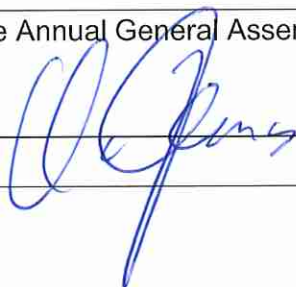


MELES Insurance A/S
CVR-no. 28 29 19 57
Hvidovre
Annual report 2021

Approved at the Annual General Assembly _____

05.04.2022

Presiding _____



Contents

	Page
Company details	1
Management Statement on the Annual Report	2
Independent auditor's report	3
Management Report	8
Income statement for 1 st January – 31 st December	12
Balance sheet per 31 st December	14
Equity statement per 31 st December	16
Notes	17

Company details

Company

MELES Insurance A/S

Central Business Registration No.: 28 29 19 57

Registered in: Hvidovre

Telephone: 36 77 79 00

Address: Helseholmen 11, DK-2650 Hvidovre.

Board of directors

Robert Josef Erni (Chairman)

Niels Anker Michaelsen

Christine Petronilla Constanze Gerald

Executive Management

Uwe Lukas (CEO)

Per Lund

Auditors

Deloitte, Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 København S

Management Statement on the Annual Report

The Executive Management and Board of Directors have today considered and adopted the Annual Report of MELES Insurance A/S for 2021.

The Annual Report of MELES Insurance A/S has been prepared in accordance with the Danish Financial Business Act. In our opinion, the accounting policies applied are appropriate and accordingly, the Annual Report gives a true and fair view of the financial position at 31st December 2021 as well as of the results of the Company operations for the financial year 2021. Further, it is our opinion that the Management Report includes a fair description of the development in the Company activities and the economic circumstances as well as a description of the significant risks and uncertainties, which may affect the Company.


We recommend that the Annual Report be adopted at the Annual General Meeting.

Hvidovre, 5th April 2022.

Executive Management



Uwe Lukas



Per Lund

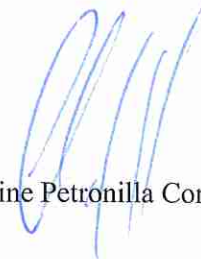
Board of directors



Robert Josef Erni
(Chairman)



Niels Anker Michaelsen



Christine Petronilla Constanze Gerald

Independent auditor's report

To the shareholders of MELES Insurance A/S

Opinion

We have audited the financial statements of MELES Insurance A/S for the financial year 01.01.2021 to 31.12.2021, which comprise the income statement, statement of comprehensive income, balance sheet, statement of changes in equity and notes, including the summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Business Act.

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31.12.2021 and of its financial performance for the financial year 01.01.2021 to 31.12.2021 in accordance with the Danish Financial Business Act.

Our opinion is consistent with our audit book comments issued to the Audit Committee and the Board of Directors.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the *Auditor's responsibilities for the audit of the financial statements* section of this auditor's report. We are independent of the Company 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, 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.

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

We were appointed auditors of MELES Insurance A/S for the first time on 24.4.2012 for the financial year 2012. We have been reappointed annually by decision of the general meeting for a total contiguous engagement period of 10 years up to and 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 the financial year 01.01.2021 to 31.12.2021. 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.

