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Mercer Pensionsrådgivning A/S

Teknikerbyen 1, 2.
2830 Virum Søllerød
CVR No. 26292107

Annual report 2022

The Annual General Meeting adopted the annual report on 27.06.2023

Cilla Katarina Nygård
Chairman of the General Meeting

Contents

Entity details

Entity

Mercer Pensionsrådgivning A/S

Teknikerbyen 1, 2.

2830 Virum Søllerød

Business Registration No.: 26292107

Registered office: Rudersdal

Financial year: 01.01.2022 - 31.12.2022

Board of Directors

Cilla Katarina Nygård, Chairman

Thomas N. Geraghty

Lars Koldby

Executive Board

Dorothee Carolin Gnädinger, Managing director

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 Mercer Pensionsrådgivning A/S for the financial year 01.01.2022 - 31.12.2022.

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 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022.

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.

Virum, 27.06.2023

Executive Board

Dorothee Carolin Gnädinger
Managing director

Board of Directors

Cilla Katarina Nygård
Chairman

Thomas N. Geraghty

Lars Koldby

Independent auditor's report

To the shareholders of Mercer Pensionsrådgivning A/S

Opinion

We have audited the financial statements of Mercer Pensionsrådgivning A/S for the financial year 01.01.2022 - 31.12.2022, 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 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022 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 under the Danish Financial Statements Act.

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, 27.06.2023

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Tim Kjær-Hansen
State Authorised Public Accountant
Identification No (MNE) mne23295

Management commentary

Primary activities
The Company's business is to carry on insurance brokerage and other activities directly related thereto.

Description of material changes in activities and finances
The income statement for 2022 shows a profit of DKK 16,565,029 against a profit of DKK 14,995,722 last year, and the balance sheet at 31 December 2022 shows equity of DKK 18,529,769.

As of the date of issuance of these Financial Statements, the impact of the military conflict between Russia and Ukraine has not had a significant impact on the Company's operations or financial results.

The Company continues to monitor the potential impacts on our business, financial condition, results of operations and cash flows

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 2022

	Notes	2022 DKK	2021 DKK
Gross profit/loss		**50,871,537**	**44,001,287**
Staff costs	1	(28,519,963)	(23,442,191)
Depreciation, amortisation and impairment losses		(861,683)	(1,045,370)
Operating profit/loss		**21,489,891**	**19,513,726**
Other financial expenses	2	(147,433)	(253,585)
Profit/loss before tax		**21,342,458**	**19,260,141**
Tax on profit/loss for the year	3	(4,777,429)	(4,264,419)
Profit/loss for the year		**16,565,029**	**14,995,722**
Proposed distribution of profit and loss			
Ordinary dividend for the financial year		17,000,000	20,000,000
Retained earnings		(434,971)	(5,004,278)
Proposed distribution of profit and loss		**16,565,029**	**14,995,722**

Balance sheet at 31.12.2022

Assets

	Notes	2022 DKK	2021 DKK
Completed development projects	5	0	855,911
Intangible assets	4	**0**	**855,911**
Other fixtures and fittings, tools and equipment		10,538	16,310
Property, plant and equipment	6	**10,538**	**16,310**
Other receivables		39,555	39,555
Deferred tax		14,837	0
Financial assets		**54,392**	**39,555**
Fixed assets		**64,930**	**911,776**
Trade receivables		691,442	1,008,070
Contract work in progress		8,409,064	6,516,084
Receivables from group enterprises		20,403,822	279,039
Other receivables		4,813,771	3,701,966
Income tax receivable		38,609	0
Prepayments		0	15,127
Receivables		**34,356,708**	**11,520,286**
Cash		**0**	**25,417,169**
Current assets		**34,356,708**	**36,937,455**
Assets		**34,421,638**	**37,849,231**

