

Annual Report 2024

Norli Pension Livsforsikring A/S

Midtermolen 1, 2100 Copenhagen Ø

Reg.No.: 29 63 78 73

Reviewed and approved at the Annual General Meeting, April 28 2025

Chairman of the Annual General Meeting

Content

| | |
|--|----|
| Management review | 2 |
| 5-year highlights | 2 |
| Norli Pension Livsforsikring A/S 2024 | 3 |
| Activity | 3 |
| Financial results | 3 |
| Financial and insurance related risks | 5 |
| Investments | 6 |
| Organisation | 7 |
| Board of Directors | 8 |
| Audit and Risk Committee | 8 |
| Corporate social responsibility | 8 |
| Data Ethics | 9 |
| Outlook for 2025 | 9 |
| Directorships and executive positions | 10 |
| Company information | 12 |
| Statement by the Management Board and the Board of Directors | 13 |
| Independent auditor's report | 14 |
| Financial statements | 18 |
| Income statement & Other comprehensive income | 18 |
| Balance sheet | 19 |
| Statement of Capital | 21 |
| Notes | 22 |

Management review

5-year highlights

| TDKK | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|-----------|-----------|-----------|-----------|-----------|
| Life insurance premiums | 12,414 | 14,347 | 16,078 | 18,236 | 22,059 |
| Claims and benefits | -235,399 | -256,542 | -285,470 | -315,721 | -355,409 |
| Return on investment | 79,083 | 158,315 | -455,543 | -114,753 | 160,315 |
| Total operating expenses relating to insurance | -19,852 | -19,298 | -19,453 | -20,651 | -21,230 |
| Profit on ceded business | -1,224 | -16 | -1,289 | -52 | 3,553 |
| Technical result | 25,301 | 3,602 | 62,970 | 64,191 | -3,449 |
| Net profit/(loss) for the year | 24,641 | 18,835 | -39,608 | 13,467 | 17,083 |
| | | | | | |
| Total provisions for insurance and investment contracts | 1,727,336 | 1,924,895 | 2,053,560 | 2,752,585 | 3,205,496 |
| Total equity | 177,020 | 312,379 | 368,543 | 558,151 | 544,684 |
| Total assets | 2,138,311 | 2,912,184 | 3,317,176 | 3,922,889 | 4,457,672 |

Key figures

| | | | | | | |
|--|------|-------|-------|-------|-------|-------|
| Rate of return related to average interest rate products | % | 5.1 | 8.5 | -16.9 | -3.4 | 5.6 |
| Expense ratio on provisions | % | 1.1 | 1.0 | 0.8 | 0.7 | 0.6 |
| Expenses per insured | dkk. | 2,086 | 1,872 | 1,748 | 1,699 | 1,612 |
| Return on equity after tax | % | 9.2 | 11.0 | -9.6 | 2.4 | 3.2 |
| Solvency coverage ratio | % | 187 | 291 | 264 | 323 | 229 |

The key ratios are calculated in accordance with the provisions of the Danish Insurance Business Act, including the Danish FSA's Executive Order No. 503 of 23 May 2024 on financial reports for insurance companies.

Norli Pension Livsforsikring A/S 2024

Activity

The business model of Norli Pension Livsforsikring A/S ("Norli Pension" or "the Company") is to acquire portfolios of guaranteed pension policies in run-off or to take over the risk associated with these portfolios through alternative risk transfer arrangements. The Company does not accept new individual customers.

In 2024 the Company realised a result of DKK 25 million after tax. The Company managed to maintain a high solvency ratio throughout the year. This even though the Company paid out an interim dividend of DKK 160 million in 2024.

Major events

Transfer of portfolio

The Board of Directors has approved a plan to transfer the life insurance portfolio from Norli Pension to the sister company Norli Liv og Pension with the objective of realizing administrative synergies. As of the beginning of 2025 the portfolio will be transferred and managed within Norli Liv og Pension's administration systems, generating ongoing synergies that will benefit both customers and shareholders.

Regulatory supervision

In 2024 the Company received several reactions regarding governance from the Danish FSA. All reactions were resolved before the end of the year.

Norwegian activity

In 2023, the Company received approval from the Norwegian Financial Supervisory Authority to establish a Norwegian life insurance subsidiary, facilitating entry into the Norwegian market, where interest in divesting pension portfolios has been observed. The Company has been active in the Norwegian market to acquire portfolios and will continue this pursuit in 2025.

Financial results

Norli Pension's pre-tax result amounts to DKK 32 million for 2024 compared to DKK 25 million for 2023. Net result stands at DKK 25 million for 2024 compared to DKK 19 million for 2023. The profit for the year is overall satisfactory.

According to the Danish contribution principles the net result can be split as follows:

| DKK'm | 2024 | 2023 |
|---|-----------|-----------|
| Interest rate result | 47 | 37 |
| Insurance result | -17 | -17 |
| Other income / expenses | -1 | -3 |
| Shareholders' investment result | 3 | 8 |
| Income tax | -7 | -6 |
| Profit/loss for the year after tax | 25 | 19 |

Insurance result is comprised by risk and expense result.

As can be seen from the table above the Company realised a large positive interest rate result for 2024 while the insurance result was negative.

The insurance result consists of a negative risk result of DKK 6 million, and a negative cost result of DKK 11 million.

The investment return for 2024 net of related expenses amounted to DKK 92 million before pension investment return tax.

The return reflects the impact of decreasing credit risk premia as well as changes in interest rates during the year.

Expenses directly attributable to shareholders are displayed in other income / expenses.

In 2024, gross premiums amounted to DKK 12 million against DKK 14 million in 2023. Gross premiums decreased by 13%, which is expected for a portfolio in run-off.

Benefits paid amounted to DKK 235 million in 2024, down 8% compared to 2023.

Insurance operating expenses for 2024 amounted to DKK 20 million, which is at the same level as 2023 despite having incurred expenses related to the transfer of the portfolio to the sister company Norli Liv og Pension A/S.

The balance sheet declined from DKK 2,912 million at year-end 2023 to DKK 2,138 million for the reporting year. Provisions for insurance and investment contracts totalled DKK 1,727 million at year-end 2024 against DKK 1,925 million in 2023. The decrease is as expected for the current portfolio in run-off.

Shareholders' equity amounted to DKK 177 million at year-end 2024 compared to DKK 312 million in 2023. The decrease is due to a payment of dividends of DKK 160 million during 2024 and the positive result for the year.

Events subsequent to 31 December 2024

At the beginning of 2025 the company transferred the entire portfolio to its sister company Norli Liv og Pension A/S. The transfer did not give rise to any significant gain or loss

| Norli Pension | | |
|---|-------------------|-------------------|
| Solvency according to the Solvency II rules | 31.12.2024 | 31.12.2023 |
| Own funds | 191 | 328 |
| Solvency requirement | 102 | 113 |
| Excess capital base relative to solvency requirement | 89 | 215 |

No further events have occurred between 31 December 2024 and the date of the signing of this financial statement that, in the opinion of the management, will materially affect Norli Pension's financial position.

Recognition and measurement uncertainty

The most significant estimates are related to the calculation of fair values of unlisted financial instruments and the measurement of liabilities under insurance contracts.

Management believes that the level of uncertainty in the financial reporting for 2024 is acceptable.

Solvency statement and capital requirement

As of 31 December 2024, the solvency ratio was 187%, which is a decrease from 291% on 31 December 2023. The driver of this decrease is a dividend payout in 2024 of DKK 160 million.

Relative to the capital requirement the Company continues to have substantial excess capital. The Company will optimize the capital level and capital structure of the Company.

The Company calculates the solvency requirement and solvency ratio in accordance with the Solvency II regulation.

To determine its risk exposure, the Company uses the Solvency II standard formula.

| | 2024 | 2023 | 2022 | 2021 | 2020 |
|--------------------------|-------------|-------------|-------------|-------------|-------------|
| Solvency ratio, % | 187 | 291 | 264 | 323 | 229 |

Financial and insurance related risks

Sensitivity analysis prepared according to financial regulation is published in "Rapport om solvens og finansiel situation" on the Company web page (<https://norlipension.dk/om-os/regnskaber/>).

Risk management

Risk management is an integrated part of Norli Pensions business. To ensure the best possible risk management system, roles and responsibilities are clearly defined. The Board of Directors determines the appropriate level of risk exposure on an aggregated level. The risk profile is described in the risk strategy and quantified in policies and guidelines approved by the Board of Directors. The management of Norli Pension manages risks in every aspect under the guidelines and other instructions given by the Board of Directors. This responsibility includes the management of risks as well as the implementation and management of an effective internal system of control. The management has established a risk management function and has appointed a fit and proper key person in charge of the function. The risk management function develops and maintains the risk management system and ensures that all risks are identified, reported and managed.

To ensure a solid foundation for risk management, control and overall compliance, the Company maintains two central committees: a Risk and Compliance Committee (RCK) and a Financial Risk Committee (FRK). The first committee, RCK, meets four times a year and identifies and assess risks within the Company business areas. The assessment is performed by the person responsible for the business area together with the risk and compliance functions and in full cooperation with the internal audit function. The committee assesses changes in regulation, incidents, and appropriateness of the internal system of control. The second committee, FRK, monitors financial risks and risks with a substantial financial impact. The committee also oversees reporting done by a subcommittee, the Credit Risk and Valuation Committee. The FRK reports regularly to the Board of Directors of its assessments.

Financial Risks

The financial risks of Norli Pension are mainly related to uncertainty in the asset-liability matching, i.e. the uncertainty in the development of the value of the Company's investment assets relative to the development of the value of its liabilities. The Company hedges the financial risks of its liabilities using financial instruments.

Monitoring and management of financial risks were a continued focus area in 2024. Special focus has been on the management of ALM risks, and hereby on the management of the impact of changes in the level of interest rates and the level of volatility adjustment.

Risks regarding benefits and expenses

Norli Pension is exposed to the risk associated with the uncertainty of the future benefits and administration expenses. Examples of the risks associated with the future benefits includes an increase in the number of claims related to disability and a change in lapsation. For the administration expenses the risk stems from the situation where the realized administration expenses turn out to be higher than expected.

Norli Pension's expectations to future benefits and expenses are embedded in the provisions. The provisions are based on biometric assumptions, as well as policyholder behaviour and expense assumptions. An analysis of the assumptions is performed at least once a year.

In 2024 Norli Pension has had a reinsurance program that protects the Company against large single claims as well as multiple claims due to a single event.

Norli Pension is subject to Danish rules regarding contribution under which the Company makes sure, that no systemic redistribution of funds among policyholders occurs. The policyholders in Norli Pension are divided into interest groups. Within each group the average technical interest rate per policy can differ by no more than one percentage point. Furthermore, the policies are segmented in groups regarding insurance risk as well as expenses.