<i>Claims provisions</i>	<i>How the matter was addressed in our audit</i>
<p>Management's estimates of the total provision for insurance and investment contracts are based on actuarial methods and involve complex statistical methods as well as estimates of future events. Changes in methods and assumptions may result in a material impact on the size of the total provision for insurance and investment contracts. Consequently, the audit of the total provision for insurance and investment contracts is considered a key audit matter.</p> <p>The total provision for insurance and investment contracts amounts to EUR 7,478,921 at 31 December 2021 (2020: EUR 7,096 million).</p> <p>The principles established for estimation of the total provision for insurance and investment contracts have been specified in 'Accounting policies', note 18.</p> <p>The total provision estimates for insurance and investment contracts depend on accurate and complete insurance data of current and historical claims, including the development in claims and payment patterns, as these data are used to establish the expectations for future claims for the purpose of the statistical models.</p> <p>The most important assessments and assumptions of future events relate to:</p> <ul style="list-style-type: none"> • Estimated future claims payments, which are based on the completeness and the accuracy of historical claims and payment patterns, among other things. • Determination of the margin included in Management's estimate of the claims provisions to address the uncertainty as to the actuarial estimates. 	<p>Based on our risk assessment, we have audited the total provision for insurance and investment contracts estimated by Management.</p> <p>Our audit has included the following:</p> <ul style="list-style-type: none"> • Assessment and test of controls related to the processes of claims handling and the recognition and measurement of provisions for known claims. • We have tested the accuracy and the completeness of the data that are included in the actuarial estimates of the claims provisions. • Based on our knowledge of the industry, experience and historical observations, we have tested significant estimates and assumptions focusing on consistency and possible changes. • Based on the actuarial estimates of the total provision for insurance and investment contracts and analyses, we have assessed the development in the total provision for insurance and investment contracts, including run-off gains/losses and the development in the size of the margin included in Management's estimate of the total provision for insurance and investment contracts.

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance 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 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 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 the preparation of 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 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.

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, related safeguards.

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.

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.

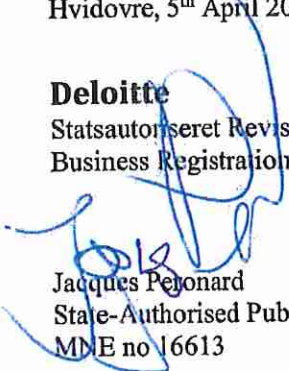
Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Business Act.

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 Business Act. We did not identify any material misstatement of the management commentary.

Hvidovre, 5th April 2022

Deloitte

Statsautoriseret Revisionspartnerselskab
Business Registration No 33 96 35 56



Jacques Pejonard
State-Authorised Public Accountant
MNE no 16613

Management Report

Main activities

MELES Insurance A/S has a license for direct insurance and reinsurance for the insurance classes 7 (transport insurance), 8 (property - fire and natural forces), 9 (other damage to property) and 13 (liability insurance).

Claims development

The total cost of claims net of reinsurance have decreased to € 7.592 M in 2021 from € 7.868 M in 2020. The number of claims incurred and reported to MELES Insurance A/S in 2021 were 8,139. This is an increase in claims in comparison with 2020 of 1,691 claims due to an increase in the number of small claims paid (<€2.5K) in Transport Insurance Road and also the increase in business volume by the Policyholder.

Development in activities and finances

At the end of 2020 MELES Insurance A/S expected to have a profit before taxes in 2021 within a range of € 0.6 M to € 1.0 M.

The result after tax of € 1.0 M for 2021 is considered as satisfactory taking the COVID-19 pandemic into consideration.

The liquidity of the Company has been satisfactory for the year.

The minimum capital requirement as of 31st December 2021, according to the rules from the Danish Financial Supervisory Authority, amounted to € 3.700 M, which is covered by a capital of € 14.740 M. Consequently, the requirement from the Danish Financial Supervisory Authority for the minimum capital requirement is complied with 3.98 times.

The solvency capital requirement (SCR) as of 31st December 2021, has been calculated to be € 6.118 M (2020: € 5.810 M) according to the solvency II standard model. The solvency capital requirement is complied with 2.41 (2020: 2.37) times.

The solvency ratio for 2017 – 2021 is specified below:

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Solvency ratio	2.41	2.37	2.09	2.21	2.70

When calculating the solvency capital requirement, capital is held for covering (before diversification) underwriting risks of € 4.344 M, counterparty risks of € 0.387 M and market- and operational risks of € 2.926 M.

