

MELES Insurance A/S
CVR-no. 28 29 19 57
Hvidovre
Annual report 2016

Approved on the Annual General Assembly 17.03.2017

Presiding 

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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

Burkhard Eling (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 2016.

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 2016 as well as of the results of the Company operations for the financial year 2016. 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, 17th March 2017

Executive Management



Uwe Lukas

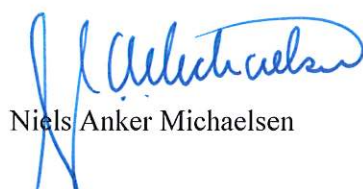


Per Lund

Board of directors



Burkhard Eling
(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 1st January to 31st December 2016, 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 financial position of the Company at 31 December 2016 and of its financial performance for the financial year 1st January to 31st December 2016 in accordance with the Danish Financial Business 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 Company in accordance with the IESBA Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on the management report

Management is responsible for the management report.

Our opinion on the financial statements does not cover the management report, 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 report and, in doing so, consider whether the management report 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 report provides the information required under the Danish Financial Business Act.

Based on the work we have performed, we conclude that the management report 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 report.

Solvency ratio

Management is responsible for the solvency ratio evident from note 16 to the financial statements.

As disclosed in note 16, the capital adequacy ratio is exempt from the requirement to be audited. Consequently, our opinion on the financial statements does not cover the capital adequacy ratio, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to consider whether the capital adequacy ratio is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on this, we conclude that the capital adequacy ratio is materially misstated, we are required to report on this. We have nothing to report in this respect.

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 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 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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of 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.

Copenhagen, 17th March 2017

Deloitte

Statsautoriseret Revisionspartnerselskab
Business Registration No 33 96 35 56



Lars Kronow
State-Authorised
Public Accountant

Management Report

Main activities

MELES Insurance A/S have license for direct insurance and reinsurance for the insurance classes 7 (transport insurance) and 13 (liability insurance).

Claims development

The claims payments and provisions has increased to 5.550 TEUR in 2016 from 5.103 TEUR in 2015. The number of claims incurred and reported to MELES Insurance in 2016 were 7.343. This is an increase in claims in comparison with 2015 of 614 claims which correspond to the increased activities of the company.

Development in activities and finances

The result after tax of EUR 1.308.656 is considered as being satisfactory as end of 2015 MELES Insurance A/S expected to have a profit in 2016 in a range of EUR 1.000.000 to 1.500.000.

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

The company's solvency margin as of 31st December 2016, according to the rules from Finanstilsynet (the Danish Financial Supervisory Authority), amounted to EUR 3.700.000, which is covered by a capital of EUR 12.527.121. Consequently the requirement from Finanstilsynet for the solvency margin is complied with 3,39 times.

The solvency capital requirement (SCR) as of 31st December 2016 has been calculated to EUR 4.128.107 (2015: tEUR 4.638) according to the Executive Order and Guidance from Finanstilsynet. The capital solvency margin to the individual solvency requirement is complied with 3,03 (2015: 2,91) times.

When calculating the solvency capital requirement, capital is held for covering underwriting risks (EUR 3.699.000, counterparty risks (EUR 307.000) and market- and operational risks (EUR 265.000).

SCR and the conditions, which affect this, has been discussed and approved by the Supervisory Board and reported to Finanstilsynet.

For 2017 a positive result after tax is expected within the range EUR 1.000.000 to 1.500.000.

Dividend

For the accounting year 2016, the Board of MELES Insurance A/S has decided to provide the company shareholder DACHSER SE with a final dividend payment of EUR 900.000.

Risk information

MELES Insurance purchase reinsurance on the international reinsurance market. Large claims will therefore only have limited effect on the company's finances. The company's reinsurance contract consists of one contract covering transport and liability. The capacity of the contract is EUR 16.000.000 with one reinstatement where SIR is 250.000 EUR. The Board of directors approves the reinsurance structure each year.

MELES is acting as broker for DACHSER Group, the income for 2016 is EUR 445.376.