Investments

Development in Financial Markets

Asset returns remained robust in 2024, driven by stronger-than-expected economic growth and the long-anticipated shift towards interest rate cuts by central banks. A dominant market theme was "US exceptionalism" as US economy showed a significant outperformance relative to Europe and other regions. In financial markets this was, among other things, reflected in an increase for that the US stock index S&P 500 of more than 25 percent for the year, while the US technology stocks called the Magnificent 7 were up more than 67 percent. European and global equities delivered smaller but solid returns at 10 to 19 percent measured by the indices Euro Stoxx 600 and MSCI world, respectively. Risky assets generally performed well throughout the year including positive returns on credits and Danish mortgages which were supported by tighter credit spreads especially against government bonds.

The financial markets were, however, marked by significant changes in sentiment during the year. At the start of the year US economic data surprised on the upside and tension in the Middle East resulted in oil prices hitting a peak for the year above \$92/bbl in the beginning of Q2. This meant that the market shifted focus from interest cuts to the narrative of "higher for longer" rates in US. In Europe inflation data eased and the Swiss National Bank delivered a rate cut in March while the ECB followed with its first rate cut of 25bp since the pandemic in June.

During the summer, the development in US data reversed and especially data for the labor market showed signs of weakness. At the same time, the Bank of Japan surprised the market with its first rate hike in 17 years, which resulted in unwinding of large positions in Yen carry trades. This caused a significant market turbulence at the beginning of August, which saw an intraday drop in the Japanese stock indices of more than 12 percent. However, the market turbulence was short-lived, partly because the American central bank indicated that an adjustment of the monetary policy was imminent. In September this resulted in a rate cut of as much as 50bp. This supported a fall in longer interest rates and a strong performance for bonds, but development was reversed already in October when data for the US economy surprised on the upside again. In November, US stocks delivered their best monthly performance of the year due to the prospect of corporate tax cuts, deregulation and higher fiscal spending as Donald Trump won the US election by a wide margin, also securing the House and Senate. In the final month of the year, market sentiment shifted again, driven by fears of inflation due to anticipated changes in U.S. economic policies, including higher tariffs and the associated risk of increased inflation.

The market thus ended the year with a solid increase in interest rates and a minor correction in equity prices.

Overall, the development in financial markets resulted in lower risk premiums and lower interest rates for European and Danish swaps which contribute positively to the returns of the Company's investment assets.

Returns on investment assets are generally satisfactory when compared to their respective benchmarks. Danish mortgage bonds and alternative credit have thus delivered returns above their respective benchmarks.

Investment Policy

The management of the investment portfolio and the overall asset allocation of Norli Pension are governed by policies issued by the Board of Directors. In addition, the Board of Directors of Norli Pension has issued a policy for responsible investments to ensure that the Company takes environmental, social and governance aspects into account in connection with its investment activities. External and internal asset managers are instructed to comply and report according to policy company guidelines. The guidelines are embedded in relevant investment processes e.g. due diligence processes for alternative investments and onboarding processes for external asset managers. Referring to article 4, 1, a, of the EU Sustainable Finance Disclosure Regulation and based on the Company's limited size, nature and scale of activities, it has been decided to publish a statement on the company website, stating that it the Company does not consider "principal adverse impacts" (PAI) of investment decisions on sustainability factors.

Investment strategy and return

The objective of the Company's investment strategy is generally for the investment portfolio to achieve a return that is consistent with the development in its obligations towards its policyholders. Interest rate hedging is applied to ensure that life insurance provisions are hedged against interest rate fluctuations. The investment portfolio is primarily invested in high-quality bonds with low credit risk and other credit assets while the interest rate risk is managed with interest rate derivatives.

In 2024, Norli Pension's total investment return including the effect of hedging activities was 4,7% respectively 3,6% (gross respectively net of investment-related expenses and pension investment returns tax).

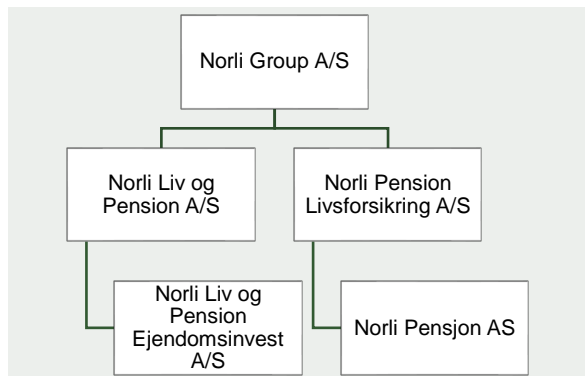
The contribution to the return of bonds and credit assets was 4,4% while the contribution of the hedging of interest rate risk of the Company's liabilities (high-quality bonds and interest rate derivatives) was -0,1%.

Norli Pension intends to continue to use financial instruments to hedge financial risks.

Organisation

Norli Group

Norli Group is the sole owner of Norli Pension Livsforsikring A/S.



Norli Pension has outsourced all operational insurance activities, the actuarial function and the risk management function to its outsourcing partner, Forca A/S. Norli Pension has outsourced part of the internal audit function to Adviseense.

Furthermore, Norli Pension has outsourced the management of its portfolio of mortgage bonds to an external asset manager.

Management and employees

At the end of 2024, Norli Pension had 1 fulltime employee and 10 split time employees.

Norli Pension has approved a bonus program and a remuneration policy. The bonus program applies to certain key persons and the executive management. The bonus program is compliant with market standards.

The remuneration policy is established by the Board of Directors and afterwards approved by the Annual Meeting. The remuneration policy applies to the Board of Directors, the management and to employees, if the activity performed by the employees has a significant influence on the risk profile of Norli Pension, i.e. significant risk takers, including employees in control functions. For the management applies that the variable pay may constitute up to 50% of the basic pay including pension contribution. For significant risk takers the variable pay may constitute up to 100% of the basic pay including pension contribution. It also applies that as a minimum 50% of the variable pay must consist of subordinated debt. For the management the payment of 40% of variable pay must be postponed for a four-year period, for significant risk takers the duration of the postponement of the 40% is three years. However, if the variable pay to a significant risk taker exceeds a certain amount, 60% of the variable pay must be postponed for a three-year period.

Gender composition of the Board of Directors and management

The gender composition of the Board of Directors causes a representation of 33% of the underrepresented gender. Given the number of board members (3), the representation cannot become more equal and the gender composition is therefore also in line with company policy, which has been approved by the Board of Directors in June 2024.

The executive management consist of two members of same gender. When changes to the executive management are deemed necessary, the Company will prefer to ensure an equal gender composition. On a side note, the two top management levels (the Board of Directors and the Executive Management) when seen together, have a gender composition of 60/40 which is deemed equal.

Gender compositions

| Members of Board of Directors | 2024 | 2023 |
|---------------------------------------|----------------|------------|
| Members in total | 3 | 3 |
| Underrepresented gender in percentage | 33% | 33% |
| Gender target in percentage | 40% | 33% |
| Expected time for target realisation | Target met | Target met |
| Executive Management | 2024 | 2023 |
| Persons in total | 2 | 1 |
| Underrepresented gender in percentage | 0% | 0% |
| Gender target in percentage | 40% | * |
| Expected time for target realisation | Within 5 years | * |
| Non-executive Management | 2024 | 2023 |
| Persons in total | 3 | 4 |
| Underrepresented gender in percentage | 33% | 25% |
| Gender target in percentage | 40% | * |
| Expected time for target realisation | Within 5 years | * |

* On 31 December 2023 no gender targets were approved. However, prior to the Board of Directors' approval of the Annual Report 2023, gender targets have been approved

The Company are committed to fostering an inclusive workplace culture that champions equal opportunities for both genders. The Company strive to achieve more even gender balance across all levels of management, with a goal to increase the representation of the underrepresented gender.

Board of Directors

In compliance with Danish legislation, Norli Pension A/S has a two-tier management system with a Board of Directors and an executive management. The responsibilities and duties of the Board of Directors and the executive management are defined in the rules of procedure of the Board of Directors.

The Board of Directors makes an overall assessment of qualifications and work procedures once a year. The evaluation is presided over by the Chairman of the Board of Directors.

Composition and organisation of the board of directors

During 2024 the Board of Directors consisted of Vivian Lund, Nina Christensen and Henrik Gade Jepsen. Vivian Lund is appointed chairman of the Board of Directors.

All members of the Board of Directors are elected every year on the ordinary annual meeting, and all current members of the Board of Directors are independent.

Presentation of the members of the Board of Directors and the Management is provided in the section listing directorships below.

The Board of Directors has considered the qualifications and skills necessary for the Board of Directors in relation to the business plan of Norli Pension, and the assessment is that the Board of Directors meets these qualifications and skills.

During 2024 the Board of Directors has held 9 board meetings. 4 of these meetings were ordinary meetings, the remaining meetings were extraordinary meetings.

Audit and Risk Committee

The Audit and Risk Committee consists of all members of the Board of Directors. During 2024 Nina Christensen has been chairman of the Audit and Risk Committee.

In accordance with the legislation, at least one member of the audit committee must be independent of the company and must have skills within the area of accounting or auditing. The Board of Directors has appointed Nina Christensen, who is independent of the Norli Pension. Nina Christensen has held several positions with connection to life insurance business in numerous companies. In addition, she is also engaged in several start-ups. Nina Christensen has through these positions obtained qualifications which qualifies her to submit accounts in financial companies.

The main tasks of the Audit and Risk Committee are to report to the Board of Directors on the result of the statutory audit, to supervise the financial reporting process, to supervise the internal audit reporting and the risk reporting in order to ensure the effectiveness hereof in relation to the financial reporting, to ensure and supervise the independence of the statutory auditors and to be responsible for the procedure of electing and nominating the statutory auditors.

Meetings are held in the Audit and Risk Committee prior to ordinary board meetings in Q1, Q2 and Q4. The agenda of the

Audit and Risk Committee meetings follows the plan adopted by the Board of Directors.

During 2024 the members of the Audit and Risk Committee have attended all meetings.

Corporate social responsibility

Due to the legal requirements stated in Executive order of financial reporting by insurance companies paragraph 142, the company reports its policy and procedures in relation to CSR and climate.

Norli Pension's responsibilities in respect of CSR and climate are covered by the Company policy on responsible investments.

The Company complies with relevant regulation and accommodates legal and ethical expectations put forward by clients, stakeholders and society.

The pensions industry and the rest of the financial sector continues to have Anti-Money Laundering as a top priority. In accordance with the AML policy the Company is putting effort into reducing crime in society through the continued effort to improve the Company's AML policy and processes. As a pension service provider, Norli Pension can be exploited by criminals intending to launder money or by criminals trying to employ money for illicit purposes. AML risk for Norli Pension (being part of the pensions industry) is considered low in accordance with the risk assessment put forward in the "National AML Risk Assessment" issued in 2022 by the Danish Financial Intelligence Unit (FIU). In accordance with regulation and Company policy suspicious activities will be reported to the police without delay.

