

Financial Statements 2022

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 Markus Blanka-Graff
 CEO 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., Ljubljana	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 liabilities

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 December 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 Inter- national 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
<p>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.</p> <p>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.</p> <p>Further details on the Company's investments in subsidiaries are disclosed in note 6 to the financial statements.</p> <p>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".</p>	<p>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.</p> <p>Our audit procedures did not lead to any reservations concerning the valuation of investments in subsidiaries.</p>



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 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 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

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