Sensitivity analysis

In accordance with § 126 g of the Danish Financial Business Act, MELES Insurance A/S has prepared a sensitivity analysis as of 31 December 2021. The analysis is published on the Company website www.dachser.com/meles/en/

Outlook

The company expects the market for insurance business to rebound in line with an increase in the economic growth which is expected in the markets in which the company operates and the Dachser Group provide logistics services. However, among other factors the potential effect on the company's growth may be affected by any new outbreaks and mutations of the COVID-19 virus.

The geopolitical development around the conflict in Ukraine and the subsequent consequences could also potentially affect the company's results and financial position for 2022.

For the COVID-19 pandemic as well as for the geopolitical situation, it is not possible for the company's management to quantify the effects, as this will depend on the development, duration and extent of both events and the subsequent effect on the insurance and logistics market.

Beginning of April 2022, management expects a positive result after tax for 2022 within the range of € 0.6 M to €1.0 M.

Dividend

For the accounting year 2021, the Board of Directors of MELES Insurance A/S have decided to provide the Company shareholder DACHSER SE with a final dividend payment of € 0 M.

Risk information

MELES Insurance A/S purchase reinsurance on the international reinsurance market. Insurance risks are limited, as MELES Insurance A/S purchase reinsurance to protect the business model. The risk in the captive is € 0.25 M per event for transport insurance and liability insurance. For property insurance the risk per event is € 0.40 M, limited to €1.2M per year. The Board of Directors approves the reinsurance structure each year.

MELES is acting as broker for the DACHSER Group, the income for 2021 is € 0.640 M.

It is Company policy to invest in assets with a low risk profile. The Company's investment assets have, in 2021, mainly been invested in bonds and money market funds with limited duration period and bank deposits. The Company is matching its risk with the duration of the investments and the investments risk approach. All three lines of business; liability, transport and property cover are short-tailed insurance classes. The Board of Directors have implemented policies to manage the Company's investments. No special uncertainties relating to recognition and measurement have occurred.

The activities in the branch office in Germany in 2021 were claims handling and placement of insurances for companies in the DACHSER Group.

Unusual Circumstances

There were no unusual circumstances for the Company during 2021.

Events after the balance sheet date

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

Audit committee

The functions of the Audit Committee are performed by the Board of Directors.

Participation in Boards and Management

The members of the Board of Directors and Management participate as board members and management in the following companies.

Robert Josef Erni:

As board member in:

DACHSER Italy Food Logistics S.R.L. DACHSER Netherlands B.V.

DACHSER Czech Republic a.s.

DACHSER Denmark A/S

DACHSER France S.A.S.

DACHSER Spedition AG

DACHSER SE

DACHSER Verwaltungs-SE

As managing director in:

DACHSER Spain S.A.

DACHSER Group SE & Co. KG (Vertreten durch den persönlich haftenden Gesellschafter: Dachser Verwaltungs-SE)

DACHSER Far East Limited

DACHSER Iberia Holding S.L.

DACHSER Speditions- und Transport GmbH

DACHSER Logistikzentrum Karlsruhe GmbH & Co. KG (Vertreten durch den persönlich haftenden Gesellschafter: DACHSER Speditions- und Transport GmbH)

Niels Anker Michaelsen:

Owner and CEO:

ANKER LAW, Advokatvirksomhed

Christine Gerald:

As board member in:

DACHSER Czech Republic a.s.

PT DACHSER Indonesia

DACHSER Netherlands B.V.

Per Lund:

As board member in:
DACHSER Sweden AB
DACHSER Norway AS

As director in:
DACHSER Denmark A/S

Uwe Lukas:

