



Marsh A/S

Tromsøgade 2
2100 København Ø
CVR No. 87377016

Annual report 2023

The Annual General Meeting adopted the annual report on 27.06.2024

DocuSigned by:

Gnädinger, Dorothee

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Dorothee Carolin Gnädinger
Chairman of the General Meeting

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Entity details

Entity

Marsh A/S

Tromsøgade 2

2100 København Ø

Business Registration No.: 87377016

Date of foundation: 15.04.1981

Registered office: København

Financial year: 01.01.2023 - 31.12.2023

Board of Directors

Nicholas John Holmes

Palle Stegelmann Kensø

Carl Henrik Samuel Rydén

Executive Board

Dorothee Carolin Gnädinger

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Marsh A/S for the financial year 01.01.2023 - 31.12.2023.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 27.06.2024

Executive Board

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Gnaedinger, Dorothee

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Dorothee Carolin Gnädinger

Board of Directors

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Holmes, Nick J

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Nicholas John Holmes

DocuSigned by:

Palle Kensø

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Palle Stegelmann Kensø

DocuSigned by:

Carl Henrik Samuel Rydén

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Carl Henrik Samuel Rydén

Independent auditor's report

To the shareholders of Marsh A/S

Opinion

We have audited the financial statements of Marsh A/S for the financial year 01.01.2023 - 31.12.2023, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the 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 commentary provides the information required by relevant law and regulations.


Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 27.06.2024

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

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Tim Kjær-Hansen

State Authorised Public Accountant

Identification No (MNE) mne23295

Management commentary

Financial highlights

	2023	2022	2021	2020	2019
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Gross profit/loss	110,065	108,181	107,823	89,248	82,900
Operating profit/loss	3,368	13,595	19,073	11,872	5,336
Net financials	2,579	347	(466)	(1,222)	(314)
Profit/loss for the year	10,185	17,602	26,995	22,263	18,044
Total assets	257,838	222,708	207,631	188,865	152,603
Equity	16,383	20,198	19,396	2,401	8,872
Ratios					
Return on equity (%)	55.68	88.91	247.69	394.98	147.30
Solvency ratio (%)	6.35	9.07	9.34	1.27	1.27
Risk Adjusted Equity ratio*	25.77	30.54	40.42	7.17	30.71

Figures for 2019 have been adjusted for the merger with JLT Specialty Insurance Brokers A/S.

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Return on equity (%):

$\frac{\text{Profit/loss for the year} * 100}{\text{Average equity}}$

Average equity

Solvency ratio (%):

$\frac{\text{Equity} * 100}{\text{Total assets}}$

Total assets

Risk adjusted Equity ratio (%):

$\frac{\text{Equity} * 100}{\text{Total assets less risk free assets}}$

(Total assets less risk free assets)

Risk free assets consist of both cash and receivables regarding insurance premiums not settled with the insurance companies at the balance sheet date.

*The calculation method has been adjusted from 2018.

Primary activities

Marsh A/S is part of Marsh & McLennan Companies, Inc. (MMC) a global professional services firm with business in risk and insurance services, investment management, and consulting. MMC is listed on the New York stock exchange.

The Company's activities comprise management of insurance arrangements and risk management consulting.

A considerable part of the consulting is development and delivery of risk strategies and services, and in cooperation with clients to establish the known insurable risks as well as the strategic, commercial, market-related, operational, and other risks that may threaten the values and objectives of a company.

As member of Forsikringsmæglerforeningen i Danmark (The Insurance Broker Association in Denmark) the company upholds separate fiduciary accounts for the securing of premium received from clients, which premium is subsequently paid to Insurers.

Development in activities and finances

The development in the entity's activities has been stable.

Profit/loss for the year in relation to expected developments

The net result was DKK '000 10,185 compared to DKK '000 17,602 the year before. This is in accordance with the expectation for the year and the financial result is satisfactory.

Demand for the company's services remained strong with turnover very similar to prior year, but increased staffing costs were recorded primarily related to one-off staff restructuring.

Outlook

Demand for the company's services is expected to grow in 2024, and no significant growth in company expenses are projected. Management therefore anticipates an increase in both gross profit and net profit.

