

2020

**Separate financial
statements**

KION GROUP AG

Statement of financial position

as at December 31, 2020

Assets

€ thousand	Notes	31.12.2020	31.12.2019
A. Non-current assets	[3]		
I. Intangible assets		–	1
II. Property, plant and equipment		2,350	2,834
III. Financial assets		4,235,742	4,231,227
		4,238,092	4,234,061
B. Current assets			
I. Receivables and other assets	[4]		
1. Receivables from affiliated companies		3,444,661	3,389,008
2. Receivables from other long-term investees and investors		–	190
3. Other assets		23,544	16,537
		3,468,205	3,405,734
II. Cash on hand and credit balances with banks		103,159	40,651
C. Deferred charges	[5]	2,807	11
Total Assets		7,812,264	7,680,457

Equity and liabilities

€ thousand	Notes	31.12.2020	31.12.2019
A. Equity	[6]		
I. Subscribed capital		131,199	118,090
Treasury shares		-112	-131
Issued capital		131,086	117,959
II. Capital reserves		3,860,178	3,058,841
III. Other revenue reserves		574,907	498,303
IV. Distributable profit		65,701	153,522
		4,631,872	3,828,626
B. Provisions			
1. Retirement benefit obligation	[7]	54,334	47,366
2. Tax provisions		32	44,319
3. Other provisions	[8]	33,795	33,375
		88,162	125,060
C. Liabilities to affiliated companies	[9]		
1. Corporate Bond thereof convertible T€ 0 (Vorjahr: T€ 0)		500,000	-
2. Liabilities to banks		612,684	1,739,468
3. Trade payables		4,423	3,700
4. Liabilities to affiliated companies		1,973,389	1,981,040
5. Liabilities to other long-term investees and investors		60	60
6. Other liabilities thereof taxes € thousand 991 (2019: € thousand 1,390) thereof relating to social security € thousand 0 (2019: € thousand 0)		1,674	2,503
		3,092,230	3,726,771
Total equity and liabilities		7,812,264	7,680,457

Income Statement

for the year ended December 31, 2020

Income Statement

€ thousand	Anhang	2020	2019
1. Revenue	[10]	70,468	47,160
2. Other operating income	[11]	45,905	28,422
3. Cost of materials for purchased services	[12]	-312	-575
4. Personnel expenses	[13]	-49,152	-53,887
a) Wages and salaries		-42,412	-46,775
b) Social security contributions and expenses for pensions and other employee benefits thereof for pensions € thousand -3,022 (2019: € thousand -3,821)		-6,741	-7,111
5. Depreciation, amortisation and impairment of property, plant and equipment and non-current intangible assets		-521	-523
6. Other operating expenses	[14]	-137,033	-107,786
Operating loss		-70,644	-87,187
7. Income from profit-transfer agreements	[15]	106,463	332,191
8. Expenses from the transfer of losses	[15]	-23,760	-3,024
9. Other interest and similar income thereof from affiliated companies € thousand 54,407 (2019: € thousand 60,093)		55,304	62,399
10. Interest expense and similar charges thereof to affiliated companies € thousand -7,646 (2019: € thousand -11,822)	[16]	-54,474	-52,892
11. Income taxes	[17]	-19,388	-94,607
12. Net loss/profit for the year		-6,499	156,879
Appropriation of profit			
Net loss/profit for the year		-6,499	156,879
Profits brought forward		-	144
Allocation from other revenue reserves		72,200	-
Allocation to other revenue reserves		-	-3,500
Distributable profit		65,701	153,522

Notes to the financial statements of KION GROUP AG

for the year ended December 31, 2020

Basis of preparation

[1] General information on the Company

KION GROUP AG, whose registered office is at Thea-Rasche-Strasse 8, 60549 Frankfurt am Main, is entered in the commercial register at the Frankfurt am Main local court under reference HRB 112163. KION GROUP AG has been a listed company on the regulated market of the Frankfurt Stock Exchange since June 28, 2013 and is part of the MDAX, the MSCI World, the STOXX Europe 600, the FTSE Euro Mid Cap, FTSE4Good and the DAX 50 ESG.

The object of the Company is to hold, acquire, manage, and sell investments in entities with any form of legal structure, in particular such entities involved in developing, manufacturing, and selling forklifts, warehouse trucks (industrial trucks), mobile hydraulics, and software, automation, and robotics solutions for the logistics sector, including associated services, consultancy, and advisory services and similar activities, and to conduct operations of its own in the aforementioned areas, as well as to assume responsibility, in return for a consideration, for managerial holding company functions, other services, and the provision of lease finance for the investee entities.