As director in:
Kingwood Logistics Ltd

Income statement for 1st January – 31st December

	Note	2021 €	2020 €('000)
Gross premiums	1	10,299,722	10,184
Insurance premiums ceded		(539,000)	(495)
Change in premium provisions		0	0
Total premium income net of reinsurance		9,760,722	9,689
Technical interest	2	(27,468)	(24)
Claims paid		(7,209,443)	(5,751)
Change in claims provisions		(420,247)	(2,082)
Change in risk margin		37,269	(35)
Total costs of claims net of reinsurance	3	(7,592,421)	(7,868)
Bonus and rebates		(50,655)	(131)
Administration expenses	4	(953,773)	(687)
Total operating expenses		(953,773)	(687)
Technical profit or loss		1,136,405	979
Interest income and dividends etc.		7,161	26
Value adjustments		(72,165)	(72)
Interest expenses		(366)	(5)
Total investment income	5	(65,370)	(51)
Interest on technical provisions		27,468	24
Investment result after technical interest		(37,902)	(27)
Other income	6	1,250,744	1,195
Other costs	4	(1,074,105)	(1,037)
Profit or loss before tax		1,275,142	1,110
Tax	7	(288,878)	(265)
Profit or loss for the year		986,264	845

	<u>Note</u>	<u>2021</u> €	<u>2020</u> €('000)
Statement of comprehensive income			
Profit or loss for the year		986,264	845
Other comprehensive income		0	0
Total comprehensive profit or loss for the year		986,264	845
Proposed profit appropriation			
Dividends		0	0
Transferred profit or loss		986,264	845

Balance sheet per 31st December

ASSETS	<u>Note</u>	2021 €	2020 €('000)
Loan to group undertakings		10,000,000	8,000
Investments in group undertakings		10,000,000	8,000
Mutual funds		8,396,210	5,449
Total other financial investment assets		8,396,210	5,449
Amounts receivable from policy holders		660,243	770
Other amounts receivable		2,531,596	199
Total amounts receivable		3,191,839	969
Cash at bank		2,802,302	7,685
Total other assets		2,802,302	7,685
Other receivables		13,002	3
Total accruals and deferred income		13,002	3
 TOTAL ASSETS		 24,403,353	 22,106

Balance sheet per 31st December

	Note	2021 €	2020 €('000)
EQUITY AND LIABILITIES			
Share capital	8	3,140,000	3,140
Profit or loss brought forward		11,600,360	10,614
Total Equity		14,740,360	13,754
Claims provisions		7,149,341	6,729
Risk margin on insurance contracts		329,580	367
Total provision for insurance and investment contracts		7,478,921	7,096
Amounts payable in connection with direct business		1,374,400	690
Current tax liabilities		38,580	23
Other amounts payable	9	661,804	543
Total liabilities		2,074,784	1,256
Accruals		109,288	0
Total accruals		109,288	0
 TOTAL EQUITY AND LIABILITIES		 24,403,353	 22,106

Commitments and guarantees	10
Contracts of guarantee and contingent liabilities	11
Related parties	12
Ownership	13
Group structure	14
5 Years summary	15
Financial assets and liabilities at fair value	16
Risk information	17
Accounting policies	18

Equity statement per 31st December

	Share Capital	Retained earnings	Proposed Dividend	Total
	€	€	€	€
Equity 1 st January 2021	3,140,000	10,614,096	0	13,754,096
Paid dividend	0	0	0	0
Result of the year	0	986,264	0	986,264
Other comprehensive income	0	0	0	0
Total income for the year	0	986,264	0	986,264
Equity 31st December 2021	3,140,000	11,600,360	0	14,740,360
	€('000)	€('000)	€('000)	€('000)
Equity 1 st January 2020	3,140	9,769	0	12,909
Paid dividend	0	0	0	0
Result of the year	0	845	0	845
Other comprehensive income	0	0	0	0
Total income for the year	0	845	0	845
Equity 31st December 2020	3,140	10,614	0	13,754

Notes

	2021 €	2020 €('000)
1. Gross premiums		
Denmark	44,279	49
Other EU-countries	9,695,957	10,044
Other countries	559,485	91
	10,299,722	10,184

	2021 €		
	Property	Transport	Liability
Gross Premiums	545,000	5,983,394	3,771,328
Gross premium income	545,000	5,983,394	3,771,328
Gross claim costs	(276,023)	(4,818,664)	(2,497,734)
Gross operating expenses	(50,468)	(554,073)	(349,232)
Profit or loss of ceded business	0	(330,614)	(208,386)
Technical interest	(1,453)	(15,957)	(10,058)
Bonus and rebates		(50,655)	(0)
Technical result	217,056	213,431	705,918

