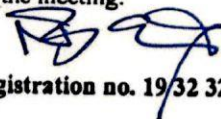


ANNUAL REPORT 2023

Borealis Insurance A/S (captive insurance company)

28th financial year
Approved at the Annual General Meeting
held 29 April 2024
Chair of the meeting:



CVR registration no. 1932 32 93

Sensitivity: External

Content

Statement by the Executive and Supervisory Boards	2
Independent Auditors' Report	3
Company details	7
Management's Review	8
Annual account 1 January – 31 December 2023.....	12
Balance sheet.....	13
Statement of changes in equity.....	15
Notes	16

Statement by the Executive and Supervisory Boards

Today, the Executive and Supervisory Boards have discussed and approved the Annual Report of Borealis Insurance A/S (captive insurance company) for the period 1 January to 31 December 2023, including Statement by the Executive and Supervisory Boards, Management's review, income statement, statement of other comprehensive income, balance sheet, statement of changes in equity and notes, including accounting policies.

The Annual Report for Borealis Insurance A/S (captive insurance company) is prepared according to the Danish Financial Business Act. In our opinion, the accounting policies selected are appropriate and the financial statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations for the accounting period 1 January to 31 December 2023.

Further, in our opinion, the Management's review gives a fair description of the development in the Company's activities and financial standing as well as a description of significant risks and uncertainties, which may affect the Company.

We recommend that the Annual Report is approved at the Annual General Meeting.

Copenhagen, April 16, 2024

Executive Board:



Peter Guy Emiel Rienckens
Director



Claus Kirk
Director

Supervisory Board:



Sandra Müller
Chair



Niels Vahman Bang Gernot Kriegbaum



Koen Bert Timmermans

Independent Auditor's Report

To the shareholder of Borealis Insurance A/S (captive insurance company)

Opinion

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2023 and of the results of the Company's operations for the financial year 1 January – 31 December 2023 in accordance with the Danish Financial Business Act.

Our opinion is consistent with our long-form audit report to the Supervisory Board.

Audited financial statements

Borealis Insurance A/S' financial statements for the financial year 1 January – 31 December 2023 comprise the income statement, statement of comprehensive income, balance sheet, statement of changes in equity and notes, including summary of material accounting policy information (the financial statements). The financial statements are prepared in accordance with the Danish Financial Business Act.

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

We declare, to the best of our knowledge and belief, that we have not provided any prohibited non-audit services, as referred to in Article 5(1) of the Regulation (EU) 537/2014 and that we remained independent in conducting the audit.

We were appointed auditors of Borealis Insurance A/S for the first time on 24 March 2023 for the financial year 2023.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the 2023 financial year. These matters were addressed in the context of our audit of the financial statements as a whole, and in the forming of our opinion thereon.

We do not provide a separate opinion on these matters.

Key audit matters

How our audit addressed the key audit matter

Measurement of provisions for insurance contracts

The Company's provisions for insurance contracts amount to a total of EUR 16.3 million (2022: EUR 29.2 million), which represents 14% of the balance sheet total (2022: 24%).

The Company's provisions for insurance contracts consist of premium provisions, claims provisions and risk margin, whereof we consider the following to be a significant risk and a key audit matter:

- Claims provisions, amounting to EUR 3.7 thousand at 31 December 2023.

Claims provisions are calculated as the present value of a best estimate of expected payments relating to insurance events incurred at the balance sheet date in addition to payments already made in connection with these events.

In addition, expenses for surveys and assessment of the claims by independent loss adjusters are included.

The significant assumption relates to the extent of future payments of claims, which are based, among other things, on reports by independent loss adjusters and historical claims data.

We focused on the measurement of provisions for insurance contracts, as the accounting estimate is by nature complex and influenced by subjectivity and thus to a large extent associated with estimation uncertainty.

Reference is made to the financial statements, "Accounting estimates" in note 1 "Accounting policies".

We performed risk assessment procedures with the purpose of achieving an understanding of procedures and relevant controls relating to claims processing and insurance provisioning. In respect of controls, we assessed whether these were designed and implemented effectively to address the risk of material misstatement.

