20231005055B3

Årsredovisning
Kuehne & Nagel Investment AB

Org.nr 556647-0646

Räkenskapsår 2022-01-01 - 2022-12-31

Fastställelseintyg
Undertecknad styrelseledamot i Kuehne & Nagel Investment AB intygar att resultaträkningen och balansräkningen i årsredovisningen har fastställts på årsstämman den 30:e juni 2023.
Årsstämman beslöt att godkänna styrelsens förslag till resultatdisposition.

Jag intygar också att innehållet i årsredovisningen och revisionsberättelsen stämmer överens med originalen.

Stockholm den 2023-10-03

Sergii Sokurenko

20231005055584

Årsredovisning
Kuehne & Nagel Investment AB

Org.nr 556647-0646

Räkenskapsår 2022-01-01 - 2022-12-31

Kuehne & Nagel Investment AB
556647-0646

20231005055585

Årsredovisning

för räkenskapsåret 2022-01-01 - 2022-12-31

Styrelsen och verkställande direktören för Kuehne & Nagel Investment AB avger härmed följande årsredovisning.

Innehåll	Sida
Förvaltningsberättelse	2
Resultaträkning	3
Balansräkning	4-5
Tilläggsupplysningar	
Redovisningsprinciper m.m.	6
Noter	7
Underskrifter	10

20231005055B6

Förvaltningsberättelse

Information om verksamheten
Bolaget bedriver investerings- och finansieringsverksamhet.

Kuehne & Nagel Investment AB (5566470646), med säte i Stockholm, Sverige,
är ett helägt dotterbolag till Kuehne + Nagel International AG (CHE-362.289.006), med säte i Schindelleggi, Schweiz.
Företagets redovisningsvaluta: Euro
Alla belopp redovisas, om inte annat anges, i tusentals euro (teur).

Väsentliga händelser under räkenskapsåret
Inga väsentliga händelser har inträffat under räkenskapsåret.

Förväntad framtida utveckling samt risker och osäkerhetsfaktorer
Företaget ser inga risker för verksamheten i framtiden.

Flerårsöversikt	**2022**	**2021**	**2020**	**2019**
Nettoomsättning	938	972	698	673
Resultat efter finansiella poster	23.561	8.235	6.944	3.848
Balansomslutning	139.875	137.113	127.362	126.843
Soliditet (%)	81,7%	85,6%	75,0%	66,0%
Antal anställda	2	2	2	2

Specifikation över förändring i eget kapital

	Bundet eget kapital		*Fritt eget kapital*		
	Aktie-kapital	Reservfond	Balanserat resultat	Årets resultat	Totalt
Ingående balans 2021-01-01	**107**	**9.480**	**85.886**	**21.946**	**117.419**
Omföring resultat föregående år			21.946	-21.946	0
Utdelning			-37.350		-37.350
Årets resultat				34.152	34.152
Utgående balans 2022-12-31	**107**	**9.480**	**70.482**	**34.152**	**114.221**

Förslag till resultatdisposition (EUR)
Styrelsen föreslår att till förfogande stående medel

Balanserat resultat	70.482.421
Årets resultat	34.152.051
	104.634.472
disponeras så att	
I ny räkning överföres	**104.634.472**

20231005056587

Resultaträkning

	Not	2022-01-01 -2022-12-31	2021-01-01 -2021-12-31
Nettoomsättning		938	972
		938	**972**
Rörelsens kostnader	2		
Försäljningskostnader	3	-1.067	-1.112
Administrationskostnader		-3	-3
Övriga rörelsekostnader		-7	-12
Övriga rörelseintäkter		34	0
		-1.043	**-1.127**
Rörelseresultat		**-105**	**-155**
Resultat från finansiella poster			
Resultat från andelar i koncernföretag	4	24.977	9.642
Övriga ränteintäkter och liknande resultatposter		59	14
Räntekostnader och liknande resultatposter	5	-1.370	-1.266
		23.666	**8.390**
Resultat efter finansiella poster		**23.561**	**8.235**
Bokslutsdispositioner	6	16.903	13.711
Resultat före skatt		**40.464**	**21.946**
Skatt på årets resultat	7	-6.312	0
Årets resultat		**34.152**	**21.946**

20231005055588

Balansräkning

	Not	2022-12-31	2021-12-31
TILLGÅNGAR			
Anläggningstillgångar			
Finansiella anläggningstillgångar			
Andelar i koncernföretag	8, 9	121.260	121.260
		121.260	**121.260**
Summa anläggningstillgångar		**121.260**	**121.260**
Omsättningstillgångar			
Kortfristiga fordringar			
Fordringar hos koncernföretag		15.017	15.619
Övriga fordringar		0	0
Förutbetalda kostnader och upplupna intäkter		8	0
		15.025	**15.619**
Kassa och bank	10	3.590	234
Summa omsättningstillgångar		**18.615**	**15.853**
SUMMA TILLGÅNGAR		**139.875**	**137.113**

20231005055589

Balansräkning

	Not	2022-12-31	2021-12-31
EGET KAPITAL OCH SKULDER			
Eget kapital			
Bundet eget kapital			
Aktiekapital (10 000 aktier)		107	107
Reservfond		9.480	9.480
		9.587	**9.587**
Fritt eget kapital			
Balanserat resultat		70.482	85.886
Årets resultat		34.152	21.946
		104.634	**107.832**
Summa eget kapital		**114.221**	**117.419**
Långfristiga skulder			
Skulder till koncernföretag	11	17.951	17.951
		17.951	**17.951**
Kortfristiga skulder			
Leverantörsskulder		20	21
Skulder till koncernföretag		899	1.246
Övriga skulder		69	70
Skatteskulder		6.313	0
Upplupna kostnader och förutbetalda intäkter	12	402	406
		7.703	**1.743**
SUMMA EGET KAPITAL OCH SKULDER		**139.875**	**137.113**

20231005055900

Noter

Not 1 Redovisningsprinciper m.m.

Allmänna redovisningsprinciper
Årsredovisningen har upprättats enligt Årsredovisningslagen (1995:1554) och BFNAR 2012:1 Årsredovisning och koncernredovisning (K3).

Koncerntillhörighet
Närmast överordnade moderföretag Kuehne + Nagel International AG CHE-362.289.006, med säte i Schindellegi, Schweiz.

Intäktsredovisning
Tjänsteuppdrag
Tjänsteuppdrag på löpande räkning intäktsredovisas i takt med att arbetet utförs.

Omräkning av poster i utländsk valuta
Fordringar och skulder i utländsk valuta har värderats till balansdagens kurs. Kursvinster och kursförluster på rörelsefordringar och rörelseskulder redovisas i rörelseresultatet medan kursvinster och kursförluster på finansiella fordringar och skulder redovisas som finansiella poster.

Koncernredovisning
Företaget är ett moderföretag men upprättar ingen koncernredovisning med hänvisning till undantagsregeln i årsredovisningslagen 7 kap. 2 §.

Ersättningar till anställda
Ersättningar till anställda avser alla typer av ersättningar som företaget lämnar till de anställda. Företagets ersättningar innefattar bland annat löner, betald semester, betald frånvaro, bonus och ersättningar efter avslutad anställning (pensioner). Redovisning sker i takt med intjänandet. Ersättningar till anställda efter avslutad anställning avser avgiftsbestämda eller förmånsbestämda pensionsplaner. Som avgiftsbestämda planer klassificeras planer där fastställda avgifter betalas och det inte finns förpliktelser, vare sig legala eller informella, att betala något ytterligare, utöver dessa avgifter. Övriga planer klassificeras som förmånsbestämda pensionsplaner. Företaget har inga övriga långfristiga ersättningar till anställda.

Koncernbidrag
Erhållna och lämnade koncernbidrag redovisas som bokslutsdisposition.

Skatt
Total skatt utgörs av aktuell skatt och uppskjuten skatt. Skatter redovisas i resultaträkningen, utom då underliggande transaktion redovisas direkt mot eget kapital varvid tillhörande skatteeffekt redovisas i eget kapital.

Aktuell skatt
Aktuell skatt avser inkomstskatt för innevarande räkenskapsår samt den del av tidigare räkenskapsårs inkomstskatt som ännu inte redovisats. Aktuell skatt beräknas utifrån per den skattesats som gäller per balansdagen.

Uppskjuten skatt
Uppskjuten skatt är inkomstskatt som avser framtida räkenskapsår till följd av tidigare händelser. Redovisning sker enligt balansräkningsmetoden. Enligt denna redovisas uppskjutna skatteskulder och uppskjutna skattefordringar på temporära skillnader som uppstår mellan bokförda respektive skattemässiga värden för tillgångar och skulder samt för övriga skattemässiga avdrag eller underskott.
Uppskjutna skattefordringar nettoredovisas mot uppskjutna skatteskulder endast om de kan betalas med ett nettobelopp. Uppskjuten skatt beräknas utifrån beslutad skattesats på balansdagen. Effekter av förändringar i gällande skattesatser resultatförs i den period förändringen lagstadgats. Uppskjutna skattefordringar reduceras till den del det inte är sannolikt att den underliggande skattefordran kommer att kunna realiseras inom en överskådlig framtid. Uppskjuten skattefordran redovisas som finansiell anläggningstillgång och uppskjuten skatteskuld som avsättning.

Fordringar, skulder och avsättningar
Om inget annat anges ovan värderas kortfristiga fordringar till det lägsta av dess anskaffningsvärde och det belopp varmed de beräknas bli reglerade. Långfristiga fordringar och långfristiga skulder värderas efter det första värderingstillfället till upplupet anskaffningsvärde. Övriga skulder och avsättningar värderas till de belopp varmed de beräknas bli reglerade. Övriga tillgångar redovisas till anskaffningsvärde om inget annat anges ovan.

20231005059

Noter

Not 2 Arvode till revisorer

	2022	2021
Ernst & Young		
Revisionsuppdraget	7	7
	7	7

Not 3 Anställda och personalkostnader

Medelantalet anställda

	2022	2021
Män	2	2
Kvinnor	0	0
	2	2

	2022	2021
Löner och andra ersättningar		
Styrelse och verkställande direktör	566	607
	566	607
Tantiem till styrelse och verkställande direktör ingår med	262	300
Pensions- och övriga sociala kostnader		
Pensionskostnader för styrelse och verkställande direktör	123	116
Övriga sociala kostnader enligt lag och avtal	210	179
	333	295

	2022-12-31	2021-12-31
Könsfördelning bland ledande befattningshavare		
Andel kvinnor i styrelsen	0%	0%
Andel män i styrelsen	100%	100%

Not 4 Resultat från andelar i koncernföretag

	2022	2021
Erhållna utdelningar	24.977	9.642
	24.977	9.642

20231005:592

Not 5 Räntekostnader och liknande resultatposter

	2022	2021
Räntekostnader till koncernföretag	908	1.246
Övriga räntekostnader	19	2
Kursdifferenser	443	18
	1.370	**1.266**

Not 6 Bokslutsdispositioner

	2022	2021
Erhållet koncernbidrag	16.903	13.711
	16.903	**13.711**

Not 7 Skatt på årets resultat

	2022	2021
Aktuell skatt	3.205	0
Justering avseende tidigare år	3.107	0
Summa redovisad skatt	**6.312**	**0**
Genomsnittlig effektiv skattesats	**15,6%**	-
Avstämning av effektiv skattesats		
Redovisat resultat före skatt	**40.464**	**21.946**
Skatt på redovisat resultat enligt gällande skattesats (20,6 %):	8.336	4.521
Skatteeffekt av:		
Ej avdragilla kostnader	14	193
Ej skattepliktiga intäkter	-5.145	-1.986
Ökning av underskottsavdrag utan motsvarande aktivering av uppskjuten skatt	0	-2.728
Redovisad skatt	**3.205**	**0**
Effektiv skattesats	7,9%	-

Not 8 Andelar i koncernföretag

	2022-12-31	2021-12-31
Ingående anskaffningsvärden	136.656	136.656
Återbetalt aktieägartillskott	0	0
Aktieägartillskott tilskjutet	0	0
Utgående ackumulerade anskaffningsvärden	**136.656**	**136.656**
Ingående nedskrivningar	-15.396	-15.396
Årets nedskrivningar	0	0
Utgående ackumulerade nedskrivningar	**-15.396**	**-15.396**
Utgående redovisat värde	**121.260**	**121.260**

20231005053593

Not 9 Specifikation av andelar i koncernföretag

Namn	Bolagets totala egna kapital	Rösträtts-andel	Antal andelar	Bokfört värde
Kuehne & Nagel AB	349	100%	5.000	32.260
Kuehne + Nagel AS	43.445	100%	3.100	62.079
OY Kuehne + Nagel Ltd	10.462	100%	10.000	25.362
Kühne + Nagel Latvia SIA	1.516	100%	100	1.246
Kühne + Nagel Eesti OÜ	2.449	100%	1.000	48
Kuehne + Nagel IT Service Centre AS	1.747	100%	25	25
Kuehne + Nagel UAB	3.591	100%	100	240
	63.558			**121.260**

	Org.nr.	Säte
Kuehne & Nagel AB	556174-5752	Stockholm
Kuehne + Nagel AS	958.178.387	Oslo
OY Kuehne + Nagel Ltd	352641/0592411-4	Vantaa
Kühne + Nagel Latvia SIA	40.003.091.853	Riga
Kühne + Nagel Eesti OÜ	10.890.101	Tallinn
Kuehne + Nagel IT Service Centre AS	14.270.594	Tallinn
Kuehne + Nagel UAB	300.580.613	Vilnius

Not 10 Kassa och bank

	2022-12-31	2021-12-31
Kassamedel	3.590	234
	3.590	**234**

Not 11 Långfristiga skulder

	2022-12-31	2021-12-31
Förfaller mellan 1 och 5 år efter balansdagen		
Skulder till koncernföretag	17.951	17.951
	17.951	**17.951**

Not 12 Upplupna kostnader och förutbetalda intäkter

	2022-12-31	2021-12-31
Upplupna semesterlöner	68	87
Upplupna personalrelaterade kostnader (bonus, löneskatt)	323	312
Övriga upplupna kostnader	11	7
	402	**406**

Not 13 Väsentliga händelser efter balansdagens slut

Ledningen ser inte att krisen i Ukraina har haft någon inverkan på den finansiella rapporteringen per den 31 december 2022.
Minimal inverkan förutspås också för kommande räkenskapsår.
Det har genomförts planberäkningar samt analyser av de möjliga effekterna av rådande situation med nuvarande affärsmodell.
Fortsatt affärsutveckling enligt tidigare beräkningar kvarstår.

20231005594

Not 14 Disposition av vinst (EUR)	2022-12-31	2021-12-31
Förslag till resultatdisposition		
Styrelsen föreslår att till förfogande stående medel		
Balanserat resultat	70.482.421	85.886.775
Årets resultat	34.152.051	21.945.646
	104.634.472	**107.832.421**
disponeras så att		
i ny räkning överföres	104.634.472	107.832.421
	104.634.472	**107.832.421**

Not 15 Nyckeltalsdefinitioner

Justerat eget kapital
Eget kapital med tillägg för obeskattade reserver som reducerats med uppskjuten skatt.

Soliditet
Justerat eget kapital i procent av balansomslutning

26.06.2023

Stockholm den

Markus Blanka
Styrelserdförande

Thierry Held
Styrelseledamot

Helgi Ingolfsson
Verkställande direktör & Styrelseledamot

Sergii Sokurenko
Styrelseledamot

Vår revisionsberättelse har lämnats den 30/6 2023

Ernst & Young AB

Peter von Knorring
Auktoriserad Revisor

20231005053595

Building a better working world

Revisionsberättelse

Till bolagsstämman i Kuehne & Nagel Investment AB, org.nr 556647-0646

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för Kuehne & Nagel Investment AB för räkenskapsåret 2022.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Kuehne & Nagel Investment ABs finansiella ställning per den 31 december 2022 och av dess finansiella resultat för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till Kuehne & Nagel Investment AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen och verkställande direktören som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen och verkställande direktören ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen och verkställande direktören för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen och verkställande direktören avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om att årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.
- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens och verkställande direktörens uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen och verkställande direktören använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.
- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.

20231003055596

Building a better working world

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens och verkställande direktörens förvaltning för Kuehne & Nagel Investment AB för räkenskapsåret 2022 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter och verkställande direktören ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till Kuehne & Nagel Investment AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt. Verkställande direktören ska sköta den löpande förvaltningen enligt styrelsens riktlinjer och anvisningar och bland annat vidta de åtgärder som är nödvändiga för att bolagets bokföring ska fullgöras i överensstämmelse med lag och för att medelsförvaltningen ska skötas på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot eller verkställande direktören i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionssed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet. Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat om förslaget är förenligt med aktiebolagslagen.

Norrköping den 30/6 2023

Ernst & Young AB

Peter von Knorring
Auktoriserad revisor

KUEHNE+NAGEL

Annual Report 2022

Kuehne+Nagel Group key data

CHF million	2022	2021	2020	2019	2018	2017	2016
Turnover	43,034	36,699	23,812	25,295	24,825	22,220	19,985
Net turnover	39,398	32,801	20,382	21,094	20,774	18,594	16,525
Gross profit	11,109	9,896	7,475	7,981	7,709	7,023	6,550
In per cent of net turnover	28.2	30.2	36.7	37.8	37.1	37.8	39.6
EBITDA [1]	4,532	3,679	1,920	1,829	1,209	1,150	1,110
In per cent of net turnover [1]	11.5	11.2	9.4	8.7	5.8	6.2	6.7
EBIT	3,763	2,946	1,070	1,061	987	937	918
In per cent of net turnover	9.6	9.0	5.2	5.0	4.8	5.0	5.6
In per cent of gross profit (conversion rate)	33.9	29.8	14.3	13.3	12.8	13.3	14.0
EBT	3,808	2,945	1,059	1,047	994	955	935
In per cent of net turnover	9.7	9.0	5.2	5.0	4.8	5.1	5.7
Earnings for the year	2,810	2,155	789	800	772	740	720
In per cent of net turnover	7.1	6.6	3.9	3.8	3.7	4.0	4.4
Earnings for the year (Kuehne+Nagel share)	2,644	2,032	788	798	770	737	718
In per cent of net turnover	6.7	6.2	3.9	3.8	3.7	4.0	4.3
Depreciation of fixed and right-of-use assets, amortisation and impairment of assets [1]	769	733	850	768	222	213	192
In per cent of net turnover [1]	2.0	2.2	4.2	3.6	1.1	1.1	1.2
Operational cash flow [1]	4,523	3,688	1,904	1,746	1,156	1,148	1,062
In per cent of net turnover [1]	11.5	11.2	9.3	8.3	5.6	6.2	6.4
Capital expenditures for fixed assets	239	197	177	320	315	225	239
In per cent of operational cash flow	5.3	5.3	9.3	18.3	27.2	19.6	22.5
Total assets [1]	14,751	14,650	9,851	9,825	7,878	7,457	6,331
Non-current assets [1]	4,793	4,969	3,815	4,621	2,793	2,445	2,209
Equity	4,147	3,211	2,413	2,322	2,324	2,327	2,165
In per cent of total assets [1]	28.1	21.9	24.5	23.6	29.5	31.2	34.2
Total employees at year-end	80,334	78,087	78,249	83,161	81,900	75,876	70,038
FTEs of employees at year-end	75,194	73,516	72,021	78,448	77,416	71,263	65,718
FTEs at year-end including temporary staff	95,079	93,288	93,238	99,113	99,072	92,372	85,887
Personnel expenses	5,144	4,922	4,443	4,877	4,736	4,243	3,957
In per cent of net turnover	13.1	15.0	21.8	23.1	22.8	22.8	23.9
Gross profit in CHF 1,000 per FTE	117	106	80	81	78	76	76
Personnel expenses in CHF 1,000 per FTE	54	53	48	49	48	46	46
Basic earnings per share (nominal CHF 1) in CHF							
Basic earnings per share	22.15	16.92	6.59	6.67	6.43	6.16	5.99
Dividend proposed/distributed in the following year	14.00	10.00	4.50	4.00	6.00	5.75	5.50
In per cent of basic earnings per share	63.2	59.1	68.3	60.0	93.3	93.3	91.8
Development of share price							
SIX Swiss Exchange (high/low in CHF)	297/199	361/197	206/121	164/126	181/123	181/133	144/124
Average trading volume per day	179,212	168,174	318,423	267,260	217,865	206,266	190,820

1 Figures prior to 2019 have not been restated for the impact of IFRS 16 Leases.

Contents

Letter to our shareholders 1

Status Report 3
Economic environment 3
Key financial figures 4
Income Statement 5
Financial position 7
Investments and depreciation 9
Business units 11
Shareholder return 15
Risk management, objectives and policies 16

Corporate Governance 17
Principles 17
Group structure and shareholders 17
Capital structure 18
Board of Directors 19
Management Board 28
Shareholders' participation 33
Changes of control and defence measures 34
Statutory auditors 34
General trading blackout periods 35
Information policy 36

Remuneration Report 37
Remuneration components 38
Board of Directors remuneration 41
Management Board remuneration 42
Other remuneration 42
Report of the statutory auditor 43

Consolidated Financial Statements 2022 of the Kuehne+Nagel Group 45
Income Statement 45
Statement of Comprehensive Income 46
Balance Sheet 47
Statement of Changes in Equity 49
Cash Flow Statement 51
Notes to the Consolidated Financial Statements 53
Accounting policies 53
Other notes 64
Significant consolidated subsidiaries and joint ventures 111
Report of the statutory auditor 121

Financial Statements 2022 of Kuehne + Nagel International AG 125
Income Statement 125
Balance Sheet 126
Notes to the Financial Statements 2022 127
Notes to the Income Statement 128
Notes to the Balance Sheet 128
Other notes 134
Appropriation of available earnings 136
Report of the statutory auditor 137

Financial calendar 140

Letter to our shareholders

Dear shareholders,

The financial year 2022 was an eventful and challenging one for Kuehne+Nagel, though it was also a highly successful year for us. While the start of 2022 was still dominated by Covid-19, Russia's invasion of Ukraine on February 24 fundamentally changed the view of world affairs. More than 500 of our Ukrainian employees were tragically impacted and our distribution centre in Hostomel in the Kyiv region was destroyed on the third day of the war. This moved Kuehne+Nagel to provide emergency aid in the amount of 10 million Swiss francs. We also became one of the first global companies to cease trading with Russia when we did so on March 1.

Though the quick withdrawal from Russia was by no means an easy decision, it did not require us to fundamentally adapt our business model. The bitter reality is that global trade continues to function even without Russia. The numerous lockdowns in China were in fact more impactful for global logistics in 2022. Our Sea and Air Logistics specialists were in particular demand since individual shipments often needed to be changed dozens of times before being delivered to customers.

Back at the start of 2022, we forecast that the strain across global supply chains would return to normal in the autumn. The worldwide decline in consumer demand starting halfway through the year, triggered by general uncertainty and fears of higher energy prices and inflation in particular, ultimately confirmed this outlook. Since Kuehne+Nagel has none of its own vessels or aircraft and works together with all carriers and airlines, we were able to adapt our offering to the new circumstances quickly and flexibly.

As a result, the Kuehne+Nagel Group performed extremely well in financial year 2022 and seized opportunities that arose amidst the extremely complex situation. In 2022, the company generated net turnover of 39.4 billion Swiss francs, more than ever before in the company's history. At 3.8 billion francs, our operating profit (EBIT) also reached a new record high. The conversion rate, which describes EBIT as a percentage of gross profit, reached 33.9%, far surpassing the average goal set for the long term of over 16%. For the first time, Kuehne+Nagel also made the Fortune Global 500, a ranking of the top 500 listed companies in the world.

With more than 80,000 employees at 1,300 sites across all the continents, Kuehne+Nagel is the first port of call for Sea, Air, Road or Contract Logistics. All our business units played a part in our company's success. The Sea Logistics business unit has been undisputed number one in ocean-freight for many years, handling an annual 4.4 million standard containers. The acquisition of Chinese airfreight service provider Apex International in 2021 allowed Kuehne+Nagel to handle over 2.2 million tons of airfreight in 2022 and enabled us to take the market lead in Air Logistics worldwide. The Road Logistics business unit recorded more than 24 million orders, offering its

customers a high degree of flexibility and punctuality in Europe and the USA in particular. The Contract Logistics business unit executed more than 150 new logistics projects for customers in 2022 alone – often large-scale storage facilities with state-of-the-art technology and robotics.

The strategic Roadmap 2022 course initiated by Kuehne+Nagel's Board of Directors five years ago was successfully concluded at the end of the year. We have been focusing very successfully since 2017 on the needs of our customers and those of the end consumers. This has enabled us to anticipate numerous trends and develop innovative logistics solutions. During the pandemic in particular, this strategy proved to be extremely resilient and successful. We significantly expanded our global presence, especially in the Asia-Pacific region, far surpassed our financial targets and delivered well above four billion Covid-19 vaccines around the world.

Financial year 2022 was then marked by change in our top management. August saw Dr. Detlef Trefzger hand over the reins after nine successful years of leading the company to Stefan Paul, who previously spearheaded the Road Logistics business unit for many years and additionally took over global sales in 2020. The change was in the spirit of continuity and had been announced a year ahead of time in November 2021. Stefan Paul is succeeded as Head of Road Logistics by Dr. Hansjörg Rodi, who was previously responsible for the Europe region. Chief Human Resources Officer Lothar Harings is set to retire in the middle of 2023 and Kuehne+Nagel's Board of Directors has found his long-term successor in Sarah Kreienbühl, who headed human resources at Swiss retailer Migros until end of last year.

Dear shareholders and dear readers, we would like to thank you on behalf of the entire Board of Directors for placing your confidence in us this past year. Kuehne+Nagel is in very good shape, which we also want you to benefit from. For financial year 2022, we propose distribution of a dividend in the amount of 14.00 Swiss francs per share. As part of the Capital Markets Day on March 1, 2023, the Management is presenting the company's strategic course for the next four years. Roadmap 2026 is based on the four cornerstones Kuehne+Nagel Experience, Digital Ecosystem, Living ESG and Market Potential. This will ensure that our company is able to continue to build its long-term success in the coming years and in the face of ever-challenging market conditions.

All of this is only possible with the help of our 80,000 colleagues worldwide who guarantee day-in day-out that our customers benefit from the best logistics solutions in the entire industry. Thank you!

Dr. Joerg Wolle
Chairman of the Board of Directors

3 Status report

Economic environment

The Kuehne+Nagel Group (the Group) delivered an extraordinary strong result in 2022 in a business environment characterised by the uncertainties of the Ukraine war, macroeconomic slowdown, interest rate increases, the rebound of inflation and highly strained supply chains. The Group confirmed its global number one position in both Sea Logistics with 4.4 million TEUs managed in container traffic and Air Logistics with 2.2 million tons of volume. Results in Road Logistics and Contract Logistics increased significantly over the course of the year and contributed consistently to the success of the Group.

Kuehne+Nagel's service offering is specialised in managing complex end-to-end supply chain solutions within a global network, controlled by Logistics Control Towers and executed by all Kuehne+Nagel business units. These integrated logistics solutions not only increase transparency and efficiency in the supply chain but also optimise the information flow between the service partners and customers. This allows Kuehne+Nagel to support and add value to its customers' value chain, a key factor in a highly competitive and fast growing market. Against the backdrop of the uncertain economic development during the year 2022, these capabilities have enabled Kuehne+Nagel to offer problem solving competence for customers.

In 2022, the world economy experienced a global economic deterioration with an estimated growth of 2.9 per cent (2021: 5.9 per cent growth). The recovery of the global economy was negatively impacted by the Ukraine war, inflation and the energy crisis. For 2023, global growth of 1.7 per cent is forecasted. (Based on: World Bank, Global Economic Prospects, January 2023)

In 2022, the international logistics industry experienced world trade volume growth below the level of 2021 with an estimated increase of 5.4 per cent in 2022 versus 10.4 per cent in 2021. (Based on: IMF, World Economic Outlook Update, January 2023)

Again, logistics operations were shattered by disruptive events in global supply chains – some due to the war in Ukraine and some due to operational bottlenecks in carrier, port and trucking operations. The Group has decided to stop operations in Russia, Belarus, Azerbaijan and Kazakhstan as a reaction to the war in Ukraine. On the sea and airfreight carrier side, the market in 2022 was characterised by a significant increase in freight capacities caused by a slowdown in economic activities especially in the last quarter of 2022. This and an unexpected surge in inflation drove a severe cost increase effect with respect to the Group's operational efforts to execute shipments, connected with continuous pressure on gross margins.

Kuehne+Nagel's volume grew in line with the declining market. In combination with the large increase of freight rates at the beginning of the year, net turnover was 20.1 per cent greater than in 2021. Gross profit increased by 12.3 per cent and the Group was able to increase EBIT by 27.7 per cent in 2022.

The Group continued executing in line with its strategy Roadmap 2022 presented at the Capital Markets Day 2017 with a focus on creating additional value through customer excellence, expansion into new services and leveraging the Group's strengths to extend from supply chain to value chain services. The ambition was to create sustainable growth in gross profit with new value chain services and selective acquisitions to leverage synergies and expertise. Against the backdrop of the extraordinary economic situation in 2022, the targets of the strategy have been achieved and even over-achieved based on the solid foundation laid throughout the last years but also benefiting from the extraordinary market conditions in 2022.

The overall aim was to reach an EBIT to gross profit margin (conversion rate) for the entire Group in excess of 16 per cent by 2022 which has been over-achieved with 34 per cent conversion rate. In the last year, as in the two years before, the Group had to repeatedly shift the focus to the operational challenges to ensure and deliver customer excellence. However, the Group has delivered on the program and has reached its ambitions in digitisation as a game changer for productivity and market offering, investments in new opportunities connected to value expansion, acquisitions as an accelerator and continuous service excellence for customers.

The Group will communicate a new strategy for the time frame until 2026 and a vision for 2030 at the Capital Markets Day on March 1, 2023 in London.

As a signatory of the UN Global Compact, Kuehne+Nagel continues to strive to be a frontrunner in sustainable logistics. The Group has set ambitious, science-based greenhouse gas emission reduction goals for its own operations and also supports customers with their transition to a low and zero carbon business model. As one of the world's leading logistics providers, the Group acknowledges its responsibility to address climate change, manage climate-related risks and opportunities and develop solutions that decarbonise global supply chains.

In a changing world of work, the Group aims to create a workplace where every employee feels a sense of belonging and believes in the innovative power of diversity.

The Group's sustainability report addresses in detail Kuehne+Nagel's commitment to the principles of sustainable business practices and performance for the respective calendar year.

Key financial figures

CHF million	2022	2021	Variance in per cent
Turnover	43,034	36,699	17.3
Net turnover	39,398	32,801	20.1
Gross profit	11,109	9,896	12.3
Gross profit in per cent of net turnover	28.2	30.2	
EBITDA	4,532	3,679	23.2
EBIT	3,763	2,946	27.7
In per cent of net turnover	9.6	9.0	
In per cent of gross profit	33.9	29.8	
Earnings	2,810	2,155	30.4
Earnings (Kuehne+Nagel share)	2,644	2,032	30.1
Earnings per share basic (in CHF)	22.15	16.92	30.9
Operational cash flow	4,523	3,688	22.6
Capital expenditures for fixed assets	239	197	21.3
Total employees at year-end	80,334	78,087	2.9
Total full-time equivalents of employees at year-end	75,194	73,516	2.3

Kuehne+Nagel's net turnover increased by CHF 6,597 million or 20.1 per cent in 2022, and gross profit grew by CHF 1,213 million or 12.3 per cent compared to the previous year, whereof the inorganic growth was 4.4 per cent of net turnover and 3.7 per cent of gross profit.

In 2022, EBIT increased by CHF 817 million or 27.7 per cent. At constant exchange rates and excluding acquisitions and divestments, the increase would have been CHF 690 million or 23.4 per cent. Earnings for the year 2022 increased by CHF 655 million or 30.4 per cent compared to 2021. In constant currencies and excluding acquisitions and divestments the Group would have increased the earnings for the year by CHF 590 million or 27.4 per cent.

Capital expenditure in fixed assets increased by CHF 42 million or 21.3 per cent to CHF 239 million compared to the previous year. In 2022, the Kuehne+Nagel Group increased the number of employees year-on-year by 2,247 or 2.9 per cent from 78,087 to 80,334 employees, which includes a net reduction of 853 employees from business combinations. The number of full time equivalents of employees reached 75,194 versus 73,516 which is an increase of 1,678 or 2.3 per cent.

Income statement

Turnover

In 2022, Kuehne+Nagel's turnover amounted to CHF 43,034 million representing an increase of 17.3 per cent or CHF 6,335 million compared to the previous year. Organic business growth resulted in an increase of turnover of CHF 6,252 million (17.1 per cent) while acquisitions and divestments contributed CHF 1,427 million (3.9 per cent). The exchange rate fluctuation had a negative impact of CHF 1,344 million (3.7 per cent).

Volumes in Sea Logistics decreased by 4.9 per cent (227,000 TEUs), and turnover per TEU increased by 38.4 per cent to CHF 4,699 per TEU (2021: CHF 3,395). In Air Logistics, the volume increased by 0.5 per cent (12,000 Tons), and the freight rate increased by 7.1 per cent per 100 kg to CHF 554 (2021: CHF 517).

From a regional perspective, Europe, Middle East and Africa "EMEA" (13.4 per cent), the Americas (28.4 per cent) and Asia-Pacific (7.2 per cent) all reported an increased turnover in 2022.

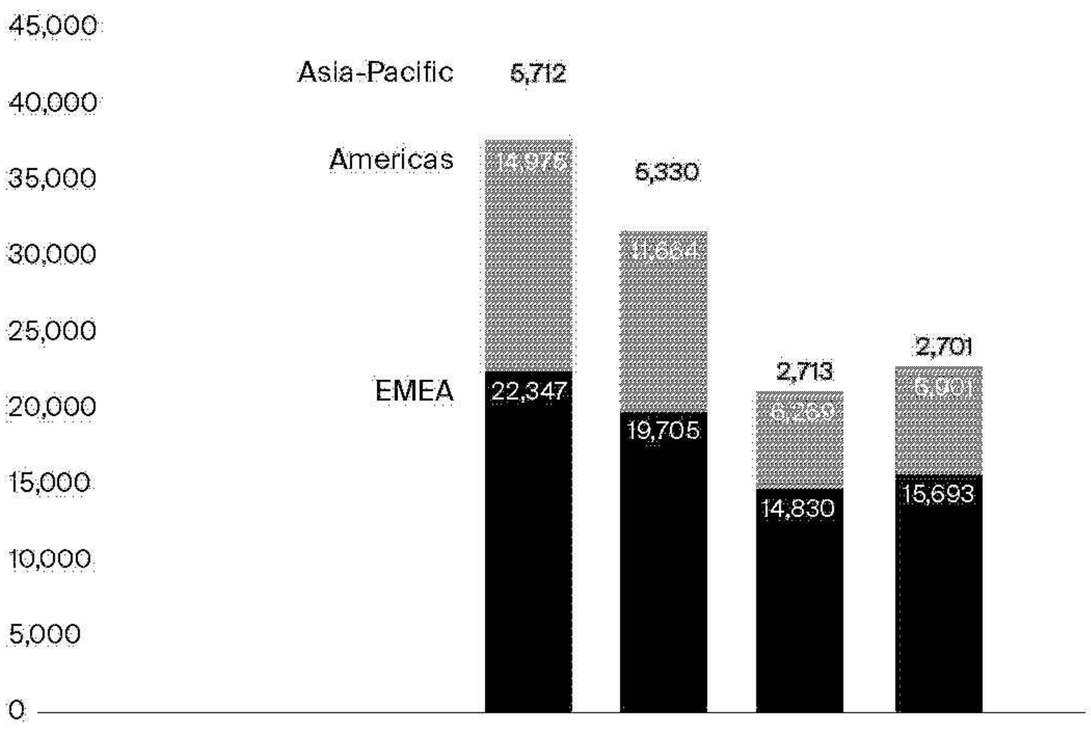
Exchange rate fluctuations between 2021 and 2022, based on average yearly exchange rates, led to a devaluation of the Euro by 7.0 per cent and an increased valuation of the US Dollar as well as dependent currencies by 4.1 per cent, against the Swiss Franc, resulting in a negative impact of CHF 1,344 million (3.7 per cent) on turnover.

Net turnover

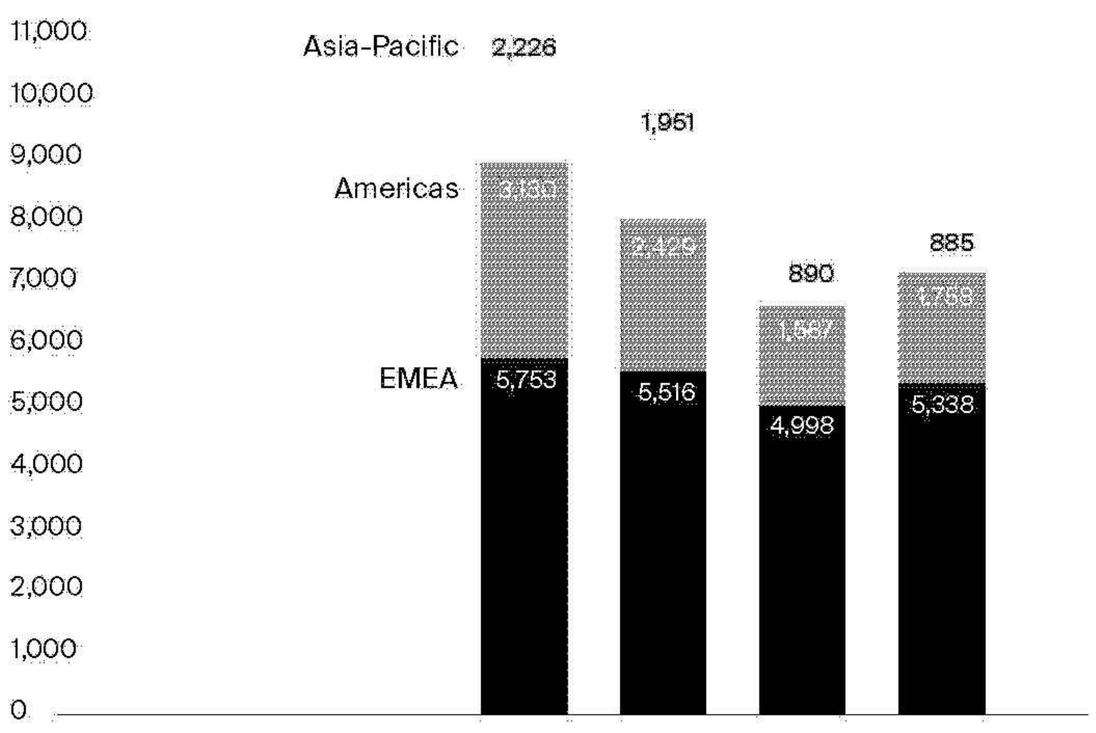
In 2022, Kuehne+Nagel's net turnover amounted to CHF 39,398 million representing an increase of 20.1 per cent or CHF 6,597 million compared to the previous year. Organic business growth resulted in an increase in net turnover of CHF 6,345 million (19.3 per cent) and acquisitions and divestments contributed CHF 1,427 million (4.4 per cent). The exchange rate fluctuation had a negative impact of CHF 1,175 million (3.6 per cent).

