

**MELES Insurance A/S
(captive insurance company)**

CVR-no. 28 29 19 57

Hvidovre

Annual report 2023

Approved at the Annual General Assembly 12.04.24

Presiding 

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Company details

Company

MELES Insurance A/S (captive insurance company)

Central Business Registration No.: 28 29 19 57

Registered in: DK-2650 Hvidovre

Telephone: 36 77 79 00

Address: Helseholmen 11, DK-2650 Hvidovre.

Board of directors

Per Lund (Chairman)

Stephan Alexander Maruschke

Niels Anker Michaelsen

Executive Management

Uwe Lukas (CEO)

Uffe Døssing Andreasen

Auditors

RSM Danmark, Statsautoriseret Revisionspartnerselskab

Thyparken 10

7700 Thisted

Management Statement on the Annual Report

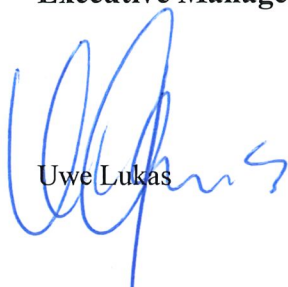
The Executive Management and Board of Directors have today considered and adopted the Annual Report of MELES Insurance A/S (captive insurance company) for 2023.

The Annual Report of MELES Insurance A/S (captive insurance company) 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 2023 as well as of the results of the Company operations for the financial year 2023. 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, 12th April 2024.

Executive Management



Uwe Lukas



Uffe Døssing Andreassen

Board of directors



Per Lund

(Chairman)



Stephan Alexander Maruschke



Niels Anker Michaelsen

Independent auditor's report

To the shareholders of MELES Insurance A/S (captive insurance company)

Opinion

We have audited the financial statements of MELES Insurance A/S (captive insurance company) for the financial year 1 January to 31 December 2023, which comprise income statement and other comprehensive income, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Company. 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 December 2023, and of the results of the Company's operations for the financial year 1 January to 31 December 2023 in accordance with the Danish Financial Business Act.

Our opinion is consistent with our auditor's Long-form Report 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 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.

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.

Appointment

RSM Danmark, statsautoriseret revisionspartnerselskab were appointed auditors of MELES Insurance A/S (captive insurance company) for the first time on 29th September 2022 for the financial year ending 31st December 2022.

We have been reappointed annually by decision of the general meeting for a total contiguous engagement period of 2 years up to and including 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 2023. 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.

Provision for insurance contracts

The total provision for insurance contracts amounts to € 10.868 M at 31st December 2023 (2022: € 9.974 M). The total provision for insurance contracts consists of claims provision amounts to € 10.413 M and Risk margin amounts to € 0.455 M.

Claims provisions are calculated as the present value of a best estimate of expected payments relating to insurance events that have taken place on or before the balance sheet date exceeding amounts already paid in connection with these events. In addition, direct and indirect costs in connection with the settlement of claims are included in claims provisions.

Management's estimates of the total provision for insurance 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 contracts. Consequently, the audit of total provisions for insurance contracts is considered a key audit matter.

We have assessed that the most significant risks can be attributed to the following elements, which are either complex and/or are significantly influenced by managerial assessments:

- Changes in assumption, including direct and indirect costs for settlement of the provisions.
- Best estimate of future payouts for incurred damages.
- Changes in methods and models used, including the models used to calculate IBNR and IBNER.
- Calculation of the Risk Margin.

The principles established for estimation of Claims provisions and Risk margin have been specified in note 19 (Accounting policies).

How our audit addressed the key audit matter

Based on our risk assessment, we have audited the total provision for insurance contracts estimated by Management.

Our audit has included the following:

- Assessment and testing of controls related to claims handling as well as recognition and measurement of provisions relating to reported claims.
- Assessment of used data and material that forms part of the management's assumptions as well as the quality of the data.
- Assessment of the methods used, models and assumptions in relation to generally accepted actuarial standards, the historical development and trends.

- Assessment of the statistical models used, including whether there have been changes compared to last year.
- We tested the calculation of insurance provisions on a sample basis.
- Assessment of assumptions for calculating the Risk Margin.

