KUEHNE+NAGEL

Annual Report 2023

Kuehne+Nagel Group key data

CHF million	2023	2022	2021	2020	2019	2018	2017
Turnover	26,649	43,034	36,699	23,812	25,295	24,825	22,220
Net turnover	23,849	39,398	32,801	20,382	21,094	20,774	18,594
Gross profit	8,787	11,109	9,896	7,475	7,981	7,709	7,023
In per cent of net turnover	36.8	28.2	30.2	36.7	37.8	37.1	37.8
EBITDA [1]	2,678	4,532	3,679	1,920	1,829	1,209	1,150
In per cent of net turnover [1]	11.2	11.5	11.2	9.4	8.7	5.8	6.2
EBIT	1,903	3,763	2,946	1,070	1,061	987	937
In per cent of net turnover	8.0	9.6	9.0	5.2	5.0	4.8	5.0
In per cent of gross profit (conversion rate)	21.7	33.9	29.8	14.3	13.3	12.8	13.3
EBT	1,956	3,808	2,945	1,059	1,047	994	955
In per cent of net turnover	8.2	9.7	9.0	5.2	5.0	4.8	5.1
Earnings for the year	1,464	2,810	2,155	789	800	772	740
In per cent of net turnover	6.1	7.1	6.6	3.9	3.8	3.7	4.0
Earnings for the year (Kuehne+Nagel share)	1,431	2,644	2,032	788	798	770	737
In per cent of net turnover	6.0	6.7	6.2	3.9	3.8	3.7	4.0
Depreciation of fixed and right-of-use assets, amortisation and impairment of assets [1]	775	769	733	850	768	222	213
In per cent of net turnover [1]	3.2	2.0	2.2	4.2	3.6	1.1	1.1
Operational cash flow [1]	2,682	4,523	3,688	1,904	1,746	1,156	1,148
In per cent of net turnover [1]	11.2	11.5	11.2	9.3	8.3	5.6	6.2
Capital expenditures for fixed assets	306	239	197	177	320	315	225
In per cent of operational cash flow	11.4	5.3	5.3	9.3	18.3	27.2	19.6
Total assets [1]	10,971	14,751	14,650	9,851	9,825	7,878	7,457
Non-current assets [1]	4,654	4,793	4,969	3,815	4,621	2,793	2,445
Equity	3,159	4,147	3,211	2,413	2,322	2,324	2,327
In per cent of total assets [1]	28.8	28.1	21.9	24.5	23.6	29.5	31.2
Total employees at year-end	80,983	80,334	78,087	78,249	83,161	81,900	75,876
FTEs of employees at year-end	75,304	75,194	73,516	72,021	78,448	77,416	71,263
FTEs including temporary staff at year-end	94,218	95,079	93,288	93,238	99,113	99,072	92,372
Personnel expenses	4,866	5,144	4,922	4,443	4,877	4,736	4,243
In per cent of net turnover	20.4	13.1	15.0	21.8	23.1	22.8	22.8
Gross profit in CHF 1,000 per FTE	93	117	106	80	81	78	76
Personnel expenses in CHF 1,000 per FTE	52	54	53	48	49	48	46
Basic earnings per share (nominal CHF 1) in CHF							
Basic earnings per share	12.06	22.15	16.92	6.59	6.67	6.43	6.16
Dividend proposed/distributed in the following year [2]	10.00	14.00	10.00	4.50	4.00	6.00	5.75
In per cent of basic earnings per share	82.9	63.2	59.1	68.3	60.0	93.3	93.3
Development of share price							
SIX Swiss Exchange (high/low in CHF)	297/217	297/199	361/197	206/121	164/126	181/123	181/133
Average trading volume per day	176,077	179,212	168,174	318,423	267,260	217,865	206,266

1 Figures prior to 2019 have not been restated for the impact of IFRS 16 Leases.
2 For 2023, the proposed dividend consists of a regular dividend amouting to CHF 8.25 per share and a dividend from legal capital contribution reserves of CHF 1.75 per share.

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Letter to our shareholders

Dear shareholders,

Despite a demanding economic and political climate in 2023, we – Kuehne+Nagel International AG – continued to perform well. We remain the ultimate partner that can be relied on for outstanding logistics solutions even, or indeed in, challenging times. We quickly plan alternative transport routes for our customers if geopolitical events make a connection seem inopportune, for example.

We are the number one worldwide in Sea and Air Logistics and we are strongly positioned in Road and Contract Logistics. Concentrating wholly and fully on our customers' needs allows us to achieve this day in, day out. In March 2023, Kuehne+Nagel's Board of Directors launched the Roadmap 2026 together with the Management in order to future-proof our unique position. The Roadmap outlines the systematic development of our strategic course over the years to come. It is based on a clear customer- and employee-driven experience, further improvement of our digital platforms and programmes to strengthen our market position and sustainability.

We saw considerable success emerge in this respect in 2023. In Asia in particular – we increased our market shares across industries. The acquisition of Chinese air freight service provider Apex Logistics in 2021 has played a key role here and is paying off now more than ever.

Our strategic course over the past year has also paid off for our shareholders. Despite weak global consumer demand, our Roadmap 2026 initiatives and continuous optimisation of our processes have led to our strong performance. The Kuehne+Nagel Group's results in 2023 were significantly higher than our pre-coronavirus figures.

In financial year 2023, Kuehne+Nagel generated net turnover of CHF 23.8 billion and an operating profit (EBIT) of CHF 1.9 billion. In June 2023, Kuehne+Nagel became the first ever logistics company to join Switzerland's key stock market index – the Swiss Market Index (SMI). The SMI listing has brought us greater attention in the public

eye, which is a benefit when attracting new employees, for example.

Kuehne+Nagel has approximately 81,000 employees at more than 1,300 sites across all the continents. All our business units contributed to the Company's success in financial year 2023.

Sea Logistics saw us lead the transpacific route between China and the West Coast of the US for the first time. In our Air Logistics unit, we put the last two Boeing 747s ever to be produced into service. They now transport high-quality goods from large-scale machinery to automotive components and pharmaceutical products around the world under the Kuehne+Nagel flag. Our Road Logistics business unit put its first small fleet of electric trucks into operation, ringing in the next era of sustainable road transport. And lastly, in Contract Logistics, we significantly strengthened our position in Healthcare logistics and in e-commerce.

Financial year 2023 also brought change to the Management Board of Kuehne+Nagel International AG. In April 2023, Sarah Kreienbuehl succeeded long-standing Chief Human Resources Officer Lothar Harings. Prior to joining the Company, Mrs. Kreienbuehl was Chief Human Resources Officer at Migros, Switzerland's largest private employer with a workforce of over 100,000. In August 2023 and after 26 years at Kuehne+Nagel, Otto Schacht handed over the reins of the Sea Logistics business unit to Michael Aldwell. The New Zealander has over 16 years of experience in Kuehne+Nagel's Sea Logistics business unit. We are delighted to have been able to fill this key position with a proven manager from amongst our ranks.

On behalf of the entire Board of Directors and all 81,000 Kuehne+Nagel colleagues, I would like to sincerely thank you for continuing to place your confidence in us.

Dr. Joerg Wolle
Chairman of the Board of Directors

Status report

Economic environment

After the years 2021 and 2022 that have been impacted from extraordinary favourable economic conditions and results, the Group achieved solid results in 2023 in a business environment characterised by the continuous uncertainties of the Ukraine war, macroeconomic slowdown, interest rate increases and a surge of inflation. Supply chains have been stretched at the beginning of the year but eased rapidly during the second quarter and ended the year with overcapacity from sea and air freight carriers. Against this fast pace of change and deteriorating economic conditions, the Group confirmed its number one position globally for both Sea Logistics with 4 million TEUs managed in container traffic and Air Logistics with 2 million tons of volume. Road Logistics and Contract Logistics contributed with further improved results to the overall success of the Group.

The Group'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 the 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 the Group to support and add value to its customers' value chain, a key factor in highly competitive markets.

In 2023, the world economy experienced a global slow down with an estimated growth of 2.6 per cent (2022: 3.0 per cent growth). For 2024, global growth of a modest 2.4 per cent is forecasted. (Based on: World Bank, Global Economic Prospects, January 2024)

In 2023, the international logistics industry experienced world trade volume growth below the level of 2022 with an estimated increase of 0.4 per cent in 2023 compared to 5.2 per cent in 2022. (Based on: IMF, World Economic Outlook Update, January 2024)

The sea and air freight carrier market in 2023 experienced continuous reduction in freight rates and increase in freight capacities caused by a slowdown in economic activities, and the normalization of supply chains. This development combined with an unexpected surge in inflation drove cost increases to the Group's operational efforts to optimise operational efficiency at the execution of shipments, connected with increased pressure on gross margins.

The Group's volume remained stable against a declining market. In combination with the reduced freight rates, the Group delivered a net turnover 39.5 per cent lower than in 2022. Gross profit reduced by 20.9 per cent and the Group EBIT declined by 49.4 per cent in 2023.

Group Strategy

The Group's strategy Roadmap 2026 was presented at the Capital Markets Day on March 1, 2023, with the goal of becoming the most trusted supply chain partner supporting a sustainable future. The new strategy has evolved from the last Roadmap 2022 and is made up of four cornerstones that reflect Group priorities: the Kuehne+Nagel Experience, Digital Ecosystem, Living ESG and Market Potential. The Group is committed to providing an excellent and unique Kuehne+Nagel Experience for both employees and customers and support the industry's best logistics experts with a Digital Ecosystem that turns innovative technology, data, and automation into competitive advantages. Living ESG incorporates the belief that sustainability is an integral part of the future – for people, planet, and business. Market Potential represents Group ambitions for growth and expansion by building on successes in Healthcare Solutions, e-commerce, and Customs, and by introducing new solutions for customers in the segment of Renewable Energy. Roadmap 2026 is the first step toward achieving the longer-term Vision 2030: becoming the most trusted supply chain partner supporting a sustainable future.

With its commitment to the UN Global Compact, the Group 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-carbon and ultimately net-zero aligned 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.

The Group believes in empowering and developing its employees and attracting new talents to deliver an extraordinary customer and employee experience.

The Group's non-financial report addresses in detail the Group's commitment to the principles of sustainable business practices and performance for the respective calendar year.

Key financial figures

CHF million	2023	2022	Variance in per cent
Turnover	26,649	43,034	–38.1
Net turnover	23,849	39,398	–39.5
Gross profit	8,787	11,109	–20.9
Gross profit in per cent of net turnover	36.8	28.2	
EBITDA	2,678	4,532	–40.9
EBIT	1,903	3,763	–49.4
In per cent of net turnover	8.0	9.6	
In per cent of gross profit (conversion rate)	21.7	33.9	
Earnings	1,464	2,810	–47.9
Earnings (Kuehne+Nagel share)	1,431	2,644	–45.9
Earnings per share basic (in CHF)	12.06	22.15	–45.6
Operational cash flow	2,682	4,523	–40.7
Capital expenditures for fixed assets	306	239	28.0
Total employees at year-end	80,983	80,334	0.8
Total full-time equivalents of employees at year-end	75,304	75,194	0.1

The Group's net turnover decreased by CHF 15,549 million or 39.5 per cent in 2023, and gross profit dropped by CHF 2,322 million or 20.9 per cent compared to the previous year, whereof the inorganic growth was negative 0.1 per cent of net turnover and 0.2 per cent of gross profit.

In 2023, EBIT decreased by CHF 1,860 million or 49.4 per cent. At constant exchange rates and excluding acquisitions and divestments, the reduction would have been CHF 1,787 million or 47.4 per cent. Earnings for the year 2023 reduced by CHF 1,346 million or 47.9 per cent compared to 2022. In constant currencies and excluding acquisitions and divestments, the Group would have reduced the earnings for the year by CHF 1,290 million or 45.9 per cent.

Capital expenditure in fixed assets increased by CHF 67 million or 28 per cent to CHF 306 million compared to the previous year. In 2023, the Group increased the number of employees year-on-year by 649 or 0.8 per cent from 80,334 to 80,983 employees, which includes a net increase of 466 employees from business combinations. The number of full-time equivalents of employees reached 75,304 versus 75,194 in 2022, which is an increase of 110 or 0.1 per cent.

Income statement

Turnover

In 2023, the Group's turnover amounted to CHF 26,649 million representing a decrease of 38.1 per cent or CHF 16,385 million compared to the previous year. Organic business growth resulted in a reduction of turnover of CHF 14,862 million (34.5 per cent) while acquisitions and divestments contributed a reduction of CHF 38 million (0.1 per cent). The exchange rate fluctuation had a negative impact of CHF 1,485 million (3.5 per cent).

Volumes in Sea Logistics decreased by 1.1 per cent (48,000 TEUs), and turnover per TEU reduced by 51.3 per cent to CHF 2,290 per TEU (2022: CHF 4,699). In Air Logistics, the volumes decreased by 11.2 per cent (249,000 Tons), and the freight rates reduced by 32 per cent to CHF 376 per 100 kg (2022: CHF 554).

From a regional perspective, Europe, Middle East and Africa (EMEA) (33.7 per cent), the Americas (45.9 per cent) and Asia-Pacific (34.7 per cent) all reported a decreased turnover in 2023.

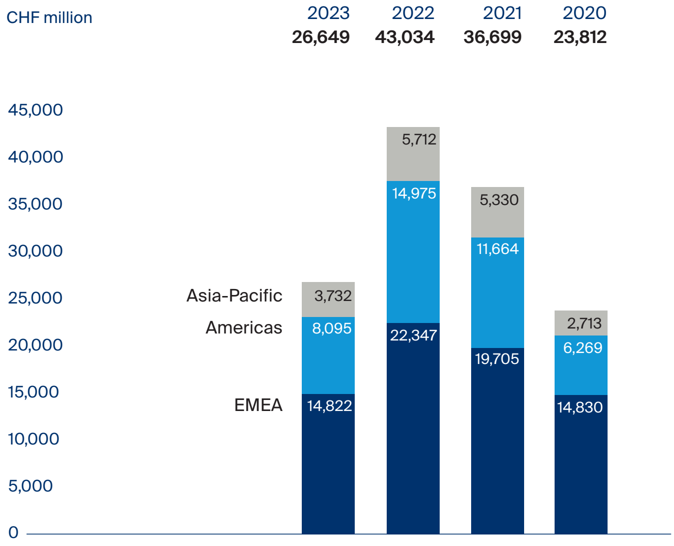
Exchange rate fluctuations between 2022 and 2023, based on average yearly exchange rates, led to a devaluation of the Euro by 3.3 per cent and US Dollar as well as dependent currencies by 5.3 per cent, against the Swiss Franc, resulting in a negative impact of CHF 1,485 million (3.5 per cent) on turnover.

Net turnover

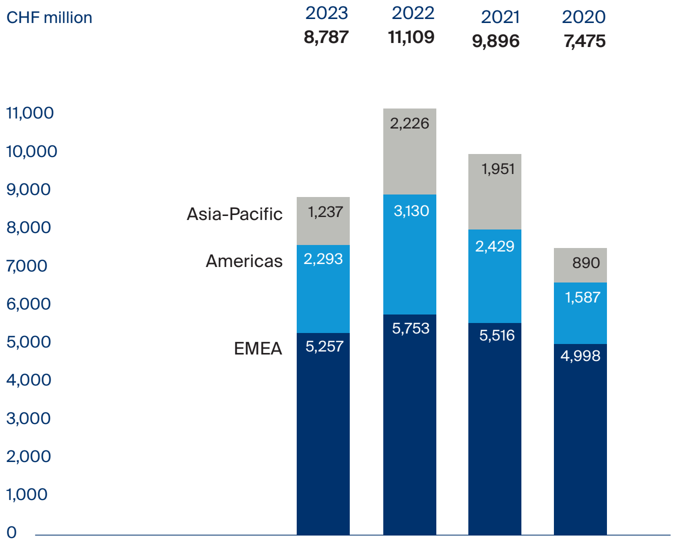
In 2023, the Group's net turnover amounted to CHF 23,849 million representing a decrease of 39.5 per cent or CHF 15,549 million compared to the previous year. Organic business growth resulted in a reduction in net turnover of CHF 14,205 million (36.1 per cent) and acquisitions and divestments contributed to a reduction of CHF 36 million (0.1 per cent). The exchange rate fluctuation had a negative impact of CHF 1,308 million (3.3 per cent).