We assessed and challenged the methods and models and significant assumptions applied based on our experience and industry knowledge with a view to ensure that these are in line with regulatory and accounting requirements. This comprised an assessment of the continuity in the basis for the calculation of provisions for insurance contracts.

We assessed whether the disclosures on provisions for insurance contracts were adequate.

Statement on the Management's review

Management is responsible for the Management's review.

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

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

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

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

Management's responsibility 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 Business Act and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Borealis Insurance A/S (captive insurance company)

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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.

Borealis Insurance A/S (captive insurance company)

From the matters communicated to 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 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 determined 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.

Copenhagen, 16 April 2024

KPMG

Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98



Anja Bjørnholt Lüthcke
State Authorised
Public Accountant
mne26779

Borealis Insurance A/S (captive insurance company)

Company details

Borealis Insurance A/S (captive insurance company)
c/o Gorrissen Federspiel

Axeltorv 2
DK-1609 Copenhagen V

Registration no: 19 32 32 93
Founded: 1996
Registered office: Municipality of Copenhagen

Supervisory Board

Sandra Müller
Gernot Kriegbaum
Niels Vahman Bang
Koen Bert Timmermans

Executive Board

Peter Guy Emiel Rienckens, Belgium
Claus Kirk, Denmark

Auditor

KPMG P/S
CVR no 25 57 81 98

Management's Review

Primary activities

Borealis Insurance A/S (captive insurance company) was founded in 1996 as a captive reinsurance company for the Borealis Group and in 1998 the company began to write direct insurance as well.

The Company has a license for reinsurance business as well as direct insurance business in the following classes "Property" (insurance class 8), "Marine Cargo" (insurance class 7), "Liability insurance" (insurance class 13), and "Financial losses" (insurance class 16). At the same time, the company is registered in respect of cross-border business in certain EU countries and in Norway.

Development in activities and financial development

In 2023, business involved companies of the Borealis group located in Austria, Belgium, Finland, France, Germany, Italy, Sweden, The Netherlands and USA. The Company's fixing of the premium is made at market prices, based on a general evaluation of the market level made by international insurance consultants.

The Company has maintained the investment activities in conservative investments with a low risk profile, in accordance with the Company's Investment policy.

The profit of KEUR 7,751 is at a satisfactory level.

The liquidity of the company is satisfactory.

The Solvency Capital Requirement (SCR) is KEUR 60,322 at 31 December 2023 (2022: KEUR 59,949), compared to a base capital of KEUR 95,210 (2022: KEUR 87,881). Consequently, the Danish Financial Supervisory authorities' requirement for the solvency margin is observed 1.6 times. The company is using the standard formula in accordance with the Solvency II regulation. The solvency ratio for 2019 – 2023 is specified below:

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Solvency ratio	1.6	1.5	1.4	1.3	1.8

The Company expects a profit for 2024 of EUR 2-3 million.

Sensitivity analysis

In accordance with § 126 g of the Danish Financial Business Act, Borealis Insurance A/S (captive insurance company) has prepared a sensitivity analysis as of 31 December 2023. The analysis is published on the company website www.borealisgroup.com/company/investor-relations/regulatory-filings in April 2024.

Reinsurance

The risks of the Company is limited to claims within risk classes to which the company has a license. Net risk retentions are limited per loss and in the annual aggregate.

Borealis Insurance A/S (captive insurance company)

Unusual matters

It is of the opinion of the Company that the annual accounts are not affected by unusual matters, and no material uncertainty is related to the annual accounts or parts hereof.

The Company's salary policy

It is the Company's salary policy only to pay fixed salary, and only to external directors and board members. For specification of salary for external directors and board members, reference is made to the website www.borealisgroup.com. For a description of the Borealis Group's work in respect of social responsibility, reference is likewise made to the website www.borealisgroup.com.

Events after the balance sheet date

No events occurred after the balance sheet date that materially affect the financial position of the Company.

Risk management

It is the Company's opinion that no particular risks materially affect the Company.