It is company policy to invest in assets with low risk profile. The company's investment assets have in 2016 mainly been invested in bonds with limited duration period and bank deposits. The company is matching its risk with the duration of the investments and the investments risk approach. Both the liability and the transport cover are short tail insurance classes. The Board of directors has implemented policies in order to manage the Companies investments. No special uncertainties relating to recognition and measurement have been occurring.

The activities in the branch office in Germany in 2016 were claims handling and placement of insurances for companies in the DACHSER Group.

Unusual Circumstances

There are no unusual circumstances for the company during 2016.

Events after the balance sheet date

No events have 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 board.

Participation in Boards and Management

The Members of the Board of directors and Management participates as Board members and Management in the following companies.

Burkhard Eling:

As board member in:

Papp Italia S.R.L.

DACHSER Netherlands B.V.

DACHSER Americas Air & Sea Logistics Corp.

DACHSER Czech Republic a.s.

DACHSER Denmark A/S

DACHSER France S.A.S.

As managing director in:

DACHSER Logistics Consulting AG

DACHSER SE

DACHSER Verwaltungs-SE

DACHSER Far East Limited
DACHSER Gesellschaft m.B.H.
DACHSER Group SE & Co. KG
DACHSER Iberia Holding S.L.
DACHSER Iberia Real Estate S.L.
DACHSER Logistikzentrum Karlsruhe GmbH & Co. KG
DACHSER Speditions- und Transport GmbH

Niels Anker Michaelsen:

As board member in:

Trolle Advokatfirma, Advokatpartnerselskab
Komplementarselskabet Vesterballevej 25 ApS
Jysk Skilager ApS

Christine Gerald:

As board member in:

DACHSER Czech Republic a.s.
DACHSER Logistics Consulting AG
PT DACHSER Indonesia
DACHSER Netherlands B.V.

As managing director in:

DACHSER Bulgaria EOOD
DACHSER Grundstücksvermietung Objekt Mannheim GmbH
Enprovis GmbH
F.J. Meyer GmbH

Per Lund:

As board member in:

DACHSER Sweden AB
DACHSER Norway AS

As director in:

DACHSER Denmark A/S

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 2016 – 31st December 2016 and is presented in EUR and in English language. Except for inclusion of the risk margin the annual report is presented according to the same accounting policies as for last year.

New accounting rules from 1st January 2016

The FSA has issued a new accounting order applicable from 1st January 2016. As a consequence the method of calculating the technical provisions has changed. A risk margin has to be calculated in order to cover the risk of discrepancies between the best estimate and the final settlement of the future cash flows. The effect of the change in the accounting policy has been adapted in the annual report comparative figures for 2015.

	Result 2016	Claims provisions 2016	Equity 2016
	<u>tEUR</u>	<u>tEUR</u>	<u>tEUR</u>
Before inclusion of the risk margin	1.273	4.427	12.748
Inclusion of the provision for risk margin	45	283	(283)
Tax effect of the risk margin	(10)	0	62
After inclusion of the risk margin	1.308	4.710	12.527

	Result 2015	Claims provisions 2015	Equity 2015
	<u>tEUR</u>	<u>tEUR</u>	<u>tEUR</u>
Before inclusion of the risk margin	1.747	4.979	13.474
Inclusion of the provision for risk margin	(40)	328	(328)
Tax effect of the risk margin	9	0	72
After inclusion of the risk margin	1.716	5.307	13.218

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

Include 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.

Administration costs

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

Investment income

Investment income is a split on 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 2016 the average interest of -0,31 % p.a. (2015: -0,18%) has been used as set by Finanstilsynet.

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

Bonds

Bonds 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 have expired at year-end.

According to the new 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 reserves also do contain amounts which the company to the best of its knowledge expects to pay for direct and indirect costs in connection with the resolving of the claims reserves that year end is reserved for liability in connection with claims, that has not yet been paid. 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 settling within 1 – 2 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 not to incur a loss.