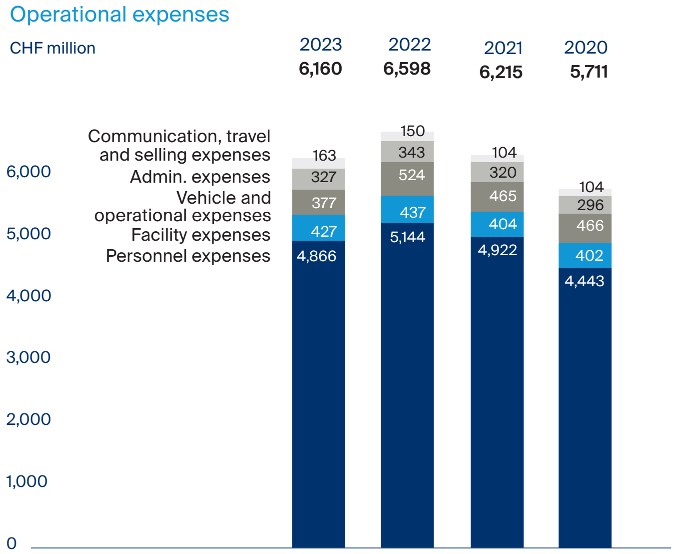
From a regional perspective, EMEA (34.7 per cent), the Americas (47.6 per cent) and Asia-Pacific (35.5 per cent) all reported a decrease of net turnover in 2023.

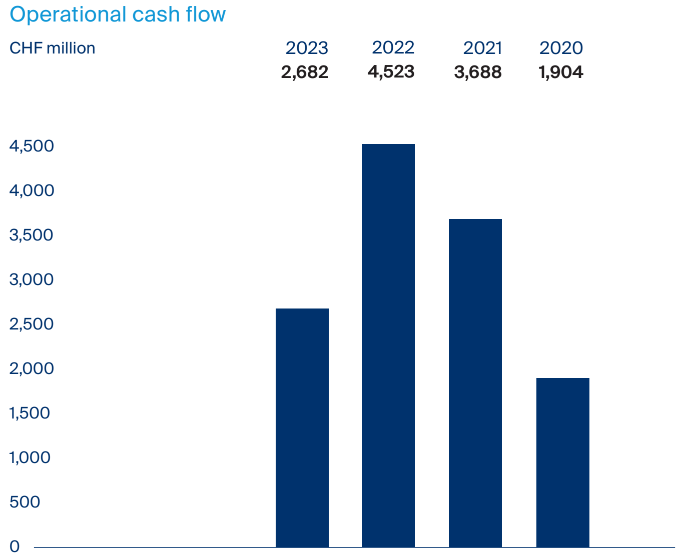
Regional turnover



Regional gross profit







Gross profit

Gross profit amounted to CHF 8,787 million in 2023, which represents a decrease of 20.9 per cent or CHF 2,322 million compared to the previous year. Organic business growth resulted in a reduction in gross profit of CHF 1,864 million (16.8 per cent). Exchange rate fluctuation had a negative impact of CHF 436 million (3.9 per cent) and acquisitions and divestments contributed to a reduction of CHF 22 million (0.2 per cent).

From a regional perspective, EMEA (8.6 per cent), the Americas (26.7 per cent) and Asia-Pacific (44.4 per cent) all reported a lower gross profit in 2023.

Operational cash flow

The operational cash flow reduced by CHF 1,841 million to CHF 2,682 million in 2023 (for further information, please refer to the cash flow statement in the consolidated financial statements 2023 on page 53 to 54).

EBITDA

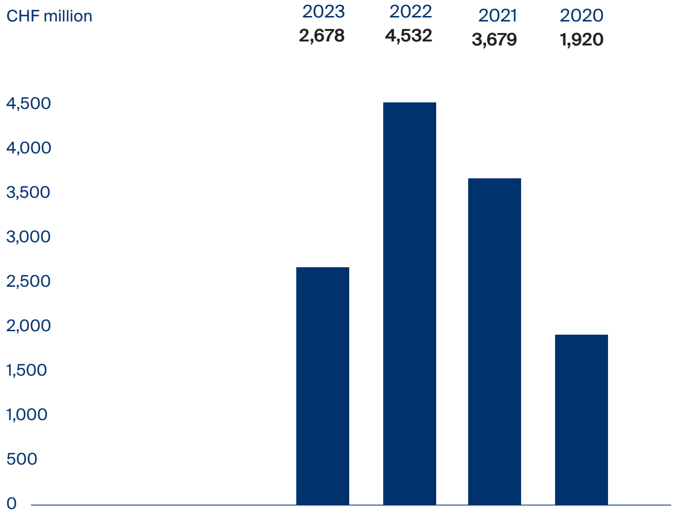
In 2023, earnings before interest, tax, depreciation, amortisation and impairment of property, plant and equipment, goodwill and other intangible assets, reduced by CHF 1,854 million or 40.9 per cent to CHF 2,678 million compared to the previous year's CHF 4,532 million; EBITDA of organic business reduced by CHF 1,733 million (38.3 per cent), acquisitions and divestments contributed positive CHF 16 million (0.4 per cent), and the exchange rate development had a negative impact of CHF 137 million (3.0 per cent).

EMEA generated the largest EBITDA contribution with CHF 1,392 million (52.0 per cent), followed by the Americas with CHF 710 million (26.5 per cent) and Asia-Pacific with CHF 576 million (21.5 per cent).

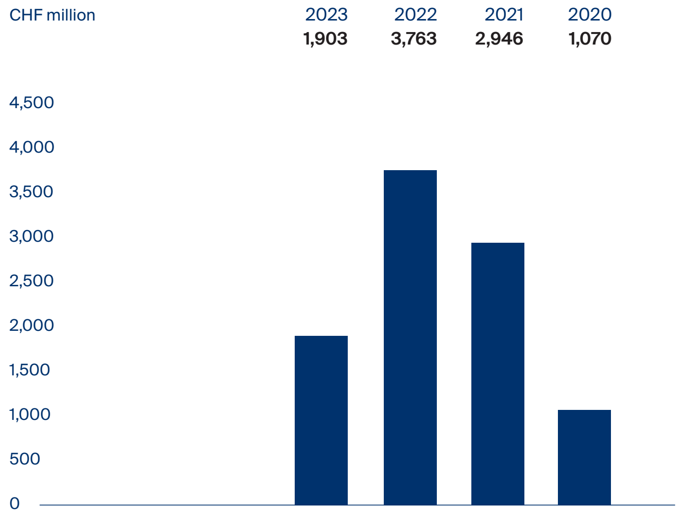
EBIT / Earnings for the year

In 2023, earnings before interest and tax (EBIT) reduced by CHF 1,860 million to CHF 1,903 million (2022: CHF 3,763 million).

EBITDA



EBIT

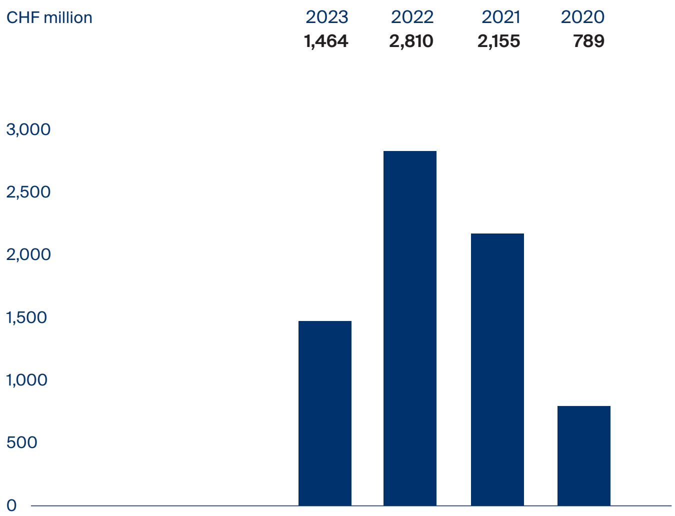


The reduction was mainly due to lower contribution from the organic business by CHF 1,787 million (47.4 per cent), whereas acquired and divested business had a positive impact of CHF 28 million (0.7 per cent). The exchange rate development had a negative impact of CHF 101 million (2.7 per cent). The EBIT margin to net turnover for the Group reduced to 8.0 per cent compared to 9.6 per cent in 2022. EBIT in per cent of gross profit (conversion rate), an important KPI for the Group, reduced from 33.9 per cent in 2022 to 21.7 per cent in 2023.

In 2023, the region EMEA contributed CHF 886 million (46.6 per cent) to the Group's EBIT, followed by the Americas with CHF 539 million (28.3 per cent) and Asia-Pacific with CHF 478 million (25.1 per cent).

Earnings for the year 2023 decreased by CHF 1,346 million to CHF 1,464 million compared to the previous year's CHF 2,810 million, whereby the margin decreased to 6.1 per cent (in per cent of net turnover) compared to the previous year's 7.1 per cent.

Earnings for the year



Financial position

In 2023, total assets and liabilities of the Group decreased by CHF 3,780 million to CHF 10,971 million compared to 2022. The amount of cash and cash equivalents decreased by CHF 1,767 million to CHF 2,011 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 3,634 million represent the most significant asset of the Group. The days of trade receivables outstanding increased to 53.3 days as of December 2023 compared to the previous year's 51.0 days.

As of December 31, 2023, the equity of the Group decreased by CHF 988 million to CHF 3,159 million compared to CHF 4,147 million as of December 31, 2022, which resulted in an equity ratio of 28.8 per cent (2022: 28.1 per cent).

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

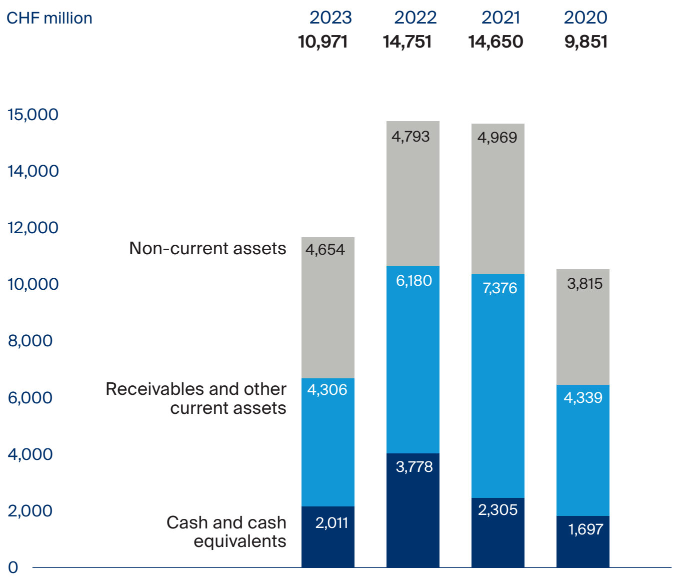
Kuehne+Nagel Group key figures on capital structure

Key figures on capital structure	2023	2022	2021	2020	2019
1 Equity ratio (in per cent)	28.8	28.1	21.9	24.5	23.6
2 Return on equity (in per cent)	37.8	70.1	69.5	32.8	33.6
3 Debt ratio (in per cent)	71.2	71.9	78.1	75.5	76.4
4 Short-term ratio of indebtedness (in per cent)	47.8	52.9	56.8	53.9	50.1
5 Intensity of long-term indebtedness (in per cent)	23.4	18.9	21.3	21.6	26.2
6 Fixed assets coverage ratio (in per cent)	123.1	144.8	127.5	119.1	106.0
7 Working capital (in CHF million)	1,075	2,148	1,365	727	275
8 Receivables terms (in days)*	53.3	51.0	49.2	50.5	52.5
9 Vendor terms (in days)*	64.7	60.1	53.2	66.6	63.7
10 Intensity of capital expenditure (in per cent)*	42.4	32.5	33.9	38.7	47.0

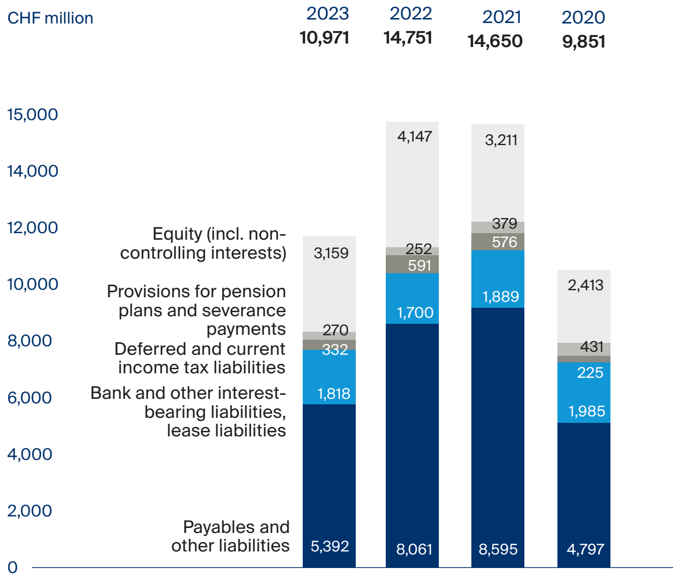
* Calculation method has been changed as of 2021.

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 2023, the Group invested a total of CHF 306 million (2022: CHF 239 million) in fixed assets. Investments in properties and buildings amounted to CHF 50 million (2022: CHF 4 million). CHF 256 million (2022: CHF 235 million) were invested in other fixed assets, operating and office equipment. Depreciation of property, plant, and equipment for the year 2023 amounted to CHF 177 million (2022: CHF 192 million). Refer to note 14 of the consolidated financial statements for further details.

All capital expenditure in 2023 was financed through operational cash flow.

In 2023, the following major investments were made in properties and buildings:

Location	CHF million	Centres
Wisconsin, USA	37	Forest conservation project
Buenos Aires, Argentina	11	Office space
Others	2	
Total Group	**50**	

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

CHF million	2023	2022
Operating equipment	119	123
Vehicles	15	11
Leasehold improvements	72	44
IT hardware	33	46
Office furniture and equipment	17	11
Total Group	**256**	**235**

The allocation by region is as follows:

CHF million	2023	2022
EMEA	178	173
Americas	54	35
Asia-Pacific	24	27
Total Group	**256**	**235**

The allocation by business unit is as follows:

CHF million	2023	2022
Sea Logistics	28	25
Air Logistics	36	29
Road Logistics	23	25
Contract Logistics	169	156
Total Group	**256**	**235**

Right-of-use assets

A total of CHF 738 million (2022: CHF 606 million) was invested in right-of-use assets. The allocation of investments in right-of-use assets is as follows:

CHF million	2023	2022
Buildings	589	465
Operating equipment	85	101
Vehicles	64	40
Total Group	**738**	**606**

The allocation by region is as follows:

CHF million	2023	2022
EMEA	501	425
Americas	176	116
Asia-Pacific	61	65
Total Group	**738**	**606**

The allocation by business unit is as follows:

CHF million	2023	2022
Sea Logistics	41	55
Air Logistics	29	30
Road Logistics	57	67
Contract Logistics	611	454
Total Group	**738**	**606**

Depreciation of right-of-use assets amounted to CHF 544 million (2022: CHF 511 million). Refer to note 15 of the consolidated financial statements for further details.

Acquisitions

Effective November 14, 2023, the Group acquired 51.0 per cent of the shares of Morgan Cargo, the Johannesburg-based South African leading freight forwarder specialised in air transport and handling perishable goods. During 2022, Morgan Cargo handled more than 40,000 tonnes of air freight and more than 20,000 TEU of sea freight globally, managed by approximately 450 logistics experts and generated a turnover of more than CHF 140 million in 2022.

On June 26, 2023, Apex management exercised the put options to sell 3.9 per cent of their retained shares to the Group. The options were settled with a fair value of CHF 323 million in the Company's treasury shares. Upon closing of the transaction, the Group therefore increased its ownership interest by 3.9 per cent and has present access to 71.2 per cent of the shares of Apex.

For further details, refer to note 28 of the consolidated financial statements.

Agreed upon future transactions

On November 28, 2023, the Group entered into an agreement to acquire 100% of the shares of Farrow Group Inc., a Canada-based customs broker, for a purchase price of CHF 166 million. Farrow's service is rooted in a 112-year heritage and is supported by 830 employees in 41 locations across Canada and the USA. In 2022, Farrow managed over 1.5 million customs entries. The acquisition of Farrow accelerates the Group's growth ambitions, expands customer capabilities, and enhances value-added services offering which aligns with Roadmap 2026. The transaction closed on January 31, 2024.

Business units

The main contributor to the Group's result are the business units Sea and Air Logistics.