	2020 €('000)		
	Property	Transport	Liability
Gross Premiums	0	5,769	4,415
Gross premium income	0	5,769	4,415
Gross claim costs	0	(4,325)	(3,543)
Gross operating expenses	0	(389)	(298)
Profit or loss of ceded business	0	(280)	(215)
Technical interest	0	(14)	(10)
Bonus and rebates	0	(74)	(57)
Technical result	0	687	292

	2021 €	2020 €('000)
2. Technical interest at own account		
Insurance technical interest is calculated as -0.61% (-0,53% for 2020) of the average of net premium provisions for 2021.		
Insurance technical interest -0.61%	(27,468)	(24)
Technical interest	(27,468)	(24)
3. Total costs of Claims		
Claims paid	(7,209,443)	(5,751)
Change in claims provisions – technical	(420,247)	(2,082)
Change in risk margin	37,269	(35)
	(7,592,421)	(7,868)
Run off result – gross	1,676,407	589
Run off result at own account	1,676,407	589
Number of incurred claims	8,139	6,448
Number of contracts	39	38
Average claims payment on incurred claims	629	578
Paid claims frequency	209	170

4. Administrative expenses - Other costs

There are no employees who have a significant influence on the risk profile of the Company.

Salaries and remuneration for the Board of Directors

Niels Anker Michaelsen	6,685	7
Total salary	6,685	7

Salaries and remuneration for the Management, Uwe Lukas

Fixed salary	188,682	182
Pension	4,000	5
Total salary	192,682	187

There are no salaries paid to Per Lund in his capacity as managing director.

The Management is not comprised by any form of incentive programme.

Average number of employees	16	14
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	2021 €	2020 €('000)
Administrative expenses		
Staff costs:		
Salaries	(397,487)	(322)
Pension contribution	(5,296)	(5)
Social security expenses etc.	<u>(72,011)</u>	<u>(55)</u>
Total staff costs	<u>(474,794)</u>	<u>(382)</u>
Other administration expenses	(478,979)	(305)
Staff costs	<u>(474,794)</u>	<u>(382)</u>
Total administration expenses	<u>(953,773)</u>	<u>(687)</u>
Other costs		
Staff costs:		
Salaries	(608,687)	(607)
Pension contribution	(4,762)	(5)
Social security expenses etc.	<u>(101,563)</u>	<u>(108)</u>
Total staff costs	<u>(715,012)</u>	<u>(720)</u>
Other costs	(359,093)	(317)
Staff costs	<u>(715,012)</u>	<u>(720)</u>
Total other costs	<u>(1,074,105)</u>	<u>(1,037)</u>
Audit fee		
In the administration costs is included the fee for the General Assembly elected auditors		
Audit fee is divided into:		
Mandatory audit	26,750	25
Other declaration tasks	<u>0</u>	<u>0</u>
	<u>26,750</u>	<u>25</u>

	2021 €	2020 €('000)
5. Investment result		
Earned interests	7,161	26
Interest expense	(366)	(5)
Realized losses on investment assets	(19,741)	(38)
Foreign exchange value adjustment	(52,424)	(34)
	<u>(65,370)</u>	<u>(51)</u>
6. Other income		
Received commission from placing of insurances for the DACHSER Group	1,250,744	1,195
	<u>1,250,744</u>	<u>1,179</u>
7. Tax on profit for the year		
Current tax	(288,878)	(265)
	<u>(288,878)</u>	<u>(265)</u>
Corporation tax, Danish (22%) and German (15%) taxation	(270,644)	(245)
Other tax adjustments	(18,234)	(20)
	<u>(288,878)</u>	<u>(265)</u>
Effective tax rate	22.7 %	23.8 %
8. Share capital		
The share capital consists of 3,140 shares at €1,000. The shares consist of one class.		
9. Other payables		
Other payables	263,720	186
Trade liabilities	398,084	338
Other provisions	0	19
	<u>661,804</u>	<u>543</u>
10. Commitments and guarantees		
No commitments or guarantees are registered.		
11. Contracts of guarantee and contingent liabilities		
MELES Insurance A/S does not have any contracts of guarantee.		