From a regional perspective, EMEA (17.5 per cent), the Americas (30.0 per cent) and Asia-Pacific (7.6 per cent) all reported an increase of net turnover in 2022.

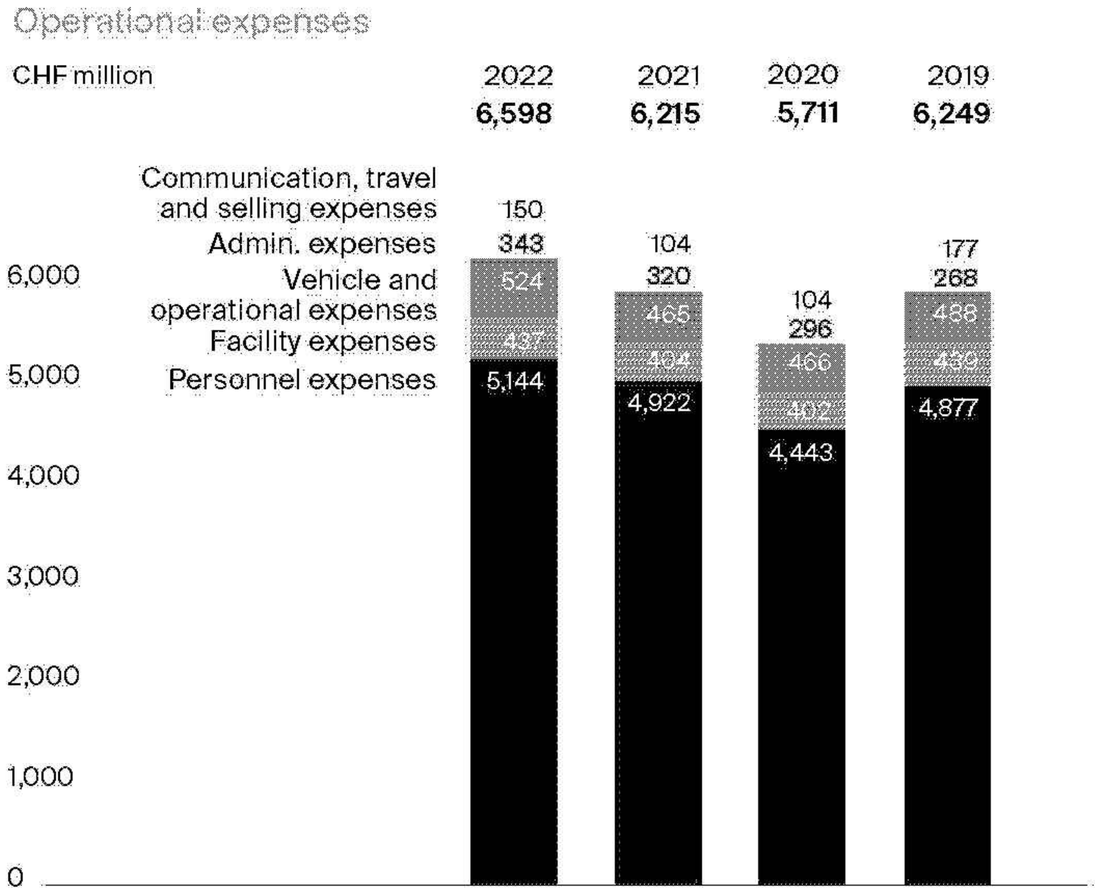
Regional turnover



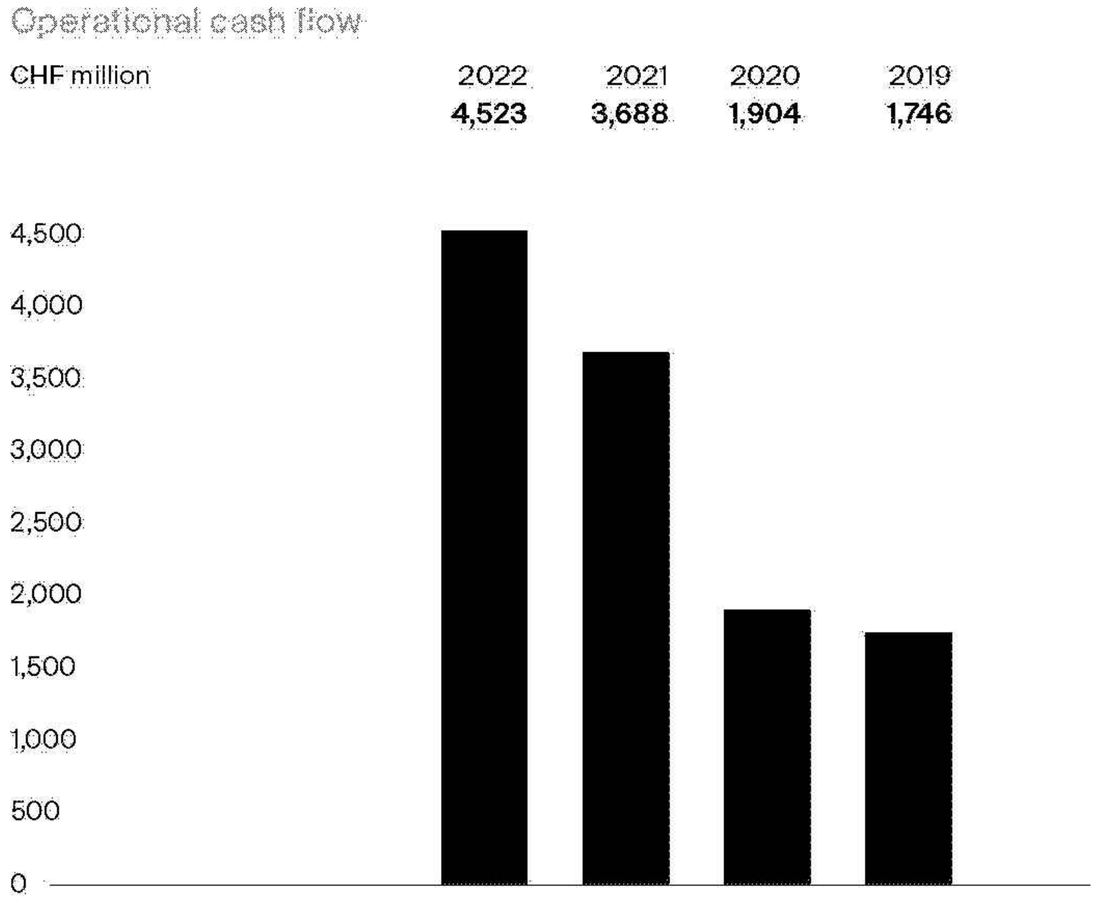
Regional gross profit



Operational expenses



Operational cash flow



Gross profit

Gross profit amounted to CHF 11,109 million in 2022, which represents an increase of 12.3 per cent or CHF 1,213 million compared to the previous year. Organic business growth resulted in an increase in gross profit of CHF 1,224 million (12.4 per cent). Exchange rate fluctuation had a negative impact of CHF 373 million (3.8 per cent) and acquisitions and divestments contributed CHF 362 million (3.7 per cent) positively.

From a regional perspective, EMEA (4.3 per cent), the Americas (28.9 per cent) and Asia-Pacific (14.1 per cent) all reported a higher gross profit in 2022.

Operational cash flow

The operational cash flow increased by CHF 835 million to CHF 4,523 million in 2022 (for further information, please refer to the cash flow statement in the consolidated financial statements 2022 on page 51 to 52).

EBITDA

In 2022, earnings before interest, tax, depreciation, amortisation and impairment of property, plant and equipment, goodwill and other intangible assets, increased by CHF 853 million or 23.2 per cent to CHF 4,532 million compared to the previous year's CHF 3,679 million; EBITDA of organic business increased by CHF 748 million (20.4 per cent), acquisitions and divestments contributed CHF 222 million (6.0 per cent), and the exchange rate development had a negative impact of CHF 117 million (3.2 per cent).

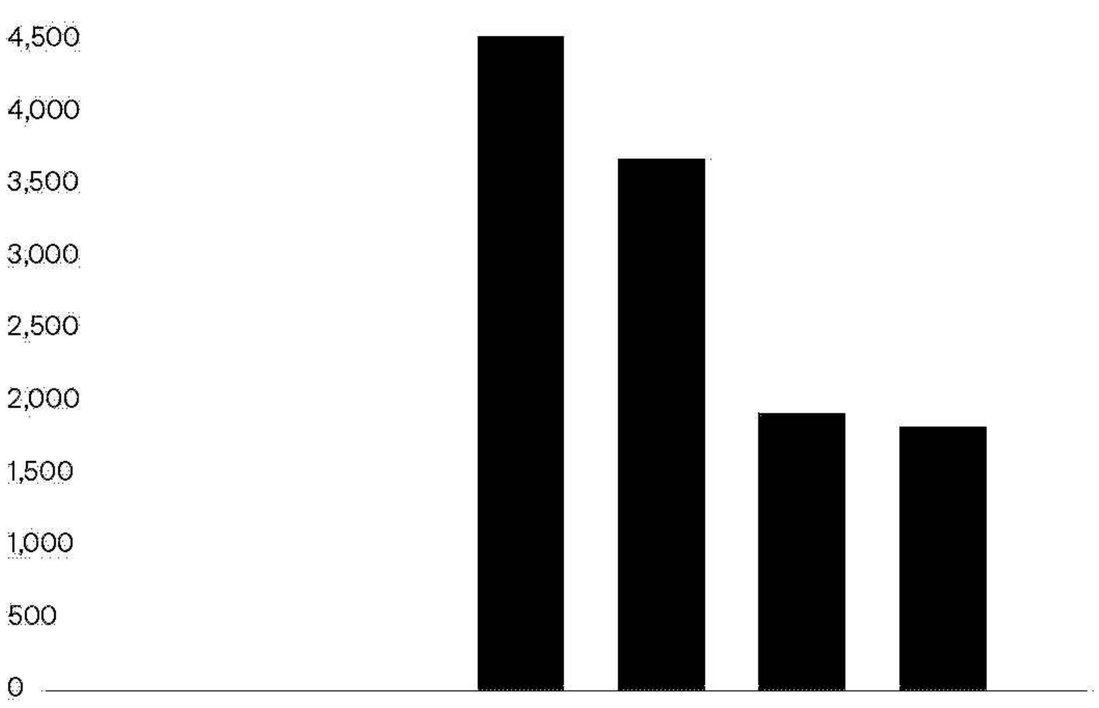
EMEA generated the largest EBITDA contribution with CHF 1,810 million (39.9 per cent), followed by the Asia-Pacific with CHF 1,363 million (30.1 per cent) and Americas with CHF 1,359 million (30.0 per cent).

EBIT / Earnings for the year

In 2022, earnings before interest and tax (EBIT) increased by CHF 817 million to CHF 3,763 million (2021: CHF 2,946 million).

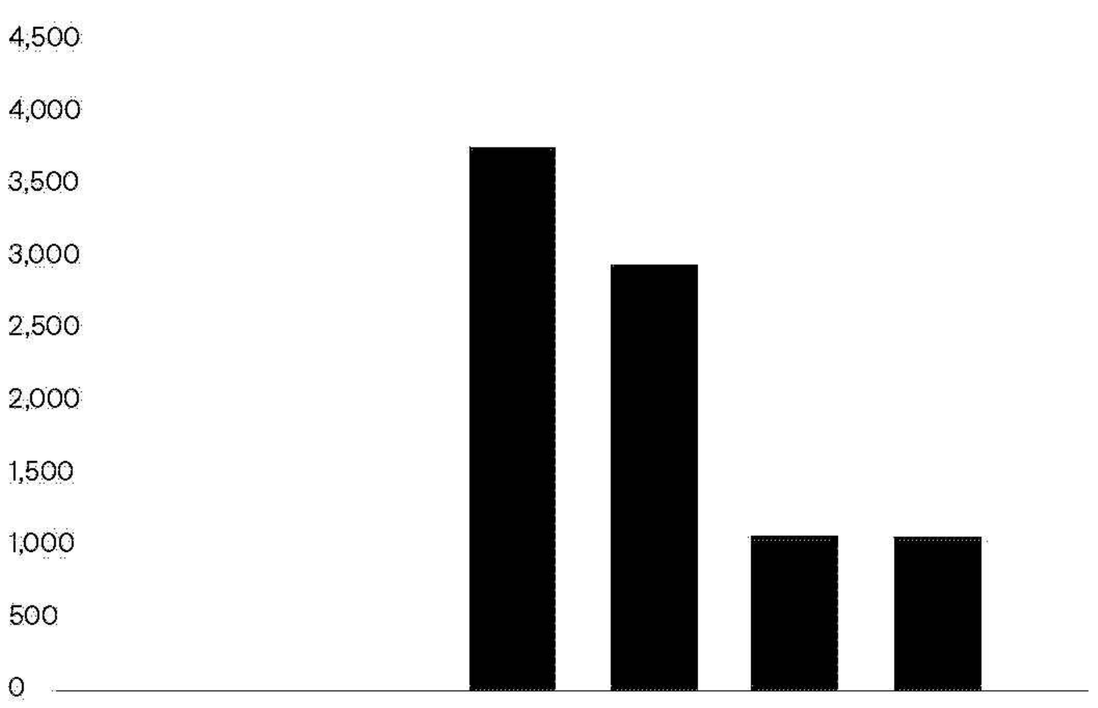
EBITDA

CHF million	2022	2021	2020	2019
	4,532	**3,679**	**1,920**	**1,829**



EBIT

CHF million	2022	2021	2020	2019
	3,763	**2,946**	**1,070**	**1,061**



The increase was mainly due to higher contribution from the organic business by CHF 690 million (23.4 per cent), whereas acquired and divested business had a positive impact of CHF 212 million (7.2 per cent), the exchange rate development had a negative impact of CHF 85 million (2.9 per cent). The EBIT margin to net turnover for the Group increased to 9.6 per cent compared to 9.0 per cent in 2021. EBIT in per cent of gross profit (conversion rate), an important KPI for the Group, increased from 29.8 per cent in 2021 to 33.9 per cent in 2022.

In 2022, the region EMEA contributed CHF 1,322 million (35.1 per cent) to the Group's EBIT, followed by Asia-Pacific with CHF 1,253 million (33.3 per cent), and the Americas with CHF 1,188 million (31.6 per cent).

Earnings for the year 2022 increased by CHF 655 million to CHF 2,810 million compared to the previous year's CHF 2,155 million, whereby the margin increased to 7.1 per cent (in per cent of net turnover) compared to the previous year's 6.6 per cent.

Earnings for the year

CHF million	2022	2021	2020	2019
	2,810	**2,155**	**789**	**800**

Financial position

In 2022, total assets and liabilities of the Group increased by CHF 101 million to CHF 14,751 million compared to 2021. The amount of cash and cash equivalents increased by CHF 1,473 million to CHF 3,778 million. For details of changes in the balance sheet and cash flow statement, please refer to the consolidated financial statements.

Trade receivables amounting to CHF 5,291 million represent the most significant asset of the Kuehne+Nagel Group. The days of trade receivables outstanding increased to 51.0 days as of December 2022 compared to the previous year's 49.2 days.

As of December 31, 2022, the equity of the Group increased by CHF 936 million to CHF 4,147 million compared to CHF 3,211 million as of December 31, 2021, which represents an equity ratio of 28.1 per cent (2021: 21.9 per cent).

Developments of other key financial indicators on capital structure are shown in the following table:

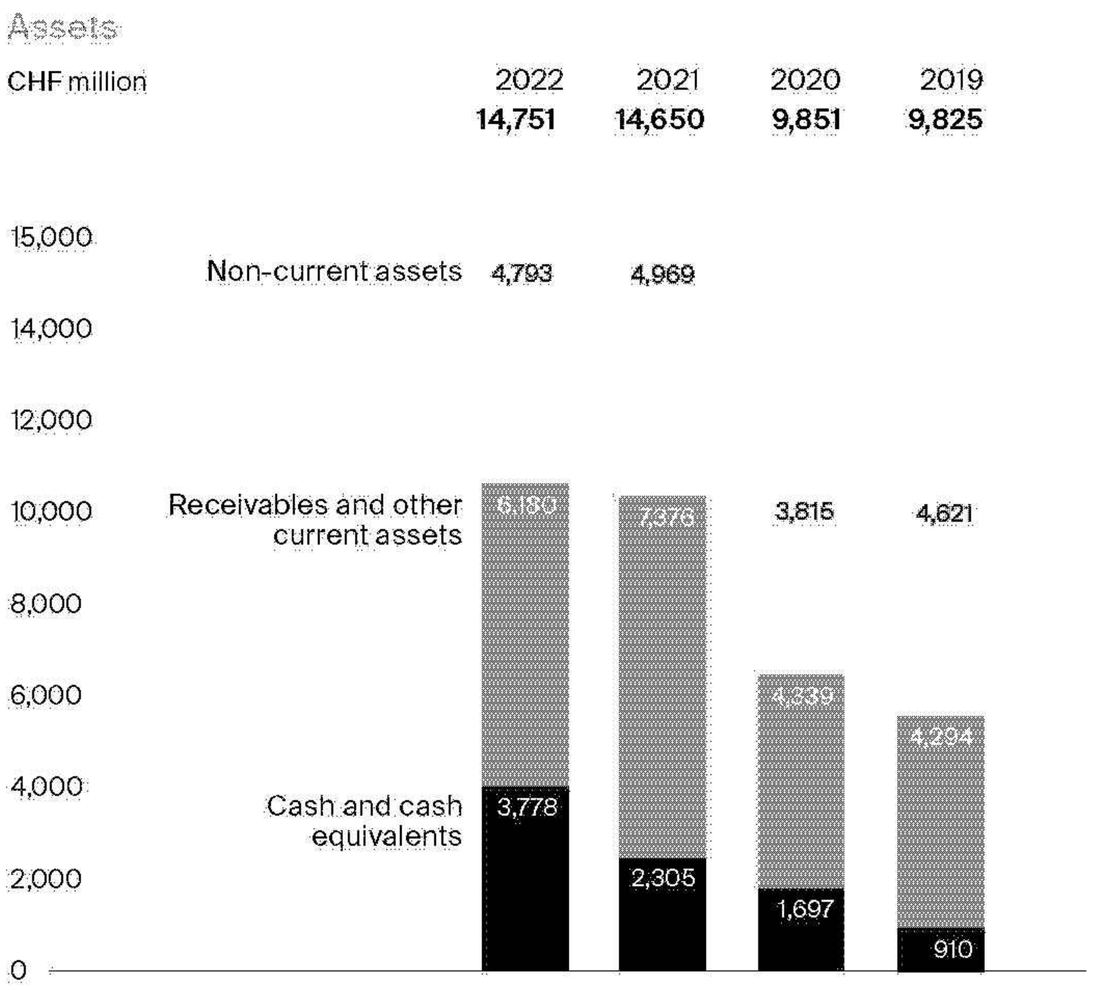
Kuehne+Nagel Group key figures on capital structure

Key figures on capital structure	2022	2021	2020	2019	2018
1 Equity ratio (in per cent)*	28.1	21.9	24.5	23.6	29.5
2 Return on equity (in per cent)	70.1	69.5	32.8	33.6	32.4
3 Debt ratio (in per cent)*	71.9	78.1	75.5	76.4	70.5
4 Short-term ratio of indebtedness (in per cent)*	52.9	56.8	53.9	50.1	61.9
5 Intensity of long-term indebtedness (in per cent)*	18.9	21.3	21.6	26.2	8.6
6 Fixed assets coverage ratio (in per cent)	144.8	127.5	119.1	106.0	107.4
7 Working capital (in CHF million)	2,148	1,365	727	275	208
8 Receivables terms (in days)**	51.0	49.2	50.5	52.5	54.2
9 Vendor terms (in days)**	60.1	53.2	66.6	63.7	61.5
10 Intensity of capital expenditure (in per cent)*	32.5	33.9	38.7	47.0	35.5

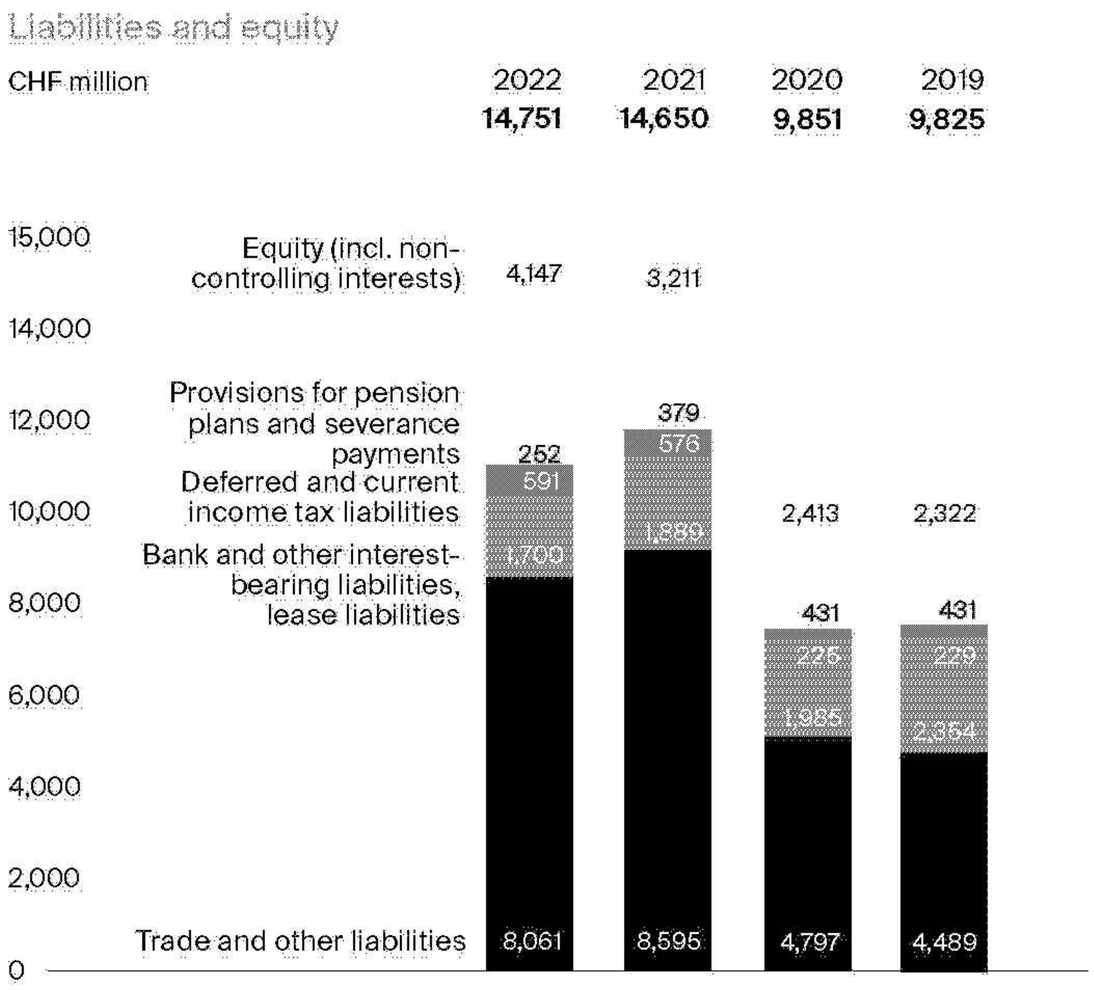
* Figures prior to 2019 have not been restated for the impact of IFRS 16 Leases.
** Calculation method has been changed as of 1.1.2021

1 Total equity in relation to total assets at the end of the year.
2 Net earnings for the year in relation to share capital plus reserves plus retained earnings as of January 1 of the current year minus dividend paid during the current year as of the date of distribution plus capital increase (incl. share premium) as of the date of payment.
3 Total liabilities minus equity in relation to total assets.
4 Short-term liabilities in relation to total assets.
5 Long-term liabilities in relation to total assets.
6 Total equity (including non-controlling interests) plus long-term liabilities in relation to non-current assets.
7 Total current assets minus current liabilities.
8 Turnover in relation to receivables outstanding at the end of the current year.
9 Expenses for services from third parties in relation to trade liabilities/accrued trade expenses at the end of the current year.
10 Non-current assets in relation to total assets.

Assets



Liabilities and equity



Investments and depreciation

Property, plant and equipment

The Group continues to operate an asset-light business model and invests only into strategically important locations with high demand for state of the art or industry-specific logistics space.

In 2022, the Kuehne+Nagel Group invested a total of CHF 239 million (2021: CHF 197 million) in fixed assets. Investments in properties and buildings amounted to CHF 4 million (2021: CHF 7 million). CHF 235 million (2021: CHF 190 million) were invested in other fixed assets, operating and office equipment. Depreciation of property, plant and equipment for the year 2022 amounted to CHF 192 million (2021: CHF 192 million). Refer to note 26 of the consolidated financial statements for further details.

All capital expenditure in 2022 was financed through operational cash flow.

In 2022, the following major investments were made in properties and buildings:

Location	CHF million	Centres
Contern, Luxembourg	2	Cross-dock extension, renewal high voltage cabinet and transformator station
Geel, Belguim	1	Cold storage extension and building upgrades
Moehlin, Switzerland	1	Construction of dangerous goods room and racking
Total Group	**4**	

The allocation of investments in other fixed assets, operating and office equipment by category is as follows:

CHF million	2022	2021
Operating equipment	123	82
Vehicles	11	17
Leasehold improvements	44	49
IT hardware	46	34
Office furniture and equipment	11	8
Total Group	**235**	**190**

The allocation by region is as follows:

CHF million	2022	2021
EMEA	173	141
Americas	35	27
Asia-Pacific	27	22
Total Group	**235**	**190**

The allocation by business unit is as follows:

CHF million	2022	2021
Sea Logistics	25	30
Air Logistics	29	20
Road Logistics	25	30
Contract Logistics	156	110
Total Group	**235**	**190**

Right-of-use assets

A total of CHF 606 million (2021: CHF 455 million) was invested in right-of-use assets. The allocation of investments in right-of-use assets is as follows:

CHF million	2022	2021
Buildings	465	360
Operating equipment	101	56
Vehicles	40	39
Total Group	**606**	**455**

The allocation by region is as follows:

CHF million	2022	2021
EMEA	425	305
Americas	116	73
Asia-Pacific	65	77
Total Group	**606**	**455**

The allocation by business unit is as follows:

CHF million	2022	2021
Sea Logistics	55	43
Air Logistics	30	35
Road Logistics	67	32
Contract Logistics	454	345
Total Group	**606**	**455**

Depreciation of right-of-use assets amounted to CHF 511 million (2021: CHF 485 million). Refer to note 27 of the consolidated financial statements for further details.

Acquisitions

On July 18, 2022, Apex management exercised the put options to sell one third of the remaining 11.6 per cent of their retained shares to the Group. The Group increases its ownership interests by 3.9 per cent and has present access to 67.4 per cent. For further details, refer to note 40 and 45 of the consolidated financial statements.

Divestments

Kuehne+Nagel signed an agreement on June 3, 2022, to sell its business in Russia, Belarus, Azerbaijan and Kazakhstan. The impact on the consolidated group financial statements is not material. The transaction closed on July 20, 2022.

Business units

The main contributor to the Group's result are the business units Sea and Air Logistics. In 2022 major profitability improvements were generated in both Sea and Air Logistics business units.

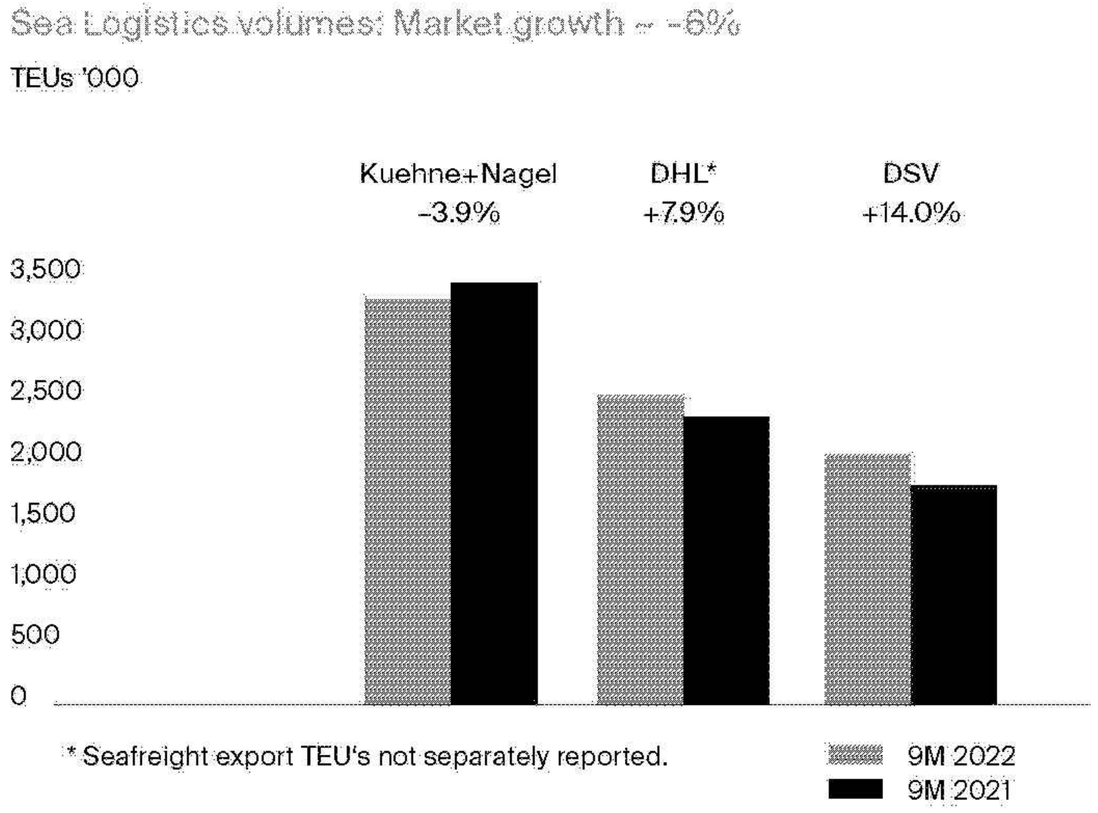
Sea Logistics

Sea Logistics volumes decreased by 4.9 per cent to 4,386,000 TEUs. Besides the Full-Container-Load (FCL) business, specialised services for temperature controlled cargo in reefer containers, pharma and e-commerce have significantly contributed to the result. In an uncertain and volatile market environment Kuehne+Nagel maintained its global leading position in Sea Logistics. From a regional perspective, the volume increase of imports in Europe and North America from Asia has continued in 2022. Despite the challenges in capacity at the beginning of the year and the change into a situation of overcapacity at its end, the high service intensity for all shipments due to extended and unreliable supply chains persisted. Managing towards a favourable service mix and opera-

tional efficiency under the difficult circumstances contributed to significantly increased margins. In 2022, the absolute amount of EBIT increased by 32.2 per cent compared to the previous year, while the ratio of EBIT to gross profit (conversion rate) increased to 58.1 per cent (2021: 55.5 per cent).

It remains the Group's target to achieve volume growth that is in line with the market putting yield optimisation at the forefront of the decision making. The Group is committed to develop its sustainability solutions towards a zero carbon future. With its commitment to provide customers with access to reliable, high standard low carbon maritime fuels and the goal of a leading market position in CO2e transparency, the Group adds to its ambition on the Sea Logistics profitability and continuous efficiency improvements.

Sea Logistics volumes: Market growth ~ -6%



Performance Sea Logistics

CHF million	2022	2021	2020
Turnover	20,608	15,662	8,973
Net turnover	18,753	13,706	7,091
Gross profit	3,479	2,754	1,417
EBITDA	2,062	1,561	451
EBIT	2,021	1,529	423
EBIT in per cent of gross profit (conversion rate)	58.1	55.5	29.9
Number of operating staff	12,855	11,806	10,393
TEUs '000	4,386	4,613	4,529

Air Logistics

Global Air Logistics volumes have increased in 2022 in combination with the acquired volumes from Apex, the Group recorded higher volumes by 0.5 per cent, totalling 2,232,000 tons, achieving a number one market position in the global airfreight market in 2022. EBIT-to-gross-profit margin increased to 47.5 per cent in 2022 (2021: 45.7 per cent). EBIT increased by 20.7 per cent compared to the previous year.

In 2022, the increase in demand for air transport services in the first half of the year was generated from positive volume development but also from challenges in seafreight supply chains. This in combination with an extended period of low availability of belly capacity due to low frequency of passenger travel has led also in the airfreight market to capacity shortage and high freight rates.

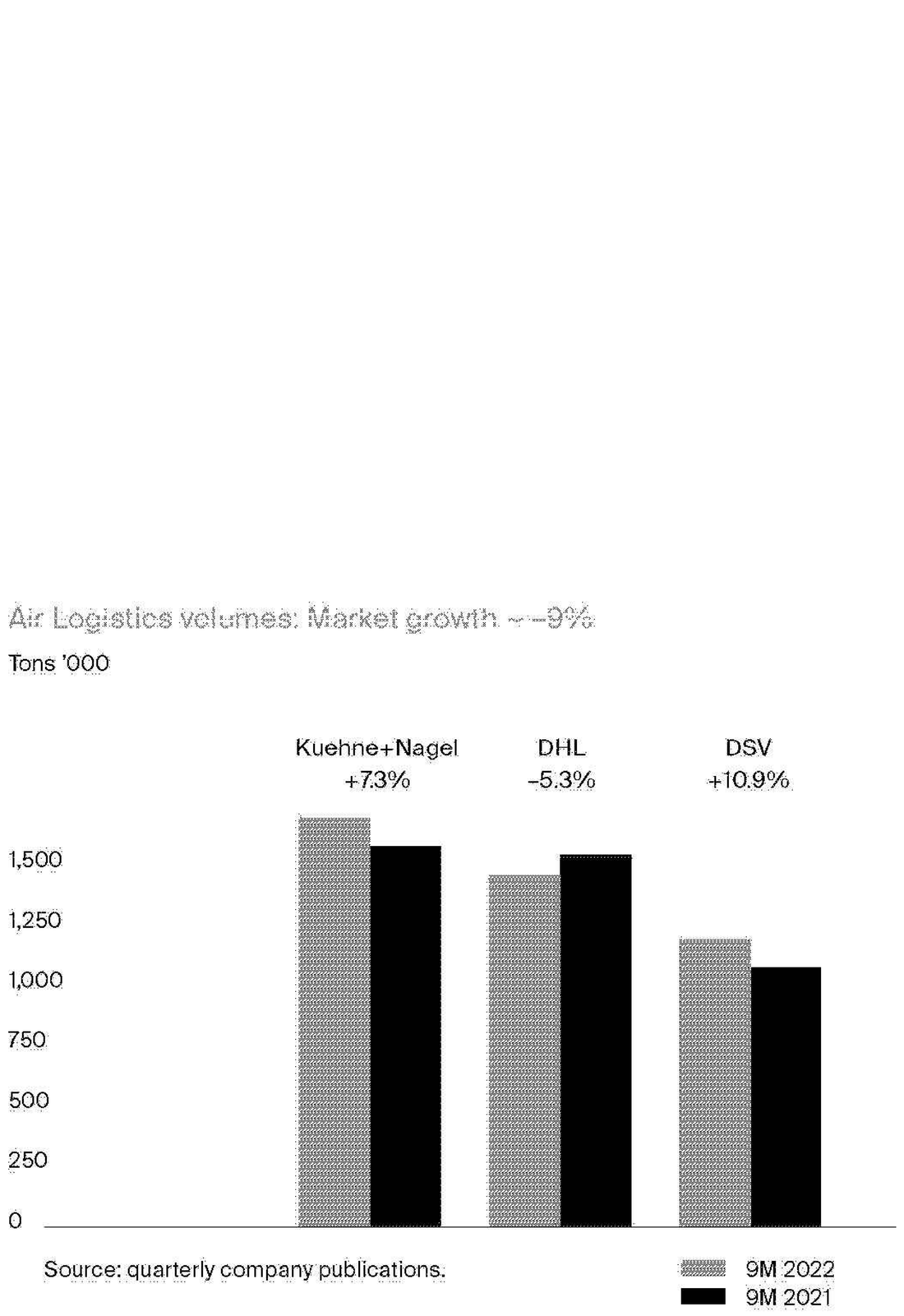
At the end of the year the situation has turned towards a situation of weak demand and overcapacity in the markets with subsequent pressure on the yields.

Similar to the situation in seafreight, a favorable service mix, strong development in the trans-pacific market, unprecedented access to charter capacity and operational efficiency under the difficult circumstances contributed to stable margins.

To support customers transitioning to a low carbon business model, the Group has entered into cooperation with key carriers to further promote and deploy the use of sustainable aviation fuel (SAF).

Air Logistics volumes: Market growth ~ –9%

Tons '000



Source: quarterly company publications.