Equity and liabilities

	Notes	2022 DKK	2021 DKK
Contributed capital		502,000	502,000
Reserve for development expenditure		0	667,611
Retained earnings		1,027,769	795,129
Proposed dividend		17,000,000	20,000,000
Equity		**18,529,769**	**21,964,740**
Deferred tax		0	169,125
Provisions		**0**	**169,125**
Prepayments received from customers		8,504,591	4,892,995
Trade payables		376,453	1,197,571
Payables to group enterprises		298,453	3,270,546
Income tax payable		0	1,946,074
Other payables		6,712,372	4,408,180
Current liabilities other than provisions		**15,891,869**	**15,715,366**
Liabilities other than provisions		**15,891,869**	**15,715,366**
Equity and liabilities		**34,421,638**	**37,849,231**
Unrecognised rental and lease commitments	7		
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Statement of changes in equity for 2022

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	502,000	667,611	795,129	20,000,000	21,964,740
Ordinary dividend paid	0	0	0	(20,000,000)	(20,000,000)
Transfer to reserves	0	(667,611)	667,611	0	0
Profit/loss for the year	0	0	(434,971)	17,000,000	16,565,029
Equity end of year	**502,000**	**0**	**1,027,769**	**17,000,000**	**18,529,769**

Notes

1 Staff costs

	2022 DKK	2021 DKK
Wages and salaries	20,062,640	16,475,612
Pension costs	2,493,902	2,029,623
Other social security costs	3,585,082	2,892,976
Other staff costs	2,378,339	2,043,980
	28,519,963	**23,442,191**

Average number of full-time employees	**29**	**23**

2 Other financial expenses

	2022 DKK	2021 DKK
Other interest expenses	147,433	253,585
	147,433	**253,585**

3 Tax on profit/loss for the year

	2022 DKK	2021 DKK
Current tax	4,961,391	4,486,555
Change in deferred tax	(183,962)	(222,136)
	4,777,429	**4,264,419**

4 Intangible assets

	Completed development projects DKK
Cost beginning of year	3,081,286
Cost end of year	**3,081,286**
Amortisation and impairment losses beginning of year	(2,225,375)
Amortisation for the year	(855,911)
Amortisation and impairment losses end of year	**(3,081,286)**
Carrying amount end of year	**0**

5 Development projects

Completed development projects relate to software development completed in 2019.

6 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	2,290,895
Disposals	(1,005,133)
Cost end of year	**1,285,762**
Depreciation and impairment losses beginning of year	(2,274,585)
Depreciation for the year	(5,772)
Reversal regarding disposals	1,005,133
Depreciation and impairment losses end of year	**(1,275,224)**
Carrying amount end of year	**10,538**

7 Unrecognised rental and lease commitments

	2022 DKK	2021 DKK
Liabilities under rental or lease agreements until maturity in total	**3,120,356**	**2,040,974**

8 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Marsh A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entities, Marsh A/S and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

9 Assets charged and collateral

The Company has not provided any security or other collateral in assets at 31 December 2022.

10 Group relations

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

Accounting policies

Reporting class
This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

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

Recognition and measurement
Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Income statement
Gross profit or loss
Gross profit or loss comprises revenue, changes in work in progress, own work capitalised, other operating income and external expenses.

Revenue
Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

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 writedowns of receivables recognised in current assets.

Staff costs
Staff costs comprise salaries and wages, and 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, and gains and losses from the sale of intangible assets and property, plant and equipment.

Other financial expenses
Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and 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.

Balance sheet

Intangible assets
Intangible assets comprise development projects completed.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity under Reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. The amortisationperiods used are 3 years.

Intellectual property rights etc. are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment
Land and buildings, plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

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. For self-constructed assets, cost comprises direct and indirect costs of materials, components, subsuppliers and labour costs. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation of property, plant and equipment used in the development process are recognised in cost based on time spent on each asset.

Interest expenses on loans for the financing of the manufacture of property, plant and equipment are included in cost if they relate to the manufacturing period. All other finance costs are recognised in the income statement.

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

	Useful life
Other fixtures and fittings, tools and equipment	3-5 years

For leasehold improvements and assets subject to finance leases, 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.

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

Deferred tax
Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

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.

Contract work in progress
Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources.

If the selling price of a project in progress cannot be made up reliably, it is measured at the lower of costs incurred and net realisable value.

Each contract in progress is recognised in the balance sheet in receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Costs of sales work and of securing contracts, and finance costs are recognised in the income statement as incurred.

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 cash in hand and 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.

Operating leases
Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

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

Prepayments received from customers
Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.