Norli Pension has a "Policy for Responsible Investments" that describes the approach approved by Board of Directors to consider its investment principles and processes in respect of international conventions and declarations on human rights, responsible climate action, children rights, etc.

Norli Pension will observe fundamental human rights such as United Nation's Universal Declaration on Human Rights, which Denmark has undertaken to comply with, in all aspects of business administration, product management, client relationships and investment processes. Furthermore, Norli Pension will observe the principles in UN Global Compact, The OECD Guidelines for Multinational Enterprises, the United Nations Convention on the Rights of the Child and the United Nations Framework Convention on Climate Change (Paris Agreement).

These conventions and guidelines are the foundation for the Policy on Responsible Investments, which lays out principles and guidelines for the day-to-day management of the company investment assets.

In the current financial period, there has not been identified any human rights violations, as a result of the Company's activities.

Norli Pension is actively screening all of its investment assets against a list of specific industries and types of activity that the Company wants to limit its exposure to. The “Policy for Responsible Investments” is available to the public on the corporate website, where the company declares itself according to SFDR 2019/2088 art 4.1.b).

Norli Pension has a comprehensive risk assessment and risk management system which in addition to the quantitative risks captured in the Solvency Capital Requirement (SCR) using the Standard Formula, identifies and includes other emerging risks and risks otherwise excluded from the SCR. In this respect there has been a growing risk of future losses from the effects of climate changes.

Norli Pension is actively investigating the potential impacts on the Company. Given the business model, climate risk is presently assessed as being non-material during the strategic planning period.

The Company assesses at least annually the degree of exposure to sustainability risk, including the impact of climate changes. The assessment is focusing on the investment assets and specifically the investment categories of Government and Mortgage Bonds, Corporate Credit, Credit to Infrastructure and Real Estate Financing. The assessments are based primarily on the maturity of the investments and diversification of collateral, which for all categories is considered to contribute to a low overall risk of material adverse impact on investment performance. In addition to this, the company is considering the potential impact of climate changes to the assumptions underlying the liabilities.

In addition to the above, most investments are of a long-term nature and managed by external managers through investment management agreements. The Company's credit investments mainly consist of debt issued by unlisted companies with limited public information on overall sustainability. Consequently, the Company has limited abilities in way of reducing the climate footprint of the investments. The potential benefits of estimating the marginal CO₂-footprint are deemed insignificant and gained with a high relative cost. The Company does therefore not estimate nor disclose CO₂-footprint as otherwise proposed by the standard from Insurance & Pension Denmark on climate reporting. When the financial markets mature in terms of more readily available sustainability data, the Company will reconsider this approach.

A positive result of the approach settled in the Policy on Responsible Investments is that the Investment portfolio has become less exposed to negative climate risk during the reporting period. It is the company assessment that this risk reduction has been achieved without any reduction in expected future investment return.

Data Ethics

Due to the legal requirements stated in “Bekendtgørelse om finansielle rapporter” § 146, the Company reports its policy and procedures in relation to data ethics.

Norli Pension has a strong commitment in relation to protection of personal data. In this regard Norli Pension respects the principles covering the insurance industry as such.

Norli Pension has a clear intention of being able to service its policy holders via digital solutions in a responsible manner which protects the personal data of the policy holders while at the same time providing them with an effective case management.

Norli Pension will only collect information from the policyholders where necessary in order to provide advice on life insurance and associated products for the benefit of the policyholders in respect of their current and future insurance coverage.

Norli Pension has strong and continuing focus on data protection, compliant with legal requirements.

Outlook for 2025

At the beginning of 2025 the Company transferred the portfolio and all assets and liabilities related to the portfolio to its sister company Norli Liv og Pension A/S.

The Company expects the result for 2025 around DKK 6 million profit before tax given unchanged financial conditions and unchanged activity level.

The financial guidance is based on the current level of interest rates.

Directorships and executive positions

Board of Directors

Vivian Lund

| | Directorships within Norli Group | Directorships outside Norli Group |
|-----------------|--|---------------------------------------|
| Chairman | Norli Group A/S Norli Liv og Pension Livsforsikring A/S | Fundrock Asset Management Denmark A/S |

Nina Christensen

| | Directorships within Norli Group | Directorships outside Norli Group |
|---------------------|--|-----------------------------------|
| Board Member | Norli Group A/S Norli Liv og Pension Livsforsikring A/S | |
| CEO | | Utilis Consult |

Henrik Gade Jepsen

| | Directorships within Norli Group | Directorships outside Norli Group |
|---------------------|--|-----------------------------------|
| Board Member | Norli Group A/S Norli Liv og Pension Livsforsikring A/S | |

Executive Management Board**Claude Emile Frigout Reffs**

| | Directorships within Norli Group | Directorships outside Norli Group |
|---------------------|---|-----------------------------------|
| Chairman | Norli Pensjon AS | |
| Board member | Norli Liv og Pension Ejendomsinvest A/S | |
| CEO | Norli Group A/S Norli Liv og Pension Livsforsikring A/S Norli Liv og Pension Ejendomsinvest A/S | |

Peter Trägårdh Christensen

| | Directorships within Norli Group | Directorships outside Norli Group |
|---|--|-----------------------------------|
| Director/CRO (CRO until the beginning of September 2024) | Norli Group A/S Norli Liv og Pension Livsforsikring A/S Nordisk Pensionservice A/S | |

Company information

| Registration | | |
|---|--|--|
| Name | Address | Main phone |
| Norli Pension Livsforsikring A/S | Midtermolen 1 DK - 2100 Copenhagen Ø | +45 38 20 24 00 |
| Company reg. no (CVR) | Municipality | e-mail |
| 29 63 78 73 | Copenhagen | norlipension@norlipension.dk |
| | | Webpage |
| | | www.norlipension.dk |
| Board of Directors | | |
| Vivian Lund <i>Chairman</i> | Nina Christensen | Henrik Gade Jepsen |
| Management | | |
| Claude Emile Frigout Reffs <i>Chief Executive Officer</i> | Peter Trägårdh Christensen <i>Executive Officer</i> | |
| Auditors | | |
| EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36 2000 Frederiksberg | | |
| Shareholder | | |
| Norli Pension Livsforsikring A/S is a 100% owned subsidiary of Norli Group A/S | | |

Statement by the Management Board and the Board of Directors

The Board of Directors and the management have today considered and approved the financial report for the financial year 1 January – 31 December 2024 regarding Norli Pension Livsforsikring A/S.

The annual report has been prepared in accordance with the requirements of relevant law and regulations, including the Danish Insurance Business Act.

It is the opinion of the Board of Directors and the management, that the financial statements give a true and fair view of the financial position of Norli Pension at 31 December 2024 and

of its financial performance for the financial year 1 January – 31 December 2024. It is also the opinion of the Board of Directors and the management, that the management's review gives a true and fair view of the development in Norli Pension's activities and financial position and describes the major risks and uncertainties which Norli Pension is facing.

The financial report is presented for the annual general meeting for adoption.

Management Board

Copenhagen, 01 April 2025

Claude Reffs
Chief Executive Officer

Peter Trägårdh Christensen
Executive Officer

Board of Directors

Copenhagen, 01 April 2025

Vivian Lund
Chairman

Nina Christensen

Henrik Gade Jepsen

Independent auditor's report

To the shareholders of Norli Pension Livsforsikring A/S

Opinion

We have audited the financial statements of Norli Pension Livsforsikring A/S for the financial year 1 January – 31 December 2024, which comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Insurance Business Act.

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

Our opinion is consistent with our long-form audit report to the Audit Committee and the Board of Directors.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements

applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

To the best of our knowledge, we have not provided any prohibited non-audit services as described in article 5(1) of Regulation (EU) no. 537/2014.

Appointment of auditor

We were initially appointed as auditor of Norli Pension Livsforsikring A/S on 28 April 2022 for the financial year 2022. We have been reappointed annually by resolution of the general meeting for a total consecutive period of 3 years up until the financial year 2024.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year 2024. These matters were addressed during our audit of the financial statements as a whole and in forming our opinion thereon. We do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the "Auditor's responsibilities for the audit of the financial statements" section, including in relation to the key audit matters below. Our audit included the design and performance of procedures to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the financial statements as a whole.

Key audit matters

Measurement of provisions for insurance and investment contracts

The Company's provisions for insurance and investment contracts amounts to a total of DKK 1,727 million at 31 December 2024.

The measurement of provisions for insurance and investment contracts is a key audit matter in the audit as Management exercise significant estimates and judgements in connection with:

- Choice of methods, models and data
- Determination of assumptions for the measurement of provisions for insurance and investment contracts requires Management to apply complex judgements about future events.

Reference is made to note 7 to the financial statements for a specification of provisions for insurance and investment contracts and to note 28 for Management's description of risks, uncertainties and estimates made in respect of provisions for insurance and investment contracts as well as note 1 for a description of the accounting policies.

Measurement of unlisted investments

The Company's unlisted investments, including real estate, amounts to DKK 541 million at 31 December 2024 and consists of investments measured at fair value, where significant inputs are unobservable (level 3).

The measurement of unlisted investments is a key audit matter in the audit as Management exercise significant estimates and judgements in connection with:

- Choice of methods, models and data
- Determination of assumptions for the measurement of unlisted investments including assessment of future cash flows and required rate of return.

Reference is made to note 24 to the financial statements for a specification of unlisted investments, to note 25 for Management's description of risks, uncertainties and estimates made and to note 1 for a description of the accounting policies.

How our audit addressed the key audit matter

Our audit procedures performed in cooperation with our actuarial specialists included:

- Assessment of design and test of effectiveness of key controls in the processes over actuarial models, data and analysis, including the assumptions-setting processes.
- Comparison of methods and assumptions used with generally accepted actuarial standards, historical development and market practice, particularly regarding mortality rates, disability and reactivation assumptions.
- Test of accuracy and completeness of underlying data on a sample basis as well as review of actuarial calculations and models.
- Assessment and analyses of the development in provisions for insurance and investment contracts and changes to the models applied and assumptions used compared with prior year as well as the development in industry standards and market practice.

Furthermore, we assessed whether the disclosures relating to risks and uncertainties in respect of provisions made meet the relevant accounting rules.

Our audit procedures performed on management's measurement of unlisted investments include:

- Assessment of the methods and models applied based on type of investment, our industry knowledge and experience.
- Test of accuracy and completeness of underlying data on a sample basis.
- Assessment of key assumptions and testing of underlying documentation on a sample basis.

Furthermore, we assessed whether the disclosures relating to risks and uncertainties in respect of measurement of unlisted investments meet the relevant accounting rules.

Statement on the Management's review

Management is responsible for the Management' review.

