

Quarterly Report 2022

**Condensed
Consolidated
Interim Financial
Statements 2022
(unaudited)**

January – September 2022

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Schindellegi, October 24, 2022

Income statement

CHF million	January – September			July – September		
	2022	2021	Variance in per cent	2022	2021	Variance in per cent
Net turnover	30,603	21,841	40.1	9,972	8,568	16.4
Net expenses for services from third parties	-21,993	-14,970		-7,260	-6,024	
Gross profit	8,610	6,871	25.3	2,712	2,544	6.6
Personnel expenses	-3,849	-3,572		-1,262	-1,256	
Selling, general and administrative expenses	-1,093	-931		-369	-318	
Other operating income/expenses, net	21	1		28	1	
EBITDA	3,689	2,369	55.7	1,109	971	14.2
Depreciation of property, plant and equipment	-140	-141		-44	-47	
Depreciation of right-of-use assets	-379	-364		-125	-119	
Amortisation of other intangibles	-51	-39		-16	-16	
EBIT	3,119	1,825	70.9	924	789	17.1
Financial income	43	9		16	3	
Financial expenses	-15	-15		-4	-4	
Result from joint ventures and associates	4	4		1	2	
Earnings before tax (EBT)	3,151	1,823	72.8	937	790	18.6
Income tax	-835	-481		-249	-212	
Earnings	2,316	1,342	72.6	688	578	19.0
Attributable to:						
Equity holders of the parent company	2,191	1,313	66.9	654	557	17.4
Non-controlling interests	125	29		34	21	
Earnings	2,316	1,342	72.6	688	578	19.0
Basic earnings per share in CHF	18.37	10.94	67.9	5.48	4.64	18.1
Diluted earnings per share in CHF	18.27	10.91	67.5	5.45	4.63	17.7

Statement of comprehensive income

CHF million	January - September		July - September	
	2022	2021	2022	2021
Earnings	2,316	1,342	688	578
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss:				
Foreign exchange differences	-20	84	-49	10
Gains/(losses) on cash flow hedges	-	-28	-	-
Items that will not be reclassified to profit or loss:				
Actuarial gains/(losses) on defined benefit plans	164	37	4	-
Income tax on actuarial gains/(losses) on defined benefit plans	-41	-9	-1	-
Total other comprehensive income, net of tax	103	84	-46	10
Total comprehensive income	2,419	1,426	642	588
Attributable to:				
Equity holders of the parent company	2,300	1,390	618	560
Non-controlling interests	119	36	24	28

Balance sheet

CHF million	Sep. 30, 2022	Dec. 31, 2021	Sep. 30, 2021
Assets			
Property, plant and equipment	679	766	797
Right-of-use assets	1,366	1,409	1,465
Goodwill	2,263	2,290	2,315
Other intangibles	199	247	263
Investments in joint ventures and associates	38	31	31
Deferred tax assets	194	226	244
Non-current assets	4,739	4,969	5,115
Prepayments	146	146	176
Contract assets	671	693	662
Trade receivables	6,381	6,404	5,381
Other receivables	183	113	140
Income tax receivables	39	20	31
Cash and cash equivalents	2,946	2,305	1,592
Current assets	10,366	9,681	7,982
Total assets	15,105	14,650	13,097

CHF million	Sep. 30, 2022	Dec. 31, 2021	Sep. 30, 2021
Liabilities and equity			
Share capital	121	121	121
Reserves and retained earnings	1,541	1,051	1,373
Earnings	2,191	2,032	1,313
Equity attributable to the equity holders of the parent company	3,853	3,204	2,807
Non-controlling interests	8	7	7
Equity	3,861	3,211	2,814
Provisions for pension plans and severance payments	193	379	401
Deferred tax liabilities	137	136	127
Borrowings	200	200	400
Non-current provisions	54	44	45
Other non-current liabilities	1,164	1,311	1,234
Non-current lease liabilities	995	1,053	1,104
Non-current liabilities	2,743	3,123	3,311
Bank and other interest-bearing liabilities	203	205	7
Trade payables	2,848	2,994	2,535
Contract liabilities	272	223	251
Accrued trade expenses	2,255	2,200	1,907
Income tax liabilities	571	440	311
Current provisions	110	91	79
Other current liabilities	1,806	1,732	1,442
Current lease liabilities	436	431	440
Current liabilities	8,501	8,316	6,972
Total liabilities and equity	15,105	14,650	13,097