Description

The Company is the captive insurance company of the Borealis Group and does not write any third party business. Consequently, the company's risk profile is different from commercial or traditional insurance companies as there is no risk connected to competition, market conditions, reputation risk, strategic risk, business cycle and company size.

Insurance risk

Insurance risks include the acceptance of risks on a direct and reinsurance basis, issuance of policies and claims management. To limit the risk in this area, the company has only accepted risks in accordance with the procedure "Rules for Internal Transactions and Underwriting". Except for the company's net risk retention, the insurance policies issued by the Company contain the same conditions as the reinsurance protection.

Policies

The Supervisory Board has determined that the Company must manage its risks in such way that the Company is at all times and under all circumstances able to meet its financial and other obligations to the insureds, i.e. Borealis Group companies.

The Supervisory Board has determined the overall risk strategy through the issuance of various policies and guidelines. The Executive Board is responsible for the implementation of and compliance with the policies and guidelines.

The Company's risk management relates to the main area insurance risk.

Borealis Insurance A/S (captive insurance company)

Objective for the management

The Company uses the Solvency II standard model to calculate the Company's insurance risk and at every supervisory board meeting the Supervisory Board is updated about matters that affect the Company's assessment of the solvency capital requirement.

Financial risk

Investment risk represents the risk of losses due to changes in the market value of the Company's assets and liabilities as a result of changes in market conditions. Investment risk includes changes in market value of investments, interest rate and currency risks. The Supervisory Board has established the company's Investment Policy in terms of type of investments or assets classes, currencies and limits. The Company handles the investment both in relation to the liquidity as well as the long term investments in compliance with the Investment Policy. The investment risks are monitored through an investment portfolio agreement and reporting system.

Objective for the management

The Company's Supervisory Board ensures that the determined investment policy at any time is cautious even though bigger investment returns could be obtained through risky investments.

At each supervisory board meeting the actual returns are reviewed and the Supervisory Board receives continuous information of the Company's investment portfolio. Only professional portfolio administrators are used.

Credit risk

Credit risk is the risk of losses caused by one or more counter-parties' breach of their payment obligations. The company is exposed to credit risk in both its insurance and investment business. In respect of insurance, the company does not place any business with a (re)insurance company with a Standard & Poor's (S&P) or equivalent financial strength rating of less than A-, unless specifically approved by the Supervisory Board. To limit the risk in the investment business, the investments are made by granting a loan to the parent company, Borealis AG, and in bonds and shares of high credit rating.

Operational risk

Operational risk is the risk of incurring a loss due to insufficient or faulty procedures or human or systematic errors. Operational risk includes the risk of breakdowns in the IT systems. For all main areas there are established procedures in the Borealis Group.

Borealis Insurance A/S (captive insurance company)

Board memberships and other assignments for members of the Supervisory Board and Executive Board

Niels Vahman Bang:

Advance A/S, Advance Holding ApS, Andreas Duckert Holding ApS, BI Management A/S, Experis A/S, Faxe Kalk A/S, GFJURA 883 A/S, Gorrissen Federspiel Advokatpartnerselskab, Gorrissen Federspiel Komplementar Advokatpartnerselskab, Henning Larsen A/S, Henning Larsens Fond, Holdingselskabet af 8. maj 2002 A/S, Investeringsforeningen BankInvest, Investeringsforeningen BankInvest Engros, Investeringsforeningen BI, J. Duckert Holding A/S, Julie Kierkegaard A/S, Kapitalforeningen BankInvest Select, MJ Service A/S, Orchestra A/S, Orchestra Holding A/S, PeopleGroup A/S, PeopleGroup Five A/S, RelationsPeople A/S, Tenneco Holdings Danmark ApS, Viniportugal A/S, Walker Danmark ApS, Offbeat Holding A/S under likvidation.