Performance Air Logistics

CHF million	2022	2021	2020
Turnover	12,358	11,480	5,817
Net turnover	11,715	10,810	5,194
Gross profit	2,965	2,556	1,331
EBITDA	1,489	1,230	600
EBIT	1,409	1,167	505
EBIT in per cent of gross profit (conversion rate)	47.5	45.7	37.9
Number of operating staff	11,056	10,793	7,845
Tons '000	2,232	2,220	1,433

Road Logistics

Road Logistics had an increase in net turnover by 8.3 per cent in 2022, due to a strong demand in the first three quarters for land transport activities in Europe. The Group continued to expand its service offering through the Europe-wide road transportation network. The key performance indicator EBITDA to net turnover margin improved to 5.2 per cent from previous year's 4.3 per cent. EBIT increased to CHF 146 million (2021: CHF 94 million).

During the entire year 2022, Road Logistics operations continued to experience a high utilisation of its networks. Additionally digital solutions drove a strong yield development in Asia and North America.

With the consistent operational performance even in volatile markets and the expansion of services to industry-specific solutions, Road Logistics continues its contribution to the success of the Group's integrated logistics offering.

Kuehne+Nagel is committed to decarbonise its own truck fleet to achieve a 60 per cent representation of zero-emission vehicles by 2030. This includes investing in electrification for short and long haul (BEV and FCEV). Additionally Kuehne+Nagel offers road biofuels (HVO) and other technologies to support customers today.

Performance Road Logistics

CHF million	2022	2021	2020
Turnover	4,594	4,390	3,633
Net turnover	3,997	3,689	3,222
Gross profit	1,334	1,253	1,089
EBITDA	207	157	119
EBIT	146	94	62
EBIT in per cent of gross profit (conversion rate)	10.9	7.5	5.7
Number of operating staff	9,806	9,723	9,363

Contract Logistics

With an increasingly strong proposition on the market, Contract Logistics had a record performance in the year 2022. With more than 150 new logistics projects for customers, Contract Logistics continuously increases its contribution to the Group's results.

The focus on specialised end-to-end solutions for industries such as high-tech, consumer goods, pharmaceuticals, healthcare, and e-commerce fulfilment led to numerous new customer contracts. The net turnover (net of currency impact) increased by 7.3 per cent compared to 2021 and the business was able to gain market share in pharma & healthcare services and in e-commerce fulfilment. The EBITDA to net turnover margin was 15.7 per cent versus 15.9 per cent in 2021.

Regarding renewable energy, Kuehne+Nagel has achieved 100 per cent renewable electricity for all Contract Logistics sites in 2022. In addition to maintain this, the Group aims to increase production of clean energy on-site with solar panels.

Performance Contract Logistics

CHF million	2022	2021	2020
Turnover	5,474	5,167	5,389
Net turnover	4,933	4,596	4,875
Gross profit	3,331	3,333	3,638
EBITDA	774	731	750
EBIT	187	156	80
EBIT in per cent of gross profit (conversion rate)	5.6	4.7	2.2
Number of operating staff	34,529	34,309	39,360
Warehousing and logistics space in sqm	10,331,470	10,206,925	11,343,955
Idle space in sqm	121,798	277,661	227,889
Idle space in per cent	1.2	2.7	2.0

Shareholder return

Dividend

For 2022, the Board of Directors is proposing a dividend amounting to CHF 14.00 per share for approval at the Annual General Meeting. If the dividend proposal is approved by the shareholders, the dividend payment on the shares will amount to CHF 1,675 million (2021: CHF 1,186 million) resulting in a payout ratio of 63.4 per cent (2021: 58.4 per cent) of the earnings for the year attributable to the equity holders of the Company. Based on the share price at year-end 2022, the dividend yield on the Kuehne+Nagel share is 4.6 per cent (2021: 1.5 per cent).

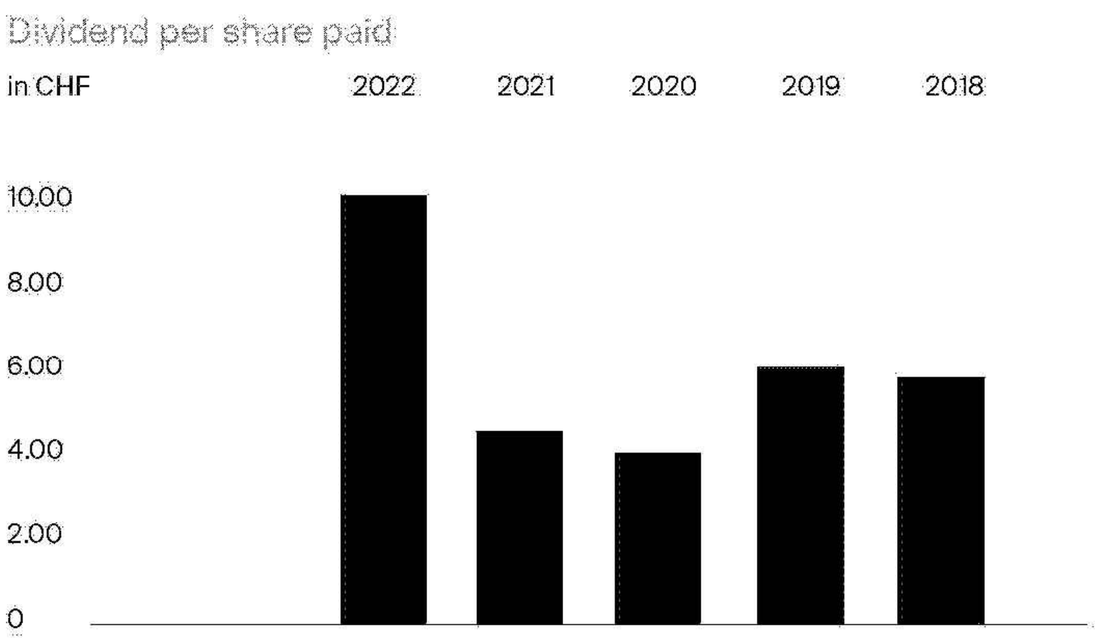
Share price and market capitalisation (December 31)

Share price and market capitalisation	2022	2021	2020	2019	2018
Share price (in CHF)	215.20	294.40	200.80	163.20	126.35
Market capitalisation (in CHF million)	25,986	35,550	24,096	19,584	15,162

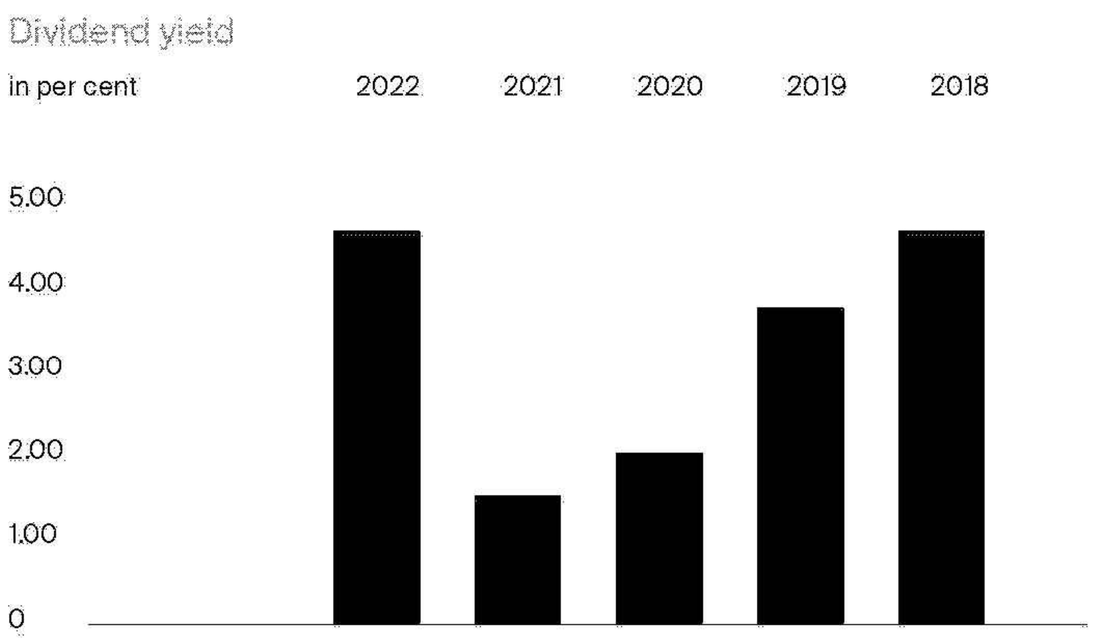
Total shareholder return development

in CHF per share	2022	2021	2020	2019	2018
Increase/(decrease) of share price year over year	–79.20	93.60	37.60	36.85	–46.15
Dividend per share paid	10.00	4.50	4.00	6.00	5.75
Total return	–69.20	98.10	41.60	42.85	–40.40
Dividend yield in per cent	4.6	1.5	2.0	3.7	4.6

Dividend per share paid



Dividend yield



Risk management, objectives and policies

Group risk management

Risk management is a fundamental element of the Group's business practice on all levels and is embedded into the business strategy, planning and controlling processes of the Group. Material risks are monitored and regularly discussed within the Risk and Compliance Committee and the Audit Committee of the Board of Directors.

The Risk and Compliance Committee headed by the CEO and the CFO, the Chief Compliance Officer, the Head of Internal Audit, and the Group General Counsel as members, monitors the risk profile of the Group and the development of essential internal controls to mitigate these risks.

A risk is defined as the possibility of an adverse event which has a negative impact on the achievement of the Group's objectives.

The Group carries out an annual risk assessment and in conformity with the Swiss Code of Best Practice for Corporate Governance; the Group's risk management system covers both financial and operational risks.

Risk management as an integral part of the Internal Control System (ICS) for financial reporting

Risk management is incorporated within the ICS. Preventive, risk-mitigating measures to control risks are proactively taken at different levels and are an integral part of management responsibility.

Risk assessment in 2022

An independent risk assessment procedure is implemented for operational risks review. The Regional Management is interviewed on a regular basis in order to assess the risks for each country in their respective region. In addition, each Management Board member assesses the overall strategic risk exposure of the Group. Within the framework of the Corporate Governance process, the updated risk assessment is presented to the Audit Committee of the Board of Directors.

Financial risks analysis and assessment are carried out by the finance and accounting department.

The following risk areas have been identified amongst others for which mitigating actions have been implemented:

- Financial risks such as development of interest rates, credit and financial markets and currency risks are constantly monitored and controlled by the corporate finance and accounting department.
- Risks of unstable macroeconomic developments as well as the uncertainties in the financial markets. These risks are mitigated by appropriate risk diversification and avoidance of regional and industry clustering.
- Risks of political instability, civil war and pandemic or epidemic spread of diseases is constantly monitored and assessed for impact on the business model as well as on the staff. The group keeps back-up structures and business continuity plans updated.
- Risks related to IT network availability, IT data and security are managed by the permanent monitoring of systems, redundant infrastructure as well as interlinked data centres with back-up structures and business continuity plans.
- The increase of regulations, growing complexity and customer expectations have led to rising security requirements and risks; such risks and requirements are considered in the planning of supply chain solutions and worldwide operations.
- Organised crime, terrorism, legal and non-compliance risks such as fraud, intentional and unintentional violations of the law and internal regulations are counteracted by comprehensive and worldwide staff training and a network of compliance officers at regional and national levels.

Organisation of risk management

A continuous dialogue between the Management Board, Risk and Compliance Committee and Audit Committee ensures the Group's effective risk management. The risk management system is governed by the Risk Assessment Guideline defining risk groups and sub-groups, the structure and the process of risk assessments. The risk catalogue is reviewed regularly and critical analysis ensures a continuous development of the risk management system.

Summarised assessment of the risk situation

Based on the risk assessment, the most material risks remain the uncertainty of the global economic development, the geopolitical instability, volatile currency fluctuations, inflation and the financial markets, thus all of those factors being in focus of the management.

Since the commencement of the war in Ukraine, predictions remain difficult given persistent inflation and energy crises. The impact of the war is considered and assessments for the future are based on macro and micro economic scenarios, taking into account the prevailing situation of uncertainty. Further details regarding the impact from recent developments are described in the consolidated financial statements on page 54 to 55.

In 2022, the Group successfully managed and partially mitigated the above risks and demonstrated high levels of resilience resulting in strong financial performance.

Corporate governance

Kuehne+Nagel is committed to good corporate governance, which is an integral part of the management culture of the Kuehne+Nagel Group (the Group).

Corporate Governance guides the structure and operational practices within the Group. It aims at creating sustainable value for all stakeholders and safeguards the management's decision-making capability and efficiency. Accountability through clearly assigned duties to the Boards and Committees and transparency in financial reporting ensure that the Group acts responsibly.

Principles

The principles of corporate governance, as defined in the Directive on Information Relating to Corporate Governance (RLCG) of the SIX Swiss Exchange, are the basis for the Articles of Association, the Organisational Rules, and the Committee Regulations of the holding company of the Group, Kuehne + Nagel International AG, Schindellegi (Feusisberg), Switzerland (the Company). The Group follows best practice recommendations and standards established in the "Swiss Code of Best Practice for Corporate Governance".

The Articles of Association (AoA) and the Code of Conduct are available on Kuehne+Nagel's website under the following link: https://home.kuehne-nagel.com/company/corporate-governance

Group structure and shareholders

Under Swiss company law the Group is organised as a limited company that has issued shares of common stock to share-holders. Kuehne + Nagel International AG is the ultimate holding company of the Group.

Operational group structure

Kuehne+Nagel's operating businesses are organised into the following four business units:

- Sea Logistics
- Air Logistics
- Road Logistics
- Contract Logistics

Additionally, operating performance is presented in the following geographical regions:

- Europe, Middle East and Africa (EMEA)
- Americas
- Asia-Pacific

Business performance is reported according to this operational structure. For further information on the business units, please refer to the "Status report" and the "Consolidated financial statements" respectively.

Listed companies of the Group

Kuehne + Nagel International AG, the ultimate holding company, is the only company listed on the Stock Exchange within the scope of the Group's consolidation. Kuehne + Nagel International AG has its registered office in Schindellegi (Feusisberg), Switzerland, and its shares are listed on the SIX Swiss Exchange, Zurich. The Company's market capitalisation amounted to CHF 25,986 million (120,753,783 registered shares of nominal value CHF 1.00 at CHF 215.20 market value per share) on the closing date December 31, 2022.

Of the total Kuehne + Nagel International AG share capital on the closing date:

- the free float consisted of 55,718,792 shares = 46.2 per cent,
- and treasury shares consisted of 1,134,991 shares = 0.9 per cent

Kuehne + Nagel International AG shares are traded under the symbol "KNIN", the security number is 2,523,886 and ISIN is CH0025238863.

Non-listed companies in the Group's consolidation

The main subsidiaries and associated companies of the Group are disclosed in appendix "Significant consolidated subsidiaries and joint ventures" to the consolidated financial statements (pages 111 to 120), including particulars as to the country, name of the company, location, share capital, and the Group's stake in per cent.

Major shareholders

According to the share register as of December 31, 2022, the following registered shareholders held more than three per cent of the total share capital of Kuehne + Nagel International AG:

- Kuehne Holding AG, Schindellegi (Feusisberg), Switzerland, held 52.9 per cent; all voting rights of Kuehne Holding AG are held directly or indirectly by Klaus-Michael Kuehne.
- Kühne Foundation, Schindellegi (Feusisberg), Switzerland, held 4.7 per cent.
- Black Rock Inc., New York, United States of America, held 3.1 per cent.

Notifications are published on the SIX Swiss Exchange electronic publication platform, and can be accessed via the following link: https://www.six-exchange-regulation.com/en/home/publications/significant-shareholders.html

On December 31, 2022, shares of unregistered owners amounted to 19.0 per cent of the issued shares.

Cross-shareholdings

On the closing date, there were no cross-shareholdings outside the Group in place.

Capital structure

Ordinary share capital on the closing date

The ordinary share capital of Kuehne + Nagel International AG amounts to CHF 120.8 million and is divided into 120,753,783 registered shares of a nominal value of CHF 1.00 each.

Authorised and conditional share capital

The Annual General Meeting held on May 3, 2022, extended its approval of authorised share capital up to a maximum of CHF 20 million by a further two years until May 3, 2024.

The Annual General Meeting held on May 2, 2005, approved a conditional share capital increase up to a maximum of CHF 12 million and to add the respective section in the Articles of Association.

The Annual General Meeting held on May 5, 2015, approved a conditional share capital up to a maximum of CHF 2 million for the provision of the employee share-based compensation plans of the Company.

On May 4, 2021, the Board of Directors resolved on the partial implementation of the authorised share capital increase by increasing the share capital of the Company from previously CHF 120,000,000 by CHF 753,783 to CHF 120,753,783, by issuing 753,783 registered shares of the Company with a nominal value of CHF 1.00 each.

There is no resolution of the Board of Directors outstanding for further issuance of either authorised or conditional capital.

A description of the group of beneficiaries and of the terms and conditions of the authorised and conditional share capital can be found in the Articles of Association, Art. 3.3, 3.4 and 3.5, which are available on the Company website (https://home.kuehne-nagel.com/company/corporate-governance).

Change in capital over the past three years

From the year 2020 to 2022, no changes in capital occurred other than outlined above.

Shares and participating certificates

On the closing date, 120,753,783 registered shares of a nominal value of CHF 1.00 each were outstanding. At the same date, no participating certificates were outstanding.

Profit sharing certificates

There were no profit sharing certificates outstanding at the closing date.

Limitations on transferability and nominee registrations

Each share has one vote. All shares have equal voting rights, and no preferential rights or similar entitlements exist. The Articles of Association do not provide for any limitations on the transfer of shares. Nominees are entered in the share register only upon their written agreement to declare the names, addresses, and shareholdings of the respective persons, on whose account they are holding shares.

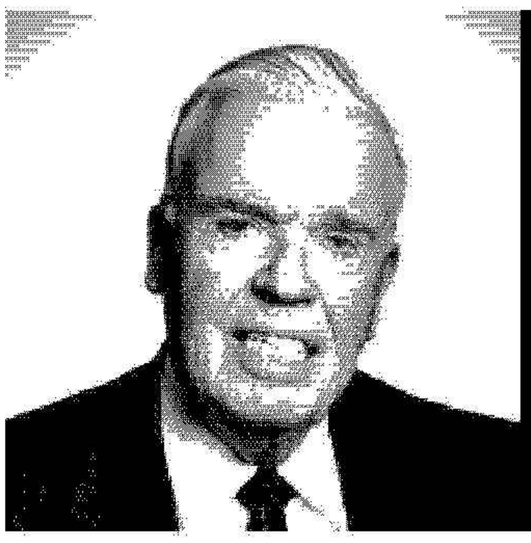
Convertible bonds and warrants/options

No convertible bonds, warrants or options were outstanding as at the closing date.

Board of Directors

At the Annual General Meeting of May 3, 2022, Klaus-Michael Kuehne, Dr. Joerg Wolle, Karl Gernandt, Dominik Buergy, Dr. Renato Fassbind, David Kamenetzky, Tobias B. Staehelin, Hauke Stars and Dr. Martin C. Wittig were re-elected to the Board of Directors for a one-year term. Dr. Joerg Wolle was re-elected Chairman of the Board of Directors for a one-year term.

On the closing date, the Board of Directors comprised nine members. Their biographical particulars are as follows:



Klaus-Michael Kuehne
Honorary Chairman
German, 1937

Commercial apprenticeship in banking industry.

Other significant activities: Chairman of the Board of Trustees of the Kühne Foundation, Schindellegi (Feusisberg), Member of the Supervisory Board of Kühne Logistics University GmbH (KLU), Hamburg.

Positions within the Kuehne+Nagel Group:

1958:
- Entrance into the family business followed by various management positions

1966–1975:
- Chief Executive Officer of the Group

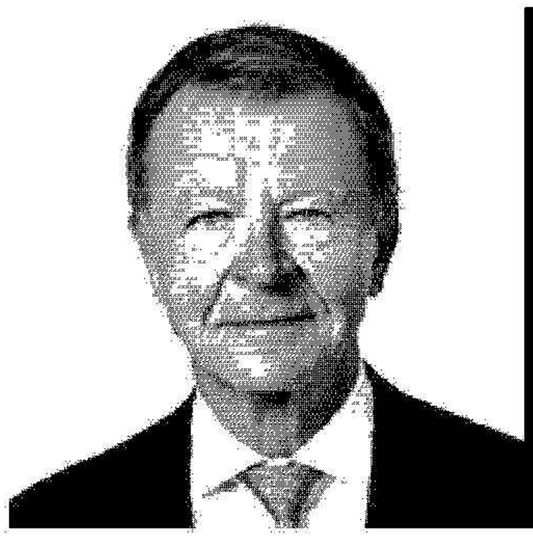
1975–1992:
- Delegate and member of the Board of Directors

1992–2009:
- Executive Chairman of the Board of Directors
- Chairman of the Nomination and Compensation Committee

2009–2011:
- Chairman of the Board of Directors
- Chairman of the Nomination and Compensation Committee

2010–2011:
- Chairman of the Chairman's Committee

2011–today:
- Honorary Chairman of Kuehne + Nagel International AG
- Member of the Board of Directors elected until the Annual General Meeting 2023
- Member of the Chairman's Committee
- Member of the Nomination and Compensation Committee elected until the Annual General Meeting 2023



Dr. Joerg Wolle
Chairman
German/Swiss, 1957

Holds a PhD in engineering sciences. From March 2017 to March 2019, he was Chairman of the Board of Directors of DKSH Holding Ltd, Zurich, Switzerland, where he served as President and CEO since 2000. Since June 6, 2013, Dr. Joerg Wolle is member of the Board of Directors of the Kuehne Holding AG, Schindellegi (Feusisberg), Switzerland. He is also a member of the Board of Trustees of the Kühne Foundation.

Other significant activities: Chairman of the Board of Directors of Klingelnberg AG, Switzerland; Member of the Board of Directors of Olam International Limited, Singapore.

Positions within the Kuehne+Nagel Group:

2010–2012:
- Member of the Board of Directors

2011–May 2016:
- Chairman of the Nomination and Compensation Committee

2013–May 2016:
- Vice Chairman of the Board of Directors

May 2016–today:
- Chairman of the Board of Directors elected until the Annual General Meeting 2023
- Chairman of the Chairman's Committee

Karl Gernandt
Vice Chairman
German, 1960

After graduating with a Master in Business Administration from the University of St. Gallen, Switzerland, Karl Gernandt worked for Deutsche Bank AG from 1988 to 1996. There he held positions in corporate and retail banking in Germany, Asia and the USA. From 1997 to 1999, he set his mark on the Financial Institution Group of A.T. Kearney GmbH. In 1999, Karl Gernandt moved to Holcim (Deutschland) AG as CFO, in 2000, he was appointed CEO and at the same time member of the European Board of Holcim Ltd, Switzerland. In 2007, he became CEO of Holcim Western Europe, Brussels. On October 1, 2008, Karl Gernandt was nominated as CEO and since May 2016 has been Executive Chairman of the Board of Directors of Kuehne Holding AG, Schindellegi (Feusisberg). He was Chairman of the Supervisory Board of Kühne Logistics University GmbH (KLU), Hamburg, until November 2022. He is also member of the Board of Trustees of the Kühne Foundation.

Other significant activities: Vice Chairman of the Board of Directors of Hapag-Lloyd AG, Hamburg; Member of the Board of Directors of SIGNA Prime Selection AG, Innsbruck; Member of the Board of Directors of Hochgebirgsklinik Davos AG, Davos.

Positions within the Kuehne+Nagel Group:

2008–2009:
- Member of the Board of Directors

2009–2011:
- Executive Vice Chairman and Delegate of the Board of Directors

2009–today:
- Member of the Audit Committee

May–Aug 2013:
- Chief Executive Officer (CEO) of the Group

2011–May 2016:
- Executive Chairman of the Board of Directors
- Chairman of the Chairman's Committee
- Member of the Nomination and Compensation Committee

May 2016–today:
- Vice Chairman of the Board of Directors elected until the Annual General Meeting 2023
- Chairman of the Nomination and Compensation Committee elected until the Annual General Meeting 2023
- Member of the Chairman's Committee

Dominik Buergy
Member
Board of Directors
Swiss, 1966

Dominik Buergy holds a degree in Law (lic. iur) from the University of Bern, Switzerland and is a Swiss Certified Tax Expert. Since 2019, Dominik Buergy has been a Partner at the Swiss law firm Wenger Vieli in Zurich. From 2012 to 2018, he was a board member of the Swiss corporate union, economiesuisse, and from 2013 to 2018 of the Swiss Employer's Association. From 2011 to 2018, he was chairman of EXPERTsuisse, the association of certified auditors, tax experts and fiduciary experts in Switzerland. Previously, from 2002 to 2019, he was as Partner at Ernst & Young (EY), where he was a member of the management board of the Swiss firm from 2008 to 2016, managing partner Tax & Legal from 2009 to 2012, and had held other national and international management positions. From 1993 to 2002, he was at Arthur Andersen, latest as a Partner.

Other significant activities: Member of the Board of Directors of Emmi AG, Luzern.

Positions within the Kuehne+Nagel Group:

2020–today:
- Member of the Board of Directors elected until the Annual General Meeting 2023
- Member of the Audit Committee

Dr. Renato Fassbind
Member
Board of Directors
Swiss, 1955

After graduating from his studies in economics at the University of Zurich, Dr. Renato Fassbind worked as an assistant in the "Institut für Schweizerisches Bankwesen" at the University of Zurich between 1979 and 1982. In 1984, he joined Hoffmann-La Roche AG in Basel and advanced to become Head of Internal Audit. In 1990, he joined ABB AG, ultimately being the Chief Financial Officer from 1997 until 2002; from 2002 until 2004, he was the Chief Executive Officer of Diethelm Keller Group, Zurich. In 2004, Dr. Renato Fassbind joined the Credit Suisse Group as the Chief Financial Officer and Member of the Executive Board until October 2010.

Other significant activities: Vice Chairman of the Board of Directors of Swiss Re Ltd., Zurich; Member of the Board of Directors of Nestlé S.A., Vevey.

Positions within the Kuehne+Nagel Group:

2011–today:
- Member of the Board of Directors elected until the Annual General Meeting 2023

2011–today:
- Member of the Audit Committee

David Kamenetzky
Member
Board of Directors
German/Swiss, 1969

David Kamenetzky holds a degree in Accounting and Finance (lic. oec. HSG) from the University of St. Gallen, Switzerland, and a Master of Science in Foreign Service from Georgetown University, USA. From 2019 to 2020, he served as Chief Executive Officer of Joh. A. Benckiser and non-executive Chairman of JAB Investors. Between 2016 and 2019, David Kamenetzky was the Chief Strategy & External Affairs Officer and a Member of the Executive Board of Management of the Anheuser-Busch Inbev SA / NV (AB InBev), a globally leading consumer goods company. From 2006 to 2016, he served as Member of the Executive Board of MARS Inc., a leading company in confectionery products and veterinary health services and one of the largest family owned companies globally. Previously, from 2000 to 2006, he acted as Vice President at Goldman Sachs in London and Frankfurt, and from 1993 to 1998, he was Chief of Staff in the Office of Ignatz Bubis, President of the Central Council of the Jews in Germany.

Position within the Kuehne+Nagel Group:

2019–today:
- Member of the Board of Directors elected until the Annual General Meeting 2023

Tobias B. Staehelin
Member
Board of Directors
Swiss, 1978

Tobias B. Staehelin is admitted to the bar and specialises in corporate law. He graduated from the University of St. Gallen with a lic. iur. degree. In addition, he holds a CEMS Master in International Management, an LL.M. from Northwestern University, USA, and the Instituto de Empresa, Spain. Tobias B. Staehelin has operational experience in Asia and Europe, most recently as Chairman of the Management Board of C. Haushahn GmbH & Co. KG in Stuttgart and as a member of the management of Schindler Deutschland AG & Co. KG in Berlin. He is currently member of the Board of Directors of Schindler Holding AG and Schindler Aufzüge AG, and since 2021 member of the Group Executive Committee of the Schindler Group, responsible for Corporate Human Resources.

Position within the Kuehne+Nagel Group:

May 2021–today:
- Member of the Board of Directors elected until the Annual General Meeting 2023

Hauke Stars
Member
Board of Directors
German, 1967

Dr. Martin C. Wittig
Member
Board of Directors
German, 1964

After graduating in computer science and engineering from Otto-von-Guericke University in Magdeburg, and obtaining a MSc by research in Engineering from University of Warwick, Coventry, Hauke Stars started her professional career in 1992 at Bertelsmann SE & Co. KGaA, Guetersloh, working in various fields of information technology. In 1998, she joined ThyssenKrupp AG and became a Member of the Management Board of the technology company Triaton GmbH in 2000. With the sale of Triaton GmbH to Hewlett Packard in 2004, she continued her career there. In 2004, she joined Hewlett Packard Netherlands B.V., Utrecht, as a member of the Country Management Board. From 2007 to 2012, she led Hewlett Packard Switzerland GmbH, Zurich, as CEO and Managing Director. From 2012 to 2020, she was a member of the Executive Board of Deutsche Börse AG, Frankfurt, where she was responsible for technology, the cash market business and HR (Labour Director). Since February 2022 she is member of the Executive Board of Volkswagen AG, Wolfsburg, where she is responsible for information technology and organisation. During her career, Hauke Stars has been working on various supervisory boards. Among others, she was a member of the supervisory boards of GfK SE from 2009 to 2016, Klöckner & Co SE from 2011 to 2016, Eurex Exchange from 2013 to 2020, Clearstream from 2013 to 2020 and Fresenius SE & Co. KGaA from 2016 to 2022.

Other significant activities: Member of the Board of Directors of Audi AG, Porsche AG, Cariad SE, PowerCO SE (all Group companies of Volkswagen AG); Member of the Board of Directors of RWE AG.

Positions within the Kuehne+Nagel Group:

May 2016–today:
- Member of the Board of Directors elected until the Annual General Meeting 2023

May 2019–today:
- Member of the Nomination and Compensation Committee elected until the Annual General Meeting 2023

Studies in mining engineering and business administration at RWTH Aachen followed by a Ph.D. in engineering at the Technical University of Berlin. After his studies, he worked as a lecturer at the Technical University of Berlin and in project finance for the mining industry. In 1995, he joined Roland Berger Strategy Consultants and was elected Partner in 1999. In 2001, he became Managing Partner and Head of Roland Berger's office in Zurich and was elected to the global Executive Committee in 2003, where he held the position as CFO. From 2010 to 2013, he was Global Managing Partner and CEO of Roland Berger Strategy Consultants. Currently he advises CEOs of leading international companies.

Other significant activities: Adjunct lecturer at the University of St. Gallen, elected to the HSG Advisory Board in 2011; Honorary Consul of Germany in Switzerland; he was Chairman of the Supervisory Board of UBS Europe SE, Frankfurt until May 2022; Chairman of the Audit Committee (Supervisory Board) and Chairman of the Advisory Board, SIGNA Sports United, Berlin.

Positions within the Kuehne+Nagel Group:

2014–today:
- Member of the Board of Directors elected until the Annual General Meeting 2023

2016–today:
- Member of the Audit Committee

2020–today:
- Chairman of the Audit Committee

All members of the Board of Directors are non-executive directors, none of them serves as a member of the Management Board and with the exception of the Honorary Chairman, Klaus-Michael Kuehne, none of them has important business connections with Kuehne+Nagel.

The Articles of Association (AoA) of Kuehne + Nagel International AG limit the number of mandates that members of the Board of Directors may hold outside the Kuehne+Nagel Group. Article 21 of the AoA limits the maximum number of permitted additional mandates of members of the Board of Directors to 25 board memberships, whereof no more than four may be held in stock-listed companies. Mandates in companies, which are controlled by Kuehne+Nagel or which control Kuehne+Nagel, are not subject to this limitation. In addition, members of the Board of Directors may hold no more than 25 mandates at Kuehne+Nagel's request, and no more than 25 mandates in associations, charitable organisations, foundations, trusts, and employee welfare foundations.

Election and duration of tenure

The General Meeting elects the members of the Board of Directors as well as the members of the Compensation Committee individually. The General Meeting elects one of the members of the Board of Directors as Chairman of the Board of Directors. The duration of tenure of the Chairman, the members of the Board of Directors, and the members of the Compensation Committee ends at the conclusion of the next ordinary General Meeting. Re-election is possible.

Internal organisation, Board committees and meetings in 2022

The Chairman and the members of the Board of Directors, each, as well as the members of the Compensation Committee are elected by the General Meeting. The Board of Directors constitutes itself and appoints the Vice Chairman, the Chairman of the Nomination and Compensation Committee, the members of the Nomination Committee as well as the Chairman and the members of the Audit and the Chairman's Committee.

The scope of responsibilities of the Board of Directors, the Chairman and the Vice Chairman are stipulated in the Articles of Association, the Organisational Rules, and the Committee Rules, in particular, to the extent not already determined by applicable law. In accordance with the Articles of Association and Swiss corporate law, the main tasks and responsibilities of the Board of Directors, as further defined in the Organisational Rules, comprise the following:

- ultimate management of the Company;
- issuance and review of business policies and guidelines especially regarding the strategic direction and management of the Company as well as any changes thereof;
- establishment of the organisation, determination of the main organisational topics and conduct of the business including the issuance of the Organisational Rules for the Board of Directors and the Management Board;
- approval and regular monitoring of the main elements of Corporate Governance considering the applicable laws and provisions for listed companies in Switzerland;
- monitoring, assessment and control of risks;
- nomination of the external auditors;
- determination of accounting and financial control structure, as well as the financial planning and dividend policies;
- approval of budgets, capital commitments and accounts;
- approval of annual and interim financial statements and the annual report;
- the ultimate supervision of the Management Board, in particular in view of compliance with the law, Articles of Association, and internal regulations and directives;
- appointment and dismissal of Management Board members and other senior executives;
- preparation of the Annual General Meeting including submission of proposals and the implementation of its resolutions;
- maintainance of the share register.

Dr. Joerg Wolle is the Chairman of the Board of Directors, and Klaus-Michael Kuehne is Honorary Chairman of Kuehne + Nagel International AG. The entire Board of Directors, however, is responsible for decisions on such above-mentioned aspects that are of significant importance to the Group.

Certain tasks of the Board of Directors have been delegated to the Chairman and comprise the following:

- supervision towards the Management Board and the internal audit;
- supervision of compliance with internal regulations and directives regarding general management, organisation and quality;
- nomination of external consultants, in case of significant fees;
- definition of the corporate identity;
- approval of significant purchases, sales and lendings on securities or similar titles;
- approval of significant transactions outside the normal course of business;
- review of the yearly budgets as well as any supplements, consolidated or per country and business field;
- approval of significant credit limits to customers and other debtors;
- supervision of management and approval of settlement of significant litigations, legal cases, arbitrations and other administrative proceedings;
- approval of appointments and dismissals of regional presidents;
- approval of significant senior management remunerations.

The Board of Directors usually convenes for a two-day meeting quarterly with the Management Board being represented by the CEO and the CFO. The Board of Directors can invite other members of the Management Board to attend these meetings at its discretion. The Board of Directors has appointed a Secretary, who is not (and does not need to be) a member of the Board of Directors.

The Board of Directors takes decisions during the meetings or by written circular resolutions. All Committees meet as often as required but usually quarterly.

Audit Committee

The Audit Committee consists of three to five non-executive, predominantly independent members of the Board of Directors elected for a period of one year. Re-election as a member of the Audit Committee is possible. Members of the Management Board cannot be members of the Audit Committee.

As part of the regular contact between the Audit Committee and both the internal and external auditors, the quality and effectiveness of the internal control mechanisms and the risk assessments are reviewed and evaluated continuously on the basis of written reports of the internal audit department as well as of management letters of the external auditors based on their interim audits. Furthermore, a regular contact with the external auditors throughout the year enables the Audit Committee to obtain knowledge of problem areas at an early stage. This allows proposing the timely introduction of any corrective actions to the Management Board.

Dr. Martin C. Wittig was the Chairman of the Audit Committee on the closing date, and Karl Gernandt, Dominik Buergy and Dr. Renato Fassbind were members.

The Audit Committee holds at a minimum four meetings a year, usually quarterly before the publication of the financial results. The Honorary Chairman can take part in the meetings as an advisor. Unless otherwise determined by the Audit Committee, the CEO, the CFO and the auditor in charge take part in all meetings, whilst the Head of Internal Audit, and the Group General Counsel or the Chief Compliance Officer, each, are invited as advisors whenever needed. In 2022, the auditor in charge attended two meetings of the Audit Committee. The Committee's Chairman informs the other members of the Board of Directors about the topics discussed in detail and decisions to be submitted to the entire Board of Directors for approval.

The main responsibilities of the Audit Committee with regards to the external auditors are:

- to secure a comprehensive and efficient audit concept for the Kuehne+Nagel Group;
- to comment on the audit planning and findings, if any;
- to evaluate the recommendations made by the external auditors and review of actions, if any;
- to propose to the Board of Directors regarding the nomination of the independent external auditors for approval by the Annual General Meeting;
- to approve the audit fees invoiced by the external auditors.

With regards to the internal audit function of the Group, the Audit Committee has the following responsibilities:

- to issue regulations and directives;
- to review the audit plan and findings, if any;
- to evaluate recommendations made by the internal auditors and discussion with the Management Board;
- to propose the nomination of the Head of Internal Audit;
- to assess the performance of the Group's internal audit function.

With regards to the tasks of the Management Board the Audit Committee has the following responsibilities:

- to review and evaluate annual and interim financial statements in respect to compliance with accounting policies and any changes thereof, going concern assumption, adherence to listing regulations, and material risks;
- to recommend to the Board of Directors the approval of the financial statements;
- to assess existence and effectiveness of the Group's internal control system;
- to assess the fiscal situation of the Group and reporting to the Board of Directors.

Chairman's Committee

The Chairman's Committee consists of the Chairman, the Vice Chairman and the Honorary Chairman of the Board of Directors for the period of their tenure in the Board of Directors. The Chairman's Committee advises the Board of Directors on the financial performance of the Group, its economic development and measures of optimisation as well as of any other significant developments within the Group. In its advisory role, the Chairman's Committee reports to the Board of Directors for decisions.