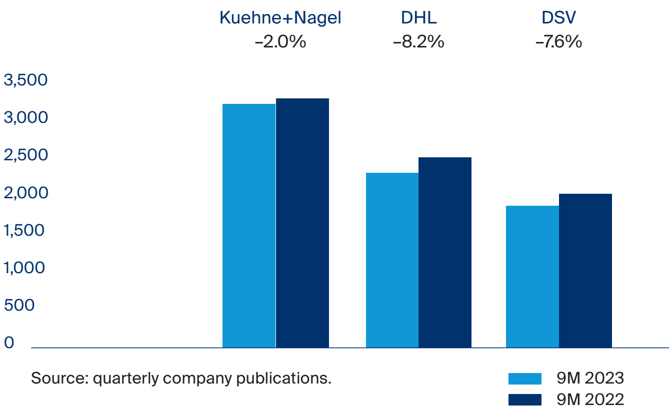
Sea Logistics

Sea Logistics volumes decreased by 1.1 per cent to 4,338,000 TEUs. Besides the Full-Container-Load (FCL) business, specialised services for temperature-controlled cargo in reefer containers, pharma, e-commerce, and project business have significantly contributed to the result. In an uncertain and volatile market environment, the Group maintained its global leading position in Sea Logistics. Despite the challenges in supply chain reliability at the beginning of the year and the change into a situation of overcapacity at its end, the high service intensity for all shipments persisted. Managing towards a favourable service mix and operational efficiency under the difficult circumstances enabled to maintain margins at a lower but stable level. In 2023, the absolute amount of EBIT decreased by 49.8 per cent compared to the previous year, while the ratio of EBIT to gross profit (conversion rate) decreased to 43.8 per cent (2022: 58.1 per cent).

It remains the Group's target putting yield optimisation at the forefront of the decision making. The Group is committed to develop its sustainability solutions towards a low-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 emission transparency, the Group adds to its ambition on the Sea Logistics profitability and continuous efficiency improvements.

Sea Logistics volumes: Market growth ~ –3%

TEUs '000



Source: quarterly company publications.

Performance Sea Logistics

CHF million	2023	2022	2021
Turnover	9,934	20,608	15,662
Net turnover	8,601	18,753	13,706
Gross profit	2,320	3,479	2,754
EBITDA	1,042	2,062	1,561
EBIT	1,015	2,021	1,529
EBIT in per cent of gross profit (conversion rate)	43.8	58.1	55.5
Number of operating staff	12,130	12,855	11,806
TEUs '000	4,338	4,386	4,613

Air Logistics

Despite the challenging market conditions, Air Logistics maintained its number one market position in the global air freight market in 2023, while recording a lower volume by 11.2 per cent, totalling 1,983,000 tons.

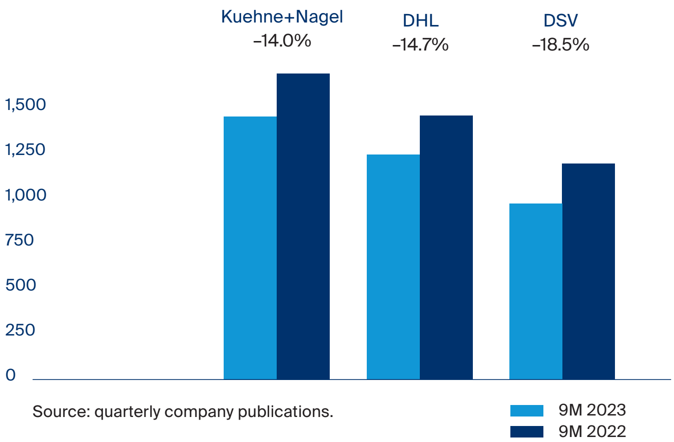
EBIT to gross profit ratio (conversion rate) decreased to 31.3 per cent in 2023 (2022: 47.5 per cent). EBIT reduced by 60.6 per cent compared to the previous year.

In 2023, the market was characterised by an ongoing decrease in demand for air transport services until the end of the third quarter. At the end of the year it has turned towards a situation of strong demand for export capacities out of China due to the surge of e-commerce activities. This has led to subsequent pressure on the yields.

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

Air Logistics volumes: Market growth ~ –11%

Tons '000



Source: quarterly company publications.

Performance Air Logistics

CHF million	2023	2022	2021
Turnover	7,465	12,358	11,480
Net turnover	6,937	11,715	10,810
Gross profit	1,774	2,965	2,556
EBITDA	624	1,489	1,230
EBIT	555	1,409	1,167
EBIT in per cent of gross profit (conversion rate)	31.3	47.5	45.7
Number of operating staff	10,767	11,056	10,793
Tons '000	1,983	2,232	2,220

Road Logistics

Road Logistics had a decrease in net turnover by 11.4 per cent in 2023, in line with the weakened demand for land transport activities in Europe. Through continuous optimisation of the customer service portfolio, the key performance indicator EBITDA to net turnover margin improved to 5.4 per cent from previous year's 5.2 per cent. EBIT decreased to CHF 133 million (2022: CHF 146 million).

With the focus on 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.

The Group is committed to decarbonising its own truck fleet in order to achieve a 60 per cent representation of low-emission vehicles by 2030. This involves investing heavily in Battery Electric Vehicles (BEVs) and complement with Fuel Cell Electric trucks (FCEV) where it makes sense.

Performance Road Logistics

CHF million	2023	2022	2021
Turnover	4,087	4,594	4,390
Net turnover	3,541	3,997	3,689
Gross profit	1,288	1,334	1,253
EBITDA	191	207	157
EBIT	133	146	94
EBIT in per cent of gross profit (conversion rate)	10.3	10.9	7.5
Number of operating staff	9,979	9,806	9,723

Contract Logistics

In 2023, with more than 150 new logistics projects for customers implemented, 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 new customer gains.

The net turnover (net of currency impact) decreased by 3.3 per cent compared to 2022 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 17.2 per cent versus 15.7 per cent in 2022.

The Group has achieved 100 per cent renewable electricity for all Contract Logistics sites in 2023 and continues to increase production of clean energy on-site with solar panels.

Performance Contract Logistics

CHF million	2023	2022	2021
Turnover	5,163	5,474	5,167
Net turnover	4,770	4,933	4,596
Gross profit	3,405	3,331	3,333
EBITDA	821	774	731
EBIT	200	187	156
EBIT in per cent of gross profit (conversion rate)	5.9	5.6	4.7
Number of operating staff	35,959	34,529	34,309
Warehousing and logistics space in million sqm	10.7	10.3	10.2
Idle space in million sqm	0.4	0.1	0.3
Idle space in per cent	3.7	1.0	2.7

Shareholder return

Dividend

For 2023, the Board of Directors is proposing a total dividend of CHF 10.00 per share, consisting of a regular dividend of CHF 8.25 per share and a dividend from legal capital contribution reserves of CHF 1.75 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 976 million towards regular dividend and CHF 207 million towards dividend from legal capital contribution reserves. The total dividend payment is resulting in a payout ratio of 83 per cent (2022: 63 per cent) of the earnings for the year attributable to the equity holders of the Company. Based on the share price at year-end 2023, the dividend yield on the Company's share is 4.8 per cent (2022: 4.6 per cent).

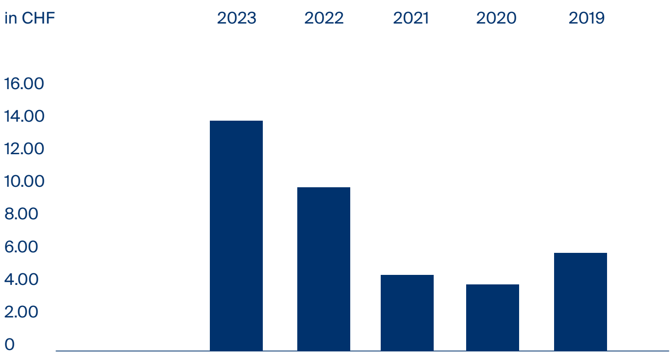
Share price and market capitalisation (December 31)

Share price and market capitalisation	2023	2022	2021	2020	2019
Share price (in CHF)	289.80	215.20	294.40	200.80	163.20
Market capitalisation (in CHF million)	34,995	25,986	35,550	24,096	19,584

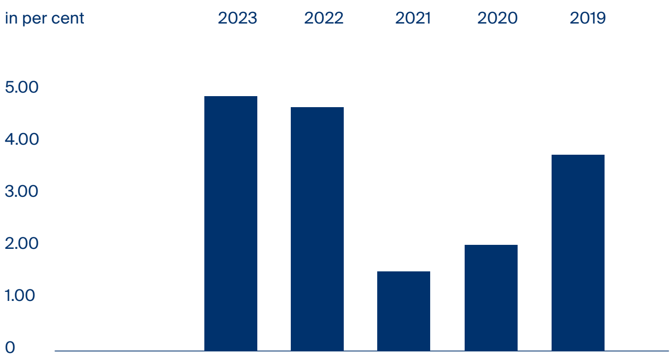
Total shareholder return development

in CHF per share	2023	2022	2021	2020	2019
Increase/(decrease) of share price year over year	74.60	–79.20	93.60	37.60	36.85
Dividend per share paid	14.00	10.00	4.50	4.00	6.00
Total return	88.60	–69.20	98.10	41.60	42.85
Dividend yield in per cent	4.8	4.6	1.5	2.0	3.7

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 CHRO, 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 2023

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 these factors are in focus for the management.

Since the commencement of the war in Ukraine, in Middle East and the political tensions around Taiwan, predictions remain difficult given persistent changes in the geopolitical landscape. The impact of these conflicts is considered and assessments for the future are based on macro and micro economic scenarios, taking into account the prevailing situation of uncertainty.

In 2023, the Group successfully managed and partially mitigated the above risks and demonstrated high levels of resilience resulting in a solid financial performance.

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 links:
https://home.kuehne-nagel.com/documents/20124/72214/company-corporate-governance-Articles-of-Association-2022.pdf
https://home.kuehne-nagel.com/documents/20124/72214/company-corporate-governance-Code-of-Conduct.pdf

Group structure and shareholders

Under Swiss company law the Group is organised as a limited company that has issued shares of common stock to shareholders. 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 is included in the Swiss Market Index (SMI), the index for Switzerland’s blue-chip equity market. The Company’s market capitalisation amounted to CHF 34,995 million (120,753,783 registered shares of nominal value CHF 1.00 at CHF 289.80 market value per share) on the closing date December 31, 2023.

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

- the free float consisted of 53,032,830 shares = 43.9 per cent,
- and treasury shares consisted of 2,438,865 shares = 2.0 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 103 to 114), 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, 2023, 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 54.1 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.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html

On December 31, 2023, shares of unregistered owners amounted to 22.1 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 8, 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/documents/20124/72214/company-corporate-governance-Articles-of-Association-2022.pdf).

Change in capital over the past three years

From the year 2021 to 2023, 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 9, 2023, Klaus-Michael Kuehne, Dr. Joerg Wolle, Karl Gernandt, Dominik Buergy, 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. Vesna Nevistic was newly elected to the Board of Directors for a one-year term. Dr. Renato Fassbind's mandate expired at the Annual General Meeting. 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 2024
- Member of the Chairman's Committee
- Member of the Nomination and Compensation Committee elected until the Annual General Meeting 2024

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 2024
- 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 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 2024
- Chairman of the Nomination and Compensation Committee elected until the Annual General Meeting 2024
- 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 2024
- 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 2024

Dr. Vesna Nevistic
Member
Board of Directors
Swiss/Croatian, 1965

Dr. Vesna Nevistic holds a PhD in Electrical Engineering from the Swiss Federal Institute of Technology (ETH Zurich). In 1997, Dr. Vesna Nevistic joined McKinsey, where she became Partner in 2003. She continued her career in investment banking having been Managing Director at Goldman Sachs. From 2009 to 2012, Dr. Vesna Nevistic was a Group Managing Director and Head of Corporate Development at UBS. Since 2013 she has run her own advisory boutique VereNovo, focusing on top management and board topics. Dr. Vesna Nevistic currently also serves as a Non-Executive Director on the Boards of Compagnie Financiere Richemont SA, a Geneva-based global luxury goods group, and of Atlantic Grupa, a consumer goods company focusing on South-east Europe. She recently served on the Supervisory Board of Samskip, a leading European multimodal provider. Dr. Vesna Nevistic supports various non-profit organizations and serves on the Advisory Board of the Zagreb School of Economics and Management.

Positions within the Kuehne+Nagel Group:

May 2023–today:
- Member of the Board of Directors elected until the Annual General Meeting 2024
- Member of the Audit Committee

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 Aufzuege AG, and since 2021 member of the Group Executive Committee of the Schindler Group, responsible for Corporate Human Resources.

Other significant activities: Member of the Board of Directors of uptownBasel AG and uptownBasel Infinity AG, Basel; member of the Board of the Foundation Board of Dr. Jenoe Staehelin Foundation, Basel; member of the Board of Trustees of Kühne Foundation, Schindellegi, Switzerland.

Position within the Kuehne+Nagel Group:

May 2021–today:
- Member of the Board of Directors elected until the Annual General Meeting 2024

Hauke Stars
Member
Board of Directors
German, 1967

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 Boerse 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, Kloeckner & 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 2024

May 2019–today:
- Member of the Nomination and Compensation Committee elected until the Annual General Meeting 2024

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

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 2024

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 2023

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. Vesna Nevistic 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 2023, the auditor in charge attended three 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, 2023, 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 2023	4	5	8	3
Approximate duration of each meeting	5 hours	2 hours	2 hours	1 hour
Klaus-Michael Kuehne	4	4	8	3
Dr. Joerg Wolle	4	3	8	3
Karl Gernandt	4	5	8	3
Dominik Buergy	3	5	–	–
Dr. Renato Fassbind [1]	1	2	–	–
David Kamenetzky	4	–	–	–
Dr. Vesna Nevistic [2]	3	2	–	–
Tobias B. Staehelin	4	–	–	–
Hauke Stars	4	–	–	3
Dr. Martin C. Wittig	4	5	–	–

1 Retired from the Board of Directors as of May 9, 2023.
2 Member of the Board of Directors as of May 9, 2023.

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 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 Kreienbuehl as a new member of the Management Board as of April 1, 2023. She succeeds Lothar Harings, who retires at his own request.

The Board of Directors of Kuehne + Nagel International AG has appointed Michael Aldwell as a new member of the Management Board, effective October 1, 2023. He takes responsibility for the business unit Sea Logistics and succeeds Horst Joachim (Otto) Schacht. After 26 years of tenure at Kuehne+Nagel, Schacht now performs advisory tasks for the Kuehne+Nagel Group.

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

Michael Aldwell
Executive Vice President
Sea Logistics
New Zealander, 1984

Studied business administration at Lincoln University, New Zealand, and at Stanford University Graduate School of Business, California. Michael Aldwell began his career in 2008 with Kuehne+Nagel in Auckland, New Zealand and has held several senior management positions in Asia, the Middle East & Africa and the Americas, most recently as Global Head of Products, Sales & Marketing Sea Logistics based in Schindellegi, Switzerland. He brings in over 15 years of experience in global logistics and transportation covering a broad range of business functions in strategy and performance development, global key account management and management of local and regional operational organisations.

Positions within the Kuehne+Nagel Group:

2008–2015:
- Various management positions in Asia Pacific & North America

2016–2018:
- Managing Director – New Zealand

2019–2020:
- Senior Vice President Sea Logistics – Middle East & Africa Region

2020–2022:
- Regional Vice President North Eastern USA

2023:
- Global Head of Products Sales & Marketing – Sea Logistics

October 2023–today:
- Executive Vice President Sea Logistics of the Group

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

Sarah Kreienbuehl
CHRO
Swiss/French, 1970

Graduated in applied psychology from the University of Zurich, Switzerland. From 2004 to 2017, Sarah Kreienbuehl was a member of the Group Executive Board and responsible for Corporate Human Resources Management, Corporate Communications, Sustainability and CSR at Sonova. From 2017 to 2022, she was a member of the Executive Board at Migros Federation of Cooperatives. In her function, she was responsible for Corporate Human Resources, Corporate Sustainability, Corporate Communications and Culture. Her responsibilities also included Migros' extensive Corporate Social Responsibility (CSR) programmes like the Think Tank Gottlieb Duttweiler Institute. Sarah Kreienbuehl is a member of the Board of Directors at Rieter AG where she chairs the Nomination and Remuneration committee. She is also honorary President of the Swiss Management Society (SMG).

Position within the Kuehne+Nagel Group:

April 2023-today:
- Chief Human Resources Officer (CHRO) of the Group

Dr. Marc Pfeffer
CLO
German/Swiss, 1971

Graduated and received his doctorate in law with distinction from Saarland University. In 1998, Dr. Marc Pfeffer worked at the US Federal Trade Commission and lived in Washington, D.C., USA. He held various management positions with DB AG, Berlin, Germany, from 2002 to 2006, i.a. supporting the integration of Schenker AG and General Counsel of DB Netz AG, Frankfurt a.M., Germany. Dr. Marc Pfeffer has been living and working as a lawyer in Switzerland since 2006. He served as the Head of International Legal Affairs and later as the General Counsel, in addition to being a member of the extended management team at OC Oerlikon Corporation AG, Pfaeffikon, Switzerland, until 2012. Dr. Marc Pfeffer joined the Board of Directors of Kühne Holding AG in 2019 and was a member of its Audit Committee, each until the end of 2022. From 2008 until 2019, he was a member of the Board of Directors of Ruf Holding AG, Wollerau, Switzerland.

