouts from the Pension Fund. The analyses also indicate that the rising insurance expenses are a result of higher nominal benefits, longer benefit periods and more members.

Enhanced member service

In 2025, several initiatives were introduced to enhance member services.

Quality assurance of advisory services
PKA continuously performs quality assurance of the advice provided and measures satisfaction with our telephone and online pension advisory services. PKA experiences a high level of satisfaction. On a scale of 1 to 5, members rate our telephone advisory services at an average of 4.72 and our online pension advisory services at 4.83.

Since 2024, PKA has moreover conducted follow-up service calls. We call members who in a satisfaction survey respond with a 1 or 2 on the scale, corresponding to 'dissatisfied' or 'very dissatisfied'. Members are very pleased with these follow-up calls, during which our staff try to help them.

PKA uses artificial intelligence to predict optimal staffing levels in the advisory services centre and also to find patterns in members' pension contributions to clarify whether the changes are lasting. Subsequent to all customer interviews, a language model prepares automatic notes that advisers use as a starting point for the final phone memo.

New coverage ratio recommendations
The typical member of the Pension Fund has a coverage ratio that is lower than the present recommendation of 70% to 80%. The present coverage ratio recommendation was based on the member's current salary, the expected pension benefits from PKA and ATP as well as the state

[1] The actual retirement from the labour market may be before retirement if, for example, members choose to take voluntary early retirement or postpone their retirement pension payments.

pension basic amount, but excluding the pension supplement. The pension supplement differs between members and depends on the income earned by the member and any spouse or partner in addition to the state pension.

Going forward, PKA will recommend a coverage ratio of 70% to 90%. The updated recommendation takes into account the member's marital status and, consequently, the pension supplement, in addition to expected real earnings increases over the course of the member's working life. The higher recommended ratio also supports the view that lower-paid employees generally need a higher coverage ratio than highly paid employees.

Efforts are underway to include the pension supplement in the advice provided to members and in the 'PKAtjek' calculation tool, which allows members to compare their expected pension benefits to their current salary.

Member-focused campaigns
In line with our strategic goal of ensuring that all members are satisfied with the advice and information they receive, PKA carried out a number of campaigns in 2025 that were well received by members. Two examples are our focus on part-time work and the opportunity for advice.

A large proportion of PKA's members work part time and are not necessarily aware of how this affects their pension contributions and their financial situation when they retire. Based on emails and advertisements, many members signed up for webinars on part-time work and retirement, and the topic was also highlighted in the trade unions' own media and by the press in general.

To highlight the advisory services available at PKA, the 'Meet PKA' campaign placed special emphasis on three specific types of meetings: webinars, online pension advisory services and senior meetings. The campaign generated over 47,000 visits to the registration page on pka.dk, compared to 1,700 visits during the same period the year before.

Modern communication with members
As an alternative to the traditional contact form on the website, a more intuitive and modern channel for written communication was launched in 2025 under the name 'Dialogcenteret' (the dialogue centre). Members log in to the dialogue centre via a message icon, which is prominently displayed on every page of pka.dk. Members and advisers message each other and may attach documents. Both members and advisers can access the written thread in the dialogue centre at any time, including past posts. More than 11,000 members have used the dialogue centre and report an average satisfaction rating of 4.2 out of 5.

Personal savings

Record-high number of members have made at least one voluntary contribution
In addition to the employer-paid pension savings, many members choose to build up supplementary saving with PKA. This may be done through regular personal contributions or through your employer or as a lump sum deposit. The supplementary savings carry the same interest as the remaining pension savings and may therefore increase pension benefits and the coverage ratio substantially. The extra amount may also be spent on planning a more flexible retirement from the labour market, allowing members, for instance, to work fewer hours and receive partial pension in the first few years. Therefore, it is encouraging to see more and more people depositing extra savings. In 2025, a record number of PKA members made at least one voluntary contribution. 23,559 members did so compared to 22,460 in 2024. In total, members deposited voluntary savings of DKK 2.0 billion in 2025.

Voluntary savings scheme launched
According to the 2024 collective agreements, all government-employed members are from 2025 entitled to dispose of part of their pension.

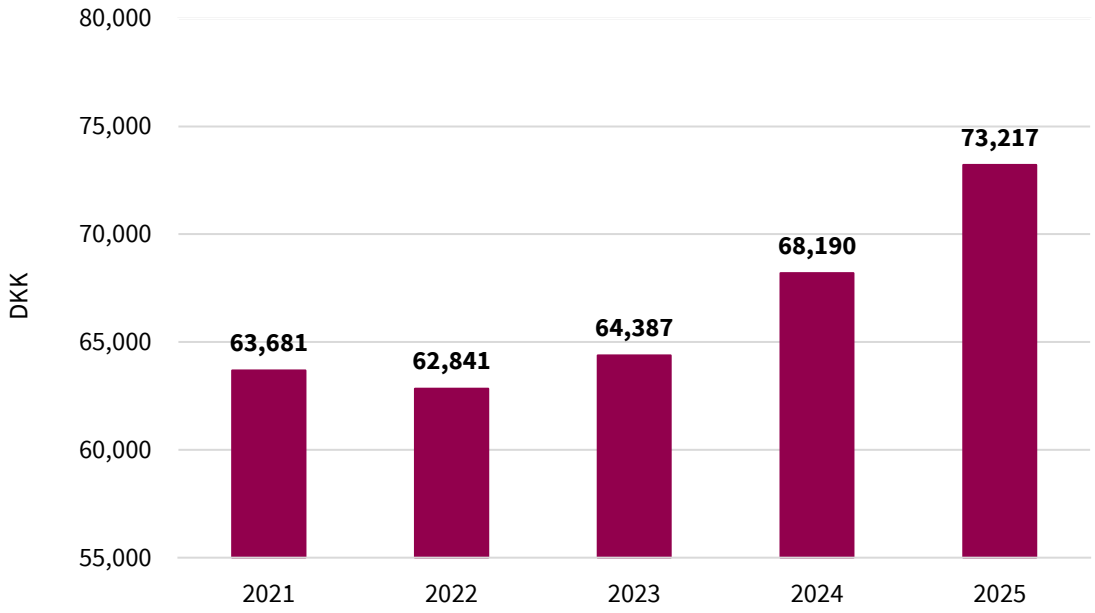
Members may now, for the part of the pension contribution exceeding 15%, choose whether to pay the amount into the pension as before, have the amount paid out as salary, or set up a simple savings

scheme with PKA. Members may withdraw money from their voluntary savings schemes on an ongoing basis, but at least DKK 10,000 at a time.

In 2025, only a few PKA members chose this voluntary savings scheme.

Average contribution per year from contributing members

The average contribution increased by DKK 9,537 from 2021 to 2025 and constitutes DKK 73,217.



Pension payments

Pension payments were DKK 547 million in 2025. In addition, withdrawal compensation of DKK 43 million was paid out in 2025. Against this background, total payments constituted DKK 590[2] million in 2025.

Pension payments (DKK million)	2021	2022	2023	2024	2025
Retirement pension	462	467	461	464	479
Early retirement pensions	22	26	30	35	44
Children's pensions	6	8	9	9	12
Lump sums[3]	11	11	12	13	12
In total	**501**	**512**	**512**	**521**	**547**

[2] Incl. discretionary distributions from equity to members.

[3] Lump sums include lump sums paid due to age, unmarried persons' sum and lump sum payment of pension upon death.

Investments

Strategy

The purpose of the Pension Fund's investments is to provide predictable and stable pensions ensured through an attractive investment return. At the same time, the Pension Fund's investments must be responsible and create value for members and society alike.

The pension scheme has a range of inherent benefits that may be exploited for investment purposes. These inherent benefits are fully realised through the Pension Fund's processes.

Inherent benefits:

- **Long-term investment horizon** as members typically remain with the Pension Fund throughout their lives.
- Economic impact through its **substantial assets** and **high risk appetite level**.
- **High liquidity** from members' stable, ongoing contributions via collective agreements.
- **High credit rating.**

PKA's long-term investment horizon, high liquidity and substantial assets enable the investment in unlisted and illiquid markets. Illiquid and unlisted investments account for almost half of the investments and are the primary reason why PKA in terms of returns has been among the top pension funds for years.

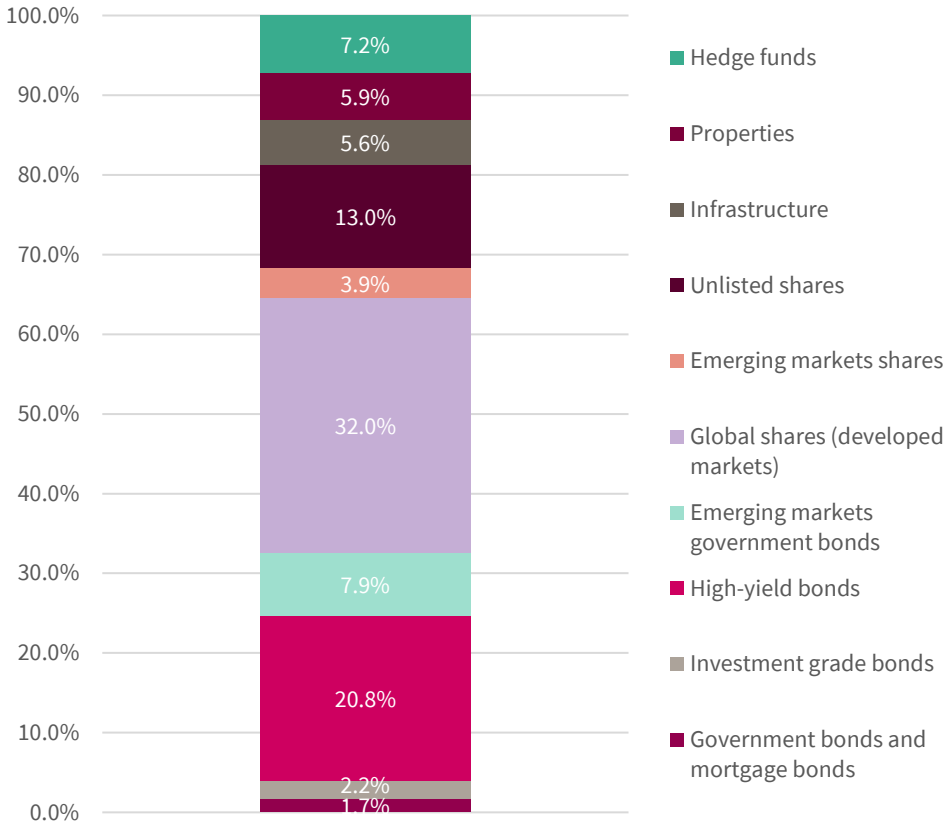
Another important condition to be able to achieve the purpose and the members' expectations is to have the investment strategy determined based on PKA's strategic focus and PKA's investment philosophy. The investment strategy itself is put into practice through the six investment principles that guide the investment organisation in relation to new investments and strategic considerations.

Investment principles of the Pension Fund:

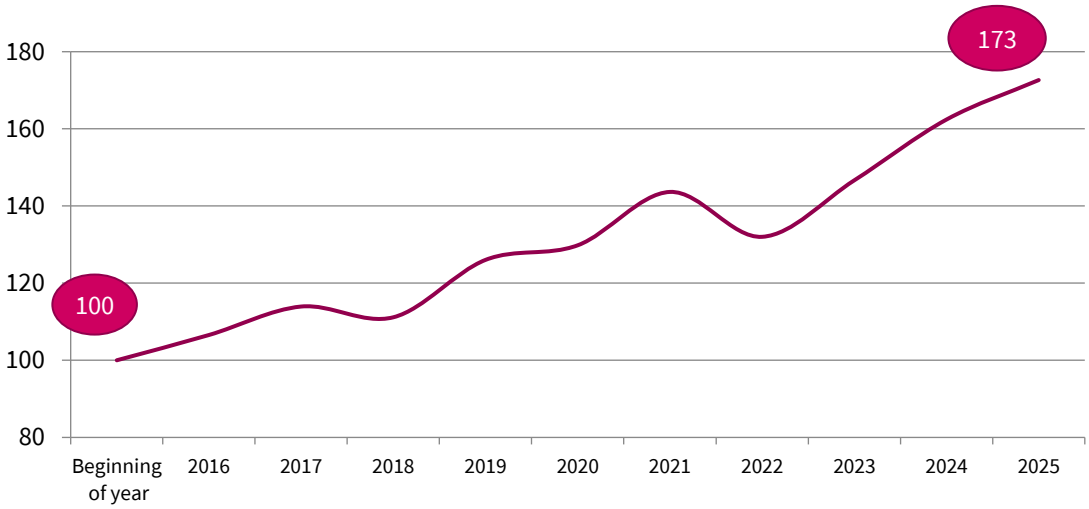
- **Risk diversification provides a** robust portfolio and secures against major pension fluctuations.
- **Constantly high risk appetite** provides the opportunity for high returns and, accordingly, high pensions. Since PKA cannot predict when business trends will be favourable and unfavourable, the risk appetite is maintained at a constant level.
- **Partnerships** create economies of scale and provide access to new investments that require special know-how.
- **Passive approach to efficient markets** (e.g. listed shares) but **takes advantage of market opportunities** when they occur.
- **Responsible investments** are better equipped to meet the demands of the future.

