

Annual Report

2021



pensionskassen
Jordbrugsakademikere & Dyrleger

The photos in the report are from current investments in Valby Retirement Home, the energy company NRGi and PH Park in Hørsholm.

PHOTO

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The English version of the Annual Report is a translation of the original document in Danish for information purposes only. In case of any discrepancies of legal disputes, the Danish original will prevail.

“Over the past five years, a savings amount of DKK 100 under an average-rate pension scheme with PDJ has grown to DKK 132”



Successful first year for new pension scheme

2021 was in many ways an eventful year for the Pension Fund for Agricultural Academics and Veterinary Surgeons, although it was unfortunately yet another year under the shadow of the coronavirus. In terms of investments, the pension fund's members saw very strong returns.

The total return in 2021 was 10.8% relative to 2.3% the year before, corresponding to DKK 1,634 million against DKK 347 million in 2020.

A 50-year-old member with the new unit-linked pension scheme and moderate risk saw a return of 20.7% in 2021 – and a 50-year-old member with a high risk profile saw an impressive return of 23.1%.

Over the past five years, a savings amount of DKK 100 under an average-rate pension scheme with PDJ has grown to DKK 132.

Listed equities were the largest contributor to the return, while – at more than 50% – unlisted equities contributed the highest percentage return.

Despite coronavirus restrictions, resource-rich economies powered ahead in 2021, and the financial markets generally performed well with strong returns on most of the higher-risk asset classes.

Since the beginning of 2021, all new members of the pension fund were enrolled in the new unit-linked pension scheme. Almost 300 new members of the pension fund benefitted from this during the year and in the autumn, the first group of the pension fund's existing members were also offered to switch to the new scheme.

The new scheme has been in the pipeline for several years. The Board of Directors' original plan to offer the members of the pension fund the new pension scheme through a collective switch in 2019 was first blocked by the Danish FSA and later by the Danish Company Appeals Board (Erhvervsankenævnet). Since then, we have worked intensively on offering the individual member the option to switch to the new scheme. Of course, this does not mean that we will compromise on safeguarding the interests of our many members who continue to have average-rate pension schemes.

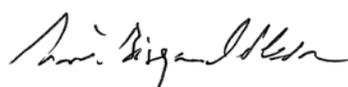
The effect of our broad and extensive member communication in connection with last year's campaign offering members to switch to the new scheme was reflected in the number of visits to our website, which rose by 41% in 2021.

67% of the members who read the offer in their digital mailbox in autumn 2021 accepted the offer to switch, and more than 2,200 members have currently chosen to switch to a unit-linked pension scheme. The first part of the process was demanding and extensive, and we gained a lot of experience to be used in the next round of offering, which is expected to be initiated during spring 2022.

The annual general meeting in the spring was held online, and it was possible to issue proxies before the meeting. Many of our members issued a proxy, and the proposal on the switch to a unit-linked product was adopted with 1,126 votes in favour and 5 votes against.

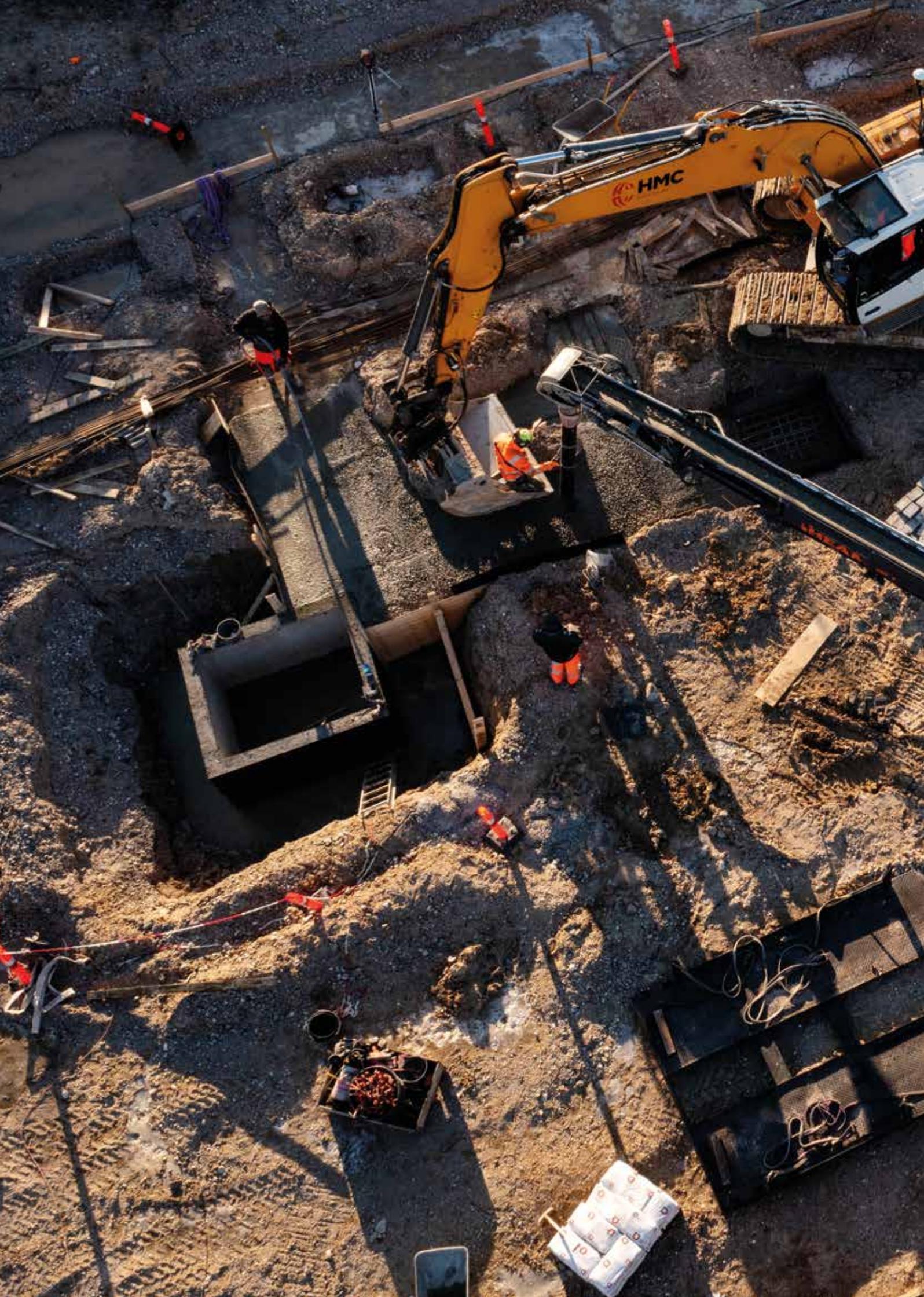
As part of the Sampension community, which in addition to the Pension Fund for Agricultural Academics and Veterinary Surgeons comprises Sampension Liv, the Architects' Pension Fund and ISP Pension, the Pension Fund for Agricultural Academics and Veterinary Surgeons is able to make a difference for the climate.

In 2019 and 2020, the carbon footprint of the pension fund's listed equity portfolio fell. This trend continued in 2021 with a drop of almost 28%.



Erik Bisgaard Madsen

Chairman of the Board of Directors



An aerial photograph of a construction site. In the top left, a yellow tracked loader is visible. In the bottom right, a concrete mixer truck with a red and black drum is parked. The ground is dirt and gravel, with various pieces of construction equipment and materials scattered around. A large green rectangular area is overlaid on the right side of the image, containing the title and table of contents.

Management's review

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Five-year key figures and financial ratios

Five-year key figures DKKm	2021	2020	2019	2018	2017
Premiums	461.1	435.5	421.5	411.3	386.1
<i>Pension benefits paid, profit/loss</i>	-319.4	-283.8	-259.7	-289.2	-282.4
<i>Pension benefits paid, equity</i>	-103.9	-85.5	-87.9	-60.0	-38.8
Total pension benefits paid	-423.3	-369.3	-347.6	-349.1	-321.3
Investment return	1,633.8	346.8	1,409.7	-325.1	1,048.0
Total pension operating expenses	-6.0	-5.2	-5.1	-5.8	-5.6
Technical result	0.0	25.1	14.8	-10.0	2.4
Technical result of health and accident insurance	1.7	-0.7	-1.5	-0.1	1.7
Profit/loss for the year	319.3	93.6	312.7	-82.7	236.4
Total pension provisions	12,584.3	10,818.0	10,487.5	9,513.9	9,587.7
Surplus capital	880.4	812.4	794.7	728.9	735.9
Equity	3,283.5	3,705.4	3,697.3	3,472.5	3,615.2
Total assets	17,589.4	15,867.3	15,960.0	14,458.2	14,688.0
Total consolidated assets	17,589.4	15,868.5	15,961.1	14,459.3	14,689.1

Five-year financial ratios	2021	2020	2019	2018	2017
Return ratios					
Rate of return related to average-rate products	10.4%	2.3%	10.3%	-2.3%	8.1%
Rate of return related to unit-linked products	19.2%	-	-	-	-
Risk on return related to unit-linked products	4.50	-	-	-	-
Expense ratios					
Expenses as a percentage of provisions	0.05%	0.05%	0.05%	0.06%	0.06%
Expenses per member (DKK)	546	480	489	560	552
Other return ratios					
Return on equity after tax	8.5%	2.5%	8.7%	-2.3%	6.7%
Return on surplus capital	9.7%	2.8%	10.3%	-2.3%	8.3%
Capital structure ratios					
Solvency coverage ratio	320%	275%	316%	283%	360%
Health and accident insurance					
Gross claims ratio	94.3%	129.5%	183.4%	95.2%	22.2%
Gross expense ratio	5.6%	5.5%	5.8%	5.9%	6.9%
Combined ratio	100.0%	135.0%	189.2%	101.2%	29.1%
Operating ratio	100.0%	135.0%	189.2%	101.2%	29.1%

Reference is made to "Definitions of financial ratios" on page 61.

Members and pension schemes

The Pension Fund for Agricultural Academics and Veterinary Surgeons (PJD) is a member-owned pension fund established in 1983. PJD has 11,072 members, most of whom are graduates of the Faculty of Life Sciences at the University of Copenhagen (formerly the Royal Veterinary and Agricultural University) or have similar educational backgrounds. The pension fund also admits employees of enterprises or associations affiliated with the profession.

PJD is part of the Sampension community. In addition to PJD, the Sampension community comprises Sampension Livsforsikring A/S (Sampension Liv), the Architects' Pension Fund (AP) and the Pension Fund for Technicians and Bachelors of Engineering (ISP). The group of owners of Sampension Administrationselskab A/S (the joint management company) comprises: Sampension Liv (88%), AP (3%), PJD (3%) and ISP (6%).

Pension schemes with PJD consist of pension savings and, for most premium-paying and inactive members, insurance components covering certain critical illnesses, loss of earning capacity and death.

As of 1 January 2021, all new members of the pension fund get our new 3 i 1 Livspension unit-linked pension product. In autumn 2021, some members were also offered to switch from their average-rate scheme to 3 i 1 Livspension. More than 2,200 members made the switch and at 31 December 2021, some 2,600 members had unit-linked schemes.

PJD provides the following savings products:

Pension schemes	Investments and allocation of returns
Unit-linked 3 i 1 Livspension lifecycle product Linkpension, a unit-linked product	Actual returns are allocated to members each month Savings are invested in generation pools according to the member's age and choice of investment profile. Members determine which investment funds they wish to invest their savings in
Average rate Conventional average rate	Rate of interest on policyholders' savings allocated to members reflects the average return achieved over time Comprises pension schemes with declarations of intent, guaranteed direct insurance and guaranteed reinsurance

Premiums and benefits

Premium income of

DKK **461** mill.

Premium income

Premiums grew by 5.9% from DKK 435 million in 2020 to DKK 461 million in 2021. Regular premiums grew by DKK 20 million, while single premiums and transfers increased by DKK 6 million.

Premium income DKKm	2021	2020	Change (%)
Regular premiums	409	389	7.0
Single premiums etc.	52	46	13.7
Total premiums	461	435	5.9

The number of members at 31 December 2021 was 11,072 against 10,829 at 31 December 2020, an increase of 2.2%.

Number of members	31.12.2020	31.12.2019	Change (%)
Premium-paying members in active employment	5,680	5,555	2.3
Paid-up policies etc.	2,895	2,843	1.8
Pensioners	2,497	2,431	2.7
Total number of members	11,072	10,829	2.2

Benefit payments

Total benefits paid amounted to DKK 423 million in 2021 against DKK 369 million in 2020, including supplementary pensions financed via equity. The increase was primarily attributable to regular pension benefits.

Expenses

For several years, PJD has made targeted efforts to reduce its expenses, which are among the lowest in the industry. The lower the expenses, the greater the proportion of premiums and returns will be allocated to savings. Ensuring low investment and administration expenses is a priority at PJD.

Efficient investment management

Internal and external management efficiency is very important to the Sampension community. For that purpose, we invest the pension savings of all our members in the same investment assets, for example. The combination of such assets may vary considerably from member to member depending on their specific savings product and risk profile.

We use cost-benefit analyses to assess whether the various portfolios should be managed internally or externally. Virtually all of our equity investments are outsourced to external asset managers, while most investment in bonds and other fixed-income instruments is managed in-house. A number of investments in higher-risk credit bonds are made through external managers, and most alternative investments in, e.g., forestry, hedge funds and unlisted equities are managed by external managers.

Investment expenses of 0.48%

Investment expenses include expenses incurred by PJD, which are disclosed directly in the financial statements, and indirect expenses incurred when investing in external funds, investment associations, etc.

Total investment expenses calculated on member savings in 3 i 1 Livspension schemes with moderate risk were 0.48% in 2021. Investment expenses calculated on member savings and unallocated funds in average-rate schemes amounted to 0.54% in 2021 against 0.55% in 2020.

Return ratios are calculated after deduction of direct and indirect investment expenses. The return after investment expenses is the all-important ratio to consider when assessing the performance of members' pension savings.

Administrative expenses per member of DKK 546

Pension administrative expenses amounted to DKK 6.0 million in 2021 against DKK 5.2 million in 2020. The increase was primarily attributable to expenses in connection with switches to unit-linked schemes.

**Administrative
expenses per
policyholder**

DKK **546**

- Expenses per member amounted to DKK 546 in 2021 against DKK 480 in 2020. Excluding expenses in connection with switches, expenses per member would be in line with 2020.
- Expenses expressed as a percentage of provisions were unchanged from 2020 at 0.05%.

APR of 0.5%

Information on annual expenses expressed in Danish kroner and as a percentage (APR) is available in Description of method – annual expenses expressed in Danish kroner and as a percentage 2021 (in Danish only). APR includes an annual administration fee of DKK 480 per member, 0.1% of members' regular premiums and investment expenses as set out above.

APR depends on members' savings. For a 55-year-old member with a moderate risk profile and savings of DKK 1 million as well as annual premiums of DKK 50,000, the APR for 2021 was at 0.5%.

APR for average-rate products for 2021 was 0.6% against 0.9% for 2020, calculated for a member with conditionally guaranteed benefits and savings of DKK 1 million and annual premiums of DKK 50,000. The fall relative to 2020 was due to a risk premium of 0.25% of pension schemes with conditional guarantees not being calculated as from 1 January 2021.

Investments and returns

Despite the coronavirus pandemic, the resource-rich economies did not fall into a deep recession in 2021. Rollout of vaccines and experience from spring 2020 were two key factors in preventing this.

After a start to the year where many countries locked down society to contain the coronavirus from spreading, the rollout of vaccination programmes made it possible to reopen society and return to the workplace during the spring months. With this, the relatively limited negative growth seen during the first quarter was more than recovered during the rest of the year.