Schindellegi, October 24, 2022

Kuehne + Nagel International AG

Stefan Paul
CEOMarkus Blanka-Graff
CFO

Statement of changes in equity

CHF million	Share capital	Share premium	Treasury shares
Balance as of January 1, 2022	121	651	-93
Earnings	-	-	-
Other comprehensive income			
Foreign exchange differences	-	-	-
Actuarial gains/(losses) on defined benefit plans, net of tax	-	-	-
Total other comprehensive income, net of tax	-	-	-
Total comprehensive income	-	-	-
Purchase of treasury shares ¹	-	-	-598
Disposal of treasury shares ¹	-	-57	482
Dividend paid ²	-	-	-
Expenses for share-based compensation plans	-	-	-
Transaction with non-controlling interests ³	-	-	-
Balance as of September 30, 2022	121	594	-209

1 Refer to note 13 for further details.

2 2022: CHF 10.00 per share

3 The movement in retained earnings relates to a written put option on non-controlling interests in connection with the Apex acquisition, see note 9.

CHF million	Share capital	Share premium	Treasury shares
Balance as of January 1, 2021	120	459	-55
Earnings	-	-	-
Other comprehensive income			
Foreign exchange differences	-	-	-
Gains/(losses) on cash flow hedges	-	-	-
Actuarial gains/(losses) on defined benefit plans, net of tax	-	-	-
Total other comprehensive income, net of tax	-	-	-
Total comprehensive income	-	-	-
Disposal of treasury shares ¹	-	-16	16
Capital increase ²	1	206	-
Dividend paid ³	-	-	-
Expenses for share-based compensation plans	-	-	-
Transfer of cash flow hedge reserve to investments	-	-	-
Sale of interest without loss of control ⁴	-	-	-
Acquisition of subsidiaries with non-controlling interests	-	-	-
Transaction with non-controlling interests ⁵	-	-	-
Balance as of September 30, 2021	121	649	-39

1 Refer to note 13 for further details.

2 In connection with the acquisition of Apex International Corporation, the Company issued 753,783 registered shares (CHF 1 million).

The difference between the nominal value (CHF 1.00 per share) and the fair value of the issued shares (CHF 277.00 per share) in the amount of CHF 208 million (net of CHF 2 million transaction costs) was credited to the share premium.

3 2021: CHF 4.50 per share

4 The movement in retained earnings relates to a disposal of shares in Apex to Partners Group (SWX: PGHN), see note 10.

5 The movement in retained earnings relates to written put options on non-controlling interests in connection with the Apex acquisition, see notes 9 and 10.

Cumulative translation adjustment	Actuarial gains/ (losses)	Hedging reserves	Retained earnings	Total equity attributable to the equity holders of parent company	Non-controlling interests	Total equity
-1,214	-144	-	3,883	3,204	7	3,211
-	-	-	2,191	2,191	125	2,316
-14	-	-	-	-14	-6	-20
-	123	-	-	123	-	123
-14	123	-	-	109	-6	103
-14	123	-	2,191	2,300	119	2,419
-	-	-	-	-598	-	-598
-	-	-	-	425	-	425
-	-	-	-1,186	-1,186	-74	-1,260
-	-	-	18	18	-	18
-6	-	-	-304	-310	-44	-354
-1,234	-21	-	4,602	3,853	8	3,861