The investment principle of responsible investments is implemented through active ownership, climate-related investments and investments that promote social conditions. These issues are elaborated in the section on ESG and corporate social responsibility at PKA and ESG for PKA's investment assets.

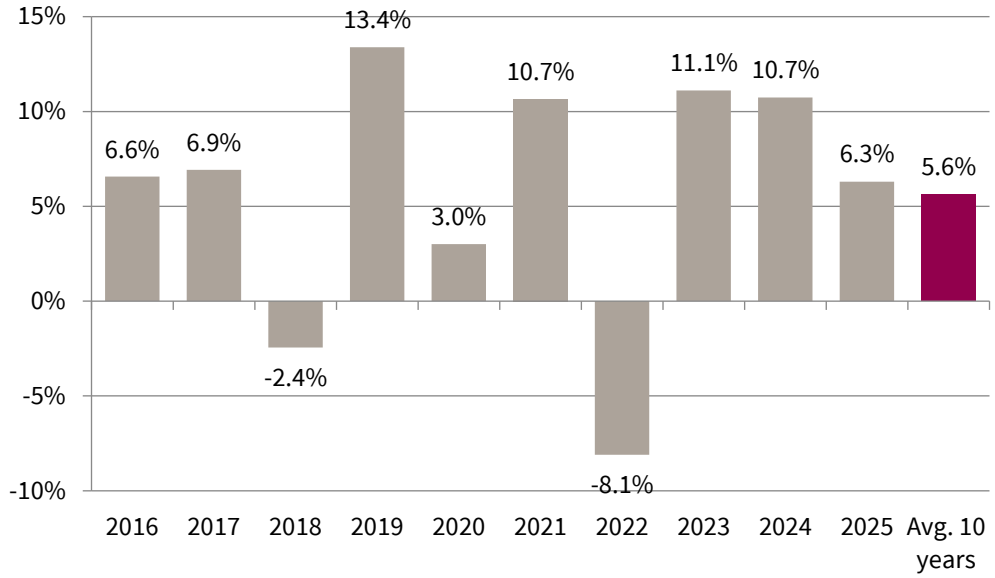
Asset allocation



DKK 100 turned into DKK 173.

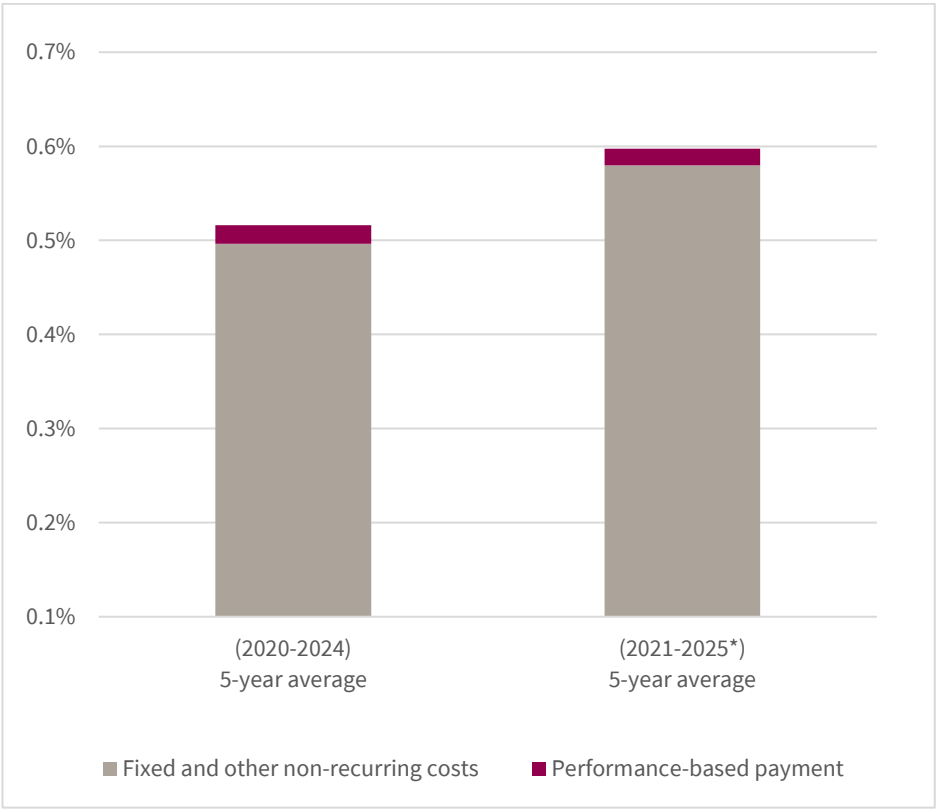


In 2025, the total return before pension investment returns tax was 6.3% corresponding to DKK 720 million. Listed shares in particular contributed to the positive results. The average return over the past 10 years is 5.6% per year.



Investment costs

Average annual costs for the period 2021-2025 are 0.58% compared to 0.52% in the previous five-year period.



* 2025 is an estimate

Significant risks

The Pension Fund’s business model

The Pension Fund’s business model rests on a collective and solidary labour market pension scheme based on a collective agreement. This implies, for example, that all of the Pension Fund's funds are invested collectively and achieve the same return, thus supporting pension benefits according to uniform rules for all members.

Moreover, the Pension Fund may accept members who are not covered by the collective agreement as long as they are members of a trade union. Members may also deposit additional savings with the Pension Fund.

The Pension Fund offers an average interest-rate product. New members are admitted on a conditional basis at a guaranteed interest rate of a negative 0.75%. The Pension Fund still has a few members with higher guaranteed interest rates. Accordingly, the Pension Fund is exposed to interest rate risk, which is hedged on an ongoing basis.

The Pension Fund's business model involves general risks that are a natural part of the business. The most significant risks relate to market risks, insurance risks and operational risks, including IT risks.

Market risks

It is the Pension Fund’s goal to provide high and stable pensions to its members.

To that end, the Pension Fund’s investment risk budget is set to balance two needs: taking sufficient risk to meet members’ expectations of high long-term pension benefits, and ensuring that, in the short term, PKA does not assume more risk than is justified by its financial position or by the need to avoid undesirable adjustments to the investment strategy. The risk framework for this balance is set out in the Board of Directors' risk management policy. The Pension Fund prepares its investment strategy with a view to providing high, stable pension benefits. Investments are assessed from both a short-term and long-term perspective based on their expected returns in relation to risk contribution and portfolio characteristics.

Share price exposure is the primary source of the Pension Fund’s market risk and contributes to a high expected return. In addition, interest rate risk constitutes a substantial risk source in a pension fund with an average interest-rate product. The Board of Directors has determined a risk framework for the different asset classes, including decided on an interest rate and foreign currency hedging strategy. Market risk is quantified in the Pension Fund's risk models.

Insurance risks

Major insurance risks are mortality improvements, changes in the number of individuals receiving early retirement pension and the risk of increased transition to deferred pensions and repurchase among members. The Pension Fund follows closely the development of those issues and adjusts, at least once a year, its assumptions and provisions to safeguard pensions.

Operational risks

The Pension Fund maps out the operational risks that may have the most severe financial or reputational impact. The most significant risks are identified in an established process during which the consequences and probability of events are assessed.

IT-related risks are a key focus area for the Pension Fund. The Pension Fund has established systematic IT risk management, including the prevention, identification, monitoring, handling and reporting of IT and cyber incidents. Appropriate technical and organisational measures have been implemented to safeguard IT systems and data, including access control, ongoing monitoring of networks and traffic, protection against malware and controls over day-to-day IT operations.

The Pension Fund provides employees with continuous training and carries out regular IT readiness tests to ensure sufficient operational resilience and emergency response in the event of serious IT incidents.

IT risks also include dependence on external IT vendors. These are subject to information security requirements, stable operation and ongoing monitoring and follow-up.

Other focus areas

Other major focus areas are currently geopolitical and ESG risks. Such risks are not directly quantified in the Pension Fund'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.

Data ethics

In 2025, PKA focused on consolidating and integrating its data ethics efforts. The frameworks, processes and tools developed in recent years are now in stable operation and used in day-to-day operations.

Data ethics considerations are a natural part of decisions on data use, the development of digital solutions and the application of artificial intelligence (AI). The business has currently received advice on specific matters, and existing guidelines have been applied and updated as necessary. In 2025, the focus of attention was therefore on ensuring consistent compliance and maturity rather than on new initiatives.

See PKA's data ethics guidelines and principles at pka.dk/dataetik.

Capital base and solvency requirement

The solvency capital requirement (SCR) amounted to DKK 688 million at the end of 2025, compared to DKK 644 million at the end of 2024. The total capital base to meet the solvency capital requirement was DKK 1,973 million at the end of 2025 compared to DKK 1,934 million at the end of 2024.

Solvency coverage

	2021	2022	2023	2024	2025
Solvency coverage ratio as a percentage	306	377	331	300	287

The sensitivity analysis is provided in the Pension Fund's Solvency & Financial Condition Report (SFCR) for 2025, which is available on pka.dk.

Bonus policy

The bonus policy outlines the principles and criteria used to determine the bonus rates for members' pensions.

The pension scheme is based on the parties to the agreement having decided to adopt a collective, solidarity-based approach with uniform pension benefits and where members, to the extent possible, enjoy equal benefits:

- No health information to be provided upon admission
- Same return regardless of admission date and guarantee level
- Same price of insurance taking age into account
- Same administration fee

Bonus rates are determined based on the above points and the desire to provide stable pensions. The bonus rates must support the investment strategy and the statutory requirements for fairness and minimum capital.

All members receive the same rate of interest on policyholders' savings. The accrual takes into account the guarantee level and the calculation assumptions of each member, thus ensuring reasonable conditions for all members. The interest rate level has declined in recent years although interest rates increased considerably in 2021-2022 at the same time as life expectancy went up. The calculation assumptions for new agreements are continuously adjusted to such developments. Some members receive pension benefits calculated on the basis of payment of optimistic assumptions for future returns. For this group, there is an increased risk that the returns will not be sufficient to maintain the pension benefits to be received in the coming years.

The collective and solidarity-based approach means that any losses, irrespective of origin, may be covered by the Pension Fund's reserves. The bonus potential, provided for either collectively or individually, may be used in full to cover the members' share of the losses that might be incurred if the Pension Fund pays out more money to its members than it has earned.

The Pension Fund's equity is owned by the members, and the results, in full, will always flow to the members.

In 2025, the Pension Fund decided to pay a discretionary allowance of DKK 64 million to the pensions. The allowance, which was financed by equity, was paid to members who opted out of their high guarantee level agreements when another level was chosen in 2008. The Board of Directors of the Pension Fund may at any time reduce or cancel such extra allowance.

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. Key areas comprise pension obligations and measurement of unlisted investments and properties. The areas remain the same as in the preparation of last year's annual report.

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'.

Members' participation and organisation

Board of Directors

The Board of Directors is responsible for ensuring that the Pension Fund creates value for its members in the short and long term alike. As part of a new initiative, the Board of Directors provided regular updates throughout 2025 on some of the topics it discussed during the year. These include, for example, the new savings scheme, risk and investment reports, adjustments to group insurance schemes and reports on areas related to members.

Board seminar and further training

In addition to its five regular meetings each year, the Board of Directors also meets with board members from the other pension funds of the PKA community at thematic meetings, seminars, etc. In 2025, the Board of Directors attended a two-day seminar in Aarhus. The seminar was held in Sydhavnen, a neighbourhood currently undergoing redevelopment by PKA in collaboration with A. Enggaard. Thus, the board members were given the opportunity to visit one of the Pension Fund's investments, find out the details of the vision for the neighbourhood and see the progress made.

At the seminar in Aarhus, the Board of Directors also discussed two agenda items that are particularly important in times like these. One is the development in insurance related to long-term illness, and the other the changing global landscape with new alliances and priorities and its implications for the Pension Fund's investments.

In 2025, the board members participated in a supplementary board training programme at Copenhagen Business School. The programme provided the board members with an update on current topics, such as regulatory requirements for ESG, DORA, etc.

Audit Committee

The Pension Fund 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 chairwoman of the Audit Committee is Susanne Kure. The other member of the Audit Committee is Susanne Engstrøm.

The Pension Fund's Audit Committee holds joint meetings with the other audit committees in the PKA community.

