

Financial Statements 2020

Income Statement

CHF million	Note	2020	2019
Income			
Income from investments in Group companies	1	918	515
Finance income			
– Interest income on loan receivables from Group companies		11	18
– Exchange gains		75	51
– Profit on sale of treasury shares		1	1
Other operational income	2	6	78
Total income		1,011	663
Expenses			
Finance expenses			
– Interest expenses on liabilities towards Group companies		–9	–7
– Exchange losses		–84	–47
Other operational expenses	3	–23	–23
Total expenses		–116	–77
Earnings before tax and impairment			
		895	586
Impairment of investment in Group companies	6	–60	–
Earnings before tax (EBT)		835	586
Income tax		–17	–16
Earnings for the year		818	570

Balance Sheet

CHF million	Note	Dec. 31, 2020	Dec. 31, 2019
Assets			
Cash and cash equivalents	4	1,269	511
Other current receivables			
– from third parties		13	5
– from Group companies	5	901	1,238
Total current assets		2,183	1,754
Investments	6	1,775	1,870
Non-current assets		1,775	1,870
Total assets		3,958	3,624
Liabilities and equity			
Liabilities towards Group companies	7	1,492	1,464
Current liabilities			
– Other provisions and accruals		1	2
– Tax provision		3	9
Current liabilities		1,496	1,475
Non-current liabilities			
– from third parties	8	400	400
Non-current liabilities		400	400
Total liabilities		1,896	1,875
Share capital	9	120	120
Legal capital contribution reserves	10	6	6
Legal reserves		60	60
Free reserves			
– Retained earnings	10	1,113	1,021
– Earnings for the year		818	570
Treasury shares	11	–55	–28
Equity		2,062	1,749
Total liabilities and equity		3,958	3,624

Schindellegi, March 2, 2021

Kuehne + Nagel International AG
 Dr. Detlef Trefzger CEO
 Markus Blanka-Graff CFO

Notes to the Financial Statements 2020

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 the 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	2020	2019
Income from investments and others	918	430
Trademark fee	-	85
Total	918	515

2 Other operational income

CHF million	2020	2019
Refund from antitrust claims	5	1
Income from amortised paid-in surplus previously written off	1	-
Sale of investment Kuehne + Nagel AG, Opfikon Switzerland	-	77
Total	6	78

3 Other operational expenses

CHF million	2020	2019
Board of Directors fee	5	4
Trademark marketing/IP concept	-	5
Other operational expenses	18	14
Total	23	23

Notes to the Balance Sheet

4 Cash and cash equivalents

CHF million	Dec. 31, 2020	Dec. 31, 2019
Bank deposits are in the following currencies:		
CHF	1,193	392
EUR	39	106
USD	37	13
Total	1,269	511

5 Receivables from Group companies

Current receivables

CHF million	Dec. 31, 2020	Dec. 31, 2019
Kuehne + Nagel Ltd., Nairobi	13	17
Kuehne + Nagel Ltd., Bogota	3	4
Kuehne + Nagel Ltd., Amman	-	1
Kuehne + Nagel Ltd., Antwerp	10	1
Kuehne + Nagel Ltd., Bahrain	2	2
Kuehne + Nagel Ltd., Buenos Aires	-	4
Kuehne + Nagel Ltd., Copenhagen	-	1
Kuehne + Nagel Ltd., Jeddah	1	-
Kuehne + Nagel Ltd., Prague	1	-
Kuehne + Nagel Ltd., Dublin	-	11
Kuehne + Nagel Ltd., Dubai	2	2
Kuehne + Nagel S.r.l., Milano	-	1
Kuehne + Nagel Inc. Manila	1	3
Kuehne + Nagel L.L.C., Erbil	-	1
Kuehne + Nagel d.o.o., Ljubljana	1	-
Kuehne + Nagel AG, Luxembourg	-	2
Kuehne + Nagel Investment S.a.r.l., Luxembourg	10	11
Kuehne + Nagel Investment Inc., New York	133	420
Kuehne + Nagel Pty, Panama	1	2
Kuehne + Nagel N.N., Rotterdam	15	-
Kuehne + Nagel Investment B.V., Rotterdam	326	327
Kuehne + Nagel Ltd. Santiago	2	6
Kuehne + Nagel Shared Service Centre d.o.o., Belgrade	-	1
Kuehne + Nagel Real Estate Holding AG, Schindellegi	7	22
Kuehne + Nagel Liegenschaften AG, Schindellegi	18	19
Kuehne + Nagel Finance AG, Schindellegi	353	353
Kuehne + Nagel AG, Zurich	-	21
Kuehne + Nagel Co. W.L.L., Kuwait	1	-
Other Group companies	1	6
Total	901	1,238

6 Development of investments

CHF million	Investments in consolidated companies	Investments in affiliated companies	Total
Cost			
Balance as of January 1, 2020	2,088	2	2,090
Additions	182	-	182
Repayments	-198	-	-258
Disposals	-19	-	-19
Balance as of December 31, 2020	2,053	2	2,055
Cumulative amortisation			
Balance as of January 1, 2020	218	2	220
Additions	-	-	-
Impairments	60	-	60
Disposals	-	-	-
Balance as of December 31, 2020	278	2	280
Carrying amount			
As of January 1, 2020	1,870	-	1,870
As of December 31, 2020	1,775	-	1,775

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 repayments of paid-in surplus of subsidiaries. Part of the investments related hereto have been amortised in the past. The repayment required subsequently the add-back of the cumulative amortisation, reported as disposals.