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

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

Moreover, it is our responsibility to consider whether the Management's review provides the information required by relevant law and regulations.

Based on our procedures, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of relevant law and regulations. We did not identify any material misstatement of the Management's review.

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect a material misstatement when it exists.

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

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise

professional judgement and maintain professional scepticism throughout the audit. We also :

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Plan and perform the audit of the financial statements to obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business units as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed. 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 communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats and safeguards applied.

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 key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter .

Copenhagen, 01 April 2025
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Lars Rhod Søndergaard
State Authorised
Public Accountant
mne28632

Berk Akbay
State Authorised
Public Accountant
mne50155

Income statement & Other comprehensive income

| Note | TDKK | 2024 | 2023 |
|------|--|-----------------|-----------------|
| 2 | Gross premiums | 12,414 | 14,347 |
| 3 | Ceded insurance premiums | -1,188 | -1,065 |
| | Total premiums, net of reinsurance | 11,226 | 13,281 |
| | Income from group enterprises | -7 | -10 |
| 4 | Interest income and dividends, etc. | 42,499 | 49,176 |
| 5 | Value adjustments | 63,665 | 128,565 |
| | Interest expenses | -3,406 | -3,324 |
| | Administrative expenses related to investment activities | -10,740 | -12,003 |
| | Total investment return | 92,011 | 162,403 |
| | Tax on pension returns | -12,928 | -4,088 |
| 6 | Claims and benefits paid | -235,399 | -256,542 |
| 3 | Reinsurers' share received | 6,941 | 336 |
| | Total claims and benefits, net of reinsurance | -228,458 | -256,207 |
| 7 | Change in life insurance provisions | 197,557 | 128,675 |
| 3.8 | Change in reinsurers' share | -6,977 | 713 |
| | Total change in life insurance provisions, net of reinsurance | 190,580 | 129,389 |
| | Change in profit margin | 0 | 0 |
| | Administrative expenses | -19,852 | -19,298 |
| 9 | Total insurance operating expenses, net of reinsurance | -19,852 | -19,298 |
| | Transferred investment return | -7,278 | -21,878 |
| | TECHNICAL RESULTAT | 25,301 | 3,602 |
| 10 | Technical result of health and accident insurance | -348 | 4 |
| | Investment return on equity | 7,272 | 21,867 |
| 11 | Other expenses | -699 | -283 |
| | PROFIT BEFORE TAX | 31,526 | 25,189 |
| 12 | Tax | -6,885 | -6,354 |
| | NET PROFIT FOR THE YEAR | 24,641 | 18,835 |
| | NET PROFIT FOR THE YEAR | 24,641 | 18,835 |
| | NET COMPREHENSIVE INCOME FOR THE YEAR | 24,641 | 18,835 |
| | PROPOSED ALLOCATION OF PROFIT TO RETAINED EARNINGS | 24,641 | 18,835 |

Balance sheet

Assets

| Note | TDKK | 2024 | 2023 |
|------|---|------------------|------------------|
| | Investments in group enterprises | 9 | 17 |
| | Total investments in group enterprises | 9 | 17 |
| | Investment funds | 1,127,112 | 0 |
| | Bonds | 72,891 | 1,504,950 |
| | Equity investments | 541,367 | 600,148 |
| | Deposits with credit institutions | 264,195 | 323,258 |
| | Derivative financial instruments | 67,801 | 347,905 |
| | Total other financial investment assets | 2,073,366 | 2,776,261 |
| | TOTAL INVESTMENT ASSETS | 2,073,375 | 2,776,277 |
| 8 | Life insurance provisions, reinsurers' share | 1,018 | 7,995 |
| | Total technical provisions, reinsurer' share | 1,018 | 7,995 |
| | Receivables from policyholders | 17 | 102 |
| | Receivables from insurance companies | 5,778 | 3,639 |
| | Receivables from group companies | 4,794 | 3,961 |
| | Other receivables | 1,854 | 9,890 |
| | TOTAL RECEIVABLES | 12,443 | 17,593 |
| | Current tax assets on pensions returns | 7,645 | 7,645 |
| | Cash and cash equivalents | 29,636 | 32,549 |
| 13 | Deferred tax assets | 0 | 163 |
| | TOTAL OTHER ASSETS | 37,281 | 40,357 |
| | Accrued interest and rent | 8,234 | 63,189 |
| | Other prepayments and accrued income | 5,960 | 6,774 |
| | TOTAL PREPAYMENTS AND ACCRUED INCOME | 14,194 | 69,963 |
| | TOTAL ASSETS | 2,138,311 | 2,912,184 |

Liabilities and equity

| Note | TDKK | 2024 | 2023 |
|------|---|------------------|------------------|
| 14 | Sharecapital | 10,000 | 10,000 |
| 15 | Profit carried forward | 167,020 | 302,379 |
| 16 | TOTAL SHAREHOLDERS EQUITY | 177,020 | 312,379 |
| 7 | Life insurance provisions | 1,727,196 | 1,924,753 |
| | Provisions for claims | 112 | 117 |
| | Risk margin on non-life insurance contracts | 28 | 25 |
| | TOTAL PROVISIONS FOR INSURANCE AND INVESTMENT CONTRACTS | 1,727,336 | 1,924,895 |
| | Amounts owed direct insurance | 181 | 471 |
| | Amounts owed to credit institutions | 0 | 60,534 |
| | Derivative financial instruments | 199,801 | 533,620 |
| | Current tax liabilities | 9,624 | 5,000 |
| | Other debt | 12,953 | 30,632 |
| 17 | TOTAL DEBTS | 222,559 | 630,258 |
| | ACCRUALS AND DEFERRED INCOME | 11,396 | 44,653 |
| | TOTAL LIABILITIES AND EQUITY | 2,138,311 | 2,912,184 |
| 18 | Contractual obligations, collateral and contingent liabilities | | |
| 19 | Information in accordance with the provisions of the Danish Financial Business Act § 78 | | |
| 20 | Related parties | | |
| 21 | Financial highlights | | |
| 22 | Breakdown of assets and returns | | |
| 23 | Financial instruments at fair value | | |
| 24 | Fair value hierarchy for financial instruments | | |
| 25 | Risk management | | |

Statement of Capital

| TDKK | Share capital | Other reserve | Retained earnings | Proposed dividend | Total |
|---|------------------|------------------|----------------------|----------------------|----------------|
| Shareholders' equity at 31 December 2022 | 90,008 | | 278,536 | 0 | 368,544 |
| Restruct capital | -80,008 | 80,008 | | | |
| Dividend paid | 0 | | -75,000 | | -75,000 |
| Other comprehensive income | | | 18,835 | 0 | 18,835 |
| Shareholders' equity at 31 December 2023 | 10,000 | 80,008 | 222,371 | 0 | 312,379 |
| Extraordinary dividend paid | | | -50,000 | | -50,000 |
| Extraordinary dividend paid | | | -110,000 | | -110,000 |
| Other comprehensive income | | | 24,641 | 0 | 24,641 |
| Shareholders' equity at 31 December 2024 | 10,000 | 80,008 | 87,012 | 0 | 177,020 |

| Capital base | 31.12.2024 | 31.12.2023 |
|---|----------------|----------------|
| Shareholders' equity end of year | 177,020 | 312,379 |
| Adjustment between Solvency II and accounting balance sheet | 13,954 | 15,895 |
| Capital base, end of year | 190,974 | 328,274 |

Notes

Note 1 Significant accounting policies

General

The financial statements have been prepared in accordance with the provisions of the Danish Insurance Business Act, including the Executive Order on Financial Reporting for insurance companies and multi-employer occupational pension funds.

The accounting policies used in the preparation of the financial statement are consistent with the accounting policies used for the financial statements of Norli Pension Livsforsikring A/S 2023.

Norli Pension is a 100% owned subsidiary of Norli Group A/S and is included in the consolidated financial statements for Norli Group A/S. Group accounts are therefore not prepared for Norli Pension.

The annual financial statements are presented in Danish kroner (DKK), which is the primary currency of the company's activities and the functional currency. All other currencies are deemed to be foreign currencies. Assets and liabilities denominated in foreign currency are recognised at the rates of exchange prevailing at the balance sheet date. Income and expenses denominated in foreign currency are recognised at the rates of exchange prevailing at the transaction date. Exchange gains and losses are recognised in the income statement.

Significant accounting estimates and judgments

Managements estimates and judgments of future events that will significantly affect the carrying amounts of assets and liabilities underlie the preparation of the financial statements. The estimates and judgments that are deemed to be most critical to the consolidated financial statements are:

- the measurement of liabilities under insurance contracts
- the fair value measurement of unlisted financial instruments

Measurement of liabilities under insurance contracts

Liabilities under insurance contracts are measured in accordance with the rules of the Danish executive order on financial reports presented by insurance companies. Calculations of liabilities under insurance contracts are based on a number of actuarial computations that rely on assumptions about a number of variables, including mortality and disability rates.

Insurance liabilities are calculated by discounting the expected future benefits to their present values. For life insurance, the expected future benefits are based on expected future mortality rates and frequency of early release of pensions and conversions into paid-up policies. For health and accident insurance, the insurance obligations are calculated on the basis of expected future recoveries and re-

openings of old claims. Estimates of future mortality rates are based on the Danish FSA's benchmark.

Fair value measurement of unlisted financial instruments

Unlisted investments are valued on the basis of reporting and other information from the individual company and observable market data of companies with a similar risk profile. Unlisted funds are valued on the basis of valuations received from the fund manager, other reporting received from the fund manager, information from other sources and/or observable market data of assets with a similar risk profile.

Unlisted instruments are measured at fair value on the balance sheet date.

Fair value measurement of financial instruments

Critical estimates are not used for measuring the fair value of financial instruments where the value is based on prices quoted in an active market or on generally accepted models employing observable market data.

Measurements of financial instruments that are only to a limited extent based on observable market data are subject to estimates. This includes the measurement of certain listed shareholdings and certain bonds for which there is no active market. See financial investment assets below for a more detailed description.

General principles of recognition and measurement

Assets are recognised in the statement of financial position when it is probable that future economic benefits will flow to the Company, and the value of such assets can be measured reliably.

Liabilities are recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Company, and the value of such liabilities can be measured reliably.

On initial recognition, assets and liabilities are measured at cost, with the exception of financial assets, which are recognised at fair value. Measurement after initial recognition is affected as described below for each item. Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the statement

of financial position date are considered at recognition and measurement.

Income is recognised in the income statement as earned, whereas costs are recognised by the amounts attributable to this financial year. Value adjustments of financial assets and liabilities are recognised in the income statement unless otherwise described below.

Currency

The presentation currency of the financial statements is Danish kroner, which is the functional currency of Norli Pension.