Cumulative translation adjustment	Actuarial gains/ (losses)	Hedging reserves	Retained earnings	Total equity attributable to the equity holders of parent company	Non-controlling interests	Total equity
-1,230	-168	-	3,281	2,407	6	2,413
-	-	-	1,313	1,313	29	1,342
77	-	-	-	77	7	84
-	-	-28	-	-28	-	-28
-	28	-	-	28	-	28
77	28	-28	-	77	7	84
77	28	-28	1,313	1,390	36	1,426
-	-	-	-	-	-	-
-	-	-	-	207	-	207
-	-	-	-538	-538	-1	-539
-	-	-	27	27	-	27
-	-	28	-	28	-	28
-	-	-	-42	-42	414	372
-	-	-	-	-	47	47
7	-	-	-679	-672	-495	-1,167
-1,146	-140	-	3,362	2,807	7	2,814

Cash flow statement

CHF million	Note	January - September			July - September		
		2022	2021	Variance	2022	2021	Variance
Cash flow from operating activities							
Earnings		2,316	1,342		688	578	
Adjustments to reconcile earnings to net cash flows:							
Income tax		835	481		249	212	
Financial income		-43	-9		-16	-3	
Financial expenses		15	15		4	4	
Result from joint ventures and associates		-4	-4		-1	-2	
Depreciation of property, plant and equipment		140	141		44	47	
Depreciation of right-of-use assets		379	364		125	119	
Amortisation of other intangibles		51	39		16	16	
Expenses for share-based compensation plans		18	27		6	12	
(Gain)/loss on disposal of property, plant and equipment, net		-29	-1		-28	-	
Net addition to provisions for pension plans and severance payments		4	7		1	1	
Subtotal operational cash flow		3,682	2,402	1,280	1,088	984	104
(Increase)/decrease contract assets		-10	-392		46	-261	
(Increase)/decrease trade and other receivables, prepayments		-45	-1,650		26	-662	
Increase/(decrease) provisions		36	-24		8	6	
Increase/(decrease) other liabilities		122	291		140	153	
Increase/(decrease) trade payables, contract liabilities and accrued trade expenses		1	1,220		-62	633	
Income taxes paid		-730	-349		-231	-112	
Total cash flow from operating activities		3,056	1,498	1,558	1,015	741	274

CHF million	Note	January - September			July - September		
		2022	2021	Variance	2022	2021	Variance
Cash flow from investing activities							
Capital expenditure							
- Property, plant and equipment		-130	-141		-45	-52	
- Other intangibles		-6	-7		-1	-2	
Disposal of property, plant and equipment		86	15		69	6	
(Acquisition)/divestment of businesses, net of cash (acquired)/disposed	8/9/10	-12	-898		-12	-9	
Settlement of deferred/contingent considerations from business combinations		-70	-4		-55	-4	
Capital (contributions to)/distributions from joint ventures and associates		-5	-4		-2	-3	
Dividend received from joint ventures and associates		2	3		1	2	
Interest received		7	2		5	1	
Total cash flow from investing activities		-128	-1,034	906	-40	-61	21
Cash flow from financing activities							
Proceeds from sale of interest without loss of control	10	-	372		-	372	
Repayment of other interest-bearing liabilities		-	-60		-	-	
Repayment of lease liabilities		-384	-370		-127	-120	
Interest paid on borrowings and other interest-bearing liabilities		-7	-6		-1	-1	
Interest paid on lease liabilities		-8	-8		-3	-3	
Purchase of treasury shares	13	-598	-		-43	-	
Dividend paid to equity holders of parent company		-1,186	-538		-	-	
Dividend paid to non-controlling interests		-74	-1		-13	-1	
Total cash flow from financing activities		-2,257	-611	-1,646	-187	247	-434
Foreign exchange difference on cash and cash equivalents		-28	19	-47	-28	2	-30
Increase/(decrease) in cash and cash equivalents		643	-128	771	760	929	-169
Cash and cash equivalents at the beginning of the period, net		2,300	1,713	587	2,183	656	1,527
Cash and cash equivalents at the end of the period, net		2,943	1,585	1,358	2,943	1,585	1,358

Notes to the condensed consolidated interim 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 condensed consolidated interim financial statements of the Company for the nine months ended September 30, 2022, comprise the Company, its subsidiaries (the Group) and its interests in joint ventures and associates.