Provision for bonus and rebates

Provision for bonus and rebates includes bonus to customers, which have had positive claims ratios.

Income statement for 1st January 2016 – 31st December 2016

	Note	2016 EUR	2015 tEUR
Gross premiums	1	8.863.625	8.639
Insurance premiums ceded		(505.000)	(485)
Total premium income net of reinsurance		8.358.625	8.154
Technical interest	2	(27.890)	(14)
Claims paid		(6.148.610)	(4.424)
Change in claims provisions		552.760	(639)
Change in risk margin		45.139	(40)
Total costs of claims net of reinsurance	3	(5.550.711)	(5.103)
Bonus and rebates		(380.603)	(301)
Administration expenses	4	(1.730.468)	(1.589)
Total operating expenses		(1.730.468)	(1.589)
Technical profit or loss		668.953	1.147
Interest income and dividends etc.		176.927	214
Value adjustments		(210.919)	(177)
Interest expenses		(1.208)	0
Total investment income	5	(35.200)	37
Interest on technical provisions		27.890	14
Investment result after technical interest		(7.310)	51
Other income	6	1.026.486	1.060
Profit or loss before tax		1.688.129	2.258
Tax	7	(379.473)	(542)
Profit or loss for the year		1.308.656	1.716

	<u>Note</u>	<u>2016 EUR</u>	<u>2015 tEUR</u>
Statement of comprehensive income			
Profit or loss for the year		1.308.656	1.716
Other comprehensive income		<u>0</u>	<u>0</u>
Total comprehensive profit of loss for the year		<u>1.308.656</u>	<u>1.716</u>
Proposed profit appropriation			
Dividends		<u>900.000</u>	<u>2.000</u>
Transferred profit		<u>408.656</u>	<u>(284)</u>

Balance sheet per 31st December 2016

ASSETS	Note	2016 EUR	2015 tEUR
Loan to group undertakings		9.000.000	8.500
Investments in group undertakings		9.000.000	8.500
Bonds	8	6.235.380	6.092
Money Market Funds		631.613	1.633
Total other financial investment assets		6.866.993	7.725
Amounts receivable from policy holders		1.007.340	886
Other amounts receivable		591.413	446
Total amounts receivable		1.598.753	1.332
Cash at bank		2.830.153	2.914
Total other assets		2.830.153	2.914
Interest receivable		187.315	44
Other prepayments and accrued income		0	39
Total accruals and deferred income		187.315	83
TOTAL ASSETS		20.483.214	20.554

Balance sheet per 31st December 2016

	Note	2016 EUR	2015 tEUR
EQUITY AND LIABILITIES			
Share capital	9	3.140.000	3.140
Proposed dividend		900.000	2.000
Profit or loss brought forward		8.487.121	8.078
Total Equity		12.527.121	13.218
Claims provisions		4.426.599	4.979
Risk margin on insurance contracts		283.296	328
Total provision for insurance and investment contracts		4.709.895	5.307
Amounts payable in connection with direct business		1.421.426	646
Current tax liabilities		306.225	363
Other amounts payable	10	1.414.652	895
Total amounts payable		3.142.303	1.904
Total accruals		103.895	125
TOTAL EQUITY AND LIABILITIES		20.483.214	20.554

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Equity statement per 31st December 2016

	Share Capital	Retained earnings	Proposed Dividend	Total
	<u>tEUR</u>	<u>tEUR</u>	<u>tEUR</u>	<u>tEUR</u>
Equity 1 st January 2016	3.140	8.078	2.000	13.218
Paid dividend	0	0	(2.000)	(2.000)
Result of the year	0	409	900	1.309
Other comprehensive income	0	0	0	0
Total income for the year	0	409	900	1.309
Equity 31st December 2016	3.140	8.487	900	12.527
Equity 1 st January 2015	3.140	8.362	1.500	13.002
Paid dividend	0	0	(1.500)	(1.500)
Result of the year	0	(284)	2.000	1.716
Other comprehensive income	0	0	0	0
Total income for the year	0	(284)	2.000	1.716
Equity 31st December 2015	3.140	8.078	2.000	13.218