Transactions in foreign currency are translated at the exchange rate of the unit's functional currency at the transaction date. Monetary assets and liabilities in foreign currency are translated at the exchange rates at the balance sheet date.

Gains and losses on exchange rate differences arising between the transaction date and the settlement date are recognised in the income statement.

Contribution

In accordance with the Executive Order on the Contribution Principle, the Danish FSA has been notified of Norli Pensions profit policy. The portfolio of Norli is divided into 15 interest rate groups, two risk groups and to cost groups.

In addition, the portfolio also includes a group of policyholders without the right to bonus, which is excluded from contribution.

Within each interest rate group, any losses are absorbed collectively by that group's collective bonus potential, individual bonus potentials and the profit margin, before any shareholders' equity is required to cover such losses. Any losses on risk and cost groups not absorbed by the collective bonus potential of the individual groups are to be covered by shareholders' equity.

INCOME STATEMENT

Life insurance premiums

Regular and single premiums on insurance contracts are included in the income statement at the due dates. Reinsurance premiums paid are deducted from premiums received.

Return on investment

Interest income and dividends etc. comprises yield on bonds and other securities and interest on amounts due.

Market value adjustments comprise realised and unrealised gains and losses and exchange rate adjustments on investment assets and hedging instruments. The amount is stated net in the income statement.

Interest expenses comprise interest on loans and other amounts due.

Administrative expenses related to investment activities comprise portfolio management fees to investment managers, direct trading costs, custody fees and own expenses related to the administration of and advisory services on investment assets.

Tax on investment returns

Tax on pension investment returns includes paid PAL (pension yield tax). Receivable negative PAL are recognised in life insurance provisions affecting the change in life insurance provisions.

Claims and benefits

Claims and benefits, net of reinsurance comprises the claims and benefits paid on insurance contracts for the year, net of the reinsurers share.

Change in life insurance provisions

Change in life insurance provisions, net of reinsurance comprises the change for the year in gross life insurance provisions less the reinsurers' share, excluding premiums and benefits regarding investment contracts.

Operating expenses relating to insurance activities

Administrative expenses cover accrued expenses related to insurance operations.

The allocation of administration expenses on life insurance and health and accident insurance is made applying activity-based allocation models.

The Company's insurance administration is handled by Forca A/S.

Transferred return on investment

Transferred return on investment consists of the return on the assets allocated to shareholders' equity and the return on health and accident insurance.

Health and accident insurance

Premiums, net of reinsurance are included in the income statement as they fall due. Premiums, calculated net of discounts not related to claims and the like and insurance premiums ceded, are accrued.

Claims, net of reinsurance comprise claims paid for the year, adjusted for changes in outstanding claims provisions including gains and losses on prior-year provisions (run-off result) and change in risk margin. Furthermore, claims include expenses for assessment of claims, expenses for damage control and an estimate of the expected administrative and claims handling expenses on the insurance contracts written by the undertaking. Adjustment is also made for change in risk margin.

Total gross claims are calculated net of reinsurance.

For the health and accident business, the profit margin is determined independently of the life insurance business and on the basis of the contract periods of the health and accident business. For the health and accident business, there is no expectation of future earnings in the contract periods, and the profit margin is therefore nil. If the contracts are deemed to become loss-making within the guaranteed contract periods, provision is made for such losses.

Other expenses

Encompasses of expenses regarding acquisition of new Norwegian portfolios.

Taxation

All companies in the Norli Group are jointly taxed.

Calculated current and deferred tax on the profit for the year before tax and adjustments of tax charges for previous years are recognised in the income statement. Income tax for the

year is recognised in the income statement in accordance with the tax laws in force in the countries in which Norli Pension operates.

BALANCE SHEET

Financial investment assets

Purchases and sales of financial instruments are recognised and measured at fair value at the settlement date, which usually equals cost. Fair value adjustments of unsettled financial instruments are recognised from the trading date to the settlement date. On recognition, financial investment assets are classified as financial assets at fair value through profit or loss.

The fair value is measured on the basis of quoted market prices of financial instruments traded in active markets. The fair value of such instruments is therefore based on the most recently observed market price at the balance sheet date.

If a financial instrument is quoted in a market that is not active, the measurement is based on the most recent transaction price. Adjustment is made for subsequent changes in market conditions, for instance by including transactions in similar financial instruments that are assumed to be motivated by normal business considerations. If no active market exists for standard and simple financial instruments such as interest rate and currency swaps and unlisted bonds, fair value is calculated on the basis of generally accepted valuation techniques and market-based parameters.

The item "Other" comprises derivatives with positive fair values, while derivatives with negative fair values are recognised in the item "Other debt".

Unsettled trades on the balance sheet date are recognised in the item "Other debt" or "Other receivables".

Receivables

Receivables is measured at fair value, which usually corresponds to the nominal value less any write-down to provide for losses.

Accruals and deferred income

Receivable interest relates to accrued bond yields and derivative financial instruments. Other prepayments and accrued income include expenses incurred relating to subsequent financial years.

Provisions for insurance and investment contracts

The life insurance provisions consist of the elements Guaranteed benefits, Individual bonus potential, Collective bonus potential and Risk margin.

Guaranteed benefits comprise obligations to pay guaranteed benefits to policyholders. Guaranteed benefits are calculated as the present value of the current guaranteed benefits plus the present value of expected future administrative expenses.

The market value is calculated by discounting the individual payments at an interest rate calculated by the European Supervisory Authority EIOPA with a volatility adjustment

reduced by the pension return tax. Guaranteed benefits contain an estimated amount to cover future insurance benefits, which arise from insurance events that occurred in the financial year, but which had not yet been reported on the balance sheet date.

Individual bonus potentials comprise obligations to pay bonuses over time. Individual bonus potential is calculated for the portfolio of insurance policies with bonus entitlement as the difference between the value of the policyholder's savings and the present value of guaranteed benefits under the policy. The profit margin is also deducted. The bonus potential cannot be negative.

Provisions for collective bonus potential comprise the policyholders' share of the technical basis for risk allowance for insurance policies with bonus entitlement which has not yet been allocated to individual policyholders.

The risk margin is the amount expected to be payable in the market to an acquirer of the policy in return for that party assuming the risk that the costs of meeting the payment obligations under the policy deviate from the present value of the best estimate of the cash flows made during the life time of the policy. The risk margin is obtained as far as possible from the insurance's individual or collective bonus potential - or alternatively the capital base.

Pension return tax

Outstanding pension return tax (PAL) are recognised in the life insurance provisions.

Profit margin

Profit margin amounts to the calculated present value of the expected future profit in the remaining term of contract for the life insurance and investment contracts concluded.

Deferred tax

Deferred tax is calculated in accordance with the balance sheet liability method on all temporary differences between the tax base of the assets and liabilities and their carrying amounts. Deferred tax is recognised in the balance sheet under Deferred tax assets and Deferred tax liabilities on the basis of current tax rates.

Tax assets arising from unused tax losses and unused tax credits are recognised as deferred tax assets to the extent that it is probable that the unused tax losses and unused tax credits can be utilised.

Debt

Derivatives are measured at fair value. Derivatives with negative fair values are recognised under Derivative financial instruments. Other debt are measured at amortised cost, which usually corresponds to the nominal value.

Key ratios

The key ratios are prepared in accordance with the provisions of the executive order on financial reports for life insurance companies.

Other

The amounts in the report are disclosed in whole numbers of TDKK, unless otherwise stated. The amounts have been

rounded and consequently the sum of the rounded amounts and totals may differ slightly.

| Note | TDKK | 2024 | 2023 |
|----------|---|---------------|----------------|
| 2 | Gross premiums | | |
| | Regular premiums | 12,414 | 14,347 |
| | Total directs insurance | 12,414 | 14,347 |
| | Insurance taken out individually | 11,106 | 12,728 |
| | Insurance taken out in connection with employment | 1,308 | 1,619 |
| | Total | 12,414 | 14,347 |
| | <i>Premiums, direct insurance, broken down by bonus arrangement</i> | | |
| | With profit insurance | 12,414 | 14,347 |
| | <i>Premiums, direct insurance, broken down by policyholders' residence:</i> | | |
| | Denmark | 12,336 | 14,268 |
| | Other EU countries | 73 | 74 |
| | Other countries | 5 | 5 |
| | Total | 12,414 | 14,347 |
| | <i>Number of insured, direct insurance (1,000):</i> | | |
| | Insurance taken out individually | 7,742 | 8,405 |
| | Insurance taken out in connection with employment | 1,377 | 1,505 |
| | Total | 9,119 | 9,910 |
| 3 | Result of reinsurance | | |
| | Ceded reinsurance premiums | -1,188 | -1,065 |
| | Reinsurance cover received | 6,941 | 336 |
| | Change in reinsurance share of life insurance provisions | -6,977 | 713 |
| | Total | -1,224 | -16 |
| 4 | Interest and dividends | | |
| | Interest income and dividends, etc. | 42,499 | 49,176 |
| | Total | 42,499 | 49,176 |
| 5 | Value adjustments | | |
| | Bonds | 17,487 | 32,090 |
| | Investment funds | -548 | 14,777 |
| | Equity investments | -12,853 | 18,218 |
| | Other | 59,579 | 63,480 |
| | Total | 63,665 | 128,565 |

| Note | TDKK | 2024 | 2023 |
|----------|--|------------------|------------------|
| 6 | Claims and benefits paid | | |
| | Insurance amounts on death | -4,860 | -8,566 |
| | Insurance amounts on expiry | -46,277 | -59,713 |
| | Retirement benefits and annuities | -125,827 | -139,378 |
| | Surrender values | -58,435 | -48,885 |
| | Total | -235,399 | -256,542 |
| 7 | Life insurance provisions | | |
| | Life insurance provisions, beginning of year | 1,924,753 | 2,053,428 |
| | Collective bonus potential, beginning of year | -738 | -1,960 |
| | Loss absorption in individual bonus potential, beginning of year | 20,979 | 44,513 |
| | Accumulated value adjustment, beginning of year | -170,346 | -123,396 |
| | Retrospective provisions, beginning of year | 1,774,648 | 1,972,586 |
| | Gross premiums | 12,414 | 14,347 |
| | Interests | 58,087 | 69,606 |
| | Insurance benefits | -235,581 | -254,225 |
| | Expenses | -6,615 | -6,939 |
| | Risk result | -2,766 | 220 |
| | Changes in negative bonus | -9,490 | -20,946 |
| | Retrospective provisions, end of year | 1,590,697 | 1,774,648 |
| | Accumulated value adjustment, end of year | 140,209 | 170,346 |
| | Loss absorption in individual bonus potential, end of year | -9,062 | -20,979 |
| | Profit margin, end of year | 0 | 0 |
| | Collective bonus potential, end of year | 5,352 | 738 |
| | Life insurance provisions, end of year | 1,727,196 | 1,924,753 |
| | Change in life insurance provisions | 197,557 | 128,675 |
| | Guaranteed benefits | 1,700,891 | 1,904,147 |
| | Individual bonus potential | 546 | 1,269 |
| | Collective bonus potential | 5,352 | 738 |
| | Risk margin | 20,407 | 18,598 |
| | Life insurance provisions, end of year | 1,727,196 | 1,924,753 |