The Chairman's Committee has the following responsibilities:

- to evaluate significant capital expenditures and acquisitions of the Kuehne+Nagel Group which are subject to approval of the Board of Directors;
- to discuss any matters of significance that require the approval of the Board of Directors subsequently be submitted to the Board of Directors for resolution.

On the closing date, Dr. Joerg Wolle was the Chairman of the Chairman's Committee and Klaus-Michael Kuehne and Karl Gernandt were members.

On invitation of the Chairman, the Chairman's Committee convenes as often as business requires but typically four times a year, once each quarter. The Committee invites Members of the Management Board at its discretion, being usually represented by the CEO and the CFO, to attend these meetings.

The Board of Directors is informed by the Chairman of the Chairman's Committee about all issues discussed, in particular, about all topics that need approval of the Board of Directors.

Nomination and Compensation Committee

The Nomination and Compensation Committee consists of two to six members of the Board of Directors elected at the Annual General Meeting (Compensation Committee) on the one hand and designated by the Board of Directors (Nomination Committee) on the other hand, each for a period of one year and meeting regularly as one joint Committee.

On the closing date December 31, 2022, Karl Gernandt was the Chairman of the Nomination and Compensation Committee; Klaus-Michael Kuehne and Hauke Stars were members.

On invitation of the Chairman, the Nomination and Compensation Committee convenes as often as business requires but at least three times a year, usually quarterly. Members of the Management Board can take part in the Nomination and Compensation Committee meetings by invitation.

The Compensation Committee supports the Board of Directors with the determination and validation of the remuneration policy, defines the remuneration concepts, and the principles of remuneration for the members of the Board of Directors and the Management Board. The principles of remuneration, post-employment benefits and share-based compensations are reviewed annually. The Nomination and Compensation Committee discusses the amounts of compensation for each member of the Board of Directors individually, evaluates the performance of each member of the Management Board and recommends their remuneration. The General Meeting approves the maximum total remuneration of the Boards.

The Nomination and Compensation Committee has the following responsibilities:

- definition and validation of the remuneration policy and concepts;
- definition of the principles of remuneration for the members of the Board of Directors and the Management Board;
- nomination of competent staff of the Management Board;
- yearly review of the individual performance of members of the Management Board;
- approval of terms and conditions of employment of the members of the Management Board;
- determination and approval of pension schemes;
- approval of mandates outside the Kuehne+Nagel Group by members of the Management Board;
- determination of the variable and fixed remuneration components of the Management Board;
- approval of share-based compensation plans for the Management Board and other selected employees;
- preparation of the remuneration report.

The Nomination and Compensation Committee develops guidelines and criteria for the selection of candidates and reviews new candidates to ensure competent staffing of the Management Board.

The Chairman of the Nomination and Compensation Committee informs the Board of Directors about all issues discussed, in particular, about all topics that need approval by the Board of Directors.

Board and committees: Membership, attendance, number and duration of meetings

Board and committees	Board of Directors	Audit Committee	Chairman's Committee	Nomination and Compensation Committee
Number of meetings in 2022	4	5	14	3
Approximate duration of each meeting	5 hours	2 hours	2 hours	1 hour
Klaus-Michael Kuehne	4	4	14	3
Dr. Joerg Wolle	4	4	14	3
Karl Gernandt	4	5	13	3
Dominik Buergy	4	5	–	–
Dr. Renato Fassbind	4	5	–	–
David Kamenetzky	4	–	–	–
Tobias B. Staehelin	4	–	–	–
Hauke Stars	3	–	–	3
Dr. Martin C. Wittig	4	5	–	–

Rules of competence between the Board of Directors and the Management Board

The Board of Directors executes the non-transferable and inalienable duties of the ultimate management of the Group. As far as the non-transferable and inalienable duties of the Board of Directors are not concerned, the Chairman of the Board of Directors overlooks the responsibilities of the assigned members of the Management Board of the Kuehne+Nagel Group. As per the Organisational Rules the responsibilities and competences relating to the operational management are transferred to the Management Board. The Management Board is responsible for the development, execution, and supervision of the day-to-day operations of the Group and the Group companies to the extent they are not incumbent on the Annual General Meeting, the Statutory Auditor, the Board of Directors, or the Chairman of the Board of Directors by applicable law, by the Articles of Association, or by the Organisational Rules. The Organisational Rules define which businesses can be approved by the Management Board and which ones require the approval of the Chairman of the Board of Directors or the Board of Directors pursuant to approval requirements based on the extent and nature of the respective business.

Information and control system of the Management Board

The Management Board informs the Board of Directors on a regular and timely basis about the course of business primarily by means of a comprehensive financial management information system (MIS) report, which provides monthly worldwide consolidated results by segment and country including comparative actual, budgeted and prior-year figures as well as consolidated Balance Sheet and Cash Flow analysis.

The CEO and the CFO are generally invited to meetings of the Board of Directors, the Audit Committee as well as to the meetings of the Chairman's Committee. Members of the Management Board can take part in Nomination and Compensation Committee meetings by invitation.

Risk Management

Risk management is a fundamental element of the Group's business practice at all levels and covers different types of risks. At Group level, risk management is an integral part of the business planning and controlling processes. Material risks are monitored and regularly discussed with the Audit Committee or the Risk and Compliance Committee, the latter of which is consisting of the CEO and the CFO, the Chief Compliance Officer, the Corporate Head of Internal Audit and the Group General Counsel. The risk management system within the Group covers both financial and operational risks.

Risk management is part of the Internal Control System (ICS). Preventive and risk-reducing measures to control risks are proactively taken on different levels and are a fundamental part of the management responsibility. The finance and accounting department conducts, in collaboration with regional management and the Management Board, a risk assessment at least once a year. Details on risk management, including identified risks, are provided in the Status Report on page 16.

Compliance

Integrity as key element of business behaviour creates trust amongst business partners. Therewith the Group is able to carry the responsibility as a reliable and successful business partner. The Chairman of the Board of Directors and the CEO issued an updated release of the KN Ethics & Compliance Programme in December 2022. This programme provides guidance for legal, regulatory, and other compliance requirements, as well as global communication and training initiatives. Ongoing compliance trainings continue to form key elements to ensure that members of all levels of the Group are and remain adequately knowledgeable and skilled to apply the KN Ethics & Compliance Programme in their day-to-day work. This includes top-down KN Code of Conduct live trainings as well as comprehensive live anti-bribery, anti-corruption, and anti-trust training initiatives. The Group encourages employees to raise concerns of potential violations of the KN Code of Conduct, amongst other channels, to a global 24/7 confidential reporting line enabling reports in a safe, confident and, if desired, anonymous manner.

The Kuehne+Nagel Group applies a risk-based integrity due diligence (IDD) process for evaluating business partners.

Internal Audit

The Internal Audit function reports directly to the Chairman of the Board of Directors about ongoing activities and audit reports and acts under the supervision of the Audit Committee. Kuehne+ Nagel's Internal Audit is an independent, objective assurance and consulting activity that assists the Management to exercise their responsibilities efficiently by assessing the adequacy and effectiveness of internal controls.

Management Board

Effective August 1, 2022, the Board of Directors of Kuehne + Nagel International AG has appointed Stefan Paul, Executive Vice President Road Logistics and Sales of the Group, as Chief Executive Officer (CEO). He succeeds Dr. Detlef Trefzger, who stepped down for private reasons after nine years service with the Company and left the Group effective July 31, 2022.

The Board of Directors of Kuehne + Nagel International AG has appointed Dr. Hansjoerg Rodi, Managing Director Germany and President Europe Region, as a new member of the Management Board as of August 1, 2022. He succeeds Stefan Paul and assumes responsibility for Road Logistics.

Effective January 1, 2023, the Board of Directors of Kuehne + Nagel International AG has appointed Dr. Marc Pfeffer, Group General Counsel & Corporate Secretary, as a new member of the Management Board.

The Board of Directors of Kuehne + Nagel International AG has appointed Sarah Kreienbühl as a new member of the Management Board as of April 1, 2023. From January 2018 until December 2022, she was a member of the General Management at Migros-Genossenschafts-Bund, Zurich. She succeeds Lothar Harings, who retires at his own request, and assumes responsibility for Human Resources.

On the closing date, the biographical particulars of the Management Board members are as follows:

Stefan Paul
CEO
German, 1969

After completing an apprenticeship as a freight forwarder, he started his career with Kuehne+Nagel in 1990 where he held various positions in Sales and Operations. In 1997, he joined Deutsche Post DHL, Germany, as General Manager for Key Accounts and Industry Sectors, and worked in various management positions until he became CEO of DHL Freight, Germany, in February 2010. In February 2013, Stefan Paul joined Kuehne+Nagel as a Member of the Management Board, responsible for the Business Unit Road Logistics.

Positions within the Kuehne+Nagel Group:

1990–1997:
- Various management positions in Sales and Operations

2013–2020:
- Executive Vice President Road Logistics of the Group

2020–2022:
- Executive Vice President Road Logistics and Sales of the Group

August 2022–today:
- Chief Executive Officer (CEO) of the Group
- Chief Executive and Chairman of the Management Board of Kuehne + Nagel International AG

Markus Blanka-Graff
CFO
Austrian, 1967

Graduated as Master in Economics from Vienna University of Business and Economics.

Positions within the Kuehne+Nagel Group:

1996–2006:
- Various Management positions in Finance

2006–2009:
- Regional CFO North West Europe

2009–2014:
- Director Corporate Finance & Investor Relations

2014–today:
- Chief Financial Officer (CFO) of the Group

Lothar Harings
CHRO
German, 1960

Lawyer (assessor iur.). Various national and international management positions with Siemens, amongst others, Vice President Human Resources Siemens AG for Enterprise & International HR ICN from 1998 to 2002. Member of the Management Board of T-Mobile International. Responsible for Global Human Resources with T-Mobile AG and Deutsche Telekom from 2002 until March 2009.

Other significant activities: Member of the Executive Board of WHU Foundation, Vallendar; Board Member C Talks, Zurich, and National Trustee of the German Committee of AIESEC registered association, Bonn.

Positions within the Kuehne+Nagel Group:

2009–today:
- Chief Human Resources Officer (CHRO) of the Group

2010–2019:
- Corporate Secretary

Martin Kolbe
CIO
German, 1961

Graduated computer scientist. Positions in IT management including CIO with Deutsche Post World Net (DPWN) from 2002 to 2005, responsible for DHL Europe and DHL Germany as well as member of the Supervisory Board in several DPWN-associated companies.

Position within the Kuehne+Nagel Group:

2005–today:
- Chief Information Officer (CIO) of the Group

Dr. Hansjoerg Rodi
Executive Vice President
Road Logistics
German, 1966

Dr. Hansjoerg Rodi has been a member of the Kuehne+Nagel Management Board since August 2022, responsible for Road Logistics. Rodi studied economics in Muenster, Germany, where he also obtained his PhD. From 1996 to 2016, Hansjoerg Rodi held various management positions at DB Schenker Logistics; from 2008 onward, he led the Europe Central Region. In 2016, he joined Kuehne+Nagel and was appointed Managing Director Germany and President of the Central and Eastern Europe Region. Between 2019 and 2022, he assumed responsibility for the wider Europe Region.

Positions within the Kuehne+Nagel Group:

2016–2022:
- Managing Director Germany and President Central and Eastern Europe (from 2019 onwards: wider Europe Region)

August 2022–today:
- Executive Vice President Road Logistics of the Group

Yngve Ruud
Executive Vice President
Air Logistics
Norwegian, 1964

Graduated from the Norwegian School of Management.

Positions within the Kuehne+Nagel Group:

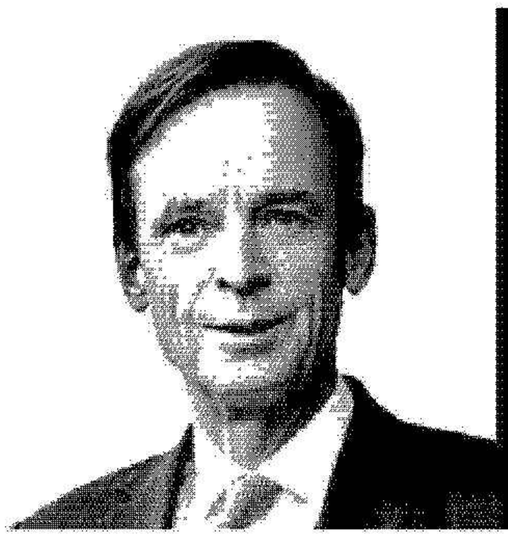
1990–1996:
- Operational and Finance Manager Kuehne+Nagel Norway

1997–2011:
- Managing Director of Kuehne+Nagel Norway

2011–2013:
- Regional Manager North West Europe

2013–2016:
- Regional Manager Western Europe

2016–today:
- Executive Vice President Air Logistics of the Group



Horst Joachim (Otto) Schacht
Executive Vice President
Sea Logistics
German, 1959

Graduated as a shipping agent. From 1978 to 1997, he held various positions globally with Hapag-Lloyd, including three years in the United States as Trade Manager Far East-Europe.

Positions within the Kuehne+Nagel Group:

1997–1999:
- Member of the Management Board of Kuehne+Nagel Germany, responsible for Sea Logistics

1999–2011:
- Senior Vice President Global Sea Logistics

2011–today:
- Executive Vice President Sea Logistics of the Group

Gianfranco Sgro
Executive Vice President
Contract Logistics
Italian, 1967

Graduated as Electronic Engineer from Turin Polytechnic University. Gianfranco Sgro started his career in 1992 as a Project Manager at TNT Express. From 1995 to 2006, he held various national and international positions with TNT Logistics (Operational Director in Brazil, President and Managing Director South America, President and Managing Director Italy). From 2006 until 2012, he was nominated Regional President South Europe, Middle East and Africa with CEVA. From 2012 to 2014, he worked as South America Chief Operating Officer with Pirelli. In February 2015, Gianfranco Sgro joined Kuehne+Nagel as a Member of the Management Board, responsible for the Business Unit Contract Logistics.

Position within the Kuehne+Nagel Group:

2015–today:
- Executive Vice President Contract Logistics of the Group

The Articles of Association (AoA) of Kuehne + Nagel International AG limit the number of mandates that members of the Management Board may hold outside the Kuehne+Nagel Group. Article 21 of the AoA limits the maximum number of permitted mandates of members of the Management Board to five board memberships, whereof no more than one may be held in a stock-listed company. Each mandate requires the approval of the Board of Directors. Mandates in companies, which are controlled by Kuehne+Nagel or which control Kuehne+Nagel, are not subject to this limitation. In addition, members of the Management Board may hold no more than 25 mandates at Kuehne+Nagel's request, and no more than 25 mandates in associations, charitable organisations, foundations, trusts, and employee welfare foundations.

Compensation, shareholdings and loans

All details regarding compensation, shareholdings and loans are set forth in the separate Remuneration Report on pages 37 to 44 and in the consolidated financial statements, note 46, on page 108 to 109 and listed furthermore in note 14 to the Financial Statements of Kuehne + Nagel International AG on pages 134 to 135.

Shareholders' participation

Restrictions and delegation of voting rights

Each share has one vote. All shares have equal voting rights, and no preferential rights or similar entitlements exist.

For resolutions concerning the discharge of the members of the Board of Directors, persons who currently take part in the company's management in any manner do not have a voting right.

Registered shares may only be represented by persons who are entered in the share register as shareholders or beneficiaries who have a written power of attorney. Individual companies, partnerships or legal entities may arrange to be represented by legal representatives or representatives pursuant to the Articles of Association or by other authorised representatives, married persons by their spouse, minors and persons in guardianship by their legal representative, even if their representatives are not shareholders. Each shareholder may also arrange to be represented by the elected independent proxy.

Statutory quorums

In general, the legal rules on quorums and terms apply. The following shall require a resolution to be passed by the General Meeting by at least two thirds of the voting rights represented and by a majority of the nominal value of the shares represented:

- the introduction of voting shares;
- the introduction or removal of actual restrictions on the transferability of registered shares;
- the restriction or cancellation of subscription rights;
- the conversion of registered shares into bearer shares or of bearer shares into registered shares;
- the dismissal of more than one quarter of the members of the Board of Directors.

Calling of an Annual General Meeting

The calling of an Annual General Meeting is defined by law. The agenda contains any item submitted by the Board of Directors. In particular, this includes information for the appointment of

new members to the Board of Directors or the Compensation Committee and, in the event of changes to an Article of Association, the announcement of the new wording.

Agenda of the Annual General Meeting

Shareholders owning shares with a total nominal value of at least CHF 1 million can request that items be added to the agenda up to 45 days prior to the date fixed for the Annual General Meeting by submitting details of their proposals in writing.

Registration of shareholders into the share registers

Registered shares can only be represented at the Annual General Meetings by either shareholders or beneficiary owners whose personal particulars and size of shareholdings have been entered in the Company's share register. Such shareholders and/or beneficiary owners who are not in a position to attend the Annual General Meeting are entitled to nominate a representative by written proxy.

The share register remains closed for any movements during six calendar days preceding and including the date of the Annual General Meeting.

Changes of control and defence measures

Duty to make an offer

There are no opting-out or opting-in rules provided for in the Articles of Association.

Clauses on changes of control

No member of either the Board of Directors or the Management Board or other senior management staff has clauses on change of control in their employment contracts.

Statutory auditors

Duration of the mandate and term of office of the lead auditor

Ernst & Young Ltd (EY), Zurich, as Kuehne+Nagel's auditor started in 2013. The auditor in charge since 2019 is Christian Schibler. The re-election of EY for the financial year 2022 was confirmed at the Annual General Meeting held on May 3, 2022.

The rotation sequence of the auditor in charge is seven years and thus corresponds with the legal rule.

Audit fees

According to the Group's financial records the fees charged for auditing services for the year 2022 amounted to CHF 4.0 million (2021: CHF 3.9 million).

Additional fees

In addition to the fees mentioned above, the statutory auditors are asked on a very restrictive basis to provide certain consulting services beyond the annual audit mandate. In 2022, an amount of CHF 0.3 million (2021: CHF 0.3 million) was incurred mainly related to tax consultancy mandates.

Supervisory and controlling instruments towards the statutory auditors

The work performed by the external statutory auditors is supervised, controlled, and duly monitored by the Board of Directors' Audit Committee. The statutory auditors report regularly to the Audit Committee. In 2022, the auditor in charge attended two Audit Committee meetings. The main criteria for the selection of the external audit company are its worldwide network, reputation and pricing.

General trading blackout periods

(According to the revised Directive on Information relating to Corporate Governance, Annex clause 10 DCG as of 1 July 2021)

Background

The Kuehne+Nagel Group has defined recurring trading blackout periods, during which members of the Board of Directors, members of the Management Board and employees, e.g. working in Corporate Finance, Corporate Legal, and Corporate Communications, and other employees as specifically defined by Kuehne+Nagel Group from time to time (prohibited persons), are prohibited from trading Kuehne+Nagel Group shares and any other types of securities related to such shares (including purchase options).

Scope

The restrictions apply to

- all transactions in Kuehne+Nagel securities including shares issued by Kuehne+Nagel, options to purchase Kuehne+Nagel shares or any other types of securities related to Kuehne+Nagel shares (Kuehne+Nagel Securities). It also applies to shares and other types of securities of another entity where such entity enters into strategic discussions and/or transactions with the Group regarding a combination or consolidation, merger, acquisition or similar transaction.
- the purchase of the Company's shares/options under the employee stock purchase/option plans (e.g. the Kuehne+Nagel share matching plans).

Exceptions to the prohibition of insider trading and market manipulation

The recurring trading blackout periods are subject to exemptions provided by Swiss law (e.g. for share buyback programmes. However, such exemption will not apply to a buyback of own Kuehne+Nagel securities, if the buyback programme is announced or the buyback of own equity occurs during blackout periods).

General blackout periods

The recurring trading blackout periods begin as soon as the annual, half-year, quarterly or interim financial results are known to the prohibited persons, but in no event later than:

- for annual results: on the day the profit and loss electronic data information has been received at the corporate headquarters, whereby, for members of the Board of Directors other than the Chairman of the Board of Directors, the recurring trading blackout period begins when they have acquired knowledge about such information;

- for half-year, quarterly or interim financial results: two weeks before publishing the financial results, whereby, for members of the Board of Directors other than the Chairman of the Board of Directors, the recurring trading blackout period begins one week before the publication of the financial results.

The recurring trading blackout periods end on the day of the publication of the relevant financial results. The exact dates of the recurring trading blackout periods are set out in the insider trading policy of the Kuehne+Nagel Group for the relevant year.

Information policy

The Kuehne+Nagel Group strives for ensuring a comprehensive and consistent information policy. The ambition is to provide analysts, investors and other stakeholders with high levels of transparency that meet best practice standards accepted worldwide.

To this end, Kuehne+Nagel uses print media and, in particular, its website where up-to-date information is available. This information contains an overall presentation of the Group, detailed financial data as well as information on environmental and safety matters, which are the main elements of the corporate sustainability efforts. The Group aims for an integral approach to economic, ecologic and social responsibility. Furthermore, Kuehne+Nagel provides up-to-date information on significant, business-related occurrences and organisational changes.

All press releases are posted on the website when released and can be viewed, downloaded and subscribed to, under the following link: https://newsroom.kuehne-nagel.com/media-releases/

The Kuehne+Nagel Group's Annual Report covering the past financial year as well as the published quarterly financial data are available for download at https://home.kuehne-nagel.com/company/investor-relations/financial-performance. Prior to the release of the first quarterly results, the Group publishes a financial calendar announcing the dates of the upcoming quarterly reports as well as the date of the Annual General Meeting on the same web page.

The contact address for Investor Relations is:

Kuehne + Nagel Management AG
Investor Relations
Dorfstrasse 50
P.O. Box 67
CH-8834 Schindellegi
Switzerland
Phone: +41 (0)44 786 96 93

In addition, the most updated and detailed information on the Group, its service offering and contact details are available under https://www.kuehne-nagel.com.

Remuneration report

Kuehne+Nagel's performance-oriented remuneration system aims to create long-term incentives for its employees in order to ensure sustainable success of the Company and add value for its shareholders.

This remuneration report describes the principles and components of the remuneration of Kuehne+Nagel's Board of Directors and Management Board and contains information about the amount of remuneration paid to and accrued for.

Introduction

This remuneration report complies with the Ordinance against Excessive Compensation in Listed Stock Companies (Ordinance), the Swiss Code of Best Practice for Corporate Governance and the Swiss Code of Obligations, as well as with the relevant rules in the SIX Swiss Exchange Ltd.'s Directive on Information Relating to Corporate Governance.

At the Annual General Meeting (AGM) on May 3, 2022, as in the previous year, the shareholders of Kuehne + Nagel International AG (Company) individually elected the members of the Board of Directors, the Chairman, the members of the Compensation Committee as well as the independent proxy. The AGM furthermore approved each of the total aggregate remuneration amounts, for the members of the Board of Directors for the period until the next ordinary AGM, and for the members of the Management Board for the fiscal year 2023.

As per the Articles of Association the AGM votes annually and with prospectively binding effect on the approval of the remuneration of the Board of Directors and the Management Board, respectively. In addition, the Remuneration Report is being presented to shareholders at the AGM for a consultative vote.

The Articles of Association of Kuehne + Nagel International AG are available at the following link: https://home.kuehne-nagel.com/company/corporate-governance.

Remuneration principles

To maintain Kuehne+Nagel's position as one of the world's leading logistics providers and to ensure the Group's sustained success, it is critical to attract and retain best-in-class executives. The Group

is committed to a remuneration model that reflects changes in the level of management compensation to be in line with corresponding changes in compensation of the Group.

The remuneration policy of the Group aims to ensure the generation of sustainable earnings and shareholder value for the Group and consists of the following key principles:

- Balance between short-term and long-term incentive components
- Pay for performance
- Align management's interests with those of the shareholders

Determination of remuneration

The Nomination and Compensation Committee supports the Board of Directors with the determination and validation of the remuneration policy, defines the remuneration concepts, and the principles of remuneration for the members of the Board of Directors and the Management Board. The principles of remuneration, post-employment benefits and share-based compensations are reviewed annually.

The Nomination and Compensation Committee discusses the amounts of compensation for each member of the Board of Directors individually, evaluates the performance of each member of the Management Board and recommends their remuneration. The General Meeting approves the maximum total remuneration of the Boards.

The Nomination and Compensation Committee has the following responsibilities:

- definition and validation of the remuneration policy and concepts;
- definition of the principles of remuneration for the members of the Board of Directors and the Management Board;
- nomination of competent staffing of the Management Board;
- yearly review of the individual performance of members of the Management Board;
- approval of terms and conditions of employment of the members of the Management Board;
- determination and approval of pension schemes;
- approval of mandates outside the Kuehne+Nagel Group by members of the Management Board;
- determination of the variable remuneration of the Management Board;
- approval of share-based compensation plans for the Management Board and other selected employees;
- preparation of the remuneration report

The Nomination and Compensation Committee develops guidelines and criteria for the selection of candidates and reviews new candidates according to these guidelines to ensure competent staffing of the Management Board.

The Chairman of the Nomination and Compensation Committee informs the Board of Directors about all issues discussed, in particular, about all topics that need approval of the Board of Directors.

Remuneration components

Board of Directors

The Chairman and the members of the Board of Directors receive a fixed compensation as well as a compensation for their participation in committees in cash. These fixed amounts of compensation are defined in a discretionary way, in line with market conditions.

Management Board

The members of the Management Board receive a fixed salary, a variable remuneration component, and are eligible to participate in the Company's share-based compensation plan. The actual ratios of the remuneration components are disclosed in the Management Board remuneration table.

Component type	Fixed component	Variable remuneration component (short-term incentive)	Share-based compensation plans (mid to long-term incentive)
Description	Fixed salary (cash) based on scope, complexity and market value of the role as well as skills and performance of the individual Board Member	Individually defined percentage of the Group's adjusted net earnings (adjusted for additional goodwill amortisation and digressive bonus eligibility) based on scope, complexity and market value of the role as well as skills and performance of the individual Board Member	Share Matching Plan (described) with a three years vesting and service period. The Group matches the shares invested by the employee at market rate.

Component	Instrument	Purpose	Drivers
Fixed salary	Monthly (cash) payments	Payment for the functional role	Range and complexity of tasks, market value, skills and profile of the individual
Variable remuneration component	Annual bonus payment (cash)	Payment for year-over-year performance	■ Financial performance of the Group ■ individually defined percentage based on the individual performance and market value of the role
Share-based compensation plans	Share matching plan, with a three years vesting and service period	Participation in the mid/long-term performance of the Group	Mid/long-term financial performance of the Group
Other benefits	Pension and insurances, other benefits	Risk protection and coverage of business related expenses	Legislation and market practice

Fixed salary

The fixed salary is paid in cash on a monthly basis and determined based on the function, qualification, responsibilities and performance of the individual member of the Management Board as well as the external market value of the role.

Variable remuneration component

The variable part of remuneration is calculated based on an individually defined percentage of the adjusted Group's net earnings (adjusted for additional goodwill amortisation and digressive bonus eligibility).

The variable part of remuneration is paid in cash in the month of May of the following year after the approval of the Consolidated Financial Statements by the Annual General Meeting.

Share-based compensation plans

Management Board members are eligible to participate in the Group's share-based compensation plans.

The goal of these plans is to focus on long-term value creation for the Company, alignment of Management Board's interests to those of shareholders as well as retention of members of the Management Board.

Effective July 25, 2018, the Company introduced a revised Share Matching Plan (SMP). This long-term incentive plan allows selected employees of the Group to invest at a specified date previously acquired shares of the Company into the plan. These shares are blocked for three years whereby voting rights and rights to receive dividends remain intact with the holder of the shares. For each invested share, the Company will match 0.8 additional shares upon completion of a three-year vesting period and service condition during the same period. The fair value of shares matched under the SMP is recognised as a personnel expense with a corresponding increase in equity. The fair value of matched shares is equal to the market price at grant date reduced by the present value of the expected dividends during the vesting period and recognised as personnel expense over the relevant vesting periods. The amount expensed is adjusted to reflect actual and expected levels of vesting.

Other benefits

The members of the Management Board participate in an employee pension fund that covers the fixed salary with age-related contribution rates equally shared by the employee and the employer. Each member of the Management Board is entitled to a car allowance. Out-of-pocket expenses are reimbursed at actual costs incurred.

The members of the Management Board have employment contracts with notice periods of a maximum of one year.

Board of Directors remuneration

The total maximum amount of remuneration for the members of the Board of Directors approved by the Annual General Meeting on May 3, 2022, for the period ending at the 2023 Annual General Meeting, amounted to CHF 5.5 million.

The total actual remuneration accrued for and paid to the members of the Board of Directors for their tenure 2022 amounted to CHF 4.7 million (2021: CHF 4.7 million).

The following tables show details of the remuneration of the members of the Board of Directors for 2022 and 2021:

2022

Remuneration to the members of the Board of Directors in CHF thousand	Compensation for Board of Directors	Compensation for Committees	Social insurance	Total
Klaus-Michael Kuehne (Honorary Chairman)	750	10	39	799
Dr. Joerg Wolle (Chairman)	2,000	–	109	2,109
Karl Gernandt (Vice Chairman)	550	25	34	609
Dominik Buergy	180	15	12	207
Dr. Renato Fassbind	180	15	10	205
David Kamenetzky	180	–	11	191
Tobias B. Staehelin	180	–	11	191
Hauke Stars	180	10	12	202
Dr. Martin C. Wittig	180	25	13	218
Total	**4,380**	**100**	**251**	**4,731**

2021

Remuneration to the members of the Board of Directors in CHF thousand	Compensation for Board of Directors	Compensation for Committees	Social insurance	Total
Klaus-Michael Kuehne (Honorary Chairman)	750	10	39	799
Dr. Joerg Wolle (Chairman)	2,000	–	116	2,116
Karl Gernandt (Vice Chairman)	550	25	34	609
Dominik Buergy	180	15	12	207
Dr. Renato Fassbind	180	15	11	206
David Kamenetzky	180	–	11	191
Tobias B. Staehelin [1]	118	–	8	126
Hauke Stars	180	10	12	202
Dr. Martin C. Wittig	180	15	12	207
Total	**4,318**	**90**	**255**	**4,663**

1 Member of the Board of Directors as of May 4, 2021.

Management Board remuneration

The total maximum amount of remuneration for the members of the Management Board approved by the Annual General Meeting on May 4, 2021, for the fiscal year 2022, amounted to CHF 22.0 million. The Board of Directors will propose an increase of the maximum amount of remuneration for the fiscal year 2022 to the Annual General Meeting on May 9, 2023.

The total actual remuneration accrued for and paid to the Chief Executive Officer and to the members of the Management Board in the financial year 2022 amounted to CHF 24.6 million (2021: CHF 24.4 million). The following tables show details of the remuneration for the Chief Executive Officer and the other members of the Management Board for 2022 and 2021:

2022

in CHF thousand	Salary	In per cent of total remuneration	Variable part of remuneration	In per cent of total remuneration	Social Insurance	Pension [1]	Share Plan	In per cent of total remuneration	Others [2]	Total
Stefan Paul, Chief Executive Officer [3]	908	25.6	1,950	54.9	190	108	369	10.4	27	3,552
Dr, Detlef Trefzger, Chief Executive Officer [4]	607	19.8	2,200	71.9	165	68	–	–	19	3,059
Members of the Management Board	4,780	26.6	9,636	53.5	696	580	2,159	12.0	148	17,999
Total	**6,295**	**25.6**	**13,786**	**56.0**	**1,051**	**756**	**2,528**	**10.3**	**194**	**24,610**

2021

in CHF thousand	Salary	In per cent of total remuneration	Variable part of remuneration	In per cent of total remuneration	Social Insurance	Pension [1]	Share Plan	In per cent of total remuneration	Others [2]	Total
Dr. Detlef Trefzger, Chief Executive Officer	1,040	20.7	3,147	62.6	270	119	418	8.3	32	5,026
Members of the Management Board	4,744	24.5	10,573	54.6	899	611	2,382	12.3	162	19,371
Total	**5,784**	**23.7**	**13,720**	**56.2**	**1,169**	**730**	**2,800**	**11.5**	**194**	**24,397**

1 Including risk premium and savings contributions
2 Others include a car allowance
3 Chief Executive Officer as of August 1, 2022
4 Chief Executive Officer until July 31, 2022

Other remuneration

Remuneration for former members of the Board of Directors or Management Board and related parties

During the reporting years 2022 and 2021 no remuneration was paid to or accrued for former members of the Board of Directors and the Management Board in connection with their previous activities in the Company. Furthermore, no payments which are not at arm's length were made during 2022 and 2021 to former members of the Board of Directors, Management Board and to individuals who are closely related to them.

Loans and credits granted

In the reporting years 2022 and 2021, neither Kuehne + Nagel International AG nor one of its subsidiaries provided any guarantees, loans, advances, credit facilities or similar either to former or current members of the Board of Directors or Management Board or to related parties nor are there any receivables of any kind outstanding.

Report of the statutory auditor on the audit of the remuneration report to the General Meeting of Kuehne + Nagel International AG, Schindellegi (Feusisberg), Switzerland

Opinion
We have audited the remuneration report of Kühne + Nagel International AG (the Company) for the year ended 31 December 2022. The audit was limited to the information on remuneration, loans and advances pursuant to Art. 14-16 of the Ordinance against Excessive Remuneration in Listed Companies Limited by Shares (Verordnung gegen übermässige Vergütungen bei börsenkotierten Aktiengesellschaften, VegüV) on pages 37 to 42 of the remuneration report.

In our opinion, the information on remuneration, loans and advances in the remuneration report (pages 37 to 42) complies with Swiss law and Art. 14-16 VegüV.

Basis for opinion
We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the remuneration report" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, 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.

Other information
The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the pages 37 to 42 in the remuneration report, the consolidated financial statements, the stand-alone financial statements and our auditor's reports thereon.

Our opinion on the remuneration report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the remuneration report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the remuneration report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the remuneration report

The Board of Directors is responsible for the preparation of a remuneration report in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of a remuneration report that is free from material misstatement, whether due to fraud or error. The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

Auditor's responsibilities for the audit of the remuneration report

Our objectives are to obtain reasonable assurance about whether the information on remuneration, loans and advances pursuant to Art. 14-16 VegüV is 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 Swiss law and SA-CH 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 this remuneration report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement in the remuneration report, 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.

We communicate with the Board of Directors or its relevant committee 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 the Board of Directors or its relevant committee 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.