During lockdown, many countries chose to introduce large fiscal and monetary relief packages, and when the economy was once again up and running, consumers were ready to spend some of the money they had saved up. The increased demand boosted economies massively, and qualified labour, goods and materials quickly fell short. The latter was especially due to supply chain difficulties. Many countries faced the highest inflation rate in nearly 30 years. As a result, central banks announced – and in most cases also initiated – a rollback of their very expansive monetary policies. In late autumn, the Omicron variant of the coronavirus emerged and led to a new, but less severe lockdown. At the same time, people were offered a third vaccine dose. 2021 thus ended with most countries experiencing strong growth, a significant demand pressure on the labour market and a high and increasing inflation rate.

Equity markets began 2021 on an upward trend driven by the very expansive fiscal and monetary policies and by the news of effective vaccines being ready for rollout. As a result, economies quickly picked up. In late summer, inflation rates began to strongly increase in many countries, and concerns that central banks would roll back their expansive policies started to spread. This affected equity markets and, towards the end of 2021, the Omicron variant put a further dampener on the markets.

The global equity market index was up by almost 21% in 2021. The US equity market was the best performer with an impressive 28% increase. The Danish equity market rose by 24%, European equities by 23% and the UK equity market by 18%. With increases of 6% and 2%, respectively, Asia and the emerging markets lagged significantly behind¹.

Interest rates also took some roller coaster rides in 2021 with an upward trend driven by speculations about what direction central banks will take in the future.

Investment return of DKK 1,634 million or 10.8%

PJD's overall return in 2021 was DKK 1,634 million before tax on pension returns, compared with a return of DKK 347 million in 2020. Note that no unit-linked environment existed in 2020. For a more detailed specification of holdings and returns, see note 22 to the financial statements.

PJD's total return was 10.8% in 2021, against 2.3% in 2020.

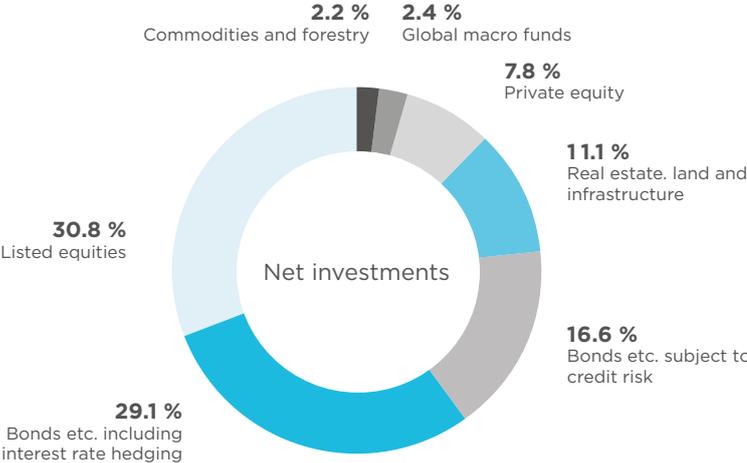
Investment return of

10.8%

Investment returns by environment DKKm	2021	2020
3 i 1 Livspension	77	0
Average rate	1,557	347
Total return	1,634	347

Breakdown of net investments

Almost a third of PJD's total net investment assets were placed in low-risk bonds (such as Danish government and mortgage bonds), while almost one third of the assets were placed in listed equities.



Investment strategies in PJD's two investment environments

Our investment strategy aims to maximise the long-term return in a responsible manner and within the given risk framework. The unit-linked and average-rate environments generally participate in the same investments, only at different weightings and volumes. The 3 i 1 Livspension product has a relatively larger share of investments in high-risk assets than the conventional average-rate environment.

¹ Return rates are stated before translation into Danish kroner and reflect benchmark indices for the respective markets.

We are currently in the process of building our portfolio of direct investments in debt, unlisted equities and real estate, and these efforts continued in 2021. Despite the coronavirus pandemic, PJD's portfolio of direct investments in debt, unlisted equities and real estate continued to expand throughout 2021. In 2021, PJD and the other pension providers in the Sampension community invested in 49% of the Aarhus-based energy company NRGi's sustainable energy division and established a partnership with European Energy and Novo Holdings on purchasing and developing agricultural land for wind turbine and solar panel farms, for example. In terms of real estate, we invested in an independent nursing home (fritlejehjem) in Valby, senior housing in Frederikssund and an office property in Holte with residential development potential. We also co-invested in a housing complex in Dallas. The private equity portfolio was also expanded in 2021 with two co-investments in software and healthcare as well as in European and US funds focusing on small and medium-sized companies as well as on venture capital. As for our forestry portfolio, the Sampension community and the manager Ressource Management Systems have committed to investing in the world's biggest forest area in southern USA. In the infrastructure portfolio, a co-investment in Molslinjen was made in collaboration with EQT Infrastructure.

Unit-linked environment investments

The 3 i 1 Livspension product investments are placed in different generation pools, each with a specific composition of investment assets, to reflect the member's age. Members have three investment profiles to choose from: low risk, moderate risk and high risk.

Positive returns for all generation pools in 3 i 1 Livspension

The lifecycle product reported positive returns for all generation pools across risk profiles in 2021. As shown in the table below, the youngest age groups, which have relatively large shares of equities, but also of alternative investments, had the highest returns. The majority of the members have chosen the moderate risk investment profile.

Generation pools 3 i 1 Livspension, selected	Investment profile		
	Low	Moderate	High
Return (%)			
25 years	15.0	20.7	23.1
55 years	12.9	18.0	20.6
65 years	6.3	9.4	12.3

For a more detailed specification of holdings and returns in 3 i 1 Livspension, see notes 22 and 23 to the financial statements.

Return in the average-rate environment of 10.6%

The average-rate environment primarily consists of pension schemes with conditional guarantees. Provisions for pension schemes are calculated at market value. In addition, equity and surplus capital are invested in the average-rate environment.

Investments in the average-rate environment at 31 December 2021 and the return for the year are set out in the table below.

Average rate	Market Value 31.12.2021 DKKm	Return (%), time- weighted
Total investment portfolio	13,500	10.6

Almost 52% of PJD's DKK 13.5 billion net investment assets in the average-rate environment were placed in bonds, etc., while 26% were invested in listed equities and some 22% in alternative investments, etc.

The return for 2021 in the average-rate environment was 10.6% before tax on pension returns.

For a more detailed specification of holdings and returns in the average-rate segment, see note 22 to the financial statements.

Five-year return in the average-rate environment

Over the past five years, a savings amount of DKK 100 has grown to almost DKK 132.



Five-year return of

31.7 %

Sharpe ratio (risk-adjusted return) in the average-rate environment

The table below shows the risk-adjusted return measured for the period 2017-2021. The risk-adjusted return illustrates the performance of the return relative to the assumed risk. The risk is measured on the basis of the historical volatility (standard deviation) over a given period of time. The higher the risk-adjusted return, the better the investment. If the risk-adjusted return is calculated on the basis of the excess return relative to a risk-free interest rate (of 0%), it is referred to as the Sharpe ratio.

Sharpe ratio 2016-2020	Accumulated return	Annualised return	Annualised standard deviation	Risk-adjusted return
PJD	31.7%	5.7%	6.0%	0.9

Corporate social responsibility

In addition to contributing to the individual member's financial situation in retirement, being a part of the collective agreements, PJD contributes to the sustainable development of the Danish economy and to maintaining a healthy balance between public sector benefits and labour market benefits. Labour market pensions, which constitute a significant pillar of the Danish model, have contributed to the steady development of a secure and responsible labour market since the 1980s.

PJD is responsible for managing its pension schemes in a way that serves the best interests of our members. We fulfil that responsibility by staying focused on what is important, i.e. growing the value of the pension schemes through:

- high returns
- low expenses
- flexible pension products
- personalised customer service
- comprehensive advisory tools.

3 initiatives

**to increase
responsible
investments**

**Reduction in carbon
footprint by**

28 %

PJD thus performs a broad task for society. Our policy on corporate social responsibility is business-driven, which means that we seek to achieve corporate social responsibility through actions taken in our business areas. Our fundamental objective is to provide attractive pension schemes to our members, which is reflected by the fact that profit is allocated to members' pension savings.

Responsible investments

PJD's investments are arranged so that they are socially responsible. Our responsible investment policy has three areas of focus:

- Environmental and climate impact of investments
- Social impact of investments
- Corporate governance

Our approach to corporate social responsibility is governed by our ambition to comply with and implement international standards and guidelines, including the ten principles of the UN Global Compact in the areas of human rights, labour rights, the environment and anti-corruption, the OECD Guidance for Responsible Business Conduct for Institutional Investors, the climate targets of the Paris Agreement and the G20 Task Force on Climate-related Financial Disclosures (TCFD).

The responsible investment policy applies to all four parties of the Sampension community. The boards of directors have set up a cross-functional committee which is charged with considering the social, environmental and governance aspects of investment decisions made by the four pension providers with a view to agreeing on the principles to be included in the pension providers' policy on responsible investment.

Every two years, PJD conducts customer and member surveys in the responsible investment area to ensure that the policy pursued is reflected in the values and beliefs of the members. A new survey conducted in November 2021 showed that some 80% of our members find responsible investments to be very important to their level of satisfaction with their pension fund, and 87% of our members are either very satisfied or satisfied with PJD's responsible investment efforts.

Continued reduction of the carbon footprint of our investments

In 2021, the carbon footprint of the pension fund's listed equity portfolio was reduced by 28%. In absolute levels (absolute emissions), our carbon emissions dropped from 0.048 million tonnes in 2020 to 0.043 million tonnes in 2021, corresponding to almost 11%.

In 2021, it was possible to include directly owned corporate bonds in the calculation of the carbon footprint. The carbon footprint (absolute emissions) of the directly owned corporate bonds was reduced by 32%, while the level of financed emissions remained unchanged².

Climate-neutral by 2050

The companies in which PJD has invested continue their energy efficiency procedures and their transition away from fossil energy sources. PJD has defined a target for the carbon footprint of its overall investment portfolio to be reduced by 45% relative to the 2020-level by 2030 and to net zero by 2050. This reduction target will apply to all assets in the portfolio. The carbon footprint is thus reduced most significantly within the first 10 years with the remaining 55% over the subse-

² Going forward, the pension fund will calculate the carbon footprint of the portfolio based on the companies' total financing, i.e. both share capital and debt, the so-called Enterprise Value Including Cash (EVIC) method. The change is made, among other things, based on the fact that this calculation method must be applied in connection with reporting under the Disclosure Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial services sector (SFDR).

quent 20 years. To support this, the Sampension community will define continuous sub-targets for the period, both for the overall portfolio and for the various sectors in which we invest with the purpose of providing full transparency on our efforts towards climate neutrality.

Companies of the equity portfolio which are operating within the most heavily emitting sectors are regularly screened for their ability and willingness to transition to a low-carbon economy, and this consideration forms part of our exclusion criteria. In 2021, we excluded five companies based on our criterion of unacceptable environmental practices. The equity portfolio's total adaptability score is measured annually and has significantly increased since 2019.

Moreover, we do not invest in companies generating a predominant share of their revenue from coal or tar sand activities – including the use of coal in utility companies' energy mix.

The Sampension community not only requires changes in the companies in which we directly invest and where we manage the investments ourselves. The requirements also apply to externally managed investments, for example in funds. In addition, the Sampension community works continually on sustainability in its property portfolio. The requirements for transition towards climate neutrality by 2050 therefore apply to all of our investments.

Green investments

Together with the other partners of the Sampension community, PJD increased its green investments by DKK 3 billion in 2021 and now has green investments of a total of DKK 19 billion. During the year, we made new green direct investments, for example, in NRGi Renewables, which develops and installs wind turbine and solar panel farms but also aims to explore the opportunities to participate in the development of other types of renewable energy. We also invested in a forest in North America and purchased agricultural land for the purpose of installing a solar panel farm in collaboration with European Energy and Novo Holdings.

Active ownership

PJD takes a proactive approach to companies that are found not to act responsibly in an ESG context, e.g. by engaging in dialogue with the company's management and other stakeholders. Through this, we regularly raise the bar for responsibility.

Screening and critical dialogue

Listed companies are continuously monitored by a professional and independent screening provider, and the screening is based on the UN Global Compact and the OECD Guidelines for Multinational Enterprises. If a company's conduct is found to be significantly in conflict with the policy and guidelines for responsible investments, it will be assessed whether the company has acted unacceptably or acceptably, or whether it must be placed on a surveillance list pending further investigation, or whether to engage in dialogue with the company. Shares in unacceptable companies are added to the exclusion list and sold off.

Through the critical dialogue engagement programme, PJD and the other partners of the Sampension community engaged in 29 dialogues which were initiated in 2021 on labour rights, human rights, climate and the environment and corporate governance. Two dialogues were concluded with a positive outcome, while 27 are still ongoing or monitored.

In this context, we screened the companies' coal and tar sand activities as well as their adaptability, etc. At the end of 2021, 257 companies were on the Sampension community exclusion list. The majority of these – 190 – are climate-related exclusions.

257

Excluded companies

Dialogue on improvement

To support the UN Sustainable Development Goals, we engage in proactive dialogues on improvement with selected portfolio companies if they are considered to not adequately support the UN Sustainable Development Goals. We particularly focus on companies that are considered to underperform their peers.

Through the programme for dialogue on improvement, we engaged with 44 companies in 2021; 12 on climate adaptation, 13 on fiscal transparency, 8 on responsible water management and 11 on responsible governance. The figures only include listed companies in which PJD has invested. In addition, PJD engages in a large number of dialogues with companies in which PJD is not currently invested but has either previously invested in or could potentially invest in, including 76 dialogues initiated in 2021.

As part of the Sampension community, PJD is also part of Climate Action 100+ (CA100+), which is the world's largest investor initiative consisting of 615 investors with combined assets of DKK 390,000 billion. CA100+ engages in dialogue with 167 climate-damaging companies within oil and gas, mining and metals, utilities, transport, consumer products and the industrial sector.

Voting

As part of the Sampension community, PJD votes at the general meetings of Danish OMX C25 companies and at the general meetings of listed Danish and international companies in which we represent more than 3% of the voting rights.

For other listed companies, the Sampension community works towards maximizing its influence in companies together with other institutional investors through networks. We always vote at general meetings of companies with which we are in an ongoing critical dialogue.

The statutory report on corporate social responsibility 2021 (in Danish only) provides additional information on our responsible investment approach.

Key ESG indicators provide comparability and transparency

Being part of the Sampension community, PJD supports the pension industry's request for a common standard by publishing an overview of its ESG ratios calculated according to the guidelines published by FSR – Danish Auditors, Nasdaq and the Danish Finance Society in June 2019, most recent version in December 2020. In addition, ratios have been added in accordance with Insurance & Pension Denmark's industry recommendations on climate reporting. A description of calculation methods is provided in the statutory report on corporate social responsibility 2021.

In the following, we only include key indicators directly related to PJD, while key indicators for the Sampension community are available in Sampension Liv's statutory report on corporate social responsibility 2021 (in Danish only):

	Unit	2021	2020	2019	2018
E - Environmental data - carbon footprint of investments:					
Carbon emissions by the listed equity portfolio¹					
Absolute emissions	Tonnes/CO ₂ e	42,947	48,180	-	-
Financed emissions (carbon footprint)	Tonnes CO ₂ e/DKKm	7.7	10.6	-	-
Carbon intensity	Tonnes CO ₂ e/DKKm	21.6	23.3	-	-
Weighted average carbon intensity	Tonnes CO ₂ e/DKKm	20.7	21.5	-	-

	Unit	2021	2020	2019	2018
Carbon emissions by directly owned corporate bonds					
Absolute emissions	Tonnes/CO2e	126	186	-	-
Financed emissions (carbon footprint)	Tonnes/CO2e/DKKm	<1	<1	-	-
Carbon intensity	Tonnes/CO2e/DKKm	1,4	2,0	-	-
Weighted average carbon intensity	Tonnes/CO2e/DKKm	<1	<1	-	-
Active ownership, number of dialogues					
Number of dialogues on climate change	No.	12	-	-	-
Number of dialogues in total	No.	73	-	-	-
S - Social data					
Taxes paid	DKKm	245	203	196	284
G - Governance data					
Gender diversity, Board of Directors	%	33	33	33	33
Board meeting attendance	%	100	97	93	100

¹ Due to a change in the calculation method, it has not been possible to calculate comparative figures for 2019 and 2018.