Other significant activities: Member of the Board of Trustees of Kühne Foundation, Schindellegi, Switzerland.

Positions within the Kuehne+Nagel Group:

2014–today:
- Group General Counsel of the Kuehne+Nagel Group

2019–today:
- Corporate Secretary of the Board of Directors of Kuehne+Nagel

January 2023–today:
- Chief Legal Officer (CLO), Executive Vice President Legal and Governance of the Group

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

Yngve Ruud
Executive Vice President
Air Logistics
Norwegian, 1964

Studied economics in Muenster, Germany, where he also obtained his PhD. From 1996 to 2016, Dr. 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

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 Kuehne+Nagel North West Europe

2013–2016:
- Regional Manager Kuehne+Nagel Western Europe

2016–today:
- Executive Vice President Air 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 34, on page 100.

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 2023 is Simon Zogg. The re-election of EY for the financial year 2023 was confirmed at the Annual General Meeting held on May 9, 2023.

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 2023 amounted to CHF 4.2 million (2022: CHF 4.0 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 2023, an amount of CHF 0.3 million (2022: 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 2023, the auditor in charge attended three 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

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 International AG 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.

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 9, 2023, 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 financial year 2024.

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 2023 amounted to CHF 4.6 million (2022: CHF 4.7 million).

The total maximum amount of remuneration for the members of the Board of Directors approved by the Annual General Meeting on May 9, 2023, for the period ending at the 2024 Annual General Meeting, amounted to CHF 5.5 million.
The following tables show details of the remuneration of the members of the Board of Directors for 2023 and 2022:

2023

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	–	35	2,035
Karl Gernandt (Vice Chairman)	550	25	32	607
Dominik Buergy	160	15	11	186
Dr. Renato Fassbind [1]	65	5	3	73
David Kamenetzky	180	–	11	191
Dr. Vesna Nevistic [2]	115	10	–	125
Tobias B. Staehelin	180	–	11	191
Hauke Stars	160	10	11	181
Dr. Martin C. Wittig	180	25	13	218
Total	**4,340**	**100**	**166**	**4,606**

1 Retired from the Board of Directors as of May 9, 2023.
2 Member of the Board of Directors as of May 9, 2023.

2022

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**

Management Board remuneration

The total maximum amount of remuneration for the members of the Management Board approved by the Annual General Meeting on May 3, 2022, for the financial year 2023, amounted to CHF 25.0 million. 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 2023 amounted to CHF 19.8 million (2022: CHF 24.6 million).

The total maximum amount of remuneration for the members of the Management Board approved by the Annual General Meeting on May 9, 2023, for the financial year 2024, amounted to CHF 30.0 million. The following tables show details of the remuneration for the Chief Executive Officer and the other members of the Management Board for 2023 and 2022:

2023

in CHF thousand	Salary	In per cent of total remune-ration	Variable part of remunera-tion	In per cent of total remune-ration	Social Insurance	Pension [1]	Share Plan	In per cent of total remune-ration	Others [2]	Total
Stefan Paul, Chief Executive Officer	1,200	34.7	1,566	45.3	170	113	377	10.9	32	3,458
Members of the Management Board	5,828	35.8	6,852	42.0	640	688	2,098	12.9	191	16,297
Total	**7,028**	**35.6**	**8,418**	**42.6**	**810**	**801**	**2,475**	**12.5**	**223**	**19,755**

2022

in CHF thousand	Salary	In per cent of total remune-ration	Variable part of remunera-tion	In per cent of total remune-ration	Social Insurance	Pension [1]	Share Plan	In per cent of total remune-ration	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**

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 year 2023 CHF 49,247 was accrued for consulting services in Sea Logistics from the Group's former Executive Vice President Sea Logistics Otto Schacht. During the reporting year 2022 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 2023 and 2022 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 2023 and 2022, 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.

Shareholdings of members of the Board of Directors and Management Board

As of December 31, 2023, the following number of shares were held by members of the Board of Directors and the Management Board and/or parties closely associated with them.

Shareholdings of the Board of Directors	2023	2022
Klaus-Michael Kuehne (Honorary Chairman)	65,369,088	64,005,000
Dr. Joerg Wolle (Chairman)	10,000	31,100
Karl Gernandt (Vice Chairman)	18,380	20,380
Dominik Buergy	–	–
Dr. Renato Fassbind [1]	n/a	1,700
David Kamenetzky	–	–
Dr. Vesna Nevistic [2]	–	n/a
Tobias B. Staehelin	–	–
Hauke Stars	–	–
Dr. Martin C. Wittig	–	–
Total	**65,397,468**	**64,058,180**

1 Retired from the Board of Directors as of May 9, 2023.
2 Member of the Board of Directors as of May 9, 2023.

Shareholdings of the Management Board	2023	2022
Stefan Paul, Chief Executive Officer	23,422	20,318
Markus Blanka-Graff, Chief Financial Officer	18,000	16,000
Michael Aldwell Executive Vice President Sea Logistics [1]	2,260	n/a
Lothar Harings, Chief Human Resources Officer [2]	n/a	18,478
Martin Kolbe, Chief Information Officer	10,641	8,383
Sarah Kreienbuehl, Chief Human Resources Officer [3]	2,400	n/a
Marc Pfeffer, Chief Legal Officer [4]	3,662	n/a
Hansjoerg Rodi, Executive Vice President Road Logistics	9,180	7,820
Yngve Ruud, Executive Vice President Air Logistics	8,667	11,780
Horst Joachim Schacht, Executive Vice President Sea Logistics [5]	n/a	18,786
Gianfranco Sgro, Executive Vice President Contract Logistics	7,984	8,380
Total	**86,216**	**109,945**

1 Executive Vice President Sea Logistics as of October 1, 2023
2 Chief Human Resources Officer until June 30, 2023
3 Chief Human Resources Officer as of April 1, 2023
4 Chief Legal Officer as of January 1, 2023
5 Executive Vice President Sea Logistics until September 30, 2023

Mandates outside the Kuehne+Nagel Group

According to article 21 of the Articles of Association (https://home.kuehne-nagel.com/documents/20124/72214/company-corporate-governance-Articles-of-Association-2022.pdf), limitations apply to mandates outside the Kuehne+Nagel Group for members of Management Board and members of the Board of Directors. The following external mandates are subject to these limitations and are therefore presented in the Remuneration Report.

Mandates of the Board of Directors

Klaus-Michael Kuehne
Chairman of the Board of Trustees of the Kühne Foundation; member of the Supervisory Board of Kühne Logistics University GmbH; Chairman of the Board of Medizin Campus Davos AG.

Dr. Joerg Wolle
Chairman of the Board of Directors of Klingelnberg AG; member of the Board of Directors of Olam International Limited; member of the Board of Ariesco AG (private holding); member of the European Advisory Panel of Temasek.

Karl Gernandt
Chairman of the Board of Directors of Kühne Real Estate AG; Vice Chairman of the Board of Directors of Hapag-Lloyd AG; member of the Board of Directors of Deutsche Lufthansa AG, SIGNA Prime Selection AG, Hochgebirgsklinik Davos AG, Medizin Campus Davos AG, KLU Kühne Logistics University and HELP Logistics AG; Director of Kühne Aviation GmbH, Kühne Maritime GmbH, Kühne Immobilia GmbH, Kühne Immobilia Austria GmbH, The Fontenay Hotelgesellschaft mbH, Country Club Castell Son Claret S.L. and Balearic Finca Property S.L.; Co-Director of 4G Vallue GmbH (private holding).

Dominik Buergy
Member of the Board of Directors of Emmi AG, Arban AG, Logad Holding AG, Oritor AG, Ormand AG and Edelweiss AG; Partner at Wenger Vieli AG.

David Kamenetzky
Member of Board of Directors of Wedgewood Pharmacy, Cook Unity LLC, Real Mesa LLC and Magnolia Star Baking Supply Company; member of the Foundation Board of JUST Capital and Arthur F. Burns Foundation; Advisory Partner of EMH Partners.

Dr. Vesna Nevistic
Member of the Board of Directors, Compagnie Financière Richemont SA; member of the Board of Directors of Atlantic Grupa d.d.; member of the Advisory Board of Zagreb School of Economics and Management; Manager and Partner of VereNovo GmbH (private holding).

Tobias B. Staehelin
Member of the Board of Directors, Schindler Holding AG and Schindler Aufzuege AG, member of the Board of Directors and member of the Group Executive Committee, Schindler Management AG (all Group Companies of Schindler Holding AG); member of the Board of Directors of uptownBasel AG and uptownBasel Infinity AG; member of the Board of Trustees of Kühne Foundation; member of the Foundation Board of Dr. Jenoe Staehelin Foundation.

Hauke Stars
Member of the Executive Board of Volkswagen AG; 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.

Dr. Martin C. Wittig
Chairman of the Audit Committee (Supervisory Board) and Chairman of the Advisory Board, SIGNA Sports United; Chairman of the Supervisory Board of UBS Europe SE; Chairman of mcw Management Services AG (private holding); member of the HSG Advisory Board.

Mandates of the Management Board

Stefan Paul
Member of the Board of Directors of the Swiss-American Chamber of Commerce.

Sarah Kreienbuehl
Member of the Board of Directors of Rieter AG; Honorary President of the Swiss Management Association SMG.

Dr. Marc Pfeffer
Member of the Board of Trustees of Kühne Foundation; Director of Chrimi Shipping Ltd., Partner at RA Dr. iur. Marc Pfeffer, Attorney-at-Law.

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 Kuehne + Nagel International AG (the Company) for the year ended 31 December 2023. The audit was limited to the information pursuant to Art. 734a-734f of the Swiss Code of Obligations (CO) on pages 37 to 44 of the remuneration report.

In our opinion, the information pursuant to Art. 734a-734f CO in the remuneration report (pages 37 to 44) complies 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 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 44 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. It 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 pursuant to Art. 734a-734f CO 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 skepticism 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

Simon Zogg Licensed audit expert (Auditor in charge)	Andreas Traxler Licensed audit expert

Zurich, February 29, 2024

Income statement

CHF million	Note	2023	2022	Variance per cent
Net turnover	7	**23,849**	**39,398**	–39.5
Net expenses for services from third parties		–15,062	–28,289	
Gross profit	7	**8,787**	**11,109**	–20.9
Personnel expenses	8	–4,866	–5,144	
Selling, general and administrative expenses	9	–1,294	–1,454	
Other operating income/expenses, net	10	51	21	
EBITDA		**2,678**	**4,532**	–40.9
Depreciation of property, plant and equipment	14	–177	–192	
Depreciation of right-of-use assets	15	–544	–511	
Amortisation of other intangibles	16	–54	–66	
EBIT		**1,903**	**3,763**	–49.4
Financial income	11	73	59	
Financial expenses	11	–25	–20	
Result from joint ventures and associates		5	6	
Earnings before tax (EBT)		**1,956**	**3,808**	–48.6
Income tax	12	–492	–998	
Earnings		**1,464**	**2,810**	–47.9
Attributable to:				
Equity holders of the parent company		1,431	2,644	–45.9
Non-controlling interests		33	166	
Earnings		**1,464**	**2,810**	–47.9
Basic earnings per share in CHF	13	**12.06**	**22.15**	–45.6
Diluted earnings per share in CHF	13	**12.02**	**22.03**	–45.4

Statement of comprehensive income

CHF million	Note	2023	2022
Earnings		**1,464**	**2,810**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Foreign exchange differences		–406	–193
Items that will not be reclassified to profit or loss:			
Actuarial gains/(losses) on defined benefit plans	21/12	–37	111
Income tax on actuarial gains/(losses) on defined benefit plans	12	1	–32
Total other comprehensive income, net of tax		**–442**	**–114**
Total comprehensive income		**1,022**	**2,696**
Attributable to:			
Equity holders of the parent company		1,052	2,562
Non-controlling interests		–30	134

Balance sheet

CHF million	Note	Dec. 31, 2023	Dec. 31, 2022
Assets			
Property, plant and equipment	14	762	739
Right-of-use assets	15	1,534	1,418
Goodwill	16	2,034	2,199
Other intangibles	16	121	180
Investments in joint ventures and associates		28	37
Deferred tax assets	12	175	220
Non-current assets		**4,654**	**4,793**
Prepayments		130	112
Contract assets	17	267	540
Trade receivables	17	3,634	5,291
Other receivables	18	161	215
Income tax receivables		114	22
Cash and cash equivalents	19	2,011	3,778
Current assets		**6,317**	**9,958**
Total assets		**10,971**	**14,751**

CHF million	Note	Dec. 31, 2023	Dec. 31, 2022
Liabilities and equity			
Share capital	20	121	121
Reserves and retained earnings		1,601	1,375
Earnings		1,431	2,644
Equity attributable to the equity holders of the parent company		**3,153**	**4,140**
Non-controlling interests		6	7
Equity		**3,159**	**4,147**
Provisions for pension plans and severance payments	21	270	252
Deferred tax liabilities	12	88	98
Borrowings	23	200	200
Non-current provisions	24	54	59
Other non-current liabilities	26	830	1,159
Non-current lease liabilities	15	1,128	1,026
Non-current liabilities		**2,570**	**2,794**
Bank and other interest-bearing liabilities	23	3	8
Trade payables	25	2,012	2,731
Contract liabilities	25	154	280
Accrued trade expenses	25	1,072	1,976
Income tax liabilities		244	493
Current provisions	24	108	118
Other current liabilities	27	1,162	1,738
Current lease liabilities	15	487	466
Current liabilities		**5,242**	**7,810**
Total liabilities and equity		**10,971**	**14,751**

Schindellegi, February 29, 2024

Kuehne + Nagel International AG

Stefan Paul	Markus Blanka-Graff
CEO	CFO

Statement of changes in equity

CHF million	Note	Share capital	Share premium
Balance as of January 1, 2023		121	606
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	20	–	–
Disposal of treasury shares	20	–	–14
Dividend paid	20	–	–
Expenses for share-based compensation plans	22	–	–
Acquisition of subsidiaries	28	–	–
Transaction with non-controlling interests	28	–	–
Balance as of December 31, 2023		**121**	**592**

CHF million	Note	Share capital	Share premium
Balance as of January 1, 2022		121	651
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	20	–	–
Disposal of treasury shares	20	–	–45
Dividend paid	20	–	–
Expenses for share-based compensation plans	22	–	–
Transaction with non-controlling interests	28	–	–
Balance as of December 31, 2022		**121**	**606**

Treasury shares	Cumulative translation adjustment	Actuarial gains/ (losses)	Retained earnings	Total equity attributabe to the equity holders of parent company	Non-controlling interests	Total equity
–270	–1,406	–65	5,154	4,140	7	4,147
–	–	–	1,431	1,431	33	1,464
–	–343	–	–	–343	–63	–406
–	–	–36	–	–36	–	–36
–	**–343**	**–36**	**–**	**–379**	**–63**	**–442**
–	**–343**	**–36**	**1,431**	**1,052**	**–30**	**1,022**
–716	–	–	–	–716	–	–716
384	–	–	–	370	–	370
–	–	–	–1,661	–1,661	–172	–1,833
–	–	–	23	23	–	23
–	–	–	–	–	11	11
–	–62	–	7	–55	190	135
–602	**–1,811**	**–101**	**4,954**	**3,153**	**6**	**3,159**

Treasury shares	Cumulative translation adjustment	Actuarial gains/ (losses)	Retained earnings	Total equity attributabe to the equity holders of parent company	Non-controlling interests	Total equity
–93	–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	–	–646
469	–	–	–	424	–	424
–	–	–	–1,186	–1,186	–75	–1,261
–	–	–	21	21	–	21
–	–31	–	–208	–239	–59	–298
–270	**–1,406**	**–65**	**5,154**	**4,140**	**7**	**4,147**

Cash flow statement

CHF million	Note	2023	2022
Cash flow from operating activities			
Earnings		1,464	2,810
Adjustments to reconcile earnings to net cash flows:			
Income tax	12	492	998
Financial income	11	–73	–59
Financial expenses	11	25	20
Result from joint ventures and associates		–5	–6
Depreciation of property, plant and equipment	14	177	192
Depreciation of right-of-use assets	15	544	511
Amortisation of other intangibles	16	54	66
Expenses for share-based compensation plans	22	23	21
(Gain)/loss on disposal of property, plant and equipment, net	10	–15	–30
Net addition to provisions for pension plans and severance payments	21	–4	–
Subtotal operational cash flow		**2,682**	**4,523**
(Increase)/decrease contract assets		241	121
(Increase)/decrease trade and other receivables, prepayments		1,266	1,040
Increase/(decrease) provisions		–6	48
Increase/(decrease) other liabilities		–230	64
Increase/(decrease) trade payables, contract liabilities and accrued trade expenses		–1,463	–381
Income taxes paid		–791	–1,011
Total cash flow from operating activities		**1,699**	**4,404**

CHF million	Note	2023	2022
Cash flow from investing activities			
Capital expenditure			
– Property, plant and equipment	14	–306	–239
– Other intangibles	16	–4	–8
Disposal of property, plant and equipment		77	91
(Acquisition)/divestment of businesses, net of cash (acquired)/disposed	28	–29	–12
Settlement of deferred/contingent considerations from business combinations		–31	–70
Capital (contributions to)/distributions from joint ventures and associates		–2	–7
Dividend received from joint ventures and associates		4	3
Interest received		48	19
Total cash flow from investing activities		**–243**	**–223**
Cash flow from financing activities			
Repayment of other interest-bearing liabilities		–	–200
Repayment of lease liabilities	15	–543	–518
Interest paid on borrowings and other interest-bearing liabilities		–4	–8
Interest paid on lease liabilities	15	–20	–11
Purchase of treasury shares	20	–716	–646
Dividend paid to equity holders of parent company	20	–1,661	–1,186
Dividend paid to non-controlling interests	20	–172	–75
Acquisition of non-controlling interests		–7	–
Total cash flow from financing activities		**–3,123**	**–2,644**
Foreign exchange difference on cash and cash equivalents		–95	–67
Increase/(decrease) in cash and cash equivalents		**–1,762**	**1,470**
Cash and cash equivalents at the beginning of the year, net	19	**3,770**	**2,300**
Cash and cash equivalents at the end of the year, net	19	**2,008**	**3,770**

Notes to the consolidated financial statements

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, 2023, 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 IFRS Accounting Standards.