Danish annual democracy festival

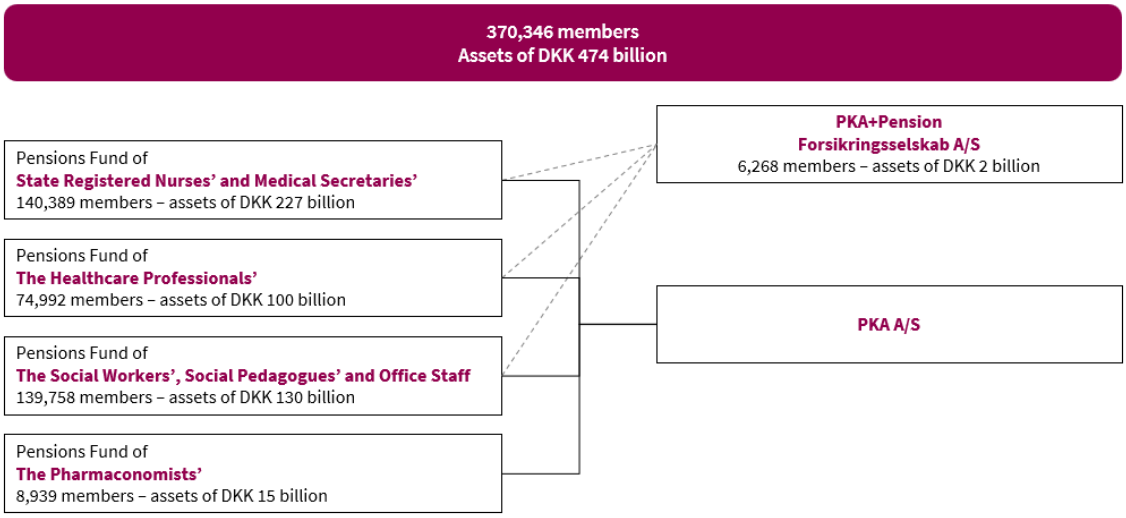
In June 2025, a group of members attended the Danish annual democracy festival (Folkemødet) in the Danish island Bornholm together with PKA. Twenty participants from various professional groups across the entire PKA community had a unique opportunity to engage in public debates and current discussions; individually, in groups and together with PKA. The programme included events on the joint declaration, which introduced compulsory labour market pension schemes in Denmark, dysphagia, and 'Jon in the hot seat', where participants could ask CEO Jon Johnsen of PKA questions about everything from the pension scheme to PKA in a new world order. Participants reported back that the trip brought them considerable benefits and they described the experience as 'unforgettable' and 'professionally rewarding', emphasising how the sense of community and knowledge sharing on the trip strengthens the Pension Fund's vibrant member participation. Also in 2026, members will be given the opportunity to participate in Folkemødet.

Organisation

The Pension Fund and its group enterprises are managed by Pensionskassernes Administration A/S (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 Pension Fund.

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.

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 pka.dk. Moreover, our remuneration report provides details on the remuneration of the Executive Board and the Board of Directors of the Pension Fund.

The Pension Fund Group – property company

Group enterprises (wholly-owned) of the Pension Fund at 31 December 2025:

- Farmakonomernes Ejendomsaktieselskab
- FarmaPension A/S

This company's object is to own and operate properties for the purpose of achieving a long-term return on the capital invested.

Farmakonomernes Ejendomsaktieselskab (a property company of pharmaconomists) showed a profit of DKK 3 million in 2025.The renting activity has remained stable, and the results of this activity are considered satisfactory. In addition, results for the year are affected by the adjustment of properties at fair value.

The company is a partner of various partnerships together with other property companies in the PKA Group. Referring to the provisions of the Danish Financial Statements Act, these partnerships do not publish separate annual reports. The partnerships are included on a pro rata basis in the financial statements of the stakeholders.

FarmaPension's primary object was originally to serve as a management company. The company has no actual activity.

ESG and social responsibility at PKA

PKA's consistent and long-term focus is on responsible investments and investments supporting the surrounding community. This is for example reflected in the ongoing development and adaptation of PKA's approach to active ownership and responsible investing.

Our ESG reporting includes data for the PKA community as a whole. The data and disclosures included have therefore been pro forma consolidated. Below, the PKA community as a whole is referred to as PKA.

PKA's ESG objectives are both related to its investment assets and its own internal operations. The ESG reporting is divided into two sections: one covering the investment area and the other covering PKA's own operations.

PKA is not subject to the CSRD requirement to prepare an ESG report for 2025. As in previous years, a TCFD report has been prepared and included in the Annual Report as a supplementary report, just as it is available on pka.dk. This report elaborates on PKA's climate-related work in the investment activity area, including governance, strategy and risk management. Data on carbon emissions and footprint is broken down by asset class. Examples of climate-related initiatives and investments implemented in 2025 are also shown.

ESG related to PKA's investment assets

Strategy for ESG-focused investments

PKA's investment strategy is designed to maximise returns for its members. It is essential that investments contribute to a balanced and market-consistent ratio between return and risk. When investments are made, assessments are also performed of risks and opportunities related to environmental, social and governance factors at the companies. The assessments are set out in the Policy for responsible investments.

PKA supports the Paris Agreement and has committed to becoming carbon neutral by 2050 in line with the Paris Agreement's goals (the temperature increase must not exceed 1.5°C).

In 2025, PKA achieved its subgoals relating to carbon emission reduction and supporting the green transition through climate-related investments. PKA is now working strategically towards its goal of investing 20% of its assets in climate-related assets by the end of 2030. PKA has also set goals for reducing the carbon footprint of its investment portfolio, aiming to become carbon neutral by 2050, including a subgoal of a 50% reduction in the carbon footprint of certain asset classes by 2030.

In order to deliver on its carbon emission reduction targets in future, PKA depends on companies as a whole contributing by reducing their carbon emissions and footprint. This is expected to take place as companies themselves commit to becoming carbon neutral by 2050. However, geopolitical challenges, particularly in the US, are likely to affect many companies' ability and willingness to reduce carbon emissions. Consumer behaviour changes may also affect companies' reduction targets.

PKA has a separate strategy for its direct property investments, which includes carbon emission-reducing measures. A key target for 2025 was that, by the end of 2025, PKA's properties would have average energy labels between classes A and B, and that the value of certified properties would total at least DKK 11 billion. By the end of 2025, the target was extended to an area-weighted energy label of A-B for the portfolio (EPC rating of 1.5) and a minimum requirement of energy label C. The statement shows an EPC rating of 1.6, and that approximately 2% of the floor area has a poorer energy label than C.

A new target has been set for the energy labels of the property portfolio. By the end of 2030, the aim is for all energy labels to be class B or better. The 2030 target is to be achieved, for example, through energy efficiency renovation of existing buildings.

PKA is pursuing an aim regarding the social[4] profile of its portfolio. The goal for 2025 was to spend DKK 10 billion on investments that promote social conditions. This goal was achieved.

In 2026, PKA will review its goals in climate and social areas alike.

Through ongoing follow-up on its investments and the execution of active ownership, PKA engages in dialogue with companies that do not meet environmental, social or governance criteria. This applies to both listed and unlisted investments.

Summary chart of ESG goals of investment assets	2025	2030	2050
Climate-related investments' share of total assets	15%	20%	
Reduction of carbon footprint	(29)%	(50)%	Carbon neutral
Investments promoting social conditions	DKK 10 billion		

Management's involvement in ESG initiatives

Management – i.e. the Board of Directors, the Audit Committee and the Executive Board – is involved in ESG-related work. The Board of Directors receives regular updates on responsible investments, including ESG work, follow-up on goals and the results of PKA's active ownership efforts. In addition, the Board of Directors participates in seminars at which strategic initiatives are discussed.

E – environmental conditions of PKA's investment assets

Climate-related investments

PKA's climate-related investments primarily include infrastructure, listed shares in companies promoting the transition to green energy, certified property and green bonds comprising government and mortgage credit bonds.

	Goal 2030	2025	2024	2023	2022
Climate-related investments	-	DKK 63 billion	DKK 56 billion	DKK 42 billion	DKK 37 billion
Climate-related investments as a percentage of total assets	20%	16.7%	15.5%	12.7%	12.4%

The increase in climate-related investments in 2025 is attributable to the operational certification of properties, new climate-related investments in infrastructure and general increases in value. The 2025 goal of owning 15% climate-related investments has been achieved, which is satisfactory.

By the end of 2025, it was decided to increase PKA's infrastructure investments, which is expected to contribute to increased climate-related investment.

[4] See PKA's definition of investments that promote social conditions in the Supplementary report on reporting under the Disclosure Regulation.

Carbon emissions and footprint of investments

PKA's 2025 subgoal of carbon footprint reduction by 29% for scopes 1 and 2 compared to the 2019 baseline year constitutes an overall goal for the asset classes listed shares and bonds, derivatives and properties.

The 2030 subgoal of carbon footprint reduction by 50% for scopes 1, 2 and 3 compared to the 2019 baseline year constitutes an overall goal for the asset classes listed shares and bonds, derivatives, properties and infrastructure.

The carbon footprint of investment assets was 67% lower in 2025 than in the baseline year 2019, when taking into account scopes 1 and 2 in the asset classes included in the goal. It is gratifying to have met the 2025 goal.

When including the carbon emissions for scope 3, PKA's carbon footprint has dropped by 5% compared to the baseline year 2019. As data on scope 3 emissions, however, remains limited and subject to significant uncertainty, PKA will not yet draw any conclusions from the data.

The smaller carbon footprint for scope 1 and 2 emissions 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 of scope 1 and 2 emissions. The transition was initiated in 2024. In 2025, further reallocations were made, and this approach is expected to continue in 2026.

Scopes 1 and 2	Unit	Goal 2025	2025	2024	2019
Carbon emissions from investment assets with reduction goals 2025[5]	Tonnes	-	675,991	706,120	1,270,870
Carbon footprint of investment assets with reduction goals 2025	Tonnes / DKK million	-	3.9	4.4	11.9
Carbon footprint development compared to baseline year 2019	%	(29)%	(67)%	(63)%	
Carbon emissions from all investment assets	Tonnes	-	901,077	757,163	
Carbon footprint of all investment assets	Tonnes / DKK million	-	4.5	4.2	

Scopes 1, 2 and 3	Unit	Goal 2030	2025	2024	2019
Carbon emissions from investment assets with reduction goals 2030	Tonnes	-	9,622,778	8,808,731	5,878,984

Carbon footprint of investment assets with reduction goals 2030	Tonnes / DKK million	-	52.2	50.8	55.2
Carbon footprint development compared to baseline year 2019	%	(50)%	(5)%	(8)%	
Carbon emissions from all investment assets	Tonnes	-	10,016,409	8,808,731	
Carbon footprint of all investment assets	Tonnes / DKK million	-	51.0	50.8	

Scope 3 is 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.

Overall, the statement comprises 53% of the investment assets compared to 49% in 2024. The data coverage for the asset classes differs significantly. In terms of the listed portfolio, including derivatives, data coverage ranges from 90% to 98%. For the other asset classes included in the report, data coverage is 54%. In assessing the data coverage, it should be noted that data relating to the listed portfolio contains significant estimates calculated by external data providers.

PKA neither prepares carbon emission estimates for its listed nor unlisted portfolios. The table includes data from external databases to which PKA has access as well as data on illiquid investments received from fund managers.

Practice for calculating ESG metrics in the investment area
The portfolio's carbon emissions and footprint are determined in accordance with the 'CO2 model for the financial sector' prepared by the business association Finance Denmark and F&P.

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

PKA 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 announcements 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. PKA has extensive investments in the US and will in cooperation with fund managers follow the development closely.

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

Total carbon emissions: $\sum_n^i \left(\frac{Investment\ value_{\ i}}{Company\ value(EVIC)_i} * company's\ CO_2 - Emissions_{\ i}\right)$

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

Carbon footprint: $\sum_n^i \frac{\left(\frac{Investment\ value_{\ i}}{Company\ value(EVIC)_i} * company's\ CO_2 - Emissions_{\ i}\right)}{Value\ of\ total\ investments\ in\ listed\ equities}$

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

Carbon footprint: $\sum_n^i \frac{\left(\frac{Investment\ value_{\ i}}{Company\ value(EVIC)_i} * company's\ CO_2 - Emissions_{\ i}\right)}{Value\ of\ total\ investments\ in\ listed\ bonds}$

Data from the data provider ISS has been applied to measure the portfolio's carbon emissions and carbon footprint.

S – social conditions of PKA's investment assets

Investments promoting social conditions
PKA had a target of investing DKK 10 billion in assets which promote social conditions by the end of 2025.