For more information and definitions, see the statutory report on corporate social responsibility 2021.

Development in the investments' ESG ratios is addressed in the section on corporate social responsibility above the table.

Other ESG ratios:

- The increase in taxes paid is primarily attributable to the fact that payment of three months' tax deducted at source for 2020 was deferred to 2021 due to the Danish government's relief packages.
- Governance data show that the Board of Directors of PJD represents an equal gender distribution as defined in the Danish Business Authority's guidelines. Board meeting attendance remains high and was 100% in 2021.

Data ethics

PJD has chosen not to define a data ethics policy for 2021, as PJD does not process data or apply algorithms for data analysis in excess of what is expected and normal in relation to operating a pension company. This could be information about the employer, employment and state of health. PJD's performance of its core task requires access to and processing of extensive amounts of data about members, companies and employees. When PJD processes data, the individual person's data is respected as much as possible honouring PJD's pension obligations.

Data processing in the form of e.g. detecting member patterns is also not an integral part of PJD's current business activities. The member's historical data are naturally considered – after a specific needs assessment – when providing advice.

Data processing at PJD must never involve any form of discrimination or partial results. Regardless of how PJD collects data, this will always be in accordance with the data protection legislation applicable. PJD recognises that the strategic

focus on digitalisation and new technologies may result in a need for a data ethics policy in the future.

PJD never sells data.

For more information on how PJD processes data, see Processing of personal data and digital communications (pjdension.dk).

Financial results, solvency capital requirement and total capital

Profit of

DKK **319** mill.

Profit of DKK 319 million

PJD realised a profit of DKK 319 million for 2021 against a profit of DKK 94 million for 2020. The profit or loss for the year consists mainly of the share of the investment return for the year allocated to equity and the technical result of health and accident insurance for the year. The profit for 2021 was significantly higher than expected due to the high investment return of 10.6%.

The Board of Directors proposes that the profit for the year be transferred to equity. In connection with switches to unit-linked schemes, DKK 637 million was distributed from equity in 2021. In addition, DKK 104 million was distributed from equity as supplementary pension benefits. Equity subsequently stood at DKK 3,283 million at 31 December 2021 compared with DKK 3,705 million at 31 December 2020.

Solvency requirements and total capital

Overall, the calculated solvency capital requirement is considered to be adequate relative to the pension fund's risks. PJD calculates solvency requirements in accordance with the standard model specified in the Solvency II rules.

Solvency requirements and total capital DKKm	31.12.2021	31.12.2020
Total capital	4,164	4,518
Solvency capital requirement (SCR)	1,300	1,640
Minimum capital requirement (MCR)	325	410
Excess capital	2,864	2,877
Solvency coverage ratio relative to SCR	320%	275%
Solvency coverage ratio relative to MCR	1,281%	1,102%

The solvency coverage ratio – i.e. total capital relative to the solvency capital requirement – was 320% at 31 December 2021. The increase relative to 31 December 2020 was mainly attributable to the effect of the higher level of loss absorption due to the high return and rising interest rates. The solvency coverage ratio is at a very robust level.

Further information is available in the report Solvency and financial condition 2021 (in Danish only). This report also provides information on risk sensitivities in accordance with section 126 of the Danish Executive Order on Financial Reports.

Provisions for pension agreements

As a result of the switch to unit-linked schemes in 2021, pension provisions amounting to DKK 2,558 million including contributions to savings were transferred from pension provisions for average-rate products to provisions for unit-linked products.

Pension provisions for average-rate products are computed at market value based on assumptions of mortality and disability and probability of policy surrenders and conversions into paid-up policies. Market values are calculated using the Solvency II discount curve. Provisions are also determined using the Danish FSA's benchmark for expected future increases in longevity. PJD has determined a number of conditions for changing the calculation basis.

Pension provisions for average-rate products amounted to DKK 9,401 million at 31 December 2021, against DKK 10,813 million at 31 December 2020. The drop was due especially to the net effect of the switch to unit-linked schemes and an increase in the discount rate.

The bonus ratio, reflecting the bonus potential in relation to members' savings, increased to 44.4% at 31 December 2021 against 28.9% at 31 December 2020. This was primarily due to an increase in the collective bonus potential resulting from the high investment return and an increase in the individual bonus potentials - relative to savings - due to rising interest rates and changes in mortality.

Bonus potential and bonus ratios	31.12.2021		31.12.2020	
	DKKm	%	DKKm	%
	Bonus potentials	Bonus ratios	Bonus potentials	Bonus ratios
Kollektivt bonuspotentiale	1,137	-	605	-
Individuelt bonuspotentiale	2,471	-	2,314	-
Samlede bonuspotentiale	3,608	44.4	2,918	28.9

Provisions for unit-linked products amounted to DKK 3,179 million at the end of 2021. The most significant part concerned switches from average-rate schemes.

Effective at 1 January 2022, PJD has divided average-rate policies into two independent contribution groups: A guaranteed and a non-guaranteed group. The guaranteed part amounts to approximately 1% of total average-rate policies. On division, unallocated funds were allocated based on the members' savings. The division into two separate groups does not affect the members, as it neither affects their products, the management of products or the investment strategy. Going forward, these are placed in separate risk communities, however.

The division entails a slight increase in PJD's solvency coverage.

Outlook for 2022

PJD expects moderate growth in the number of members and premiums in 2022.

Expenses per member excluding any expenses in connection with switches are expected to be at the same low level as in 2021.

At 1 January 2022, the rate of interest on policyholders' savings was fixed at 2.5% before tax on pension returns for conditionally guaranteed pension schemes, against 1.5% at 1 January 2021.

The return allocated to equity depends on financial market developments. Based on an unchanged level of interest rates, PJD expects a return on equity after tax on pension returns for 2022 of about DKK 50-80 million.

Interest rate of

2.5%

Other matters

Uncertainty in recognition and measurement

In preparing the annual report, management makes a number of estimates and judgments of future events. Such estimates and judgments may influence the carrying amount of assets and liabilities. Management's estimates and judgments have the most material effect on pension provisions and on the calculation of fair values of illiquid assets such as unlisted financial instruments and real estate. See the note on accounting policies for further details on estimates and judgments. The Audit and Risk Management Committee and the pension fund's Board of Directors review the estimates and valuation methods applied in PJD's financial statements on an annual basis.

Events after the balance sheet date

After the balance sheet date, war has broken out in Ukraine following the Russian invasion. In April 2021, the Sampension community excluded Russian government bonds and government-controlled companies, and the Pension Fund for Agricultural Academics and Veterinary Surgeons' direct exposure to Russia and Ukraine is therefore very limited. Although it is still too early to assess the effects thereof, the management expects that the war will have a very limited direct impact on the results of the coming financial year. However, we must expect to see knock-on effects on the energy supply in Europe, for example, but it is still too early to assess the consequences thereof.



About the pension fund

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Management structure

PJD is a multi-employer occupational pension fund owned by its members. The supreme authority of the pension fund is the general meeting.

Board of Directors

The Board of Directors consists of nine members. Five are elected by and among the pension fund's members, one is appointed by JA, one is appointed by the Trade Union for Employed Veterinarians (ADO) and two are elected at the general meeting following nomination by the Board of Directors. One of the last-mentioned two board members must have the qualifications required to be an expert member of the Audit and Risk Management Committee. The other must have experience from the pension industry or the financial sector.

On 10 January 2022, JA appointed Gertrud Knudsen as a new member of the Board of Directors replacing Hans-Henrik Bramaholm Jørgensen. An overview of other directorships held by the members of the Board of Directors and the Executive Board is provided on pages 28-29.

The Board of Directors held 11 board meetings, one strategy seminar and one feature day in 2021.

Audit and Risk Management Committee

Pursuant to the provisions of the EU and of Danish legislation on audit committees in public-interest entities, the Board of Directors of PJD has established an Audit and Risk Management Committee.

The Audit and Risk Management Committee is chaired by Søren Kaare-Andersen, MSc (Econ.). By virtue of his professional career and educational background, Søren Kaare-Andersen meets the qualification requirements set out in the rules on audit committees. He also complies with the requirements of independence.

The two other members appointed by the Board of Directors to serve on the Audit and Risk Management Committee in 2021 were the following: Johannes Elbæk (Deputy Chairman of the Board) and Anders Larsen (Board member).

The Audit and Risk Management Committee held four meetings in 2021.

The framework for the Audit and Risk Management Committee's work is defined in a terms of reference. Its principal duties are:

- to oversee the financial reporting process;
- to prepare the Board of Directors' reviews and resolutions involving risk documents regarding the pension fund's capital, solvency and operational matters;
- to oversee the effectiveness of risk management systems, internal control systems and the internal audit function;
- to oversee the statutory audit of the financial statements; and
- to oversee and verify the independence of the auditors.

A whistleblowing scheme has been set up to give the employees of the joint management company a dedicated and independent channel for reporting any violation of relevant regulations by the company, including bribery and corruption, competition law, fraud and financial crime, harassment and discrimination as well as protection of personal data. The whistleblowing scheme is in compliance with new legislation on whistleblowing schemes, which took effect on 1 January 2022.

Reporting to the whistleblowing scheme is made via a whistleblowing IT platform and screened by the Danish law firm Kromann Reumert, which manages the whis-

tleblowing scheme. Subsequently, Kromann Reumert informs the chairman of the Audit and Risk Management Committee and the person in charge of the compliance function via the IT platform. No reports were filed in 2021.

Nomination Committee

The Board of Directors of PJD has established a Nomination Committee. The Committee is intended to make recommendations to the Board of Directors with a view to ensuring a better recruitment base for the Board of Directors and providing a well-described basis for discussion of recruitment and retention.

In 2021, the Nomination Committee consisted of Kirsten Holst Sørensen (Board member, Chairman of the Committee), Erik Bisgaard Madsen (Chairman of the Board), Henning Otte Hansen (Board member) and Louise Bundgaard (Board member). The Committee held four meetings in 2021.

Committee for Responsible Investment

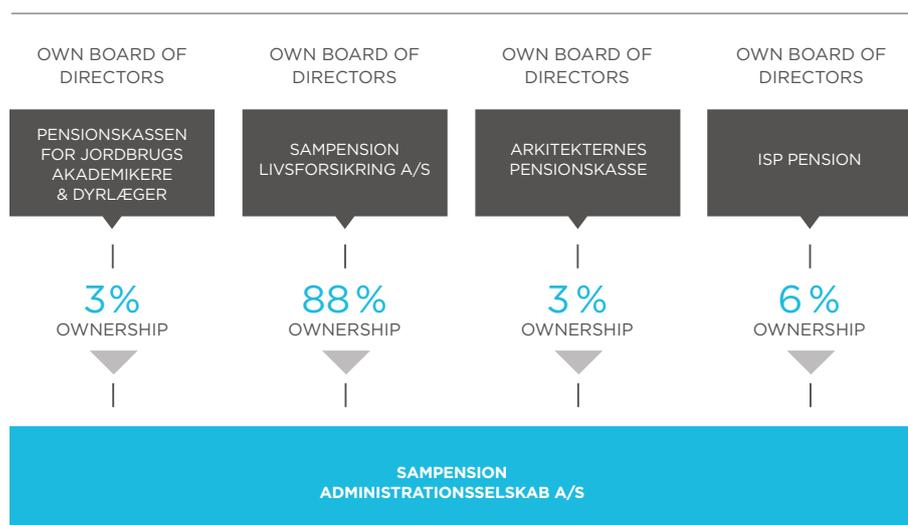
The responsible investment policy applies to all four parties of the Sampension community. The boards of directors have set up a cross-functional committee to make proposals for ESG-related decisions. The Committee is charged with considering the environmental, social and governance aspects of investment decisions made by the four pension providers with a view to agreeing on the principles to be included in the pension providers' policy on responsible investment.

Erik Bisgaard Madsen (Chairman of the Board) and Louise Bundgaard (Board member) represented PJD's members on the Committee in 2021. The Committee held three meetings in 2021.

Organisation and management

PJD is part of the Sampension community. In addition to PJD, the Sampension community comprises Sampension Livsforsikring A/S, the Architects' Pension Fund and the Pension Fund for Technicians and Bachelors of Engineering (ISP). The group of owners of Sampension Administrationselskab A/S comprises: Sampension Livsforsikring A/S (88%), the Architects' Pension Fund (3%), the Pension Fund for Agricultural Academics and Veterinary Surgeons (3%) and the Pension Fund for Technicians and Bachelors of Engineering (6%).

The Sampension community:



▼ Ownership and administrative agreements with equal conditions

The Executive Board is in charge of the overall day-to-day management of Sampension Administrationselskab A/S. The organisation also consists of five main divisions, which are in charge of day-to-day operations and development, and three staff functions (Executive Secretariat, Communications and HR). A detailed presentation of the organisation can be found at sampension.dk/organisation.

PJD's risk management, compliance, actuary and internal audit functions contribute to ensuring efficient management. In addition, the Board of Directors has decided to appoint a chief internal auditor who is in charge of the internal audits of the pension funds in the joint management company. The heads of the respective departments have been designated as key persons performing controlled functions in respect of the work of the Sampension community.

Remuneration

The boards of directors of the financial enterprises managed by Sampension Administrationselskab A/S have drawn up a remuneration policy that is compliant with the provisions of the EU and of Danish legislation. The purpose of the remuneration principles is to ensure that the management and the employees are remunerated in a manner that best supports the business and long-term strategic goals of the organisation.

The terms of remuneration reflect and support the joint management company's consistent ability to recruit and retain a competent and responsible management that promotes healthy and efficient risk management and that does not motivate excessive risk-taking. Furthermore, the remuneration principles are to prevent conflicts of interest for the benefit of our members.

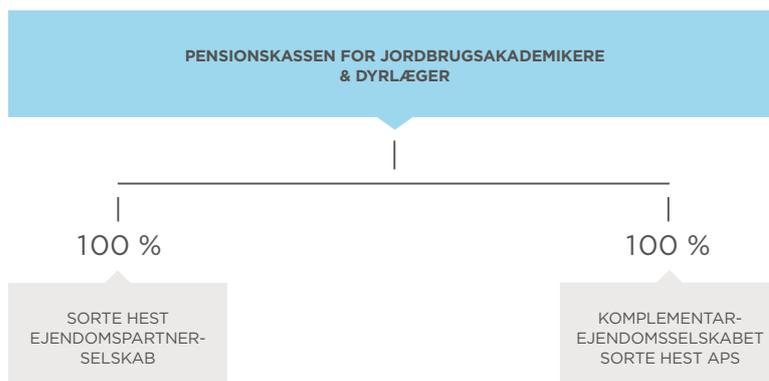
See note 5 to the financial statements or, for more information (in Danish only), go to pjdension.dk/bestyrelse.

Gender composition of the Board of Directors

After the above-mentioned replacement on 10 January 2022, the current composition of the Board of Directors represents an equal gender distribution with four of the members, corresponding to 44.4%, being women and five members, corresponding to 55.5%, being men. This distribution continues to be consistent with the Danish Business Authority's guidelines on an equal gender composition of the board of directors.

We have accounted for the gender composition at other management layers in the statutory report on corporate social responsibility 2021.