Sandra Müller:

Borealis Middle East Holding GmbH

Peter Guy Emiel Rienckens:

None

Gernot Kriegbaum:

None

Koen Bert Timmermans:

Borealis ChimieS.A.R.L., Borealis Financial Services N.V., Borealis Services S.A.S

Claus Kirk:

RISK MAP ApS, Kirk Invest af 12. december 2016 ApS

Annual account 1 January – 31 December 2023**Income statement and statement of comprehensive income**

	Note	2023 EUR'000	2022 EUR'000
Gross premiums written	3	34 169	29 260
Reinsurance premiums ceded		(29 491)	(23 272)
Change in gross premium provisions		(2 070)	(467)
Change in reinsurers' share of premium provisions		2 534	183
Total premium income net of reinsurance	4	5 142	5 704
Insurance technical interest	5	37	18
Gross claims paid	6	(23 217)	(56 239)
Received reinsurance share		23 142	55 500
Change in gross claims provisions		15 024	38 968
Change in reinsurers' share of claims provisions		(16 443)	(39 057)
Change in risk margin		(53)	(21)
Total cost of claims net of reinsurance	7	(1 547)	(849)
Administrative expenses	8	(298)	(371)
Total operating insurance expenses		(298)	(371)
Insurance technical result		3 334	4 502
Interest income and dividends etc.		3 219	930
Value adjustments	9	1 497	(3 532)
Return on investments, total		4 716	(2 602)
Interest on technical provisions	5	(37)	(18)
Investment result after technical interest		4 679	(2 620)
Result before tax		8 013	1 882
Tax	10	(262)	(54)
Result for the year		7 751	1 828
Other comprehensive income		0	0
Total comprehensive income for the year		7 751	1 828

Borealis Insurance A/S (captive insurance company)

Balance sheet

	Note	2023 EUR'000	2022 EUR'000
ASSETS			
Loan to group undertakings		45 000	40 000
Total investments in group undertakings		45 000	40 000
Mutual Funds		9 545	8 968
Bonds		12 557	11 753
Total other financial investment assets	12	22 102	20 721
Total investment assets		67 102	60 721
Reinsurers' share of premium provisions		10 765	8 230
Reinsurers' share of claims provisions		0	16 443
Total reinsurers' share of insurance provisions		10 765	24 673
Premiums receivables		479	1 297
Total receivables		11 244	25 970
Cash at bank		35 252	31 066
Current tax assets		0	126
Deferred tax asset	10	2 742	2 320
Total other assets		37 994	33 512
Interest receivables		93	44
Total accruals and deferred income		93	44
TOTAL ASSETS		116 433	120 247

Borealis Insurance A/S (captive insurance company)

	Note	2023 EUR'000	2022 EUR'000
EQUITY & LIABILITIES			
Share capital	11	7 092	7 092
Other paid in capital		25 000	25 000
Retained earnings		65 860	58 109
Total equity		97 952	90 201
Premium provisions		12 358	10 288
Claims provisions		3 670	18 693
Risk Margin		289	237
Total technical provisions		16 317	29 218
Liabilities in connection with reinsurance		1 510	237
Other provisions		0	591
Other liabilities		654	0
Total liabilities		2 164	828
TOTAL EQUITY AND LIABILITIES		116 433	120 247

Financial assets and liabilities at fair value	12
Contracts of guarantee and contingent liabilities	13
Insurance technical result distributed on insurance classes	14
Related parties	15

Statement of changes in equity

	Share capital	Other paid in capital	Retained earnings	Total
2022				
Equity at 1 January 2022	7 092	25 000	56 281	88 373
Capital contribution	0	0	0	0
Proposed dividends	0	0	0	0
Transferred, cf. profit appropriation	0	0	1 828	1 828
Equity at 31 December 2022	7 092	25 000	58 109	90 201
2023				
Equity at 1 January 2023	7 092	25 000	58 109	90 201
Capital contribution	0	0	0	0
Proposed dividends	0	0	0	0
Transferred, cf. profit appropriation	0	0	7 751	7 751
Equity at 31 December 2023	7 092	25 000	65 860	97 952

The company has no "Other comprehensive income".

Notes

1 Accounting policies

The Annual Report has been prepared in accordance with the Danish Financial Business Act and the Danish Financial Supervisory Authority's Executive order on Financial Reports for Insurance Companies and Lateral Pension Funds.

Changes in applied accounting policies

The accounting principles are consistent with previous year.