| Note | TDKK | 2024 | 2023 |
|----------|--|---------|---------|
| 7 | Life insurance provisions (continued) | | |
| | Distribution of technical provisions by interest groups for the insurance portfolio covered by the Executive Order on the Contribution Principle | | |
| | Interest rate group 0 | | |
| | Guaranteed benefits | 25,431 | 24,183 |
| | Individual bonus potential | 0 | 0 |
| | Collective bonus potential | 0 | 0 |
| | Risk margin | 276 | 284 |
| | Interest rate group 1 | | |
| | Guaranteed benefits | 120,451 | 123,987 |
| | Individual bonus potential | 155 | 0 |
| | Collective bonus potential | 0 | 0 |
| | Risk margin | 1,542 | 1,624 |
| | Interest rate group 2 | | |
| | Guaranteed benefits | 171,309 | 203,611 |
| | Individual bonus potential | 391 | 0 |
| | Collective bonus potential | 2,567 | 0 |
| | Risk margin | 1,865 | 2,024 |
| | Interest rate group 3 | | |
| | Guaranteed benefits | 221,646 | 250,825 |
| | Individual bonus potential | 0 | 1,269 |
| | Collective bonus potential | 0 | 0 |
| | Risk margin | 1,887 | 1,590 |
| | Interest rate group 4 | | |
| | Guaranteed benefits | 381,385 | 452,590 |
| | Individual bonus potential | 0 | 0 |
| | Collective bonus potential | 892 | 0 |
| | Risk margin | 5,495 | 5,256 |
| | Interest rate group 5 | | |
| | Guaranteed benefits | 2,670 | 4,186 |
| | Individual bonus potential | 0 | 0 |
| | Collective bonus potential | 1,734 | 598 |
| | Risk margin | 17 | 228 |
| | Interest rate group 6 | | |
| | Guaranteed benefits | 9 | 98 |
| | Individual bonus potential | 0 | 0 |
| | Collective bonus potential | 0 | 0 |
| | Risk margin | 0 | 6 |

| Note | TDKK | 2024 | 2023 |
|----------|--|-------|-------|
| 7 | Life insurance provisions (continued) | | |
| | Interest rate group 7 | | |
| | Guaranteed benefits | 130 | 252 |
| | Individual bonus potential | 0 | 0 |
| | Collective bonus potential | 23 | 0 |
| | Risk margin | 1 | 15 |
| | Interest rate group 8 | | |
| | Guaranteed benefits | 1,483 | 1,593 |
| | Individual bonus potential | 0 | 0 |
| | Collective bonus potential | 96 | 0 |
| | Risk margin | 8 | 80 |
| | Interest rate group 9 | | |
| | Guaranteed benefits | 45 | 124 |
| | Individual bonus potential | 0 | 0 |
| | Collective bonus potential | 0 | 0 |
| | Risk margin | 0 | 7 |
| | Interest rate group 10 | | |
| | Guaranteed benefits | 54 | 92 |
| | Individual bonus potential | 0 | 0 |
| | Collective bonus potential | 40 | 17 |
| | Risk margin | 0 | 5 |
| | Interest rate group 12 | | |
| | Guaranteed benefits | 0 | -14 |
| | Individual bonus potential | 0 | 0 |
| | Collective bonus potential | 0 | 5 |
| | Risk margin | 0 | 0 |
| | Interest rate group 13 | | |
| | Guaranteed benefits | 0 | 6 |
| | Individual bonus potential | 0 | 0 |
| | Collective bonus potential | 0 | 118 |
| | Risk margin | 0 | 0 |
| | Interest rate group 14 | | |
| | Guaranteed benefits | 0 | 7 |
| | Individual bonus potential | 0 | 0 |
| | Collective bonus potential | 0 | 0 |
| | Risk margin | 0 | 0 |

| Note | TDKK | 2024 | 2023 |
|----------|--|--------------|--------------|
| 7 | Life insurance provisions (continued) | | |
| | Interest rate group 1B | | |
| | Guaranteed benefits | 765,970 | 829,018 |
| | Individual bonus potential | 0 | 0 |
| | Collective bonus potential | 0 | 0 |
| | Risk margin | 8,435 | 6,515 |
| | Distribution of technical provisions by interest groups for the insurance portfolio not covered by the Executive Order on the Contribution Principle | | |
| | Life annuities without bonus | | |
| | Guaranteed benefits | 10,309 | 13,591 |
| | Individual bonus potential | 0 | 0 |
| | Collective bonus potential | 0 | 0 |
| | Risk margin | 879 | 964 |
| | Distribution of technical provisions not in interest groups | | |
| | Risk group A | | |
| | Guaranteed benefits | 0 | 0 |
| | Individual bonus potential | 0 | 0 |
| | Collective bonus potential | 0 | 0 |
| | Risk margin | 0 | 0 |
| | Rate of return in interest rate groups is 5.1% | | |
| | Bonus ratios in interest rate groups are 0% | | |
| 8 | Life insurance provisions, reinsurers' share | | |
| | Life insurance provisions, reinsurers' share, beginning of year | 7,995 | 7,282 |
| | Change in reinsurers' share | -6,977 | 713 |
| | Life insurance provisions, reinsurers' share end of year | 1,018 | 7,995 |

| Note | TDKK | 2024 | 2023 |
|----------|--|---------------|----------------|
| 9 | Insurance operating expenses, net of reinsurance | | |
| | EY - Statutory audit of financial statements | -320 | -565 |
| | EY - Other assurance engagements | -127 | |
| | EY - Tax service | -1,438 | -156 |
| | EY - Other services | -1,219 | -237 |
| | Total | -3,103 | -958 |
| | <i>Staff costs</i> | | |
| | Salaries | -11,816 | -15,315 |
| | Pensions | -1,701 | -2,529 |
| | Other social security and tax | -1,888 | -2,739 |
| | Transferred administrative costs | 9,217 | 10,549 |
| | Total staff expenses | -6,188 | -10,033 |
| | Average number of full-time-equivalent employees during the year | 8 | 10 |
| | The company's administration is handled by Forca A/S. | | |
| | Remuneration to the Management Board, the Board of Directors and the significant risk takers: | | |
| | Salary, pension and remuneration for the Management Board and the Board of Directors – fixed part | 6,722 | 4,614 |
| | Salary, pension and remuneration for the Management Board and the Board of Directors – variable part | 798 | 522 |
| | Number of members of Management Board and Board of Directors | 5 | 6 |
| | Salary, pension and remuneration for the significant risk takers – fixed part | 5,290 | 8,379 |
| | Salary, pension and remuneration for the significant risk takers – variable part | | |
| | Number of material risk takers during the year | 4 | 4 |

The employment contracts comply with the statutory requirements that came into force at 1. January 2011 for agreements on variable remuneration in financial enterprises.

A more detailed description of the remuneration policy and remuneration for the financial year is available at the website: www.norlipension.dk.

To the extent that a member of the Board of Directors is remunerated, this is done with a fixed fee. Remuneration with variable salary components is not used.

In accordance with legislation the company has appointed a number of employees as significant risk takers (in addition to the Management Board) whose activities have a significant impact on the company's risk profile.

Information on salaries and remuneration for the Management Board, the Board of Directors and significant risk takers can be found on the company's website (www.norlipension.dk).

| Note | TDKK | 2024 | 2023 |
|-----------|---|-------------|-------------|
| 10 | TECHNICAL RESULT OF HEALTH AND ACCIDENT INSURANCE | | |
| | Gross premiums | 285 | 293 |
| | Total | 285 | 293 |
| | Technical interest | 0 | 0 |
| | Claims paid | -443 | -132 |
| | Change in claims provisions | 5 | 5 |
| | Change in risk margin | -3 | -14 |
| | Total | -441 | -142 |
| | Administrative expenses | -198 | -159 |
| | Insurance operating costs, net of reinsurance | -198 | -159 |
| | Technical result | -354 | -8 |
| | Return on investment | 6 | 12 |
| | Technical result of health and accident insurance | -348 | 4 |
| | Claims paid | | |
| | Number of policies | 124 | 124 |
| | Number of claims | 1 | 1 |
| | Average amount of claims DKK | 443,275 | 132,081 |
| | Claims frequency | 1% | 1% |
| | Run-off previous years, net of reinsurance | 117 | 125 |
| | Financial highlights | | |
| | Gross premiums | 285 | 293 |
| | Claims paid | -441 | -142 |
| | Insurance operating costs, net of reinsurance | -198 | -159 |
| | Technical result | -355 | -8 |
| | Total return on investment after insurance technical interest | 6 | 12 |
| | Run-off previous years, net of reinsurance | 117 | 125 |
| | Total provisions for insurance contracts | 140 | 142 |
| | Key ratios | | |
| | Gross claims ratio | 155 | 48 |
| | Gross expense ratio | 70 | 54 |
| | Combined ratio | 225 | 103 |
| | Operating ratio | 225 | 103 |
| | Relative run-off gains/losses | 100% | 100% |
| 11 | Other expenses | | |
| | Other expenses encompass expenses regarding acquisition of new Norwegian portfolio. | -699 | -283 |

| Note | TDKK | 2024 | 2023 |
|-----------|--|----------------|----------------|
| 12 | TAX | | |
| | Current tax | -8,216 | -1,738 |
| | Adjustment of prior-year current tax | 1,509 | 0 |
| | Adjustment of prior-year deferred tax | -178 | 0 |
| | Change of provision for deferred tax | 0 | -4,616 |
| | Total | -6,885 | -6,354 |
| | Effective tax rate | | |
| | Tax on accounting profit/loss | 26.0 | 25.2 |
| | Adjustment of non-taxable income and costs | 0.0 | 0.0 |
| | Change in valuation of tax assets | 0.0 | 0.0 |
| | Total | 26.0 | 25.2 |
| | Taxes paid during the financial year | 0 | 0 |
| 13 | Deferred tax | | |
| | Deferred tax broken down on main items: | | |
| | Value of tax losses carried forward | 0 | 163 |
| | Total | 0 | 163 |
| 14 | Share capital | | |
| | Share capital beginning of the year | 10,000 | 90,008 |
| | Capital injection | 0 | -80,008 |
| | Share capital, end of year | 10,000 | 10,000 |
| | The share capital is made up of | | |
| | 10.000 shares of 1.000 kr. | 10,000 | 10,000 |
| | Total | 10,000 | 10,000 |
| | All shares carry the same rights; there is thus only one class of shares | | |
| 15 | Profit carried forward | | |
| | Profit carried forward beginning of the year | 302,379 | 278,535 |
| | Extraordinary dividend | -160,000 | -75,000 |
| | Restruct capital | 0 | 80,008 |
| | Profit for the year | 24,641 | 18,836 |
| | Total | 167,020 | 302,379 |