Group structure



Management and other directorships

Executive Board

Mads Smith Hansen, Chief Executive Officer

Chief actuary

Steen Ragn

Internal audit

Gert Stubkjær, Group Chief Internal Auditor

Independent auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
2900 Hellerup

Annual General Meeting

The Annual General Meeting will be held on 25 April 2022.

Other directorships

The following sets out the directorships in other companies held by the members of the Board of Directors and the Executive Board. The list does not include directorships in wholly-owned subsidiaries of the Pension Fund for Agricultural Academics and Veterinary Surgeons.

Name and year of birth	Education/employment	Term/appointment, etc.	Other directorships and fiduciary positions
Erik Bisgaard Madsen, born 9 February 1955, Chairman	MSc in Veterinary Medicine, Ph.D., B.Com., Associate Dean Politics & Communication, Faculty of Life Sciences, University of Copenhagen	April 2019 to April 2022, elected by the members, member of PJD, 26 years on the Board	Deputy chairman of the board of directors of Food & Bio Cluster Denmark F.M.B.A. Member of the board of directors of FBCE A/S Member of the board of directors of the Danish Dairy Research Foundation Member of the board of directors of Hallegård Slagtehus ApS Member of the joint committee for responsible investment of Sampension Livsforsikring A/S, the Architects' Pension Fund, the Pension Fund for Agricultural Academics and Veterinary Surgeons and the Pension Fund for Technicians and Bachelors of Engineering Member of the nomination committee of the Pension Fund for Agricultural Academics and Veterinary Surgeons
Johannes Elbæk, born 26 March 1961, Deputy Chairman	MSc (Agriculture), HD, Director of Agricultural Centre, Vestjysk Bank	April 2019 to April 2022, elected by the members, member of PJD, 21 years on the Board	Member of the audit and risk management committee of the Pension Fund for Agricultural Academics and Veterinary Surgeons Director of Agricultural Centre, Vestjysk Bank A/S Owner of J. Elbæk Consulting
Louise Bundgaard, born 13 September 1979	MSc (Veterinary Medicine), Ph.D., Postdoc at the Department of Clinical Veterinary Medicine at the University of Copenhagen	April 2020 to April 2023, appointed by the Trade Union for Employed Veterinarians (ADO), member of PJD, 5 years on the Board	Member of the joint committee for responsible investment of Sampension Livsforsikring A/S, the Architects' Pension Fund, the Pension Fund for Agricultural Academics and Veterinary Surgeons and the Pension Fund for Technicians and Bachelors of Engineering Member of the nomination committee of the Pension Fund for Agricultural Academics and Veterinary Surgeons Member of the board of directors of the Biomedicine Profession, DVA Member of the board of directors of European Tissue Repair Society Member of the Animal Experiments Inspectorate
Henning Otte Hansen, born 29 May 1959	MSc (Agriculture) and MSc (Economics and business administration), Ph.D., Senior Adviser, Department of Food and Resource Economics (IFRO) at University of Copenhagen	April 2021 to April 2024, elected by the members, member of PJD, 4 years on the Board	Chairman of the board of directors of Økologisk Komplementarselskab ApS Member of the executive committee of Statsautoriseret revisor Oluf Christian Olsen og hustru Julie Rasmine Olsens mindefond Member of the nomination committee of the Pension Fund for Agricultural Academics and Veterinary Surgeons Member of the board of directors of SEGES Innovation Member of the board of directors of Agronomfonden Member of the board of directors of Dansk Agronomforening

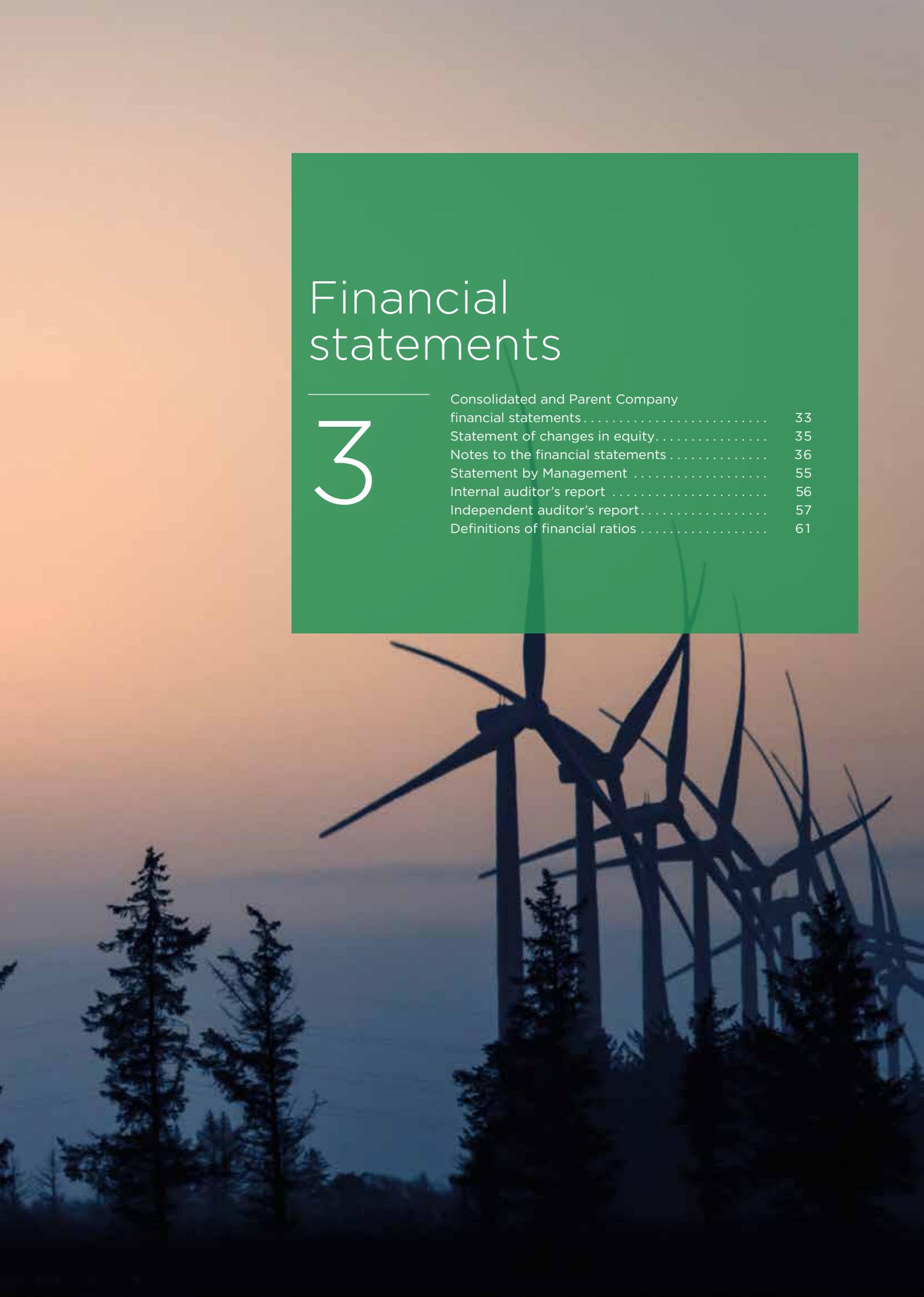
Name and year of birth	Education/employment	Term/appointment, etc.	Other directorships and fiduciary positions
Søren Kaare-Andersen, born 10 September 1958	MSc (Econ.), CEO of the Bikuben Foundation	April 2021 to April 2024, elected at the general meeting following nomination by the Board of Directors, not a member of PJD, 7 years on the Board	Chairman of the audit and risk management committee of the Pension Fund for Agricultural Academics and Veterinary Surgeons Chairman of the audit and risk management committee of the Architects' Pension Fund Chairman of the advisory committee of Nasdaq OMX Cph Chairman of the board of directors of Høbbet A/S Chairman of the board of directors of Bifi A/S Chairman of the board of directors of Roskilde Kulturservice A/S Chairman of the board of directors of the Bikuben Foundation New York inc. Deputy chairman of the board of directors of the Hjem til Alle alliance Deputy chairman of the board of directors of EnkotecA/S Member of the board of directors of the Architects' Pension Fund Member of the board of directors of the Museum Council of the National Museum of Denmark Member of the board of directors of NunaFonden Member of the board of directors of KAB Member of the board of directors of H. P. Lorentzens Stiftelse CEO of the Bikuben Foundation
Gertrud Knudsen, born 3 July 1958	MSc (Agriculture), Head of division, the Danish Road Directorate	January 2022 to January 2023, appointed by JA, member of PJD, 0 years on the Board	Chairman of the board of directors of JA Member of the board of directors of Naturfonden Myrupgaard
Anders Larsen, born 11 February 1967	MSc. (Econ.), HD, F&R Partner with Whitecroft Capital Management	April 2018 to April 2022, elected at the general meeting following nomination by the Board of Directors, not a member of PJD, 4 years on the Board	Member of the audit and risk management committee of the Pension Fund for Agricultural Academics and Veterinary Surgeons
Ilse Ankjær Rasmussen, born 14 July 1956	MSc (Agriculture), member of the academic staff of the International Centre for Research in Organic Food Systems (AarhusUniversity)	April 2021 to April 2024, elected by the members, member of PJD, 4 years on the Board	
Kirsten Holst Sørensen, born 8 March 1963	MSc (Agriculture), HD (Organisation and Management), CEO of Innovation Centre for Organic Farming	April 2020 to April 2023, elected by the members, member of PJD, 10 years on the Board	Member of the board of directors of ICROFS Member of the board of the directors of Økologi Inspiration til Jordbrugeren Chairman of the nomination committee of the Pension Fund for Agricultural Academics and VeterinarySurgeons
Mads Smith Hansen, born 6 January 1969, CEO	-	-	COO of Sampension Livsforsikring A/S COO of Sampension Administrationssselskab A/S CEO of the Architects' Pension Fund



Financial statements

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Group and Parent Company Financial Statements

Note	INCOME STATEMENT AND STATEMENT OF OTHER COMPREHENSIVE INCOME Dkk.	GROUP		PENSION FUND	
		2021	2020	2021	2020
2	Premiums	461,093	435,462	461,093	435,462
	Premiums	461,093	435,462	461,093	435,462
9	Income from group enterprises	-	-	-44	-270
10	Income from associates	1,781	0	1,781	0
	Income from investment properties	544	1,512	0	0
3	Interest income, dividends etc.	206,371	140,848	206,365	140,855
4	Market value adjustments	1,486,991	241,491	1,487,466	243,193
	Interest expenses	-13,578	-1,319	-13,485	-1,261
5	Investment management expenses	-48,331	-35,729	-48,304	-35,715
	Total investment return	1,633,778	346,802	1,633,778	346,802
	Tax on pension returns	-247,135	-50,519	-247,135	-50,519
6	Benefits paid	-319,371	-283,783	-319,371	-283,783
	Total insurance benefits	-319,371	-283,783	-319,371	-283,783
15	Total change in provisions	-1,136,267	-330,717	-1,136,267	-330,717
13	Change in surplus capital	-68,018	-17,674	-68,018	-17,674
5	Administrative expenses	-5,976	-5,154	-5,976	-5,154
	Total net operating expenses	-5,976	-5,154	-5,976	-5,154
	Transferred return on investments	-318,068	-69,310	-318,068	-69,310
	TECHNICAL RESULT	35	25,106	35	25,106
7	TECHNICAL RESULT OF HEALTH AND ACCIDENT INSURANCE	1,693	-664	1,693	-664
	Investment return on equity	374,926	85,365	374,926	85,365
	PROFIT BEFORE TAX	376,653	109,807	376,653	109,807
	Tax on pension returns for equity	-57,390	-16,158	-57,390	-16,158
	PROFIT FOR THE YEAR	319,264	93,649	319,264	93,649
	TOTAL OTHER COMPREHENSIVE INCOME	0	0	0	0
	NET PROFIT FOR THE YEAR	319,264	93,649	319,264	93,649

Group and Parent Company Financial Statements (continued)

Note	BALANCE SHEET Dkk.	GROUP		PENSION FUND	
		2021	2020	2021	2020
	ASSETS				
8	Investment properties	7,403	7,837	0	0
9	Investments in group enterprises	-	-	14,239	18,200
10	Investments in associates	56,753	0	56,753	0
	Total investments in group enterprises and associates	56,753	0	70,993	18,200
	Investments	3,240,818	3,461,905	3,240,818	3,461,905
	Units in mutual funds	3,531,665	4,097,898	3,531,665	4,097,898
	Bonds	6,662,808	7,572,058	6,662,808	7,572,058
	Loans secured by mortgage	115,311	40,789	115,311	40,789
11	Derivative financial instruments	150,145	372,469	150,145	372,469
	Deposits with credit institutions	50,113	77,055	50,113	77,055
	Total other financial investment assets	13,750,861	15,622,174	13,750,861	15,622,174
	TOTAL INVESTMENT ASSETS	13,815,017	15,630,011	13,821,853	15,640,374
12	INVESTMENT ASSETS RELATED TO UNIT-LINKED PRODUCTS	3,374,458	0	3,378,374	0
	Total receivables arising from direct insurance contracts	20,284	20,140	20,284	20,140
	Other receivables	32,054	24,336	31,819	24,180
	TOTAL RECEIVABLES	52,338	44,475	52,103	44,320
	Cash and cash equivalents	287,893	136,693	277,309	125,244
	Other	9,253	1,590	9,246	1,590
	TOTAL OTHER ASSETS	297,146	138,283	286,554	126,835
	Interest receivables	32,580	39,370	32,580	39,370
	Other prepayments	17,909	16,381	17,909	16,381
	TOTAL PREPAYMENTS	50,489	55,752	50,489	55,752
	TOTAL ASSETS	17,589,447	15,868,521	17,589,374	15,867,280

BALANCE SHEET		GROUP		PENSION FUND	
Note	Dkk.	2021	2020	2021	2020
EQUITY AND LIABILITIES					
	Retained earnings	3,283,493	3,705,386	3,283,493	3,705,386
	TOTAL EQUITY	3,283,493	3,705,386	3,283,493	3,705,386
13	Surplus capital	880,436	812,419	880,436	812,419
	TOTAL SUBORDINATED LOAN CAPITAL	880,436	812,419	880,436	812,419
14	Provisions for average-rate products	9,401,089	10,812,746	9,401,089	10,812,746
15	Provisions for unit-linked products	3,179,137	0	3,179,137	0
7	Provision for claims outstanding	4,098	5,258	4,098	5,258
	TOTAL PENSION PROVISIONS	12,584,323	10,818,004	12,584,323	10,818,004
	Other provisions	35	0	0	0
	TOTAL PROVISIONS	35	0	0	0
16	Payables to credit institutions	175,960	87,871	175,960	87,871
17	Other payables	665,172	444,841	665,134	443,601
	TOTAL DEBT	841,131	532,712	841,093	531,472
	TOTAL DEFERRED INCOME	27	0	27	0
	TOTAL EQUITY AND LIABILITIES	17,589,447	15,868,521	17,589,374	15,867,280
1	ACCOUNTING POLICIES				
18	CONTINGENT ASSETS AND LIABILITIES				
19	CHARGES				
20	REALISED RESULT AND DISTRIBUTION OF REALISED RESULT				
21	FINANCIAL INSTRUMENTS RECOGNISED AT FAIR VALUE				
22	OVERVIEW OF ASSETS AND RETURNS				
23	MARKED-RATE PRODUCT, RETURN ETC. BY INVESTMENT PROFILES				
24	FIVE-YEAR FINANCIAL HIGHLIGHTS AND RATIOS, GROUP AND PENSION FUND				
25	RISK MANAGEMENT				

Statement of changes in Equity

Dkk.	GROUP		PENSION FUND	
	2021	2020	2021	2020
Equity at 1 January	3,705,386	3,697,278	3,705,386	3,697,278
Profit for the year	319,264	93,649	319,264	93,649
Contribution from equity in connection with switches	-637,262	0	-637,262	0
Supplementary pensions	-103,894	-85,541	-103,894	-85,541
Equity at 31 December	3,283,493	3,705,386	3,283,493	3,705,386
Total capital				
Equity			3,283,493	3,705,386
Surplus capital			880,436	812,419
Total			4,163,930	4,517,804

Notes to the financial statements

1 Accounting policies

GENERAL INFORMATION

The Annual Report of the Group and the pension fund has been prepared in accordance with the Danish Financial Business Act and the executive order issued by the Danish FSA on financial reports for insurance companies and multi-employer occupational pension funds (the Executive Order on Financial Reports).