Ernst & Young Ltd

Christian Schibler
Licensed audit expert
(Auditor in charge)

Andreas Traxler
Licensed audit expert

Zurich, February 28, 2023

Consolidated financial statements 2022 of the Kuehne+Nagel Group

Income statement

CHF million	Note	2022	2021	Variance per cent
Net turnover	19	**39,398**	**32,801**	20.1
Net expenses for services from third parties		–28,289	–22,905	
Gross profit	19	**11,109**	**9,896**	12.3
Personnel expenses	20	–5,144	–4,922	
Selling, general and administrative expenses	21	–1,454	–1,293	
Other operating income/expenses, net	22	21	–2	
EBITDA		**4,532**	**3,679**	23.2
Depreciation of property, plant and equipment	26	–192	–192	
Depreciation of right-of-use assets	27	–511	–485	
Amortisation of other intangibles	28	–66	–56	
EBIT		**3,763**	**2,946**	27.7
Financial income	23	59	14	
Financial expenses	23	–20	–20	
Result from joint ventures and associates		6	5	
Earnings before tax (EBT)		**3,808**	**2,945**	29.3
Income tax	24	–998	–790	
Earnings		**2,810**	**2,155**	30.4
Attributable to:				
Equity holders of the parent company		2,644	2,032	30.1
Non-controlling interests		166	123	
Earnings		**2,810**	**2,155**	30.4
Basic earnings per share in CHF	25	**22.15**	**16.92**	30.9
Diluted earnings per share in CHF	25	**22.03**	**16.88**	30.5

Statement of comprehensive income

CHF million	Note	2022	2021
Earnings		**2,810**	**2,155**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Foreign exchange differences		–193	16
Gains/(losses) on cash flow hedges		–	–28
Items that will not be reclassified to profit or loss:			
Actuarial gains/(losses) on defined benefit plans	33/24	111	31
Income tax on actuarial gains/(losses) on defined benefit plans	24	–32	–7
Total other comprehensive income, net of tax		**–114**	**12**
Total comprehensive income		**2,696**	**2,167**
Attributable to:			
Equity holders of the parent company		2,562	2,036
Non-controlling interests		134	131

Balance sheet

CHF million	Note	Dec, 31, 2022	Dec, 31, 2021
Assets			
Property, plant and equipment	26	739	766
Right-of-use assets	27	1,418	1,409
Goodwill	28	2,199	2,290
Other intangibles	28	180	247
Investments in joint ventures and associates		37	31
Deferred tax assets	24	220	226
Non-current assets		**4,793**	**4,969**
Prepayments		112	146
Contract assets	29	540	693
Trade receivables	29	5,291	6,404
Other receivables	30	215	113
Income tax receivables		22	20
Cash and cash equivalents	31	3,778	2,305
Current assets		**9,958**	**9,681**
Total assets		**14,751**	**14,650**

CHF million	Note	Dec. 31, 2022	Dec. 31, 2021
Liabilities and equity			
Share capital		121	121
Reserves and retained earnings		1,375	1,051
Earnings		2,644	2,032
Equity attributable to the equity holders of the parent company		**4,140**	**3,204**
Non-controlling interests		7	7
Equity	32	**4,147**	**3,211**
Provisions for pension plans and severance payments	33	252	379
Deferred tax liabilities	24	98	136
Borrowings	35	200	200
Non-current provisions	36	59	44
Other non-current liabilities	38	1,159	1,311
Non-current lease liabilities	27	1,026	1,053
Non-current liabilities		**2,794**	**3,123**
Bank and other interest-bearing liabilities	35	8	205
Trade payables	37	2,731	2,994
Contract liabilities	37	280	223
Accrued trade expenses	37	1,976	2,200
Income tax liabilities		493	440
Current provisions	36	118	91
Other current liabilities	39	1,738	1,732
Current lease liabilities	27	466	431
Current liabilities		**7,810**	**8,316**
Total liabilities and equity		**14,751**	**14,650**

Schindellegi, February 28, 2023

Kuehne + Nagel International AG

Stefan Paul	Markus Blanka-Graff
CEO	CFO

Statement of changes in equity

CHF million	Note	Share capital	Share premium	Treasury shares
Balance as of January 1, 2022		121	651	–93
Earnings		–	–	–
Other comprehensive income				
Foreign exchange differences		–	–	–
Actuarial gains/(losses) on defined benefit plans, net of tax		–	–	–
Total other comprehensive income, net of tax		**–**	**–**	**–**
Total comprehensive income		**–**	**–**	**–**
Purchase of treasury shares	32	–	–	–646
Disposal of treasury shares	32	–	–45	469
Dividend paid	32	–	–	–
Expenses for share-based compensation plans	34	–	–	–
Transaction with non-controlling interests	40	–	–	–
Balance as of December 31, 2022		**121**	**606**	**–270**

CHF million	Note	Share capital	Share premium	Treasury shares
Balance as of January 1, 2021		120	459	–55
Earnings		–	–	–
Other comprehensive income				
Foreign exchange differences		–	–	–
Gains/(losses) on cash flow hedges		–	–	–
Actuarial gains/(losses) on defined benefit plans, net of tax		–	–	–
Total other comprehensive income, net of tax		**–**	**–**	**–**
Total comprehensive income		**–**	**–**	**–**
Purchase of treasury shares	32	–	–	–59
Disposal of treasury shares	32	–	–13	21
Capital increase		1	205	–
Dividend paid	32	–	–	–
Expenses for share-based compensation plans	34	–	–	–
Transfer of cash flow hedge reserve to investments		–	–	–
Acquisition of subsidiaries with non-controlling interests	40	–	–	–
Sale of interest without loss of control	40	–	–	–
Transaction with non-controlling interests	40	–	–	–
Balance as of December 31, 2021		**121**	**651**	**–93**

Cumulative translation adjustment	Actuarial gains/ (losses)	Hedging reserves	Retained earnings	Total equity attributabe to the equity holders of parent company	Non-controlling interests	Total equity
–1,214	–144	–	3,883	3,204	7	3,211
–	–	–	2,644	2,644	166	2,810
–161	–	–	–	–161	–32	–193
–	79	–	–	79	–	79
–161	**79**	**–**	**–**	**–82**	**–32**	**–114**
–161	**79**	**–**	**2,644**	**2,562**	**134**	**2,696**
–	–	–	–	–646	–	–646
–	–	–	–	424	–	424
–	–	–	–1,186	–1,186	–75	–1,261
–	–	–	21	21	–	21
–31	–	–	–208	–239	–59	–298
–1,406	**–65**	**–**	**5,154**	**4,140**	**7**	**4,147**

Cumulative translation adjustment	Actuarial gains/ (losses)	Hedging reserves	Retained earnings	Total equity attributabe to the equity holders of parent company	Non-controlling interests	Total equity
–1,230	–168	–	3,281	2,407	6	2,413
–	–	–	2,032	2,032	123	2,155
8	–	–	–	8	8	16
–	–	–28	–	–28	–	–28
–	24	–	–	24	–	24
8	**24**	**–28**	**–**	**4**	**8**	**12**
8	**24**	**–28**	**2,032**	**2,036**	**131**	**2,167**
–	–	–	–	–59	–	–59
–	–	–	–	8	–	8
–	–	–	–	206	–	206
–	–	–	–538	–538	–1	–539
–	–	–	16	16	–	16
–	–	28	–	28	–	28
–	–	–	–	–	47	47
–	–	–	–42	–42	414	372
8	–	–	–866	–858	–590	–1,448
–1,214	**–144**	**–**	**3,883**	**3,204**	**7**	**3,211**

Cash flow statement

CHF million	Note	2022	2021
Cash flow from operating activities			
Earnings		2,810	2,155
Adjustments to reconcile earnings to net cash flows:			
Income tax	24	998	790
Financial income	23	–59	–14
Financial expenses	23	20	20
Result from joint ventures and associates		–6	–5
Depreciation of property, plant and equipment	26	192	192
Depreciation of right-of-use assets	27	511	485
Amortisation of other intangibles	28	66	56
Expenses for share-based compensation plans	34	21	16
(Gain)/loss on disposal of property, plant and equipment, net	22	–30	–1
Net addition to provisions for pension plans and severance payments	33	–	–6
Subtotal operational cash flow		**4,523**	**3,688**
(Increase)/decrease contract assets		121	–452
(Increase)/decrease trade and other receivables, prepayments		1,040	–2,701
Increase/(decrease) provisions		48	–8
Increase/(decrease) other liabilities		64	336
Increase/(decrease) trade payables, contract liabilities and accrued trade expenses		–381	2,085
Income taxes paid		–1,011	–486
Total cash flow from operating activities		**4,404**	**2,462**

CHF million	Note	2022	2021
Cash flow from investing activities			
Capital expenditure			
– Property, plant and equipment	26	–239	–197
– Other intangibles	28	–8	–7
Disposal of property, plant and equipment		91	22
(Acquisition)/divestment of businesses, net of cash (acquired)/disposed	40	–12	–898
Settlement of deferred/contingent considerations from business combinations		–70	–4
Capital (contributions to)/distributions from joint ventures and associates		–7	–4
Dividend received from joint ventures and associates		3	4
Interest received		19	4
Total cash flow from investing activities		**–223**	**–1,080**
Cash flow from financing activities			
Proceeds from sale of interest without loss of control	40	–	372
Repayment of other interest-bearing liabilities		–200	–61
Repayment of lease liabilities	27	–518	–493
Interest paid on borrowings and other interest-bearing liabilities		–8	–10
Interest paid on lease liabilities	27	–11	–10
Purchase of treasury shares	32	–646	–59
Dividend paid to equity holders of parent company	32	–1,186	–538
Dividend paid to non-controlling interests		–75	–1
Total cash flow from financing activities		**–2,644**	**–800**
Foreign exchange difference on cash and cash equivalents		–67	5
Increase/(decrease) in cash and cash equivalents		**1,470**	**587**
Cash and cash equivalents at the beginning of the year, net	31	**2,300**	**1,713**
Cash and cash equivalents at the end of the year, net	31	**3,770**	**2,300**

Notes to the consolidated financial statements

Accounting policies

1 Organisation

Kuehne + Nagel International AG (the Company) is incorporated in Schindellegi (Feusisberg), Switzerland. The Company is one of the world's leading logistics providers. Its strong market position lies in the sea logistics, air logistics, road logistics and contract logistics businesses.

The consolidated financial statements of the Company for the year ended December 31, 2022, comprise the Company, its subsidiaries (the Group), its interests in joint ventures and associates.

2 Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

3 Basis of preparation

The consolidated financial statements are presented in Swiss Francs (CHF) million and are based on the individual financial statements of the consolidated companies as of December 31, 2022. Those financial statements have been prepared in accordance with uniform accounting policies issued by the Group, which comply with the requirements of the International Financial Reporting Standards (IFRS) and Swiss law (Swiss Code of Obligations). The consolidated financial statements are prepared on a historical cost basis except for certain financial instruments, which are stated at fair value.

The preparation of financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The actual result may differ from these estimates. Judgements made by the management in the application of IFRS that have a significant effect on the consolidated financial statements and estimates with a significant risk of material adjustment in the future are shown in note 47.

The accounting policies applied in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the Group's consolidated financial statements for the year ended December 31, 2021, except for the adoption of new standards, interpretations and amendments effective as of January 1, 2022. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Adoption of new and revised standards and interpretations in 2023 and later

The following new, revised and amended standards and interpretations have been issued but are not yet effective and not applied early in the consolidated financial statements of the Group. The assessment by the group management shows the expected effects as disclosed in the table below.

Standard/interpretation	Effective date	Planned application
IFRS 17 Insurance Contracts [1]	January 1, 2023	Reporting year 2023
Definition of Accounting Estimates – Amendments to IAS 8 [1]	January 1, 2023	Reporting year 2023
Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2 [1]	January 1, 2023	Reporting year 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12 [1]	January 1, 2023	Reporting year 2023
Lease Liability in a Sale and Leaseback - Amendments to IFRS 16 [1]	January 1, 2024	Reporting year 2024
Amendments to the classification of liabilities as current or non-current – Amendments to IAS 1 [1]	January 1, 2024	Reporting year 2024

1 No or no significant impacts are expected on the consolidated financial statements.

Recent developments

Russian invasion of Ukraine

On February 24, 2022, Russian forces started the invasion of Ukraine. In response, multiple jurisdictions have imposed economic sanctions against Russia and Belarus.

On March 11, 2022, Kuehne+Nagel announced a pledge of emergency aid to Ukraine in the value of CHF 10 million provided as free logistics services to leading global aid and relief organisations. The above mentioned services have been provided until the end of the third quarter 2022. In Ukraine, Kuehne+Nagel has resumed some services in the meantime.

Kuehne+Nagel has suspended all shipments to, from and through the Russian Federation and subsequently has decided to withdraw from operations in Russia, Belarus, Azerbaijan and Kazakhstan. The impact on the Group is minor.

Macro-economic development and COVID-19 pandemic

Since the beginning of 2021, the Group observed and was continuously exposed to disruptive supply chain events related to ship, port and trucking operations as well as container availability. The situation has gradually improved in 2022 with some setbacks around China operations. On the sea and airfreight carrier side, the market in 2022 was characterised by a significant increase in freight capacities caused by a slowdown in economic activities especially in the last quarter of 2022.

Impact on the consolidated financial statements

For these consolidated financial statements, the impact from the war were considered. Assessments for the future are based on macro and micro economic scenarios, taking into account the prevailing situation of uncertainty. In this context, making forecasts remains especially difficult.

The Group continued to assess the expected credit loss by applying updated credit ratings and probabilities of default.

The impairment allowance provision in per cent of trade receivables and contract assets stands at 3.26 per cent as of December, 2022, compared to 1.91 per cent as of December 31, 2021.

The Group has analysed whether any triggering events could be identified, that would indicate an impairment of its assets. As of December 31, 2022, no material impairment losses needed to be recognised.

4 Scope of consolidation

The Group's significant consolidated subsidiaries and joint ventures are listed on pages 111 to 120.

Changes in the scope of consolidation in 2022 relate to the following companies (for further information on the financial impact of the acquisitions and divestments refer to note 40):

2022

	Capital share in per cent equals voting rights	Effective date
Acquisitions		
Apex Logistics Solutions International Pte. Ltd. Group (Apex)	3.9	July 18, 2022
Divestments		
OOO Nacora, Russia	100	July 20, 2022
OOO Kuehne + Nagel, Russia	100	July 20, 2022
OOO Kuehne + Nagel Sakhalin, Russia	100	July 20, 2022
Kuehne + Nagel LLC, Azerbaijan	100	July 20, 2022
Kuehne + Nagel FPE, Belarus	100	July 20, 2022
Kuehne + Nagel LLC, Kazakhstan	100	July 20, 2022

Changes in the scope of consolidation for the year 2021 are related to the following companies (for further information on the financial impact of the acquisitions and divestments refer to note 40):

2021	Capital share in per cent equals voting rights	Effective date
Acquisitions		
Apex Logistics Solutions International Pte. Ltd. Group (Apex) [1]	88.4	May 11, 2021
Salmosped AS, Norway	100	September 1, 2021
Divestments		
Pluto Holdings Logistics Ltd., Great Britain	100	January 1, 2021
Kuehne + Nagel Drinkflow Log. (Holdings) Ltd., Great Britain	100	January 1, 2021
Kuehne + Nagel Drinks Logistics Ltd., Great Britain	100	January 1, 2021
Kuehne + Nagel Drinkflow Logistics Ltd., Great Britain	100	January 1, 2021
Apex Logistics Solutions International Pte. Ltd. Group (Apex) [1]	24.9	August 12, 2021

1 The Group had present access to 88.4 per cent ownership interests at acquisition date, comprising 79.3 per cent legally acquired plus 9.1 per cent contractually agreed to be transferred within the next three years. Subsequently, as of August 12, 2021 the Group disposed 24.9 per cent of the share capital without loss of control. Refer to note 40 for details to the acquisitions and divestments.

5 Principles of consolidation

Business combinations

Business combinations are accounted for by applying the acquisition method. The Group measures goodwill as the fair value of the consideration transferred (including the fair value of any previously held equity interest in the acquiree) and the recognised amount of any non-controlling interests in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. If the excess is negative, a bargain purchase gain is recognised immediately in the income statement.

The Group elects on a transaction-by-transaction basis whether to measure non-controlling interests at their fair value or at their proportionate share of the recognised amount of the identifiable net assets at the acquisition date.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, equity interests issued by the Group, and the fair value of any contingent consideration. If the contingent consideration is classified as equity it is not re-measured, and settlement

is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in the income statement. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in the income statement. Transaction costs other than those associated with the issue of debt or equity securities incurred in connection with a business combination are expensed as incurred.

Written put options held by non-controlling shareholders

If the Group has a potential obligation to purchase shares in a subsidiary from a non-controlling shareholder through a written put option, a liability is recognised at the present value of the redemption amount with a corresponding entry in equity. If a non-controlling shareholder still has present access to the economic benefits associated with the underlying ownership interest, the non-controlling interest in the subsidiary is recognised as a separate component in equity and continues to receive an allocation of profit and loss and other comprehensive income. The non-controlling interest is reclassified as a financial liability at each reporting date as if the acquisition took place at that date. Any excess over the reclassified carrying amount of the non-controlling interest and all subsequent changes in the redemption value of the financial liability are recognised directly in retained earnings.

Acquisitions and disposals of non-controlling interests

Changes in the parent's ownership interest in a subsidiary after having obtained control that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners, and the effect of such transactions is recognised in equity. No goodwill is recognised as a result of acquisition of non-controlling interests, and no gain or loss on disposals of non-controlling interests is recognised in the income statement. Adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary.

Subsidiaries

The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are companies controlled, directly or indirectly, by the Group. Normally, this control is evidenced if the Group owns, either directly or indirectly, more than 50 per cent of the voting rights whereby potential voting rights are also considered. Subsidiaries are included in the consolidated financial statements by the full consolidation method as from the date on which control is transferred to the Group until the date control ceases. The non-controlling interests in equity as well as earnings for the period are reported separately in the consolidated financial statements.

Disposal of subsidiaries

When the Group ceases to have control over a subsidiary, it derecognises the assets and liabilities of the respective subsidiary as well as any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in the income statement. Amounts previously recognised in other comprehensive income are reclassified to the income statement. Any retained interests in the former subsidiary is remeasured to its fair value at the date when the control is lost.

Associates and joint ventures

Associates are companies over which the Group has significant influence but which it does not control. Significant influence is normally evidenced if the Group owns 20 per cent or more of the voting or potential voting rights. Joint ventures are contractual arrangements in which the Group has joint control, whereby the

Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and joint ventures are accounted for using the equity method. They are initially recognised at cost, including transaction costs. Subsequent to initial recognition, the Group's share of the profit or loss and other comprehensive income of associates and joint ventures is included in the Group's financial statements, until the date significant influence or joint control ceases.

Transactions eliminated on consolidation

Intra-group balances, transactions, income and expenses are eliminated in preparing the consolidated financial statements.

Foreign exchange translation

Financial statements of consolidated companies are prepared in their respective functional currencies and translated into CHF (the Group's presentation currency) as of year-end. Assets and liabilities, including goodwill and fair value adjustments arising on consolidation, are translated at year-end exchange rates and all items included in the income statement are translated at average exchange rates for the year, which approximate actual rates. Exchange differences originating from such translation are recognised in other comprehensive income.

Transactions in foreign currencies in individual subsidiaries are translated into the functional currency at actual rates of the transaction day. Monetary assets and liabilities are translated at year-end rates. Non-monetary assets and liabilities that are stated at historical cost are translated at actual rates of the transaction day. Non-monetary assets and liabilities that are stated at fair value are translated at the rate at the date the values are determined. Exchange differences arising on the translation are included in the income statement.

Conversion rates of major foreign currencies are applied as follows:

Income statement and cash flow statement

(average rates for the year)

Currency	2022 CHF	2021 CHF	Variance in per cent
EUR 1.-	1.0051	1.0809	–7.0
USD 1.-	0.9500	0.9124	4.1

Balance sheet

(year-end rates)

Currency	Dec. 2022 CHF	Dec. 2021 CHF	Variance in per cent
EUR 1.-	0.9898	1.0381	–4.7
USD 1.-	0.9298	0.9172	1.4

6 Financial assets and liabilities

Financial assets

The Group measures and classifies its financial assets at amortised cost or at fair value through profit or loss.

The Group initially measures a financial asset at its fair value plus transaction costs, in the case of a financial asset not measured at fair value through profit and loss. Trade receivables are the only exception as they are initially measured in accordance with IFRS 15.

- Financial assets measured at **amortised cost**
  A majority of the Group's financial assets are measured at amortised cost. The Group measures financial assets at amortised cost if both of the following conditions are met:

  The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

  The assets are measured at the amount recognised at initial recognition minus principal repayments, plus or minus the cumulative amortisation of any difference between that initial amount and the maturity amount, and any loss allowance. Interest income is calculated using the effective interest method and is recognised in the income statement. Gains and losses are recognised in the income statement when the asset is derecognised or reclassified.

  The Group recognises an allowance for the expected credit losses (ECL) on financial assets that are measured at amortised cost. For trade receivables and contract assets the Group applies the simplified approach in calculating the ECL (for more details refer to note 29).

- Financial assets measured at **fair value through profit or loss (FVPL)**
  Financial assets, such as derivatives, are measured at fair value. Changes in fair value are recognised in the income statement as they arise.

No financial assets were measured at fair value through other comprehensive income (FVOCI) for the periods ended December 31, 2022 and December 31, 2021.

Financial liabilities

All financial liabilities are initially recognised at fair value minus, in the case of financial liabilities not at fair value through profit or loss, transactions costs. The Group measures and classifies its financial liabilities at amortised cost, unless they are measured at fair value through profit or loss such as derivatives and contingent considerations.

- Financial liabilities measured at **amortised cost**
  The liabilities are measured at the amount recognised at initial recognition minus principal repayments, plus or minus the cumulative amortisation of any difference between the initial and the maturity amount. Interest expense is calculated using the effective interest method and is recognised in the income statement. Gains and losses are recognised in the income statement when the liability is derecognised or reclassified.
  A majority of the Group's financial liabilities are measured at amortised cost.

- Financial liabilities measured at **fair value through profit or loss (FVPL)**
  Financial liabilities, such as derivatives and contingent consideration arrangements from business combinations classified as financial liabilities, are measured at fair value. Changes in fair value are recognised in the income statement as they arise.

Derivatives

Derivative financial instruments (foreign exchange contracts) are used to hedge foreign exchange exposures on outstanding balances in the Group's internal clearing system centralised at the head office. Given that the Group's hedging activities are limited to hedges of recognised foreign currency monetary items, the Group does not apply hedge accounting. Derivatives are measured at fair value through profit or loss, and all changes in fair value are recognised immediately in the income statement as part of financial income or expenses. All derivatives with a positive fair value are presented as derivative assets and included in the line "other receivables" on the balance sheet, while all derivatives with a negative fair value are presented as derivative liabilities and included in the line "other current liabilities".

7 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The depreciation is calculated on a straight line basis considering the expected useful life of the individual assets. The estimated useful lives for the major categories are:

Category	Years
Buildings	40
Vehicles	4–10
Leasehold improvements	5 or shorter lease term
Building installations	5
Office furniture	5
Office machines	4
IT hardware	3

If parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other expenditure is recognised in the income statement as an expense as incurred.

8 Leases

The Group as lessee recognises right-of-use assets and lease liabilities for most leases in the balance sheet.

Right-of-use assets are measured at cost, which include the lease liability, lease payments made prior to delivery, initial direct costs less lease incentives received. Subsequently, they are depreciated over the lease term generally on a straight line basis. If the lease transfers ownership of the underlying asset by the end of the lease term, the Group depreciates the right-of-use assets over the useful life of the underlying asset.

Lease liabilities include fixed payments, less lease incentive receivables, variable payments that depend on an index or rate, expected residual payments under residual value guarantees, the exercise price of a purchase option if it is reasonably certain that the option is exercised and payments of penalties of the lease term reflects the lessee exercising an option to terminate the lease. The lease payments are discounted using the incremental borrowing rate (IBR) where the rate implicit in the lease is not readily determinable. Subsequently, the carrying amount is increased by the interest on the lease liabilities and reduced by the lease payments made. The liabilities are remeasured to reflect a reassessment of the lease contract or contract modifications.

The Group does not recognise right-of-use assets and lease liabilities for short-term (lease duration of less than 12 months) and low value leases. These lease payments are expensed on a straight-line basis over the lease period.

The Group does not separate non-lease from lease components, but instead accounts for both as a single lease.

In case of **sale and leaseback transactions** that qualify as a sale, the Group measures the right-of-use asset from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right-of-use retained. Accordingly, only the amount of any gain or loss that relates to the rights transferred is recognised in the income statement. If the fair value of the consideration for the sale of the asset does not equal the fair value of the asset, or if the payments for the lease are not at market rates, the Group accounts for the difference as either prepayments or additional financing.

9 Intangibles

Goodwill

Goodwill arising from an acquisition represents the excess of fair value of the consideration transferred (including the fair value of any previously held equity interest in the acquiree) and the recognised amount of any non-controlling interests in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

Goodwill is stated at cost less accumulated impairment losses. Goodwill is tested annually for impairment at year-end. However, if there is an indication that goodwill could be impaired at any other point in time, an impairment test is performed.

Other intangibles

Other identifiable intangibles (i.e. software, customer lists, customer contracts, brands) purchased from third parties or acquired in a business combination are separately recognised as other intangibles and are stated at cost less accumulated amortisation and accumulated impairment losses. Other intangibles acquired in a business combination are recognised separately from goodwill if they are subject to contractual or legal rights or are separately transferable. Software is amortised over its estimated useful life, three years maximum. Other intangibles are amortised on a straight line basis over their estimated useful lives (up to ten years maximum). As of December 31, 2022 and 2021, there are no intangibles with indefinite useful lives recognised in the Group's balance sheet.

10 Impairment of non-financial assets

The carrying amounts of the Group's investments in associates and joint ventures, its intangibles, property, plant and equipment and right-of-use assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. Goodwill is tested for impairment every year. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

Calculation of a recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs of disposal and its value in use. In assessing value in use the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit the asset belongs to. For the purpose of the goodwill impairment testing, the cash-generating units are aggregated into the global business units.

Reversals of impairment losses

An impairment loss recognised for goodwill is not reversed. In respect to other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

11 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and in hand as well as short-term deposits and highly liquid investments with a term of three months or less from the date of acquisition that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value. For the purpose of the consolidated cash flow statement, cash and cash equivalents consist also of bank overdrafts that are repayable on demand as they are forming an integral part of the Group's cash management.

12 Share capital

Shares

Incremental costs directly attributable to the issue of shares and share options are recognised as a deduction from equity.

Treasury shares

When equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented as a deduction from total equity. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting gain or loss on the transaction, net of any tax effects, is transferred to or from the share premium.

13 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event if it is probable that an outflow of resources will be required to settle the obligation and the amount of the obligation can be estimated reliably. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. A provision is classified in non-current liabilities in case the expected timing of the payment of the amounts provided for is more than one year.

14 Pension plans, severance payments and share-based compensation plans

Some consolidated companies maintain pension plans in favour of their personnel in addition to the legally required social insurance schemes. The pension plans partly exist as independent trusts and are classified as a defined contribution or a defined benefit plan.

Defined benefit plans

The aggregate of the present value of the defined benefit obligation and the fair value of plan assets for each plan is recorded in the Balance Sheet as net defined benefit liability or net defined benefit asset. The discount rate is the yield at the reporting date on "AA" credit-rated corporate bonds that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which benefits are expected to be paid. The calculation is performed by an independent, qualified actuary using the projected unit credit method.

All actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income. Service cost and net interest income/expense is recognised in personnel expenses.

Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised in the income statement as an expense in the periods during which services are rendered by the employees.

Severance payments

The Group provides severance benefits to employees as legally required in certain countries, which are accounted for as defined benefit plans and measured using the projected unit credit method with all actuarial gains and losses immediately recognised in the income statement.

Share-based compensation plans

The Company has various share matching plans (SMP) in place. These long-term incentive plans allow selected employees of the Group to invest at a specified date previously acquired shares of the Company into the plan. These shares are blocked for three years whereby voting rights and rights to receive dividends remain intact with the holder of the shares.

For each invested share the Group will match additional shares upon completion of a three-year vesting period and service condition during the same period.

The fair value of shares matched under the SMP is recognised as a personnel expense with a corresponding increase in equity. The fair value of matched shares is equal to the market price at grant date reduced by the present value of the expected dividends during the vesting period and recognised as personnel expense over the relevant vesting periods. The amount expensed is adjusted to reflect actual and expected levels of vesting.

15 Revenue recognition

The Group generates its revenues from four principal services: 1) Sea Logistics, 2) Air Logistics, 3) Road Logistics, and 4) Contract Logistics. Revenues reported in each of these reportable segments include revenues generated from the principal service as well as revenues generated from ancillary services like customs clearance, export documentation, import documentation, door-to-door service, and arrangement of complex logistics supply movement, that are incidental to the principal service.

In Sea Logistics, Air Logistics and Road Logistics the Group generates the majority of its revenues by purchasing transportation services from direct (asset-based) carriers and selling a combination of those services to its customers. In its capacity of arranging carrier services, the Group issues a contract of carriage to customers. Revenues related to shipments are recognised based upon the terms in the contract of carriage and to the extent a service is completed. A typical shipment would include services rendered at origin, such as pick-up and delivery to port, freight services from origin to destination port and destination services, such as customs clearance and final delivery. These services are considered to represent one single performance obligation satisfied over time. The Group measures the fulfilment of its performance obligations as services are rendered based on the status of a shipment.

In Contract Logistics the principal services are related to customer contracts for warehousing and distribution activities, usually representing a series of distinct services that are considered a single performance obligation. Based on the customer contracts, revenues are recognised to the extent the service is rendered.

There are no significant judgements involved in the measurement of the performance of its obligations and the Group's contracts do not include any material variable considerations.

The Group elects to use the practical expedient regarding the disclosure requirement of the transaction price allocated to unsatisfied performance obligations. In nearly all customer contracts either the original expected duration is one year or less or the revenue is recognised at the amount to which the Group has a right to invoice.

Contract assets are recorded for unbilled work in progress, whereas amounts received for services that are not yet completed are presented as contract liabilities.

Gross profit is a better indication of the performance in the logistics industry than revenue. The gross profit represents the difference between the revenue and the cost of services rendered by third parties for all reportable segments.

16 Interest expenses and income

Interest expenses and income are recognised as they accrue using the effective interest method.

17 Income tax

Income tax on earnings for the year comprises current and deferred tax. Both current and deferred tax are recognised in the income statement, except to the extent that the tax relates to business combinations or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantially enacted at the balance sheet date and any adjustment to tax payable for previous years.

Deferred tax is recognised based on the balance sheet liability method, on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax base. The following temporary differences are not accounted for: initial recognition of goodwill, initial recognition of assets or liabilities that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax recognised is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

A deferred tax asset in respect of temporary differences or unused tax losses is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

18 Non-current assets held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than from continuing use. The asset (or disposal group) must be available for immediate sale in its present condition and the sale must be highly probable. Immediately before classification as held for sale, the measurement of the assets (and all assets and liabilities in a disposal group) is updated in accordance with applicable IFRS. Then, on initial classification as held for sale, non-current assets and disposal groups are recognised at the lower of carrying amount and fair value less costs to sell. Impairment losses on initial classification as held for sale are included in the income statement. Intangible assets and property, plant and equipment once classified as held for sale are not amortised or depreciated.

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations or is a company acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale.

Other notes

19 Segment reporting

a) Reportable segments

The Group provides integrated logistics solutions across customers' supply chains using its global logistics network.

The four reportable segments, **Sea Logistics, Air Logistics, Road Logistics** and **Contract Logistics**, reflect the internal management and reporting structure to the Management Board (the chief operating decision maker, CODM) and are managed through specific organisational structures. The CODM reviews internal management reports on a monthly basis. Each segment is a distinguishable business unit and is engaged in providing and selling discrete products and services.

The discrete distinction between Sea Logistics, Air Logistics and Road Logistics is the usage of the same transportation mode within a reportable segment. In addition to common business processes and management routines, a single main transportation mode is used within a reportable segment. For the reportable segment Contract Logistics the services performed are related to customer contracts for warehouse and distribution activities, whereby services performed are storage, handling and distribution.

Pricing between segments is determined on an arm's length basis. The accounting policies of the reportable segments are the same as applied in the consolidated financial statements.

Information about the reportable segments is presented on the next pages. Segment performance is based on EBIT as reviewed by the CODM. The column "eliminations" shows the eliminations of turnover and expenses between segments. All operating expenses are allocated to the segments and included in the EBIT.

b) Geographical information

The Group operates on a worldwide basis in several geographical areas: **Europe, Middle East and Africa (EMEA), Americas** and **Asia-Pacific**. All products and services are provided in each of these geographical regions. The regional revenue is based on the geographical location of the customers invoiced, and regional assets are based on the geographical location of assets.

c) Major customers

There is no single customer who represents more than ten per cent of the Group's total revenue.

a) Reportable segments

	Total Group		Sea Logistics		Air Logistics	
CHF million	2022	2021	2022	2021	2022	2021
Turnover (external customers)	**43,034**	**36,699**	**20,608**	**15,662**	**12,358**	**11,480**
Customs duties and taxes	–3,636	–3,898	–1,855	–1,956	–643	–670
Net turnover (external customers)	**39,398**	**32,801**	**18,753**	**13,706**	**11,715**	**10,810**
Inter-segment turnover	–	–	5,127	3,808	9,437	8,304
Net expenses for services	–28,289	–22,905	–20,401	–14,760	–18,187	–16,558
Gross profit	**11,109**	**9,896**	**3,479**	**2,754**	**2,965**	**2,556**
Total expenses	–6,577	–6,217	–1,417	–1,193	–1,476	–1,326
EBITDA	**4,532**	**3,679**	**2,062**	**1,561**	**1,489**	**1,230**
Depreciation of property, plant and equipment	–192	–192	–34	–27	–30	–24
Depreciation of right-of-use assets	–511	–485	–3	–3	–3	–3
Amortisation of other intangibles	–66	–56	–4	–2	–47	–36
EBIT (segment profit)	**3,763**	**2,946**	**2,021**	**1,529**	**1,409**	**1,167**
Financial income	59	14				
Financial expenses	–20	–20				
Result from joint ventures and associates	6	5				
Earnings before tax (EBT)	**3,808**	**2,945**				
Income tax	–998	–790				
Earnings	**2,810**	**2,155**				
Attributable to:						
Equity holders of the parent company	2,644	2,032				
Non-controlling interests	166	123				
Earnings	**2,810**	**2,155**				
Additional information not regularly reported to the CODM						
Reportable non-current segment assets	4,793	4,969	413	423	1,781	1,882
Segment assets	14,751	14,650	3,224	3,456	3,451	4,666
Segment liabilities	10,604	11,439	3,187	3,348	3,293	3,795
Allocation of goodwill	2,199	2,290	136	146	1,368	1,423
Allocation of other intangibles	180	247	–	–	160	215
Capital expenditure property, plant and equipment	239	197	25	30	29	20
Capital expenditure right-of-use assets	606	455	55	43	30	35
Capital expenditure other intangibles	8	7	4	2	1	1
Property, plant and equipment, goodwill and intangibles through business combinations	–	1,308	–	109	–	1,199
Non-cash expenses	121	91	36	22	14	12

Road Logistics		Contract Logistics		Total reportable segments		Eliminations		Unallocated corporate	
2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
4,594	**4,390**	**5,474**	**5,167**	**43,034**	**36,699**	**–**	**–**	**–**	**–**
–597	–701	–541	–571	–3,636	–3,898	–	–	–	–
3,997	**3,689**	**4,933**	**4,596**	**39,398**	**32,801**	**–**	**–**	**–**	**–**
1,467	1,666	244	203	16,275	13,981	–16,275	–13,981	–	–
–4,130	–4,102	–1,846	–1,466	–44,564	–36,886	16,275	13,981	–	–
1,334	**1,253**	**3,331**	**3,333**	**11,109**	**9,896**	**–**	**–**	**–**	**–**
–1,127	–1,096	–2,557	–2,602	–6,577	–6,217	–	–	–	–
207	**157**	**774**	**731**	**4,532**	**3,679**	**–**	**–**	**–**	**–**
–26	–29	–102	–112	–192	–192	–	–	–	–
–24	–22	–481	–457	–511	–485	–	–	–	–
–11	–12	–4	–6	–66	–56	–	–	–	–
146	**94**	**187**	**156**	**3,763**	**2,946**	**–**	**–**	**–**	**–**
528	544	1,814	1,863	4,536	4,712	–	–	257	257
1,209	1,185	2,810	2,761	10,694	12,068	–	–	4,057	2,582
1,215	1,205	2,110	2,110	9,805	10,458	–	–	799	981
322	332	373	389	2,199	2,290	–	–	–	–
17	27	3	5	180	247	–	–	–	–
25	30	160	117	239	197	–	–	–	–
67	32	454	345	606	455	–	–	–	–
1	1	2	3	8	7	–	–	–	–
–	–	–	–	–	1,308	–	–	–	–
15	23	56	34	121	91	–	–	–	–

b) Geographical information

	Total Group		EMEA		Americas	
CHF million	2022	2021	2022	2021	2022	2021
Turnover (external customers)	**43,034**	**36,699**	**22,347**	**19,705**	**14,975**	**11,664**
Customs duties and taxes	–3,636	–3,898	–2,656	–2,947	–777	–742
Net turnover (external customers)	**39,398**	**32,801**	**19,691**	**16,758**	**14,198**	**10,922**
Inter-regional turnover	–	–	6,991	6,111	2,411	1,838
Net expenses for services	–28,289	–22,905	–20,929	–17,353	–13,479	–10,331
Gross profit	**11,109**	**9,896**	**5,753**	**5,516**	**3,130**	**2,429**
Total expenses	–6,577	–6,217	–3,943	–3,954	–1,771	–1,457
EBITDA	**4,532**	**3,679**	**1,810**	**1,562**	**1,359**	**972**
Depreciation of property, plant and equipment	–192	–192	–135	–126	–32	–38
Depreciation of right-of-use assets	–511	–485	–339	–318	–116	–109
Amortisation of other intangibles	–66	–56	–14	–16	–23	–20
EBIT	**3,763**	**2,946**	**1,322**	**1,102**	**1,188**	**805**
Financial income	59	14				
Financial expenses	–20	–20				
Result from joint ventures and associates	6	5				
Earnings before tax (EBT)	**3,808**	**2,945**				
Income tax	–998	–790				
Earnings	**2,810**	**2,155**				
Attributable to:						
Equity holders of the parent company	2,644	2,032				
Non-controlling interests	166	123				
Earnings	**2,810**	**2,155**				
Reportable non-current assets	**4,793**	**4,969**	**2,001**	**2,036**	**1,273**	**1,285**
Additional information not regulary reported to the CODM						
Segment assets	14,751	14,650	5,210	5,107	3,375	3,786
Segment liabilities	10,604	11,439	6,477	5,872	2,004	2,490
Capital expenditure property, plant and equipment	239	197	177	148	35	27
Capital expenditure right-of-use assets	606	455	425	305	116	73
Capital expenditure other intangibles	8	7	6	6	2	1
Property, plant and equipment, goodwill and intangibles through business combinations	–	1,308	–	18	–	237
Non-cash expenses	121	91	94	70	15	16

Asia-Pacific		Eliminations		Unallocated corporate	
2022	2021	2022	2021	2022	2021
5,712	**5,330**	**–**	**–**	**–**	**–**
–203	–209	–	–	–	–
5,509	**5,121**	**–**	**–**	**–**	**–**
6,873	6,032	–16,275	–13,981	–	–
–10,156	–9,202	16,275	13,981	–	–
2,226	**1,951**	**–**	**–**	**–**	**–**
–863	–806	–	–	–	–
1,363	**1,145**	**–**	**–**	**–**	**–**
–25	–28	–	–	–	–
–56	–58	–	–	–	–
–29	–20	–	–	–	–
1,253	**1,039**	**–**	**–**	**–**	**–**
1,262	**1,391**	**–**	**–**	**257**	**257**
2,109	3,175	–	–	4,057	2,582
1,324	2,096	–	–	799	981
27	22	–	–	–	–
65	77	–	–	–	–
–	–	–	–	–	–
–	1,053	–	–	–	–
12	5	–	–	–	–

b) Geographical information

Country information

The following countries individually constitute more than ten per cent of the Group's non-current assets or of its net turnover. In addition, Switzerland is reported being the country where the parent company of the Group is registered.

CHF million	2022		2021	
Countries	Reportable non-current assets [1]	Net turnover	Reportable non-current assets [1]	Net turnover
China [2]	1,096	2,155	1,208	2,210
Germany [3]	606	5,674	631	4,906
Switzerland [3]	14	856	20	478
USA [4]	1,084	10,197	1,073	7,900
Others	1,736	20,516	1,780	17,307
Total	**4,536**	**39,398**	**4,712**	**32,801**

1 Non-current assets excluding investments in joint ventures and associates and deferred tax assets.
2 Part of region Asia Pacific.
3 Part of region EMEA.
4 Part of region Americas.

20 Personnel expenses

CHF million	2022	2021
Salaries and wages	4,155	4,009
Social expenses and benefits	855	802
Expenses for share-based compensation plans	21	16
Expenses for pension plans		
– defined benefit plans	15	11
– defined contribution plans	69	67
Others	29	17
Total	**5,144**	**4,922**

Number of employees	Dec. 31, 2022	Dec. 31, 2021
EMEA	49,740	49,324
Americas	18,828	17,428
Asia-Pacific	11,766	11,335
Total employees	**80,334**	**78,087**
Full-time equivalents of employees (unaudited)	75,194	73,516
Full-time equivalents of temporary staff (unaudited)	19,885	19,772
Full-time equivalents (total/unaudited)	**95,079**	**93,288**

Employees within the Group are defined as persons with valid employment contracts as of December 31, and on the payroll of the Group. Expenses for temporary staff are generally included in "salaries and wages".