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, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing 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 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 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.

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.

Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

Based on the work we have performed, we conclude that Management's Review 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 Management's Review.

Thisted, 12th April 2024

RSM Danmark

Statsautoriseret Revisionspartnerselskab

Cvr-nr. 25 49 21 45

Stig R. Enevoldsen

State Authorised Public Accountant

mne30151

Management Report

Main activities

MELES Insurance A/S (captive insurance company) 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) 13 (liability insurance) and 16 (miscellaneous financial losses).

Claims development

The total cost of claims net of reinsurance is € 11.478 M in 2023 compared to a similar level of € 11.246 M in 2022. The number of claims incurred and reported to MELES Insurance A/S (captive insurance company) in 2023 were 6,427. This is a decrease in claims in comparison with 2022 of 1,518 claims.

Development in activities and finances

At the end of 2022 MELES Insurance A/S (captive insurance company) expected to have a profit before taxes in 2023 within a range of € 0.3 M to € 0.7 M.

The result after tax of € 1.7 M for 2023 is considered as satisfactory.

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

The minimum capital requirement as of 31st December 2023, according to the rules from the Danish Financial Supervisory Authority, amounted to € 3.700 M, which is covered by a capital of € 15.728 M. Consequently, the requirement from the Danish Financial Supervisory Authority for the minimum capital requirement is complied with 4.25 times.

The solvency capital requirement (SCR) as of 31st December 2023, has been calculated to be € 8.071 M (2022: € 7.418 M) according to the solvency II standard model. The solvency capital requirement is complied with 1.95 (2022: 2.03) times.

The solvency ratio for 2023 – 2019 is specified below:

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Solvency ratio	1.95	2.03	2.41	2.37	2.09

When calculating the solvency capital requirement, capital is held for covering (before diversification) underwriting risks of € 6.269 M, counterparty risks of € 0.566 M and market- and operational risks of € 2.976 M.

Sensitivity analysis

In accordance with § 126 g of the Danish Financial Business Act, MELES Insurance A/S (captive insurance company) has prepared a sensitivity analysis as of 31st December 2023.

Sensitivity analysis (SCR) 31. December 2023		SCR 125 %			SCR 100 %			currency
		Stress	Capital	Solvency ratio	Stress	Capital	Solvency ratio	
		%	EUR	%	%	EUR	%	
1. Interest rate risk		200	15.327.221	181,7	200	15.327.221	181,7	
2. Equity risk		100	13.359.885	166,2	100	13.359.885	166,2	
3. Property risk		100	15.728.100	186,6	100	15.728.100	186,6	
4. Spread risk	Government bonds § 5, no. 4) a)	100	15.395.413	182,7	100	15.395.413	182,7	
	Government bonds jf. § 5, no. 4) b)	100	15.665.978	185,8	100	15.665.978	185,8	
	Other bonds § 5, no. 4) c)	46	10.502.717	125	61	8.393.573	100	
5. Currency risk	Exposure 1	100	15.725.055	186,6	100	15.725.055	186,6	USD
	Exposure 2	100	15.726.426	186,6	100	15.726.426	186,6	GBP
	Exposure 3	100	15.726.634	186,6	100	15.726.634	186,6	JPY
6. Counterparty risk			10.995.173	130,2				

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.

The geopolitical development around the conflict in Ukraine and the subsequent consequences is considered not to have any potential effect on the company's results and financial position for 2023.

End of March 2024, management expects a positive result after tax for 2024 within the range of € 0.7 M to €-1.0 M.

Dividend

For the accounting year 2023, the Board of Directors of MELES Insurance A/S (captive insurance company) have decided to provide the Company shareholder DACHSER SE with a final dividend payment of € 1.0 M.

Risk information

MELES Insurance A/S (captive insurance company) purchase reinsurance on the international reinsurance market. Insurance risks are limited, as MELES Insurance A/S (captive insurance company) 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 Insurance A/S (captive insurance company) is acting as broker for the DACHSER Group, the income for 2023 is € 0.560 M.