The accounting policies and accounting estimates are consistent with those applied last year.

Distribution of realised result

The following rules on the calculation and distribution of results between equity, surplus capital and members have been reported to the Danish FSA:

A proportionate share of the return for the year on the investment portfolio is allocated to equity and surplus capital (total capital).

For pension agreements with unconditional commitments, an amount (risk premium) representing 0.5% of member savings' is allocated to total capital. No amount is allocated to total capital for agreements with conditional commitments. The remainder, corresponding to the realised result for the year less the calculated amount allocated to total capital, is allocated to members.

The technical result of health and accident insurance is allocated to total capital.

Recognition and measurement

In the income statement, all income is recognised as earned, and all expenses are recognised as incurred. All gains and losses, value adjustments, amortisation, depreciation, impairment losses as well as reversals of amounts previously recognised in the income statement are recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the Group and the pension fund and the value of the asset can be reliably measured. Liabilities are recognised in the balance sheet when an outflow of economic benefits from the Group and the pension fund is probable and the value of the liability can be reliably measured.

Financial instruments and derivative financial instruments are recognised at the trading date.

The pension fund does not offset financial assets and financial liabilities with the same counterparty despite being allowed to do so, as the disposal of the asset and the settlement of the liability do not happen concurrently.

On initial recognition, assets and liabilities are measured at cost, which is equal to fair value. Subsequently, assets and liabilities are primarily measured at fair value. Further details are provided under the individual items.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the annual report which confirm or invalidate affairs and conditions existing at the balance sheet date.

The measurement currency is Danish kroner. All other currencies are foreign currencies.

Accounting estimates

In preparing the consolidated and the parent company financial statements, management makes a number of estimates and judgments of future circumstances which could influence the carrying amount of assets and liabilities.

The estimates and judgments are based on assumptions that management finds reasonable but which are inherently uncertain and unpredictable. The assumptions may be incomplete, and unforeseen future events or circumstances may arise.

The areas in which management's estimates and judgments have the most material effect on the consolidated and the parent company financial statements are:

- pension provisions
- investment assets measured using alternative valuation methods, which are at level 3 in the fair value hierarchy, i.e. fair value measurement is based on unobservable inputs.

The measurement of pension provisions for average-rate contracts is subject to particular uncertainty in respect of the applied discount curve and the recog-

nised expected future life expectancy trend, determined on the basis of the Danish FSA's model. In addition, the assumptions applied in the measurement are mainly longevity, disability rates, probability of conversion into paid-up policies and surrender charges.

Due to their illiquidity and timing differences, the measurement of level 3 investment assets is subject to greater uncertainty than level 1 and level 2 assets, whose fair values are measured on the basis of quoted prices in an active market or on the basis of observable inputs. As a result, the measurement of level 3 investment assets typically has the highest uncertainty margin, as the measurement is often based on unobservable inputs, meaning that major deviations may occur in relation to another company's measurement of the same asset. In addition to the uncertainty related to fair value, as explained in the section on risk management, there is a risk that large volumes of illiquid assets cannot be sold over a short period of time at the same prices as smaller volumes can. In practice, however, the pension fund is not subject to any notable risk of having to sell illiquid assets on unfavourable terms. The value of the most liquid assets at level 1 in the fair value hierarchy exceeds the annual payment obligations by a substantial margin.

The most significant level 3 investment assets - listed according to item size, see note 21 - are:

- unlisted equity investments, including private equity, real estate and forestry funds, and
- unlisted bonds, including credit bonds and structured bonds.

Corporate information and consolidation policies

Group enterprises are included in the consolidation. The consolidated financial statements are prepared on the basis of the financial statements or other reporting of all consolidated enterprises, restated to the accounting policies applied by the Group.

Consolidation was made by adding items of a uniform nature line by line and by eliminating intra-group balances as well as intra-group income and expenses.

Investments in group enterprises are set off against the pension fund's share of the equity value of each group enterprise at the year-end date.

Newly acquired or divested group enterprises are recognised in the consolidated financial statements from the date of acquisition or until the date of divestment, respectively.

Intra-group transactions

Intra-group transactions are made in writing and settled on market terms.

INCOME STATEMENT

Technical result

Premiums

Premiums comprise premiums for the year and single premiums relating to the financial year. Premium income is stated net of labour market contributions.

Investment return

Income from investments in group enterprises and associates

Income from investments in group enterprises and associates covers the pension fund's proportionate share of total profit after tax, restated to the accounting policies applied by the Group.

Income from investment property

The item covers income from management of investment property net of management costs, but before deduction of mortgage interest.

Interest income and dividends, etc.

The item covers interest for the year from financial investment assets and cash and cash equivalents, indexation of index-linked bonds and dividends on equity investments, including equities and investment funds. Interest income from loans to group enterprises and associates is also included.

Market value adjustments

The item covers realised and unrealised net gains/losses on investment assets, including foreign exchange adjustments except for gains and losses relating to group enterprises.

Foreign exchange adjustments comprise value adjustments related to exchange differences arising on translation of

foreign currencies into Danish kroner. Foreign currency assets and liabilities are translated into Danish kroner at the closing exchange rates at the balance sheet date. Transactions during the year are translated using the exchange rates at the date of transaction, and realised and unrealised foreign exchange gains and losses are recognised in the income statement.

Interest expenses

The item Interest expenses mainly covers interest expenses relating to investment activity and mortgage interest for the financial year.

Investment management charges

The item comprises management fees, part of direct administrative expenses incurred, deposit fees, front-end fees and performance fees in relation to funds as well as securities trading costs.

Costs relating to funds etc. are recognised to the extent that information thereon has been received.

Tax on pension returns

The tax on pension returns computed for the financial year is recognised as an expense in the income statement. The tax charge comprises tax on the return allocated to individual member accounts as well as tax on the return allocated to the collective bonus potential, equity and surplus capital. Tax is calculated at 15.3% of the tax base, which is determined on the basis of the investment return for the year, with due consideration for any exempt values.

The share of the tax on pension returns allocated to equity and surplus capital is computed on the basis of the share of the realised result.

Benefits paid

Benefits paid comprise the pension benefits paid in the year. However, the share of pension benefits paid allocated to equity is recognised directly in equity.

Change in pension provisions

The item comprises the change for the year in pension provisions relating to average-rate products as well as unit-linked products.

Change in surplus capital

The item comprises the year's change in surplus capital, which consists of individual special bonus provisions.

Pension operating expenses

Pension operating expenses comprise an administrative fee in accordance with the management contract with Sampension Administrationssselskab A/S and direct expenses incurred. Administrative expenses are divided into pension business and investment business.

Transferred return on investment

The technical result is stated net of transferred return on investments, which constitutes the investment return attributable to equity.

Technical result of health and accident insurance

The technical result of health and accident insurance is calculated in accordance with the rules governing non-life insurance.

Premium income consists of premiums falling due during the year.

Claims expenses represent claims paid during the year and adjusted for changes in outstanding claims provisions. The investment return includes the share of the overall investment return attributable to health and accident insurance and is calculated in accordance with the rules governing life insurance. The technical result of health and accident insurance is recognised in a single line of the income statement and is specified in a note.

Tax on pension returns allocated to equity

The item comprises the share of the total tax on pension returns allocated to equity.

Other comprehensive income

Other comprehensive income is set out separately below the income statement. Other comprehensive income comprises items recognised directly in equity through Other comprehensive income.

BALANCE SHEET

Investment assets

Investment property

On initial recognition, investment properties are measured at cost, consisting of the acquisition cost of the property and any directly associated costs.

Notes to the financial statements (continued)

Subsequently, investment properties are measured at fair value.

For investment properties, fair values are determined according to the DCP method. Fair values determined according to the DCF method are based on the expected cash flow from income and expenses on individual properties for a relevant planning period, the terminal value at the end of the planning period and a discount curve corresponding to the planning period.

Properties that the company plans to sell at the balance sheet date are measured at fair value, corresponding to the expected selling price less any costs in connection with the sale.

Investments in group enterprises

Enterprises in which the pension fund exercises control are recognised as group enterprises. Enterprises in which the pension fund holds more than 50% of the voting rights are generally classified as group enterprises. However, the determining factor is whether the ownership interest provides real influence, as measured individually for each enterprise by the ability to influence activities, management structures, financial decisions and risk factors.

Investments in group enterprises are measured at the proportionate share of the equity value in accordance with the most recent annual reports or other reporting of the enterprises, restated to the pension fund's accounting policies.

Investments in associates

Enterprises in which the pension fund exercises significant influence but not control are recognised as associates. Enterprises in which the pension fund holds between 20% and 50% of the voting rights are generally classified as associates. However, the determining factor is whether the ownership interest provides real influence, as measured individually for each enterprise by the ability to influence activities, management structures, financial decisions and risk factors.

Investments in associates are measured at the proportionate share of the equity values in accordance with the most recent annual or interim reports of the enterprises. Investments are also adjusted for subsequent capital increas-

es, capital reductions or dividends up to the reporting date. Furthermore, the value of investments is adjusted on a discretionary basis where the adjusted equity value is not deemed to reflect fair value.

Investments and units in mutual funds

Listed equity investments and units in mutual funds are measured at fair value at the balance sheet date, usually equal to the investments' quoted prices in an active market (closing price).

Unlisted equity investments and units in mutual funds are measured at an estimated fair value. At year end, this is normally based on fund managers' third-quarter reporting, adjusted for subsequent capital increases, capital reductions or dividends up to the reporting date. Furthermore, the value of individual investments is adjusted on a discretionary basis where the adjusted equity value is not deemed to reflect fair value.

Bonds

Listed bonds are measured at fair value at the balance sheet date, usually equal to the bonds' quoted prices in an active market (closing price). The measurement of bonds for which no quoted price in an active market exists is based on one of the following:

- quoted prices of similar bonds, adjusted for any differences,
- indicative prices from investment banks,
- a DCF model based on estimates of, e.g. discount curve, risk premiums, prepayments and the amount of default losses and dividends on underlying loans.

The fair value of drawn bonds is measured at present value.

Loans secured by mortgage

Loans secured by mortgage are measured at fair value at the balance sheet date. Value adjustments are made through profit or loss under Market value adjustments.

Derivative financial instruments

Derivative financial instruments are measured at fair value at the balance sheet date. For listed instruments, fair value is based on the closing price, whereas for OTC instruments it is determined according to generally accepted

methods based on observable inputs. Value adjustments are made through profit or loss under Market value adjustments.

Deposits with credit institutions

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

Investment assets related to unit-linked products

Investment assets related to unit-linked products are measured according to the accounting policy described above for the pension fund's investment assets and are specified in a note to this balance sheet item.

Receivables

Receivables are measured at nominal value less provision for bad debts. Provision for bad debts is made according to an individual assessment of each receivable.

Other assets

Cash and cash equivalents

Cash and cash equivalents consist of deposits with credit institutions. Cash and cash equivalents are measured at fair value.

Other

The item Other includes tax on pension returns receivable, among other things.

Prepayments

Prepayments comprise interest receivable and costs incurred relating to subsequent financial years. Prepayments are measured at amortised cost, which usually corresponds to nominal value.

Subordinated loan capital

Surplus capital

Surplus capital comprises individual special bonus provisions (bonus capital). Surplus capital accrues interest at the same rate as equity and is included in total capital to cover the solvency capital requirement.

Surplus capital is accumulated as 5% of premiums for average-rate products and 2% of premiums for unit-linked products.

Pension provisions

Pension provisions, average-rate products

The provisions are measured at market value according to the principles reported to the Danish FSA. The provisions are computed applying the yield curve published by EIOPA in accordance with the Solvency II Directive or a yield curve as close as possible thereto.

The computation furthermore applies assumptions of mortality, disability, conversions into paid-up policies, surrender charges and an estimate of future improvements in life expectancy defined on the basis of the Danish FSA's benchmark model.

The pension fund has a single contribution group. Effective at 1 January 2022, average-rate policies are divided into two independent contribution groups; one with unconditional commitments and one with conditional commitments.

Guaranteed benefits

Guaranteed benefits comprise obligations to pay benefits. Guaranteed benefits are calculated as the present value of the benefits guaranteed by the insurance policy (conditional or unconditional) plus the present value of the expected future administration costs and less the present value of the agreed future contributions.

Individual bonus potentials

Individual bonus potential comprises obligations to pay bonuses. Individual bonus potential is calculated as the value of members' savings less the guaranteed benefits. Members' share of a decline in the value of the assets is recognised mainly by reducing the collective bonus potential, see below. If the collective bonus potential is insufficient to absorb such decline in the value of the assets, the individual bonus potential is reduced in accordance with the pension fund's reported profit allocation rules.

Collective bonus potentials

The collective bonus potential comprises the members' share of the realised results not yet allocated to the individual policy.

Profit margin

The profit margin is the net present value of expected future profit in the remaining periods of pension agreements entered into by the pension fund.

The profit margin on the pension fund's pension agreements is nil, as all profit is allocated to members.

Risk margin

A risk margin is added to pension provisions. The risk margin is the amount expected to be payable to another pension provider to assume the risk of the cost of settling the portfolio of pension agreements deviating from the calculated net present value of expected future cash flows. The risk margin is calculated according to the Cost of Capital method.

Provisions for unit-linked products

Provisions for unit-linked products are calculated as the market value of the corresponding net investment assets.

Outstanding claims provisions

Outstanding claims provisions relating to health and accident insurance consist of amounts in cover of claims incurred but not yet paid at year-end. Outstanding claims provisions relating to health and accident insurance are calculated on the basis of information on the size of claims plus an amount estimated on the basis of past claims experience in cover of incurred but not reported claims (IBNR provisions). Outstanding claims provisions relating to health and accident insurance run off by way of regular benefits are calculated at their present value using actuarial principles by discounting expected future payments. Discounting is calculated by applying the yield curve published by EIOPA in accordance with the Solvency II Directive or a yield curve as close as possible thereto.

Provisions

Provisions are recognised when, as a consequence of an event occurring before or at the balance sheet date, the company has a legal or constructive obligation, and it is probable that economic benefits will flow from the company to meet the obligation.

Other provisions

Statutory provisions pursuant to the Danish Lease and Housing Regulation Act are made in the balance sheet and expensed in the income statement. Actual costs incurred during the financial year are recognised directly in the provision accounts recognised in the balance sheet, and any additional expenditure is recognised in the income statement.

Liabilities

Payables to credit institutions

Payables to credit institutions include debt relating to repo transactions. Repo transactions, i.e. securities sold with a simultaneous repurchase agreement, are recognised in the balance sheet as if the securities remained part of the portfolio. The consideration received is recognised as payables to credit institutions and measured at fair value.

Other debt

Other debt, comprising debt related to purchases of bonds as a result of trades with long value dates and derivative financial instruments, is measured at fair value. The item also includes payable tax on pension returns.

Deferred income

Deferred income comprises payments received relating to income in subsequent financial years. Deferred income is measured at amortised cost, which usually corresponds to nominal value.

FINANCIAL HIGHLIGHTS

The pension fund's financial highlights are prepared in accordance with the provisions of the Executive Order on financial reports for insurance companies and multi-employer occupational pension funds. For additional information, see Definitions of financial ratios on page 59. The consolidated financial highlights are the same as those for the pension fund with the exception of Total assets. Financial highlights are not prepared for the Group, as it comprises one pension fund only.