| Note | 2024 | 2023 |
|--|----------------|----------------|
| 16 Shareholders equity | | |
| Shareholders equity, beginning of the year | 312,379 | 368,543 |
| Extraordinary dividend | -160,000 | -75,000 |
| Profit for the year | 24,641 | 18,836 |
| Shareholders equity, end of year | 177,020 | 312,379 |
| Capital base | 177,020 | 312,379 |
| Technical basis | | |
| Interest rate groups total | 95,179 | 112,282 |
| Risk groups | -6,413 | -9,017 |
| Cost groups | -9,146 | -8,844 |
| Total realised results | 79,620 | 94,421 |
| Distribution to customers | | |
| Interest rate groups total | 46,751 | 73,461 |
| Risk groups | 0 | -1,820 |
| Cost groups | 1,574 | 1,312 |
| Total distribution to customers | 48,325 | 72,953 |
| Distribution to equity via the income statement | | |
| Interest rate groups total | 48,427 | 38,857 |
| Risk groups | -6,413 | -7,196 |
| Cost groups | -10,720 | -10,156 |
| Equity's share of the realised results | 31,294 | 21,505 |
| Below is shown the development of the accumulated shadow accounts steaming from financial result, risk result and cost result | | |
| The lack of income on the return on equity has arised from the calculation made on the basis of the contribution methods reported to the Danish FSA. | | |
| Outlay account (Loss coverage from 2016 and forward) | | |
| Beginning of year | 204,260 | 217,634 |
| Writedowns due to deaths | -86 | 0 |
| From negative realized results | -14,909 | -7,828 |
| Writedowns due to surrender | -5,548 | -5,546 |
| Total | 183,717 | 204,260 |

| Note | TDKK | 2024 | 2023 |
|-----------|---|----------------|----------------|
| 16 | Shareholders equity (continued) | | |
| | The main reason behind the expectation of paying 0 TDKK of on the shadow account, is due to no expectation of future earnings as reported to the Danish FSA as part of the risk return. | | |
| | Outlay account divided into contribution groups | | |
| | Interest rate group 0 | 28,686 | 25,066 |
| | Interest rate group 1 | 16,120 | 21,525 |
| | Interest rate group 2 | 0 | 5,509 |
| | Interest rate group 3 | 11,227 | 18,896 |
| | Interest rate group 4 | 0 | 4,017 |
| | Interest rate group 5 | 0 | 0 |
| | Interest rate group 6 | 2 | 37 |
| | Interest rate group 7 | 0 | 84 |
| | Interest rate group 8 | 0 | 17 |
| | Interest rate group 9 | 10 | 66 |
| | Interest rate group 14 | 0 | 86 |
| | Interest rate group 1B | 11,030 | 25,483 |
| | Risk group A | 10,208 | 6,401 |
| | Risk group B | 3,032 | 873 |
| | Cost groups A | 92,105 | 84,545 |
| | Cost groups B | 11,297 | 11,655 |
| | Total | 183,717 | 204,260 |
| | Collective bonus potential split among the contribution groups | | |
| | Interest rate group 2 | 2,567 | 0 |
| | Interest rate group 4 | 892 | 0 |
| | Interest rate group 5 | 1,734 | 598 |
| | Interest rate group 7 | 23 | 0 |
| | Interest rate group 8 | 96 | 0 |
| | Interest rate group 10 | 40 | 16 |
| | Interest rate group 12 | 0 | 4 |
| | Interest rate group 13 | 0 | 118 |
| | Risk group A | 0 | 0 |
| | Total | 5,352 | 737 |
| 17 | Debt | | |
| | Due 1 year or less | 90,559 | 118,956 |
| | Due 1-5 years | 23,335 | 87,321 |
| | Due more than 5 years | 108,665 | 423,981 |
| | Total | 222,559 | 630,258 |

| Note | TDKK | 2024 | 2023 |
|-----------|--|------------------|------------------|
| 18 | Contractual obligations, collateral and contingent liabilities | | |
| | The company has a contingent liability related to post-payment of VAT for the years 2022-2024 calculated according to the most restrictive interpretation of SKAT's previous announcements in the area. The amount is calculated without interest. | 3,400 | 3,000 |
| | Norli Pension Livsforsikringselskab A/S has registered the following assets as having been held as security for the life insurance provisions. | | |
| | Investment funds | 1,127,111 | 0 |
| | Bonds | 72,247 | 1,392,359 |
| | Equity investments | 505,112 | 528,339 |
| | Deposits with credit institutions | 41,258 | 32,549 |
| | Cash and cash equivalents | 29,831 | 19,231 |
| | Interest and rent receivable | 671 | 11,991 |
| | Reinsurance contracts | 808 | 0 |
| | Total | 1,777,038 | 1,984,468 |

The Company has total investment commitments 794,5m of DKK of which DKK 495,3m have been drawn

19 Information in accordance with the provisions of the Danish Insurance Business Act § 78

In accordance with the provisions of the Danish Insurance Business Act § 78, It is stated that the company has no commitments with or collateral for the Executive Board and the Board of Directors in addition to ordinary insurance agreements.

| Note | TDKK | 2024 | 2023 |
|-----------|---|--------|-------|
| 20 | Related parties | | |
| | Norli Pension Livsforsikring A/S is a wholly owned subsidiary of Norli Group A/S, Midtermolen 1, 2100 Copenhagen Ø, which exercises a controlling influence on the company, and in which the company is included as a subsidiary in the consolidated financial statements. | | |
| | Related parties comprise: | | |
| | (a) Norli Group A/S, Midtermolen 1, DK-2100 Copenhagen Ø | | |
| | (b) Norli Liv og Pension Livsforsikring A/S, Midtermolen 1, DK-2100 Copenhagen Ø | | |
| | (c) Norli Liv og Pension Ejendomsinvest A/S, Midtermolen 1, DK-2100 Copenhagen Ø | | |
| | The Norli Group maintains cross-cutting functions that solve joint administrative tasks for the group's companies. The consideration paid for this administrative function is fixed on an arm's length basis or, where there is no specific market, on a cost-recovery basis. | | |
| | Financial relations, Norli Group A/S | | |
| | Administration fee | 1,534 | 1,512 |
| | Interest expenses | 0 | -300 |
| | Administration expenses | -101 | 0 |
| | Receivables | 380 | 379 |
| | Payables | 0 | 0 |
| | Financial relations, Norli Liv og Pension Livsforsikring A/S | | |
| | Administration fee | 11,974 | 9,054 |
| | Administration expenses | -2,938 | -17 |
| | Receivables | 6,023 | 3,586 |
| | Payables | 1,608 | 3 |
| 21 | Financial highlights | | |
| | Please refer to page 2 | | |

Note

22 Breakdown of assets and returns

TDKK

| | | Carrying amount | | Return % p.a. before |
|-----|--|-------------------|------------------|----------------------|
| | | beginning of year | end of year | tax |
| 1. | Investment property | - | - | - |
| 2.1 | Equity investment | - | - | - |
| 2.2 | Unlisted investments | 17 | 9 | -44.0% |
| 2. | Total | 17 | 9 | -44.04% |
| 3.1 | Government and mortgage bonds | 1,472,454 | 1,200,675 | 5.5% |
| 3.2 | Index-linked bonds | - | - | - |
| 3.3 | Credit bonds and emerging market bonds | 45,377 | 0 | 6.4% |
| 3.4 | Loans | 600,148 | 541,367 | 6.9% |
| 3. | Total | 2,117,979 | 1,742,042 | 5.48% |
| 4. | Equity investments in associates | - | - | - |
| 5. | Other | 373,399 | 306,274 | 0.00% |
| 6. | Derivatives | -179,972 | -135,778 | - |

The note has been prepared on the basis of a review of the company's assets, which is why there is no immediate connection to the amounts in the balance sheet.

Note

23 Financial instruments at fair value

Norli Pension Livsforsikring A/S uses financial instruments to manage interest rate risks. In addition, interest rate derivatives are used to hedge benefit guarantees.

Collateral agreements have been made regarding financial instruments. In this connection, collateral in the form of cash and bonds of DKKM 0 has been received. And given collateral amounts to DKKM 189.3 in form of cash.

| TDKK | 2024 | | |
|----------------------------|-----------|------------------|-----------------|
| | Expiry | Principal | Carrying amount |
| Swaps | 2025 | 0 | 0 |
| Swaps | 2025-2030 | 2,817,044 | -23,335 |
| Swaps | 2030-2035 | 1,553,140 | -26,719 |
| Swaps | 2036- | 2,363,816 | -81,946 |
| CDS | 2024-2029 | 0 | 0 |
| CDS | 2024-2029 | 0 | 0 |
| Forward exchange contracts | 2024 | 0 | 0 |
| Total | | 6,734,001 | -132,000 |

| TDKK | 2023 | | |
|----------------------------|-----------|-------------------|-----------------|
| | Expiry | Principal | Carrying amount |
| Swaps | 2024 | 2,750,001 | -16,404 |
| Swaps | 2024-2029 | 5,441,482 | 39,421 |
| Swaps | 2029-2034 | 2,508,769 | -136,698 |
| Swaps | 2035- | 2,190,874 | -71,934 |
| CDS | 2024-2029 | 69,576 | -2,836 |
| CDS | 2024-2029 | 69,576 | 2,836 |
| Forward exchange contracts | 2024 | 656,005 | -99 |
| Total | | 13,686,283 | -185,715 |

Note

24 Fair value hierarchy for financial instruments

| | Quoted market prices | | Observable input | | Non-observable Input | | Total | |
|-----------------------------------|----------------------|------------------|------------------|----------------|----------------------|----------------|------------------|------------------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Assets | | | | | | | | |
| Investment funds | | - | 1,127,111 | | - | - | 1,127,111 | - |
| Bonds | 72,891 | 1,355,829 | - | 118,623 | - | 30,498 | 72,891 | 1,504,950 |
| Equity investments | | | | | 541,376 | 600,165 | 541,376 | 600,165 |
| Deposits with credit institutions | 265,248 | 323,258 | | - | - | - | 265,248 | 323,258 |
| Other lendings | - | - | - | - | - | - | - | - |
| Derivative financial instruments | | - | 67,801 | 345,069 | - | 2,836 | 67,801 | 347,905 |
| Total | 338,139 | 1,679,087 | 1,194,913 | 463,692 | 541,376 | 633,499 | 2,074,428 | 2,776,278 |

| | | | | | | | | |
|-------------------------------------|---------------|---------------|----------------|-----------------|----------|--------------|----------------|----------------|
| Debt | | | | | | | | |
| Amounts owed to credit institutions | -1,053 | - | - | - | - | - | - | - |
| Derivative financial instruments | - | 60,534 | - | -530,784 | - | 2,836 | 1,053 | 60,534 |
| Total | -1,053 | 60,534 | 199,801 | -530,784 | - | 2,836 | 200,854 | 594,154 |

Financial instruments measured at fair value in the statement of financial position on the basis of non-observable input:

| | Equity invest-ments | Bonds | Other lendings | Derivative financial instruments |
|------------------------------|---------------------|-----------|----------------|----------------------------------|
| Carrying amount at 1 January | 600,165 | 30,498 | - | - |
| Value adjustments | 37,869 | 1,712 | - | - |
| Additions | - | - | - | - |
| Purchases / Sales net | -96,658 | 32,211 | - | 0 |
| End of year | 541,376 | -0 | - | - |

Note 25 Capital and Risk Management

Objectives

The objective of risk management in Norli Pension is to ensure that the risks assumed at any given time are identified, measured, reported, and managed and that they are in accordance with the written policies and guidelines and accordingly within the boundaries for the risk profile as defined in the overall risk strategy.