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, 2023. Those financial statements have been prepared in accordance with uniform accounting policies issued by the Group, which comply with the requirements of IFRS Accounting Standards 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 Accounting Standards 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 Accounting Standards 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 35.

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, 2022, except for the adoption of new standards, interpretations and amendments effective as of January 1, 2023. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Effective January 1, 2023, the Group adopted the amended IAS 1 by following the outlined ‘four-step materiality process’ to exercise materiality judgments in accounting policy disclosures. The materiality of the accounting policies in the Group’s business circumstances has been reassessed and the disclosure of accounting policies have been revised with the focus on the material accounting policies to ensure the consolidated financial statements reflect the Group materiality considerations.

Adoption of new and revised standards and interpretations in 2024 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
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
Disclosure: Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7[1]	January 1, 2024	Reporting year 2024
Lack of exchangeability - Amendments to IAS 21[1]	January 1, 2025	Reporting year 2025

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

Transactions eliminated on consolidation

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

4 Scope of consolidation

The Group’s significant consolidated subsidiaries and joint ventures are listed on pages 103 to 114.

Changes in the scope of consolidation in 2023 relate to the following companies (for further information on the financial impact of the acquisitions and divestments refer to note 28):

2023	Capital share in per cent equals voting rights	Effective date
Acquisitions		
Apex Logistics Solutions International Pte. Ltd. Group (Apex)	3.9	August 17, 2023
Morgan Cargo Ltd. Group (Morgan Cargo)	51	November 14, 2023

Changes in the scope of consolidation for the year 2022 are related to the following companies (for further information on the financial impact of the acquisitions and divestments refer to note 28):

2022

	Capital share in per cent equals voting rights	Effective date
Acquisitions		
Apex Logistics Solutions International Pte. Ltd. Group (Apex)	3.9	August 12, 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

5 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	2023 CHF	2022 CHF	Variance in per cent
EUR 1.-	0.9723	1.0051	–3.3
USD 1.-	0.8993	0.9500	–5.3

Balance sheet

(year-end rates)

Currency	Dec. 2023 CHF	Dec. 2022 CHF	Variance in per cent
EUR 1.-	0.9405	0.9898	–5.0
USD 1.-	0.8497	0.9298	–8.6

6 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.

7 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.

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	2023	2022	2023	2022	2023	2022
Turnover (external customers)	**26,649**	**43,034**	**9,934**	**20,608**	**7,465**	**12,358**
Customs duties and taxes	–2,800	–3,636	–1,333	–1,855	–528	–643
Net turnover (external customers)	**23,849**	**39,398**	**8,601**	**18,753**	**6,937**	**11,715**
Inter-segment turnover	–	–	2,923	5,127	5,196	9,437
Net expenses for services	–15,062	–28,289	–9,204	–20,401	–10,359	–18,187
Gross profit	**8,787**	**11,109**	**2,320**	**3,479**	**1,774**	**2,965**
Total expenses	–6,109	–6,577	–1,278	–1,417	–1,150	–1,476
EBITDA	**2,678**	**4,532**	**1,042**	**2,062**	**624**	**1,489**
Depreciation of property, plant and equipment	–177	–192	–23	–34	–24	–30
Depreciation of right-of-use assets	–544	–511	–3	–3	–4	–3
Amortisation of other intangibles	–54	–66	–1	–4	–41	–47
EBIT (segment profit)	**1,903**	**3,763**	**1,015**	**2,021**	**555**	**1,409**
Financial income	73	59				
Financial expenses	–25	–20				
Result from joint ventures and associates	5	6				
Earnings before tax (EBT)	**1,956**	**3,808**				
Income tax	–492	–998				
Earnings	**1,464**	**2,810**				
Attributable to:						
Equity holders of the parent company	1,431	2,644				
Non-controlling interests	33	166				
Earnings	**1,464**	**2,810**				
Additional information not regularly reported to the CODM						
Reportable non-current segment assets	4,654	4,793	432	413	1,635	1,781
Segment assets	10,971	14,751	1,898	3,224	2,920	3,451
Segment liabilities	7,812	10,604	2,047	3,187	2,228	3,293
Allocation of goodwill	2,034	2,199	129	136	1,252	1,368
Allocation of other intangibles	121	180	2	–	109	160
Capital expenditure property, plant and equipment	306	239	28	25	36	29
Capital expenditure right-of-use assets	738	606	41	55	29	30
Capital expenditure other intangibles	4	8	1	4	1	1
Property, plant and equipment, goodwill and intangibles through business combinations	37	–	9	–	25	–
Non-cash expenses	100	121	32	36	13	14

Road Logistics		Contract Logistics		Total reportable segments		Eliminations		Unallocated corporate	
2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
4,087	**4,594**	**5,163**	**5,474**	**26,649**	**43,034**	**–**	**–**	**–**	**–**
–546	–597	–393	–541	–2,800	–3,636	–	–	–	–
3,541	**3,997**	**4,770**	**4,933**	**23,849**	**39,398**	**–**	**–**	**–**	**–**
1,385	1,467	164	244	9,668	16,275	–9,668	–16,275	–	–
–3,638	–4,130	–1,529	–1,846	–24,730	–44,564	9,668	16,275	–	–
1,288	**1,334**	**3,405**	**3,331**	**8,787**	**11,109**	**–**	**–**	**–**	**–**
–1,097	–1,127	–2,584	–2,557	–6,109	–6,577	–	–	–	–
191	**207**	**821**	**774**	**2,678**	**4,532**	**–**	**–**	**–**	**–**
–24	–26	–106	–102	–177	–192	–	–	–	–
–26	–24	–511	–481	–544	–511	–	–	–	–
–8	–11	–4	–4	–54	–66	–	–	–	–
133	**146**	**200**	**187**	**1,903**	**3,763**	**–**	**–**	**–**	**–**
522	528	1,862	1,814	4,451	4,536	–	–	203	257
1,063	1,209	2,762	2,810	8,643	10,694	–	–	2,328	4,057
1,025	1,215	1,977	2,110	7,277	9,805	–	–	535	799
305	322	348	373	2,034	2,199	–	–	–	–
9	17	1	3	121	180	–	–	–	–
23	25	219	160	306	239	–	–	–	–
57	67	611	454	738	606	–	–	–	–
1	1	1	2	4	8	–	–	–	–
3	–	–	–	37	–	–	–	–	–
21	15	34	56	100	121	–	–	–	–

b) Geographical information

CHF million	Total Group 2023	Total Group 2022	EMEA 2023	EMEA 2022	Americas 2023	Americas 2022
Turnover (external customers)	**26,649**	**43,034**	**14,822**	**22,347**	**8,095**	**14,975**
Customs duties and taxes	–2,800	–3,636	–1,958	–2,656	–662	–777
Net turnover (external customers)	**23,849**	**39,398**	**12,864**	**19,691**	**7,433**	**14,198**
Inter-regional turnover	–	–	4,726	6,991	1,601	2,411
Net expenses for services	–15,062	–28,289	–12,333	–20,929	–6,741	–13,479
Gross profit	**8,787**	**11,109**	**5,257**	**5,753**	**2,293**	**3,130**
Total expenses	–6,109	–6,577	–3,865	–3,943	–1,583	–1,771
EBITDA	**2,678**	**4,532**	**1,392**	**1,810**	**710**	**1,359**
Depreciation of property, plant and equipment	–177	–192	–125	–135	–32	–32
Depreciation of right-of-use assets	–544	–511	–369	–339	–123	–116
Amortisation of other intangibles	–54	–66	–12	–14	–16	–23
EBIT	**1,903**	**3,763**	**886**	**1,322**	**539**	**1,188**
Financial income	73	59				
Financial expenses	–25	–20				
Result from joint ventures and associates	5	6				
Earnings before tax (EBT)	**1,956**	**3,808**				
Income tax	–492	–998				
Earnings	**1,464**	**2,810**				
Attributable to:						
Equity holders of the parent company	1,431	2,644				
Non-controlling interests	33	166				
Earnings	**1,464**	**2,810**				
Additional information not regulary reported to the CODM						
Reportable non-current regional assets	4,654	4,793	2,076	2,001	1,264	1,273
Segment assets	10,971	14,751	4,309	5,210	2,545	3,375
Segment liabilities	7,812	10,604	4,978	6,477	1,392	2,004
Capital expenditure property, plant and equipment	306	239	179	177	103	35
Capital expenditure right-of-use assets	738	606	501	425	176	116
Capital expenditure other intangibles	4	8	4	6	–	2
Property, plant and equipment, goodwill and intangibles through business combinations	37	–	37	–	–	–
Non-cash expenses	100	121	77	94	12	15

Asia-Pacific		Eliminations		Unallocated corporate	
2023	2022	2023	2022	2023	2022
3,732	**5,712**	**–**	**–**	**–**	**–**
–180	–203	–	–	–	–
3,552	**5,509**	**–**	**–**	**–**	**–**
3,341	6,873	–9,668	–16,275	–	–
–5,656	–10,156	9,668	16,275	–	–
1,237	**2,226**	**–**	**–**	**–**	**–**
–661	–863	–	–	–	–
576	**1,363**	**–**	**–**	**–**	**–**
–20	–25	–	–	–	–
–52	–56	–	–	–	–
–26	–29	–	–	–	–
478	**1,253**	**–**	**–**	**–**	**–**
1,111	1,262	–	–	203	257
1,789	2,109	–	–	2,328	4,057
907	1,324	–	–	535	799
24	27	–	–	–	–
61	65	–	–	–	–
–	–	–	–	–	–
–	–	–	–	–	–
11	12	–	–	–	–

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	2023		2022	
Countries	Reportable non-current assets [1]	Net turnover	Reportable non-current assets [1]	Net turnover
China [2]	948	1,601	1,096	2,155
Germany [3]	642	3,679	606	5,674
Switzerland [3]	25	402	14	856
USA [4]	1,064	4,946	1,084	10,197
Others	1,772	13,221	1,736	20,516
Total	**4,451**	**23,849**	**4,536**	**39,398**

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.

8 Personnel expenses

CHF million	2023	2022
Salaries and wages	3,837	4,155
Social expenses and benefits	903	855
Expenses for share-based compensation plans	23	21
Expenses for pension plans		
– defined benefit plans	16	15
– defined contribution plans	68	69
Others	19	29
Total	**4,866**	**5,144**

Number of employees	Dec. 31, 2023	Dec. 31, 2022
EMEA	50,065	49,740
Americas	19,671	18,828
Asia-Pacific	11,247	11,766
Total employees	**80,983**	**80,334**
Full-time equivalents of employees (unaudited)	75,304	75,194
Full-time equivalents of temporary staff (unaudited)	18,914	19,885
Total full-time equivalents (unaudited)	**94,218**	**95,079**

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”.

9 Selling, general and administrative expenses

CHF million	2023	2022
Administration	327	343
Communication	54	56
Travel and promotion	109	94
Vehicles	191	198
Operating expenses	186	326
Facilities	427	437
Total	**1,294**	**1,454**

10 Other operating income/expenses, net

CHF million	2023	2022
Gain/(loss) on disposal of property, plant and equipment	6	6
Gain/(loss) on sale and leaseback of property, plant and equipment [1]	9	24
Other operating income (expenses) [2]	36	–9
Total	**51**	**21**

1 In connection with its asset-light business model, in 2023 the Group has completed one sale and leaseback transaction of real estate facilities in Luxemburg. The agreed leaseback period is ten years.
2 Mainly represents the revaluation of the contingent consideration liability in connection with the acquisition of Apex. Refer to note 33 for additional details.

11 Financial income and expenses

CHF million	2023	2022
Interest income	48	19
Exchange differences, net	25	40
Financial income	**73**	**59**
Interest expenses on other interest-bearing liabilities	–5	–9
Interest expenses on lease liabilities	–20	–11
Financial expenses	**–25**	**–20**
Net financial result	**48**	**39**

12 Income tax

Income tax on earnings for the year comprises current and deferred tax. 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 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.

The Group has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions the Group operates. The Group is in scope of the enacted or substantively enacted legislation. The Group is still in the process of assessing the potential exposure to Pillar Two income taxes as at 31 December 2023.

CHF million	2023	2022
Current tax expense		
– in current year	513	1,043
– under/(over) provided in previous years	–33	26
	480	1,069
Deferred tax expense from		
– changes in temporary differences and tax losses	12	–71
Income tax	**492**	**998**

Deferred tax benefit of CHF 1 million (2022: expense of CHF 32 million) relating to actuarial losses of CHF 37 million before tax (2022: actuarial gains of CHF 111 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	2023	per cent	2022	per cent
Earnings before tax according to the income statement	1,956		3,808	
Income tax/expected tax rate	**466**	**23.8**	**906**	**23.8**
Tax effect on				
– tax exempt (income)/non-deductible expenses	1	0.1	6	0.2
– utilisation of previously unrecognised tax losses	–	–	–1	–
– change of deferred tax due to tax rate adjustments	–2	–0.1	–1	–
– under/(over) provided in previous years	–33	–1.7	26	0.7
– unrecoverable withholding taxes	60	3.1	62	1.5
Income tax/effective tax rate	**492**	**25.2**	**998**	**26.2**

Deferred tax assets and liabilities

	Assets		Liabilities		Net deferred income tax balance	
CHF million	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022
Property, plant and equipment and right-of-use assets	7	12	–338	–305	–331	–293
Goodwill and other intangibles [1]	25	33	–58	–71	–33	–38
Investments in subsidiaries	–	–	–26	–	–26	–
Trade receivables	22	44	–32	–55	–10	–11
Other receivables	2	2	–28	–58	–26	–56
Lease liabilities	370	335	–	–	370	335
Provisions for pension plans and severance payments	31	28	–	–	31	28
Other liabilities	109	154	–	–	109	154
Tax value of loss carry-forwards recognised	3	3	–	–	3	3
Total net deferred income tax balance	**569**	**611**	**–482**	**–489**	**87**	**122**
Thereof deferred income tax assets					175	220
Thereof deferred income tax liabilities					–88	–98

1 Of which CHF 2 million deferred tax liabilities were acquired in business combinations in 2023.

Deferred tax assets and liabilities related 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 related to tax losses carried forward are expected to be used by the end of the next three years.