The Group voluntarily presents a balance sheet as of September 30, 2021.

2. Statement of compliance

The unaudited condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group for the year ended December 31, 2021.

3. Basis of preparation

The condensed consolidated interim financial statements are presented in Swiss Francs (CHF) million. They are prepared on a historical cost basis except for certain financial instruments, which are stated at fair value. Non-current assets and disposal groups held for sale are stated at the lower of the carrying amount and fair value less costs to sell.

The preparation of the condensed consolidated interim financial statements in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting, as issued by the International Accounting Standards Board (IASB), requires the management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The actual result may differ from these estimates. Judgements made by the management in the application of International Financial Reporting Standards that have a significant effect on the condensed consolidated interim financial statements and estimates with a significant risk of material adjustment in the next period were the same as those applied to the consolidated financial statements for the year ended December 31, 2021.

4. Accounting policies

The accounting policies applied in the preparation of the condensed consolidated interim financial statements are consistent

with those followed in the preparation of the Group's consolidated financial statements for the year ended December 31, 2021. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Other new, revised and amended standards, improvements and interpretations apply for the first time in 2022, but do not have a material impact on the condensed consolidated interim financial statements of the Group.

5. Recent developments

Russian invasion of Ukraine

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

Kuehne+Nagel is closely monitoring the situation and evaluating the consequences for its employees and its customers. In Ukraine, all Kuehne+Nagel operations had been shortly suspended, whereby in the meantime some services have been resumed.

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

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

The direct impact on the Group is minor.

In the third quarter 2022, general market conditions started to be negatively impacted by inflation and energy price increases. Macro-economic indicators signal risks for recessions in major markets.

COVID-19 pandemic

Since the beginning of 2021, the Group observed and was exposed to disruptive supply chain events related to ship, port and trucking operations as well as container availability. The situation has gradually improved throughout the third quarter 2022 whereby rates in sea and airfreight have reduced and capacity has increased.

Impact on the condensed consolidated interim financial statements

For these condensed consolidated interim financial statements, the impact of the COVID-19 pandemic as well as the implications of the war were considered. Assessments for the future are based on various scenarios, taking into account the prevailing situation of uncertainty. In this context, making forecasts remains especially difficult.

The Group continued to assess the expected credit loss by applying updated credit ratings and probabilities of default. The impairment allowance provision in per cent of trade receivables and contract assets stands at 2.60 per cent as of September 30, 2022, compared to 1.91 per cent as of December 31, 2021.

The Group has analysed whether any triggering events could be identified, that would indicate an impairment of its assets. As of September 30, 2022, no material impairment losses needed to be recognised.

6. Foreign exchange rates

Conversion rates of major foreign currencies are applied as follows:

Income statement and cash flow statement

(average rates for the period)

Currency	Jan. - Sep. 2022 CHF	Jan. - Sep. 2021 CHF	Variance in per cent
EUR 1.-	1.0102	1.0904	-7.4
USD 1.-	0.9485	0.9101	4.2

Balance sheet

(period end rates)

Currency	Sep. 2022 CHF	Sep. 2021 CHF	Variance in per cent	Dec. 2021 CHF
EUR 1.-	0.9525	1.0841	-12.1	1.0381
USD 1.-	0.9903	0.9261	6.9	0.9172

7. Seasonality

The Group is not exposed to significant seasonal or cyclical variations in its operations.

8. Changes in the scope of consolidation

Major changes in the scope of consolidation in the first nine months of 2022 related to the following companies:

2022	Capital share in per cent equals voting rights	Effective date
Acquisition		
Apex International Corporation Group ¹	3.9	July 18, 2022
Divestments		
OOO Nacora, Russia ²	100	July 20, 2022
OOO Kuehne + Nagel, Russia ²	100	July 20, 2022
OOO Kuehne + Nagel Sakhalin, Russia ²	100	July 20, 2022
Kuehne + Nagel LLC, Azerbaijan ²	100	July 20, 2022
Kuehne + Nagel FPE, Belarus ²	100	July 20, 2022
Kuehne + Nagel LLC, Kazakhstan ²	100	July 20, 2022

¹ Refer to note 9 for details to the acquisition.