7 Liabilities towards Group companies

CHF million	Dec. 31, 2020	Dec. 31, 2019
Kuehne + Nagel Ltd., Dublin	6	1
Kuehne + Nagel S.a.r.l., Luxembourg	12	37
Kuehne + Nagel S.A.S., Paris	128	207
Kuehne + Nagel N.V., Rotterdam	-	11
Kuehne + Nagel NV/SA, Antwerp	1	-
Kuehne + Nagel Services Ltd., Vancouver	1	466
Kuehne + Nagel A/S, Oslo	-	-
Kuehne + Nagel GmbH, Vienna	231	222
Kuehne + Nagel Eastern Europe AG., Vienna	9	-
Kuehne + Nagel Ltd., London	4	-
Kuehne + Nagel spol.s.r.o., Prague	1	-
Kuehne + Nagel Ltd., Singapore	1	2
Kuehne + Nagel (AG & Co.) KG, Hamburg	386	-
Kuehne + Nagel Ltd. Mississauga	-	15
Kuehne + Nagel Ltd., Mexico	2	10
Kuehne + Nagel AS, Oslo	-	1
Kuehne + Nagel Real Estate Pty. Ltd., Melbourne	-	16
Kuehne + Nagel Ltd., Hongkong	70	31
Kuehne + Nagel Ltd., Auckland	2	2
Kuehne + Nagel Kft., Budapest	6	6
Kuehne + Nagel Ltd., Sydney	-	1
Kuehne + Nagel Ltd., Shanghai	89	52
Kuehne + Nagel s.r.l., Bucharest	1	-
Kuehne + Nagel S.A., Madrid	-	1
Kuehne + Nagel Investment SL, Madrid	51	46
Kuehne + Nagel Investment AB, Stockholm	18	15
Kuehne + Nagel Inc., New York	72	-
Kuehne + Nagel Management AG, Schindellegi	307	224
Kühne + Nagel AG, Zurich	25	2
Nacora Insurance Brokers AG, Zurich	1	-
Kuehne + Nagel Finance AG, Schindellegi	16	19
Nacora Holding AG, Schindellegi	11	35
Nacora Agencies AG, Schindellegi	17	31
Kuehne + Nagel LLC, Dubai	10	3
Other Group companies	14	8
Total	1,492	1,464

8 Borrowings

CHF million	Dec. 31, 2020	Dec. 31, 2019
0.02 per cent bond due 2022	200	200
0.2 per cent bond due 2025	200	200
Borrowings	400	400

On June 18, 2019, the Kuehne+Nagel Group issued a CHF 200 million public bond with a nominal interest rate of 0.02 per cent due on November 18, 2022, and a CHF 200 million public bond

with a nominal interest rate of 0.2 per cent due on June 18, 2025, both with redemption at par.

9 Share capital

Share capital	Registered shares at nominal value of CHF 1 each	CHF million
Balance as of December 31, 2020	120,000,000	120

Authorised and conditional share capital

The Annual General Meeting held on May 5, 2020, extended its approval of authorised share capital up to a maximum of CHF 20 million by a further two years until May 5, 2022.

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 conditional share capital up to a maximum of CHF 2 million for the provision of the employee share-based compensation plans of the Company.

So far no use has been made of these rights. There is no resolution of the Board of Directors outstanding for further issuance of either authorised or conditional capital.

10 Legal capital contribution reserves and retained earnings

Legal capital contribution reserves	CHF million
Capital contribution reserves as of December 31, 2020	6

Retained earnings	CHF million
Balance as of January 1, 2019 (before earnings for the year)	1,021
Earnings for the year 2019	570
Retained earnings as of December 31, 2019 (prior to appropriation of available earnings)	1,591
Distribution to the shareholders (representing CHF 4.00 per share)	-478
Balance as of December 31, 2020 (before earnings for the year)	1,113

11 Treasury shares

Own shares	Average price of transactions in CHF	Number of shares	CHF million
Balance as of January 1, 2020		206,200	28
Purchases of own shares	132.01	277,457	37
Sale of own shares	133.35	-67,506	-10
Closing balance as of December 31, 2020		416,151	55

Treasury shares are valued at average cost.

Other notes

12 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.

13 Shareholding of members of the Board of Directors and Management Board

Shareholdings of members of the Board of Directors

As of December 31, 2020, the following number of shares were held by members of the Board of Directors and/or parties closely associated with them.