Unrecognised deferred tax assets

CHF million	2023 Unused tax losses	2023 Unrecognised deferred tax asset on unused tax losses	2022 Unused tax losses	2022 Unrecognised deferred tax asset on unused tax losses
Balance as of December 31	42	10	37	8

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	2023		2022
Expiry			
2024	5	2023	6
2025	1	2024	4
2026	17	2025	2
2027 & later	11	2026 & later	17
No expiry	8	No expiry	8
Total unused tax losses	**42**		**37**

13 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	2023	2022
Earnings attributable to the equity holders of the parent company in CHF million	**1,431**	**2,644**
Weighted average number of ordinary shares outstanding during the year	118,624,421	119,394,642
Dilutive effect on number of shares outstanding:		
Share-based compensation plans and contingent considerations	413,602	636,076
Adjusted weighted number of ordinary shares applicable to diluted earnings per share	119,038,023	120,030,718
Basic earnings per share in CHF	12.06	22.15
Diluted earnings per share in CHF	12.02	22.03

14 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

Category	Years
Building installations	5
Office furniture	5
Office machines	4
IT hardware	3

2023

CHF million	Properties including buildings on third parties' land	Other operating and office equipment	Total
Cost			
Balance as of January 1, 2023	426	1,145	1,571
Additions through business combinations[1]	–	1	1
Additions	50	256	306
Disposals	–26	–140	–166
Transfers	–1	1	–
Effect of movements in foreign exchange	–37	–95	–132
Balance as of December 31, 2023	**412**	**1,168**	**1,580**
Accumulated depreciation and impairment losses			
Balance as of January 1, 2023	99	733	832
Depreciation charge for the year	11	166	177
Disposals	–10	–103	–113
Effect of movements in foreign exchange	–7	–71	–78
Balance as of December 31, 2023	**93**	**725**	**818**
Carrying amount			
As of January 1, 2023	327	412	739
As of December 31, 2023	319	443	762

1 Refer to note 28 for further details.

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

15 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.

Right-of-use assets

2023

CHF million	Right-of-use assets properties, buildings	Right-of-use assets other operating and office equipment	Total
Balance as of January 1, 2023	1,214	204	1,418
Additions	589	149	738
Depreciation charge for the year	–440	–104	–544
Modifications and reassessments	16	–10	6
Effect of movements in foreign exchange	–74	–10	–84
Balance as of December 31, 2023	**1,305**	**229**	**1,534**

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**

Lease liabilities

CHF million	2023	2022
Balance as of January 1	1,492	1,484
Additions	741	618
Modifications and reassessments	16	–32
Repayment	–543	–518
Effect of movements in foreign exchange	–91	–60
Balance as of December 31	**1,615**	**1,492**
of which		
— Current lease liabilities	487	466
— Non-current lease liabilities	1,128	1,026
Total lease liabilities	**1,615**	**1,492**

For the maturity analysis of the lease liabilities, refer to the disclosure of the liquidity risk included in note 32 Risk management.

Amounts recognised in the income statement

CHF million	2023	2022
Depreciation of right-of-use assets	544	511
Interest expense on lease liabilities (included in financial expenses)	20	11
Expense relating to short-term and low value leases (included in selling, general and administrative expenses)	160	161
Profits on sale-and-leaseback transactions (included in other operating income/expense, net)	–9	–24
Total expense recognised in the income statement	**715**	**659**

The total cash outflow for leases (including short-term leases and low value assets) was CHF 723 million in 2023 (2022: CHF 690 million). The total cash inflow from sale and leaseback transactions was CHF 37 million in 2023 (2022: CHF 62 million).

16 Goodwill and other intangibles

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, 2023, and 2022, there are no intangibles with indefinite useful lives recognised in the Group's balance sheet.

2023

CHF million	Goodwill	Other intangibles [1]
Cost		
Balance as of January 1, 2023	2,211	898
Additions through business combinations [2]	30	6
Additions	–	4
Deletions	–	–4
Effect of movements in foreign exchange	–195	–67
Balance as of December 31, 2023	**2,046**	**837**
Accumulated amortisation and impairment losses		
Balance as of January 1, 2023	12	718
Amortisation charge	–	54
Deletions	–	–4
Effect of movements in foreign exchange	–	–52
Balance as of December 31, 2023	**12**	**716**
Carrying amount:		
As of January 1, 2023	2,199	180
As of December 31, 2023	2,034	121

1 Other intangibles mainly comprise customer contracts/lists, trademarks, agent contracts and software.
2 Refer to note 28 for further details.

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.

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.

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.

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.

Impairment testing of goodwill

Goodwill is tested for impairment every year. An impairment loss is recognised whenever the carrying amount of the cash-generating unit to which goodwill has been allocated exceeds its recoverable amount. For the purpose of the goodwill impairment testing, the cash-generating units are the global business units at the level which 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 2023	**129**	**1,252**	**305**	**348**	**2,034**
Carrying amount of goodwill in CHF million 2022	**136**	**1,369**	**322**	**372**	**2,199**
Basis for recoverable amount	Value-in-use	Value-in-use	Value-in-use	Value-in-use	
Pre-tax discount rate in per cent 2023	11.6	11.5	11.5	11.7	
Pre-tax discount rate in per cent 2022	10.5	10.4	10.4	10.5	
Projection period	3 years	3 years	3 years	3 years	
Terminal growth rate in per cent 2023	1.5	1.5	1.5	1.5	
Terminal growth rate in per cent 2022	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 2023 and 2022, all recoverable amounts exceeded their carrying amounts and consequently no impairment of goodwill was recognised for the years 2023 and 2022. Management considers that it is not likely for the assumptions used to change so significantly, as to eliminate the excess of recoverable amounts.

17 Trade receivables and contract assets

CHF million	2023	2022
Trade receivables	3,736	5,478
Impairment allowance	–102	–187
Total trade receivables	**3,634**	**5,291**

The majority of all billing is done in the respective Group companies' own functional currencies and is mainly in EUR, 35.7 per cent (2022: 35.1 per cent), and USD, 20.7 per cent (2022: 24.2 per cent).

Trade receivables outstanding at year-end averaged 53.3 days (2022: 51.0 days).

No trade receivables are pledged in 2023 and 2022.

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).

CHF million	2023	2022
Contract assets	270	549
Impairment allowance	–3	–9
Total contract assets	**267**	**540**

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 105 million (2022: CHF 196 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 66 million at year-end 2023 (2022: CHF 101 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 Group has established a collective impairment allowance of CHF 39 million, which represents 1.0 per cent of total outstanding trade receivables and contract assets as of December 31, 2023 (2022: CHF 95 million/1.6 per cent).

CHF million	2023 Specific allowance	2023 Collective allowance	2023 Total allowance	2022 Specific allowance	2022 Collective allowance	2022 Total allowance
Balance as of January 1	101	95	196	69	69	138
Additional impairment losses recognised	58	33	91	79	79	158
Reversal of impairment losses and write-offs	–93	–89	–182	–47	–53	–100
Balance as of December 31	**66**	**39**	**105**	**101**	**95**	**196**

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

CHF million	2023 Trade receivables	2023 Impairment allowance on trade receivables	2022 Trade receivables	2022 Impairment allowance on trade receivables
Default probability < 1 per cent	1,763	3	2,500	28
Default probability 1 to 3 per cent	1,798	28	2,763	50
Default probability 3 to 10 per cent	78	3	58	4
Default probability 10 to 30 per cent	28	7	54	14
Default probability > 30 per cent	69	61	103	91
Total	**3,736**	**102**	**5,478**	**187**

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

18 Other receivables

CHF million	Dec. 31, 2023	Dec. 31, 2022
Receivables from tax authorities	45	64
Deposits	55	55
Sundry	61	96
Total other receivables	**161**	**215**

19 Cash and cash equivalents

For the purpose of the consolidated cash flow statement, cash and cash equivalents includes bank overdrafts that are repayable on demand as they form an integral part of the Group's cash management.

CHF million	Dec. 31, 2023	Dec. 31, 2022
Cash at banks	752	2,136
Short-term deposits	1,259	1,642
Cash and cash equivalents	**2,011**	**3,778**
Bank overdraft	–3	–8
Cash and cash equivalents in the cash flow statement, net	**2,008**	**3,770**

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.

20 Equity

Share capital and treasury shares 2023

	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)	65,282,088	65	54.1	55.2	63,900,000
Public shareholders	53,032,830	53	43.9	44.8	55,718,792
Entitled to voting rights and dividends	**118,314,918**	**118**	**98.0**	**100.0**	**119,618,792**
Treasury shares	2,438,865	2	2.0		1,134,991
Total	**120,753,783**	**120**	**100.0**		**120,753,783**

In 2023, the Company matched 141,528 treasury shares of which the main portion relates to the matured share matching plan 2020 (2022: matched 122,699 treasury shares of which the main portion relates to the matured share matching plan 2019). In relation with the acquisition of Apex, 1,418,012 treasury shares with a carrying amount of CHF 349 million (fair value of CHF 370 million) were transferred to the previous owners. In addition, the Company purchased 2,863,414 treasury shares for CHF 716 million (2022: purchased 2,526,200 treasury shares for CHF 646 million).

On December 31, 2023, the Company held 2,438,865 treasury shares (2022: 1,134,991), 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 22.

Dividends

The proposed dividend payment in 2024, subject to approval by the Annual General Meeting, is as follows:

Distribution from	Per share in CHF	CHF million
Retained earnings	8.25	976
Capital contribution reserves	1.75	207
Total	**10.00**	**1,183**

The dividend payment to owners in 2023 amounted to CHF 14.00 per share or CHF 1,661 million (2022: CHF 10.00 per share or CHF 1,186 million). Additionally, dividends in the amount of CHF 172 million were paid to non-controlling interests (2022: 75 million), mainly related to Apex.

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**

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 8, 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.

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	2023	2022	2021	2020	2019
Total equity	3,159	4,147	3,211	2,413	2,322
Total assets	10,971	14,751	14,650	9,851	9,825
Equity ratio in per cent	**28.8**	**28.1**	**21.9**	**24.5**	**23.6**

21 Provisions for pension plans and severance payments

Some Group companies maintain pension plans in favour of their personnel in addition to the legally required social security schemes. The pension plans partly exist as independent trusts and are classified as a defined contribution or a defined benefit plan. Retirement benefits vary from plan to plan to reflect applicable local practices and legal requirements. Retirement benefits are based on years of credited service and compensation as defined in the respective plan.

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. Expected payments for redundancies are included in provisions (refer to note 24).

Overview of provisions for pension plans and severance payments

CHF million	Pension plans	Severance payments	Total
Balance as of January 1, 2022	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**
Provisions made	16	5	21
Provisions used	–23	–3	–26
Actuarial (gains)/losses recognised in other comprehensive income	37	–	37
Effect of movements in foreign exchange	–11	–3	–14
Balance as of December 31, 2023	**244**	**26**	**270**

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.

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.

	2023			2022		
CHF million	Funded plans	Unfunded plans	Total	Funded plans	Unfunded plans	Total
Net liability for defined benefit obligations						
Present value of obligations	160	215	375	191	208	399
Fair value of plan assets	–131	–	–131	–174	–	–174
Present value of net obligations	29	215	244	17	208	225
Recognised net liability for defined benefit obligations	**29**	**215**	**244**	**17**	**208**	**225**
Expected payments to defined benefit plan in the next year	8	12	20	8	11	19

CHF million	2023	2022
Allocation of plan assets		
Debt securities	4	47
Equity securities	8	11
Insurance contracts and others	119	116
Total	**131**	**174**

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.

	2023	2022
CHF million	Funded plans	Funded plans
Movements of fair value of plan assets		
Opening fair value of plan assets	174	201
Employer contribution	7	7
Employee contribution	4	4
Return on plan assets, excluding interest	–6	–28
Interest on plan assets	5	3
Benefits paid by the plan	–7	–8
Plan settlement [1]	–44	–3
Effect of movements in foreign exchange	–2	–2
Closing fair value of plan assets	**131**	**174**
Actual return on plan assets for the year	–1	–25

1 The plan settlement in 2023 primarily relates to the settlement of a defined benefit plan in the United States. As of December 31, 2023, only defined contribution plans remain.

CHF million	2023 Funded plans	2023 Unfunded plans	2023 Total	2022 Funded plans	2022 Unfunded plans	2022 Total
Movements of present value of defined benefit obligations						
Opening liability for defined benefit obligations	191	208	399	249	305	554
Current service costs	5	3	8	7	4	11
Interest costs	6	7	13	3	3	6
Employee contribution	5	–	5	4	–	4
Actuarial (gains)/losses recognised in other comprehensive income:						
– due to changes in financial assumptions	14	9	23	–62	–85	–147
– due to experience (gains)/losses	–3	10	7	3	5	8
Benefits paid by the plan	–6	–10	–16	–8	–10	–18
Past service costs – amendments	–	–1	–1	1	–	1
Effects due to plan settlement[1]	–48	–	–48	–3	–	–3
Effect of movements in foreign exchange	–4	–11	–15	–3	–14	–17
Closing liability for defined benefit obligations	**160**	**215**	**375**	**191**	**208**	**399**
Expense recognised in the income statement						
Service costs	7	1	8	8	4	12
Net interest on the net defined benefit liability	–	8	8	–	3	3
Expense recognised in personnel expenses (refer to note 8)	**7**	**9**	**16**	**8**	**7**	**15**
Actuarial gains/(losses) recognised in other comprehensive income						
Cumulative amount as of January 1	–17	–41	–58	–48	–128	–176
Recognised during the year	–17	–20	–37	31	87	118
Cumulative amount as of December 31	**–34**	**–61**	**–95**	**–17**	**–41**	**–58**

1 The plan settlement in 2023 primarily relates to the settlement of a defined benefit plan in the United States. As of December 31, 2023, only defined contribution plans remain.

Plan participants	Active 2023	Active 2022	Deferred 2023	Deferred 2022	Retired 2023	Retired 2022	Total 2023	Total 2022
Number of plan participants	14,145	14,075	761	1,241	1,869	2,387	16,775	17,703
Present value of defined benefit obligations								
In CHF million	204	202	24	40	147	157	375	399
Share in per cent	54.4	50.7	6.4	10.0	39.2	39.3	100.0	100.0
Average duration in years							13.1	13.8

Weighted actuarial assumptions at the balance sheet date

Per cent	2023 Funded plans	2023 Unfunded plans	2023 Total	2022 Funded plans	2022 Unfunded plans	2022 Total
Discount rate	1.8	3.4	3.2	3.1	3.7	3.7
Future salary increases	2.1	2.0	2.0	2.1	2.0	2.0
Future pension increases	0.1	1.9	1.6	–	1.7	1.7

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:

CHF million	2023 Funded plans	2023 Unfunded plans	2023 Total	2022 Funded plans	2022 Unfunded plans	2022 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 -/+	7	7	14	6	6	12
Future salary increases						
Change of defined benefit obligation +/-	1	1	2	1	1	2

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.

Major defined benefit plans

The Group maintains significant defined benefit pension plans in Germany and in Switzerland constituting 90.7 per cent of the defined benefit obligations and 87.8 per cent of the plan assets. The defined benefit plan in United States was closed in December 2023.

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	2023	2022
Recognised liability for defined benefit obligations	200	191
Expense recognised in personnel expenses	8	6
Actuarial gains/(losses) recognised in other comprehensive income	–21	78
Number of plan participants	2,974	3,058
Average duration in years	12.3	13.1

Weighted actuarial assumptions at the balance sheet date

Per cent	2023	2022
Discount rate	3.30	3.70
Future salary increases	2.00	2.00
Future pension increases	2.00	2.00
Mortality table	Dr. K. Heubeck 2018 G	Dr. K. Heubeck 2018 G

Switzerland

The Swiss defined benefit plans 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.

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	2023	2022
Net liability for defined benefit obligations		
Present value of obligations	140	118
Fair value of plan assets	–115	–107
Recognised net liability for defined benefit obligations	**25**	**11**
Allocation of plan assets		
Insurance contracts and others	116	107
Expense recognised in the income statement		
Service costs	5	7
Actuarial gains/(losses) recognised in other comprehensive income	–14	28
Number of plan participants	585	572
Average duration in years	14.7	15.0

Weighted actuarial assumptions at the balance sheet date

Per cent	2023	2022
Discount rate	1.35	2.15
Future salary increases	1.75	1.75
Mortality table	BVG 2020 Generational	BVG 2020 Generational

22 Employee 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 foregone 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.

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	2023	2022	2021
Grant date	July 21, 2023	July 22, 2022	July 23, 2021
Vesting, service and blocking period	July 21, 2023 - June 30, 2026	July 22, 2022 - June 30, 2025	July 23, 2021 - June 30, 2024
Number of shares invested/granted at grant date	204,706	196,603	172,100
Number of shares to be matched as of Dec. 31, 2023	203,411	185,948	143,290
Number of shares to be matched as of Dec. 31, 2022	n/a	196,338	157,965
Share match ratio	0.8	0.8	0.8
Fair value of shares to be matched at grant date in CHF per share	189.03	168.85	233.9

On July 1, 2023, the SMP 2020 matured with a share match ratio of 0.8 resulting in a matching of 134,687 shares to the participating employees of this plan.

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.

CHF million	2023	2022
Personnel expense for employee share-based compensation plans	23	21

23 Bank and other interest-bearing liabilities and borrowings

CHF million	Dec. 31, 2023	Dec. 31, 2022
Bank overdrafts	3	8
Bank and other interest-bearing liabilities	**3**	**8**
0.2 per cent bonds due on June 18, 2025	200	200
Borrowings	**200**	**200**

Current bank and other interest-bearing liabilities include bank overdrafts of CHF 3 million (2022: CHF 8 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, 2023, 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 with redemption at par value.