Knowledge resources

As an intellectual capital resource the employees in particular are important for the future earnings of the company. This involves especially the experience of the employees, professional competence and the interface to all of the different interest groups around the company.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2023

	Notes	2023 DKK'000	2022 DKK'000
Gross profit/loss		110,065	108,181
Staff costs	2	(104,668)	(92,869)
Depreciation, amortisation and impairment losses		(2,029)	(1,717)
Operating profit/loss		3,368	13,595
Income from investments in group enterprises	3	5,724	6,851
Other financial income	4	2,625	666
Other financial expenses	5	(46)	(319)
Profit/loss before tax		11,671	20,793
Tax on profit/loss for the year	6	(1,486)	(3,191)
Profit/loss for the year	7	10,185	17,602

Balance sheet at 31.12.2023

Assets

	Notes	2023 DKK'000	2022 DKK'000
Goodwill		0	1,318
Intangible assets		0	1,318
Other fixtures and fittings, tools and equipment		3,431	899
Leasehold improvements		2,914	30
Property, plant and equipment	8	6,345	929
Investments in group enterprises		5,597	5,597
Other investments		352	352
Deposits		0	819
Deferred tax	10	747	810
Financial assets	9	6,696	7,578
Fixed assets		13,041	9,825
Trade receivables	11	106,968	94,007
Receivables from group enterprises		16,629	33,397
Other receivables		50	127
Tax receivable		3,561	1,303
Prepayments	12	748	0
Receivables		127,956	128,834
Cash		116,841	84,049
Current assets		244,797	212,883
Assets		257,838	222,708

Equity and liabilities

	Notes	2023 DKK'000	2022 DKK'000
Contributed capital	13	965	965
Retained earnings		15,418	19,233
Equity		16,383	20,198
Trade payables		174,229	140,646
Payables to group enterprises		21,000	10,441
Other payables		38,165	41,751
Deferred income	14	8,061	9,672
Current liabilities other than provisions		241,455	202,510
Liabilities other than provisions		241,455	202,510
Equity and liabilities		257,838	222,708
Events after the balance sheet date	1		
Unrecognised rental and lease commitments	15		
Contingent liabilities	16		
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Statement of changes in equity for 2023

	Contributed capital DKK'000	Retained earnings DKK'000	Proposed extraordinary dividend DKK'000	Total DKK'000
Equity beginning of year	965	19,233	0	20,198
Extraordinary dividend paid	0	0	(14,000)	(14,000)
Profit/loss for the year	0	(3,815)	14,000	10,185
Equity end of year	965	15,418	0	16,383

Notes

1 Events after the balance sheet date

No events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.

2 Staff costs

	2023	2022
	DKK'000	DKK'000
Wages and salaries	92,549	81,633
Pension costs	10,712	9,900
Other social security costs	1,407	1,336
	104,668	92,869
Average number of full-time employees	103	101

	Remuneration of Management 2023 DKK'000	Remuneration of Management 2022 DKK'000
Total amount for management categories	6,363	6,629
	6,363	6,629

3 Income from investments in group enterprises

Income from investments in group enterprises comprise received dividends of DKK'000 5.724.

4 Other financial income

	2023	2022
	DKK'000	DKK'000
Financial income from group enterprises	853	0
Other interest income	1,673	0
Exchange rate adjustments	99	666
	2,625	666

5 Other financial expenses

	2023	2022
	DKK'000	DKK'000
Financial expenses from group enterprises	0	294
Other interest expenses	0	2
Exchange rate adjustments	46	23
	46	319

6 Tax on profit/loss for the year

	2023	2022
	DKK'000	DKK'000
Current tax	1,423	3,134
Change in deferred tax	63	57
	1,486	3,191

7 Proposed distribution of profit and loss

	2023	2022
	DKK'000	DKK'000
Extraordinary dividend distributed in the financial year	14,000	6,800
Retained earnings	(3,815)	10,802
	10,185	17,602

8 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK'000	Leasehold improvements DKK'000
Cost beginning of year	6,388	268
Additions	3,298	3,003
Disposals	(1,069)	0
Cost end of year	8,617	3,271
Depreciation and impairment losses beginning of year	(5,489)	(238)
Depreciation for the year	(376)	(119)
Reversal regarding disposals	679	0
Depreciation and impairment losses end of year	(5,186)	(357)
Carrying amount end of year	3,431	2,914

9 Financial assets

	Investments in group enterprises DKK'000	Other investments DKK'000	Deferred tax DKK'000
Cost beginning of year	5,597	352	810
Disposals	0	0	(63)
Cost end of year	5,597	352	747
Carrying amount end of year	5,597	352	747

Investments in subsidiaries	Registered in	Corporate form	Equity interest %	Equity DKK'000	Profit/loss DKK'000
Marsh Kindlustusmaakler AS	Estonia	AS	100	7,592	4,037
Marsh Lietuva UADBB	Lithuania	UADBB	100	6,008	3,850
Marsh & McLennan Agency A/S	Rudersdal	A/S	100	7,043	4,779

10 Deferred tax

	2023 DKK'000	2022 DKK'000
Intangible assets	431	518
Property, plant and equipment	193	292
Liabilities other than provisions	123	0
Deferred tax	747	810

Changes during the year	2023 DKK'000	2022 DKK'000
Beginning of year	810	867
Recognised in the income statement	(63)	(57)
End of year	747	810

Deferred tax assets

Deferred tax realizes for future tax deductions, which management estimates may be used to reduce future tax payable.