By pursuing an appropriate financial management strategy, the KION Group – through KION GROUP AG – makes sufficient cash and cash equivalents available at all times to meet the Group companies' operational and strategic funding requirements. KION GROUP AG collects liquidity surpluses in a cash pool and, where possible, covers funding requirements with intercompany loans. KION GROUP AG is a publicly listed company and therefore ensures that its financial management takes into account the interests of shareholders and financing partners.

For the purpose of corporation tax, trade tax, and VAT, KION GROUP AG is the tax group parent company for almost all the subsidiaries in Germany.

The separate financial statements of KION GROUP AG are prepared in accordance with the prevailing accounting principles specified for limited companies by section 242 et seq. and section 264 et seq. of the German Commercial Code (HGB) and comply with the provisions of the German Stock Corporation Act (AktG), which apply specifically to entities structured as a public limited company. As a listed company, KION GROUP AG is a large corporation as defined in section 267 (3) and section 264d HGB.

The income statement has been prepared in accordance with the nature-of-expense method pursuant to section 275 (2) HGB.

To improve the clarity of presentation, some items are aggregated in the statement of financial position and income statement and are then separately reported in the notes.

All amounts are disclosed in thousands of euros (€ thousand) unless stated otherwise. Due to rounding effects, addition of the individual amounts shown may result in minor rounding differences to the totals.

The management report of KION GROUP AG and the group management report have been combined in accordance with section 315 (5) HGB in conjunction with section 298 (2) HGB and are published in the KION Group's 2020 annual report.

[2] Accounting policies

Intangible assets and property, plant, and equipment

Purchased intangible assets and property, plant, and equipment are carried at cost less straight-line amortization or depreciation over their estimated useful life and less any impairment losses.

Amortization and depreciation are recognized using the straight-line method. Low-value assets are amortized or depreciated as an aggregate item over a period of five years in accordance with tax rules.

The following useful lives are applied in determining the carrying amounts of intangible assets and items of property, plant, and equipment:

Useful life

	years
Software	3
Buildings	12
Operational facilities	4 - 12
Office furniture and equipment	3 - 13

Assets under finance leases are also recognized as property, plant, and equipment. In this case, the present value of future lease payments is recognized at the inception of the lease (purchase price). Corresponding liabilities to the lessor are recognized as trade payables. The property, plant, and equipment is depreciated over the term of the lease.

Any impairment of assets expected to be permanent and in excess of the amortization or depreciation related to useful life is accounted for by the recognition of impairment losses. If the reasons for permanent impairment no longer prevail, impairment losses are reversed on the basis of the HGB reversal requirement, but such reversals do not result in an asset carrying amount greater than the carrying amount that would have been recognized after amortization or depreciation if there had been no impairment.

Financial assets

Investments in affiliated companies included within financial assets are carried at cost.

Impairment losses are recognized for assets that are permanently impaired. If an impairment loss has been recognized in prior years and the reasons for the impairment loss now no longer exist, either as a whole or in part, the impairment loss is reversed, but such that the resulting asset carrying amount is no greater than the acquisition cost of the asset.

Receivables and other assets

Receivables and other assets are carried at cost. Appropriate valuation allowances are recognized for any risks identified when measuring receivables and other assets. The amount of the valuation allowances is based on the probable default risk. Receivables denominated in foreign currency are translated at the middle spot exchange rate on the reporting date as part of the subsequent measurement process:

- the recognition of receivables due in more than one year is in compliance with the HGB principles of prudent revenue recognition, imparity (whereby unrealized losses are recognized, but unrealized gains are not recognized), and the historical cost convention;
- the recognition of receivables due in or within one year does not take account of the HGB principles of prudent revenue recognition, imparity, and the historical cost convention.

Deferred taxes

Deferred taxes are recognized for differences between the carrying amounts calculated in accordance with HGB and those calculated in accordance with tax law. As in 2019, the Company exercised the option provided for in section 274 (1) sentence 2 HGB not to utilize the surplus of deferred tax assets. Deferred tax assets arise, in particular, due to temporary differences resulting from differences in the measurement of pension provisions and other provisions. Deferred tax liabilities arise as a result of the measurement of intangible assets and financial assets.

As the parent company of the tax group, KION GROUP AG has to recognize the deferred taxes of the controlled companies. An income tax rate of 30.7 percent was used to calculate the deferred taxes.

Cash on hand and credit balances with banks

Cash and cash equivalents are carried at their nominal amounts. Amounts denominated in foreign currency are translated into euros at the middle spot exchange rate on the reporting date.