	Goal 2025	2025	2024	2023	2022
Investments promoting social conditions	DKK 10 billion	DKK 10.4 billion	DKK 7.3 billion	DKK 6.7 billion	DKK 4.2 billion

PKA has invested in private equity funds, focusing, for example, on investments in Africa, Latin America and Asia to support and develop social communities for people of low-income groups, including focus on improving the state of the local population's health.

Investments are also made in social housing to support strong social communities for both elderly and young people. In addition, the Pension Fund invests in government bonds, which support health systems in developing countries.

Most of the increase is attributable to a review of the investment portfolio conducted in 2025 to identify investments that meet the definitions established for promoting social conditions. In this connection, total investments of DKK 3.2 billion made in previous years were identified as relating to mortgage credit bonds tied to social housing. The target of DKK 10 billion was thus achieved in 2025, which is considered satisfactory.

The target will be revised in 2026.

Human and labour rights
PKA also focuses on human and labour rights in its investments. This is an area in which PKA may make a positive difference in the value chain, but in reality, PKA has limited control over the circumstances surrounding its investment activities.

PKA regularly reviews its investments. A significant proportion of the companies excluded from the investment universe are removed for violating conventions and legislation on human and labour rights.

In terms of the listed portfolio, companies are screened, using recognised data providers, for violations of the UN Global Compact (UNGC), the UN Guiding Principles on Human Rights (UNGP) and

the OECD Guidelines for Multinational Enterprises. This also covers corporate governance, including corruption.

With respect to the unlisted portfolio, ensuring that the companies in which we invest place a corresponding emphasis on observing relevant conventions and legislation related to human and labour rights is integral to PKA's due diligence and monitoring processes. This is ensured by both PKA and the fund managers with whom it collaborates.

PKA has direct influence over investments in the Danish portfolio of directly owned properties A separate code of conduct has been developed for PKA Ejendomme's activities, focusing on environmental, social and governance issues.

Active ownership related to ESG

Being a responsible investor, PKA applies the objectives of the Paris Agreement for climate neutrality in 2050, the UN Global Compact, the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct and the UN's guidelines for human rights and businesses. Moreover, a particular focal point is ensuring that the investee companies display responsible behaviour in the areas of tax and remuneration.

Responsible investments are formally guaranteed by PKA's policy for active ownership and its tax policy.

Active ownership has long been a crucial part of PKA's work in the area of responsible investing. PKA 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 PKA's policies and guidelines for responsible investments, the company will be excluded from the investment universe. Companies which are excluded are published on PKA's website, on which information is also available about companies with which there is an ongoing dialogue.

PKA has chosen to avoid specific types of activities completely. These include controversial weapons, tobacco, oil sand and coalmines. In 2025, PKA revised its exclusion criteria related to coalmining, energy supply and drilling/service companies.

In addition, companies with low scores on various governance issues, including corruption, are excluded.

In collaboration with fund managers, it is ensured that PKA's exclusion criteria are also observed with respect to its portfolio of alternative investments.

Collaboration with other investors on active ownership

PKA'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.

PKA 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 PKA. Through EOS Hermes, it is possible to engage in dialogue with more companies and to maximise influence in cooperation with other investors. On pka.dk, there is a link to the EOS Hermes website for voting on specific companies. All ESG aspects are given priority.

In 2025, a major partnership was established with Matter, which conducts ad hoc corporate analyses of potential violations of human and labour rights in areas affected by conflict across PKA's entire investment universe.

PKA participates actively in investor coalitions, including the Climate Action 100+ initiative, which speaks on behalf of 700+ asset owners and managers. This allows monitoring of and dialogue with just over 160 of the world's largest and most climate-impacting companies, having initially focused on the 100 largest companies. In both 2023 and 2024, the reports showed that progress towards the 2030

global carbon emissions reduction goal was not satisfactory. The progress report from October 2025 shows some progress, but also that the companies are still not doing enough to establish and follow up on goals, and that the capital allocated to this area is insufficient. In 2025, PKA conducted an in-depth review of the companies ranking at the bottom of the progress report. PKA is currently analysing the report's conclusions for the purpose of finding the best approach to readjusting our work within active ownership and exclusions, etc.

The work with Climate Action 100+ goes hand in hand with the Pension Fund's support for the Paris Agreement. To that end, PKA has joined the investor alliance GFANZ as well as the IIGCC's Paris Aligned Investment Initiative.

ESG, own conditions

The own emissions and social conditions reporting includes data for the PKA community as a whole. Referred to as PKA.

Own climate conditions

PKA has established an ambitious target for reducing its own emissions. The goal is to achieve net-zero emissions by 2030. PKA's most significant emissions fall under scope 3.

In many ways, 2025 is a special year in terms of PKA's own emissions. PKA relocated to its new offices in May. As a result, PKA has incurred various duplicate expenses for a period of time, which has caused an extraordinary increase in emissions.

The renovation of the new offices also resulted in significant extraordinary scope 3 emissions in both 2024 and 2025. These are included in full below; therefore, the figure for 2024 is not fully comparable with Management's Review the year before last. Exclusive of these, scope 3 emissions would constitute 3,702 tonnes of CO2 instead of 4,970 tonnes of CO2 in 2025, and 3,977 tonnes of CO2 instead of 8,192 tonnes of CO2 in 2024. The renovation was carried out with a strong focus on minimising emissions. The decision to relocate to an existing building rather than build a new one has significantly reduced emissions.

As part of the renovation, a solar power system was installed, which has reduced and will continue to reduce electricity consumption. Currently, the reduction accounts for approximately one third of consumption.

Metrics relating to own carbon emissions and footprint

	Unit	Target	2025	2024	2023
CO2 scope 1	**Tonnes**	**100%**	**4.9**	**11.2**	**12.8**
CO2 scope 2 – market-based	**Tonnes**	**100%**	**5.7**	**4.6**	**5.5**
CO2 scope 2 – location-based	**Tonnes**	**100%**	**27.7**	**25.6**	**28.8**
CO2 scope 3	**Tonnes**	**100%**	**4,970**	**8,192**	**3,952**
Category 1 – procurement	Tonnes	100%	4,647	7,863	3,593
Category 6 – business travel	Tonnes	100%	300	298	314
Category 7 – employee commuting and teleworking	Tonnes	100%	0.3	0.5	-

Category 15 – investments (Forca)	Tonnes	100%	23	31	44

Social conditions

PKA finds employee well-being crucial and works towards a positive and inclusive working environment in which all employees thrive and grow. The main risks in this area are related to the general job satisfaction of the employees.

PKA's employees are based exclusively in Denmark. Pay and working conditions are aligned with the financial sector in Denmark, and employees are offered an attractive workplace with a pleasant physical and organisational environment.

Employee satisfaction surveys on employee well-being are conducted annually, and in 2025, the mandatory workplace risk assessment ('APV') was also performed. The findings from the 2025 survey indicated a high job satisfaction index with the following main conclusions:

- An impressive result reflecting high overall well-being and commitment among employees.
- Low stress levels and a healthy work-life balance.
- A determined and focused effort to promote collaboration, communication and transparency throughout the organisation.

Employee well-being is regularly followed up by brief surveys and status meetings with senior management as well as review meetings with the health and safety committee ('arbejdsmiljøudvalg' – AMU) and the works council ('samarbejdsudvalg' – SU).

	Unit	2025	2024	2023
Full-time workforce	FTE	100.1	94.6	93.9
Gender diversity	%	47.8	48.9	49.0
Gender diversity of other management levels	%	33.3	33.3	44.4
Gender pay gap	Times	1.4	1.1	1.2
Employee turnover rate	%	10.3	14.1	8.9
Sickness absence	Days/ FTE	5.0	2.7	4.0
Gender diversity on the Board of Directors	%	62.5	62.5	62.5
Attendance at meetings of the Board of Directors	%	97.5	91.7	97.5
Pay differential between CEO and employees	Times	5.5	5.4	5.0

Gender representation on the Board of Directors and at the other management levels

The Pension Fund must set target figures 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. Underrepresentation exists if one gender is represented by less than approximately 33.3%.

The Pension Fund annually reports on its compliance with the target figures to the Board of Directors. The reporting requirement in Management's Review lapsed with effect from the financial year 2025.

The Pension Fund is characterised by having a limited number of employees. Moreover, the Pension Fund 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 PKA. All employees of the Pension Fund are also employed by PKA A/S.

The PKA A/S Board of Directors has introduced 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.

Practice, own conditions

PKA 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.

Data 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 Pension Fund. For the same reason, the full-time workforce in the table differs from note 6 'Pension costs'. Last, but not least, CO2 scope 3 will include pension fund-specific purchases in addition to PKA A/S' purchases.

Environmental data – CO2eq, scopes 1 and 2
CO2 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.

CO2 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. CO2 scope 2 is shown both according to the market-based and location-based calculation methods.

The electricity generated by PKA's solar power systems currently reduces the amount of electricity purchased by approximately one third.

Environmental data – CO2eq, scope 3
CO2 scope 3 covers indirect emissions associated with the value chain in which the Company is part (for example through its procurement).

CO2 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.

PKA's approach is to report on CO2 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 CO2 scope 3 emissions compared to relevant emission factors from, for example, the Climate Compass.

Emissions related to Forca are recognised in accordance with the method of operational control, i.e. by PKA's ownership share of 33.33%[6]. 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, PKA is also motivated to affect Forca's reductions. Forca only determines CO2 scopes 1 and 2 figures.

[6] At the end of December 2025, PKA increased its ownership share in Forca to 50% through the acquisition of PBU's shares, which will affect the 2026 statement.

Product information according to the Disclosure Regulation (SFDR)

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

As in previous years, the Pension Fund 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.

Inspection by the Danish Financial Supervisory Authority

The Danish Financial Supervisory Authority is currently conducting a functional inspection of the Pension Fund regarding the solvency model used to determine its capital requirement. As part of the inspection, the Danish Financial Supervisory Authority is also focused on the Pension Fund's products. The Pension Fund expects to receive a detailed explanation of the inspection findings during 2026.

Outlook

With their entry into the labour market, the new generations introduce new expectations of the world and our welfare state. The Pension Fund is, for example, met by steadily increasing requirements for more flexibility. Payments to members who are ill and need assistance from the Pension Fund are also increasing.

2026 is expected to see continued development and improvement of the Pension Fund's offers to members, while the Pension Fund will keep working on striking a healthy balance between pension and insurance. Moreover, it is expected that the Pension Fund will improve its offers to members who are ill.

In 2026, the world will continue to be shaped by the great-power rivalry that we saw in 2025. This makes it difficult for businesses and countries to operate internationally, and the globalisation that characterised the world in the 2000s and 2010s is not expected to continue.

In key areas, it has become clear that maintaining control over supply chains and critical technologies is essential. That will shape developments in Europe in the coming years, during which massive investments should be made in infrastructure, energy and innovation. European defence and resilience will also be key investment themes in 2026. PKA has allocated significant sums, billions, to each of these areas to capitalise on the resulting investment opportunities while supporting European communities.

PKA expects central banks to be able to keep inflation under control, which, all other things being equal, will keep short-term bond yields at a low level. That is an essential prerequisite for corporate earnings and global growth. Furthermore, PKA expects the development of artificial intelligence to contribute to increased productivity across society as a whole, rather than merely driving up the major tech giants' share prices.

Regardless of market trends, the Pension Fund has a robust investment portfolio. The investments are diversified across a wide range of assets, which is the best way to ensure stability in an uncertain world.

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. In 2026, work on the comprehensive transformation will continue.

Work on implementing various AI tools in member services and throughout PKA will continue in 2026, with a particular focus on developing tools to improve the advice and recommendations received by members when contacting PKA.

Subsequent events

No events materially affecting the Pension Fund or the Group’s financial position have occurred after the balance sheet date.

Managerial posts

Executive Board

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

Board of Directors

Member	Other managerial posts
Henrik Klitmøller Rasmussen Chairman of the Board of Directors	Member of the Board of Directors of AkademikerPension – Akademikernes Pensionskasse Member of the Board of Directors of MP Investment Management A/S Member of the Board of Directors of Kjeld Mortensens Fond Chairman of the Board of Directors and member of the Audit Committee of PKA+Pension Forsikringsselskab A/S
Ann-Mari Damholt Grønbæk Vice-chairwoman	Member of the Board of Directors of Pensionskassernes Administration A/S
Jesper Gulev Larsen Member of the Board of Directors	Chairman of the Board of Directors of D.A. Invest og Udvikling A/S Member of the Board of Directors of PS! Improve ApS
Susanne Kure Member of the Board of Directors Chairwoman of the Audit Committee	Member of the Board of Directors and Chairman of the Audit Committee of PKA+Pension Forsikringsselskab A/S Member of the Board of Directors and of the Audit Committee of the Social Workers', Social Pedagogues' and Office Staff Pension Fund Member of the Board of Directors of Genan Holding A/S Member of the Board of Directors of PreSeed Ventures A/S Member of the Board of Directors of PSV Hafnium Management ApS Member of the Board of Directors of UCPH Ventures A/S Member of the Board of Directors of KommuneKredit Member of the Board of Directors of Royal Greenland A/S
Christine Bruun Brandborg Member of the Board of	Member of the Board of Directors of Popermo Forsikring G/S
Susanne Engstrøm Member of the Board of Directors Member of the Audit Committee	
Other members of the Board of Directors have no additional managerial posts.	