Accounting estimates

When preparing the financial statements, estimates and assessments are applied which affect the size of assets and liabilities and therefore the profit/loss in current and future years. The most material estimates concern assessment of the claims provisions.

Foreign currency

The amounts in the Annual Report are denominated in EUR. Entries in foreign currencies are translated to the reporting currency exchange rate. Foreign exchange gains and losses arisen due to the difference between the reporting currency exchange rate and the exchange rate at the balance sheet date are recognized in the Income Statement. Translation to reporting currency exchange rate is done by using the exchange rate at the time of transaction. Receivables, liabilities and other monetary entries in foreign currencies that have not been settled before the balance sheet date are translated by applying the foreign exchange rate at the balance sheet date, 31 December 2023. The difference is recognized in the Income Statement.

Income Statement

Income and expenses are recognized in the Income Statement with the amounts related to the financial year.

Premium income net of reinsurance

Gross premiums written consists of due premiums for the year. Reinsurance premiums ceded consists of the share of gross premiums written for the year which are ceded to other insurance companies as a result of the reinsurance coverage.

Cost of claims net of reinsurance

Gross claims paid appear as paid claims for the year, including addition of internal and external expenses for inspection and assessment of claims and other direct and indirect costs connected to the treatment of occurred damages.

Received reinsurance coverage appear as a share of gross claims paid for the year which are received from other insurance companies as a result of the reinsurance coverage.

Borealis Insurance A/S (captive insurance company)

Insurance technical interest

Part of total result from financial operations relate to insurance operations and has been transferred to this part of the Income Statement. As the company makes use of the simplified method for calculating premium provisions, the insurance technical interest is calculated according to §36 of the order, and calculated as yield of average premium provisions for the year. The interest rate used is the curves published by EIOPA.

Operating insurance expenses

The operating insurance expenses comprise administrative expenses with deduction of received reinsurance commissions.

Return on investments

The Company invests in bonds and investment funds, so the investment income is a combination of interest income and value adjustment.

Tax

Tax on results for the year which comprises current tax and changes in deferred tax is recognized in the Income Statement with the portion of taxes related to the taxable income for the year whereas the portion attributable to entries on equity is recognized directly in equity. The tax is calculated in accordance with the Danish Company Tax regulation § 11A (captive rules). Payable or receivable current tax, respectively, is recognized in the Balance Sheet stated as calculated tax on the taxable income for the year adjusted for tax paid on account.

Investment assets

Investments of the Company are bank deposits, government bonds and mutual fund holdings that have been measured at the closing price at the balance sheet date. Recognition of purchase and sale are made at the trading date.

Reinsurers share of insurance provisions

Reinsurer's share of premium provisions has been calculated as gross provisions. Reinsurers share of claims provisions are calculated as amounts expected to be received from reinsurance coverage related to gross claims provisions.

Prepayments

Prepayments recognized under assets comprise incurred expenses relating to the following financial year. The prepayments are measured at cost.

Premium provisions

Premium provisions are calculated according to the pro rata temporis method, according to § 69a in the order.

Claims provisions

The claims provisions have in accordance with available information been calculated to be sufficient to cover all claims incurred before the balance sheet date, no matter if they have been notified or not.

Borealis Insurance A/S (captive insurance company)

The claims provisions also include expenses for surveys and assessment of the claims by independent loss adjusters. As claims are paid shortly after they occur, the claims provisions are in general calculated without consideration of interest (discounting). Gains or losses arising from the claims provisions from previous years are recognized in the income statement.

Risk Margin

Risk margin is such as to ensure that the value of the technical reserves is equivalent to the amount the insurers would be expected to require in order to take over the insurance obligations.

Risk margin is calculated by determining the cost of providing an amount eligible own funds equal to SCR necessary to support these obligations.

Liabilities

Debt is recognized at amortized value.