Notes to the financial statements (continued)

Note	Dkk.	GROUP		PENSION FUND	
		2021	2020	2021	2020
2	Premiums				
	Regular premiums	408,815	389,493	408,815	389,493
	Single premiums	52,278	45,970	52,278	45,970
	Total premiums	461,093	435,462	461,093	435,462
	Distribution of premiums				
	Contracts including bonus schemes	433,969	435,462	433,969	435,462
	Unit-linked products	27,123	0	27,123	0
	Total	461,093	435,462	461,093	435,462
	Premiums by policyholder's address				
	Denmark	404,530	385,647	404,530	385,647
	Other EU-countries	2,954	2,779	2,954	2,779
	Other countries	1,331	1,067	1,331	1,067
	Total	408,815	389,493	408,815	389,493
	Number of policyholders	11,072	10,829	11,072	10,829
	Number of members with unit-linked contracts	2,664	0	2,664	0
3	Interest income and dividends etc.				
	Dividends from investments	78,654	29,633	78,647	29,640
	Dividends from units in mutual funds	0	56	0	56
	Interest from bonds	118,134	108,070	118,134	108,070
	Interest on loans secured by mortgage	1,786	871	1,786	871
	Other interest income	90	343	90	343
	Indexation	7,709	650	7,709	650
	Interest swap instruments	0	1,225	0	1,225
	Total interest income, dividends, etc.	206,371	140,848	206,365	140,855
4	Market value adjustments				
	Investment properties	-474	-1,702	0	0
	Investments	879,046	-26,630	879,046	-26,630
	Units in mutual funds	1,013,606	179,044	1,013,606	179,044
	Bonds	-174,574	65,813	-174,574	65,813
	Loans secured by mortgage	1,359	-1,907	1,359	-1,907
	Derivative financial instruments	-234,295	6,033	-234,295	6,033
	Cash and demand deposit	2,323	20,840	2,323	20,840
	Total value adjustments	1,486,991	241,491	1,487,466	243,193

Note	Dkkt.	GROUP		PENSION FUND	
		2021	2020	2021	2020
5	Administrative expenses				
	The PJD pension fund has signed a management agreement with Sampension Administrationssselskab A/S and forms part of this joint management company. All employees are employed with and paid by Sampension Administrationssselskab A/S. The pension fund's share of these payroll costs are settled through the management fee. Remuneration payable to the Board of Directors is paid directly by the pension fund. The CEO and control function staff are also employed with the pension fund. Administrative expenses re. pension and investment activities include the following staff costs:				
	ion to the Board of Directors	-1,163	-1,163	-1,163	-1,163
	Total staff costs	-1,163	-1,163	-1,163	-1,163
	Remuneration to the Executive Board, the Board of Directors and material risk takers				
	Remuneration to the Executive Board and employees whose activities have a material impact on the company's risk profile is distributed on the basis of ownership interests in the units that form a part of and are owners of the joint management company Sampension Administrationssselskab A/S. PJD has a 3% (2020: 3%) ownership interest in Sampension Administrationssselskab A/S. PJD's share of CEO Mads Smith Hansen's total remuneration of DKK 4.1 million (01.04-31.12.2020: DKK 2.8 million) is DKK 0.127 million (01.04-31.12.2020: DKK 0.085 million). PJD's share of CEO Hasse Jørgensen's total remuneration of DKK 1.6 million for the period 01.01-31.03.2020 was DKK 0.049 million.				
	Board remuneration				
	Erik Bisgaard Madsen			-240	-240
	Johannes Elbæk			-182	-182
	Louise Bundgaard			-90	-90
	Henning Otte Hansen			-90	-90
	Hans-Henrik Bramaholm Jørgensen			-90	-90
	Søren Kaare-Andersen			-140	-140
	Anders Larsen			-135	-135
	Ilse Ankjær Rasmussen			-94	-94
	Kirsten Holst Sørensen			-102	-102
				-1,163	-1,163
	Number of people			9	9
	Fixed salary, including pension, of employees whose activities have a material impact on the company's risk profile*)			-354	-357
	Number of people			7	7
	Remuneration to chief actuary				
	The fee is paid by the joint management company and settled through the management fee.			-86	-161

*) Information about variable salaries, including information about the breakdown of variable salaries on granted, paid out and deferred amounts and on the breakdown on cash and subordinated debt has been left out, as it would otherwise reveal salary information pertaining to specific individuals.

No special incentive programmes have been set up for management, nor has variable remuneration been paid. No pension commitments other than regular pension contributions are included in the above-mentioned costs.

No sign-on bonuses or severance payments have been made to members of the Executive Board, Board of Directors or to employees whose activities have a material impact on the company's risk profile.

In accordance with the Danish executive order on remuneration policy and public disclosure of salaries in financial institutions and financial holding companies, the company has disclosed certain information regarding its remuneration policy etc. Such information is provided on the company's website pjdension.dk/om-pensionskassen/struktur-og-ledelse/bestyrelse

Note 5 continued on next page

Notes to the financial statements (continued)

Note 5 continued

Note	Dkkt.	GROUP		PENSION FUND	
		2021	2020	2021	2020
Remuneration for auditors elected by the Annual General Meeting					
PricewaterhouseCoopers, Statsautoriseret Revisionspartnerselskab					
	Statutory audit	-310	-186	-276	-154
	Assurance engagements	-54	-27	-54	-27
	Tax advice	-23	-77	-23	-77
	Other services	0	0	0	0
		-387	-290	-353	-258

In addition to the above fees, costs have been incurred for the pension fund's internal audit.

All amounts and rates are stated including VAT.

In addition to the statutory audit of the consolidated financial statements, PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab has issued other statutory assurance reports and a required report on annual expenses expressed as a percentage and as an amount.

6	Benefits paid				
	Retirement and annuity benefits	-385,017	-303,807	-385,017	-303,807
	Payment at surrender etc.	-33,565	-60,816	-33,565	-60,816
	Premium relating to group life schemes	-4,683	-4,702	-4,683	-4,702
	Total pension benefits paid	-423,265	-369,324	-423,265	-369,324
	Recognised in the income statement	-319,371	-283,783	-319,371	-283,783
	Distributed from equity	-103,894	-85,541	-103,894	-85,541
	Total benefits paid	-423,265	-369,324	-423,265	-369,324
7	Technical result of health and accident insurance				
	Result for the year of disablement insurance:				
	Premiums for the year	2,126	2,195	2,126	2,195
	Claims paid	-2,005	-3,010	-2,005	-3,010
	Claims provisions	1,160	167	1,160	167
	Expense allowance	-120	-120	-120	-120
	Return on investments	532	104	532	104
	Total result for the year of disablement insurance	1,693	-664	1,693	-664
	Provision for claims outstanding 31. December	4,098	5,258	4,098	5,258

Note	Dkkt.	GROUP		PENSION FUND	
		2021	2020	2021	2020
8	Investment properties				
	Cost at 1 January	16,000	16,000	0	0
	Cost at 31 December	16,000	16,000	0	0
	Write-downs at 1 January	-8,163	-6,460	0	0
	Write-downs during the year	-434	-1,702	0	0
	Write-downs at 31 December	-8,597	-8,163	0	0
	Fair value at 31 December	7,403	7,837	0	0
	Average discount rates used in determining the market value of the individual types of property:				
	Commercial property	13.42%	12.07%	-	-
	Weighted average of rates of return	13.42%	12.07%	-	-
9	Investments in group enterprises				
	Sorte Hest Ejendomspartnerselskab, Gentofte:				
	Ownership			100%	100%
	Profit			-22	-288
	Equity			17,937	17,959
	Komplementarejendomsselskabet Sorte Hest ApS, Gentofte:				
	Ownership			100%	100%
	Profit			-22	19
	Equity			220	242
				Included in annual report	
	Total equity			18,155	18,200
	Total investments in group enterprises			18,155	18,200
	Included in the item Investments in group enterprises			14,239	18,200
	Included in the item Investment assets related to unit-linked products. See Note 12.			3,917	0
10	Investments in associates				
	Carrying amount at 1 January	0	0	0	0
	Additions during the year	70,826	0	70,826	0
	Disposals during the year	0	0	0	0
	Profit/loss for the year	1,781	0	1,781	0
	Total investments in associates	72,607	0	72,607	0
	Included in the item Investments in associates	56,753	0	56,753	0
	Included in the item Investment assets related to unit-linked contracts. See Note 12.	15,854	0	15,854	0
	Lærkebolig ApS, Frederikssund:				
	Ownership interest			20%	0,0%
	Profit/loss, Annual Report 2021			3,010	0
	Equity, Annual Report 2021			109,475	0
	Værkstedvej ApS, Valby:				
	Ownership interest			20%	0,0%
	Profit/loss, Annual Report 2021			1,730	0
	Equity, Annual Report 2021			253,561	0
	PH Park 1+3 K/S, Aalborg:				
	Ownership interest			20%	0,0%
	Profit/loss, Annual Report 2021			0	0
	Equity, Annual Report 2021			0	0

Notes to the financial statements (continued)

		GROUP		PENSION FUND	
Note	Dkkt.				
11	Derivative financial instruments				
	2021	Positive fair value	Negative fair value	Positive fair value	Negative fair value
	Interest rate hedging instruments etc.:				
	Interest swaps	86,304	-127,630	86,304	-127,630
	Swaptions	15,808	-22,209	15,808	-22,209
	CDS's	36,432	-8,291	36,432	-8,291
	Option on futures	4,269	-3,828	4,269	-3,828
	Total interest rate hedging instruments	142,813	-161,957	142,813	-161,957
	Currency-based derivative financial instruments	26,706	-148,562	26,706	-148,562
	TRS Equity	278	0	278	0
	Total derivative financial instruments	169,797	-310,519	169,797	-310,519
	Fair value included in the item Derivative financial instruments	150,145		150,145	
	Fair value included in the item Investment assets related to unit-linked contracts, see note 12	19,652		19,652	
	Fair value included in the item other debt see note 17		310,519		310,519
	Net carrying value (liability)		140,722		140,722
	Dkkt.	2021	2020	2019	2018
	Agreements have been concluded to post collateral for derivative financial instruments.				
	The Pension fund has received collateral in the form of liquid bonds equal to a fair value of	32,319	103,213	32,319	103,213
	The Pension fund has provided collateral in the form of liquid bonds equal to a fair value of (liability)	-257,295	-29,038	-257,295	-29,038
	Net collateral	-224,976	74,175	-224,976	74,175
	Furthermore, equity futures were used for effective portfolio management purposes in the unit-linked environment with a total negative exposure of DKK 107 million and in the average-rate environment with a total negative exposure of DKK 217million (2020: DKK -228 million). Bond futures used for hedging interest-rate risk on the bond portfolio had a total negative exposure of DKK 18 million in the unit-linked environment and a total negative exposure of DKK 279 million (2020: DKK 465 million) in the average-rate environment. As gains/losses are settled on a current basis, the fair value is nil.				
	2020	Positive fair value	Negative fair value	Positive fair value	Negative fair value
	Interest rate hedging instruments etc.:				
	Interest swaps	196,361	307,601	196,361	307,601
	Swaptions	13,040	13,632	13,040	13,632
	CDS's	30,491	711	30,491	711
	Option on futures				
	Total interest rate hedging instruments	239,893	321,944	239,893	321,944
	Currency-based derivative financial instruments	132,576	6,639	132,576	6,639
	Total derivative financial instruments	372,469	328,582	372,469	328,582
	Fair value included in the item Derivative financial instruments	372,469		372,469	
	Fair value included in the item other debt see note 17		328,582		328,582
	Net carrying value (asset)	43,887		43,887	

Note	Dkkt.	GROUP		PENSION FUND	
		2021	2020	2021	2020
12	Investment assets related to unit-linked contracts				
	Investments in group enterprises	0	0	3,917	0
	Investments in associates	15,854	0	15,854	0
	Investments	930,778	0	930,778	0
	Units in mutual funds	1,752,698	0	1,752,698	0
	Bonds	627,169	0	627,169	0
	Loans secured by mortgage	6,928	0	6,928	0
	Deposits with credit institutions	21,380	0	21,380	0
	Derivative financial instruments, see note 11	19,652	0	19,652	0
	Total investment assets related to unit-linked contracts	3,374,458	0	3,378,374	0
13	Surplus capital				
	Surplus capital beginning of year	812,419	794,744	812,419	794,744
	Transferred to equity, adjustment	-22	-26	-22	-26
	Transferred from pension provisions	21,517	21,445	21,517	21,445
	Paid out to customers	-23,136	-22,968	-23,136	-22,968
	Return for the year	69,658	19,224	69,658	19,224
	Total surplus capital	880,436	812,419	880,436	812,419
14	Provisions for unit-linked products				
	Change in gross pension provisions is specified as follows				
	Pension provisions, beginning of year	10,812,746	10,482,029	10,812,746	10,482,029
	Collective bonus potential, beginning of year	-604,553	-613,695	-604,553	-613,695
	Accumulated value adjustment, beginning of year	-106,436	-91,952	-106,436	-91,952
	Retrospective provisions, beginning of year	10,101,757	9,776,382	10,101,757	9,776,382
	Premiums	434,071	435,462	434,071	435,462
	Transferred to surplus capital	-21,007	-21,445	-21,007	-21,445
	Addition of interest after tax on pension returns	127,230	198,066	127,230	198,066
	Transfer between classes I and III	-2,205,977	0	-2,205,977	0
	Insurance benefits	-240,274	-256,114	-240,274	-256,114
	Cost addition after addition of cost bonus	-5,316	-5,485	-5,316	-5,485
	Risk gain/loss after addition of risk bonus	2,361	-13,637	2,361	-13,637
	Members' group life premiums	-7,704	-9,563	-7,704	-9,563
	Other	-2,637	-1,911	-2,637	-1,911
	Retrospective provisions, end of year	8,182,503	10,101,757	8,182,503	10,101,757
	Accumulated value adjustment, end of year	82,043	106,436	82,043	106,436
	Collective bonus potential, end of year	1,136,542	604,553	1,136,542	604,553
	Pension provisions, end of year	9,401,089	10,812,746	9,401,089	10,812,746
	Pension provisions are specified as follows				
	Guaranteed benefits	5,731,179	7,808,091	5,731,179	7,808,091
	Individual bonus potential	2,471,037	2,313,804	2,471,037	2,313,804
	Collective bonus potential	1,136,542	604,553	1,136,542	604,553
	Risk margin	62,329	86,299	62,329	86,299
	Total pension provisions	9,401,089	10,812,746	9,401,089	10,812,746

Profit margin on pension agreements is nil, as all profit is allocated to members.