Deferred charges

Prepaid expenses are recognized under assets for expenditure before the reporting date that relates to an expense that will be recognized in a subsequent period. The difference between the issue amount and the settlement amount (discount) of the corporate bond issued by KION GROUP AG is also recognized under prepaid expenses. It is amortized over the term of the bond.

Equity

Subscribed capital is carried at its nominal amount.

Retirement benefit obligation

The retirement benefit obligation and similar obligations is calculated in accordance with actuarial principles based on biometric probabilities (Heubeck 'Richttafeln 2018 G' mortality tables) using the projected unit credit method. Future estimated increases in salaries and pensions are factored into the calculation of the obligation.

The retirement benefit obligation covers the obligation to pay retirement pensions to employees of KION GROUP AG. The actuarial measurement of the amount required to settle the retirement benefit obligation is based on a number of factors including average staff turnover of 2 percent and an assumed annual adjustment of 2.75 percent (2019: 2.75 percent) in remuneration and 1.75 percent (2019: 1.75 percent) in pensions paid, or 1.0 percent where agreed (2019: 1.0 percent). As at December 31, 2020, the discount rate used to discount the defined benefit obligation was 2.3 percent (December 31, 2019: 2.71 percent). The discount rate was determined using the average market discount rate over the previous ten years for an assumed maturity of 15 years, as published by Deutsche Bundesbank.

In order to satisfy the pension obligations, appropriate resources are invested in special funds managed by the trustee KION Vorsorge Aktiv e.V. The Company is not permitted any access to these assets. The sole purpose of these assets is to provide security for the rights of individuals to receive pensions from KION GROUP AG. The assets are measured at fair value (market price); the value of the assets is offset against the underlying obligation. If this results in an excess obligation, the excess is recognized under pension provisions. If the value of the securities (plan assets) exceeds the obligation, an excess of plan assets over pension liabilities is recognized on the assets side of the statement of financial position.

Provisions for taxes and other provisions

Other provisions are measured such that identifiable risks arising from pending transactions and contingent liabilities are recognized in the financial statements. These provisions are recognized in the amount that would be required to settle future payment obligations, as dictated by prudent business practice. Future increases in prices and costs are factored into the calculation of the amounts if there is sufficient objective evidence that such increases will occur. Provisions with a maturity of more than one year are discounted with a maturity-matched average market discount rate for the past seven years.

Non-current provisions for long-service bonuses and partial retirement existed at the reporting date. The provisions for partial retirement were calculated using a discount rate of 1.6 percent per annum (December 31, 2019: 1.97 percent).

Liabilities

Liabilities are carried at their settlement value. Liabilities denominated in foreign currency are translated at the middle spot exchange rate on the reporting date as part of the subsequent measurement process:

- the recognition of liabilities due in more than one year is in compliance with the HGB principles of prudent revenue recognition, imparity, and the historical cost convention;
- the recognition of liabilities due in or within one year does not take account of the HGB principles of prudent revenue recognition, imparity, and the historical cost convention.

Derivative financial instruments and hedge accounting

Derivatives are generally not accounted for, because they are pending transactions. Gains on hedging transactions that are not included in a hedging relationship are not realized until maturity. As at the reporting date, provisions for expected losses from onerous contracts are recognized for derivatives with negative fair values and are included in other provisions.

Where it is possible to recognize hedging relationships (hedge accounting), this option is utilized. This involves designating the underlying transactions, together with the derivatives entered into as their exchange-rate or interest-rate hedge, as micro-hedges and measuring them as at the reporting date. The net hedge presentation method is used for subsequent measurement. Under this method, any changes in the fair values of underlying and hedging transactions that fully offset each other are not recognized in either the statement of financial position or the income statement until the hedge has been terminated. If changes in fair values or cash flows do not offset each other because the hedge is ineffective, provisions for anticipated losses are recognized in respect of net losses.

Notes to the statement of financial position

[3] Non-current assets

The statement of changes in non-current assets, including details of depreciation and amortization, can be found in the annex to the notes to the financial statements.

[4] Receivables and other assets

The receivables mainly consisted of loans and cash pool receivables due from other Group companies.

All KION GROUP AG companies that participate in the cash pooling use the cash pool to make their liquidity available to each other. Receivables from affiliated companies with a residual maturity of more than one year totaled €571,327 thousand (December 31, 2019: €606,125 thousand). They related mainly to two fixed-rate loans made to Dematic Corporation (USA).

Receivables from affiliated companies included trade receivables amounting to €12,103 thousand (December 31, 2019: €30,569 thousand).

Other assets included tax receivables amounting to €13,151 thousand (December 31, 2019: €0 thousand). These primarily arose because the prepayments of corporation tax and trade tax for 2020 were significantly higher than the calculated tax expense.