The German tax authorities have carried out a tax audit in MELES Insurance A/S for the income years 2012-2014.

The tax audit has resulted in the German tax authorities claiming that MELES Insurance A/S has an increased tax liability to Germany other than originally declared in the tax return.

The claim is accompanied by a claim for payment of additional corporation tax in Germany for the period 2012-2014. MELES Insurance A/S does not agree to this claim, as the company, referring to the activities, assesses that the previous distribution of the income between Denmark and Germany is correct. MELES Insurance A/S, therefore intends to appeal the claim from the German tax authorities, with the purpose to maintain the current income distribution.

If the German tax authorities, contrary to expectations, uphold their claim, the group will apply for a Mutual Agreement Procedure according to both the double tax treaty and the Arbitration Convention. As a result, the Danish and German tax authorities are obligated to reach an agreement on the allocation of the income – ultimately by arbitration.

If the previous income distribution is changed, this may lead to a correction of the company's total tax payments and related costs.

MELES Insurance A/S is currently working on the drafting of the application for the competent authority proceeding, which will then be filed in due course.

MELES Insurance A/S does not have any other contingent liabilities.

12. Related parties

Related parties with a controlling interest in MELES Insurance A/S:

- DACHSER SE, Thomas-Dachser-Str. 2, D-87439 Kempten

Other related parties whom MELES Insurance A/S has had transactions with in 2021:

- DACHSER Group SE & Co. KG
- Companies within the DACHSER Group

Administrative and management assistance fees have been charged on an arm's length basis in 2021, and this also applies to assistance in connection with placement of insurances for companies within the DACHSER Group.

13. Ownership

The following shareholders are registered as holding more than 5% of the voting share capital or more than 5% of the nominal value of the share capital:

- DACHSER SE

14. Group structure

MELES Insurance A/S is a subsidiary owned by DACHSER SE, which is in turn owned by DACHSER Group SE & Co. KG (100%).

15. 5 year summary

€('000)	2021	2020	2019	2018	2017
Gross Premium income	10,300	10,183	10,396	9,520	9,229
Gross claims	(7,592)	(7,868)	(7,557)	(8,045)	(7,126)
Total operating costs	(1,983)	(1,724)	(1,862)	(1,732)	(1,870)
Total insurance operating costs	(954)	(687)	(760)	(629)	(788)
Profit or loss of ceded business	(539)	(495)	(495)	(495)	(495)
Technical insurance profit or loss	1,136	979	293	(984)	371
Investment return after technical interest	(38)	(27)	(3)	(4)	(10)
Profit or loss for the year	986	845	1,146	159	1,176
Run-off profit or loss	1,676	589	(506)	1,118	1,259
Total Insurance technical provisions	7,479	7,096	4,979	5,003	5,466
Total insurance assets	660	770	1,323	1,163	897
Total equity	14,740	13,754	12,909	11,761	12,803
Total assets	24,403	22,106	20,170	19,669	20,363

	2021	2020	2019	2018	2017
Gross claims ratio	73.7%	77.3%	72.7%	84.5%	77.2%
Gross insurance expense ratio	9.3%	6.7%	7.3%	6.6%	8.5%
Combined ratio	88.2%	88.9%	84.8%	96.3%	91.1%
Operating ratio	88.4%	89.0%	84.9%	96.5%	91.3%
Relative run-off profit or loss	23.6%	11.8%	(10.1)%	20.5%	26.7%
Return on equity in percent	6.9%	6.3%	9.3%	1.3%	9.3%

Gross insurance expense ratio: (Total insurance operating expenses / total premium income) *100

Combined ratio: (Claims ratio + insurance expense ratio + net reinsurance ratio)

Operating ratio: (Combined ratio where the allocated return on investments is added to the premium income when calculating the ratios)

Relative run off results: (Run off results compared to provisions as at 1 January)

Return on equity: (Results for the year/the average equity)*100

16. 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 securities measured at fair value (quoted price at closing) at the balance sheet date. Securities are recognized using the trading date as date of recognition.