It is Company policy to invest in assets with a low risk profile. The Company's investment assets have, in 2023, mainly been invested in 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 2023 were claims handling and brokerage of insurance for the DACHSER Group.

Unusual Circumstances

There were no unusual circumstances for the Company during 2023.

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.

Per Lund:

As board member in:

DACHSER Sweden AB

DACHSER Norway AS

As director in:

DACHSER Denmark A/S

Stephan Alexander Maruschke:

As Commissioner in:

PT DACHSER Indonesia

Niels Anker Michaelsen:

Owner and CEO:

ANKER LAW, Advokatvirksomhed

Uwe Lukas:

As director in:
Kingwood Logistics Ltd

Uffe Døssing Andreasen

No other participation

Income statement for 1st January – 31st December

	Note	2023 €	2022 €('000)
Gross premiums	1	14,467,792	13,760
Insurance premiums ceded		(553,700)	(539)
Change in premium provisions		0	0
Total premium income net of reinsurance		13,914,092	13,221
Technical interest	2	162,585	53
Claims paid		(10,584,025)	(8,751)
Change in claims provisions		(856,002)	(2,408)
Change in risk margin		(37,722)	(87)
Total costs of claims net of reinsurance	3	(11,477,749)	(11,246)
Bonus and rebates		(105,013)	(58)
Administration expenses	4	(1,420,491)	(1,558)
Total operating expenses		(1,420,491)	(1,558)
Technical profit or loss		1,073,424	412
Interest income and dividends etc.		490,568	52
Value adjustments		263,981	(215)
Total investment income	5	754,549	(163)
Interest on technical provisions		(162,585)	(53)
Investment result after technical interest		591,964	(216)
Other income	6	1,937,858	1,284
Other costs	4	(1,324,206)	(1,041)
Profit or loss before tax		2,279,040	439
Tax	7	(613,385)	(117)
Profit or loss for the year		1,665,655	322

	<u>Note</u>	<u>2023</u> €	<u>2022</u> €('000)
Statement of comprehensive income			
Profit or loss for the year		1,665,655	55 322
Other comprehensive income		<u>0</u>	<u>0</u>
Total comprehensive profit of loss for the year		<u>1,665,655</u>	<u>322</u>
Proposed profit appropriation			
Dividends		<u>1,000,000</u>	<u>0</u>
Transferred profit or loss		<u>665,655</u>	<u>322</u>

Balance sheet per 31st December

ASSETS	<u>Note</u>	2023 €	2022 €('000)
Loan to group undertakings		9,500,000	9,500
Investments in group undertakings		9,500,000	9,500
Mutual funds		8,517,197	8,236
Total other financial investment assets		8,517,197	8,236
Amounts receivable from policy holders		795,177	818
Amounts receivable from insurance companies		395,817	237
Other amounts receivable	8	2,484,178	2,120
Total amounts receivable		3,675,172	3,175
Cash at bank		8,983,702	6,034
Total other assets		8,983,702	6,034
Other receivables		16,898	16
Total accruals and deferred income		16,898	16
 TOTAL ASSETS		 30,692,969	 26,961

Balance sheet per 31st December

EQUITY AND LIABILITIES	Note	2023 €	2022 €('000)
Share capital	9	3,140,000	3,140
Proposed dividend		1,000,000	0
Profit or loss brought forward		12,588,100	11,922
Total Equity		16,728,100	15,062
Claims provisions		10,413,306	9,557
Risk margin on insurance contracts		454,784	417
Total provision for insurance		10,868,090	9,974
Amounts payable to affiliated companies		1,641,783	1,229
Current tax liabilities		477,429	119
Amounts due to credit institutions		9,622	0
Other amounts payable	10	847,945	365
Total liabilities	11	2,976,779	1,713
Accruals		120,000	212
Total accruals		120,000	212
TOTAL EQUITY AND LIABILITIES		30,692,969	26,961

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Equity statement per 31st December