² Refer to note 10 for details to the divestments.

Major changes in the scope of consolidation in the first nine months of 2021 related to the following companies:

2021	Capital share in per cent equals voting rights	Effective date
Acquisitions		
Apex International Corporation Group ¹	88.4	May 11, 2021
Salmosped AS, Norway ²	100	September 1, 2021
Divestments		
Pluto Holdings Logistics Ltd., Great Britain ³	100	January 1, 2021
Kuehne + Nagel Drinkflow Log. (Holdings) Ltd., Great Britain ³	100	January 1, 2021
Kuehne + Nagel Drinks Logistics Ltd., Great Britain ³	100	January 1, 2021
Kuehne + Nagel Drinkflow Logistics Ltd., Great Britain ³	100	January 1, 2021
Apex International Corporation Group ¹	24.9	August 12, 2021

¹ The Group has present access to 88.4 per cent ownership interests at acquisition date, comprising 79.3 per cent legally acquired plus 9.1 per cent contractually agreed to be transferred within the next three years. Subsequently, as of August 12, 2021 the Group disposed 24.9 per cent of the share capital without loss of control. Refer to notes 9 and 10 for details to the acquisition and divestment.

² Refer to note 9 for details to the acquisition.

³ Refer to note 10 for details to the divestments.

9. Acquisitions

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 increases its ownership interests by

3.9 per cent and has present access to 67.4 per cent. For further details, refer to note 12.

2021 Acquisitions

The acquisitions in the first nine months 2021 had the following effect on the Group's assets and liabilities:

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

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

The purchase price of CHF 1.4 billion for the acquired interest included a contingent consideration liability of CHF 242 million, CHF 933 million were paid in cash and CHF 209 million were settled by 753,783 of the Company's shares. The contingent consideration depends on the achievement of increasing profitability targets (determined by a multiplier of normalised earnings before tax) for the 2021, 2022 and 2023 measurement periods and is to

be settled in a variable number of the Company's shares. The annual payments are capped and the maximum earn-out to be paid is CHF 242 million. Whereas management's estimate is that targets in each of the periods will be exceeded, a change to the expected normalised earnings before tax of -10 per cent would result in a positive impact on the income statement of CHF 17 million as of September 30, 2022.

As at acquisition date the liability to the previous owners is expected to be settled in a variable number of Kuehne+Nagel shares as per below. The first tranche of the contingent consideration liability has been settled in the third quarter 2022. Refer to note 12 for further details.

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

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

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

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

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

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

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

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

10. Divestments

2022 Divestments

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

2021 Divestments

Effective August 12, 2021, Kuehne+Nagel sold a 24.9 per cent equity stake in Apex International Corporation for a cash consideration of CHF 372 million to Partners Group (SWX: PGHN), a leading global private markets firm. The parties also entered into call and put arrangements. For the put option, a liability was recognised at the present value of the redemption amount with a corresponding

entry in equity. The accounting treatment of the put option and non-controlling interests is in line with the one described in the Apex acquisition note 9.

Further, Kuehne+Nagel sold a major part of its contract logistics portfolio in the United Kingdom to XPO Logistics, Inc. (NYSE: XPO).

The transaction closed on January 1, 2021 resulting in the derecognition of the assets and liabilities associated with the disposal group. There was no material impact on the income statement from the transaction in 2021.