31.12.2021	Fair value	Quoted Prices Level 1	Observable Prices Level 2	Unobservable Prices Level 3
Assets				
Mutual funds	8,396,210	8,396,210	0	0
Cash at bank	2,802,302	0	2,802,302	0
	11,198,512	8,396,210	2,802,302	0

Liabilities

No liabilities

31.12.2020 €('000)	Fair value	Quoted Prices Level 1	Observable Prices Level 2	Unobservable Prices Level 3
Assets				
Mutual funds	5,449	5,449	0	0
Cash at bank	7,685	0	7,685	0
	13,134	5,449	7,685	0

Liabilities

No liabilities

17. Risk information

MELES Insurance A/S is a captive insurance Company for the DACHSER Group. MELES Insurance A/S is used as an instrument for risk management and optimization of insurances. The target for MELES Insurance A/S is to contribute to the overall Risk Management of the DACHSER Group, including offering and developing products that satisfy the need for insurance coverage of selected risks by using competitive premium rates and terms.

MELES Insurance A/S has a license for direct insurance and reinsurance for the following insurance classes:

- 7 – transport insurance
- 8 – property - fire and natural forces
- 9 – property - other damage to property
- 13 – liability insurance

Risks occurring from the business model are all monitored and assessed. For MELES Insurance A/S the risks are mainly related to insurance risks, financial risks and operational risks.

Insurance risks

Insurance risks are limited, as MELES Insurance A/S purchase reinsurance in order to protect the business model. The risk in the captive is € 0.25 M per event for transport insurance and liability insurance. For property insurance the risk per event is € 0.40 M, limited to €1.2M per year. The Board of Directors approves the reinsurance protection at renewal each year. The claims portfolio for transport and liability insurance is characterized by many smaller claims which creates high frequency / low severity claims. The claims portfolio of Property is characterized by low frequency / high severity claims. Due to the extensive reinsurance protection, these risks are limited and well managed.

The Board of Directors determined the overall risk strategy through the issuance of various policies such as the “Business Model” and “Policy for insurance risks”. The Management is responsible for the implementation and compliance thereto.

Financial risks

The risks represent 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 risks includes changes in market value of investments, interest rate and currency risks.

The investment policy sets out guidelines for the level of financial risks occurring from investments that MELES Insurance A/S finds acceptable. Investment risks are constantly monitored by MELES Insurance A/S.

Credit risks

Credit risk is the risk of losses caused by one or more counterparties’ 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 (re)insurance companies with a Standard and Poor’s or equivalent financial strength rating of less than BBB+.

To limit the risk in the investment business, the investments are made by granting a loan to a DACHSER Group Company, bonds and assets of high credit rating, money market funds and bank deposits.

Operational risk

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

18. Accounting Policies

The annual report is presented in accordance with the Danish Financial Business Act and the accounting regulations stipulated for insurance companies. The annual report covers the period 1st January 2021 – 31st December 2021 and is presented in € and in the English language. The annual report is presented according to the same accounting policies as in previous years.

Recognition and measurement

Assets are accounted for in the balance, when it is likely, that future financial advantages will flow to the Company, and the values of the asset can be measured in a reliable way. Liabilities are accounted for in the balance, when the Company has a legal or actual liability, as the consequence of an earlier occurrence, and when it is likely, that the Company will deduct future financial benefits, and the value of the liability can be measured in a reliable way. Income is accounted for in the income statement when it is earned, whereas costs are accounted for with the amounts, which can be related to this accounting year. Value adjustments of financial assets and liabilities are accounted for in the income statement, unless otherwise stated above.