	Share Capital	Retained earnings	Proposed Dividend	Total
	€	€	€	€
Equity 1 st January 2023	3,140,000	11,922,445	0	15,062,445
Paid dividend	0	0	0	0
Result of the year	0	665,655	1,000,000	1,665,655
Other comprehensive income	0	0	0	0
Total income for the year	0	665,655	1,000,000	1,665,655
Equity 31st December 2023	3,140,000	12,588,100	1,000,000	16,728,100
	€('000)	€('000)	€('000)	€('000)
Equity 1 st January 2022	3,140	11,600	0	14,740
Paid dividend	0	0	0	0
Result of the year	0	322	0	322
Other comprehensive income	0	0	0	0
Total income for the year	0	322	0	322
Equity 31st December 2022	3,140	11,922	0	15,062

Notes

	2023 €	2022 €('000)
1. Gross premiums		
Denmark	89,157	54
Other EU-countries	10,516,346	10,235
Other countries	3,862,289	3,471
	14,467,792	13,760

	2023 €		
	Property	Transport	Liability
Gross Premiums	696,000	8,248,521	5,523,271
Gross premium income	696,000	8,248,521	5,523,271
Gross claim costs	(289,079)	(6,015,403)	(5,173,267)
Gross operating expenses	(68,336)	(809,864)	(542,291)
Profit or loss of ceded business	0	(331,635)	(222,065)
Technical interest	7,821	92,695	62,069
Bonus and rebates	0	(105,013)	0
Technical result	346,406	1,079,301	(352,283)

	2022 €('000)		
	Property	Transport	Liability
Gross Premiums	659	7,851	5,251
Gross premium income	659	7,851	5,251
Gross claim costs	(778)	(6,962)	(3,507)
Gross operating expenses	(75)	(889)	(594)
Profit or loss of ceded business	0	(323)	(216)
Technical interest	3	30	20
Bonus and rebates	0	(58)	0
Technical result	(191)	(351)	954

	<u>2023</u> €	<u>2022</u> €('000)
2. Technical interest at own account		
Insurance technical interest is calculated as 3.26% (1.29% for 2022) of the average of net premium provisions for 2023.		
Insurance technical interest 3.26%	162,585	53
Technical interest	<u>162,585</u>	<u>53</u>
3. Total costs of Claims		
Claims paid	(10,584,025)	(8,751)
Change in claims provisions – technical	(856,002)	(2,408)
Change in risk margin	<u>(37,722)</u>	<u>(87)</u>
	<u>(11,477,749)</u>	<u>(11,246)</u>
Run off result – gross	1,446,258	1,575
Run off result at own account	1,446,258	1,575
Number of incurred claims	6,427	7,945
Number of contracts	4	4
Average claims payment on incurred claims	929	712
Paid claims frequency	1,607	1,986

4. Administrative expenses - Other costs

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

Total salaries and remuneration for the Management and Board of Directors amounts to € 223,392 in 2023.

Information on salaries and remuneration for the Board of Directors and Management can be found at the company webpage - <https://www.meles-insurance.com>

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

Average number of employees	<u>17</u>	<u>17</u>
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	<u>2023</u> €	<u>2022</u> €('000)
Administrative expenses		
Staff costs:		
Salaries	(466,219)	(627)
Pension contribution	(8,258)	(6)
Social security expenses etc.	<u>(91,912)</u>	<u>(122)</u>
Total staff costs	<u>(566,389)</u>	<u>(755)</u>
Other administration expenses	(854,102)	(803)
Staff costs	<u>(566,389)</u>	<u>(755)</u>
Total administration expenses	<u>(1,420,491)</u>	<u>(1,558)</u>
Other costs		
Staff costs:		
Salaries	(762,334)	(566)
Pension contribution	(6,173)	(5)
Social security expenses etc.	<u>(145,468)</u>	<u>(100)</u>
Total staff costs	<u>(913,975)</u>	<u>(671)</u>
Other costs	(410,231)	(370)
Staff costs	<u>(913,975)</u>	<u>(671)</u>
Total other costs	<u>(1,324,206)</u>	<u>(1,041)</u>
Audit fee		
In the administration costs is included the fee for the General Assembly elected auditors		
Audit fee is divided into:		
Mandatory audit	<u>43,600</u>	<u>53</u>
	<u>43,600</u>	<u>53</u>