Notes

Sensitivity information

<u>Event</u>	<u>Effect on equity</u>
Interest increase at 0,7 percent point	EUR (58.335)
Interest decline at 0,7 percent point	EUR 58.335
Decline in shares at 12 percent	EUR 0
Decline in real estate prices at 8 percent	EUR 0
Exchange rate risk (Var 99,5)	EUR 1.492
Counter party losses at 8 percent	EUR 0

	<u>2016</u> EUR	<u>2015</u> tEUR
1. Gross premiums		
Denmark	25.000	31
Other EU-countries	8.820.519	8.591
Other countries	18.106	17
	<u>8.863.625</u>	<u>8.639</u>

	2016 EUR	
	Transport	Liability
Gross Premiums	5.233.615	3.630.010
Gross premium income	5.233.615	3.630.010
Gross claim costs	(3.711.774)	(1.838.937)
Gross operating expenses	(1.012.915)	(702.553)
Profit or loss of ceded business	(275.000)	(230.000)
Technical interest	(16.468)	(11.422)
Bonus and rebates	(224.731)	(155.872)
Technical result	(7.273)	691.226

	2015 tEUR	
	Transport	Liability
Gross Premiums	4.801	3.838
Gross premium income	4.801	3.838
Gross claim costs	(2.567)	(2.535)
Gross operating expenses	(883)	(706)
Profit or loss of ceded business	(291)	(194)
Technical interest	(8)	(6)
Bonus and rebates	(168)	(134)
Technical result	884	263

	<u>2016</u> <u>EUR</u>	<u>2015</u> <u>tEUR</u>
2. Technical interest at own account		
Insurance technical interest is calculated as -0.31% (-0,18% for 2015) of the average of Gross claims provisions and premium provisions for 2016.		
Insurance technical interest -0.31%	(27.890)	(14)
Technical interest	(27.890)	(14)
3. Total costs of Claims		
Claims paid	(6.148.610)	(4.424)
Change in claims provisions – technical	552.760	(639)
Change in risk margin	45.139	(40)
	(5.550.711)	(5.103)
Run off result – gross	1.111.328	605
Run off result at own account	1.111.328	605
Number of incurred claims	7.343	6.729
Average claims payment on incurred claims	567	613
Paid claims frequency	100	100
4. Administrative expenses		
There are no employees who have a significant influence on the risk profile of the company.		
Salaries and remuneration for the Management		
Uwe Lukas	146.400	138
There are no salaries paid to Per Lund in his capacity as managing director.		
Staff costs:		
Salaries	(889.995)	(786)
Pension contribution	(7.908)	(6)
Social security expenses etc.	(151.835)	(148)
Total staff costs	(1.049.738)	(940)
Other administration expenses	(680.730)	(649)
Administration expenses	(1.049.738)	(940)
Total administration expenses	(1.730.468)	(1.589)

	<u>2016</u>	<u>2015</u>
Average number of employees	<u>13</u>	<u>13</u>
12 out of 13 employ�ees are employed at the branch office in Germany.		

Audit fee

In the administration costs the fee for the General Assembly elected auditors is included

	<u>2016</u> <u>EUR</u>	<u>2015</u> <u>tEUR</u>
Deloitte fee is divided into:		
Mandatory audit	15.500	16
Other declaration tasks	<u>2.000</u>	<u>2</u>
	<u>17.500</u>	<u>18</u>

5. Investment result

Earned interests	176.927	215
Interest expense	(1.208)	0
Realized losses on investment assets	(5.460)	(6)
Foreign exchange value adjustment	<u>(205.459)</u>	<u>(172)</u>
	<u>35.200</u>	<u>37</u>

6. Other income

Received commission from placing of insurances for the DACHSER Group	<u>1.026.486</u>	<u>1.060</u>
	<u>1.026.486</u>	<u>1.060</u>

7. Tax on profit for the year

Current tax	(379.473)	(541)
Adjustment previous years	<u>0</u>	<u>(1)</u>
	<u>(379.473)</u>	<u>(542)</u>

8. Bonds

Bonds – actual value	<u>6.235.380</u>	<u>6.092</u>
	<u>6.235.380</u>	<u>6.092</u>

9. Share capital

The share capital consists of 3.140 shares at EUR 1.000. The shares have not been divided into classes.