Management’s Statement

We have today considered and adopted the Annual Report for the financial year 1 January - 31 December 2025 of the Pharmaconomists' Pension Fund.

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

In our opinion, the Consolidated Financial Statements and the Parent’s Financial Statements give a true and fair view of the financial position of the Group and the Pension Fund at 31 December 2025 and of the results of the Group’s and the Pension Fund’s operations for the financial year 1 January - 31 December 2025.

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 Group and Pension Fund as well as a description of the most significant risks and elements of uncertainty facing the Group and the Pension Fund.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Hellerup, 11 March 2026

Executive Board:

_____

Jon Steingrim Johnsen

CEO

Hellerup, 11 March 2026

Board of Directors:

_____

Henrik Klitmøller Rasmussen

Chairman

_____

Ann-Mari Damholt Grønbæk

Vice-chairwoman

_____

Birgitte Jeanette Andersen

_____

Susanne Kure

_____

Christine Bruun Brandborg

_____

Jesper Gulev Larsen

_____

Peter Schjørring-Thyssen

_____

Susanne Engstrøm

Independent Auditor’s Report

To the members of the Pharmaconomists' Pension Fund

Opinion

In our opinion, the Consolidated Financial Statements and the Parent’s Financial Statements give a true and fair view of the financial position of the Group and the Pension Fund at 31 December 2025 and of the results of the Group’s and the Pension Fund’s operations for the financial period 1 January - 31 December 2025 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 Consolidated Financial Statements and Parent Financial Statements of the Pharmaconomists' Pension Fund for the financial year 1 January - 31 December 2025 comprise income statement and statement of comprehensive income, balance sheet, statement of changes in equity and capital base as well as 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 Group in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (IESBA Code) applicable to the audit of financial statements of public-interest entities 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 the Pharmaconomists' Pension Fund on 17 April 2017 from the financial year 2017. We have been reappointed annually by shareholder resolution for a total period of uninterrupted engagement of nine years including the financial year 2025.

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 2025. 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
Measurement of unlisted investments Unlisted investments include investments made indirectly through funds and by direct ownership. Investments are primarily made in infrastructure, including wind turbines and other forms of energy, commercial and residential property as well as private equity. Investments are also, to a lesser extent, made in direct loans to business enterprises. The investments are included in the items Investment properties, Investments in group enterprises and associates as well as Other financial investment assets. Unlisted investments are measured at estimated fair value. Fair value accounting estimates are based on valuation models, data and significant assumptions not readily observable by third parties. Changes in the significant assumptions of the accounting estimates may have a material impact on the Financial Statements. We focused on the measurement of unlisted investments because accounting estimates are inherently complex and influenced by subjectivity and, thus, associated with a high degree of estimation uncertainty. Reference is made to 'Accounting estimates' in note 1, 'Investment properties' in note 8, "Breakdown by measurement of investment assets and financial liabilities' in note 10 and 'Investments in associates' in note 15 to the Consolidated Financial Statements and the Parent Financial Statements.	We conducted risk assessment procedures to gain an understanding of IT systems, procedures and relevant controls for measuring unlisted investments. 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. We assessed and tested the valuation models used by Management. We tested, on a sample basis, the link between the assumptions used, the data and the calculation of fair values. On a sample basis, we tested the fair values applied to relevant reporting from external fund managers. We challenged the significant assumptions related to the accounting estimates underlying the calculation of fair values based on our knowledge of the portfolio and market developments. We assessed whether the disclosures related to unlisted investments were appropriate.
Measurement of provisions for pension agreements and investment contracts The Pension Fund's total provisions for pension agreements and investment contracts were DKK 10,012 million, corresponding to 68% of the Group's total balance sheet. The provisions primarily consist of pension provisions for guaranteed benefits, individual bonus potential, collective bonus potential and risk margin. The provisions are based on actuarial principles and involve significant accounting estimates	We conducted risk assessment procedures to gain an understanding of IT systems, procedures and relevant controls related to the determination of provisions for pension agreements 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

associated with actuarial assumptions regarding the timing and amount of future payments to members. 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. We focused on the measurement of pension provisions because accounting estimates are inherently complex and influenced by subjectivity and, thus, associated with a high degree of estimation uncertainty. Reference is made to 'Accounting estimates' in note 1 and 'Pension provisions' in note 13 to the Consolidated Financial Statements and Parent Financial Statements.	controls, which we planned to rely on, as to whether they were carried out consistently. We assessed the methods and models used to calculate the pension provisions, including the division of responsibilities between the Pension Fund 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, reported parameters and actuarial assumptions. We used our own actuaries to assess the actuarial methods and models used by the Pension Fund and the assumptions and calculations used. We assessed and challenged the actuarial 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. We assessed whether the disclosures on provisions were appropriate.

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 Consolidated Financial Statements and the Parent Financial Statements and has been prepared in accordance with the requirements of the Danish Insurance Business Act and 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 consolidated financial statements and parent 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 Group's and the Pension Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Group or the Pension Fund 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 Group's and the Pension Fund'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 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 Pension Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Pension Fund 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the companies or business entities within the Group to express an opinion on the Consolidated Financial Statements and Parent Financial Statements. We are responsible for the direction, supervision and review of the audit work performed for group audit purposes. We remain solely responsible for our audit opinion.

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, 11 March 2026

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 million	Note	The Pension Fund 2025	The Pension Fund 2024	The Group 2025	The Group 2024
Gross membership contributions	3	222,2	205,6	222,2	205,6
Total membership contributions, net of reinsurance		**222,2**	**205,6**	**222,2**	**205,6**
Income from group enterprises		2,9	-3,2		
Income from associates		14,7	-11,2	14,7	-11,2
Income from investment properties and other tangible investment assets		0,1	0,0	3,1	-0,3
Interest income and dividends, etc.		400,5	330,1	400,5	330,1
Market value adjustments	4	387,1	958,6	387,0	955,7
Interest expenses		-58,7	-87,9	-58,7	-87,9
Administrative expenses related to investment activities		-27,1	-24,9	-27,1	-24,9
Total investment return		**719,6**	**1.161,5**	**719,6**	**1.161,5**
Pension investment returns tax		**-106,2**	**-134,9**	**-106,2**	**-134,9**
Benefits paid		-525,7	-502,8	-525,7	-502,8
Total pension benefits, net of reinsurance		**-525,7**	**-502,8**	**-525,7**	**-502,8**
Total change in pension provisions, net of reinsurance	**5**	**-206,1**	**-565,0**	**-206,1**	**-565,0**
Change in profit margin		**0,0**	**0,0**	**0,0**	**0,0**
Change in surplus capital		**-13,3**	**-32,9**	**-13,3**	**-32,9**
Administrative expenses		-4,8	-3,3	-4,8	-3,3
Total pension operating expenses, net of reinsurance	6	**-4,8**	**-3,3**	**-4,8**	**-3,3**
Transferred investment return		**-84,2**	**-128,2**	**-84,2**	**-128,2**
PENSION TECHNICAL PROFIT OR LOSS		**1,4**	**0,0**	**1,4**	**0,0**
Return on investment allocated to equity		85,8	149,6	85,8	149,6
PROFIT/LOSS BEFORE TAX		**87,3**	**149,6**	**87,3**	**149,6**
Pension investment returns tax related to equity		**-1,6**	**-21,4**	**-1,6**	**-21,4**
PROFIT/LOSS FOR THE YEAR		**85,6**	**128,2**	**85,6**	**128,2**
OTHER COMPREHENSIVE INCOME		**0,0**	**0,0**	**0,0**	**0,0**
COMPREHENSIVE INCOME FOR THE YEAR		**85,6**	**128,2**	**85,6**	**128,2**
Realised profit/loss	7				

Profit for the year is transferred to equity.

Balance sheet – assets

ASSETS

All figures are in DKK million	Note	The Pension Fund 2025	The Pension Fund 2024	The Group 2025	The Group 2024
Investment properties and other tangible investment assets	8	**8,0**	**8,0**	**149,6**	**115,1**
Investments in group enterprises	15	13,7	10,8		
Investments in associates	15	305,7	295,9	305,7	295,9
Total investment in group enterprises and associates		**319,4**	**306,7**	**305,7**	**295,9**
Investments		727,8	603,8	727,8	603,8
Investment units		8.378,2	7.454,7	8.378,2	7.454,7
Bonds		3.835,9	5.550,2	3.835,9	5.550,2
Other loans and advances		521,6	801,5	521,6	801,5
Deposits with credit institutions		220,9	408,5	221,5	409,1
Derivative financial instruments	9	155,8	225,5	155,8	225,5
Total other financial investment assets		**13.840,3**	**15.044,3**	**13.840,8**	**15.044,8**
TOTAL INVESTMENT ASSETS	10	**14.167,7**	**15.359,0**	**14.296,2**	**15.455,7**
Receivables from group enterprises		125,8	101,6		
Other receivables		343,2	393,6	343,2	400,0
TOTAL RECEIVABLES		**469,0**	**495,2**	**343,2**	**400,0**
Deferred tax assets		1,4	0,0	1,4	0,0
Cash at bank and in hand		1,9	2,1	1,9	2,1
TOTAL OTHER ASSETS		**3,3**	**2,1**	**3,3**	**2,1**
Interest receivable		55,2	82,1	55,2	82,1
Other prepayments and accrued income		71,6	74,0	71,6	74,0
TOTAL PREPAYMENTS AND ACCRUED INCOME		**126,7**	**156,0**	**126,7**	**156,0**
TOTAL ASSETS		**14.766,7**	**16.012,2**	**14.769,4**	**16.013,8**
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Balance sheet – liabilities and equity

EQUITY AND LIABILITIES

All figures are in DKK million	Note	The Pension Fund 2025	The Pension Fund 2024	The Group 2025	The Group 2024
Distribution to members (opt-out bonus, etc.)		-63,6	-58,1	-63,6	-58,1
Retained earnings		1.486,4	1.458,9	1.486,4	1.458,9
TOTAL EQUITY		**1.422,8**	**1.400,8**	**1.422,8**	**1.400,8**
Surplus capital	12	511,1	497,8	511,1	497,8
TOTAL SUBORDINATE LOAN CAPITAL		**511,1**	**497,8**	**511,1**	**497,8**
Pension provisions	13	10.011,5	9.805,4	10.011,5	9.805,4
Profit margin on pension provisions		0,0	0,0	0,0	0,0
TOTAL PROVISIONS FOR PENSION AGREEMENTS AND INVESTMENT CONTRACTS		**10.011,5**	**9.805,4**	**10.011,5**	**9.805,4**
Debt relating to derivative financial instruments	9	233,5	403,9	233,5	403,9
Payables to credit institutions		2.203,8	3.377,2	2.203,8	3.377,2
Debt relating to reverse transactions		0,0	31,1	0,0	31,1
Current tax liabilities		106,3	94,9	106,3	94,9
Other payables		275,1	399,0	277,8	400,6
TOTAL DEBT		**2.818,6**	**4.306,2**	**2.821,3**	**4.307,8**
DEFERRED INCOME		**2,7**	**2,0**	**2,7**	**2,0**
TOTAL EQUITY AND LIABILITIES		**14.766,7**	**16.012,2**	**14.769,4**	**16.013,8**
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Statement of changes in equity and capital base

All figures are in DKK million

Equity	The Pension Fund 2025	The Pension Fund 2024	The Group 2025	The Group 2024
Equity at 1 January	1.400,8	1.330,7	1.400,8	1.330,7
Distribution to members (opt-out bonus, etc.)	-63,6	-58,1	-63,6	-58,1
Transferred from distribution of profit for the year	85,6	128,2	85,6	128,2
Other comprehensive income	0,0	0,0	0,0	0,0
Total equity	**1.422,8**	**1.400,8**	**1.422,8**	**1.400,8**

Capital base	The Pension Fund 2025	The Pension Fund 2024	The Group 2025	The Group 2024
Equity	1.422,8	1.400,8	1.422,8	1.400,8
Surplus capital	511,1	497,8	511,1	497,8
Difference between solvency and accounting provisions	38,8	34,9	38,8	34,9
Total capital base to meet the solvency capital requirement	**1.972,8**	**1.933,5**	**1.972,8**	**1.933,5**

Notes

Note 1

Accounting Policies

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

The Annual Report is presented in millions of Danish kroner (DKKm) with one decimal. 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 2024.