	2023 €	2022 €('000)
5. Investment result		
Earned interests	490,568	52
Realized losses on investment assets	(16,884)	(55)
Foreign exchange value adjustment	280,865	(160)
	<u>754,549</u>	<u>(163)</u>
6. Other income		
Received commission from placing of insurances for the DACHSER Group and fee for insurance services to DACHSER Group	1,488,712	1,284
Tax related interest compensation	449,146	0
	<u>1,937,858</u>	<u>1,284</u>
7. Tax on profit for the year		
Current tax	(613,385)	(116)
	<u>(613,385)</u>	<u>(116)</u>
Corporation tax, Danish (25.2%) and German (15%) taxation	(447,668)	(88)
Other tax adjustments – Tax cases	(144,694)	0
Other tax adjustments – Other	(21,023)	(28)
	<u>(613,385)</u>	<u>(116)</u>
Effective tax rate	26.9 %	26.6 %

As described in the previous annual report 2022, the German tax authorities carried out a tax audit in MELES Insurance A/S (captive insurance company)'s mother company DACHSER SE, Germany for the income years 2012-2014.

The tax audit resulted in the German tax authorities claiming that MELES Insurance A/S (captive insurance company) had an increased tax liability to Germany other than originally declared in the tax return.

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

The German tax authorities, upheld their claim, thus the group applied for a Mutual Agreement Procedure (MAP) according to both the double tax treaty and the Arbitration Convention. As a result, the Danish and German tax authorities were obligated to reach an agreement on the allocation of the income – ultimately by arbitration.

Even though MELES Insurance A/S (captive insurance company) did not agree with the claim, the company paid the full amount to the German tax authorities in 2021. This amount was recognised as other amounts receivable in the annual report for both 2021 and 2022.

The mediation process between the Danish and German tax authorities is now finally ended.

In the balance sheet as other amounts receivable an amount of 675,158 EUR is recognised as receivable from the German Tax Authorities and an amount of 1,547,539 EUR is recognised as receivable from the Danish Tax Authorities. This total amount is recognised as a tax receivable of 2,222,697 EUR as included within note 8.

The impact to the income statement is in total an income of 304,452 EUR, which consist of costs of 144,694 EUR recognised as tax adjustment to previous years and tax interest of total income of 449,146 EUR recognised as other income in the income statement.

The company expects the case to be closed and that no claims will be raised from the German tax authorities for the years after.

8. Other amounts receivable

Tax receivables	2,257,611	1,958
Other Tax receivables	11,648	10
Other receivables	214,919	152
	<u>2,484,178</u>	<u>2,120</u>

9. Share capital

The share capital consists of 3,140 shares at €1,000. The shares consist of one class.

10. Other payables

Other payables	291,975	245
Trade liabilities	555,970	120
	<u>847,945</u>	<u>365</u>

Other payables are due within five years.

11. Commitments and guarantees

No commitments or guarantees are registered.

12. Contracts of guarantee and contingent liabilities

MELES Insurance A/S (captive insurance company) does not have any contracts of guarantee or contingent liabilities.

13. Related parties

Related parties with a controlling interest in MELES Insurance A/S (captive insurance company):

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

Other related parties whom MELES Insurance A/S (captive insurance company) has had transactions with in 2023:

- 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 2023, and this also applies to assistance in connection with placement of insurances for companies within the DACHSER Group.

MELES Insurance A/S (captive insurance company) has a loan to the parent company DACHSER Group SE & Co. KG of € 9,500,000. Interest return on the loan is included in the income statement with a total amount of € 282.513.