10. Other payables

Other payables	116.164	91
Trade liabilities	392.508	84
Other provisions	905.980	720
	<u>1.414.652</u>	<u>895</u>

11. Commitments and guarantees

According to the legislation about registration of assets in insurance companies, a value of EUR 4.928.410 (36.639.774 DKK) have been registered to cover insurance liabilities.

12. Contracts of guarantee and contingent liabilities

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

13. 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 2016:

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

Administrative and management assistance fees have been charged on an arm length basis in 2016, and this also applies to assistance in connection with placement of insurances for companies within the DACHSER Group.

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

16. 5 years summary

tEUR	2016	2015	2014	2013	2012
Gross Premium income	8.864	8.639	7.969	6.350	7.179
Gross claims	(5.551)	(5.103)	(5.581)	(4.011)	(3.812)
Total Insurance operating costs	(1.730)	(1.589)	(1.442)	(1.344)	(719)
Profit or loss of ceded business	(505)	(485)	(435)	(475)	(475)
Technical insurance profit or loss	668	1.147	250	323	2.186
Investment return after technical interest	(7)	52	174	134	177
Profit or loss for the year	1.309	1.716	1.115	1.132	2.112
Run-off profit or loss	816	605	68	481	514
Total Insurance technical provisions	4.710	5.307	4.340	2.710	3.006
Total insurance assets	1.007	886	716	447	466
Total equity	12.527	13.218	13.227	13.244	12.112
Total assets	20.483	20.554	19.911	19.052	17.145

	2016	2015	2014	2013	2012
Gross claims ratio	62,6%	59,1%	70,0%	63,2%	53,1%
Gross expense ratio	19,5%	18,4%	18,1%	21,2%	10,0%
Combined ratio	87,8%	83,1%	93,6%	76,9%	69,7%
Operating ratio	88,0%	83,2%	96,0%	76,7%	69,6%
Relative run-off profit or loss	16,4%	13,9%	2,5%	16,0%	14,1%
Return on equity in percent	10,1%	13,0%	8,4%	8,9%	19,1%
Solvency ratio*	3,03	2,91	3,25	3,55	3,46

*The solvency ratio is exempt from the auditing requirement pursuant to Executive Order No. 937 of 27 July 2016 on financial reports for insurance companies and multi-employer occupational pension funds, and accordingly has not been audited.

The figures in the period 2012-2014 are not affected by changes in risk margin.

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

Combined ratio: (Claims ratio + Expense ratio + Net reinsurance ratio)

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

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

Solvency ratio: (Base capital/capital requirement)

17. Risk information

MELES Insurance 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 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 has license for direct insurance and reinsurance for the following insurance classes:

7 – transport insurance

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 purchase reinsurance in order to protect the business model. The risk in the captive is EUR 250.000 per event. The Board approves the reinsurance protection at renewal each year. The claims portfolio is characterized by many smaller claims which creates high frequency / low severity claims. Due to the extensive reinsurance protection this risk is limited and well managed.

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

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 include changes in market value of investments, interest rate and currency risks.

The Supervisory Board has established the company’s Investment Policy and Guidelines in terms of type of investments or asset classes, currencies and limits. The company handles the investments both in relation to the liquidity as well as investments, in compliance with the Investment Policy. The company constantly monitors the investment risks.

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 A-.

To limit the risk in the investment business, the investments are made by granting a loan to a DACHSER Group company and in bonds and assets of high credit rating.

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 within the DACHSER Group.