21 Selling, general and administrative expenses

CHF million	2022	2021
Administration	343	320
Communication	56	60
Travel and promotion	94	44
Vehicles	198	179
Operating expenses	326	286
Facilities	437	404
Total	**1,454**	**1,293**

22 Other operating income/expenses, net

CHF million	2022	2021
Gain/(loss) on disposal of property, plant and equipment	6	1
Gain/(loss) on sale and leaseback of property, plant and equipment [1]	24	–
Other operating income (expenses)	–9	–3
Total	**21**	**–2**

1 In connection with its asset-light business model, in 2022 the Group completed one sale and leaseback transaction of real estate facilities in France. The agreed leaseback period is nine years.

23 Financial income and expenses

CHF million	2022	2021
Interest income	19	3
Exchange differences, net	40	11
Financial income	**59**	**14**
Interest expenses on other interest-bearing liabilities	–9	–10
Interest expenses on lease liabilities	–11	–10
Financial expenses	**–20**	**–20**
Net financial result	**39**	**–6**

24 Income tax

CHF million	2022	2021
Current tax expense		
– in current year	1,043	743
– under/(over) provided in previous years	26	7
	1,069	750
Deferred tax expense from		
– changes in temporary differences and tax losses	–71	40
Income tax	**998**	**790**

Deferred tax expense of CHF 32 million (2021: CHF 7 million expense) relating to actuarial gains of CHF 111 million before tax (2021 actuarial gains of CHF 31 million) arising from defined benefit plans were recognised in other comprehensive income.

Reconciliation of the effective tax rate

The contributing factors for the difference between the expected tax rate (the Group's overall expected tax rate is calculated as the weighted average tax rate based on earnings before tax of each subsidiary and can change on a yearly basis) and the effective tax are as follows:

CHF million	2022	per cent	2021	per cent
Earnings before tax according to the income statement	3,808		2,945	
Income tax/expected tax rate	**906**	**23.8**	**726**	**24.7**
Tax effect on				
– tax exempt (income)/non-deductible expenses	6	0.2	14	0.5
– utilisation of previously unrecognised tax losses	–1	–	–2	–0.1
– change of deferred tax due to tax rate adjustments	–1	–	1	–
– under/(over) provided in previous years	26	0.7	7	0.2
– unrecoverable withholding taxes	62	1.5	44	1.5
Income tax/effective tax rate	**998**	**26.2**	**790**	**26.8**

Deferred tax assets and liabilities

	Assets		Liabilities		Net deferred income tax balance	
CHF million	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2021
Property, plant and equipment and right-of-use assets	12	8	–305	–298	–293	–290
Goodwill and other intangibles	33	46	–71	–83	–38	–37
Trade receivables	44	28	–55	–58	–11	–30
Other receivables	2	2	–58	–78	–56	–76
Lease liabilities	335	326	–	–	335	326
Provisions for pension plans and severance payments	28	62	–	–	28	62
Other liabilities	154	144	–	–12	154	132
Tax value of loss carry-forwards recognised	3	3	–	–	3	3
Total net deferred income tax balance	**611**	**619**	**–489**	**–529**	**122**	**90**
Thereof deferred income tax assets					220	226
Thereof deferred income tax liabilities					–98	–136

Deferred tax assets and liabilities relating to income taxes are offset for the presentation in the balance sheet if they are levied by the same taxation authority and the taxation authority permits the entity to make or receive a single net payment.

The recognised deferred tax assets relating to tax losses carried forward are expected to be used by the end of the next three years at the latest.

Unrecognised deferred tax assets

CHF million	2022		2021	
	Unused tax losses	Unrecognised deferred tax asset on unused tax losses	Unused tax losses	Unrecognised deferred tax asset on unused tax losses
Balance as of December 31	37	8	55	12

It is not probable that future taxable profits will be available, against which the unrecognised deferred tax assets can be used.

On December 31, the gross value of unused tax losses for which no deferred tax asset has been recognised, by expiration date, is as follows:

CHF million	2022		2021
Expiry			
2023	6	2022	5
2024	4	2023	3
2025	2	2024	2
2026 & later	17	2025 & later	29
No expiry	8	No expiry	16
Total unused tax losses	**37**		**55**

25 Earnings per share

The following reflects the data used in the basic and diluted earnings per share computations for the years ending December 31.

Earnings per share	2022	2021
Earnings attributable to the equity holders of the parent company in CHF million	**2,644**	**2,032**
Weighted average number of ordinary shares outstanding during the year	119,394,642	120,104,672
Dilutive effect on number of shares outstanding:		
Share-based compensation plans and contingent considerations	636,076	270,093
Adjusted weighted number of ordinary shares applicable to diluted earnings per share	120,030,718	120,374,765
Basic earnings per share in CHF	22.15	16.92
Diluted earnings per share in CHF	22.03	16.88

26 Property, plant and equipment

2022

CHF million	Properties including buildings on third parties' land	Other operating and office equipment	Total
Cost			
Balance as of January 1, 2022	476	1,137	1,613
Additions	4	235	239
Disposals	–33	–173	–206
Transfers	–2	2	–
Effect of movements in foreign exchange	–19	–56	–75
Balance as of December 31, 2022	**426**	**1,145**	**1,571**
Accumulated depreciation and impairment losses			
Balance as of January 1, 2022	95	752	847
Depreciation charge for the year	14	178	192
Disposals	–5	–151	–156
Effect of movements in foreign exchange	–5	–46	–51
Balance as of December 31, 2022	**99**	**733**	**832**
Carrying amount			
As of January 1, 2022	381	385	766
As of December 31, 2022	327	412	739

2021

CHF million	Properties including buildings on third parties' land	Other operating and office equipment	Total
Cost			
Balance as of January 1, 2021	456	1,158	1,614
Additions through business combinations [1]	–	7	7
Additions	7	190	197
Disposals	–	–153	–153
Transfers	26	–28	–2
Effect of movements in foreign exchange	–13	–37	–50
Balance as of December 31, 2021	**476**	**1,137**	**1,613**
Accumulated depreciation and impairment losses			
Balance as of January 1, 2021	74	743	817
Depreciation charge for the year	13	179	192
Disposals	–	–131	–131
Transfers	11	–11	–
Effect of movements in foreign exchange	–3	–28	–31
Balance as of December 31, 2021	**95**	**752**	**847**
Carrying amount			
As of January 1, 2021	382	415	797
As of December 31, 2021	381	385	766

1 Refer to note 40 for further details.

27 Leases

Right-of-use assets

2022

CHF million	Right-of-use assets properties, buildings	Right-of-use assets other operating and office equipment	Total
Balance as of January 1, 2022	1,240	169	1,409
Additions	465	141	606
Depreciation charge for the year	–418	–93	–511
Modifications and reassessments	–21	–5	–26
Effect of movements in foreign exchange	–52	–8	–60
Balance as of December 31, 2022	**1,214**	**204**	**1,418**

2021

CHF million	Right-of-use assets properties, buildings	Right-of-use assets other operating and office equipment	Total
Balance as of January 1, 2021	1,318	182	1,500
Additions through business combinations [1]	35	–	35
Additions	360	95	455
Depreciation charge for the year	–420	–65	–485
Modifications and reassessments	–29	–36	–65
Effect of movements in foreign exchange	–24	–7	–31
Balance as of December 31, 2021	**1,240**	**169**	**1,409**

1 Refer to note 40 for further details.

Lease liabilities

CHF million	2022	2021
Balance as of January 1	1,484	1,583
Additions through business combinations [1]	–	35
Additions	618	455
Modifications and reassessments	–32	–71
Repayment	–518	–493
Effect of movements in foreign exchange	–60	–25
Balance as of December 31	**1,492**	**1,484**
of which		
– Current lease liabilities	466	431
– Non-current lease liabilities	1,026	1,053
Total lease liabilities	**1,492**	**1,484**

1 Refer to note 40 for further details.

For the maturity analysis of the lease liabilities, refer to the disclosure of the liquidity risk included in note 44 Risk management.

Amounts recognised in the income statement

CHF million	2022	2021
Depreciation of right-of-use assets	511	485
Interest expense on lease liabilities (included in financial expenses)	11	10
Expense relating to short-term and low value leases (included in selling, general and administrative expenses)	161	156
Profits on sale-and-leaseback transactions (included in other operating income/expense, net)	–24	–
Total expense recognised in the income statement	**659**	**651**

The total cash outflow for leases (including short-term leases and low value assets) was CHF 690 million in 2022 (2021: CHF 659 million). The total cash inflow from from sale and leaseback transactions was CHF 62 million in 2022 (2021: none).

28 Goodwill and other intangibles

2022

CHF million	Goodwill	Other intangibles [1]
Cost		
Balance as of January 1, 2022	2,302	933
Additions	–	8
Deletions	–	–6
Effect of movements in foreign exchange	–91	–37
Balance as of December 31, 2022	**2,211**	**898**
Accumulated amortisation and impairment losses		
Balance as of January 1, 2022	12	686
Amortisation charge	–	66
Deletions	–	–6
Effect of movements in foreign exchange	–	–28
Balance as of December 31, 2022	**12**	**718**
Carrying amount:		
As of January 1, 2022	2,290	247
As of December 31, 2022	2,199	180

1 Other intangibles mainly comprise customer contracts/lists, trademarks, agent contracts and software.

2021

CHF million	Goodwill	Other intangibles [1]
Cost		
Balance as of January 1, 2021	1,168	853
Additions through business combinations [2]	1,111	190
Additions	–	7
Deletions	–	–110
Effect of movements in foreign exchange	23	–7
Balance as of December 31, 2021	**2,302**	**933**
Accumulated amortisation and impairment losses		
Balance as of January 1, 2021	13	752
Amortisation charge	–	56
Deletions	–	–110
Effect of movements in foreign exchange	–1	–12
Balance as of December 31, 2021	**12**	**686**
Carrying amount:		
As of January 1, 2021	1,155	101
As of December 31, 2021	2,290	247

1 Other intangibles mainly comprise customer contracts/lists, trademarks, agent contracts and software.
2 Refer to note 40 for further details.

Impairment testing of goodwill

The Group has performed impairment tests of goodwill at the end of the financial years 2022 and 2021. Following a business combination, goodwill is allocated to aggregated cash-generating units which are expected to benefit from the synergies of the corresponding business combination. For the purpose of goodwill impairment testing, the cash-generating units are aggregated into the global business units – the level at which the Management Board conducts reviews.

The impairment tests are based on value in use calculations. Cash flow projections are based on actual operating results and three-year business plans. Cash flows beyond the three-year period are extrapolated by using estimated long-term growth rates. The growth rates do not exceed the long-term average growth rate for the logistics industry in which the cash-generating units operate. Future cash flows are discounted based on the weighted average cost of capital (WACC).

Key assumptions used for value-in-use calculations of goodwill:

	Sea Logistics	Air Logistics	Road Logistics	Contract Logistics	Total Group
Carrying amount of goodwill in CHF million 2022	**136**	**1,369**	**322**	**372**	**2,199**
Carrying amount of goodwill in CHF million 2021	146	1,423	332	389	2,290
Basis for recoverable amount	Value in use	Value in use	Value in use	Value in use	
Pre-tax discount rate in per cent 2022	10.5	10.4	10.4	10.5	
Pre-tax discount rate in per cent 2021	9.1	9.0	9.0	9.1	
Projection period	3 years	3 years	3 years	3 years	
Terminal growth rate in per cent 2022	1.5	1.5	1.5	1.5	
Terminal growth rate in per cent 2021	1.5	1.5	1.5	1.5	

Key assumptions have not changed compared to the previous year with the exception of discount rates used. For both 2022 and 2021, all recoverable amounts exceeded their carrying amounts and consequently no impairment of goodwill was recognised for the years 2022 and 2021. Management considers that it is not likely for the assumptions used to change so significantly, as to eliminate the excess of recoverable amounts.

29 Trade receivables and contract assets

CHF million	2022	2021
Trade receivables	5,478	6,535
Impairment allowance	–187	–131
Total trade receivables	**5,291**	**6,404**

The majority of all billing is done in the respective Group companies' own functional currencies and is mainly in EUR, 35.1 per cent (2021: 29.8 per cent), and USD, 24.2 per cent (2021: 21.6 per cent).

Trade receivables outstanding at year-end averaged 51.0 days (2021: 49.2 days).

No trade receivables are pledged in 2022 and 2021.

The Group has a credit insurance programme in place, covering trade receivables, focusing mainly on small and medium exposures. The credit insurance policy covers up to 90 per cent of the approved customer credit limit, excluding any items being more than 120 days past due. As a company policy, the Group excludes customers from its insurance programme based on certain criteria (so-called blue chip companies).

Contract assets decreased from CHF 693 million in 2021 to CHF 540 million in 2022.

CHF million	2022	2021
Contract assets	549	700
Impairment allowance	–9	–7
Total contract assets	**540**	**693**

The Group applies the simplified approach regarding the measurement of expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same type of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The Group establishes an impairment allowance that represents its estimate of expected losses in respect of trade receivables and contract assets. The two components of this impairment allowance of CHF 196 million (2021: CHF 138 million) are:

- specific expected loss component that relates to individually significant exposure
- collective expected loss component

The specific expected loss allowance relates to specific receivables under legal disputes, based on the expected legal outcome. The impairment allowance for individually significant exposures is CHF 101 million at year-end 2022 (2021: CHF 69 million).

The collective expected credit loss is determined based on the probability of default of each receivable. The customer's public rating is taken into consideration, if available; otherwise industry-specific default rates are used. These rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customer to settle the receivables. The Group has identified the gross domestic product and the unemployment rate of the countries in which it sells the services to be the most relevant factors, and accordingly adjusts the probability of default.

On this basis, the loss allowance as at December 31, 2022, the Group has established a collective impairment allowance of CHF 95 million, which represents 1.6 per cent of total outstanding trade receivables and contract assets (2021: CHF 69 million / 1.0 per cent).

CHF million	2022 Specific allowance	2022 Collective allowance	2022 Total allowance	2021 Specific allowance	2021 Collective allowance	2021 Total allowance
Balance as of January 1	69	69	138	37	53	90
Additional impairment losses recognised	79	79	158	47	56	103
Reversal of impairment losses and write-offs	–47	–53	–100	–15	–40	–55
Balance as of December 31	**101**	**95**	**196**	**69**	**69**	**138**

The movement in the impairment allowance on trade receivables during the year was as follows:

CHF million	2022 Trade receivables	2022 Impairment allowance on trade receivables	2021 Trade receivables	2021 Impairment allowance on trade receivables
Default probability < 1 per cent	2,500	28	2,923	26
Default probability 1 to 3 per cent	2,763	50	3,457	32
Default probability 3 to 10 per cent	58	4	55	3
Default probability 10 to 30 per cent	54	14	30	7
Default probability > 30 per cent	103	91	70	63
Total	**5,478**	**187**	**6,535**	**131**

For trade receivables that are covered by credit insurance, no impairment allowance has been created.

30 Other receivables

CHF million	Dec. 31, 2022	Dec. 31, 2021
Receivables from tax authorities	64	25
Deposits	55	55
Sundry	96	33
Total other receivables	**215**	**113**

The majority of the other receivables are held in the respective Group companies' own functional currencies which represents EUR 48.0 per cent (2021: 34.7 per cent) and USD 7.9 per cent (2021: 5.6 per cent).

31 Cash and cash equivalents

CHF million	Dec, 31, 2022	Dec, 31, 2021
Cash at banks	2,136	1,955
Short-term deposits	1,642	350
Cash and cash equivalents	**3,778**	**2,305**
Bank overdraft	–8	–5
Cash and cash equivalents in the cash flow statement, net	**3,770**	**2,300**

The majority of the above mentioned cash and cash equivalents is held in commercial banks and managed centrally in order to limit currency risks. A netting system and a Group cash pool are in place which also further reduce the currency exposure. Most of the bank balances held by Group companies are in their respective functional currencies, which are mainly in CHF, EUR and USD.

32 Equity

Share capital and treasury shares 2022

	Balance Dec, 31				Jan, 1
Main shareholders	Registered shares of nominal CHF 1 per share	CHF million	Capital share per cent	Voting share per cent	Registered shares of nominal CHF 1 per share
Kuehne Holding AG, Schindellegi (Feusisberg)	63,900,000	64	52.9	53.4	63,900,000
Public shareholders	55,718,792	56	46.2	46.6	56,385,024
Entitled to voting rights and dividends	**119,618,792**	**120**	**99.1**	**100.0**	**120,285,024**
Treasury shares	1,134,991	1	0.9		468,759
Total	**120,753,783**	**121**	**100.0**		**120,753,783**

In 2022 the Company matched 122,699 treasury shares of which the main portion relates to the matured share matching plan 2019 (2021: matched 124,730 treasury shares of which the main portion relates to the matured share matching plan 2018). In relation with the acquisition of Apex, 1,737,269 treasury shares with a carrying amount of CHF 438 million (fair value of CHF 424 million) were transferred to the previous owners. In addition, the Company purchased 2,526,200 treasury shares for CHF 646 million (2021: purchased 200,000 treasury shares for CHF 59 million).

On December 31, 2022, the Company had 1,134,991 treasury shares (2021: 468,759), which are reserved under the share-based compensation plans, the acquisition of non-controlling interests and settlements of contingent consideration liabilities; for more information regarding the share-based compensation plans refer to note 34.

Dividends

The proposed dividend payment, subject to approval by the Annual General Meeting, is as follows:

Year of payment	per share	CHF million
2023	CHF 14.00	1,675

The dividend payment 2022 to owners amounted to CHF 10.00 per share or CHF 1,186 million (2021: CHF 4.50 per share or CHF 538 million).

Share capital and treasury shares 2021

	Balance Dec. 31				Jan. 1
Main shareholders	Registered shares of nominal CHF 1 per share	CHF million	Capital share per cent	Voting share per cent	Registered shares of nominal CHF 1 per share
Kuehne Holding AG, Schindellegi (Feusisberg)	63,900,000	64	52.9	53.1	63,900,000
Public shareholders	56,385,024	56	46.7	46.9	55,683,849
Entitled to voting rights and dividends	**120,285,024**	**120**	**99.6**	**100.0**	**119,583,849**
Treasury shares	468,759	1	0.4		416,151
Total	**120,753,783**	**121**	**100.0**		**120,000,000**

Authorised and conditional share capital

The Annual General Meeting held on May 3, 2022, extended its approval of authorised share capital up to a maximum of CHF 20 million by a further two years until May 3, 2024.

The Annual General Meeting held on May 2, 2005, approved a conditional share capital increase up to a maximum of CHF 12 million and to add a respective section in the Articles of Association. The Annual General Meeting held on May 5, 2015, approved a conditional share capital up to a maximum of CHF 2 million for the provision of the employee share-based compensation plans of the Company.

On May 4, 2021, the Board of Directors resolved on the partial implementation of the authorised share capital increase by increasing the share capital of the Company from previously CHF 120,000,000 by CHF 753,783 to CHF 120,753,783 by issuing 753,783 registered shares of the Company with a nominal value of CHF 1.00 each.

There is no resolution of the Board of Directors outstanding for further issuance of either authorised or conditional capital.

Capital management

The Group defines the capital managed as the Group's total equity including non-controlling interests. The Group's main objectives when managing capital are:

- To safeguard the Group's ability to continue as a going concern, so that it can continue to provide services to its customers;
- To provide an adequate return to investors based on the level of risk undertaken;
- To have the necessary financial resources available to allow the Group to invest in areas that may deliver future benefits for customers and investors.

Capital is monitored on the basis of the equity ratio and its development is shown in the table below. The Group is not subject to regulatory capital adequacy requirements as known in the financial services industry.

CHF million	2022	2021	2020	2019	2018
Total equity	4,147	3,211	2,413	2,322	2,324
Total assets[1]	14,751	14,650	9,851	9,825	7,878
Equity ratio in per cent	**28.1**	**21.9**	**24.5**	**23.6**	**29.5**

1 Figures prior to 2019 have not been restated for the impact of IFRS 16 Leases.

33 Provisions for pension plans and severance payments

The Group maintains defined benefit pension plans as well as defined contribution plans. Retirement benefits vary from plan to plan reflecting applicable local practices and legal requirements. Retirement benefits are based on years of credited service and compensation as defined in the respective plan.

Overview of provisions for pension plans and severance payments

CHF million	Pension plans	Severance payments	Total
Balance as of January 1, 2021	405	26	431
Provisions made	11	4	15
Provisions used	–17	–2	–19
Actuarial (gains)/losses recognised in other comprehensive income	–31	–	–31
Effect of movements in foreign exchange	–15	–2	–17
Balance as of December 31, 2021	**353**	**26**	**379**
Provisions made	15	4	19
Provisions used	–17	–2	–19
Actuarial (gains)/losses recognised in other comprehensive income	–111	–	–111
Effect of movements in foreign exchange	–15	–1	–16
Balance as of December 31, 2022	**225**	**27**	**252**

a) Defined benefit plans

The Group has a number of defined benefit plans. For a description and detailed information of the major defined benefit plans in Germany, the USA and Switzerland, please refer to letter b) of this note.

	2022			2021		
CHF million	Funded plans	Unfunded plans	Total	Funded plans	Unfunded plans	Total
Net liability for defined benefit obligations						
Present value of obligations	191	208	399	249	305	554
Fair value of plan assets	–174	–	–174	–201	–	–201
Present value of net obligations	17	208	225	48	305	353
Recognised net liability for defined benefit obligations	**17**	**208**	**225**	48	**305**	**353**
Expected payments to defined benefit plan in the next year	8	11	19	8	11	19

CHF million	2022	2021
Allocation of plan assets		
Debt securities	47	64
Equity securities	11	21
Insurance contracts and others	116	116
Total	**174**	**201**

The pension plan assets are held in multi-employer funded plans. The Group is not in a position to state whether the funded plans contain any investments in shares of Kuehne + Nagel International AG or in any property occupied by the Group.

	2022	2021
CHF million	Funded plans	Funded plans
Movements of fair value of plan assets		
Opening fair value of plan assets	201	198
Employer contribution	7	6
Employee contribution	4	4
Return on plan assets, excluding interest	–28	–4
Interest on plan assets	3	2
Benefits paid by the plan	–8	–8
Plan settlement	–3	–
Effect of movements in foreign exchange	–2	3
Closing fair value of plan assets	**174**	**201**
Actual return on plan assets for the year	–25	–2

CHF million	2022 Funded plans	2022 Unfunded plans	2022 Total	2021 Funded plans	2021 Unfunded plans	2021 Total
Movements of present value of defined benefit obligations						
Opening liability for defined benefit obligations	249	305	554	262	341	603
Current service costs	7	4	11	8	6	14
Interest costs	3	3	6	2	2	4
Employee contribution	4	–	4	4	–	4
Actuarial (gains)/losses recognised in other comprehensive income:						
– due to changes in demographic assumptions	–	–	–	–10	–	–10
– due to changes in financial assumptions	–62	–85	–147	–10	–12	–22
– due to experience (gains)/losses	3	5	8	–	–3	–3
Benefits paid by the plan	–8	–10	–18	–8	–10	–18
Past service costs – amendments	1	–	1	–2	–	–2
Past service costs – curtailment	–	–	–	–	–1	–1
Effects due to plan settlement	–3	–	–3	–	–2	–2
Effect of movements in foreign exchange	–3	–14	–17	3	–16	–13
Closing liability for defined benefit obligations	**191**	**208**	**399**	**249**	**305**	**554**
Expense recognised in the income statement						
Service costs	8	4	12	6	3	9
Net interest on the net defined benefit liability	–	3	3	–	2	2
Expense recognised in personnel expenses (refer to note 20)	**8**	**7**	**15**	**6**	**5**	**11**
Actuarial gains/(losses) recognised in other comprehensive income						
Cumulative amount as of January 1	–48	–128	–176	–62	–151	–213
Recognised during the year	31	80	111	15	15	30
Effect of movements in foreign exchange	–	7	7	–1	8	7
Cumulative amount as of December 31	**–17**	**–41**	**–58**	**–48**	**–128**	**–176**

	Active		Deferred		Retired		Total	
Plan participants	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Number of plan participants	14,075	13,264	1,241	1,199	2,387	2,393	17,703	16,856

Present value of defined benefit obligations								
In CHF million	202	282	40	64	157	208	399	554
Share in per cent	50.6	50.9	10.0	11.6	39.3	37.5	100.0	100.0
Duration in years	17.6	20.5	15.0	16.9	8.6	10.4	13.8	16.3

Weighted actuarial assumptions at the balance sheet date

	2022			2021		
Per cent	**Funded plans**	**Unfunded plans**	**Total**	**Funded plans**	**Unfunded plans**	**Total**
Discount rate	3.1	3.7	3.7	0.7	1.1	1.0
Future salary increases	2.1	2.0	2.0	1.5	2.0	1.9
Future pension increases	0.0	1.7	1.7	0.0	1.4	1.4

Sensitivities of significant actuarial assumptions

The discount rate and future salary increases were identified as significant actuarial assumptions. An increase/decrease of 0.25 percentage points in the respective assumption would have the following impact on the defined benefit obligation:

	2022			2021		
CHF million	**Funded plans**	**Unfunded plans**	**Total**	**Funded plans**	**Unfunded plans**	**Total**
Reasonably possible change +/- in percentage points	**0.25**	**0.25**	**0.25**	**0.25**	**0.25**	**0.25**
Discount rate						
Change of defined benefit obligation -/+	6	6	12	9	12	21
Future salary increases						
Change of defined benefit obligation +/-	1	1	2	1	2	3

The sensitivity analysis is based on reasonably possible changes as of the end of the reporting year. Each change in a significant actuarial assumption was analysed separately as part of the test. Interdependencies between individual assumptions were not taken into account.

b) Major defined benefit plans

The Group maintains significant defined benefit pension plans in Germany, the USA and in Switzerland constituting 90.7 per cent (2021: 90.6 per cent) of the defined benefit obligations and 89.7 per cent (2021: 86.6 per cent) of the plan assets.

Germany

There is one major unfunded defined benefit pension plan in Germany that provides retirement and disability benefits to employees and their dependents. This plan is based on an internal pension scheme (Versorgungsordnung), with the employers' retirement benefits law (Betriebsrentengesetz) specifying the minimum benefits to be provided. Payments are made by Kuehne+Nagel only. Risks in relation to guarantees provided, such as investment risk, asset volatility, salary increase and life expectancy, are borne by the Group.

Pensions are calculated as a percentage of contributory base salary multiplied with the years of service. The normal retirement age for the plan is 65. Members can draw retirement benefits early with a proportionate reduction of the pension.

The plan is closed to new entrants, who instead can participate in a defined contribution plan.

CHF million	2022	2021
Recognised liability for defined benefit obligations	191	285
Expense recognised in personnel expenses	6	4
Actuarial gains/(losses) recognised in other comprehensive income	78	12
Number of plan participants	3,058	3,138
Duration in years	13.1	16.1

The duration in years corresponds to the average weighted period.

Weighted actuarial assumptions at the balance sheet date

Per cent	2022	2021
Discount rate	3.70	1.05
Future salary increases	2.00	2.00
Future pension increases	2.00	1.75
Mortality table	Dr. K. Heubeck 2018 G	Dr. K. Heubeck 2018 G

Switzerland

The Swiss pension plans are defined benefit plans that provide retirement and disability benefits to employees and their dependents. Swiss pension plans are governed by the Swiss Federal Law on Occupational Retirement, Survivor's and Disability Pension Plans (BVG), which stipulates that pension plans have to be managed by independent, legally autonomous units. A pension plan's governing body (Board of Trustees) is responsible for the investment of the plan's assets and must be composed of equal number of employee and employer representatives. The various insurance benefits are governed in regulations, with the BVG specifying the minimum benefits that are to be provided. As a consequence, there are a number of guarantees provided within the pension funds which expose them to the risks of underfunding and may require the Group to provide additional contributions. Such risks include mainly investment risks (as there is a guaranteed return on account balances), asset volatility and life expectancy.

The monthly contributions to the pension plans are paid by the employees as well as by the employer. The contributions are calculated as a percentage of the contributory salary and vary depending on the age of the employee. The pension plans provide a lifetime pension to members at the ordinary retirement age as defined in the Swiss Pension law. The pension is calculated as a percentage of the individual plan participant's pension account at retirement date. A portion of the benefit, up to the full amount under certain conditions, can be taken as lump sum payment at retirement. Members can draw retirement benefits early from the age of 58, with a proportionate reduction of the pension.

CHF million	2022	2021
Net liability for defined benefit obligations		
Present value of obligations	118	147
Fair value of plan assets	–107	–110
Recognised net liability for defined benefit obligations	**11**	**37**
Allocation of plan assets		
Insurance contracts and others	107	110
Expense recognised in the income statement		
Service costs	7	5
Actuarial gains/(losses) recognised in other comprehensive income	28	14
Number of plan participants	572	528
Duration in years	15.0	17.1

The duration in years corresponds to the average weighted period.

Weighted actuarial assumptions at the balance sheet date

Per cent	2022	2021
Discount rate	2.15	0.25
Future salary increases	1.75	1.50
Mortality table	BVG 2020 Generational	BVG 2020 Generational

USA

The US pension plan is a defined benefit pension plan that provides retirement and disability benefits to employees and their dependents. The various insurance benefits are governed by regulations. The US plan is qualified under and is managed in accordance with the requirements of US federal law. In accordance with federal law, there are plan fiduciaries that are responsible for the governance of the plan. Fiduciaries also are responsible for the investment of the plan's assets, which are held in a pension trust that is legally separate from the employer. The plan is entirely funded by Kuehne+Nagel. Risks in relation to guarantees provided, such as investment risk, asset volatility, salary increase and life expectancy, are borne by the Group.

Contributions are based on the salary of the employee. The normal retirement age is 65, with a minimum of five years of service. The plan provides a lifetime pension at normal retirement, which is based on a percentage of the highest average monthly compensation over a five-year period (limited to USD 100,000), multiplied by credited service under the plan. Members can draw retirement benefits early, with a proportionate reduction of the pension, at the age of 55 if the employee has a minimum of 10 years of service.

The plan is closed to new entrants and its benefits are frozen. New employees are instead covered by a defined contribution plan.

CHF million	2022	2021
Net liability for defined benefit obligations		
Present value of obligations	53	70
Fair value of plan assets	–49	-64
Recognised net liability for defined benefit obligations	**4**	**6**
Allocation of plan assets		
Debt securities	43	57
Equity securities	5	6
Insurance contracts and others	1	1
Total plan assets	**49**	**64**
Actuarial gains/(losses) recognised in other comprehensive income	2	–
Number of plan participants	1,319	1,324
Duration in years	10.5	13.1

The duration in years corresponds to the average weighted period.

Weighted actuarial assumptions at the balance sheet date

Per cent	2022	2021
Discount rate	5.40	2.80
Mortality table	Scale MP-2021 released by SOA in October 2021	Scale MP-2021 released by SOA in October 2021

34 Employee share-based compensation plans

Under the Share Matching Plan (SMP) introduced effective 2018, the Company will match for each share invested into the plan 0.8 additional shares upon completion of a three-year vesting period and service condition during the same period. The minimum investment is 50 shares. Should the number of allocated shares be a fraction of shares, then the number of shares is rounded up to the next whole number.

The terms and conditions of the shares allocated under the Share Matching Plans are as follows:

Share matching plan	2022	2021	2020
Grant date	July 22, 2022	July 23, 2021	July 24, 2020
Vesting, service and blocking period	July 22, 2022 - June 30, 2025	July 23, 2021 - June 30, 2024	July 24, 2020 - June 30, 2023
Number of shares invested/granted at grant date	196,603	172,100	192,526
Number of shares to be matched as of Dec. 31, 2022	196,338	157,965	171,658
Number of shares to be matched as of Dec. 31, 2021	n/a	169,670	185,646
Share match ratio	0.8	0.8	0.8
Fair value of shares to be matched at grant date in CHF per share	168.85	233.9	114.7

On July 1, 2022, the SMP 2019 matured with a share match ratio of 0.8 resulting in a matching of 117,340 shares to the participating employees of this plan.

On July 1, 2021, the SMP 2018 matured with a share match ratio of 0.8 resulting in a matching of 114,603 shares to the participating employees of this plan.

CHF million	2022	2021
Personnel expense for employee share-based compensation plans	21	16

35 Bank and other interest-bearing liabilities and borrowings

CHF million	Dec. 31, 2022	Dec. 31, 2021
Bank overdrafts	8	5
0.02 per cent bonds due 2022	–	200
Bank and other interest-bearing liabilities	**8**	**205**
0.2 per cent bonds due 2025	200	200
Borrowings	**200**	**200**

Current bank and other interest-bearing liabilities include bank overdrafts of CHF 8 million (2021: CHF 5 million), which are included in cash and cash equivalents for the purpose of the consolidated cash flow statement. The majority of bank overdraft facilities are repayable upon notice and form an integral part of the Group's cash management.

As of December 31, 2022, there was no bank loan drawn from the revolving credit facility of CHF 750 million. The credit facility has a contract period until April 24, 2024. Bank loans can be drawn with a tenor of one, three and six months.

On June 18, 2019, the Kuehne+Nagel Group issued a CHF 200 million public bond with a nominal interest rate of 0.02 per cent which was repaid on November 18, 2022. A second public bond was issued the same day for CHF 200 million with a nominal interest rate of 0.2 per cent due on June 18, 2025. Both with redemption at par.

36 Provisions

The movements in provisions were as follows:

CHF million	Claim provisions [1]	Provision for deductible of transport liability insurance [2]	Others [3]	Total provision
Balance as of January 1, 2021	67	12	42	121
Provisions used	–22	–12	–8	–42
Provisions reversed	–10	–	–4	–14
Provisions made	43	9	21	73
Effect of movements in foreign exchange	–2	–	–1	–3
Balance as of December 31, 2021	**76**	**9**	**50**	**135**
of which				
– Current provisions	58	4	29	91
– Non-current provisions	18	5	21	44
Total provisions	**76**	**9**	**50**	**135**
Balance as of January 1, 2022	76	9	50	135
Provisions used	–16	–8	–7	–31
Provisions reversed	–16	–	–6	–22
Provisions made	57	11	32	100
Effect of movements in foreign exchange	–3	–	–2	–5
Balance as of December 31, 2022	**98**	**12**	**67**	**177**
of which				
– Current provisions	70	5	43	118
– Non-current provisions	28	7	24	59
Total provisions	**98**	**12**	**67**	**177**

1 Some Group companies are involved in legal proceedings on various issues (disputes about logistics services, antitrust etc.). Some legal proceedings have been settled, and corresponding payments have been made. See also note 41.
2 An additional provision for deductibles in case of transport liability has been recognised for the current year's exposure.
3 Other provisions mainly consist of provisions for dilapidation costs amounting to CHF 43 million (2021: CHF 37 million).

37 Trade payables/contract liabilities/accrued trade expenses

CHF million	Dec. 31, 2022	Dec. 31, 2021
Trade payables	2,731	2,994
Contract liabilities	280	223
Accrued trade expenses	1,976	2,200
Total	**4,987**	**5,417**

The majority of all trade payables is in the respective Group companies' own functional currencies, which is in EUR 40.6 per cent (2021: 34.0 per cent) and USD 19.5 per cent (2021: 17.8 per cent).

Contract liabilities increased from CHF 223 million on December 31, 2021, to CHF 280 million as of December 31, 2022. The entire balance of December 31, 2021, was recognised as turnover in 2022.

38 Other non-current liabilities

CHF million	Dec. 31, 2022	Dec. 31, 2021
Contingent consideration liabilities [1]	83	165
Put option to non-controlling interest [2]	1,076	1,146
Total	**1,159**	**1,311**

1 The balance mainly represents the long-term portion of the contingent considerations from the acquisition of Apex.
2 The balance represents the long-term portion of the redemption liability recognised for the put option to non-controlling interest in Apex. Refer to note 40 for additional details.

39 Other current liabilities

CHF million	Dec. 31, 2022	Dec. 31, 2021
Personnel expenses (including social security)	955	916
Other tax liabilities	84	95
Other operating expenses	186	205
Contingent consideration liabilities [1]	83	135
Put option to non-controlling interest [2]	317	302
Sundry	113	79
Total	**1,738**	**1,732**

1 The balance mainly represents the short-term portion of the contingent consideration liability from the acquisition of Apex. The long-term portion is included in the balance sheet position "Other non-current liabilities" in note 38. Further details regarding the acquisitions are described in note 40.
2 The balance represents the short-term portion of the redemption liability recognised for the put option to non-controlling interest in Apex. Refer to note 40 for additional details.

40 Acquisitions and divestments

2022 Acquisitions

On July 18, 2022, Apex management exercised the put options to sell one third of the remaining 11.6 per cent of their retained shares to the Group. The Group increased its ownership interests by 3.9 per cent and has present access to 67.4 per cent. The put options were settled in the Company's treasury shares (fair value of CHF 353 millions). For further details, refer to note 45.

2021 Acquisitions

CHF million	Apex Group	Salmosped	Recognised fair values
Property, plant and equipment	7	–	7
Right-of-use assets	35	–	35
Other intangibles	187	3	190
Other non-current assets	14	–	14
Trade receivables	335	12	347
Other current assets	54	–	54
Acquired cash and cash equivalents (net)	47	2	49
Subtotal assets	**679**	**17**	**696**
Non-current liabilities	–26	–	–26
Other current liabilities	–185	–	–185
Deferred tax liabilities	–49	–1	–50
Trade payables	–84	–12	–96
Total identifiable assets and liabilities, net	**335**	**4**	**339**
Goodwill	1,096	15	1,111
Total assets and liabilities, net	**1,431**	**19**	**1,450**
Non-controlling interests, proportionate share of identifiable net assets	–47	–	–47
Purchase price for the ownership acquired	**1,384**	**19**	**1,403**
Thereof contingent consideration	–242	–	–242
Thereof shares issued, at fair value	–209	–8	–217
Purchase price, paid in cash	**933**	**11**	**944**
Acquired cash and cash equivalents	–47	–2	–49
Net cash outflow	**886**	**9**	**895**

Effective May 11, 2021 the Group legally acquired 79.3 per cent of the shares of Apex Logistics Solutions International Pte. Ltd. (Apex) and obtained present access to a further 9.1 per cent of Apex shares contractually agreed to be transferred over the next three years. Therefore, the Group accounts for an 88.4 per cent ownership stake at acquisition date. Apex is one of the leading Asian freight forwarders, especially in the trans-pacific and intra-Asia trade lanes.