14. 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

15. Group structure

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

16. 5 year summary

€('000)	2023	2022	2021	2020	2019
Gross Premium income	14,468	13,760	10,300	10,183	10,396
Gross claims	(11,478)	(11,247)	(7,592)	(7,868)	(7,557)
Total operating costs	(2,745)	(2,599)	(2,028)	(1,724)	(1,862)
Total insurance operating costs	(1,420)	(1,558)	(954)	(687)	(760)
Profit or loss of ceded business	(554)	(539)	(539)	(495)	(495)
Technical insurance profit or loss	1,073	412	1,136	979	293
Investment return after technical interest	592	(216)	(38)	(27)	(3)
Profit or loss for the year	1,666	322	986	845	1,146
Run-off profit or loss	1,446	1,575	1,676	589	(506)
Total Insurance technical provisions	10,868	9,974	7,479	7,096	4,979
Total insurance assets	795	818	660	770	1,323
Total equity	16,728	15,062	14,740	13,754	12,909
Total assets	30,693	26,961	24,403	22,106	20,170

	2023	2022	2021	2020	2019
Gross claims ratio	79.3%	81.7%	73.7%	77.3%	72.7%
Gross insurance expense ratio	9.8%	11.3%	9.3%	6.7%	7.3%
Combined ratio	93.0%	97.0%	88.2%	88.9%	84.8%
Operating ratio	93.1%	97.1%	88.4%	89.0%	84.9%
Relative run-off profit or loss	14.5%	21.1%	23.6%	11.8%	(10.1)%
Return on equity in percent	10.5%	2.2%	6.9%	6.3%	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

17. 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.

31.12.2023	Fair value	Quoted Prices Level 1	Observable Prices Level 2	Unobservable Prices Level 3
Assets				
Mutual funds	8,517,197	8,517,197	0	0
Cash at bank	8,983,702	0	8,983,702	0
	17,500,899	8,517,197	8,983,702	0

Liabilities
No liabilities

31.12.2022 €('000)	Fair value	Quoted Prices Level 1	Observable Prices Level 2	Unobservable Prices Level 3
Assets				
Mutual funds	8,236	8,236	0	0
Cash at bank	6,034	0	6,034	0
	14,270	8,236	6,034	0

Liabilities
No liabilities

18. Risk information

MELES Insurance A/S (captive insurance company) is a captive insurance Company for the DACHSER Group. MELES Insurance A/S (captive insurance company) is used as an instrument for risk management and optimization of insurances. The target for MELES Insurance A/S (captive insurance company) 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 (captive insurance company) 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
- 16 - miscellaneous financial losses

The license for insurance class 16 is limited to reinsurance of Cyber insurance for the risks in the companies in the group of which MELES Insurance is part of Reinsurance for Cyber insurance is still not a part of the business activities by the end of 2023.

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

Insurance risks

Insurance risks are limited, as MELES Insurance A/S (captive insurance company) 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 (captive insurance company).

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 the DACHSER Group, 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.

19. 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 2022 – 31st December 2023 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 DACHSER subsidiaries 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 2023 the average interest of 3.26 % p.a. (2022: 1.29%).

Other income

Other income is income related to broker activities and services to the DACHSER Group. In 2023 other income also contains of interest compensation regarding a previous tax case.

Other costs

Other costs are the costs, which are held in relation to broker activities and services to the DACHSER Group.

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

Investment from group undertakings

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.

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.

Equity

Proposed dividend forms a part of shareholders equity until adoption at the annual general meeting. From the time of adoption, the dividend is recognized as a liability.

Profit carried forward which is capital other than share capital and proposed dividend, is included in profit carried forward.

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 expire at year-end.

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. There are no provisions for premiums at year-end.

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 discounted for a significant part of the reserves. The rest part of the reserves is not discounted, as the claims reserves for each year are expected to be

settled within 1 – 3 years after the time of notification. The claims reserves are discounted based on EIOPA's yield curve without volatility adjustment.

The claims provisions also contain amounts for direct and indirect cost to future settlement of claims provisions.

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.

Liabilities

Current tax liabilities included in the balance sheet are measured at amortized cost (nominal value).

Other debt is measured at amortized cost, which normally corresponds to nominal value at the end of the year.

Accruals

Accruals consists of premium income, that must be repaid after the balance sheet date.