11 Trade receivables

In the item unpaid premiums due to Insurance Companies, which relates to premiums not paid by policyholders, is included with DKK'000 89,351 (2022: DKK'000 72,527).

12 Prepayments

Prepayments include prepayments of insurance and other expenses.

13 Share capital

	Number	Par value DKK'000	Nominal value DKK'000
A-Shares	900	1,000	900
B-Shares	65	1,000	65
	965		965

14 Deferred income

Deferred income include accrued revenue relating to insurance offerings sold.

15 Unrecognised rental and lease commitments

	2023 DKK'000	2022 DKK'000
Liabilities under rental or lease agreements until maturity in total	22,034	2,966

16 Contingent liabilities

The Entity is the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable from the financial year 2013 for income taxes etc for the jointly taxed companies and from 1 July 2012 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies.

17 Related parties with controlling interest

Name	Registered office	Basis of influence
Marsh & McLennan Companies, Inc.	1166 Avenue of Americas, NY 10036 New York, USA	Ultimate parent
Marsh LLC	1166 Avenue of Americas, NY 10036 New York, USA	Parent of the below listed entity
Marsh USA Inc.	1166 Avenue of Americas, NY 10036 New York, USA	Parent of the below listed entity
Marsh Int'l Holdings Inc.	1166 Avenue of Americas, NY 10036 New York, USA	Parent of the below listed entity
Marsh Int'l Holdings II	1166 Avenue of Americas, NY 10036 New York, USA	Parent of the below listed entity
MMC Int'l Holdings LLC	1166 Avenue of Americas, NY 10036 New York, USA	Parent of the below listed entity
Caseade Regional Holdings Ltd.	1 Tower Place West, London E3R 5BU	Parent of the below listed entity
Marsh McLennan Regional Holdings Limited	1 Tower Place West, London E3R 5BU	Parent Company

18 Transactions with related parties

	Other related parties DKK'000
Sale of services	19,147
Purchase of services	9,690
Purchase of administrative services	19,582
Receivables	16,627
Liabilities other than provisions	14,164

19 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
Marsh & McLennan Companies, Inc., 1166 Avenue of Americas, NY 10036 New York, USA.

Copies of the consolidated financial statements of Marsh & McLennan Companies, Inc. may be ordered at the following address:

Marsh & McLennan Companies, Inc., 1166 Avenue of Americas, NY 10036 New York, USA

Accounting policies

Reporting class

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

The accounting policies applied to these financial statements are consistent with those applied last year.

Consolidated financial statements

Referring to 112(2) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Business combinations

The uniting-of-interests method is applied on acquisition of enterprises, mergers, demergers, contributions of assets and exchanges of shares, etc where the enterprises concerned are controlled by the Parent. Under the uniting-of-interests method, the acquiree's assets and liabilities are recognised at their carrying amounts, adjusted for any differences in accounting policies. The difference between the consideration agreed and the carrying amount of the acquiree is recognised in equity. The comparative figures are restated.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue and external expenses.

Revenue

Revenue from the mediation of insurance services is included in revenues when delivery and transfer of risk to the buyer has occurred, at the earliest when the underlying brokered insurance contract is in force.

Revenue from other services is recognized upon delivery.

Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes write-downs of receivables

recognised in current assets.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

Income from investments in group enterprises

Income from investments in group enterprises comprises dividend etc received from the individual group enterprises in the financial year.

Other financial income

Other financial income comprises interest income, net capital gains on payables and foreign currency transactions as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, net capital losses on payables and foreign currency transactions as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish subsidiaries. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet**Goodwill**

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. Useful lives are reassessed annually. The amortisation periods used are 7 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Other fixtures and fittings, tools and equipment as well as leasehold improvements are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straightline depreciation is made on the basis of the following estimated useful lives of the assets:

	Useful life
Other fixtures and fittings, tools and equipment	3-10 years
Leasehold improvements	10 years

For leasehold improvements, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

Investments in group enterprises are measured at cost. Investments are written down to the lower of recoverable amount and carrying amount.

Other investments

Other investments comprise unlisted securities which are measured at cost.

Other investments are written down to the lower of recoverable amount and carrying amount.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is

recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

Cash flow statement

Pursuant to section 86(1) of the Danish Financial Statements Act there has not been prepared cash flow statement.