CHF million	Jan. 1, 2021
Property, plant and equipment	41
Right-of-use assets	248
Deferred tax assets	2
Trade receivables	64
Other current assets	61
Cash and cash equivalents	18
Assets divested	434
Non-current lease liabilities	-215
Other non-current liabilities	-9
Current lease liabilities	-52
Other current liabilities	-97
Trade payables	-46
Liabilities directly associated with the assets divested	-419
Net assets divested	15

11. Segment reporting

a) Reportable segments

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

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

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

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

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

b) Geographical information

The Group operates on a worldwide basis in the following geographical areas: **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

January – September

CHF million	Total Group		Sea Logistics		Air Logistics	
	2022	2021	2022	2021	2022	2021
Turnover (external customers)	33,360	24,739	16,253	10,594	9,609	7,066
Customs duties and taxes	-2,757	-2,898	-1,414	-1,448	-492	-488
Net turnover (external customers)	30,603	21,841	14,839	9,146	9,117	6,578
Inter-segment turnover	-	-	4,116	2,672	7,416	4,731
Net expenses for services	-21,993	-14,970	-16,146	-9,929	-14,213	-9,742
Gross profit	8,610	6,871	2,809	1,889	2,320	1,567
Total expenses	-4,921	-4,502	-1,069	-876	-1,111	-879
EBITDA	3,689	2,369	1,740	1,013	1,209	688
Depreciation of property, plant and equipment	-140	-141	-23	-19	-22	-17
Depreciation of right-of-use assets	-379	-364	-3	-2	-2	-2
Amortisation of other intangibles	-51	-39	-3	-1	-36	-24
EBIT (segment profit)	3,119	1,825	1,711	991	1,149	645
Financial income	43	9				
Financial expenses	-15	-15				
Result from joint ventures and associates	4	4				
Earnings before tax (EBT)	3,151	1,823				
Income tax	-835	-481				
Earnings	2,316	1,342				
Attributable to:						
Equity holders of the parent company	2,191	1,313				
Non-controlling interests	125	29				
Earnings	2,316	1,342				
Additional information not regularly reported to CODM						
Allocation of goodwill	2,263	2,315	138	147	1,432	1,426
Allocation of other intangibles	199	263	-	-	176	227
Capital expenditure property, plant and equipment	130	141	14	25	18	13
Capital expenditure right-of-use assets	435	323	44	25	19	15
Capital expenditure other intangibles	6	7	3	1	1	1
Property, plant and equipment, goodwill and intangibles through business combinations	-	1,308	-	109	-	1,199

b) Geographical information

January – September

CHF million	Total Group		EMEA		Americas	
	2022	2021	2022	2021	2022	2021
Turnover (external customers)	33,360	24,739	17,157	13,895	11,588	7,453
Customs duties and taxes	-2,757	-2,898	-2,000	-2,195	-603	-547
Net turnover (external customers)	30,603	21,841	15,157	11,700	10,985	6,906
Inter-regional turnover	-	-	5,445	4,356	1,882	1,228
Net expenses for services	-21,993	-14,970	-16,197	-11,999	-10,476	-6,474
Gross profit	8,610	6,871	4,405	4,057	2,391	1,660
Total expenses	-4,921	-4,502	-2,940	-2,946	-1,313	-1,036
EBITDA	3,689	2,369	1,465	1,111	1,078	624
Depreciation of property, plant and equipment	-140	-141	-96	-93	-25	-30
Depreciation of right-of-use assets	-379	-364	-252	-239	-85	-81
Amortisation of other intangibles	-51	-39	-10	-11	-19	-15
EBIT	3,119	1,825	1,107	768	949	498
Financial income	43	9				
Financial expenses	-15	-15				
Result from joint ventures and associates	4	4				
Earnings before tax (EBT)	3,151	1,823				
Income tax	-835	-481				
Earnings	2,316	1,342				
Attributable to:						
Equity holders of the parent company	2,191	1,313				
Non-controlling interests	125	29				
Earnings	2,316	1,342				
Additional information not regularly reported to CODM						
Capital expenditure property, plant and equipment	130	141	90	109	24	17
Capital expenditure right-of-use assets	435	323	299	214	88	57
Capital expenditure other intangibles	6	7	4	6	2	1
Property, plant and equipment, goodwill and intangibles through business combinations	-	1,308	-	18	-	237

12. Fair value of financial assets and liabilities

As of September 30, 2022

CHF million	Financial assets at FVPL	Financial assets at amortised cost	Total carrying amount	Total fair value
Trade receivables	-	6,381	6,381	6,381
Other receivables	8	175	183	183
Total	8	6,556	6,564	6,564