2 Financial highlights and key figures

Financial highlights	2023	2022	2021	2020	2019
Gross premium income	32 099	28 793	24 335	19 068	17 271
Premium income net of reinsurance	5 142	5 704	4 605	4 606	6 214
Gross claims	(8 193)	(17 292)	(20 069)	(135 493)	(3 739)
Operating insurance expenses	(298)	(371)	(331)	(206)	(192)
Profit or loss of reinsurance	(20 257)	(6 646)	1 070	92 239	(11 057)
Insurance technical result	3 334	4 502	5 955	(24 405)	2 276
Return on investments after insurance technical interest	4 679	(2 620)	951	943	1 023
Result of the year	7 751	1 828	5 779	(20 525)	2 571
Run-off results	(1 420)	(12 443)	(20 041)	0	(118)
Total technical provisions	16 317	29 218	67 698	120 186	14 386
Insurance assets	10 765	24 673	63 547	97 684	6 107
Total equity	97 952	90 201	88 373	57 594	78 119
Total assets	116 443	120 247	156 720	179 771	94 260

Borealis Insurance A/S (captive insurance company)

Key figures

	2023	2022	2021	2020	2019
Gross claims ratio	25.52	60.06	82.47	710.62	21.65
Gross expense ratio	0.93	1.29	1.36	1.08	1.11
Combined ratio	89.56	84.43	79.43	227.93	86.78
Operating ratio	89.60	84.47	79.48	228.10	86.85
Relative run-off results	(4.86)	(18.38)	(16.67)	0.00	(2.48)
Return on equity in per cent	8.24	2.05	8.16	(30.25)	3.35

Claims ratio: $(\text{Gross claims incurred} / \text{Premium income}) * 100$

Expense ratio: $(\text{Total operating insurance expenses} / \text{total premium income}) * 100$

Combined ratio: $(\text{Claims ratio} + \text{Expense ratio} + \text{Net reinsurance ratio})$

Operating ratio: $(\text{Combined ratio where allocated return on investments is added to the premium income})$

Relative run off results: $(\text{Run off results compared to claims provisions as at 1 January})$

Return on equity: $(\text{Results for the year} / \text{the average equity}) * 100$

3 Gross premiums written

	2023	2022
Premium PDBI	28 234	22 900
Premium liability	5 642	6 051
Premium Cargo	293	309
Total gross premiums	34 169	29 260

Geographical division of gross premiums written

	2023	2022
Denmark	0	0
Other EU-countries	33 940	29 060
Other countries (USA)	229	200
Total	34 169	29 260

4 Premium income net of reinsurance

	2023	2022
Premium PDBI	4 846	5 399
Premium liability	302	305
Premium Cargo	(6)	0
Premiums earned at own account, total	5 142	5 704

5 Insurance technical interest

	2023	2022
Insurance technical interest is calculated as 3.26% of the average balance of net premium provisions in 2023		
Insurance technical interest 2023 is 3.26% (2022 : 1.29%)	37	18
Insurance technical interest	37	18

Borealis Insurance A/S (captive insurance company)

6 Gross claims paid

	2023	2022
Claims paid PDBI	(23 142)	(56 216)
Claims paid liability	(75)	(23)
Gross claims paid	(23 217)	(56 239)
Number of claims	12	6
Average gross claims for damage	(1 935)	(9 373)
Claims rate	0	0

7 Cost of claims net of reinsurance

	2023	2022
Claims incurred PDBI at own account	(1 419)	(805)
Claims incurred liability at own account	(75)	(23)
	(1 494)	828
Change in risk margin	(53)	(21)
Cost of claims at own account	(1 547)	(849)

Run-off result

	2023	2022
Run-off, gross	(1 420)	(12 443)
Run-off, net	(1 420)	0

8 Administrative expenses

Administrative expenses

	2023	2022
Other administrative expenses	298	371
Total	298	371

Audit fee

Fees for 2023 KPMG / 2022 PwC

Statutory audit fee	34	27
Total	34	27

Fee for other assurance statements	0	1
Total	0	1

Staff costs:

The company had no employees in the financial year, except from the directors, no remunerations has been paid to the Supervisory Board and Executive Board.