Note 14 continued on next page

Notes to the financial statements (continued)

Note 14 continued

Note	Dkkt.	GROUP		PENSION FUND	
		2021	2020	2021	2020
Pension provisions categorised by technical rate of interest					
The pension fund has a single contribution group at 31 December 2021, but it categorises provisions on the basis of the nature of the guarantees.					
	Unconditional guarantees (technical rate of interest 1.5% – 4.25%)	128,137	141,337	128,137	141,337
	Conditional guarantees (technical rate of interest -0.75 %)	8,136,409	10,066,856	8,136,409	10,066,856
	Pension provisions categorised by technical rate of interest	8,264,546	10,208,194	8,264,546	10,208,194
	Collective bonus potential	1,136,542	604,553	1,136,542	604,553
	Total Pension provisions	9,401,089	10,812,746	9,401,089	10,812,746
Supplementary ratios relating to pension provisions					
	Bonus rate	44.4%	28.9%	44.4%	28.9%
	Return on customer funds after costs but before tax	10.3%	2.1%	10.3%	2.1%
15	Provisions for unit-linked products				
Change in provisions for 3 i 1 Livspension is specified as follows					
	Pension provisions, beginning of year	0	0	0	0
	Total premiums	27,123	0	27,123	0
	Transferred to surplus capital	-510	0	-510	0
	Investment return before tax on pension returns	77,187	0	77,187	0
	Transfer between classes I and III	2,205,977	0	2,205,977	0
	Contribution to savings in connection with switch to 3 i 1 Livspension	352,207	0	352,207	0
	Contribution from equity in connection with switch to 3 i 1 Livspension	752,400	0	752,400	0
	Pension returns tax on returns and contributions	-182,952	0	-182,952	0
	Insurance benefits	-51,361	0	-51,361	0
	Cost addition after addition of cost bonus	-888	0	-888	0
	Risk gain/loss after addition of risk bonus	-46	0	-46	0
	Provisions for 3 i 1 Livspension, end of year	3,179,137	0	3,179,137	0
Insurances taken out without minimum interest rate guarantee.					
Supplementary ratios relating to pension provisions					
	Return on member funds after deduction of expenses and before tax	20.0%	0.0%	20.0%	0.0%
Change in provisions are specified as follows					
	Change in provisions for average-rate products	1,411,658	-330,717	1,411,658	-330,717
	Change in provisions for unit-linked products	-3,179,137	0	-3,179,137	0
	Contribution from equity after tax on pension returns recognised directly in the balance sheet	637,262	0	637,262	0
	Premium paid through bonus for group life recognised directly on the balance sheet	-6,050	0	-6,050	0
	Change in provision, Income statement	-1,136,267	-330,717	-1,136,267	-330,717

Profit margin on pensions agreements is nil, as all the profit is allocated to members.

Note	Dkkt.	GROUP		PENSION FUND	
		2021	2020	2021	2020
16	Payables to credit institutions				
	Repos	145,704	87,871	145,704	87,871
	Bank loans	30,255	0	30,255	0
	Total payables to credit institutions	175,960	87,871	175,960	87,871
	From the bank loans the following fall due in the coming year	175,960	87,871	175,960	87,871
	After five years the outstanding balance will be:	0	0	0	0
17	Other debt				
	Derivative financial instruments, according to note 10	310,519	328,582	310,519	328,582
	Payables relating to bond purchase	90,105	22,523	90,105	22,523
	Sundry financial liabilities	82	545	82	545
	Provision for tax on pension returns payable and other	264,466	93,190	264,428	91,950
	Total other debt	665,172	444,841	665,134	443,601
18	Contingent liabilities				
	The Company has committed itself at a later date to invest in funds etc. amounting to	1,598,204	1,078,503	1,598,204	1,078,503
	Total contingent liabilities	1,598,204	1,078,503	1,598,204	1,078,503
19	Charges				
	Margin deposits relating to futures	65,540	36,600	65,540	36,600
	Bonds sold as part of repo debt	145,754	47,412	145,754	47,412
	Net assets registered in cover of 'Total provisions for insurance, net of reinsurance amounting to	13,066,096	11,186,210	13,066,096	11,186,210
	Investments and units in mutual funds			7,249,521	4,865,232
	Bonds			5,816,575	6,320,978
	Total assets earmarked as security for policyholders' savings			13,066,096	11,186,210
	Off which concerning unit-linked contracts			3,229,289	0

Notes to the financial statements (continued)

Note	Dkkt.	PENSION FUND	
		2021	2020
20	Realised result and distribution of realised result		
	Average-rate products		
	Investment return before tax on pension returns	1,556,592	346,802
	Change in market value adjustment	24,396	-14,484
	Basic rate of interest added	71,414	71,557
	Expense result	228	330
	Risk result	-2,315	13,637
	Other	-76	1,910
	Realised result	1,650,240	419,752
	Tax on pension returns	-179,301	-50,519
	Available for allocation after tax on pension returns	1,470,940	369,234
	Allocated to pension savers:		
	Bonus added	-198,644	-269,623
	Transferred to/from collective bonus potential	-884,196	9,143
	Investment return and risk premium allocated to base capital	388,099	108,753
	Expense result in DKK	228	330
	Expense result as a percentage of technical provisions	0.002%	0.003%
	Risk result in DKK	-2,315	13,637
	Risk result as a percentage of technical provisions	-0.02%	0.13%

Note

21 Financial instruments recognised at fair value

Investment assets and financial liabilities are recognised at fair value or amortised cost. See Note 1. Fair value is the price obtainable in a sale of an asset or payable on transfer of a liability in an arm's length transaction between independent parties at the time of measurement. Fair value is determined on the basis of the following hierarchy:

Level 1 - quoted market prices

Quoted prices are used where an active market exists for the individual assets. Generally, the price used is the closing price at the balance sheet date.

Level 2 - observable inputs

Where the closing price of listed securities does not reflect their fair value, fair value is determined using quoted prices of similar assets or liabilities or using other valuation methodology based on observable market inputs, e.g. inputs from banks etc. For derivative financial instruments, valuation techniques based on observable market inputs such as yield curves, exchange rates, etc. are used.

Level 3 - non-observable inputs

For a significant part of investments, their valuation cannot be based on observable market data alone. For such assets, valuation models are used which may include estimates of current market conditions and future developments thereof. The valuation methodologies applied are described in Note 1, Accounting policies.

Dkk.	2021				2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Investment properties	0	0	7,403	7,403	0	0	7,837	7,837
Investments in associates	0	0	72,607	72,607	0	0	0	0
Investments	1,109,025	0	3,062,571	4,171,596	1,134,706	0	2,327,199	3,461,905
Units in mutual funds	5,128,432	0	155,931	5,284,363	4,097,898	0	0	4,097,898
Bonds	5,345,858	98,070	1,846,049	7,289,977	5,471,610	605,189	1,495,259	7,572,058
Loans secured by mortgage	0	0	122,239	122,239	0	0	40,789	40,789
Afledte finansielle instrumenter	0	169,797	0	169,797	0	372,469	0	372,469
Indlån i kreditinstitutter	71,492	0	0	71,492	77,055	0	0	77,055
Total financial assets	11,654,807	267,867	5,266,800	17,189,474	10,781,269	977,658	3,871,084	15,630,011
Financial liabilities								
Repos	145,704	0	0	145,704	87,871	0	0	87,871
Bank loans	30,255	0	0	30,255	0	0	0	0
Derivative financial instruments	0	310,519	0	310,519	0	328,582	0	328,582
Payables relating to bond purchase and settlement of repos	90,105	0	0	90,105	22,523	0	0	22,523
Total financial liabilities	266,065	310,519	0	576,584	110,394	328,582	0	438,976
Total net assets	11,388,742	-42,652	5,266,800	16,612,891	10,670,875	649,076	3,871,084	15,191,034
Off which concerning:								
Average-rate products and Total capital	9,064,199	-24,488	4,269,336	13,309,046	10,670,875	649,076	3,871,084	15,191,034
Unit-linked products	2,324,544	-18,164	997,464	3,303,845	0	0	0	0
Total	11,388,742	-42,652	5,266,800	16,612,891	10,670,875	649,076	3,871,084	15,191,034

Note 21 continued on next page

Notes to the financial statements (continued)

Note 21 continued

Note

21 Financial instruments recognised at fair value (continued)

Specification of valuation based on Level 3

Dkkt.	Value at 1 January 2021	Purchase/ Value adjustments	Transfers sale/ settlement	Value at Between Levels	31 December 2021
Investment properties	7,837	-434	0	0	7,403
Investments in associates	0	0	72,607	0	72,607
Investments	2,327,199	810,027	-74,655	0	3,062,571
Units in mutual funds	0	14,270	31,422	110,239	155,931
Bonds	1,495,259	40,639	261,106	49,045	1,846,049
Loans secured by mortgage	40,789	1,359	80,090	0	122,239
Total	3,871,084	865,861	370,571	159,284	5,266,800

Dkkt.	Value at 1 January 2020	Purchase/ Value adjustments	Transfers sale/ settlement	Value at Between Levels	31 December 2020
Investment properties	9,539	-1,702	0	0	7,837
Investments	2,192,992	-5,727	139,934	0	2,327,199
Bonds	1,519,452	-18,348	-5,845	0	1,495,259
Loans secured by mortgage	43,200	-1,907	-504	0	40,789
Total	3,765,183	-27,684	133,585	0	3,871,084

For further details on valuation techniques and inputs, see Note 1 Accounting Policies and Note 8 Investment properties.

22 Overview of assets and returns, pension fund

Assets and return DKKkM.	Market value		Return 2021 % p.a.
	Beg. of year	End of year	
Average-rate			
Land and buildings	1,441	1,356	16.1%
Listed investments	4,266	3,607	26.4%
Unlisted investments	1,492	1,561	43.6%
Total Investments	5,758	5,169	31.4%
Government- and mortgage bonds	5,001	4,290	-2.2%
Index-linked bonds	328	208	5.3%
Credit bonds, investment grade and non-investment grade	2,564	2,515	4.3%
Loans etc.	41	116	6.6%
Total bonds and loans etc.	7,933	7,128	0.2%
Other investment assets	92	-58	41.8%
Derivative financial instruments to hedge the net change in assets and liabilities	125	-96	-
Total	15,349	13,500	10.6%

Note 22 continued on next page

Note 22 continued

Note	Market value			Return 2021 % p.a.
	Beg. of year	End of year		
Assets and return				
DKKm.				
Unit-linked products				
Land and buildings	0	480		17.6%
Listed investments	0	1,756		25.7%
Unlisted investments	0	403		45.9%
Total Investments	0	2,158		29.2%
Government- and mortgage bonds	0	268		-2.0%
Index-linked bonds	0	14		4.2%
Credit bonds, investment grade and non-investment grade	0	398		6.2%
Loans etc.	0	7		1.8%
Total bonds and loans etc.	0	687		3.4%
Group enterprises and associates	0	0		0.0%
Other investment assets	0	106		-12.3%
Derivative financial instruments to hedge the net change in assets and liabilities	0	-34		-
Total	0	3,397		18.8%

The specifications have been prepared in accordance with the requirements in section 96 of the Danish Financial Supervisory Authority's executive order on financial reports of insurance companies and therefore cannot be reconciled with the figures in the financial statements. The annual return has been calculated as a time-weighted return.

On the company website: pjdension.dk/om-pensionskassen/finansiel-information/aktiver the combined equity portfolio of the Pension Fund for Agricultural Academics and Veterinary Surgeons can be found.

23 Unit-linked product, return etc. by investment profiles

	2021			2020		
	% of average provisions	Return % p.a.	Risk	% of average provisions	Return % p.a.	Risk
Lifecycle product 3 i 1 Livspension						
Investment profile with high risk						
Years to retirement						
30 years	0.00%	23.1%	5.50	-	-	-
15 years	0.00%	23.1%	5.50	-	-	-
5 years	0.00%	14.7%	4.50	-	-	-
5 years after	0.00%	10.7%	4.25	-	-	-
Investment profile with moderate risk						
Years to retirement						
30 years	0.72%	20.7%	5.25	-	-	-
15 years	4.35%	20.7%	5.25	-	-	-
5 years	0.09%	11.9%	4.25	-	-	-
5 years after	0.00%	7.7%	3.75	-	-	-
Investment profile with low risk						
År til pension						
30 years	0.00%	15.0%	4.50	-	-	-
15 years	0.00%	15.0%	4.50	-	-	-
5 years	0.00%	8.3%	4.25	-	-	-
5 years after	0.00%	5.1%	3.50	-	-	-

A retirement age of 67 is assumed.

Notes to the financial statements (continued)

Note

24 Five-year key figures and financial ratios

Five-year financial highlights

DKKm.	2021	2020	2019	2018	2017
Premiums	461.1	435.5	421.5	411.3	386.1
Benefits	-319.4	-283.8	-259.7	-289.2	-282.4
Investment return	1,633.8	346.8	1,409.7	-325.1	1,048.0
Total net operating expenses	-6.0	-5.2	-5.1	-5.8	-5.6
Technical result	0.0	25.1	14.8	-10.0	2.4
Result of health and accident insurance	1.7	-0.7	-1.5	-0.1	1.7
Profit for the year	319.3	93.6	312.7	-82.7	236.4
Total provisions for insurance contracts	12,584.3	10,818.0	10,487.5	9,513.9	9,587.7
Surplus capital	880.4	812.4	794.7	728.9	735.9
Total equity	3,283.5	3,705.4	3,697.3	3,472.5	3,615.2
Total assets	17,589.4	15,867.3	15,960.0	14,458.2	14,688.0
Total assets, group	17,589.4	15,868.5	15,961.1	14,459.3	14,689.1

Five-year financial ratios

	2021	2020	2019	2018	2017
Return ratios					
Rate of return related to average-rate products	10.4%	2.3%	10.3%	-2.3%	8.1%
Rate of return related to unit-linked products	20.3%	-	-	-	-
Risk on return related to unit-linked products	4.50	-	-	-	-
Expense ratios					
Expense ratio for provision	0.05%	0.05%	0.05%	0.06%	0.06%
Expenses in DKK per policyholder	546	480	489	560	552
Return ratios					
Return on equity after tax	8.5%	2.5%	8.7%	-2.3%	6.7%
Return on surplus capital, samt rate as equity	9.7%	2.8%	10.3%	-2.3%	8.3%
Health and accident insurance					
Gross claims ratio	94.3%	129.5%	183.4%	95.2%	22.2%
Gross expense ratio	5.6%	5.5%	5.8%	5.9%	6.9%
Combined ratio	100.0%	135.0%	189.2%	101.2%	29.1%
Operating ratio	100.0%	135.0%	189.2%	101.2%	29.1%

Reference is made to "Definitions of financial ratios" on page 61.

Note

25 Risk management

PJD's risks may be divided into two general categories:

1. Risks that are largely within the company's control and that the pension fund's risk management system regularly identifies, measures, monitors and reports on. These risks comprise investment, insurance and operational risks.
2. Risks that are beyond the company's control and are largely framework conditions, to which the pension fund's activities must be adjusted in case of changes. External risks comprise regulatory risk, reputational risk and a number of other external and strategic risks. These risks are monitored by the organisation and are reflected in the company's strategy.

The general objective of the management of investment assets and pension provisions is to maximise the return and provide the best insurance covers to members with due consideration for risk.

The Board of Directors has defined the appetite for the principal risks in policies and guidelines and thereby determined an overall level for risk exposure or hedging. Regular reporting is provided on compliance with the defined guidelines, and the Board of Directors reviews the risk profile as part of its assessment of the pension fund's own risk and solvency.

The approach to managing the principal quantifiable risk factors is set out below.

Pension schemes and total capital

Until 2020, PJD had one common investment portfolio for its pension provisions and total capital, i.e. equity and surplus capital. As from 2021, new members get 3 i 1 Livspension, which is a unit-linked product with lifecycle investment adjustment and the option of choosing risk profile. In 2021, the pension fund offered certain members to make a voluntary and individual switch to the new product.

The majority of the pension fund's members have average-rate schemes that are conditionally guaranteed, meaning that the members generally bear the financial risks.

In addition, the pension fund has a small portfolio of unconditional average-rate schemes, in which the risks relate to the correlation between investment assets and pension provisions.

The Board of Directors has determined the framework governing the overall investment policy and the financial risks. The overall risk is maintained at an acceptable level, partly by ensuring appropriate diversification of risk on overall asset classes, partly by establishing a framework for the overall Value-at-Risk (VaR), which is monitored through a proprietary VaR model.

The pension fund applies the Solvency II discount curve exclusive of volatility adjustment for the computation of pension provisions. The discount curve is based on market rates up until the 20-year mark, after which the curve converges towards an ultimate forward rate determined by the authorities equal to long-term inflation and real growth forecasts.

FINANCIAL RISK

Given the members' conditionally guaranteed or unit-linked pensions, the financial risks arise predominantly from the investments in which the total capital is placed.