24 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.

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, 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**
Balance as of January 1, 2023	98	12	67	177
Provisions used	–26	–8	–8	–42
Provisions reversed	–31	–	–13	–44
Provisions made	22	12	46	80
Effect of movements in foreign exchange	–5	–	–4	–9
Balance as of December 31, 2023	**58**	**16**	**88**	**162**
of which				
– Current provisions	42	4	62	108
– Non-current provisions	16	12	26	54
Total provisions	**58**	**16**	**88**	**162**

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 29.
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 47 million (2022: CHF 43 million) and redundancy provisions of CHF 40 million (2022: CHF 10 million).

25 Trade payables, contract liabilities and accrued trade expenses

CHF million	Dec. 31, 2023	Dec. 31, 2022
Trade payables	2,012	2,731
Contract liabilities	154	280
Accrued trade expenses	1,072	1,976
Total	**3,238**	**4,987**

The majority of all trade payables is in the respective Group companies' own functional currencies, thereof 40.1 per cent (2022: 40.6 per cent) in EUR and 16.3 per cent (2022: 19.5 per cent) in USD.

The entire balance of contract liabilities as of December 31, 2022, was recognised as turnover in 2023.

26 Other non-current liabilities

CHF million	Dec. 31, 2023	Dec. 31, 2022
Contingent consideration liabilities [1]	–	83
Put options on non-controlling interests [2]	830	1,076
Total	**830**	**1,159**

1 The balance in 2022 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 options on non-controlling interests in Apex and Morgan Cargo. Refer to note 28 for additional details.

27 Other current liabilities

CHF million	Dec. 31, 2023	Dec. 31, 2022
Personnel expenses (including social security)	674	955
Other tax liabilities	89	84
Other operating expenses	179	186
Contingent consideration liabilities [1]	42	83
Put options on non-controlling interests [2]	99	317
Sundry	79	113
Total	**1,162**	**1,738**

1 The balance mainly represents the short-term portion of the contingent consideration liability from the acquisition of Apex. Further details are described in note 33.
2 The balance represents the short-term portion of the redemption liability recognised for the put options on non-controlling interests in Apex and Morgan Cargo. Refer to note 28 for additional details.

28 Business combinations, divestments and acquisitions of non-controlling interests

Business combinations

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.

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.

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.

2023 Acquisitions

CHF million	Recognised fair values
Other intangibles	6
Other non-current assets	1
Acquired cash and cash equivalents	13
Other current assets	22
Subtotal assets	**42**
Non-current liabilities	–2
Current liabilities	–17
Total identifiable assets and liabilities, net	**23**
Goodwill	30
Total assets and liabilities, net	**53**
Non-controlling interests, proportionate share of identifiable net assets	–11
Purchase price for the ownership acquired	**42**
Thereof shares issued, at fair value	–
Purchase price, paid in cash	**42**
Acquired cash and cash equivalents	–13
Net cash outflow	**29**

Effective November 14, 2023, the Group acquired 51.0 per cent of the shares of Morgan Cargo, the Johannesburg-based South African leading freight forwarder specialised in air transport and handling perishable goods.

CHF 42 million of the purchase price for the acquired interest of Morgan Cargo was paid in cash. For the remaining 49.0 per cent of the shares, the Group entered into a call option 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 Morgan Cargo's financial performance over the three years measurement period. 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 on 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.

At the balance sheet date, the carrying amount of the put option liability amounted to CHF 27 million. The put option liability is recognised in the balance sheet item "Other current liabilities" and "Other non-current liabilities".

Acquisition-related costs (included in the line item "selling, general and administrative expenses" in the income statement) amount to CHF 1 million.

The trade receivables comprise gross contractual amounts due of CHF 21 million, of which none were expected to be uncollectible at the acquisition date.

Other intangibles of CHF 6 million recognised on the acquisition represent the Morgan Cargo contractual and non-contractual customer lists having useful lives of five years. Goodwill of CHF 30 million arose on the acquisition and represents 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 and Road Logistics.

From November 14 to December 31, 2023, the acquisition of Morgan Cargo contributed CHF 28 million of net turnover and CHF 2 million of earnings. If the acquisition had occurred on January 1, 2023, the Group's net turnover would have been CHF 23,973 million and consolidated earnings for the period would have been CHF 1,467 million.

The accounting for the acquisition made in 2023 was determined provisionally only. Adjustments may be made to the fair values assigned to the identifiable assets acquired and liabilities assumed up to twelve months from the date of acquisition.

On June 26, 2023, Apex management exercised the put options to sell half of the remaining 7.7 per cent of their retained shares to the Group. The options were settled with a fair value of CHF 323 million in the Company's treasury shares. Upon closing of the transaction, the Group therefore increased its ownership interest by 3.9 per cent and has present access to 71.2 per cent of the shares of Apex.

As of December 31, 2023, the Group recognised redemption liabilities in connection with the put options on non-controlling interests in Apex and Morgan Cargo. At the balance sheet date, the carrying amount of the put option liabilities amounted to CHF 929 million (2022: CHF 1,393 million) and is recognised in the balance sheet items "Other current liabilities" and "Other non-current liabilities". For further details, refer to notes 26, 27 and 33.

Agreed upon future transactions

On November 28, 2023, the Group entered into an agreement to acquire 100% of the shares of Farrow Group Inc., a Canada-based customs broker, for a purchase price of CHF 166 million, which was paid in cash on the closing date January 31, 2024.

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 had access to 67.4 per cent of the shares. The put options were settled in the Company's treasury shares (fair value of CHF 353 million). Refer to note 33 for further details.

No material adjustments to the values previously reported were deemed necessary after having finalised the acquisition accounting in 2022.

2023 Divestments

The Group did not divest any material business as of December 31, 2023.

2022 Divestments

On June 3, 2022, Kuehne+Nagel signed an agreement 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.

29 Contingent liabilities

Some Group companies are defendants in various legal proceedings. A disclosure of individual contingent liabilities is considered impracticable and is therefore not included in this note. Based on respective legal advice, the management is of the opinion that the outcome of those proceedings will have no material effect on the financial situation of the Group beyond the existing provision for pending claims of CHF 58 million (2022: CHF 98 million), refer to note 24 for further details.

30 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, 2023

CHF million	Properties and buildings	Operating and office equipment	Total
2024	20	30	50
2025–2028	39	29	68
Later	36	1	37
Total	**95**	**60**	**155**

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**

Details regarding the leases recognised in the income statement are described in note 15.

31 Capital commitments

As of year-end, capital commitments of CHF 4 million (2022: CHF 12 million) existed in respect of non-cancellable purchase contracts for property, plant and equipment.

32 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.

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:

	2023	2022
CHF million	Carrying amount	Carrying amount
Variable rate instruments		
Cash and cash equivalents (excluding cash on hand)	2,011	3,778
Current bank and other interest-bearing liabilities	–3	–8
Total	**2,008**	**3,770**

Fair value sensitivity analysis – fixed rate instruments
As of December 31, 2023, and 2022, 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, 2023, would increase or decrease pre-tax profit or loss by CHF 20 million (2022: CHF 38 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 2023 and 2022 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:

	2023		2022	
CHF million	EUR	USD	EUR	USD
Cash and cash equivalents	36	77	77	485
Trade receivables	80	411	84	680
Interest-bearing liabilities	–	–	–	–
Trade payables	–55	–136	–74	–248
Other liabilities	–	–41	–	–164
Net balance sheet exposure	**61**	**311**	**87**	**753**

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 per cent 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.

2023

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)	6	31	7

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, 2023, no securities measured at fair value were held and no cash flow hedge accounting was applied.

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)	9	75	9

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	2023	2022
Trade receivables	3,634	5,291
Contract assets	267	540
Other receivables	151	211
Cash and cash equivalents	2,011	3,778
Total	**6,063**	**9,820**

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 17).

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

CHF million	2023	2022
EMEA	2,085	3,075
Americas	1,187	1,970
Asia-Pacific	629	786
Total	**3,901**	**5,831**

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:

2023

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	3	3	3	–	–	–
Borrowings	200	202	–	–	202	–
Trade payables	2,012	2,012	2,012	–	–	–
Accrued trade expenses	1,072	1,072	1,072	–	–	–
Contingent consideration liabilities [1]	42	1	1	–	–	–
Put options on non-controlling interests [1, 2]	929	839	–	9	830	–
Other liabilities	247	247	247	–	–	–
Lease liabilities [3]	1,615	1,670	281	225	956	208
Total	**6,120**	**6,046**	**3,616**	**234**	**1,988**	**208**

1 The differences between the carrying amounts and the contractual cash flows are expected to be paid in the Company's shares.
2 The first tranche of the Morgan Cargo put option is exercisable in 2024 and Partners Group's put option on 24.9 per cent in Apex is exercisable as of January 1, 2025.
3 The majority of lease payments over five years falls due until 2032.

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 options on non-controlling interests [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 Partners Group's put option on 24.9 per cent in Apex is exercisable as of January 1, 2025.
3 The majority of lease payments over five years falls due until 2031.

The exercise prices of the put options over non-controlling interests depend on the performance of Apex and Morgan Cargo, as described in note 28. Depending on their actual performance, the actual payment amounts may vary significantly compared to the currently recognised liabilities. The Group reassesses the performance scenarios 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 in significantly different amounts.

33 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 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 17).

Financial liabilities

All financial liabilities are initially recognised at fair value minus, in the case of financial liabilities not measured 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 consideration liabilities.

- 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, 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".

Fair values

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.

As of December 31, 2023

CHF million	Financial assets at FVPL	Financial assets at amortised cost	Total carrying amount	Total fair value
Trade receivables	–	3,634	3,634	3,634
Other receivables	1	160	161	161
Total	**1**	**3,794**	**3,795**	**3,795**

CHF million	Financial liabilities at FVPL	Financial liabilities at amortised cost	Total carrying amount	Total fair value
Bank and other interest-bearing liabilities	–	3	3	3
Borrowings	–	200	200	196
Trade payables	–	2,012	2,012	2,012
Accrued trade expenses	–	1,072	1,072	1,072
Contingent consideration liabilities	42	–	42	42
Put options on non-controlling interests	–	929	929	929
Other liabilities	1	246	247	247
Total	**43**	**4,462**	**4,505**	**4,501**

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 options on non-controlling interests	–	1,393	1,393	1,393
Other liabilities	–	254	254	254
Total	**166**	**6,562**	**6,728**	**6,719**

On June 18, 2019, the 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 with redemption at par (quoted prices, level 1 fair value of CHF 196 million on December 31, 2023, CHF 191 million in 2022). There are no other non-current fixed rate interest-bearing loans or other liabilities outstanding (December 31, 2022: 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 42 million (2022: CHF 166 million). The second tranche of the contingent consideration liability to the previous owners of Apex in the amount of CHF 78 million was settled in 2023. CHF 47 million (fair value) was paid in the Company's treasury shares and CHF 31 million was paid in cash. Management has reassessed the estimated performance targets (significant unobservable input, level 3), resulting in a decrease of the contingent consideration liabilities of CHF 36 million.

Level 3 fair values

CHF million	Contingent consideration liabilities
Balance as of January 1, 2023	166
Utilised for settlements	–78
(Gains)/losses included in the income statement	
– Increase/(decrease) of contingent consideration liabilities – recorded within other operating income/expenses, net	–36
– Foreign exchange revaluation – recorded within financial expenses	–10
Balance as of December 31, 2023	**42**
of which	
– Current portion	42
– Non-current portion	–

34 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	2023	2022	2023	2022
Wages, salaries and other short-term employee benefits	15.7	20.3	4.4	4.4
Post-employment benefits	1.6	1.8	0.2	0.3
Share-based compensation	2.5	2.5	–	–
Total compensation	**19.8**	**24.6**	**4.6**	**4.7**

As of December 31, 2023, 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 55.4 per cent (2022: 53.6 per cent) of the voting shares of the Company.

For other related parties refer to note 20 outlining the shareholders' structure, and pages 103 to 114 listing the Group's significant subsidiaries and joint ventures.

35 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.

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

The Group tests its goodwill with a total carrying amount of CHF 2,034 million (2022: CHF 2,199 million) for impairment every year as disclosed in note 16.

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 2023, the Group recorded no impairment charges on goodwill and other intangible assets (2022: no impairment recorded). The carrying amount of other intangibles is CHF 121 million (2022: CHF 180 million), and that of property, plant and equipment is CHF 762 million (2022: CHF 739 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, 2023, the Group has recognised total contingent consideration liabilities of CHF 42 million (2022: CHF 166 million). The contingent considerations are classified as other financial liabilities. For further details see note 33.

Put options on non-controlling interests

Resulting from business combinations, the put options on non-controlling interests are recognised at the acquisition date as part of the business combinations. The non-controlling interests are reclassified as financial liabilities at each reporting date as if the acquisition took place at that date. Any excess over the reclassified carrying amount of the non-controlling interests and all subsequent changes in the redemption value of the financial liabilities are recognised directly in retained earnings.

In connection with the Apex and Morgan Cargo Group transactions, the put option liabilities on non-controlling interests with the estimated carrying amount of CHF 929 million (2022: CHF 1,393 million) were recognised at balance sheet date. The put option liabilities on non-controlling interests are classified as other financial liabilities. The option exercise prices depend on the financial performance of Apex and Morgan Cargo. Depending on the actual performance, the actual payment amounts may vary significantly compared to the currently recognised liabilities. The Group reassesses the performance scenarios on a quarterly basis and revaluates the liabilities accordingly. For further details see note 28.

Defined benefit pension plans

The Group has recognised a liability for defined benefit pension plans in the amount of CHF 244 million (2022: CHF 225 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 87 million (2022: CHF 122 million). Furthermore, the Group has unrecognised deferred tax assets relating to unused tax losses of CHF 10 million (2022: CHF 8 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 12).

Provisions and contingent liabilities

The Group has recognised provisions for an amount of CHF 162 million (2022: CHF 177 million) related to legal claims and other exposures in the freight forwarding and logistics operations (see note 24). The provisions represent the best estimate of the risks, whereby the final amount required is subject to uncertainty.

36 Post balance sheet events

The acquisition of Farrow closed on January 31, 2024, refer to note 28 for more details. There have been no other material events between December 31, 2023, and the date of authorisation of the consolidated financial statements that would require adjustments of the consolidated financial statements or disclosure.

37 Resolution of the Board of Directors

The consolidated financial statements of the Group were authorised for issue by the Board of Directors on February 29, 2024. A resolution to approve the consolidated financial statements will be proposed at the Annual General Meeting on May 8, 2024.

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	84	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
	Kuehne + Nagel Navegacao Lda	Luanda	AOA	–	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

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
Bahrain	Kuehne + Nagel WLL [1]	Manama	BHD	750	100
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	EUR	571	100
Cyprus	Kuehne + Nagel Ltd.	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	Ferrieres	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	Ferrieres	EUR	37	100
	Kuehne + Nagel EASYLOG SAS	Ferrieres	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	Ferrieres	EUR	113,697	100
	K Logistics Sarl	Le Meux	EUR	91	100
	Kuehne + Nagel Solutions	Saint Vulbas	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
	Express Air Systems GmbH (Joint Venture)	Kriftel	EUR	92	50
	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
	Morgan Cargo Limited	Guildford	GBP	–	51
	Nacora Insurance Brokers Limited	Uxbridge	GBP	150	100
	Quick International Couriers (UK) Limited	Colnbrook	GBP	–	100
Greece	Kuehne + Nagel AE	Athens	EUR	9,528	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	1,999	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
	Morgan Air And Seafreight Logistics Kenya	Nairobi	KES	11	51
	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 Apex companies represent the direct percentage of the interest. The indirect percentage of the non-controlling interest amounts to 28.8%.

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
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 S.A.	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	Doha	QAR	–	100
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

1 Directly held by Kuehne + Nagel International AG.
2 The voting rights of these Apex companies represent the direct percentage of the interest. The indirect percentage of the non-controlling interest amounts to 28.8%.

Europe, Middle East and Africa (EMEA)					
Country	Name of the company	Location	Currency	Share capital in thousand	Voting rights in per cent
Serbia	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	651,652	70
	Morgan Cargo (Pty) Ltd. [3]	Johannesburg	ZAR	533,200	100
	Morgan Cargo (KZN) (Pty) Ltd. [3]	Durban	ZAR	29,347	100
	Morgan Cargo Express (Pty) Ltd. [3]	Port Elizabeth	ZAR	65,398	100
	Kuehne & Nagel Investments (Pty) Ltd.	Gauteng	ZAR	1,074,736	51
	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 MEA L.L.C. [1]	Dubai	AED	1,000	100
Uganda	Kuehne + Nagel Limited [1]	Kampala	UGX	827,500	100
Ukraine	Kuehne + Nagel SC	Kiev	UAH	26,975	100

1 Directly held by Kuehne + Nagel International AG.
2 The voting rights of these Apex companies represent the direct percentage of the interest. The indirect percentage of the non-controlling interest amounts to 28.8%.
3 The voting rights of these Morgan Cargo companies represent the direct percentage of the interest. The indirect percentage of the non-controlling interest amounts to 49.0%.