The purchase price of CHF 1.4 billion for the acquired interest included a contingent consideration liability of CHF 242 million, CHF 933 million paid in cash and CHF 209 million settled by 753,783 of the Company's shares. The contingent consideration depends on the achievement of increasing profitability targets (determined by a multiplier of normalised earnings before tax) for the 2021, 2022 and 2023 measurement periods and is to be settled in a variable number of the Company's shares. The annual payments are capped and the maximum earn-out to be paid is CHF 242 million. Whereas management's estimate is that targets in each of the periods will be exceeded, a change to the expected normalised earnings before tax of -10 per cent would result in a positive impact on the income statement of CHF 16 million as of December 31, 2022.

As at acquisition date the liability to the previous owners is expected to be settled in a variable number of Kuehne+Nagel shares as per below. The first tranche of the contingent consideration liability has been settled in the third quarter 2022. Refer to note 45 for further details.

Year of payment	Expected settlement amount of contingent consideration in CHF million
2022	81
2023	81
2024	80
Total	**242**

Additionally, the Group entered into a call option to purchase the remaining 11.6 per cent and wrote a put option to the holders of the non-controlling interests to sell their shares to the Group at the same conditions. The option exercise price depends on an EBITDA multiple to be settled by a variable number of the Company's shares.

For the put option, a liability was recognised at the present value of the redemption amount with a corresponding entry in equity. As the non-controlling shareholders still have present access to the economic benefits associated with the underlying ownership interest, the non-controlling interest continues to be recognised as a separate component in equity and continues to receive an allocation of profit and loss and other comprehensive income. The non-controlling interest is reclassified as a financial liability at each reporting date as if the acquisition took place at that date. Any excess over the reclassified carrying amount of the non-controlling interest and all subsequent changes in the redemption value of the financial liability are recognised directly in retained earnings.

Effective September 1, 2021, the Group acquired the business of Salmosped AS (Salmosped), Norway. The Oslo-based company is a leading Norwegian perishables freight forwarder specialised in transportation of seafood products. It generated a turnover of CHF 118 million in 2020. CHF 11 million of the purchase price of CHF 19 million was paid in cash and CHF 8 million was settled in the Company's shares.

Acquisition-related costs (included in the line item "selling, general and administrative expenses" in the income statement) amount to CHF 6 million.

The trade receivables comprise gross contractual amounts due of CHF 347 million, of which none were expected to be uncollectible at the acquisition date.

Other intangibles of CHF 190 million recognised on the acquisitions represent the Apex brand as well as contractual and non-contractual customer lists having useful lives of three to seven years. Goodwill of CHF 1,111 million arose on the acquisitions and repre-

sents management expertise, synergies and workforce, which do not meet the definition of an intangible asset to be recognised separately. Goodwill is not expected to be tax deductible. While the majority of the goodwill is allocated to the business unit Air Logistics the remainder is assigned to Sea Logistics.

No material adjustments to the values previously reported were deemed necessary after having finalised the acquisition accounting in 2021.

2022 Divestments

Kuehne+Nagel signed an agreement on June 3, 2022, to sell its business in Russia, Belarus, Azerbaijan and Kazakhstan. The impact on the consolidated group financial statements is not material. The transaction closed on July 20, 2022.

2021 Divestments

Effective August 12, 2021, Kuehne+Nagel sold a 24.9 per cent equity stake in Apex Logistics Solutions International Pte. Ltd. for a cash consideration of CHF 372 million to Partners Group (SWX: PGHN), a leading global private markets firm. The parties also entered into call and put arrangements. For the put option, a liability was recognised at the present value of the redemption amount with a corresponding entry in equity. The accounting treatment of the put option and non-controlling interests is in line with the one described in the Apex acquisition note.

41 Contingent liabilities

As of year-end the following contingent liabilities existed:

CHF million	Dec. 31, 2022	Dec. 31, 2021
Guarantees in favour of customers and others	7	9
Contingency under unrecorded claims	10	4
Total	**17**	**13**

Some Group companies are defendants in various legal proceedings. Based on respective legal advice, the management is of the opinion that the outcome of those proceedings will have no effect on the financial situation of the Group beyond the existing provision for pending claims (refer to note 36) of CHF 98 million (2021: CHF 76 million).

42 Other financial commitments

As of year-end, the following financial commitments mainly related to short-term and low value leases existed:

As of December 31, 2022

CHF million	Properties and buildings	Operating and office equipment	Total
2023	28	35	63
2024–2027	67	20	87
Later	70	–	70
Total	**165**	**55**	**220**

As of December 31, 2021

CHF million	Properties and buildings	Operating and office equipment	Total
2022	47	36	83
2023–2026	50	26	76
Later	11	–	11
Total	**108**	**62**	**170**

Details regarding the leases recognised in the income statement are described in note 27.

43 Capital commitments

As of year-end, the following capital commitments existed in respect of non-cancellable purchase contracts for property, plant and equipment.

CHF million	Dec. 31, 2022	Dec. 31, 2021
Italy	10	11
Great Britain	2	2
Total	**12**	**13**

44 Risk management

Group risk management

Kuehne+Nagel has a centralised risk management in place. The risk and compliance committee ensures that the Group has implemented an effective and adequate risk management system and process. The overall strategical risk exposure of the Group was assessed, for operational risks an independent risk assessment procedure was adopted, and an assessment of financial risks was performed. Identified material risks are monitored on an ongoing basis and mitigating actions and controls are implemented.

Risk management, objectives and policies are described in the status report on page 16.

Financial risk management

The Group is exposed to various financial risks arising from its underlying operations and finance activities. The Group is primarily exposed to market risk (i.e. interest rate and currency risk) and to credit and liquidity risk.

Financial risk management within the Group is governed by policies and guidelines approved by the senior management. These policies and guidelines cover interest rate risk, currency risk, credit risk and liquidity risk. Group policies and guidelines also cover areas such as cash management, investment of excess funds and the raising of short and long-term debt. Compliance with the policies and guidelines is managed by independent functions within the Group. The objective of financial risk management is to contain, where deemed appropriate, exposures to the various types of financial risks mentioned above in order to limit any negative impact on the Group's results and financial position. In accordance with its financial risk policies, the Group manages its market risk exposures by using financial instruments when deemed appropriate. It is the Group's policy and practice neither to enter into derivative transactions for trading or speculative purposes, nor for any purpose unrelated to business transactions.

Market risk

Market risk is the risk that changes of market prices due to interest rates and foreign exchange rates are affecting the Group's results and financial position.

Interest rate risk

Interest rate risk arises from movements in interest rates which could have effects on the Group's results and financial position. Changes in interest rates may cause variations in interest income and expenses resulting from interest-bearing assets and liabilities. Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Loans and investments at variable interest rates expose the Group to cash flow interest rate risk. Loans and investments at fixed interest rates expose the Group to fair value interest rate risk in case they are measured at fair value.

Exposure

The Group's exposure to interest rate risk relates primarily to its bank loans and to the Group's investments of its excess funds. The Group's exposure to changes in interest rates is limited due to the short-term nature of investments of excess funds and borrowings. The Group does not use derivative financial instruments to hedge its interest rate risk in respect of investments of excess funds or loans.

Profile

At the reporting date, the interest profile of the Group's interest-bearing financial assets and liabilities was as follows:

CHF million	2022 Carrying amount	2021 Carrying amount
Variable rate instruments		
Cash and cash equivalents (excluding cash on hand)	3,778	2,305
Current bank and other interest-bearing liabilities	–8	–5
Total	**3,770**	**2,300**

Fair value sensitivity analysis – fixed rate instruments
As of December 31, 2022 and 2021, the Group does not hold significant investments in fixed rate instruments measured at fair value.

Cash flow sensitivity analysis – variable rate instruments
A change of 100 basis points in interest rates on December 31, 2022, would increase or decrease pre-tax profit or loss by CHF 38 million (2021: CHF 23 million) due to changed interest payments on variable rate interest-bearing liabilities and assets. The analysis assumes that all other variables, in particular foreign exchange rates, remain constant.

Currency risk

Currency risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Exposure
The Group operates on a worldwide basis and, as a result, is exposed to movements in foreign currency exchange rates of mainly EUR and USD on sales, purchases, investments in debt securities and borrowings that are denominated in a currency other than the respective functional currencies of the Group entities. Monthly intercompany payments are conducted through a Group clearing system in EUR and USD which facilitates monitoring and control of the group-wide foreign exchange rate exposures.

To a limited extent, derivative financial instruments (foreign exchange contracts) are in use to hedge the foreign exchange exposure on outstanding balances in the Group's internal clearing system. Given that the Group's hedging activities are limited to hedges of recognised foreign currency monetary items, hedge accounting under IFRS 9 is not applied. As of the 2022 and 2021 year-end there were no material derivative instruments outstanding. Investments in foreign subsidiaries are not hedged as those currency positions are considered to be long-term in nature.

As of year-end the Group's exposure to foreign currency risk was as follows:

	2022		2021	
CHF million	**EUR**	**USD**	**EUR**	**USD**
Cash and cash equivalents	77	485	59	428
Trade receivables	84	680	81	774
Interest-bearing liabilities	–	–	–	–2
Trade payables	–74	–248	–61	–327
Other liabilities	–	–164	–	–248
Net balance sheet exposure	**87**	**753**	**79**	**625**

The majority of all trade related billings and payments as well as all payments of interest-bearing liabilities and lease liabilities are made in the respective functional currencies of the Group entities.

Sensitivity analysis
A ten percent strengthening respectively weakening of the CHF against the following currencies on December 31, would have had the following effect on the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

2022

CHF million	1 CHF/EUR	1 CHF/USD	1 USD/EUR
Reasonably possible change +/– in per cent	10.0	10.0	10.0
Effect on income statement +/– (pre-tax)	8.7	75.3	9.4

The impact on the profit or loss is mainly a result of foreign exchange gains or losses arising from revaluation of trade receivables, trade payables and cash and cash equivalents in foreign currencies. Significant fluctuations of foreign currency exchange rates would not result in an impact on other comprehensive income. On December 31, 2022, no securities measured at fair value were held and no cash flow hedge accounting was applied.

2021

CHF million	1 CHF/EUR	1 CHF/USD	1 USD/EUR
Reasonably possible change +/– in per cent	10.0	10.0	10.0
Effect on income statement +/– (pre-tax)	7.9	62.5	8.6

Credit risk

Credit risk arises from the possibility that the counterparty to a transaction may be unable or unwilling to meet its obligations, causing a financial loss to the Group. Credit risk arises primarily from the Group's trade receivables, contract assets and bank balances.

Exposure

At the balance sheet date the maximum exposure to credit risk from financial and contract assets, without taking into account any collateral held, credit insurance or similar, was:

CHF million	2022	2021
Trade receivables	5,291	6,404
Contract assets	540	693
Other receivables	211	110
Cash and cash equivalents	3,778	2,305
Total	**9,820**	**9,512**

Trade receivables and contract assets
Trade receivables are subject to a policy of active risk management which focuses on the assessment of country risk, credit availability, ongoing credit evaluation, and account monitoring procedures. There are no significant concentrations of credit risk due to the Group's large number of customers and their wide geographical spread. For a large part of credit exposures in critical countries, the Group has obtained credit insurance from first-class insurance companies (for further details refer to note 29).

The maximum exposure to credit risk for trade receivables and contract assets at the reporting date by geographical area was:

CHF million	2022	2021
EMEA	3,075	3,356
Americas	1,970	2,108
Asia-Pacific	786	1,633
Total	**5,831**	**7,097**

It is considered that the credit insurance is sufficient to cover potential credit risk concentrations.

Investments of excess funds
The Group considers its credit risk to be minimal in respect of excess funds invested in short-term deposits (with a maturity of less than three months) which are made in close coordination and management of Centralised Corporate Treasury function. The Group does not invest in equity securities.

Liquidity risk
Liquidity risk is the risk that the Group will encounter difficulties in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Group companies require sufficient availability of cash to meet their obligations. Individual companies are generally responsible for their own cash management, including the short-term investment of cash surplus and the raising of loans to cover cash deficits subject to guidance or in certain cases approval at Group level. The Group maintains sufficient reserves of cash to meet its liquidity requirements at all times.

The following are the contractual maturities of financial liabilities (undiscounted), including interest payments and excluding the impact of netting agreements:

2022

CHF million	Carrying amounts	Contractual cash flow	Up to 6 months	6–12 months	1–5 years	Over 5 years
Bank and other interest-bearing liabilities	8	8	8	–	–	–
Borrowings	200	201	–	–	201	–
Trade payables	2,731	2,731	2,731	–	–	–
Accrued trade expenses	1,976	1,976	1,976	–	–	–
Contingent consideration liabilities [1]	166	2	2	–	–	–
Put option to non-controlling interest [1, 2]	1,393	888	–	–	888	–
Other liabilities	254	254	254	–	–	–
Lease liabilities [3]	1,492	1,521	244	233	846	198
Total	**8,220**	**7,581**	**5,215**	**233**	**1,935**	**198**

1 The differences between the carrying amounts and the contractual cash flows are expected to be paid in Company's shares.
2 The put option is exercisable as of January 1, 2025.
3 The majority of lease payments over five years falls due until 2031.

2021

CHF million	Carrying amounts	Contractual cash flow	Up to 6 months	6–12 months	1–5 years	Over 5 years
Bank and other interest-bearing liabilities	5	5	5	–	–	–
Borrowings	400	401	–	200	201	–
Trade payables	2,994	2,994	2,994	–	–	–
Accrued trade expenses	2,200	2,200	2,200	–	–	–
Contingent consideration liabilities [1]	300	52	52	–	–	–
Put option to non-controlling interest [1, 2]	1,448	876	–	–	876	–
Other liabilities	251	251	251	–	–	–
Lease liabilities [3]	1,484	1,507	230	209	823	245
Total	**9,082**	**8,286**	**5,732**	**409**	**1,900**	**245**

1 The differences between the carrying amounts and the contractual cash flows are expected to be paid in Company's shares.
2 The put option is exercisable as of January 1, 2025.
3 The majority of lease payments over five years falls due until 2030.

The exercise prices of the put options over non-controlling interests depend on the performance of Apex, as described in note 40. Depending on the actual performance of Apex, the actual payment amounts may vary significantly compared to the currently recognised liability. The Group reassesses the performance scenarios of Apex on a quarterly basis and revaluates the liabilities accordingly. Otherwise, it is not expected that the cash flow included in the above maturity analysis could occur at significantly different points in time or at significantly different amounts.

45 Fair value of financial assets and liabilities

As of December 31, 2022

CHF million	Financial assets at FVPL	Financial assets at amortised cost	Total carrying amount	Total fair value
Trade receivables	–	5,291	5,291	5,291
Other receivables	22	193	215	215
Total	**22**	**5,484**	**5,506**	**5,506**

CHF million	Financial liabilities at FVPL	Financial liabilities at amortised cost	Total carrying amount	Total fair value
Bank and other interest-bearing liabilities	–	8	8	8
Borrowings	–	200	200	191
Trade payables	–	2,731	2,731	2,731
Accrued trade expenses	–	1,976	1,976	1,976
Contingent consideration liabilities	166	–	166	166
Put option to non-controlling interest	–	1,393	1,393	1,393
Other liabilities	–	254	254	254
Total	**166**	**6,562**	**6,728**	**6,719**

As of December 31, 2021

CHF million	Financial assets at FVPL	Financial assets at amortised cost	Total carrying amount	Total fair value
Trade receivables	–	6,404	6,404	6,404
Other receivables	6	107	113	113
Total	**6**	**6,511**	**6,517**	**6,517**

CHF million	Financial liabilities at FVPL	Financial liabilities at amortised cost	Total carrying amount	Total fair value
Bank and other interest-bearing liabilities	–	205	205	205
Borrowings	–	200	200	201
Trade payables	–	2,994	2,994	2,994
Accrued trade expenses	–	2,200	2,200	2,200
Contingent consideration liabilities	300	–	300	300
Put option to non-controlling interest	–	1,448	1,448	1,448
Other liabilities	–	251	251	251
Total	**300**	**7,298**	**7,598**	**7,599**

On June 18, 2019, the Kuehne+Nagel Group issued a CHF 200 million public bond with a nominal interest rate of 0.02 per cent repaid on November 18, 2022, and a CHF 200 million public bond with a nominal interest rate of 0.2 per cent due on June 18, 2025, both with redemption at par (quoted prices, level 1 fair value of CHF 191 million on December 31, 2022, CHF 401 million in 2021). There are no other non-current fixed rate interest-bearing loans or other liabilities outstanding (December 31, 2021: none).

The fair values of financial assets and liabilities carried at amortised cost are approximately equal to their carrying amounts.

Level 3 financial liabilities include contingent consideration liabilities of CHF 166 million (2021: CHF 300 million). The first tranche of the contingent consideration liability to the previous owners of Apex in the amount of CHF 87 million has been settled. CHF 73 million (fair value) was paid in Company's shares and CHF 14 million was paid in cash. Further, the contingent consideration liability to the previous owners of Sincero in the amount of CHF 55 million has been settled in cash.

Further, the put option to non-controlling interest represents the short and long-term portion of the redemption liability recognised in connection with the acquisition and divestment of Apex (refer to note 40 for further details). Apex management exercised the put option to sell one third of the remaining 11.6 per cent of the retained shares to the Group for a fair value of CHF 353 million paid in the Company's treasury shares. At the balance sheet date, the carrying amount of the put option liability amounted to CHF 1,393 million (2021: CHF 1,448 million) and is recognised in the balance sheet items "Other current liabilities" and "Other non-current liabilities".

The Group's financial instruments measured at fair value have been categorised into below mentioned levels, reflecting the significance of inputs used in estimating fair values:

- Level 1: Quoted prices (unadjusted) in active markets for identical instruments.
- Level 2: Input other than quoted prices included within Level 1 that are observable for the instrument, either directly or indirectly,
- Level 3: Valuation techniques using significant unobservable inputs.

The fair value of the derivative instruments (forward foreign exchange contracts) is determined based on current and available market data. Pricing models commonly used in the market are used, taking into account relevant parameters such as forward rates, spot rates, discount rates, yield curves and volatility.

Contingent considerations, resulting from business combinations, are valued at fair value at the acquisition date as part of the business combination. When the contingent consideration meets the definition of a financial liability, it is subsequently measured to fair value at each reporting date. The determination of the fair value is based on discounted cash flows. The key assumptions take into consideration the probability of meeting each performance target and the discount factor. Management has reassessed the estimated performance targets (significant unobservable input, level 3), no significant change compared to December 31, 2021 has resulted.

Level 3 fair values

CHF million	Contingent consideration liabilities
Balance as of January 1, 2022	300
Additions through business combinations	2
Utilised for settlements	–143
Total (gains)/losses included in the income statement	
– Foreign exchange revaluation – recorded within financial income/expenses	8
Total (gains)/losses included in other comprehensive income	
Effects of movements in foreign exchange	–1
Balance as of December 31, 2022	**166**
of which	
– Current portion	83
– Non-current portion	83

46 Related parties and transactions

The Group has a related party relationship with its subsidiaries, joint ventures, associates, shareholders and with its Board of Directors and Management Board.

Subsidiaries, joint ventures and associates

The Group's operations involve operating activities between the parent company and its subsidiaries and between the subsidiaries themselves due to the nature of business. Overheads are, to a certain extent, also charged to the subsidiaries based on their use of services provided. All these transactions are eliminated upon consolidation. There were no significant transactions between the Group and its joint ventures and other related parties.

Transactions with related parties are conducted at arm's length.

Board of Directors and Management Board

The details of the total compensation and remuneration paid to and accrued for the members of the Board of Directors and the Management Board of Kuehne + Nagel International AG, Schindellegi, Switzerland, are shown in the table below:

	Management Board		Board of Directors	
CHF million	2022	2021	2022	2021
Wages, salaries and other short-term employee benefits	20.3	19.3	4.4	4.4
Post-employment benefits	1.8	1.7	0.3	0.3
Share-based compensation	2.5	2.8	–	–
Total compensation	**24.6**	**23.8**	**4.7**	**4.7**

As of December 31, 2022, no loans or any other commitments were outstanding towards members neither of the Board of Directors nor of the Management Board. Members of the Board of Directors and the Management Board control 53.6 per cent (2021: 53.3 per cent) of the voting shares of the Company.

For disclosure requirements according to the Swiss law (Article 663bbis/c CO), refer to pages 134 to 135; note 14 of the financial statements of Kuehne + Nagel International AG. For other related parties refer to note 32 outlining the shareholders' structure, and pages 111 to 120 listing the Group's significant subsidiaries and joint ventures.

47 Accounting estimates and judgements

The management has carefully considered the development, selection and disclosure of the Group's critical accounting policies and estimates as well as the application of these policies and estimates.

Acquisition accounting

Intangible assets acquired in a business combination are required to be recognised separately from goodwill and amotised over their useful life if they are subject to contractual or legal rights or are separately transferable. The Group has separately recognised customer contracts/lists, brands and agent contracts in acquisitions made (see note 28).

The fair value of these acquired intangible assets is based on valuation techniques, which require input based on assumptions about the future. The management uses its best knowledge to estimate fair value of acquired intangible assets as of the acquisition date. The value of intangible assets is tested for impairment when there is an indication that they might be impaired (see below). The management must also make assumptions about the useful life of the acquired intangible assets which might be affected by external factors such as increased competition.

Carrying amount of goodwill, other intangibles and property, plant and equipment

The Group tests its goodwill with a total carrying amount of CHF 2,199 million (2021: CHF 2,290 million) for impairment every year as disclosed in note 10.

The Group also assesses annually whether there is any indication that other intangible assets or property, plant and equipment may be impaired. In such a case, the assets are tested for impairment.

In 2022, the Group recorded no impairment charges on goodwill and other intangible assets (2021: no impairment recorded). The carrying amount of other intangibles is CHF 180 million (2021: CHF 247 million), and that of property, plant and equipment is CHF 739 million (2021: CHF 766 million).

Impairment tests are based on value-in-use calculations, which involve a variety of assumptions such as estimates of future cash inflows and outflows and choice of a discount rate. Actual cash flows might, for example, differ significantly from management's current best estimate. Changes in market environment or the evolution of technologies might have an impact on future cash flows and result in recognition of impairment losses.

Fair value of contingent considerations

Contingent considerations, resulting from business combinations, are measured at fair value at the acquisition date as part of the business combination. When a contingent consideration meets the definition of a financial liability, it is subsequently remeasured to fair value at each reporting date. The determination of fair value is based on discounted cash flows. The key assumptions take into consideration the probability of meeting each performance target and the discount factor.

As part of the accounting for the acquisition of the Apex Group, a contingent consideration with an estimated fair value of CHF 242 million was recognised at the acquisition date. As of December 31,

2022, the Group has recognised total contingent consideration liabilities of CHF 166 million (2021: CHF 300 million). The contingent considerations are classified as other financial liabilities. For further details see notes 40 and 45.

Put option to non-controlling interest

Resulting from business combinations, a put option to non-controlling interest is recognised at the acquisition date as part of the business combination. The non-controlling interest is reclassified as a financial liability at each reporting date as if the acquisition took place at that date. Any excess over the reclassified carrying amount of the non-controlling interest and all subsequent changes in the redemption value of the financial liability are recognised directly in retained earnings.

In connection with the Apex Group transactions, a put option liability to non-controlling interest with an estimated carrying amount of CHF 1,393 million (2021: CHF 1,448 million) was recognised at balance sheet date. The put option liability to non-controlling interest is classified as other financial liability. The option exercise price depends on an EBITDA multiple and depends on the performance of Apex. Depending on the actual performance of Apex, the actual payment amounts may vary significantly compared to the currently recognised liability. The Group reassesses the performance scenarios of Apex on a quarterly basis and revaluates the liabilities accordingly. For further details see note 40.

Defined benefit pension plans

The Group has recognised a liability for defined benefit pension plans in the amount of CHF 225 million (2021: CHF 353 million). A number of assumptions are made in order to calculate the liability, including discount rate and future salary increases. A relatively minor change in any of these assumptions can have a significant impact on the carrying amount of the defined benefit obligation.

Accrued trade expenses

Freight forwarding transactions which are completed and for which the costs are not fully received, are accrued for expected costs based on best estimate. The Group management's judgement is involved in the estimate of costs and their completeness.

Income tax

Judgement and estimates are required when determining deferred as well as current tax assets and liabilities. The management believes that its estimates, based on information such as the interpretation of tax laws, are reasonable. Changes in tax laws and rates, interpretations of tax laws, earnings before tax, and taxable profit might have an impact on the amounts recognised as tax assets and liabilities.

The Group has recognised a net deferred tax asset of CHF 122 million (2021: CHF 90 million). Furthermore, the Group has unrecognised deferred tax assets relating to unused tax losses of CHF 8 million (2021: CHF 12 million). Based on estimates such as the probability of realising these tax benefits, available taxable temporary differences, and periods of reversals of such differences, the management does not believe that the criteria to recognise deferred tax assets are met (see note 24).

Provisions and contingent liabilities

The Group has recognised provisions for an amount of CHF 177 million (2021: CHF 135 million) related to legal claims and other exposures in the freight forwarding and logistics operations (see note 36). The provisions represent the best estimate of the risks, whereby the final amount required is subject to uncertainty.

48 Post balance sheet events

There have been no material events between December 31, 2022, and the date of authorisation of the consolidated financial statements that would require adjustments of the consolidated financial statements or disclosure.

49 Resolution of the Board of Directors

The consolidated financial statements of the Group were authorised for issue by the Board of Directors on February 28, 2023. A resolution to approve the consolidated financial statements will be proposed at the Annual General Meeting on May 9, 2023.

Significant consolidated subsidiaries and joint ventures

Holding and management companies

Country	Name of the company	Location	Currency	Share capital in thousand	Voting rights in per cent
Switzerland	Kuehne + Nagel International AG	Schindellegi	CHF	120,754	100
	Kuehne + Nagel Management AG [1]	Schindellegi	CHF	1,000	100
	Nacora Holding AG [1]	Schindellegi	CHF	500	100
	Nacora Agencies AG	Schindellegi	CHF	400	100
	Kuehne + Nagel Real Estate Holding AG [1]	Schindellegi	CHF	100	100
	Kuehne + Nagel Finance AG [1]	Schindellegi	CHF	100	100

1 Directly held by Kuehne + Nagel International AG.

Operating companies

Europe, Middle East and Africa (EMEA)					
Country	Name of the company	Location	Currency	Share capital in thousand	Voting rights in per cent
Albania	Transalbania Sh.p.k	Tirana	ALL	41,725	51
Angola	Kuehne & Nagel (Angola) Transitarios Lda [1]	Luanda	AOA	7,824	100
Austria	Kuehne + Nagel Eastern Europe AG [1]	Vienna	EUR	1,090	100
	Kuehne + Nagel GmbH	Vienna	EUR	1,820	100
	Nacora Insurance Brokers GmbH	Vienna	EUR	35	100
	SLM Spedition & Logistik GmbH	Wiener Neudorf	EUR	35	100
Bahrain	Kuehne + Nagel WLL [1]	Manama	BHD	750	100

1 Directly held by Kuehne + Nagel International AG.

Europe, Middle East and Africa (EMEA)

Country	Name of the company	Location	Currency	Share capital in thousand	Voting rights in per cent
Belgium	Kuehne + Nagel NV	Antwerp	EUR	6,338	100
	Kuehne + Nagel Logistics NV	Geel	EUR	5,206	100
	Nacora Insurance Brokers NV	Brussels	EUR	155	100
	Logistics Kontich BVBA	Kontich	EUR	837	100
	Logistics Nivelles NV	Nivelles	EUR	16.681	100
Bosnia and Herzegovina	Kuehne + Nagel doo	Sarajevo	BAM	95	100
Bulgaria	Kuehne + Nagel EOOD	Sofia	BGN	365	100
Croatia	Kuehne + Nagel d.o.o.	Zagreb	HRK	4,300	100
Cyprus	Nakufreight Limited	Nicosia	EUR	17	100
Czech Republic	Kuehne + Nagel spol. s. r.o.	Prague	CZK	21,000	100
Denmark	Kuehne + Nagel A/S [1]	Copenhagen	DKK	5,001	100
Egypt	Kuehne + Nagel Ltd. [1]	Cairo	EGP	1,000	100
Estonia	Kuehne + Nagel AS	Tallinn	EUR	26	100
	Kuehne + Nagel IT Service Centre AS	Tallinn	EUR	25	100
Finland	Oy Kuehne + Nagel Ltd	Helsinki	EUR	200	100
France	Kuehne + Nagel SAS	Ferrières	EUR	17,380	100
	Kuehne + Nagel Parts SASU	Trappes	EUR	87	100
	Nacora Courtage d'Assurances SAS	Paris	EUR	40	100
	Kuehne + Nagel Aerospace & Industry SAS	Ferrières	EUR	37	100
	Kuehne + Nagel EASYLOG SAS	Ferrières	EUR	37	100
	Kuehne + Nagel Road SAS	Villefranche	EUR	4,000	100
	IM Overland SARL	Villefranche	EUR	8	100
	Almeca SNC	Villefranche	EUR	32	100
	Kuehne + Nagel Participations Sarl	Ferrières	EUR	113,697	100
	K Logistics Sarl	Le Meux	EUR	91	100
	Kuehne + Nagel Solutions	Saint Vulbas	EUR	10	100
	Kuehne + Nagel Insitu SASU	Chalon sur Saone	EUR	10	100
	Quick International France SAS	Villepinte	EUR	50	100
Germany	Kuehne + Nagel (AG & Co.) KG	Bremen	EUR	16,000	100
	KN Airlift GmbH	Frankfurt	EUR	256	100
	CS Parts Logistics GmbH	Bremen	EUR	426	50
	Kuehne + Nagel Euroshipping GmbH	Regensburg	EUR	256	51
	Stute Aftermarket Services GmbH-DE	Bremen	EUR	357	100
	Nacora Versicherungsmakler GmbH	Hamburg	EUR	79	100

1 Directly held by Kuehne + Nagel International AG.

Europe, Middle East and Africa (EMEA)					
Country	Name of the company	Location	Currency	Share capital in thousand	Voting rights in per cent
Germany	Gustav. F. Huebener GmbH	Hamburg	EUR	31	100
	Kuehne + Nagel Logistics Langenau GmbH	Langenau	EUR	25	100
	Kuehne + Nagel Intermodal GmbH	Bielefeld	EUR	300	100
	Donau Transport und Umschlags GmbH (Joint Venture)	Regensburg	EUR	108	50
	Anchor Risk Services GmbH	Hamburg	EUR	25	100
	Apex Global Logistics (DE) GmbH [2]	Kelsterbach	EUR	500	100
Great Britain	Kuehne + Nagel (UK) Limited	Uxbridge	EUR	46,300	100
	Kuehne + Nagel Limited	Uxbridge	GBP	8,867	100
	Nacora Insurance Brokers Limited	Uxbridge	GBP	150	100
	Quick International Couriers (UK) Limited	Colnbrook	GBP	–	100
Greece	Kuehne + Nagel AE	Athens	EUR	6,528	100
	Nacora Brokins International AE	Athens	EUR	60	60
	Sindos Railcontainer Services AE (Joint Venture)	Thessaloniki	EUR	3,038	50
Hungary	Kuehne + Nagel Kft	Budapest	HUF	134,600	100
Iraq	Jawharat Al-Sharq Co. for General Transportation and Logistics Services L.L.C.	Baghdad	USD	85	100
	Kuehne + Nagel for General Transportation and Logistics Services L.L.C.	Erbil	USD	45	100
Ireland	Kuehne & Nagel (Ireland) Limited	Dublin	EUR	500	100
Israel	Amex Ltd.	Holon	ILS	2	91
Italy	Kuehne + Nagel Srl	Milan	EUR	4,589	100
	Nacora Srl	Milan	EUR	104	100
Jordan	Kuehne & Nagel (UK) Ltd. / Jordan	Amman	JOD	50	100
Kenya	Kuehne + Nagel Limited [1]	Nairobi	KES	63,995	100
	Blue Anchor Line Limited	Nairobi	KES	500	100
	Trillvane Limited	Nairobi	KES	750	100

1 Directly held by Kuehne + Nagel International AG.
2 The voting rights of these companies represent the direct percentage of the interest.
The indirect percentage of the non-controlling interest amounts to 32.6%.

Europe, Middle East and Africa (EMEA)					
Country	Name of the company	Location	Currency	Share capital in thousand	Voting rights in per cent
Kuwait	Kuehne + Nagel Company W.L.L. [1]	Kuwait	KWD	150	100
Latvia	Kuehne + Nagel SIA	Riga	EUR	142	100
Lithuania	Kuehne & Nagel UAB	Vilnius	EUR	232	100
Luxembourg	Kuehne + Nagel S.a.r.l.	Contern	EUR	5,750	100
	Kuehne + Nagel AG	Contern	EUR	31	100
	Kuehne + Nagel Investments S.a.r.l. [1]	Contern	EUR	200	100
	Nacora (Luxembourg) S.a.r.l.	Contern	EUR	125	100
	Kuehne + Nagel Beteiligungs-AG [1]	Contern	EUR	10,277	100
Malta	Kuehne + Nagel Limited	Hamrun	EUR	14	100
Mauritius	KN (Mauritius) Limited [1]	Port Louis	MUR	4,000	100
Morocco	Kuehne + Nagel SAS	Casablanca	MAD	300	100
Mozambique	Kuehne & Nagel Mocambique Lda. [1]	Maputo	MZN	125,883	100
Namibia	Kuehne and Nagel (Pty) Ltd. [1]	Windhoek	NAD	340	100
Netherlands	Kuehne + Nagel N.V.	Rotterdam	EUR	3,325	100
	Kuehne + Nagel Investments B.V. [1]	Rotterdam	EUR	50	100
	Nacora Assurantiekantoor B.V.	Rotterdam	EUR	45	100
	Kuehne + Nagel Logistics B.V.	Veghel	EUR	25	100
	Apex Global Logistics (NL) B.V. [2]	Oude Meer	EUR	19,404	100
North Macedonia	Kuehne + Nagel d.o.o.e.l.	Skopje	MKD	3,216	100
Norway	Kuehne + Nagel AS	Oslo	NOK	3,100	100
Oman	Universal Freight Services LLC	Muscat	OMR	250	70
Poland	Kuehne + Nagel Sp. z o.o.	Poznan	PLN	14,869	100
	Kuehne + Nagel Real Estate Sp. z o.o.	Gadki	PLN	1,451	100
Portugal	Kuehne + Nagel Lda	Porto	EUR	200	100
	Kuehne + Nagel IT Services, S.A	Porto	EUR	300	100
Qatar	Kuehne + Nagel L.L.C. [1]	Doha	QAR	1,900	100
	K Logistics QFZ LLC [1]	Doha	QAR	–	100

1 Directly held by Kuehne + Nagel International AG.
2 The voting rights of these companies represent the direct percentage of the interest.
The indirect percentage of the non-controlling interest amounts to 32.6%.