Principles for the distribution of profit and loss
In accordance with the Executive Order on the Contribution Principle, the Pension Fund notified the Danish Financial Supervision Authority of its principle for the distribution of realised profit for the year.

The main principle is that the share of the realised profit for the year that accrues to equity and surplus capital consists of a return equal to the return on investment before pension yield tax plus an operational risk charge of 0.1% in terms of the unconditional guaranteed portfolio and 0.1% in terms of the conditional guaranteed portfolio of the average pension provisions. Payments to and from equity are deducted from the equity share of the realised profit.

Losses covered by equity and surplus capital may be recovered in the following financial year from the 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.

Consolidated financial statements

The consolidated financial statements comprise the Pension Fund and group enterprises in which control is exercised. The consolidated financial statements are prepared by adding together (consolidating) the items of the Pension Fund and the group enterprises that are of a uniform nature.

Consolidation eliminates intercompany income and expenses as well as intercompany assets and liabilities.

Intercompany services are settled on an arm’s length basis or on a cost recovery basis. Intercompany trading in securities and other investment assets are settled at market value.

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 measurement of the fair value of unlisted financial investment assets and liabilities related to pension provisions.

Measurement of pension provisions

Determination of the carrying amounts of the pension provisions is subject to estimates related in particular to the discount yield curve and the assumptions of mortality, disability, repurchase and paid-up policies. The assumptions of best estimates for mortality, disability, repurchase and paid-up policies are based on observations from recent years. Determining the assumptions is influenced by actuarial estimates which have an impact on the provision amounts.

Fair value of unlisted financial investment assets and liabilities

Investment assets and financial liabilities are recognised at fair value.

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.

Note 10 contains a breakdown of investment assets and financial liabilities by levels 1-3 of the fair value hierarchy determined at Group level, including a specification of changes for the year of level 3 assets.

Measurement of fair value of infrastructure assets

Measurement of the fair value of infrastructure assets is based on discounted cash flow (DCF) models. The net present value of future cash flows during the planning period is predicted in the models. The long planning period of up to 25 years at the start of an investment increases uncertainty about the expected cash flows.

The most significant estimates are related to the discount rate and the specific underlying assumptions for the determination of the expected cash flows for each investment. The discount rate is determined according to a 'cost of capital' method and consists of a risk-free interest rate plus an illiquidity premium and expected rate of inflation.

With respect to investments in, for example, wind farms, the main input parameters in addition to the discount rate will be assumptions on the development in electricity prices, electricity production, maintenance costs and the cost of disposal at the end of the production period.

Measurement of fair value of unlisted equity investments

The fair value of unlisted equity investments is based on information from external parties. The Pension Fund has established internal procedures to ensure the quality of the information received. For a detailed description of the measurement, see the section on equity investments.

Measurement of fair value of unlisted financial investment assets through funds

The fair value of unlisted financial investment assets through funds is largely based on information from asset managers or the actual funds or others, including reports which, in many cases, are available prior to the balance sheet date.

Internal procedures have been established to ensure the quality of the information included in the determination of fair value. This means, for instance, that a time lag in the accounting data between the last reporting date and the balance sheet date is taken into account, quantitative analyses and qualitative assessments are performed, and the overall market development since the last reporting date is evaluated. In addition, the quality of the reports received is generally followed up on.

Measurement of fair value of unlisted credit investments

The calculation of the fair value of unlisted credit investments is based on models and, wherever possible, on observable data, and the measurements are subject to estimates. The fair value calculation is carried out both internally by the finance department and by external parties.

In the case of internal calculations, the measurement is made by discounting the expected future cash flows. The main estimates/input parameters are the discount rates applied. The calculation of these is based on credit spreads of liquid credit bonds as well as estimates of the credit quality of the loan and illiquidity premiums.

In respect of external measurements, the finance department calculates its own, corresponding value for verification of the external measurement. The verification value is based on the same approach as for own calculations and with the associated estimates. If the verification value lies within an acceptable range from the external measurement, the external measurement will be used. If this is not the case, the external party that carried out the measurement will be contacted. If a satisfactory explanation of the difference cannot be given, the price will be adjusted according to the verification value.

Whether an internal or external measurement is used, consideration must be given to the development in the credit quality of the specific investment, including the quality of securities provided, and the general market development, including the development in interest rates and interest spread in the measurement process.

Measurement of fair value of investment properties

The calculation of the fair value is based on the DCF model. The most significant estimates relate in particular to the determination of the discount rate, which consists of a required rate of return on the property, expectations of inflation and assumptions of future cash flows, such as future rental income, modernisations and the level of vacancies. For a detailed description of the measurement, see the section on investment properties.

Income statement

Gross membership contribution

Gross membership contributions to the Pension Fund include membership contributions for January-November that are past due and expected membership contributions for December. Membership contributions are reduced by labour market contributions.

Investment return

Income from group enterprises and associates includes the Pension Fund's share of their operating income after tax.

Income from investment properties includes income from property management before adjustment of the value of the properties. Property management costs are deducted from the results.

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 on investment assets, including value adjustments of investment properties.

Interest expenses include interest on other debt and repurchase agreements (repos).

The administrative expenses associated with investment activities include costs of securities administration, custody fees and external management fees.

Pension investment returns tax

Pension investment returns tax is recognised in the income statement at an amount calculated on the basis of the taxable return for the financial year.

The pension investment returns tax is distributed between equity and members. The share of equity of the pension investment returns tax is calculated on the basis of the share of equity of the realised results.

Benefits paid

Pension benefits include pensions processed and paid.

Change in pension provisions

Includes the change for the year in pension provisions.

Change in surplus capital

Includes the change for the year in surplus capital.

Administrative expenses

The Pension Fund pays an annual fixed amount (tariff) per member to PKA A/S for the agreed administrative services, which include salaries and remuneration to the Executive Board and Board of Directors.

In addition, the Pension Fund and the group enterprises pay 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.

Transferred investment return

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

Balance sheet

Assets

Investment properties

Investment properties are measured at fair value on the balance sheet date. The calculation of fair value according to the DCF model is based on the determination of the net cash flow of each period during a ten-year budget period, which is then discounted, as well as a terminal value beyond the ten-year budget period, with the expected and normalised long-term income being determined and measured according to the return-based valuation model.

The required rate of return is based on an individual assessment of each property, including property type and application, location, state of maintenance, contractual relationship, composition of tenants, possibility of re-lease, division into owner-occupied flats, year of construction, etc.The required rate of return is determined on the basis of the expectation that the properties are sellable with sales efforts within a reasonable period of time.

The discount rate of each property in the budget period will be the rate of return adjusted for long-term inflation.

For properties under construction for which a reliable fair value cannot be determined, the fair value is determined as costs incurred or a lower net realisable value.

The fair value of properties and holiday homes is based on the most recent public land assessment.

The fair value of properties with owner-occupied flats which are or may be divided into owner-occupied flat, is determined for each property. For each property, a standardised required rate of return is applied as well as an individual assessment of the discharge rate and square metre prices at a potential sale.

Value adjustments of investment properties are recognised in the item 'Translation adjustments in the income statement'.

Investments in group enterprises and associates

Investments in group enterprises are measured according to the equity method. Applying this method, the operating profit of group enterprises is recognised in the Pension Fund's income statement. The Pension Fund's results and equity are subsequently identical to that of the Group.

The financial results of group enterprises are derived using methods of recognition and measurement identical to the principles applied by the Pension Fund.

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

Associates are enterprises which are not group enterprises but in which the consolidated enterprises hold 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.

Associates with negative equity value are measured at nil, and any receivables from those enterprises are written down by the parent's share of the negative equity value, to the extent that it is deemed uncollectible. If the negative equity value exceeds the receivables, the remaining amount is

recognised in provisions to the extent that the parent has a legal or actual obligation to cover the liabilities of that enterprise.

The underlying assets and liabilities of group enterprises and associates are based on fair value measurement.

The fair value of investment properties owned through group enterprises or associates is calculated as described in detail above in the 'Investment properties' section.

The fair value of infrastructure assets owned through group enterprises or associates is calculated in accordance with the 'Measurement of the fair value of infrastructure assets' section.

Investments

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

Unlisted investments are measured at fair value based on an individual assessment of the enterprises in order to determine the price at which the investments are considered to be trading. The measurement is largely based on information from external asset managers.

The Pension Fund has established internal processes that are to support the estimates made. Thus, time lags between reporting and accounting data are taken into account by obtaining additional information on price developments.

In addition, the measurements are analysed in relation to external counterparties and in relation to prices determined by an independent financial institution in order to assess and test the values derived.

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.

Other loans and advances

Direct mortgage loans are measured at fair value, which is generally at par. The measurement is tested in relation to current market spreads, the creditworthiness of borrowers and the underlying security. Other direct loans are measured on the basis of external measurement and tested against the development of similar credit risk for both listed and unlisted securities in the market.

Deposits with credit institutions

Deposits with credit institutions are deposits and fixed-term deposits with credit institutions measured at fair value.

Derivative financial instruments

Derivative financial instruments used for hedging of interest rate risk and other purposes 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'.

Repos/reversals

Securities sold as part of sale and repurchase agreements are maintained in the balance sheet under the respective principal item, e.g. 'Bonds', which carry interest and are adjusted to market value. The

amount received is recognised and carry interest as debt to the counterparty. Securities acquired as part of buy-and-sell back agreements are recognised as receivables from the counterparty, and the return is recognised in interest.

Receivables

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

Deferred tax assets

Deferred tax assets constitute the value of the Pension Fund's deferred taxes and consist of the deferred taxes associated with the return on investment allocated to equity as well as the Pension Fund's withholding tax and dividend tax.

Cash at bank and in hand

Cash at bank and in hand consists of the Pension Fund’s share of operating cash funds deposited with banks. Cash at bank and in hand is measured at fair value, which usually corresponds to nominal 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

Equity

Equity of the Pension Fund belongs to the members collectively.

Surplus capital

Surplus capital is included in the capital base on equal terms with equity, but accrues over time to the insureds and is thus part of the provision for insurance contracts.

Provisions for pension agreements and investment contracts

Provisions for pension agreements and investment contracts are calculated by the Pension Fund’s responsible actuary.

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

The guaranteed benefits element of the pension 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. Guaranteed benefits are reduced by the value of any deferred pension investment returns tax.

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 member.

The risk margin covers the amount that the Pension Fund 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 and subsequently the collective bonus potential of the insurance policies – or alternatively, the capital base. The risk margin is calculated in accordance with the Solvency II regulation.

The assumptions for the best estimate of mortality are based on the Financial Supervisory Authority's benchmark for current mortality, which is adapted to the Pension Fund's specific circumstances regarding the observed mortality of the policy holders. In addition, the Danish Financial Supervisory Authority's benchmark for life expectancy improvements is recognised. The Financial Supervision's benchmarks are updated annually, and the Pension Fund carries out an annual analysis of any deviations from the benchmark for the current mortality.

The assumptions for best estimate of disability are based on the disability observed in recent years.

The discount yield curve and mortality assumptions are the assumptions that have the greatest impact on the measurement of provisions.

Profit margin

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

Debt to credit institutions

Debt to credit institutions include debt relating to repurchase agreements. Repurchase agreements (repos) are securities sold at the same time as a repurchase agreement is concluded. They are recognised in the balance sheet as if the securities were still part of the portfolio. Debt is measured at fair value.

Current tax liabilities

Current tax liabilities are the part of the pension investment returns tax payable for the current financial year.

Other items under equity and liabilities

Other items under equity and liabilities, including Other provisions, Payables to group enterprises and Other payables, are measured at fair value, which usually corresponds to amortised cost.

Contingent liabilities

Commitments to invest, guarantees made, etc., in non-insurance matters, as well as any ongoing legal disputes for which the outcome is uncertain, are stated in a note to the annual report.

Financial ratios

Financial ratios are prepared in accordance with the rules of the Danish Financial Supervisory Authority's Executive Order on Financial Reports for Insurance Companies and Multi-Employer Occupational Pension Funds.