Income statement

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

Premium income at own account

Premium income are the premiums which the Company in the accounting period has received, paid or has posted as receivables and payables for direct and indirect insurance contracts, and reinsurance contracts, where the insurance period has started before the end of the accounting year with deduction of premiums ceded to reinsurance companies. Changes in premium provision are part of this.

Claims expense at own accounts

Claims expenses are calculated as the paid claims for the year with added internal and external expenses for claims handling and other direct and indirect expenses in connection with claims surveys with deduction of reinsurance companies' share. Changes in claims provisions are part of this.

Bonus and premium rebates

Includes bonus to customers who have had positive claims ratios for the period. The criteria are set and based on percentages of net premiums less claims incurred. These criteria are set prior to the accounting period or at purchase of the insurance. If the criteria set are not fulfilled, the bonus is reversed.

Administration costs

Administration costs are the costs, which are held in relation to the renewing and handling of the insurance portfolio. The administration costs are accounted on an accrual basis.

Investment income

Investment income is a split of insurance and investment income. Herein are realized and unrealized gains, losses and interest income.

Insurance technical interest at own account

Part of total results of financial operation relates to insurance operations and has been transferred to that part of the income statement.

The transfer is a calculated yield of average total technical reserves at own account for the year. For 2021 the average interest of -0,61 % p.a. (2020: -0,53%) has been used as set by Finanstilsynet.

Other income

Other income is income related to broker activities

Other costs

Other costs are the costs, which are held in relation to broker activities.

Tax

Tax for the period, which consists of current tax for the period is recognized in the income statement by the portion attributable to the profit / loss for the year and recognized directly on equity by the portion attributable to entries directly on equity.

The current tax payable or receivable is recognized in the balance sheet, stated as tax calculated on this period's taxable income adjusted for prepaid tax.

The actual tax is distributed between the jointly taxed Danish subsidiaries in relation to their taxable income (full distribution with reimbursement of taxable losses). The jointly taxed companies are part of the on account tax system.

Balance sheet**Deposits credit institutions / Cash at bank**

All assets are placed in own bank accounts and deposits and are fully separated from the parent Company. These comply with separate instructions accepted by the Board. Deposits comprise investments in Money Market Accounts.

Mutual funds

Mutual funds are recognized on the settlement date and includes listed bonds measured at fair value on initial recognition and at the balance sheet date.

Receivables

Receivables are measured at amortized cost usually equaling nominal value less provisions for bad debts.

Provision for premiums

Provisions for premiums are provided to cover obligations and amounts for unexpired risk periods for insurance contracts in force. All insurance contracts in-force expired at year-end but are automatically renewed if not cancelled before end September.

According to the order on accounting procedures the premium provision will still cover compensation for damages that have not yet occurred, but where the Company has accepted the risk. However, that part of the provision that can be attributed to the expected future earnings of the premium provision should be shown as profit margin.

Claims provisions

Provision for claims is the amount for covering claims and costs on insurance events occurred in the accounting year or prior to that year. The claims reserves are calculated as the sum of the amounts, which the Company to the best of its knowledge, expects to be liable to pay in connection with the insurance events occurred until the day of the balance exceeding the amounts that have already been paid in connection with these insurance events.

The claims reserve also do contain amounts, which the Company to the best of its knowledge, expects to pay for direct and indirect costs in connection with incurred but not yet reported claims (IBNR). This also applies to direct and indirect costs concerning claims. The claims reserves are not discounted, as the claims reserves for each year are expected to be settled within 1 – 3 years after the time of notification.

Risk margin

The risk margin covers the risk of discrepancies between the best estimate for provisions and the final settlement of the future cash flows. The risk margin is the risk premium / risk allowance that a third party will require for taking over the technical provisions in order to not incur a loss.

Provision for bonus and rebates

Provision for bonus and rebates are agreed for transport insurance only and includes bonus to customers, which have had positive claims ratios.