The portfolio comprises exposures to listed equities, bonds subject to material credit risk, real estate and infrastructure as well as private equity.

Due to the pension fund's unconditionally guaranteed pensions, there is no current need to hedge the interest rate risk on the pension provisions. The interest rate risk is thus a relatively insignificant risk factor for the pension fund's total capital.

The pension fund hedges the currency risks on investments denominated in foreign currency in accordance with the guidelines of the Board of Directors when assets held in an individual currency represent

Notes to the financial statements (continued)

more than 2% of the total investment assets. For currencies other than DKK and EUR, between 50% and 100% of the currency exposure is hedged, depending on the asset.

The pension fund invests in illiquid assets, for which valuation and risk measurement are subject to greater uncertainty than listed equities, for example. Illiquidity involves a risk that large selling transactions over a short period of time result in a loss. The Board of Directors has defined a framework for investing in illiquid asset classes that reflects these considerations. The risk management system comprising, among other things, a valuation committee was set up with a view to ensuring ongoing market valuation and management of illiquid assets.

The pension fund also has counterparty risk exposure. This is the risk of suffering losses because a counterparty to a financial contract is unable to meet its obligations. Counterparty risk is managed through the provision of collateral and limits for net outstanding balances with the relevant financial institutions. Limits have also been defined for the amount of single investments and major concentration risk.

Responsible investments

Investing responsibly is a prerequisite for being able to generate high long-term returns. Climate targets, fiscal transparency and active ownership are defining characteristics of responsible investments from the pension fund's point of view. With a view to ensuring that the pension fund invests responsibly, the Board of Directors has defined a number of requirements and conditions in policies and guidelines.

INSURANCE RISK

Insurance risk includes the risk of increased longevity, changes in disability rates, conversions into paid-up policies and surrenders. The various risk elements are analysed on an ongoing basis.

The pension fund calculates pension provisions using the Danish FSA's model for longevity assumptions based partially on the pension fund's own past experience and partially on the Danish FSA's benchmark for expected future longevity improvements.

All sums insured are covered for own account. No reinsurance contracts have been concluded for pension insurance. The sum insured is the difference between accumulated reserves and reserves to be provided to meet future pension and insurance benefits in the event of a customer's disability or death.

OPERATIONAL RISK

The pension fund's operational risks comprise the risk of direct or indirect losses resulting from inappropriate or inadequate internal processes, human or system error or losses resulting from external events, including legal and cyber risk.

In order to reduce operational risk, PJD has set up procedures to monitor and minimise risk in relation to the pension business and the investment business. PJD records operational incidents on an ongoing basis and follows up and reports to the Audit and Risk Management Committee and, in exceptional circumstances, directly to the chairmanship of the Board of Directors.

OUTSOURCING

The pension fund has outsourced tasks in critical or significant areas of activity with a view to reducing costs and gaining access to specialist competencies. The Board of Directors has set out guidelines for outsourcing of critical or significant areas of activity in order to ensure adequate management of the risks associated with outsourcing, including that outsourcing agreements and activities are handled in accordance with the Board of Directors' guidelines and applicable outsourcing legislation.

The ongoing monitoring of outsourced activities is controlled via business procedures that ensure reporting to relevant management bodies and to the Board of Directors on the supplier's performance of the task, for example in the form of regular operational reports, meetings, random checks, reports by auditors, etc.

SOLVENCY AND FINANCIAL CONDITION REPORT

The pension fund's risk management processes are described in detail in its Solvency and Financial Condition Report (SFCR). The SFCR is available to the public at Solvency and financial condition 2021.

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the Annual Report of the Pension Fund for Agricultural Academics and Veterinary Surgeons for the financial year 1 January – 31 December 2021.

The Annual Report has been prepared in accordance with the Danish Financial Business Act.

In our opinion, the consolidated and parent company financial statements give a true and fair view of the Group's and the pension fund's assets, liabilities and financial position at 31 December 2021 and of the results of the Group's and the pension fund's operations for the financial year ended 31 December 2021.

In our opinion, the Management's review includes a fair review of developments in the Group's and the pension fund's activities and financial position together with a description of the principal risks and uncertainties that they face.

Hellerup, 14 March 2022

Executive Board

Mads Smith Hansen
Chief Executive Officer

/ Pernille Henriette Vastrup
Chief Financial Officer

Board of Directors

Erik Bisgaard Madsen
(Chairman)

Johannes Elbæk
(Deputy Chairman)

Louise Bundgaard

Henning Otte Hansen

Søren Kaare-Andersen

Gertrud Knudsen

Anders Larsen

Ilse Ankjær Rasmussen

Kirsten Holst Sørensen

Internal auditor's report

Opinion

In our opinion, the consolidated and parent company financial statements of the Pension Fund for Agricultural Academics and Veterinary Surgeons give a true and fair view of the Group's and the pension fund's assets, liabilities and financial position at 31 December 2021, and of the results of the Group's and the pension fund's operations for the financial year ended 31 December 2021 in accordance with the Danish Financial Business Act in respect of the consolidated and the parent company financial statements.

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

Basis of opinion

We have audited the consolidated and parent company financial statements of the Pension Fund for Agricultural Academics and Veterinary Surgeons for the financial year ended 31 December 2021. The consolidated and parent company financial statements are prepared in accordance with the Danish Financial Business Act.

We conducted our audit on the basis of the Executive Order of the Danish Financial Supervisory Authority on auditing financial enterprises etc. and financial groups and in accordance with international standards on auditing with respect to the planning and performance of the audit procedures.

We planned and performed the audit so as to obtain reasonable assurance that the consolidated financial statements and the parent company financial statements are free from material misstatement. We participated in the audit of all critical audit areas.

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

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the consolidated financial statements and parent company 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 consolidated and parent company 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 consolidated financial statements or the parent company financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

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

Hellerup, 14 March 2022

Gert Stubkjær
Group Chief Auditor

Independent Auditor's Report

To the members of Pensionskassen for Jordbrugsakademikere & Dyrlæger

Opinion

In our opinion, the Group Financial Statements and the Parent Financial Statements give a true and fair view of the financial position of the Group and the Pension Fund at 31 December 2021 and of the results of the Group's and Pension Fund's operations for the financial year 1 January – 31 December 2021 in accordance with the Danish Financial Business Act.

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

What we have audited

The Group Financial Statements and the Parent Financial Statements of Pensionskassen for Jordbrugsakademikere & Dyrlæger for the financial year 1 January - 31 December 2021 comprise income statement and statement of other comprehensive income, balance sheet, statement of changes in equity and notes, including summary of significant accounting policies, for the Group as well as for the Pension Fund. Collectively referred to as the "Financial Statements".

Basis for opinion

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

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

Independence

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

To the best of our knowledge and belief, prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 were not provided.

Appointment

We were first appointed auditors of Pensionskassen for Jordbrugsakademikere & Dyrlæger on 3 April 2017 for the financial year 2017. We have been reappointed annually by the general assembly for a total period of uninterrupted engagement of 5 years including the financial year 2021.

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 2021. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matter
<p>Measurement of pension provisions</p> <p>The Group's pension provisions total DKK 12,584 million, which constitutes 72 percent of the Group's balance sheet total.</p> <p>The provisions primarily consist of provisions for average-rate products and unit-linked products.</p> <p>The provisions are based on the fair value of the associated assets in relation to unit-linked products and actuarial principles in relation to other provisions and involves significant accounting estimates, which are linked to the actuarial assumptions concerning the timing and amounts of future payments to members.</p> <p>Significant actuarial assumptions include yield curve used for discounting, life span, mortality, disability, probability of repurchase and paid-up policies as well as costs. We focused on the measurement of pension provisions, because accounting estimates are complex by nature and influenced by subjectivity and thus associated with a high degree of discretionary uncertainty.</p> <p>Reference is made to the mention of "Accounting estimates" in note 1 and "Pension provisions" in note 14 and note 15 to the Group Financial Statements and the Parent Financial Statements.</p>	<p>We performed risk assessment procedures in order to gain an understanding of IT systems, business procedures and relevant internal controls regarding the calculation of pension provisions. For the controls, we assessed whether they were designed and implemented to effectively address the risk of material misstatement. For selected controls that we planned to base the audit on, we tested whether they were performed on a consistent basis.</p> <p>We used our own actuaries to assess the actuarial methods and models used by the Group, as well as the assumptions used and calculations made.</p> <p>We assessed and challenged the methods used, models and significant assumptions in the form of yield curve used for discounting, life span, mortality, disability, probability of repurchase and paid-up policies probability and costs based on our industry knowledge to assess whether these are in accordance with regulatory and accounting requirements. This included an assessment of the continuity of the basis for the calculation of provisions.</p> <p>We tested the calculation of the calculated pension provisions on a sample basis.</p> <p>We assessed whether the information regarding the provisions was appropriate.</p>
<p>Measurement of unlisted investment assets</p> <p>Unlisted investment assets comprise investments in equity funds, infrastructure funds, unlisted shares and corporate bonds etc and are included in the financial line items:</p> <ul style="list-style-type: none"> • Investments • Bonds • Investment assets related to unit-linked products <p>Unlisted investment assets are measured at an estimated fair value. The fair value accounting estimate is based on valuation models, data and significant assumptions that are not directly observable to third parties. Changes in the significant assumptions that are included in the accounting estimate can have a significant impact on the financial statements.</p> <p>We focused on the measurement of unlisted investments because the accounting estimates are complex in nature and influenced by subjectivity and thus associated with a high degree of estimation uncertainty.</p> <p>Reference is made to the mention of "Accounting estimates" in note 1 and note 21, "Financial instruments recognised at fair value", to the Group Financial Statements and the Parent Financial Statements.</p>	<p>We performed risk assessment procedures in order to gain an understanding of IT systems, business procedures and relevant internal controls for measuring unlisted investments.</p> <p>For the controls, we assessed whether they were designed and implemented to effectively address the risk of material misstatement. For selected controls that we planned to base the audit on, we tested whether they were performed on a consistent basis.</p> <p>We assessed and tested the valuation models used by Management.</p> <p>We tested on a sample basis the consistency between the assumptions used, data and the calculation of fair values.</p> <p>We tested on a sample basis the applied fair values against relevant reporting from external fund managers.</p> <p>We challenged the accounting estimates forming the basis of the calculation of the fair values based on our knowledge of the portfolio and the market development.</p> <p>We assessed whether the information regarding the unlisted investments was appropriate.</p>

Statement on Management's Review

Management is responsible for Management's Review.

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

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

Moreover, we considered whether Management's Review includes the disclosures required by the Danish Financial Business Act.

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

Management's responsibilities for the Financial Statements

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

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

Auditor's responsibilities for the audit of the Financial Statements

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

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

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

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- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.
 - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Group Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or 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 the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Hellerup, 14 March 2022

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 3377 1231

Per Rolf Larssen
State Authorised Public Accountant
mne24822

Claus Christensen
State Authorised Public Accountant
mne33687

Definitions of financial ratios

Danish FSA financial ratios

Financial ratios have been calculated in accordance with the Danish FSA's Executive Order on financial reports for insurance companies and multi-employer occupational pension funds.

Pension

Rate of return =
$$\frac{\text{Investment return on average rate and unit-linked products} \times 100}{\text{Pension provisions at beginning of year} + \text{weighted average contributions and benefits paid in respect of average-rate and unit-linked products}}$$

The financial ratio is calculated on a money-weighted basis. The target return can be divided into two categories: a money-weighted and a time-weighted return:

The money-weighted return reflects the actual return – or the relative value appreciation – achieved for the portfolio during the reporting period including returns on net contributions for the period. In other words, the money-weighted return expresses the actual return for the period.

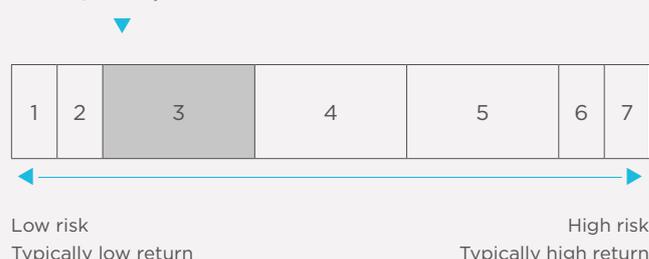
The time-weighted return reflects the return that would have been achieved if no payments had been made to or from the portfolio during the period. The time-weighted return expresses performance and can be used to measure against a benchmark or returns achieved by other investors within the same asset class.

Risk on return related to unit-linked products = Calculated as the standard deviation (SD) of the monthly return related to unit-linked products over the past 36 months using the following scale of 1 to -7:

Riskclass	%	
	SD≥	SD<
1,00	0,00	0,50
2,00	0,50	2,00
3,25	2,00	3,00
3,50	3,00	4,00
3,75	4,00	5,00
4,25	5,00	6,70
4,50	6,70	8,34
4,75	8,34	10,00
5,25	10,00	11,67
5,50	11,67	13,33
5,75	13,33	15,00
6,00	15,00	25,00
7,00	25,00	

Note that the standard deviation is measured as an average across risk profiles and generation pools. The standard deviation is converted into a risk category using the following scale:

Return/ Risk profile



Expenses as a percentage of provisions =
$$\frac{\text{Operating expenses re. insurance activities for the year} \times 100}{\text{Pension provisions at beginning of year} + \text{weighted average contributions and benefits paid in respect of average-rate and unit-linked products}}$$

Expenses per policyholder (DKK) =
$$\frac{\text{Operating expenses re. insurance activities for the year}}{\text{Average number of policyholders related to direct insurance} + \text{average number of policyholders with group life contracts} \times 0.1}$$

Return on equity after tax =
$$\frac{\text{Profit after tax} \times 100}{\text{Weighted average equity}}$$

Return on surplus capital, allocated same rate as equity =
$$\frac{\text{Return on surplus capital before tax} \times 100}{\text{Weighted average surplus capital}}$$

Solvency coverage ratio =
$$\frac{\text{Solvency capital requirement} \times 100}{\text{Total capital at year end}}$$

Supplementary financial ratios

Bonus rate (%) =
$$\frac{\text{Individual and collective bonus potentials of the interest rate group at year end} \times 100}{\text{Total custody accounts for interest rate group at year end}}$$

Return on customer funds after deduction of expenses and before tax, per product type =
$$\frac{(\text{Weighted average provisions} + \text{Weighted average surplus capital} + \text{tax on pension returns}) \times 100}{\text{Technical provisions at beginning of year plus surplus capital at beginning of year} + \text{weighted average cash flows}}$$

The financial ratio expresses policyholders' total return less expenses and risk premium.

Definitions of financial ratios (continued)

Health and accident insurance

$$\text{Gross claims ratio} = \frac{\text{Gross claims expenses} \times 100}{\text{Gross premium income}}$$

$$\text{Gross expense ratio} = \frac{\text{Operating expenses relating to insurance activities} \times 100}{\text{Gross premium income}}$$

$$\text{Combined ratio} = \frac{\text{Gross claims expenses} + \text{Operating expenses relating to insurance activities} \times 100}{\text{Gross premium income}}$$

$$\text{Operating ratio} = \frac{\text{Gross claims expenses} + \text{Operating expenses relating to insurance activities} \times 100}{\text{Gross premium income} + \text{Technical interest}}$$

Sharpe ratio

The risk-adjusted return illustrates the performance of the return relative to the assumed risk. The risk is measured on the basis of the historical volatility (standard deviation) over a given period of time. The higher the risk-adjusted return, the better the investment. If the risk-adjusted return is calculated on the basis of the excess return relative to a risk-free interest rate, it is referred to as the Sharpe ratio.

$$\text{The risk-adjusted return} = \frac{\text{Return}}{\text{Risk}}$$

$$\text{Shape ratio} = \frac{\text{Return} - \text{risk-free interest rate}}{\text{Risk}}$$