9 Value adjustments

	2023	2022
Realised and unrealised profits and losses on bonds and mutual funds	1 497	(3 532)
Value adjustments	1 497	(3 532)

10 Taxes

	2023	2022
Tax for the year	(684)	(60)
Change in deferred tax	422	6
	(262)	(54)

Tax on the result for the year specified as follow:

Calculated 2023; 3% (2022; 3%) tax of the result before tax.	(262)	(54)
	(54)	(54)
Effective tax rate	3%	3%

The difference between the effective tax rate and the official tax rate is due to the use of tax losses carried forward that have not been utilized from previous years.

Borealis Insurance A/S (captive insurance company)

The company has recognized a deferred tax asset of KEUR 2,742 in 2023 (KEUR 2,320 in 2022). It is expected that the company within the next 5 years or less can use the deferred tax asset to set off against the expected positive taxable income.

11 Equity

The share capital consists of 52,795 shares of DKK 1,000 each. The shares are not divided into classes. The share capital has been unchanged during the last five years.

12. Financial assets and liabilities at fair value

Financial assets and liabilities are measured in the balance sheet at fair value or amortized cost. Fair value is the price received per sale of an asset or the payable to transfer liability through a normal transaction between market participants at the time of measurement.

In the calculation of fair value, value categories consisting of three levels are used:

Level 1: Quoted prices in an active market for identical assets

Level 2: Valuation model primarily based on observable market data

Level 3: Valuation model based largely on unobservable market data.

Securities recognised under current assets comprise listed bonds measured at fair value (quoted price at closing) at the balance sheet date. Bonds are recognized using the trading date as date of recognition.

31.12.2023	Fair value	Quoted Prices Level 1	Observable Prices Level 2	Unobservable Prices Level 3
Assets				
Mutual funds	9 545	9 545	0	0
Bonds	12 557	12 557	0	0
Cash at bank	35 252	0	35 252	0
	57 354	22 102	35 252	0

31.12.2022	Fair value	Quoted Prices Level 1	Observable Prices Level 2	Unobservable Prices Level 3
Assets				
Mutual funds	8 968	8 968	0	0
Bonds	11 753	11 753	0	0
Cash at bank	31 066	0	31 066	0
	51 787	20 721	31 066	0

Liabilities

No liabilities

13 Contracts of guarantee and contingent liabilities

The company does not have any contracts of guarantee and contingent liabilities.

14 Insurance technical result distributed by insurance classes

	PDBI		CARGO		LIABILITY	
	2023	2022	2023	2022	2023	2022
Gross premiums written	28 234	22 900	293	309	5 642	6 051
Gross premium income	25 960	22 635	293	302	5 846	5 855
Gross claims incurred	(8 119)	(17 247)	0	0	(74)	(23)
Change in risk margin	(53)	(21)	0	0	0	0
Gross operating expenses	(246)	(290)	(3)	(4)	(49)	(77)
Result of reinsurance business ceded	(14 414)	(799)	(300)	(296)	(5 544)	(5 551)
Insurance technical interest at own account	37	18	0	0	0	0
Insurance technical result	3 165	4 296	(10)	2	179	204

15 Related parties

Transactions between related parties and Borealis Insurance A/S (captive insurance company) in 2023:

1. Loans granted at arm's length
2. Interest for this is paid at arm's length.

The Company insures companies in the Borealis group and related joint venture companies. The fixing of premiums takes place at arm's length. According to permission from the Danish Financial Supervisory Authorities (Finanstilsynet), The Company grants a loan to the parent company, Borealis AG.

The loan carries interest calculated according to EURIBOR interest rate and the loan amounted to EUR 45 million as at 31 December 2023. The terms of the loan are regulated by a loan agreement.

The following shareholders are registered in the company's register of shareholders as being the owners of minimum 5% of the voting rights or minimum 5% of the share capital:

- Borealis AG, Trabrennstrasse 6-8, 1020 Vienna, Austria

The Company is a subsidiary of Borealis AG and OMV AG (ultimate parent) and is consolidated in the Borealis Group's and OMV Group's Annual Reports. Consolidated financial statements are obtainable at Borealis AG and OMV AG, Trabrennstrasse 6-8, 1020 Wien, Austria.