Note 2
Five-year overview of financial highlights

The Pension Fund	**2021**	**2022**	**2023**	**2024**	**2025**
Membership contributions	204	200	194	206	222
Pension benefits	-465	-494	-493	-503	-526
Investment return	1.146	-918	1.117	1.161	720
Total pension operating expenses	-3	-3	-3	-3	-5
Results from ceded business	0	0	0	0	0
Pension technical profit or loss	39	0	0	0	1
Profit/loss for the year	172	-83	130	128	86
Total provisions for pension agreements and investment contracts	9.727	8.633	9.240	9.805	10.011
Total equity	1.410	1.269	1.331	1.401	1.423
Total assets	13.837	13.663	14.540	16.012	14.767

The Group	**2021**	**2022**	**2023**	**2024**	**2025**
Membership contributions	204	200	194	206	222
Pension benefits	-465	-494	-493	-503	-526
Investment return	1.146	-918	1.117	1.161	720
Total pension operating expenses	-3	-3	-3	-3	-5
Results from ceded business	0	0	0	0	0
Pension technical profit or loss	39	0	0	0	1
Profit/loss for the year	172	-83	130	128	86
Total provisions for pension agreements and investment contracts	9.727	8.633	9.240	9.805	10.011
Total equity	1.410	1.269	1.331	1.401	1.423
Total assets	13.837	13.663	14.542	16.014	14.769

Financial ratios *		**2021**	**2022**	**2023**	**2024**	**2025**
Return related to average interest products	%	10,7	-8,1	11,1	10,7	6,3
Costs of provisions	%	0,0	0,0	0,0	0,0	0,0
Costs per member	DKK	369	356	354	366	522
Return on equity after tax	%	12,7	-6,2	10,0	9,4	6,1
Return on surplus capital which is assigned a return as equity	%	11,8	-7,0	9,3	9,2	5,3

* Financial ratios are here stated for the Pension Fund. No financial ratios are calculated for the Group as it only includes one pension fund.

Note 3 Gross membership contributions	The Pension Fund 2025	 2024	The Group 2025	 2024
Direct insurance with bonus scheme				
Membership contributions	204,6	196,4	204,6	196,4
Membership deposits	17,6	9,3	17,6	9,3
Total gross membership contributions	**222,2**	**205,6**	**222,2**	**205,6**
All contributions are direct insurance entitling to bonus				
Pension agreements				
Made as part of employment	209,4	205,5	209,4	205,5
Private schemes	12,7	0,2	12,7	0,2
Premiums by country				
Denmark	220,9	204,6	220,9	204,6
Other EU countries	0,7	0,6	0,7	0,6
Other countries	0,6	0,4	0,6	0,4
Statement of the number of people insured				
Made as part of employment	8.939	8.851	8.939	8.851
Taken out privately	259	207	259	207

The Pension Fund's total number of insured members includes memberships based on which only child's pensions are paid.

Note 4 Market value adjustments	The Pension Fund 2025	 2024	The Group 2025	 2024
Investment properties	0,0	0,0	-0,1	-2,9
Investments	4,4	22,0	4,4	22,0
Investment units	42,7	813,0	42,7	813,0
Bonds	-55,6	65,2	-55,6	65,2
Other loans and advances	-22,2	38,6	-22,2	38,6
Derivative financial instruments	426,1	18,4	426,1	18,4
Cash at bank and in hand	-8,3	1,3	-8,3	1,3
Total market value adjustments	**387,1**	**958,6**	**387,0**	**955,7**

Note 5 Total change in pension provisions, net of reinsurance	The Pension Fund 2025	 2024	The Group 2025	 2024
Individual bonus potential	-109,2	85,8	-109,2	85,8
Guaranteed benefits	-2,9	-169,8	-2,9	-169,8
Risk margin	7,3	-3,6	7,3	-3,6
Collective bonus potential	-101,2	-477,5	-101,2	-477,5
Total change in pension provisions, net of reinsurance	**-206,1**	**-565,0**	**-206,1**	**-565,0**

Note 6 Pension operating expenses, net of reinsurance	The Pension Fund 2025	 2024	The Group 2025	 2024
Remuneration to the Board of Directors (amount in DKK '000)				
Fee paid to the designating trade union	145,8	119,4	145,8	119,4
Remuneration paid to members of the Board of Directors	784,4	792,6	784,4	792,6
Total remuneration to the Board of Directors	**930,1**	**911,9**	**930,1**	**911,9**

Salary

There are no employees in the Pension Fund other than those on the Executive Board, the responsible actuary, 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 Pension Fund.

The four key functions are not paid by the Pension Fund.

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

Total remuneration for the Board of Directors and the Executive Board is available at pka.dk

	The Pension Fund 2025	 2024	The Group 2025	 2024
Salaries (amount in DKK '000)				
Salaries	878,1	847,0	878,1	847,0
Pension contribution	173,4	166,0	173,4	166,0
Payroll tax, etc.	160,9	155,0	160,9	155,0
Total salaries	**1.212,4**	**1.168,1**	**1.212,4**	**1.168,1**

The average number of full-time employees in 2025 was 0.3, compared to 0.3 in 2024.

Auditor

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

The Pension Fund's share of the audit fee, including VAT, is:

	The Pension Fund 2025	 2024	The Group 2025	 2024
Auditor (amount in DKK '000)				
Statutory audit of financial statements	384,4	263,8	412,5	277,7
Other assurance engagements	180,0	104,0	180,0	104,0
Fee for tax assistance	3,7	6,1	3,7	6,1
Total audit fees	**568,0**	**373,9**	**596,1**	**387,8**

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

Note 7 Realised profit/loss	The Pension Fund 2025	 2024	The Group 2025	 2024
Interest results	761,9	1.197,4	761,9	1.197,4
Risk profit/loss	-29,2	-66,5	-29,2	-66,5
Costs results	17,5	18,0	17,5	18,0
Market value adjustment *	25,1	-36,4	25,1	-36,4
Total realised profit/loss	**775,3**	**1.112,5**	**775,3**	**1.112,5**
allocated to:				
Accrual of bonus	455,6	327,7	455,6	327,7
Pension investment returns tax	100,4	106,0	100,4	106,0
Return on surplus capital	26,6	44,2	26,6	44,2
Pension investment returns tax on surplus capital	4,7	7,5	4,7	7,5
Transferred to equity	85,6	128,2	85,6	128,2
Pension investment returns tax on equity	1,6	21,4	1,6	21,4
Change in individual bonus potential*	0,0	0,0	0,0	0,0
Transferred to collective bonus potential*	100,8	477,5	100,8	477,5
Total amount allocated	**775,3**	**1.112,5**	**775,3**	**1.112,5**
Changes in equity:				
From realised profit/loss	85,6	128,2	85,6	128,2
Profit/loss for the year	**85,6**	**128,2**	**85,6**	**128,2**

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

Note 8 Investment properties	The Pension Fund 2025	 2024	The Group 2025	 2024
Fair value at 1 January	8,0	8,0	115,1	98,1
Additions during the year	0,0	0,0	34,7	19,9
Value adjustment to fair value for the year	0,0	0,0	-0,1	-2,9
Total fair value	**8,0**	**8,0**	**149,6**	**115,1**
The property portfolio:				
Number of properties	1	1	13	12
Number of leases				
Residential	1	1	1.130	958
Commercial			1	1
Other			332	89

Note 8, continued Investment properties	The Pension Fund 2025	 2024	The Group 2025	 2024
General assumptions				
Long-term inflation			2,0%	2,0%
In the terminal year, this vacancy rate is recognised			4,5%	4,5%
Average vacancy, rental budget				
Residential			29,7%	0,3%
Other			3,3%	0,0%
Average required rate of return			4,4%	4,4%
Where the rate of return varies by 0.25 percentage points, the fair value changes by:				
Increasing rate of return (amounts in DKK '000)			-4.358	-2.967
Decreasing rate of return (amounts in DKK '000)			4.887	3.333
Average sqm price (amounts in DKK)			40.575	24.523
Residential				
Average vacancy, residential rental budget				
Other properties			1,7%	1,3%
Average sqm price (amounts in DKK)				
Other properties			27.719	27.201
Average required rate of return				
Other properties			3,8%	4,3%
Commercial				
Average vacancy, rental budget				
Other properties			0,0%	0,0%
Average sqm price (amounts in DKK)				
Other properties			21.306	21.468
Average required rate of return				
Other properties			5,0%	5,0%

The Pension Fund's measurement of investment properties is based on an external validation of the required rate of return.

Note 9
Other financial investment assets

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

A continuously updated list of the enterprises in which the Pension Fund holds shares is available at pka.dk.

Financial instruments (the Pension Fund and the Group)

Derivative financial instruments 2025	**Year to maturity**	**Principal amou**	**Carrying amount**
Options, purchase	1-10	456,3	-10,9
Swaptions, purchase	1-10	98,6	-0,1
Swaps	0-1	10.596,7	13,3
Swaps	1-10	5.935,2	7,4
Swaps	10+	3.383,4	-137,6
Credit default swap, purchase	1-10	0,0	0,0
Credit defaults swap, sale	1-10	0,0	0,0
Foreign exchange transactions	0-1	9.856,6	51,1
Foreign exchange transactions	1-10	373,3	-1,4
Foreign exchange transactions	10+	17,1	0,4
Inflation swaps	0-1	2,6	0,0
Futures, purchase	0-1	261,4	0,0

Note 9 continued

Derivative financial instruments 2024	**Year to maturity**	**Principal amou**	**Carrying amount**
Options, purchase	1-10	340,3	0,0
Swaps	0-1	9.212,2	10,2
Swaps	1-10	4.927,3	-9,0
Swaps	10+	3.167,2	76,0
CDS	0-1	33,8	-0,2
Foreign exchange transactions	0-1	7.658,1	-255,4
Foreign exchange transactions	10+	21,5	0,8
Foreign exchange transactions	1-10	228,1	-0,8

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

In terms of other 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 10
Breakdown by measurement of investment assets and financial liabilities

Investment assets and financial liabilities are recognised at fair value or amortised cost and determined at group level, see Note 1 'Accounting policies' for details.

Investment assets and financial liabilities 2025	Listed prices	Observable input	Unobservable input	In total
Investment properties	0,0	0,0	149,6	149,6
Investments in associates	0,0	0,0	305,7	305,7
Investments	17,6	0,0	710,2	727,8
Investment units	5.469,6	222,8	2.685,8	8.378,2
Bonds	2.389,7	1.446,2	0,0	3.835,9
Other loans and advances	0,0	0,0	521,6	521,6
Deposits with credit institutions	219,3	2,2	0,0	221,5
Derivative financial instruments	3,7	152,1	0,0	155,8
Investment assets at fair value	**8.099,9**	**1.823,3**	**4.373,0**	**14.296,2**
Debt relating to derivative financial instruments	-3,7	-218,9	-10,9	-233,5
Payables to credit institutions	-87,5	-2.116,3	0,0	-2.203,8
Financial liabilities at fair value	**-91,2**	**-2.335,2**	**-10,9**	**-2.437,2**

Investment assets and financial liabilities 2024	Listed prices	Observable input	Unobservable input	In total
Investment properties	0,0	0,0	115,1	115,1
Investments in associates	0,0	0,0	295,9	295,9
Investments	9,1	0,0	594,8	603,8
Investment units	4.823,5	144,2	2.487,0	7.454,7
Bonds	4.369,4	1.180,8	0,0	5.550,2
Other loans and advances	0,0	0,0	801,5	801,5
Deposits with credit institutions	368,5	40,5	0,0	409,1
Derivative financial instruments	0,0	225,5	0,0	225,5
Investment assets at fair value	**9.570,5**	**1.591,0**	**4.294,3**	**15.455,7**
Debt relating to derivative financial instruments	0,0	-403,9	0,0	-403,9
Payables to credit institutions	0,0	-3.377,2	0,0	-3.377,2
Debt relating to reverse transactions	-31,1	0,0	0,0	-31,1
Financial liabilities at fair value	**-31,1**	**-3.781,1**	**0,0**	**-3.812,3**

Note 10 continued

Measurement based on unobservable inputs 2025	Beginning of year	Transferred to/from other levels	Market value adjustment	Purchase/Sale	End of year
Investment properties	115,1	0,0	34,6	0,0	149,6
Investments in associates	295,9	0,0	14,7	-4,9	305,7
Investments	594,8	0,0	8,7	106,7	710,2
Investment units	2.487,0	0,0	32,5	166,2	2.685,8
Other loans and advances	801,5	0,0	7,0	-286,9	521,6
Derivative financial instruments	0,0	0,0	-10,8	0,0	-10,9
Financial liabilities at fair value	**4.294,2**	**0,0**	**86,7**	**-18,9**	**4.362,1**

Measurement based on unobservable inputs 2024	Beginning of year	Transferred to/from other levels	Market value adjustment	Purchase/Sale	End of year
Investment properties	98,1	0,0	17,0	0,0	115,1
Investments in associates	313,5	0,0	-11,2	-6,5	295,9
Investments	538,3	0,0	28,8	27,6	594,8
Investment units	2.636,8	-541,5	236,7	155,1	2.487,0
Bonds	3,4	-3,4	0,0	0,0	0,0
Other loans and advances	750,0	0,0	87,2	-35,6	801,5
Derivative financial instruments	10,8	-10,8	0,0	0,0	0,0
Financial liabilities at fair value	**4.350,9**	**-555,7**	**358,4**	**140,6**	**4.294,2**