CHF million	Financial liabilities at FVPL	Financial liabilities at amortised cost	Total carrying amount	Total fair value
Bank and other interest-bearing liabilities	-	203	203	203
Borrowings	-	200	200	190
Trade payables	-	2,848	2,848	2,848
Accrued trade expenses	-	2,255	2,255	2,255
Contingent consideration liabilities	180	-	180	180
Put option to non-controlling interest	-	1,449	1,449	1,449
Other liabilities	16	315	331	331
Total	196	7,270	7,466	7,456

As of December 31, 2021

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

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

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

Level 3 financial liabilities include contingent consideration liabilities of CHF 180 million. The first tranche of the contingent consideration liability to the previous owners of Apex in the amount of CHF 87 million has been settled. CHF 73 million was paid in Company's shares and CHF 14 million was paid in cash. Further, the contingent consideration liability to the previous owners of Sincero in the amount of CHF 55 million has been settled in cash.

The put option to non-controlling interest represents the short and long-term portion of the redemption liability recognised in

connection with the acquisition and divestment of Apex (refer to note 40 of the consolidated financial statements for the year ended December 31, 2021, for further details). Apex management exercised the put option to sell one third of the remaining 11.6 per cent of the retained shares to the Group for a fair value of CHF 353 million paid in the Company's treasury shares. At the balance sheet date, the carrying amount of the put option liability amounted to CHF 1,449 million and is recognised in the balance sheet items "Other current liabilities" and "Other non-current liabilities".

No significant impact resulted from the remeasurement of the liabilities measured at fair value through profit and loss (FVPL) in the first nine months 2022.

Level 3 fair values

CHF million	Contingent consideration liabilities
Balance as of January 1, 2022	300
Additions through business combinations	2
Utilised for settlements	-143
Total unrealised (gains)/losses included in the income statement	
- Foreign exchange revaluation - recorded within financial expenses	22
Total (gains)/losses included in other comprehensive income	
Effects of movements in foreign exchange	-1
Balance as of September 30, 2022	180
of which	
- Current portion	91
- Non-current portion	89

13. Equity

In the first nine months of 2022, the Company matched 122,699 treasury shares (2021: 124,730) under the share-based compensation plans. The Company purchased 2,304,476 own shares for CHF 598 million (2021: no purchases). In relation with the

acquisition of Apex, 1,737,269 treasury shares with a carrying amount of CHF 450 million (fair value CHF 426 million) were transferred to the previous owners.

14. Employees

Number	Sep, 30, 2022	Sep, 30, 2021
EMEA	49,752	48,446
Americas	18,584	16,777
Asia-Pacific	11,789	10,942
Total employees	80,125	76,165
Full-time equivalents of employees	74,853	71,338
Full-time equivalents of temporary staff	18,832	21,807
Full-time equivalents (total)	93,685	93,145

15. Capital expenditure

From January to September 2022, the capital expenditure on property, plant and equipment (excluding other intangible assets and property, plant and equipment from acquisitions) was CHF 130 million (2021: CHF 141 million) and the non-cash capital expenditure on right-of-use assets (excluding right-of-use assets from acquisitions) was CHF 435 million (2021: CHF 323 million).

16. Legal claims

The status of proceedings, disclosed in the notes 36 and 41 to the consolidated financial statements for the year ended December 31, 2021, has not changed materially.

17. Post balance sheet events

There have been no material events between September 30, 2022, and the date of authorisation that would require adjustments of the condensed consolidated interim financial statements or disclosure.

These unaudited condensed consolidated interim financial statements of Kuehne + Nagel International AG were authorised for issue by the Audit Committee of the Group on October 24, 2022.

Financial calendar

March 1, 2023	Full year 2022 results
April 25, 2023	Three-months 2023 results
May 9, 2023	Annual general meeting
July 25, 2023	Half-year 2023 results
October 25, 2023	Nine-months 2023 results

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