The Company will seek to obtain the investment return required to meet its obligations, while at the same time reduce market risks for both shareholders and policyholders. Policyholders will assume some risk where possible – in particular investment risks - shareholders will bear the residual risk.

The risk profile is managed with a specific target to maintain comfortable buffers relative to regulatory and economic minimum requirements throughout the strategic planning period.

Risk management system

The risk management framework of the company complies with the rules set forth in EU Solvency II regulation (EU directive and delegated regulation) as well as Danish prudential regulation.

The risk management system is a part of the group risk management framework for Norli Group. The Board have approved a range of policies and guidelines that govern the risk management practices and risk exposure for all of the areas of risk in the company. The most relevant policies under the umbrella of the overall Risk Management Policy covers the following areas: investments, asset valuations, insurance risks and valuation, outsourcing, ORSA, operational risk, credit risk and non-financial credit. The policies covering the System of Control in the company are: Internal Controls, Internal Audit and Compliance. Based on the business model and risk strategy of the company the Board have determined business and financial targets for underwriting, solvency, insurance and investment risks for the planning period.

In accordance with prudential regulation the Board have appointed an Audit and Risk subcommittee that oversee accounting practices, risk identification, internal controls, effectiveness of risk management systems, Own Risk and Solvency Assessment (ORSA) processes, capital planning, annual audit, auditor's independence, related party transactions etc. in accordance with the yearly planning.

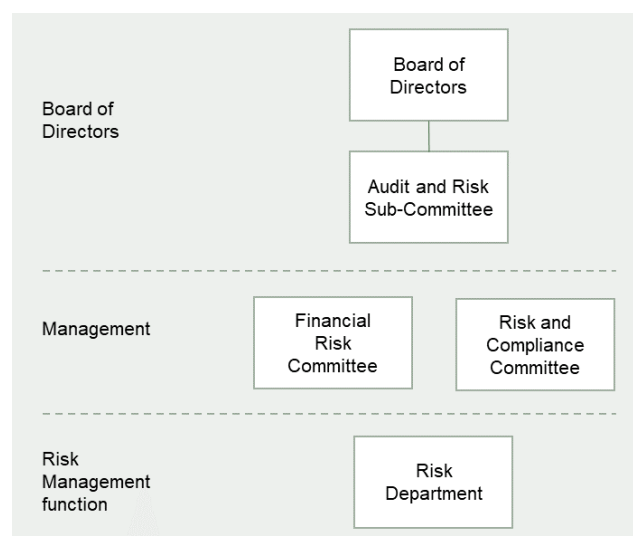
At the management level the Company has set up two further risk management committee's - Financial Risk Committee (FRK) and Risk and Compliance Committee (RCK) that will report to the Audit and Risk Sub-Committee. The FRK will monitor the Company's capital resources, assets, insurance

liabilities, liquidity and solvency. Based on current financial markets FRK will make investment proposals in accordance with the investment strategy and policy and hedge any unwanted financial risks. FRK will monitor the performance of all financial assets with a particular focus on the performance and valuation of assets that are not traded in public markets such as properties and loans.

The RCK will monitor operational risks, incidents, IT risk, legal risks, reputational risks, all outsourced processes, and execution of the internal audit plan and will coordinate the work between key personal.

The risk management system is built to comply with legislation, industry standards, corporate best practice, and sound business practices such as separation of functions, four-eyes principle, and valuation at arms-length principle. Finally, the risk management model is built on proportionality and effectiveness in line with the principles set out in the policy for internal controls.

Company risk committee's and risk function



Risk areas

The Company is exposed to various types of risk in support of the long-term business model and objectives. The content and size of risks encountered in the various business areas differ considerably.

Life insurance risks

Biometric risks consist of mortality, longevity, disability and catastrophe risk. Further insurance risks also include expense risk and policyholder behaviour risk (option risk related to the extent of surrenders and re-writing to paid-up policies). The insurance risks: longevity, mortality and disability risks, cover the situation where policyholder mortality or disability changes significantly for a period or permanently, resulting in wrong assessment of future developments in mortality and disability risks.

Option risks arise when surrender and premium cessation assumptions in provisions at market value deviate from actual developments and must be adjusted, or in situations where the company experiences mass surrenders in a short period of time.

Expense risk is the risk that provisions related to future expenses differ from actual expenses and must be revised. Expenses are related to variations in the costs related to honouring insurance or reinsurance contracts.

Revision risk is the risk that disability benefits awarded are revised resulting in higher pay out than anticipated.

Health insurance risks

Health and accident insurance is affected by legislative amendments and changes in legal practice as well as by social inflation. Social inflation means that claims expenses increase due to developments in social and socio-economic factors. Such factors arise due to trends in society and will tend to increase up the number of insurance-covered claims and average claims expenses.

Reinsurance

An insurance company can protect itself against losses by taking out reinsurance, often with major international reinsurers that have a high credit rating. Reinsurance cover can be designed in different ways, depending on which losses the insurance company wishes to cover.

The purpose of Norli Pension's reinsurance programme is to ensure that a single loss event or a random accumulation of large claims does not lead to unacceptable loss of capital and to reduce fluctuations in technical results. The reinsurance programme provides extensive and broad coverage and reduces the overall risks.

Financial risks

Market risks

Market risk is defined as the probability of impairments to the value of a portfolio of financial assets due to fluctuations in prices in financial markets. The risks arise both for assets and liabilities and for derivative financial instruments (derivatives), for which only the positive or negative market value of the derivative appears in the balance sheet.

The management of market risk is intended to ensure an acceptable return without putting the total capital of the company at risk of significant impairment due to financial market developments or financial difficulties of individual issuers.

Market risks are divided into the sub-risks below.

Interest rate risks

Interest rate risk is the risk of incurring a loss on an interest rate exposure because of an increase or decline in interest rates. The investment assets are predominantly invested in interest-bearing assets, most of which are Danish mortgage bonds with a high credit rating, while a smaller part is placed

in credit bonds and emerging market government bonds. The insurance liability cash flows are discounted using a yield curve provided by the EU insurance regulator EIOPA. The interest rate risk on assets and liabilities is monitored and adjusted on an ongoing basis, and derivatives are used to adjust the overall interest rate risk on assets. A mismatch of duration between liability cashflows and investment cashflows will lead to a net interest rate risk.

Currency risks

Currency exchange risk primarily arises from the portfolio of investment assets. The Company pursues a hedging strategy for non-euro currency exposures in major international currencies.

Spread risks

The Company is exposed to the volatility of credit spreads and the subsequent risk of impairments to the market value of credit spread related investments like mortgage bonds or government bonds. The Company has imposed limits on the allowed exposure to credit spread risks.

Concentration risks

Concentration risk is the risk arising when the company's exposures are concentrated, for instance, on few lines or on few large individual exposures. Norli has determined procedures for the monitoring and mitigation of concentration risks.

Liquidity risks

Liquidity risk arises due to differences in the timing of ingoing and outgoing payments. Such differences may arise as a result of unexpected events or may be a deliberate strategy. The objective of liquidity risk management is to ensure that liquidity always is sufficient to support operations and comply with regulatory requirements. Should the Company's liquidity come under substantial pressure, liquidity may be procured within a short period of time by selling assets. In addition, the Company has a liquidity facility that will support the liquidity position in periods of market stress.

Counterparty risks

Counterparty risk arises when a counterparty in a financial agreement, e.g. reinsurance contracts or financial contracts, fails to meet its obligations. Counterparty risk related to reinsurance is the uncertainty associated with the situation that one or more of the Company's reinsurers go into insolvent liquidation, resulting in a full or partial loss of receivables and in new coverage of the business having to be purchased. In order to minimise the risk related to each reinsurer, reinsurers must be rated according to a certain credit quality level. Deviations from this rating must be approved by the Board of Directors. Most of the counterparty risk arising from derivative transactions is mitigated by posting collateral or by depositing cash funds in a bank account while a small part of the derivative transactions are cleared and settled through London Clearing House. Placement limits contain restrictions

as to the companies' maximum receivable from specific credit institutions. The Company limits counterparty risks in connection with derivative agreements by entering into margin agreements and netting agreements with the counterparties.

Operational risks

Operational risk is the risk of incurring a financial loss due to inexpedient or faulty internal procedures, human or system errors or as a result of external events, including legal risks.

Procedures

The Company has a number of control procedures in the form of work routines, business procedures and reconciliation processes, performed locally and centrally throughout the organisation. Most of these activities are carried out by the Company's outsourcing/TSA-partners. The scope of control measures is assessed against the expenses they involve. Security measures are assessed relative to potential threats and their assessed probability of occurrence as well as the potential business consequences, should such threats materialise.

With a view to reducing risks relative to the GDPR rules, the Company has a number of common procedures to accommodate requests for access to and erasure of data etc. and to handle and report personal data breaches to the Danish Data Protection Agency. The Company has appointed a data protection officer overseeing GDPR compliance.

Other risks

Compliance risks

Compliance risk is the risk of legal or regulatory sanctions, material financial loss, loss of customers or reputational damage to which the company is exposed due to non-compliance with applicable legislation, market standards or internal rules (policies, business procedures etc.). The Company has determined methods and procedures to identify, assess and mitigate the compliance risks.

AML risks

Anti-Money Laundering and Counter Terrorist Finance (AML/CTF) is an important risk. AML risk is assessed as being low for the life insurance and labour market pensions industry. The Company has extensive risk assessment and procedures to mitigate the risk. The Company also has a whistle-blower program operated by an independent external legal partner.

Strategic risks

Strategic risks arise due to inexpedient business decisions, insufficient implementation of business initiatives or slow response to the challenges facing the Company.