Name	2020	2019
Klaus-Michael Kuehne (Honorary Chairman)	63,996,860	64,055,000
Dr. Joerg Wolle (Chairman)	22,000	58,000
Karl Gernandt (Vice Chairman)	15,840	65,000
Dominik Buergy ¹	-	n/a
Dr. Renato Fassbind	1,700	1,700
David Kamenetzky	-	-
Dr. Thomas Staehelin ²	n/a	10,000
Hauke Stars	-	-
Dr. Martin C. Wittig	-	-
Total	64,036,400	64,189,700

¹ Member of the Board of Directors as of May 5, 2020.

² Retired from the Board of Directors as of May 5, 2020.

Shareholdings by members of the Management Board

As of December 31, 2020, the following number of shares were held by members of the Management Board and/or parties closely associated with them:

Name	2020	2019
Dr. Detlef Trefzger, Chief Executive Officer	33,804	47,712
Markus Blanka-Graff, Chief Financial Officer	13,755	15,436
Lothar Harings, Chief Human Resources Officer	16,166	24,166
Martin Kolbe, Chief Information Officer	9,951	33,132
Stefan Paul, Executive Vice President Road Logistics	14,734	15,915
Horst Joachim Schacht, Executive Vice President Sea Logistics	33,375	36,406
Yngve Ruud, Executive Vice President Air Logistics	22,846	32,037
Gianfranco Sgro, Executive Vice President Contract Logistics	7,835	8,050
Total	152,466	212,854

14 Major shareholders

According to the share register as of December 31, 2020, 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 53.3 per cent; all voting rights of Kuehne Holding AG are held by Klaus-Michael Kuehne.

- Kuehne Foundation, Schindellegi (Feusisberg), Switzerland, held 4.7 per cent.
- Black Rock Inc., New York, United States of America, held 3.1 per cent.

15 Contingent liabilities

For further information regarding contingent liabilities refer to note 41 of the Consolidated Financial Statements.

Proposal of the Board of Directors to the Annual General Meeting on May 4, 2021, regarding the appropriation of available earnings

For 2020 the Board of Directors is proposing a regular dividend amounting to CHF 4.50 per share for approval at the Annual General Meeting. If the dividend proposal is approved by shareholders, dividend payments will amount to CHF 538 million (2019:

CHF 478 million) towards regular dividend resulting in a payout ratio of 68.4 per cent (2019: 59.9 per cent) of the earnings for the year attributable to the equity holders of the Company.

Available earnings	CHF million
Balance as of January 1, 2020 (before income for the year)	1,113
Earnings for the year 2020	818
Available earnings as of December 31, 2020	1,931
Distribution to the shareholders (representing CHF 4.50 per share) ¹	-538
Retained earnings as of December 31, 2020 (after appropriation of available earnings)	1,393

¹ The total dividend amount covers all outstanding shares (as per December 31, 2020: 119,583,849 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 to the General Meeting of Kuehne + Nagel International AG, Schindellegi (Feusisberg), Switzerland

As statutory auditor, we have audited the financial statements of Kuehne + Nagel International AG, which comprise the income statement, balance sheet and notes (pages 121 to 132), for the year ended 31 December 2020.



Board of Directors' responsibility

The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.



Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements 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 entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statements for the year ended 31 December 2020 comply with Swiss law and the company's articles of incorporation.



Report on key audit matters based on the circular 1/2015 of the Federal Audit Oversight Authority

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial state-

ments 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 responsibility section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the financial statements.

Valuation of investments and related income statement accounts

Area of focus

As of December 31, 2020, the Company's investments amounted to CHF 1,775 million and accounted for 45% of total assets.

Investments are recorded at cost less economically necessary valuation allowances. At every balance sheet date, the carrying value of each investment is compared to its equity balance as of that date. In those cases where the equity value is below the carrying value, management tests the investment for impairment. The impairment assessment depends on the estimation of future earnings and the discount rates applied.

Due to the significance of the carrying values of the investments and the judgment involved in performing the impairment tests, this matter was considered to be significant to our audit.

Further details on the Company's investments in subsidiaries are disclosed in note 6 to the financial statements.

The accounting policies regarding investments applied by the Group are explained in the notes to the consolidated financial statements in the section "Basis of Preparation/Accounting Policies".

Our audit response

We assessed the difference between the carrying amounts of the investments in subsidiaries and their equity balances. Further we examined the Company's valuation model and evaluated management's key assumptions.

Our audit procedures did not lead to any reservations concerning the valuation of investments in subsidiaries.



Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a para. 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Ernst & Young Ltd

Christian Schibler
Licensed audit expert
(Auditor in charge)

Andreas Traxler
Licensed audit expert

Zurich, March 2, 2021

Kuehne + Nagel International AG
Kuehne + Nagel House
P.O. Box 67
CH-8834 Schindellegi
+41 (0) 44 786 95 11
www.kuehne-nagel.com

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