Europe, Middle East and Africa (EMEA)

Country	Name of the company	Location	Currency	Share capital in thousand	Voting rights in per cent
Romania	Kuehne + Nagel SRL	Bucharest	RON	2,543	100
	Truck Supply Europe Srl	Ploiesti	RON	442	100
Saudi Arabia	Kuehne and Nagel Limited [1]	Jeddah	SAR	1,000	100
Serbia	Kuehne + Nagel d.o.o.	Belgrade	RSD	3,039	100
	Kuehne + Nagel Shared Service Centre d.o.o.	Belgrade	RSD	15,000	100
Slovakia	Kuehne + Nagel s.r.o.	Bratislava	EUR	470	100
Slovenia	Kuehne + Nagel d.o.o.	Ljubljana	EUR	10	100
South Africa	Kuehne + Nagel (Proprietary) Limited [1]	Johannesburg	ZAR	1,652	70
	Nacora Insurance Brokers (Proprietary) Limited	Johannesburg	ZAR	35	100
Spain	Kuehne & Nagel S.A.U.	Madrid	EUR	60	100
	Kuehne Nagel Investments S.L.U.	Madrid	EUR	3	100
	Nacora Correduria de Seguros S.A.	Barcelona	EUR	150	100
Sweden	Kuehne & Nagel AB	Stockholm	SEK	500	100
	Kuehne & Nagel Investment AB [1]	Stockholm	EUR	112	100
	Nacora International Insurance Brokers AB	Stockholm	SEK	100	100
Switzerland	Kuehne + Nagel AG	Opfikon	CHF	3,000	100
	Nacora Insurance Brokers AG	Opfikon	CHF	100	100
Tanzania	Kuehne + Nagel Limited [1]	Dar es Salaam	TZS	525,000	100
	Blue Anchor Line International Limited [1]	Dar es Salaam	TZS	21,000	100
Turkey	Kuehne + Nagel Nakliyat Ltd. Sti.	Istanbul	TRY	5,195	100
	Zet Farma Lojistik Hizmetleri Sanayi ve Ticaret A.S.	Istanbul	TRY	2,500	100
	Nacora Sigorta Brokerligi A.S.	Istanbul	TRY	300	100
UAE	Kuehne + Nagel L.L.C. [1]	Dubai	AED	1,000	100
	Kuehne + Nagel L.L.C. [1]	Abu Dhabi	AED	1,000	100
	Kuehne + Nagel DWC L.L.C.	Dubai	AED	13,000	100
	Kuehne + Nagel Management ME FZE [1]	Dubai	AED	1,000	100
Uganda	Kuehne + Nagel Limited [1]	Kampala	UGX	827,500	100
Ukraine	Kuehne + Nagel SE.	Kiev	UAH	26,975	100

1 Directly held by Kuehne + Nagel International AG.

Americas					
Country	Name of the company	Location	Currency	Share capital in thousand	Voting rights in per cent
Argentina	Kuehne + Nagel S.A.	Buenos Aires	ARS	3,208	100
	Nacora S.A.	Buenos Aires	ARS	20	100
Bolivia	Kuehne + Nagel Ltda. [1]	Santa Cruz	BOB	260	100
Brazil	Kuehne + Nagel Serviços Logisticos Ltda. [1]	Sao Paulo	BRL	210,804	100
	Nacora Corretagens de Seguros Ltda.	Sao Paulo	BRL	1,094	100
Canada	Kuehne + Nagel Ltd. [1]	Toronto	CAD	2,910	100
	Nacora Insurance Brokers Ltd.	Toronto	CAD	–	100
	Kuehne + Nagel Real Estate Ltd.	Toronto	CAD	–	100
	Kuehne + Nagel Services Ltd. [1]	Vancouver	USD	1,522	100
	GFH Underwriting Agency Ltd.	Toronto	CAD	–	100
	Apex Supply Chain Management Inc. [2]	North York	CAD	223	100
Chile	Kuehne + Nagel Ltda. [1]	Santiago	CLP	575,000	100
Colombia	Kuehne + Nagel S.A.S. [1]	Bogotá	COP	5,184,600	100
	Agencia de Aduanas KN Colombia S.A.S. Nivel 2 [1]	Bogotá	COP	595,000	100
	Kuehne + Nagel Servicios S.A.S	Bogotá	COP	1,500,000	100
	Nacora LTDA Agencia de Seguros	Bogotá	COP	20,000	100
Costa Rica	Kuehne + Nagel S.A. [1]	San Jose	CRC	–	100
	KN Shared Service Centre S.A. [1]	San Jose	CRC	–	100
Cuba	Kuehne Nagel Logistic Services S.A.	Havana	CUC	–	100
Dominican Republic	Nakufreight SAS (Joint Venture)	Santo Domingo	DOP	3,000	50
Ecuador	Kuehne + Nagel S. A. [1]	Quito	USD	7	100
El Salvador	Kuehne + Nagel S.A. de C.V. [1]	San Salvador	USD	69	100
Guatemala	Kuehne + Nagel S.A. [1]	Guatemala	GTQ	4,245	100
Honduras	Kuehne + Nagel S.A. [1]	San Pedro Sula	HNL	25	100
Mexico	Kuehne + Nagel S.A. de C.V. [1]	Mexico City	MXN	12,223	100
	Kuehne + Nagel Forwarding S.A. de C.V. [1]	Mexico City	MXN	12,223	–
	Kuehne + Nagel Servicios Administrativos S.A. de C.V. [1]	Mexico City	MXN	50	100
	Nacora Mexico Agente de Seguros S.A. de C.V.	Mexico City	MXN	50	100
	Asia Pacific Express Logistics S DE RL DE CV [2]	Napoles	MXN	2,679	99.97

1 Directly held by Kuehne + Nagel International AG.
2 The voting rights of these companies represent the direct percentage of the interest.
The indirect percentage of the non-controlling interest amounts to 32.6%.

Americas					
Country	Name of the company	Location	Currency	Share capital in thousand	Voting rights in per cent
Nicaragua	Kuehne + Nagel S.A. [1]	Managua	NIO	13,735	100
Panama	Kuehne + Nagel S.A. [1]	Colon	USD	1	100
	Kuehne + Nagel Management S.A. [1]	Colon	USD	10	100
Peru	Kuehne + Nagel S.A. [1]	Lima	PEN	11,067	100
Trinidad & Tobago	Kuehne + Nagel Ltd.	Port of Spain	TTD	31	100
Uruguay	Kuehne + Nagel S.A. [1]	Montevideo	UYU	3,908	100
USA	Kuehne + Nagel Investment Inc.	Jersey City	USD	1,400	100
	Kuehne + Nagel Inc.	Jersey City	USD	1,861	100
	Nacora Insurance Brokers Inc.	Jersey City	USD	25	100
	Kuehne + Nagel Special Logistics Inc.	Dulles	USD	30	100
	Kuehne + Nagel Nevada, Inc.	McCarran	USD	2	100
	ReTransportation Inc.	Memphis	USD	543	100
	ReTrans Freight Inc.	Fall River	USD	23,229	100
	Commodity Forwarders Inc.	Los Angeles	USD	1,220	100
	Q International Courier, LLC	Jamaica	USD	–	100
	KN Forest Conservation, LLC	Jersey City	USD	–	100
	Apex Holdings Group, Inc. [2]	Rancho Dominguez	USD	5,300	100
	Apex Cargo Transportation Inc. [2]	Rancho Dominguez	USD	75	100
	Apex Logistics International Inc. [2]	Rancho Dominguez	USD	365	100
	Apex Logistics International (LAX), Inc. [2]	Rancho Dominguez	USD	1,878	100
	Apex Logistics International JFK Inc. [2]	Kent	USD	416	100
	Apex Logistics International NY, Inc. [2]	Springfield Gardens	USD	2,162	100
	Apex Logistics International (ORD), Inc. [2]	Franklin Park	USD	970	100
	Apex Logistics International (MIA), Inc. [2]	Miami	USD	799	100
	Apex Logistics International (SEA), Inc. [2]	Kent	USD	566	100
	Apex Cargo International (DFW), Inc. [2]	Dallas	USD	122	100
	Apex Logistics International (SFO) Inc. [2]	San Francisco	USD	1,500	100
Venezuela	Kuehne + Nagel S.A. [1]	Caracas	VES	–	100
	KN Venezuela Aduanas C.A.	Caracas	VES	–	100

1 Directly held by Kuehne + Nagel International AG.
2 The voting rights of these companies represent the direct percentage of the interest.
The indirect percentage of the non-controlling interest amounts to 32.6%.

Asia-Pacific

Country	Name of the company	Location	Currency	Share capital in thousand	Voting rights in per cent
Australia	Kuehne & Nagel Pty Ltd. [1]	Melbourne	AUD	9,746	100
	Nacora Insurance Services Pty Ltd.	Melbourne	AUD	–	100
	Apex Supply Chain Management (AU) Pty.Ltd. [2]	Melbourne	AUD	1,000	80
	Apex Supply Chain Management (SYD) Pty. Ltd. [2]	Sydney	AUD	–	100
Bangladesh	Kuehne + Nagel Limited [1]	Dhaka	BDT	10,000	100
Cambodia	Kuehne + Nagel Limited [1]	Phnom Penh	USD	5	100
China	KN-Sincero Logistics Co. Ltd.	Shanghai	CNY	30,000	100
	Zhejiang Jiajin Logistics Co. Ltd.	Huzhou	CNY	10,000	100
	Wuhan Zhisheng Logistics Co. Ltd.	Wuhan	CNY	10,000	100
	Shenzhen Hua Tie Xun Logistics Co. Ltd.	Shenzhen	CNY	5,000	100
	Kuehne & Nagel Ltd.	Shanghai	CNY	25,072	100
	Kuehne & Nagel Logistics Co. Ltd.	Shanghai	CNY	5,515	100
	Kuehne & Nagel Information Center Ltd.	Foshan	CNY	1,000	100
	Apex Logistics International (Chengdu) Ltd. [2]	Chengdu	CNY	15,000	100
	Hefei Shunzhuo Supply Chain Management Co. Ltd. [2]	Hefei	CNY	–	100
	Apex Logistics International (CN) Ltd. [2]	Shanghai	CNY	61,750	100
	Apex Logistics International (Qingdao) Ltd. [2]	Qingdao	CNY	9,000	100
	Apex Logistics International (Chongqing) Ltd. [2]	Chongqing	CNY	8,000	100
	Apex Logistics International (Guangzhou) Ltd. [2]	Guangzhou	CNY	23,000	100
	Apex Logistics International (Hangzhou) Ltd. [2]	Hangzhou	CNY	5,000	100
	Apex Logistics International (Tianjin) Ltd. [2]	Tianjin	CNY	12,000	100
	Apex Logistics International (Beijing) Ltd. [2]	Beijing	CNY	15,000	100
	D&P International Freight Transportation Co. Ltd. [2]	Shanghai	CNY	6,000	100
	Apex Enterprise Management Shenzhen Co. Ltd [2]	Shenzhen	CNY	–	100
	Apex Logistics International (Shenzhen) Ltd. [2]	Shenzhen	CNY	20,882	100
	Shanghai Shunzhuo Supply Chain Co. Ltd. [2]	Shanghai	CNY	10,000	100
	Hefei Wellwin International Logistics Co. Ltd. [2]	Hefei	CNY	–	100
	Hefei Shengshitong International Logistics Co. Ltd. [2]	Hefei	CNY	–	100
	Shanghai Shunzhuo International Logistics Co. Ltd. [2]	Shanghai	CNY	–	100

1 Directly held by Kuehne + Nagel International AG.

2 The voting rights of these companies represent the direct percentage of the interest. The indirect percentage of the non-controlling interest amounts to 32.6%.

Asia-Pacific

Country	Name of the company	Location	Currency	Share capital in thousand	Voting rights in per cent
China	Guangzhou Shengyuan Supply Chain Management Co. Ltd. [2]	Guangzhou	CNY	–	100
	Wuhan Shengyuan Supply Chain Management Co. Ltd. [2]	Wuhan	CNY	–	90
	Shanghai Qi'an International Logistics Limited [2]	Shanghai	CNY	–	100
	Shanghai Shunpu Intelligence Technology Development Co. Ltd. [2]	Shanghai	CNY	10,000	100
	Shanghai Apex Qida International Logistics Co. Ltd. [2]	Shanghai	CNY	5,000	55
	Apex Logistics International (Xi'an) Ltd. [2]	Xi An	CNY	–	100
	Sinpex Connection Logistics (Shanghai) Limited [2]	Shanghai	CNY	5,000	100
	Sinpex Connection Logistics (Ningbo) Limited [2]	Ningbo	CNY	5,000	100
	Sinpex Connection Logistics (Nanjing) Limited [2]	Nanjing	CNY	5,000	100
	Sinpex Connection Logistics (Shenzhen) Limited [2]	Shenzhen	CNY	45,000	100
	Sinpex Connection Logistics (Xiamen) Limited [2]	Xiamen	CNY	5,000	100
	Sinpex Connection Logistics (Tianjin) Limited [2]	Tianjin	CNY	5,000	100
	Sinpex Connection Logistics (Qingdao) Limited [2]	Qingdao	CNY	5,000	100
	Sinpex Connection Logistics (Zhongshan) Limited [2]	Zhongshan	CNY	5,000	100
	Apex Shenggang International Logistics (Shanghai) Ltd. [2]	Shanghai	CNY	–	100
	Kuehne & Nagel Ltd. [1]	Hong Kong	HKD	1,560	100
	Transpac Container System Ltd. [1]	Hong Kong	HKD	100	100
	Nacora Insurance Brokers Ltd.	Hong Kong	HKD	500	100
	Zhuoyuan Intelligence Technology Co. Ltd. [2]	Kowloon	HKD	10,000	100
	Apex Logistics International (HK) Ltd. [2]	Kowloon	HKD	260,000	100
	Sinpex Connection Logistics Limited [2]	Kowloon	HKD	77,964	100
	Kuehne & Nagel Ltd. [1]	Macao	HKD	971	100
India	Kuehne + Nagel Pvt. Ltd. [1]	New Delhi	INR	30,000	100
Indonesia	PT. Naku Freight Indonesia [1]	Jakarta	IDR	13,500,100	95
	PT. Naku Logistics Indonesia	Jakarta	IDR	24,455,000	67
Japan	Kuehne + Nagel Ltd.	Tokyo	JPY	80,000	100
	Nacora Japan Insurance Solutions Ltd.	Tokyo	JPY	9,900	100
	APEX Logistics International (Japan) Co. Ltd. [2]	Tokyo	JPY	150,000	100

1 Directly held by Kuehne + Nagel International AG.
2 The voting rights of these companies represent the direct percentage of the interest. The indirect percentage of the non-controlling interest amounts to 32.6%.

Asia-Pacific

Country	Name of the company	Location	Currency	Share capital in thousand	Voting rights in per cent
Korea	Kuehne + Nagel Ltd. [1]	Seoul	KRW	500,000	100
	Apex Logistics International (Korea) Limited [2]	Seoul	KRW	5,026,375	60
	D&P International Freight Transportation [2]	Seoul	KRW	300,000	60
	Sinpex Connection Logistics Co. Ltd. [2]	Seoul	KRW	300,000	60
Malaysia	Kuehne + Nagel Sdn. Bhd. [1]	Kuala Lumpur	MYR	1,000	100
Maldives	Kuehne + Nagel Private Limited [1]	Male	USD	1	100
Myanmar	Kuehne + Nagel Ltd.	Yangon	USD	50	100
New Zealand	Kuehne + Nagel Limited [1]	Auckland	NZD	25,200	100
	Nacora Insurance Services Limited	Auckland	NZD	10	100
Pakistan	Kuehne + Nagel (Private) Limited. [1]	Karachi	PKR	9,800	100
Philippines	Kuehne + Nagel Inc. [1]	Manila	PHP	5,000	100
	Kuehne + Nagel Logistics Solutions Inc. [1]	Manila	PHP	5,000	100
	Kuehne + Nagel Shared Service Center Inc.	Cebu	PHP	10,500	51
	Kuehne + Nagel Global Services Inc.	Cebu	PHP	–	100
Singapore	Kuehne + Nagel Pte. Ltd. [1]	Singapore	SGD	72,250	100
	Modern Office Pte. Ltd.	Singapore	USD	17,885	100
	Nacora Insurance Agency Pte. Ltd.	Singapore	SGD	100	100
	Kuehne + Nagel (Asia Pacific) Management Pte. Ltd. [1]	Singapore	SGD	17,410	100
	Kuehne + Nagel Real Estate Pte Ltd	Singapore	SGD	72,000	100
	Kuehne+Nagel (Asia Pacific) Holding Pte Ltd [1]	Singapore	SGD	13,385	100
	Apex Logistics International (S) Pte.Ltd. [2]	Singapore	SGD	2,002	100
	Apex Logistics Solutions International Pte. Ltd. [2]	Singapore	USD	29	67.4
Sri Lanka	Kuehne & Nagel (Pvt) Ltd. [1]	Colombo	LKR	2,502	100
Taiwan	Kuehne + Nagel Ltd.	Taipei	TWD	20,000	100
	Nacora Insurance Brokers Ltd.	Taipei	TWD	10,000	100
	Apex Logistics International (TW) Ltd. [2]	Taipei	TWD	53	100
Thailand	Kuehne + Nagel Limited	Bangkok	THB	30,000	100
Vietnam	Kuehne + Nagel Company Limited [1]	Ho Chi Minh City	VND	155,022,000	100
	Apex Logistics International (Vietnam) Company Limited [2]	Hanoi	VND	26,910,000	100
	Sinpex Connection Logistics (Vietnam) Co. Ltd. [2]	Ho Chi Minh	VND	10,613,500	100

1 Directly held by Kuehne + Nagel International AG.
2 The voting rights of these companies represent the direct percentage of the interest. The indirect percentage of the non-controlling interest amounts to 32.6%.

Report of the statutory auditor on the consolidated financial statements to the General Meeting of Kuehne + Nagel International AG, Schindellegi (Feusisberg), Switzerland

Opinion
We have audited the consolidated financial statements of Kühne + Nagel International AG and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2022, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the and the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements (pages 45 to 120) give a true and fair view of the consolidated financial position of the Group as at 31 December 2022, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and comply with Swiss law.

Basis for opinion
We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISA) and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report. We are independent of the Group in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession, as well as those of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards (IESBA Code), 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.

Key audit matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the consolidated financial statements.

Valuation of goodwill

Area of focus	Our audit response
As of 31 December 2022, the Group has recorded goodwill of CHF 2,199 million. The carrying value of goodwill is tested annually for impairment. The impairment assessment for goodwill is dependent on the estimation of, amongst others, future cash flows and the discount rates applied. Due to the significance of the carrying values of goodwill and the judgment involved in performing the impairment tests, this matter was considered to be significant to our audit. The accounting policies regarding goodwill applied by the Group are explained in the notes to the consolidated financial statements in section 9. Further details on goodwill and the annual impairment tests are disclosed in note 28 to the consolidated financial statements.	We tested, with the support of our valuation specialists, the appropriateness of the Group's valuation model and evaluated management's key assumptions, including growth rates used in the cash flow projections during the forecast period, the terminal growth rate assumption and the discount rate. Further, we assessed the historical accuracy of management's estimates and considered their ability to produce accurate long-term forecasts. Our work moreover included an evaluation of management's sensitivity analysis on changes to the key assumptions, in order to quantify the downside changes in assumptions that could result in an impairment. Our audit procedures did not lead to any reservations concerning the valuation of goodwill and other intangible assets with indefinite useful lives.

Valuation of income tax positions

Area of focus	Our audit response
As of 31 December 2022, the Group has recorded deferred tax assets of CHF 122 million (net). Further, the Group operates across a wide range of tax jurisdictions around the world and is therefore occasionally challenged by local tax authorities, mainly regarding its cross-border transfer pricing arrangements. The group records deferred tax assets for temporary differences and tax loss carry forwards to the extent that it is probable that future taxable profit will be available against which these deferred tax assets can be used. Where there is uncertainty over income tax treatments, the Group recognizes the related tax assets or liabilities applying management's best estimate. Due to the significant judgment involved in forecasting timing and level of future taxable profits and in accounting for uncertain tax treatments, this matter was considered to be significant to our audit. The accounting policies regarding current and deferred income taxes applied by the Group are explained in the notes to the consolidated financial statements in section 17. Further details on current and deferred income tax positions are disclosed in note 24 to the consolidated financial statements.	We evaluated, with the support of our taxation specialists, the model used to recognize deferred tax assets and liabilities and the tax rates applied. We evaluated management's forecasts regarding timing and level of future taxable profits by comparing these future taxable profits to historical results and assessed any significant assumptions impacting these profits. Further, we assessed correspondence with relevant tax authorities, evaluated the historical accuracy of management's estimates and ensured the consistency between management's estimates regarding future taxable profits and other available prospective financial information, such as future cash flow estimates. Our audit procedures did not lead to any reservations concerning the valuation of income tax positions.

Recognition of net turnover and related balance sheet accounts

Area of focus	Our audit response
During the financial year 2022, the Group recognized net turnover in the amount of CHF 39,398 million. As of 31 December 2022, the Group has recognized CHF 540 million of contract assets and CHF 280 million of contract liabilities. The Group generates its revenues from four principal services (Sea Logistics, Air Logistics, Road Logistics and Contract Logistics), and from ancillary services (such as customs clearance or documentation services) which are incidental to a principal service and are together with a principal service considered to represent one single performance obligation. Turnover is recognized based upon the terms in the contract of carriage and to the extent a service is completed. Accruing for net turnover, including recognizing contract assets for unbilled services rendered and contract liabilities for payments received for services not yet rendered, depend on IT systems and controls. Due to the significance of net turnover, this matter was considered to be significant to our audit. The accounting policies regarding revenue recognition are explained in the notes to the consolidated financial statements in section 15. Further details on net turnover are disclosed in note 19 to the consolidated financial statements.	Our audit procedures included assessing the accounting policies for revenue recognition applied by management and comparing these to IFRS 15. We tested the Group's internal control system with regards to revenue recognition, including related IT controls. Further, our audit procedures included analytics to identify any unusual or non-standard transactions and, on a sample basis, agreeing amounts recorded to underlying evidence, i.e. customer contracts. Our audit procedures did not lead to any reservations concerning the recognition of net turnover and the accounting for contract assets and liabilities.

Other information
The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements, the remuneration report and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the consolidated financial statements
The Board of Directors is responsible for the preparation of the consolidated financial statements, which give a true and fair view in accordance with IFRS and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the consolidated financial statements
Our objectives are to obtain reasonable assurance about whether the consolidated 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 Swiss law, ISA and SA-CH 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 consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located on EXPERTsuisse's website at: https://www.expertsuisse.ch/en/audit-report. This description forms an integral part of our report.

Report on other legal and regulatory requirements
In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

Ernst & Young Ltd

Christian Schibler
Licensed audit expert
(Auditor in charge)

Andreas Traxler
Licensed audit expert

Zurich, February 28, 2023

Financial statements 2022 of Kuehne + Nagel International AG

Income statement

CHF million	Note	2022	2021
Income			
Income from investments in Group companies	1	1,563	1,331
Financial income			
– Interest income banks		7	–
– Interest income on loan receivables from Group companies		11	10
– Exchange gains		148	115
– Profit on sale of treasury shares		–	26
Other operational income	2	4	–
Total income		**1,733**	**1,482**
Expenses			
Financial expenses			
– Interest expenses banks		–6	–6
– Interest expenses on liabilities towards Group companies		–13	–4
– Exchange losses		–116	–98
– Loss on sale of treasury shares		–11	–
Other operational expenses	3	–24	–33
Total expenses		**–170**	**–141**
Earnings before tax and impairment		**1,563**	**1,341**
Impairment of investments in Group companies	6	–56	–79
Earnings before tax (EBT)		**1,507**	**1,262**
Income tax		–23	–26
Earnings for the year		**1,484**	**1,236**

Balance sheet

CHF million	Note	Dec. 31, 2022	Dec. 31, 2021
Assets			
Cash and cash equivalents	4	2,298	1,459
Other current receivables			
– from third parties		15	3
– from Group companies	5	609	836
Total current assets		**2,922**	**2,298**
Investments	6	3,063	2,726
Non-current assets		**3,063**	**2,726**
Total assets		**5,985**	**5,024**
Liabilities and equity			
Liabilities towards Group companies	7	2,534	1,425
Current liabilities			
– Other current liabilities	8	114	102
– Borrowings	9	–	200
– Tax provision		4	5
Current liabilities		**2,652**	**1,732**
Non-current liabilities			
– Other non-current liabilities	8	85	165
– Borrowings	9	200	200
Non-current liabilities		**285**	**365**
Total liabilities		**2,937**	**2,097**
Share capital	10	121	121
Legal capital contribution reserves	11	210	210
Legal reserves		60	60
Free reserves			
– Retained earnings	11	1,443	1,393
– Earnings for the year		1,484	1,236
Treasury shares	12	-270	-93
Equity		**3,048**	**2,927**
Total liabilities and equity		**5,985**	**5,024**

Schindellegi, February 28, 2023

Kuehne + Nagel International AG

Stefan Paul
CEO

Markus Blanka-Graff
CFO

Notes to the financial statements 2022

General

Kuehne + Nagel International AG (the Company) directly or indirectly controls companies which are consolidated in the Group financial statements.

The financial statements are based on the regulations of Swiss Code of Obligations (Art. 959c Abs. 1 OR). Additional regulations, which are not required by law, are also specified below.

Basis of preparation/accounting policies

Investments

Investments in subsidiaries, associates and joint ventures are recognised in the balance sheet at cost less valuation allowance.

Receivables

- *from Group companies*
  Balances outstanding are recorded at their nominal value less valuation allowance.
- *other*
  Other receivables are recorded at their nominal value less valuation allowance.

Treasury shares

Treasury shares are valued at average costs presented as a negative position in equity. The profit or loss from sale is accounted for in the income statement.

Tax provision

Swiss taxes on income and capital are provided for at balance sheet date.

Liabilities

- *towards Group companies*
  Liabilities towards consolidated companies are recorded at their nominal value.

Notes to the income statement

1 Income from investments in Group companies

Income from investments in Group companies mainly relates to dividends received.

CHF million	2022	2021
Income from investments and others	1,563	1,331
Total	**1,563**	**1,331**

2 Other operational income

CHF million	2022	2021
Refund from antitrust claims	4	–
Total	**4**	**–**

3 Other operational expenses

CHF million	2022	2021
Board of Directors fee	5	5
Other operational expenses	19	28
Total	**24**	**33**

Notes to the balance sheet

4 Cash and cash equivalents

CHF million	Dec. 31, 2022	Dec. 31, 2021
Bank deposits are in the following currencies:		
CHF	1,855	1,143
EUR	58	40
USD	361	276
CNY	23	–
Others	1	–
Total	**2,298**	**1,459**

5 Receivables from Group companies

Current receivables

CHF million	Dec. 31, 2022	Dec. 31, 2021
Kuehne + Nagel Ltd., Nairobi	8	10
Kuehne + Nagel Ltd., Bogota	–	3
Kuehne + Nagel Ltd., Antwerp	–	32
Kuehne + Nagel Ltd., Budapest	–	1
Kuehne + Nagel Ltd., Dubai	5	1
Kuehne + Nagel Management Ltd., Dubai	–	4
Kuehne + Nagel Inc. Manila	–	9
Kuehne + Nagel Ltd., Oslo	–	6
Kuehne + Nagel AG, Luxembourg	–	5
Kuehne + Nagel Investment S.a.r.l., Luxembourg	17	15
Kuehne + Nagel Investment Inc., New York	139	138
Kuehne + Nagel S.A.S., Paris	1	1
Kuehne + Nagel N.N., Rotterdam	19	11
Kuehne + Nagel Investment B.V., Rotterdam	297	311
Kuehne + Nagel Servicos Log Ltda., Sao Paulo	–	4
Kuehne + Nagel Real Estate Holding AG, Schindellegi	5	11
Kuehne + Nagel Liegenschaften AG, Schindellegi	–	17
Kuehne + Nagel Management AG, Schindellegi	1	2
Kuehne + Nagel Finance AG, Schindellegi	100	104
Kuehne + Nagel Co. W.L.L., Kuwait	1	1
Kuehne + Nagel A/S, Copenhagen	2	–
Kuehne + Nagel (AG &Co.) KG, Hamburg	8	–
Kuehne + Nagel Ltd., Port of Spain	1	–
Kuehne & Nagel Ltd., Amman	1	–
Kuehne + Nagel Shared Service Centre d.o.o., Belgrade	1	–
Apex Ltd., Hongkong	–	62
Apex Ltd., Singapore	–	83
Other Group companies	3	5
Total	**609**	**836**

6 Development of investments

CHF million	Investments in consolidated companies	Investments in affiliated companies	Total
Cost			
Balance as of January 1, 2022	3085	2	3,087
Additions	393	–	393
Balance as of December 31, 2022	**3,478**	**2**	**3,480**
Cumulative amortisation			
Balance as of January 1, 2022	359	2	361
Impairments	56	–	56
Balance as of December 31, 2022	**415**	**2**	**417**
Carrying amount			
As of January 1, 2022	**2,726**	**–**	**2,726**
As of December 31, 2022	**3,063**	**–**	**3,063**

A schedule of the Group's direct and main indirect subsidiaries and Kuehne+Nagel's share in the respective equity is shown in "Significant consolidated subsidiaries and joint ventures" in the consolidated financial statements.

The movements of investments are mainly related to additions from the purchase of additional shareholding of 3.9 per cent in Apex Logistics Solutions International Pte. Ltd., Singapore.

7 Liabilities towards Group companies

CHF million	Dec. 31, 2022	Dec. 31, 2021
Kuehne + Nagel Ltd., Dublin	1	1
Kuehne + Nagel S.a.r.l., Luxembourg	83	47
Kuehne + Nagel S.A.S., Paris	101	17
Kuehne + Nagel N.V., Rotterdam	1	3
Kuehne + Nagel NV/SA, Antwerp	57	1
Kuehne + Nagel Services Ltd., Vancouver	1	–
Kuehne + Nagel A/S, Oslo	4	–
Kuehne + Nagel GmbH, Vienna	–	1
Kuehne + Nagel Eastern Europe AG., Vienna	65	50
Kuehne + Nagel Ltd., London	6	40
Kuehne + Nagel s.r.o., Bratislava	6	2
Kuehne + Nagel spol.s.r.o., Prague	7	7
Kuehne + Nagel Ltd., Singapore	1	11
Kuehne + Nagel Management Ltd., Singapore	2	1
Kuehne + Nagel (AG & Co.) KG, Hamburg	370	149
Kuehne + Nagel Ltd. Mississauga	–	47
Kuehne + Nagel Ltd., Mexico	5	–
Kuehne + Nagel Ltd., Hongkong	11	61
Kuehne + Nagel Ltd., Auckland	2	1
Kuehne + Nagel Kft., Budapest	10	1
Kuehne + Nagel d.o.o., Lijubliana	2	2
Kuehne + Nagel Ltd., Shanghai	154	135
Kuehne + Nagel s.r.l., Bucharest	2	1
Kuehne + Nagel S.A., Madrid	1	1
Kuehne + Nagel Investment SL, Madrid	74	27
Kuehne + Nagel Investment AB, Stockholm	33	20
Kuehne + Nagel Inc., New York	924	263
Kuehne + Nagel Management AG, Schindellegi	349	394
Kühne + Nagel AG, Zürich	67	33
Kuehne + Nagel Finance AG, Schindellegi	4	13
Nacora Holding AG, Schindellegi	6	6
Nacora Agencies AG, Schindellegi	18	14
Kuehne + Nagel LLC, Dubai	5	–
Kuehne + Nagel Pty Ltd., Melbourne	10	–
Kuehne + Nagel W.L.L., Manama	1	–
Kuehne + Nagel Log. Co. Ltd., Shanghai	132	–
Kuehne + Nagel Ltd., Tokyo	4	–
Other Group companies	15	76
Total	**2,534**	**1,425**

8 Other current and non-current liablities

Other current and non-current liabilities mainly include a contingent consideration of CHF 164 million to acquire an additional stake of 6.06 per cent of the shares of Apex International Corporation. Further details can be found in note 40 of the consolidated financial statements.

9 Borrowings

CHF million	Dec. 31, 2022	Dec. 31, 2021
0.02 per cent bond due 2022	–	200
0.20 per cent bond due 2025	200	200
Borrowings	200	400

On June 18, 2019, the Kuehne+Nagel Group issued a CHF 200 million public bond with a nominal interest rate of 0.02 per cent which was repaid on November 18, 2022, and a CHF 200 million public bond with a nominal interest rate of 0.2 per cent due on June 18, 2025, both with redemption at par.

10 Share capital

Share capital	Registered shares at nominal value of CHF 1 each	CHF million
Balance as of December 31, 2022	120,753,783	121

Authorised and conditional share capital

The Annual General Meeting held on May 3, 2022, extended its approval of authorised share capital up to a maximum of CHF 20 million by a further two years until May 3, 2024.

The Annual General Meeting held on May 2, 2005, approved a conditional share capital increase up to a maximum of CHF 12 million and to add a respective section in the Articles of Association.

The Annual General Meeting held on May 5, 2015, approved a conditional share capital up to a maximum of CHF 2 million for the provision of the employee share-based compensation plans of the Company.

On May 4, 2021, the Board of Directors resolved on the partial implementation of the authorised share capital increase by increasing the share capital of the Company from previously CHF 120,000,000 by CHF 753,783 to CHF 120,753,783, by issuing 753,783 registered shares of the Company with a nominal value of CHF 1.00 each.

There is no resolution of the Board of Directors outstanding for further issuance of either authorised or conditional capital.

11 Legal capital contribution reserves and retained earnings

Legal capital contribution reserves	CHF million
Capital contribution reserves as of December 31, 2022	**210**

Retained earnings	CHF million
Balance as of January 1, 2021 (before income for the year)	1,393
Earnings for the year 2021	1,236
Retained earnings as of December 31, 2021 (prior to appropriation of available earnings)	**2,629**
Distribution to the shareholders (representing CHF 10,00 per share)	–1,186
Balance as of Decemer 31, 2021 (before income for the year)	**1,443**

12 Treasury shares

Own shares	Average price of transactions in CHF	Number of shares	CHF million
Balance as of January 1, 2022		468,759	93
Purchases of own shares	255.57	2,526,200	646
Sale of own shares	252.16	–1,859,968	–469
Closing balance as of December 31, 2022		**1,134,991**	**270**

Treasury shares are valued at average cost.

Other notes

13 Personnel

The company has no employees and therefore utilises the central services of Kuehne + Nagel Management AG, Schindellegi (Feusisberg) for its administrative requirements. The respective costs are included in other operational expenses.

14 Shareholding of members of the Board of Directors and Management Board

Shareholdings of members of the Board of Directors

As of December 31, 2022, the following number of shares were held by members of the Board of Directors and/or parties closely associated with them.

Name	2022	2021
Klaus-Michael Kuehne (Honorary Chairman)	64,005,000	63,955,000
Dr. Joerg Wolle (Chairman)	31,100	22,000
Karl Gernandt (Vice Chairman)	20,380	16,080
Dominik Bürgy	–	–
Dr. Renato Fassbind	1,700	1,700
David Kamenetzky	–	–
Tobias B. Staehelin	–	–
Hauke Stars	–	–
Dr. Martin C. Wittig	–	–
Total	**64,058,180**	**63,994,780**

Shareholdings by members of the Management Board

As of December 31, 2022, the following number of the shares were held by members of the Management Board and/or parties closely associated with them:

Name	2022	2021
Stefan Paul, Chief Executive Officer [1]	20,318	16,854
Dr. Detlef Trefzger, Chief Executive Officer [2]	n/a	37,249
Markus Blanka-Graff, Chief Financial Officer	16,000	13,000
Lothar Harings, Chief Human Resources Officer	18,478	16,166
Martin Kolbe, Chief Information Officer	8,383	12,071
Hansjörg Rodi, Executive Vice President Road Logistics [3]	7,820	n/a
Yngve Ruud, Executive Vice President Air Logistics	11,780	14,816
Horst Joachim Schacht, Executive Vice President Seafreight	18,786	19,610
Gianfranco Sgro, Executive Vice President Contract Logistics	8,380	7,585
Total	**109,945**	**137,351**

1 Chief Executive Officer as of August 1, 2022
2 Chief Executive Officer until July 31, 2022
3 Executive Vice President Road Logistics as of August 1, 2022

15 Major shareholders

According to the share register as of December 31, 2022, the following registered shareholders held more than three per cent of the total share capital of Kuehne + Nagel International AG:

- Kuehne Holding AG, Schindellegi (Feusisberg), Switzerland, held 52.92 per cent; all voting rights of Kuehne Holding AG are held by Klaus-Michael Kuehne.
- Kühne Foundation, Schindellegi (Feusisberg), Switzerland, held 4.66 per cent.
- Black Rock Inc. New York, United States of America, held 3.1 per cent.

16 Contingent liabilities

For further information regarding contingent liabilities refer to note 41 of the Consolidated Financial Statements.

Proposal of the Board of Directors to the Annual General Meeting May 9, 2023 regarding the appropriation of the available earnings

For 2022 the Board of Directors is proposing a regular dividend amounting to CHF 14.00 per share for approval at the Annual General Meeting. If the dividend proposal is approved by shareholders, dividend payments will amount to CHF 1,675 million (2021: CHF 1,186 million) towards regular dividend resulting in a payout ratio of 63.4 per cent (2021: 58.4 per cent) of the earnings for the year attributable to the equity holders of the Company.

Available earnings	CHF million
Balance as of January 1, 2022 (before income for the year)	1,443
Earnings for the year 2022	1,484
Available earnings as of December 31, 2022	2,927
Distribution to the shareholders (representing CHF 14.00 per share) [1]	–1,675
Retained earnings as of December 31, 2022 (after appropriation of available earnings)	**1,252**

1 The total dividend amount covers all outstanding shares (as per December 31, 2022: 119,618,792 shares). However, shares held in treasury on the date of the dividend declaration are not eligible for dividend payments. As a consequence, and if required, the reported total dividend amount will be adjusted accordingly.

Report of the statutory auditor on the financial statements to the General Meeting of Kuehne + Nagel International AG, Schindellegi (Feusisberg), Switzerland

Opinion
We have audited the financial statements of Kuehne + Nagel International AG (the Company), which comprise the balance sheet as at 31 December 2022, the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 125 to 136) comply with Swiss law and the Company's articles of incorporation.

Basis for opinion
We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, 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.

Key audit matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the "Auditor's responsibilities for the audit of the financial statements" section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements.

The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the financial statements.

Valuation of investments and related income statement accounts	
Area of focus	**Our audit response**
As of December 31, 2022, the Company's investments amounted to CHF 3,063 million and accounted for 51% of total assets. Investments are recorded at cost less economically necessary valuation allowances. At every balance sheet date, the carrying value of each investment is compared to its equity balance as of that date. In those cases where the equity value is below the carrying value, management tests the investment for impairment. The impairment assessment depends on the estimation of future earnings and the discount rates applied. Due to the significance of the carrying values of the investments and the judgment involved in performing the impairment tests, this matter was considered to be significant to our audit. Further details on the Company's investments in subsidiaries are disclosed in note 6 to the financial statements. The accounting policies regarding investments applied by the Group are explained in the notes to the consolidated financial statements in the section "Basis of Preparation/Accounting Policies".	We assessed the difference between the carrying amounts of the investments in subsidiaries and their equity balances. Further we examined the Company's valuation model and evaluated management's key assumptions. Our audit procedures did not lead to any reservations concerning the valuation of investments in subsidiaries.

Other information
The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements, the remuneration report and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information 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 other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the financial statements
The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors 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, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors 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 Swiss law and SA-CH 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.

A further description of our responsibilities for the audit of the financial statements is located on EXPERT-suisse's website at: https://www.expertsuisse.ch/en/audit-report. This description forms an integral part of our report.

Report on other legal and regulatory requirements
In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the financial statements according to the instructions of the Board of Directors.

Furthermore, we confirm that the proposed appropriation of available earnings complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Ernst & Young Ltd

Christian Schibler
Licensed audit expert
(Auditor in charge)

Andreas Traxler
Licensed audit expert

Zurich, February 28, 2023

Financial calendar

April 25, 2023	Three-months 2023 results
May 9, 2023	Annual general meeting
July 25, 2023	Half-year 2023 results
October 25, 2023	Nine-months 2023 results
March 1, 2024	Full year 2023 results

Kuehne + Nagel International AG
Kuehne + Nagel House
P.O. Box 67
CH-8834 Schindellegi
+41 (0) 44 786 95 11
www.kuehne-nagel.com