Note 11	The Pension Fund		The Group	
Security	**2025**	**2024**	**2025**	**2024**
As security for clearing and for the fair value of derivative financial instruments, the Pension Fund has deposited bonds at a net value of	176,4	254,7	176,4	254,7
Cash and cash equivalents and bonds received as security for the fair value of derivative financial instruments	65,8	3,8	65,8	3,8
Fair value of bonds provided as security for repo transactions	2.123,7	3.378,4	2.123,7	3.378,4
Fair value of bonds received as security for reversed transactions	0,0	40,1	0,0	40,1

Note 12 Surplus capital	The Pension Fund 2025	 2024	The Group 2025	 2024
Surplus capital, beginning of year	497,8	464,9	497,8	464,9
Contributions	11,4	10,8	11,4	10,8
Benefit payments	-24,6	-22,1	-24,6	-22,1
Share of realised profit/loss after pension investment returns	26,6	44,2	26,6	44,2
Total surplus capital	**511,1**	**497,8**	**511,1**	**497,8**

Note 13 Pension provisions	The Pension Fund 2025	 2024	The Group 2025	 2024
Pension provisions, beginning of year	9.805,4	9.240,4	9.805,4	9.240,4
Profit margin, beginning of year	0,0	0,0	0,0	0,0
Total pension provisions, beginning of year	9.805,4	9.240,4	9.805,4	9.240,4
Collective bonus potential, beginning of year	-759,8	-282,3	-759,8	-282,3
Accumulated value adjustment, beginning of year	-53,4	-16,9	-53,4	-16,9
Retrospective pension provisions, beginning of year	8.992,2	8.941,1	8.992,2	8.941,1
Gross contributions	222,2	205,6	222,2	205,6
Accrual of interest	513,9	291,0	513,9	291,0
Pension benefits	-525,7	-502,8	-525,7	-502,8
Expense supplement after addition of expense bonus	-4,4	-3,3	-4,4	-3,3
Risk gain after addition of risk bonus	22,1	65,2	22,1	65,2
Transferred to/from membership capital	13,3	11,3	13,3	11,3
Other	-111,4	-15,9	-111,4	-15,9
Retrospective provisions, end of year	9.122,2	8.992,2	9.122,2	8.992,2
Accumulated value adjustment, end of year	28,3	53,4	28,3	53,4
Collective bonus potential, end of year	861,0	759,8	861,0	759,8
Total pension provisions, end of year	10.011,5	9.805,4	10.011,5	9.805,4
Profit margin, end of year	0,0	0,0	0,0	0,0
Total pension provisions	**10.011,5**	**9.805,4**	**10.011,5**	**9.805,4**

The Pension Fund's insurance is covered by the contribution principle. Nonetheless, the Pension Fund has adopted other principles for distribution of realised profit than those that follow from the Executive Order on the Contribution Principle (Executive Order no. 1643 of 14 December 2016). The provisions of the Executive Order are observed to the extent they are not contrary to the Pension Fund's principles. This implies, in practice, that the Pension Fund does not apply group allocation in accordance with section 3 of the Executive Order.

Note 13, continued

The distribution of provisions on guaranteed interest rate for portfolios not covered by the contribution principle:	Guaranteed benefits	Individual bonus potential	Collective bonus potential	In total
Pension provisions at 31 December 2025				
Computation rate of interest (0.75)%	4.086,7	4.626,4	828,4	9.541,5
Computation rate of interest 4.5%	368,0	9,3	32,7	409,9
All groups	4.454,7	4.635,7	861,0	9.951,4
Risk margin, all groups				60,1
Total pension provisions				10.011,5

	Guaranteed benefits	Individual bonus potential	Collective bonus potential	In total
Pension provisions at 1 January 2025				
Computation rate of interest (0.75)%	4.043,9	4.522,3	729,9	9.296,1
Computation rate of interest 4.5%	407,8	4,2	30,0	441,9
All groups	4.451,7	4.526,5	759,8	9.738,0
Risk margin, all groups				67,4
Total pension provisions				9.805,4

Rate of return and ratio of collective bonus potential to provisions for the insurance portfolios not covered by the contribution principle:	2025 Return percentag	2024 Return percentag	2025 Ratio of collective	2024 Ratio of collective
Computation rate of interest (0.75)%	6,3%	10,7%	62,2%	60,8%
Computation rate of interest 4.5%	6,3%	10,7%	12,1%	9,6%

Return on customer funds after costs and before tax are distributed by product:	2025	2024
Average rate	6,5%	5,9%

Note 14 Contingent liabilities	The Pension Fund 2025	 2024	The Group 2025	 2024
The following assets are provided as security for the insureds' provisions:				
Investment properties and other tangible investment assets	0,0	8,0	0,0	8,0
Investments in group enterprises	13,7	10,8	13,7	10,8
Investments in associates	305,7	295,9	305,7	295,9
Investments	735,8	603,8	735,8	603,8
Investment units	7.498,2	6.581,0	7.498,2	6.581,0
Bonds	1.966,1	2.478,3	1.966,1	2.478,3
Other loans and advances	219,5	279,6	219,5	279,6
Deposits with credit institutions	182,1	415,0	182,1	415,0
Interest receivable	20,6	14,7	20,6	14,7
Total amount provided as security for provisions	**10.941,8**	**10.687,0**	**10.941,8**	**10.687,0**
Investment commitments less payments already made:				
Unlisted shares	863,0	1.048,9	863,0	1.048,9
Properties	257,8	308,4	257,8	308,4
Infrastructure	422,6	597,2	422,6	597,2
Credit	459,6	609,5	459,6	609,5
	2.003,0	**2.564,0**	**2.003,0**	**2.564,0**

The Pension Fund is a partner of various partnerships together with other pension funds in the PKA Group. The pension funds are jointly and severally liable for the partnerships' liabilities.

Moreover, part of the Group's properties are subject to a VAT adjustment liability. It will, however, require a commercial decision about changing the use of the properties in question before such adjustment liability crystallises.

AIP Infrastructure I K/S

Blafa

In October 2018, the Pension Fund entered into an agreement with Vattenfall and Vestas about the construction of a 353-MW onshore wind farm in Sweden near Umeå. The Pension Fund's liabilities related to guarantees at the balance sheet date consist of the remaining proportionate share of the total investment commitment as well as additional operating guarantees

Zion

In October 2018, the Pension Fund invested in two new solar farms in California. Both solar farms were fully developed and operational at the time of takeover. The Pension Fund has provided a guarantee for its proportionate share of certain operating and decommissioning obligations towards Nordea Bank. In addition, there is an outstanding proportionate share of investment commitments related to a battery storage unit connected to the solar farms and other guarantees specifically related thereto. Liabilities related to guarantees and remaining commitments totalled USD 3.9 million at the balance sheet

El Campo

In 2019, the Pension Fund entered into an agreement with Longroad and Vestas about the construction of a 353-MW onshore wind farm in Knox County, Texas, USA. In 2020, investments were made in two more solar farms under the El Campo agreement, one in California and one in Texas. At the balance sheet date, the Pension Fund's liabilities related to guarantees constituted operating guarantees totalling USD 8.6 million.

North Sea Infrastructure

In cooperation with Borgland Advisory AS, the Pension Fund has invested in the Norwegian gas treatment plants Nyhamna and Vestprosess. Remaining commitments totalled NOK 1.6 million at the balance sheet date.

Note 14, continued

AIP Infrastructure II K/S

Escalade

In 2020, the Pension Fund entered into an agreement to purchase a 336-MW onshore wind farm in Knox County, Texas, USA. At the balance sheet date, the Pension Fund's liabilities related to guarantees constituted operating guarantees totalling USD 2.9

Mallard

In 2020, the Pension Fund acquired part of Agility Trains East, which owns a fleet of intercity trains serving the East Coast Main Line in the UK. The Pension Fund's proportionate share of the remaining investment commitment and liabilities related to guarantees totals GBP 0.2 million.

Stephenson

In 2022, the Pension Fund acquired part of Cross London Trains (XLT), which owns a fleet of trains servicing the Thameslink Cross London railway line in London, the UK. The Pension Fund's proportionate share of the remaining investment commitment and liabilities related to guarantees totals GBP 41,704.

Dante

The Pension Fund has provided loan finance for the 'Beatrice Offshore wind project', which operates an offshore wind farm in the North Sea near Scotland. Remaining commitments totalled GBP 34,753 at the balance sheet date.

Porter, Viiatti, Elias and Navarra

The Pension Fund has invested in a number of onshore wind farm projects in Spain, Finland and Lithuania. Liabilities related to guarantees and remaining commitments totalled EUR 1.0 million at the balance sheet date.

Lorex

In 2023, the Pension Fund invested in two solar farms in California and a battery storage unit connected to the solar farms. Liabilities related to guarantees and remaining commitments totalled USD 1.2 million at the balance sheet date.

He Dreiht

In 2023, the Pension Fund invested in a German offshore wind farm. The farm is under construction and expected to be completed at the beginning of 2026. Liabilities related to guarantees and remaining commitments totalled EUR 3.3 million at

Stegra (H2 Green Steel)

The Pension Fund has provided loan finance for the construction of a green steel production plant in northern Sweden based on renewable energy. Liabilities related to guarantees and total commitments constituted EUR 2,967 at the balance sheet

Volarem

The Pension Fund has committed to investing in a French wind turbine and solar park development company. Total commitments totalled EUR 1.1 million at the balance sheet date. The first commitments were drawn down in January 2025.

AIP Infrastructure V SCSp

Silicon Ranch Corporation (SRC)

The Pension Fund has invested in an American solar energy company, which has operations and development projects in several states in the US. Liabilities related to guarantees, etc. totalled USD 35,053 at the balance sheet date.

Ardenham, UK

The Pension Fund has invested in an energy storage company that operates and develops battery projects in the UK. Liabilities related to guarantees, etc. and remaining commitments related to projects in development totalled GBP 2.8 million at the balance sheet date.

Coalburn 2

The Pension Fund has committed to investing in an energy storage project comprising battery technology in Scotland. Liabilities related to guarantees, etc. and remaining commitments totalled GBP 2.6 million at the balance sheet date.

Other liabilities, etc.

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

Note 15
Related parties, etc.

The Pension Fund has investments in the following group enterprises:	Activity	Place of regist	Owners hip interest	›rofit/Los	Equity
Farmakonomernes Ejendomsaktieselskab	Investment in land and buildings	Gentofte	100,0%	2,9	13,2
Farmapension A/S	Administration	Gentofte	100,0%	0,0	0,5

The Pension Fund has investments in the following associates:	Activity	Place of regist	Owners hip interest	›rofit/Los	Equity
SPKA Holding A/S	Property management	Ballerup	32,3%	-34,6	915,0

No related parties have control of the Pension Fund.

No transactions have been conducted with the Board of Directors and the Executive Board other than for remuneration purposes, see Note 6

Pensionskassernes Administration A/S performs administrative tasks for the Pension Fund. 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 16
Risk information

The Pension Fund's business model 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
- Insurance risks
- Operational risks

Market risk is the Pension Fund's most significant risk. Market risk is the risk of the Pension Fund'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 constitutes the primary market risk to the Pension Fund. The Board of Directors has determined a risk framework for the different asset classes. The risks are quantified in the Pension Fund's risk models, and a capital reserve is maintained for this purpose.

Insurance risks in the form of mortality improvements, changes in the number of individuals receiving early retirement pension and the risk of increased transition to deferred pensions and repurchase among members are also among the most significant risks for the Pension Fund. The Pension Fund's business model mitigates insurance risks, and the risk of major losses for the Pension Fund in this area is minimal.

The Pension Fund 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 Pension Fund and that the Pension Fund does not take operational risks beyond the Board's risk appetite without involving the Board.

Note 16, continued

The purpose of operational risk management is to protect the Pension Fund against unintended losses, including financial losses, loss of reputation, business disruption and other negative consequences. The Pension Fund 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 Pension Fund. The Pension Fund 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 and impact assessment.

Note 17

Specification of assets and their return

	Carrying amount		Return as a percentage p.a.
	Beginning of year	End of year	
Land and buildings	**67,1**	**74,7**	**0,5**
Listed investments	2.235,3	17,6	99,3
Unlisted investments	2.556,0	5.644,0	4,9
Total investments	**4.791,3**	**5.661,6**	**5,0**
Government and mortgage bonds	5.374,6	3.671,4	1,6
Index-linked bonds	0,0	0,0	-
Credit bonds and emerging markets bonds	3.006,0	3.042,7	1,2
Loans and advances, etc.	1.454,8	1.340,6	0,8
Total bonds and loans	**9.835,4**	**8.054,7**	**1,6**
Subsidiaries	**0,0**	**0,0**	**0,0**
Other investment assets	**512,2**	**348,6**	
Derivative financial instruments hedging the net change in assets and liabilities	**-178,5**	**-77,7**	

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



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