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 Servicos Logisticos Ltda. [1]	Sao Paulo	BRL	190,804	100
	Nacora Corretagens de Seguros Ltda.	Sao Paulo	BRL	1,094	100
Canada	Kuehne + Nagel Ltd. [1]	Toronto	CAD	2,910	100
	Kuehne + Nagel Holdings Ltd.	Mississauga	CAD	–	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]	Bogota	COP	5,184,600	100
	Agencia de Aduanas KN Colombia S.A.S. Nivel 2 [1]	Bogota	COP	595,000	100
	Kuehne + Nagel Servicios S.A.S	Bogota	COP	1,500,000	100
	Nacora LTDA Agencia de Seguros	Bogota	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	100
	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 Apex companies represent the direct percentage of the interest. The indirect percentage of the non-controlling interest amounts to 28.8%.

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 Real Estate USA Inc.	Jersey City	USD	–	100
	Kuehne + Nagel Nevada, Inc.	McCarran	USD	2	100
	Commodity Forwarders Inc.	Los Angeles	USD	1,220	100
	Q International Courier, LLC	Jamaica	USD	–	100
	Kuehne + Nagel Holding Inc.	Jersey City	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	76	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

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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	Kuehne & Nagel Supply Chain Ltd.	Shanghai	CNY	30,000	100
	Zhejiang Jiajin Logistics Co. Ltd.	Huzhou	CNY	10,000	100
	Heilongjiang Chifeng Transportation Co. Ltd.	Daqing	CNY	2,747	100
	Apex Logistics Intl. (Zhengzhou) Ltd. [2]	Zhengzhou	CNY	15,000	100
	Shanghai Shunzhuo Logistics Development Co., Ltd. [2]	Shanghai	CNY	–	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	30,000	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

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Asia-Pacific					
Country	Name of the company	Location	Currency	Share capital in thousand	Voting rights in per cent
China	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
	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

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Asia-Pacific					
Country	Name of the company	Location	Currency	Share capital in thousand	Voting rights in per cent
	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	Apex Global Forwarders India Pvt. Ltd. [2]	New Delhi	INR	166,040	60
	Kuehne + Nagel Pvt. Ltd. [1]	New Delhi	INR	30,000	100
Indonesia	PT. Kuehne Nagel Indonesia	Jakarta	IDR	13,513,600	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

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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	100
	D&P International Freight Transportation CO., LTD [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
	Apex Logistics International (M) SDN.BHD. [2]	Penang	MYR	3,000	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.	Manila	PHP	5,000	100
	Kuehne + Nagel Shared Service Center Inc.	Cebu	PHP	10,500	100
	Kuehne + Nagel Global Services Inc.	Cebu	PHP	304,000	100
Singapore	Kuehne + Nagel Pte. Ltd. [1]	Singapore	SGD	72,250	100
	Modern Office Pte. Ltd.	Singapore	USD	19,579	100
	Transpac Container System Pte. Ltd	Singapore	SGD	–	100
	Nacora Insurance Agency Pte. Ltd.	Singapore	SGD	100	100

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Asia-Pacific					
Country	Name of the company	Location	Currency	Share capital in thousand	Voting rights in per cent
	Kuehne + Nagel (Asia Pacific) Management Pte. Ltd. [1]	Singapore	SGD	19,307	100
	Kuehne + Nagel Real Estate Pte Ltd	Singapore	SGD	72,000	100
	Kuehne+Nagel (Asia Pacific) Holding Pte Ltd [1]	Singapore	SGD	13,433	100
	Apex Logistics International (S) Pte.Ltd. [1]	Singapore	SGD	2,002	100
	Apex Logistics Solutions International Pte. Ltd.	Singapore	USD	29	71.2
	Apex Logistics International Mgmt Pte.Ltd. [2]	Singapore	USD	–	100
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
	Kuehne & Nagel Transport Ltd. [2]	Bangkok	THB	100	100
	Apex Logistics International (Thailand) Ltd. [2]	Bangkok	THB	10,000	100
	Apex Logistics Int Mgmt (Thailand) Ltd. [2]	Bangkok	THB	100	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

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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 Kuehne + Nagel International AG and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2023, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements (pages 47 to 114) give a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards 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.

Recognition of net turnover and related balance sheet accounts

Area of focus	Our audit response
During the financial year 2023, the Group recognized net turnover in the amount of CHF 23,849 million. As of 31 December 2023, the Group has recognized CHF 267 million of contract assets and CHF 154 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 significant to our audit. The accounting policies regarding revenue recognition are explained in the notes to the consolidated financial statements in note 6. Further details on net turnover are disclosed in note 7 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. Furthermore, 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.

Recoverability of goodwill and other intangible assets

Area of focus	Our audit response
As of 31 December 2023, the Group has recorded goodwill of CHF 2,034 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 significant to our audit. The accounting policies regarding goodwill applied by the Group and further details on goodwill and the annual impairment tests are disclosed in the notes to the consolidated financial statements in note 16.	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. Furthermore, we assessed the historical accuracy of management's estimates and considered their ability to produce accurate long-term forecasts. Our work included an evaluation of management's sensitivity analysis on changes to the key assumptions, 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 2023, the Group has recorded deferred tax assets of CHF 175 million. Furthermore, 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 significant to our audit. The accounting policies regarding current and deferred income taxes applied by the Group and further details on current and deferred income tax positions are disclosed in the notes to the consolidated financial statements in note 12.	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. Furthermore, 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.

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 Accounting Standards 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

Simon Zogg Licensed audit expert (Auditor in charge)	Andreas Traxler Licensed audit expert

Zurich, February 29, 2024

Financial statements 2023 of Kuehne + Nagel International AG

Income statement

CHF million	Note	2023	2022
Income			
Income from investments in Group companies	1	3,481	1,563
Financial income			
– Interest income banks		26	7
– Interest income on loan receivables from Group companies		21	11
– Exchange gains		194	148
– Profit on sale of treasury shares		28	–
Other operational income	2	–	4
Total income		**3,750**	**1,733**
Expenses			
Financial expenses			
– Interest expenses banks		-1	–6
– Interest expenses on liabilities towards Group companies		-78	–13
– Exchange losses		-174	–116
– Loss on sale of treasury shares		–	–11
Other operational expenses	3	-31	–24
Total expenses		**-284**	**–170**
		3,466	**1,563**
Earnings before tax and impairment			
Impairment of investments in Group companies	6	–	–56
Earnings before tax (EBT)		**3,466**	**1,507**
Income tax		13	–23
Earnings for the year		**3,479**	**1,484**

Balance sheet

CHF million	Note	Dec. 31, 2023	Dec. 31, 2022
Assets			
Cash and cash equivalents	4	1,354	2,298
Other current receivables			
– from third parties		7	15
– from Group companies	5	1,108	609
Total current assets		**2,469**	**2,922**
Investments	6	3,387	3,063
Non-current assets		**3,387**	**3,063**
Total assets		**5,856**	**5,985**
Liabilities and equity			
Liabilities towards Group companies	7	1,071	2,534
Current liabilities			
– Other current liabilities	8	42	114
– Tax provision		7	4
Current liabilities		**1,120**	**2,652**
Non-current liabilities			
– Other non-current liabilities	8	3	85
– Borrowings	9	200	200
Non-current liabilities		**203**	**285**
Total liabilities		**1,323**	**2,937**
Share capital	10	121	121
Legal capital contribution reserves	11	210	210
Legal reserves		60	60
Free reserves			
– Retained earnings	11	1,265	1,443
– Earnings for the year		3,479	1,484
Treasury shares	12	-602	-270
Equity		**4,533**	**3,048**
Total liabilities and equity		**5,856**	**5,985**

Schindellegi, February 29, 2024

Kuehne + Nagel International AG

Stefan Paul	Markus Blanka-Graff
CEO	CFO

Notes to the financial statements 2023

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	2023	2022
Income from investments and others	3,481	1,563
Total	**3,481**	**1,563**

2 Other operational income

CHF million	2023	2022
Refund from antitrust claims	–	4
Total	**–**	**4**

3 Other operational expenses

CHF million	2023	2022
Board of Directors fee	5	5
Other operational expenses	26	19
Total	**31**	**24**

Notes to the balance sheet

4 Cash and cash equivalents

CHF million	Dec. 31, 2023	Dec. 31, 2022
Bank deposits are in the following currencies:		
CHF	1,317	1,855
EUR	18	58
USD	6	361
CNY	12	23
Others	1	1
Total	**1,354**	**2,298**

5 Receivables from Group companies

Current receivables

CHF million	Dec. 31, 2023	Dec. 31, 2022
Kuehne + Nagel Ltd., Nairobi	4	8
Kuehne + Nagel Ltd., Dubai	–	5
Kuehne + Nagel Investment S.a.r.l., Luxembourg	1	17
Kuehne + Nagel Investment Inc., New York	–	139
Kuehne + Nagel Holding Inc., New York	467	–
Kuehne + Nagel S.A.S., Paris	1	1
Quick International France S.A.S., Villepinte	1	–
Kuehne + Nagel N.N., Rotterdam	17	19
Kuehne + Nagel Investment B.V., Rotterdam	282	297
Kuehne + Nagel Real Estate Holding AG, Schindellegi	6	5
Kuehne + Nagel Management AG, Schindellegi	224	1
Kuehne + Nagel Finance AG, Schindellegi	94	100
Kuehne + Nagel Management Ltd., Singapore	2	–
Kuehne + Nagel Co. W.L.L., Kuwait	1	1
Kuehne + Nagel A/S, Copenhagen	3	2
Kuehne + Nagel (AG &Co.) KG, Hamburg	–	8
KN Airlift GmbH, Frankfurt	1	–
Kuehne + Nagel Ltd., Port of Spain	1	1
Kuehne & Nagel Ltd., Amman	–	1
Kuehne + Nagel Shared Service Centre d.o.o., Belgrade	1	1
Other Group companies	2	3
Total	**1,108**	**609**

6 Development of investments

CHF million	Investments in consolidated companies	Investments in affiliated companies	Total
Cost			
Balance as of January 1, 2023	3,478	2	3,480
Additions	324	-	324
Balance as of December 31, 2023	**3,802**	**2**	**3,804**
Cumulative amortisation			
Balance as of January 1, 2023	415	2	417
Impairments	–	–	–
Balance as of December 31, 2023	**415**	**2**	**417**
Carrying amount			
As of January 1, 2023	**3,063**	**–**	**3,063**
As of December 31, 2023	**3,387**	**–**	**3,387**

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, 2023	Dec. 31, 2022
Kuehne + Nagel Ltd., Dublin	19	1
Kuehne + Nagel S.a.r.l., Luxembourg	60	83
Kuehne + Nagel S.A.S., Paris	43	101
Kuehne + Nagel N.V., Rotterdam	4	1
Kuehne + Nagel NV/SA, Antwerp	52	57
Kuehne + Nagel Srl., Milano	1	–
Kuehne + Nagel Services Ltd., Vancouver	–	1
Kuehne + Nagel A/S, Oslo	–	4
Kuehne + Nagel GmbH, Vienna	1	–
Kuehne + Nagel Eastern Europe AG, Vienna	55	65
Kuehne + Nagel Ltd., London	4	6
Kuehne + Nagel s.r.o., Bratislava	3	6
Kuehne + Nagel spol.s.r.o., Prague	2	7
Kuehne + Nagel Ltd., Singapore	2	1
Kuehne + Nagel Management Ltd., Singapore	–	2
Kuehne + Nagel (AG & Co.) KG, Hamburg	196	370
Kuehne + Nagel Ltd., Mississauga	58	–
Kuehne + Nagel Ltd., Mexico City	–	5
Kuehne + Nagel Ltd., Hongkong	16	11
Kuehne + Nagel Ltd., Auckland	1	2
Kuehne + Nagel Kft., Budapest	4	10
Kuehne + Nagel d.o.o., Lijubliana	2	2
Kuehne + Nagel Ltd., Shanghai	9	154
Kuehne + Nagel s.r.l., Bucharest	–	2
Kuehne + Nagel S.A., Madrid	2	1
Kuehne + Nagel Investment SL, Madrid	73	74
Kuehne + Nagel Investment AB, Stockholm	34	33
Kuehne + Nagel Inc., New York	35	924
Kuehne + Nagel Management AG, Schindellegi	241	349
Kühne + Nagel AG, Zürich	36	67
Kuehne + Nagel Finance AG, Schindellegi	9	4
Nacora Holding AG, Schindellegi	2	6
Nacora Agencies AG, Schindellegi	23	18
Kuehne + Nagel LLC, Dubai	6	5
Kuehne + Nagel Management MEA LLC, Dubai	3	–
Kuehne + Nagel Pty Ltd., Melbourne	1	10
Kuehne + Nagel W.L.L., Manama	–	1
Kuehne + Nagel Log. Co. Ltd., Shanghai	71	132
Kuehne + Nagel Ltd., Tokyo	–	4
Other Group companies	3	15
Total	**1,071**	**2,534**

8 Other current and non-current liablities

Other current and non-current liabilities mainly include a contingent consideration of CHF 41 million to acquire an additional stake of 3.03 per cent of the shares of Apex International Corporation. Further details can be found in note 33 of the consolidated financial statements.

9 Borrowings

CHF million	Dec. 31, 2023	Dec. 31, 2022
0.20 per cent bond due on June 18, 2025	200	200
Borrowings	200	200

A public bond was issued on June 18, 2019, for CHF 200 million with a nominal interest rate of 0.2 per cent due on June 18, 2025, with redemption at par value.

10 Share capital

Share capital	Registered shares at nominal value of CHF 1 each	CHF million
Balance as of December 31, 2023	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.

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, 2023	**210**

Retained earnings	CHF million
Balance as of January 1, 2022 (before income for the year)	1,443
Earnings for the year 2022	1,484
Retained earnings as of December 31, 2022 (prior to appropriation of available earnings)	**2,927**
Distribution to the shareholders (representing CHF 14.00 per share)[1]	–1,662
Balance as of December 31, 2023 (before income for the year)	**1,265**

1 Distribution to the shareholders (representing CHF 14.00 per share) amounts to CHF 1,661,337,454.

12 Treasury shares

Own shares	Average price of transactions in CHF	Number of shares	CHF million
Balance as of January 1, 2023		1,134,991	270
Purchases of own shares	249.93	2,863,414	716
Disposal of own shares	246.11	-1,559,540	-384
Closing balance as of December 31, 2023		**2,438,865**	**602**

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 Contingent liabilities

For further information regarding contingent liabilities refer to note 29 of the consolidated financial statements.

Proposal of the Board of Directors to the Annual General Meeting May 8, 2024 regarding the appropriation of the available earnings

For 2023 the Board of Directors is proposing a regular dividend amounting to CHF 8.25 per share and a dividend from legal capital contribution reserves of CHF 1.75 per share for approval at the Annual General Meeting. If the dividend proposal is approved by shareholders, dividend payments will amount to CHF 976 million towards regular dividend and CHF 207 million towards dividend from legal capital contribution reserves. The total dividend payment is resulting in a payout ratio of 82.7 per cent (2022: 62.9 per cent).

Available earnings	CHF million
Balance as of January 1, 2023 (before income for the year)	1,265
Earnings for the year 2023	3,479
Available earnings as of December 31, 2023	4,744
Distribution to the shareholders (representing CHF 8.25 per share) [1]	–976
Retained earnings as of December 31, 2023 (after appropriation of available earnings)	**3,768**

Available legal capital contribution reserves	CHF million
Balance as of January 1, 2023	210
Distribution to the shareholders (representing CHF 1.75 per share) [1]	–207
Legal capital contribution reserves as of December 31, 2023	**3**

1 The total dividend amount covers all outstanding shares (as per December 31, 2023: 118,314,918 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 2023, 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 119 to 127) 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

Risk	Our audit response
As of December 31, 2023, the Company's investments amounted to CHF 3,387 million and accounted for 58% 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 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. Furthermore, 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 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

Simon Zogg
Licensed audit expert
(Auditor in charge)

Andreas Traxler
Licensed audit expert

Zurich, February 29, 2024

Financial calendar

April 23, 2024	Three-months 2024 results
May 8, 2024	Annual general meeting
July 23, 2024	Half-year 2024 results
October 23, 2024	Nine-months 2024 results
March 4, 2025	Full year 2024 results

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