[5] Deferred charges

Prepaid expenses amounted to €2,807 thousand (December 31, 2019: €0 thousand) and included the difference between the issue amount and the settlement amount of the corporate bond issued in the year under review. The discount will be amortized over the term of the bond. The amount of amortization in 2020 was €158 thousand (2019: €0 thousand).

[6] Equity

As at December 31, 2020, the Company's share capital amounted to €131,199 thousand (December 31, 2019: €118,090 thousand), which was fully paid up. It was divided into 131,198,647 no-par-value shares (December 31, 2019: 118,090,000), so each no-par-value share had a notional value of €1.

The Annual General Meeting on May 11, 2017 voted to create new authorized capital that will enable the KION Group to meet its funding needs quickly and flexibly. Subject to the consent of the Supervisory Board, the Executive Board is authorized until May 10, 2022 to increase the Company's share capital by up to €10,879 thousand by way of an issue of up to 10,879,000 new no-par-value bearer shares (2017 Authorized Capital).

On July 16, 2020, the Annual General Meeting approved the creation of new authorized capital in order to secure the Company's financing options. Subject to the consent of the Supervisory Board, the Executive Board is authorized until July 15, 2025 to increase the Company's share capital by up to €11,809 thousand by way of an issue of up to 11,809,000 new no-par-value bearer shares (2020 Authorized Capital).

The Annual General Meeting on May 11, 2017 also authorized the Executive Board until May 10, 2022 to issue warrant-linked bonds, convertible bonds, or profit-sharing rights that contain pre-emption rights/obligations for up to 10,879,000 no-par-value shares (2017 Conditional Capital). As 9,300,000 new shares were issued in 2017, only a further 1,579,000 shares could be issued on the basis of this authorization.

In order to provide the flexibility to continue issuing warrant-linked bonds, convertible bonds, or profit-sharing rights, the Executive Board was also authorized until July 15, 2025 to issue warrant-linked bonds, convertible bonds, or profit-sharing rights with a total par value of up to €1,000,000 thousand. To this end, a conditional increase was decided upon in order to increase the Company's share capital by up to €10,879 thousand by way of an issue of up to 10,879,000 new no-par-value bearer shares (2020 Conditional Capital).

With the consent of the Supervisory Board, the Executive Board of KION GROUP AG decided on November 18, 2020 to utilize the remaining authorized capital created by the 2017 Annual General Meeting and a portion of the authorized capital created by the 2020 Annual General Meeting. The share capital was increased against cash contributions by issuing 13,108,647 new no-par-value bearer shares. The gross proceeds from the capital increase came to €813,287 thousand. An amount of €800,179 thousand was paid into the capital reserves. The capital increase was entered in the commercial register on December 7, 2020.

The total number of shares outstanding as at December 31, 2020 was 131,086,470 no-par-value shares (December 31, 2019: 117,959,356).

In February 2020, 7,338 no-par-value shares (February 2019: 13,674 no-par-value shares) were issued in order to provide the shares for employees' own investments under the KEEP 2019 Employee Equity Program (2019: KEEP 2018). Due to the issue of 11,129 bonus shares under KEEP 2017 (KEEP 2016: 14,136 bonus shares), KION GROUP AG held 112,177 treasury shares at the reporting date (December 31, 2019: 130,644). These treasury shares are not dividend-bearing and do not confer any voting rights. Treasury shares accounted for 0.09 percent of the subscribed capital (December 31, 2019: 0.11 percent). Between September 9, 2019 and September 20, 2019, a further 60,000 treasury shares had been repurchased via the stock exchange at an average price of €48.80 in order to provide the shares for employees' own investments and the free shares under KEEP 2019. This equated to 0.05 percent of the subscribed capital. The total cost was €2,928 thousand. In 2019, an additional 67,104 no-par-value shares were issued under KEEP 2019. Further details on the KEEP Employee Equity Program can be found in note [23].

As at December 31, 2020, KION Group employees held options on a total of 40,529 no-par-value shares (December 31, 2019: 53,776). The share options granted under the Employee Equity Program are not dividend-bearing and do not confer any voting rights.

The capital reserves changed as follows over the course of the year:

Statement of changes in capital reserves

€ thousand	2020	2019
Balance as at 1 Jan	3,058,841	3,057,214
Capital increase	800,179	–
Issuance of treasury shares	1,158	4,495
Acquisition of treasury shares	–	–2,868
Balance as at 31 Dec	3,860,178	3,058,841

The distribution of a dividend of €0.04 per share (2019: €1.20 per share) to the shareholders of KION GROUP AG resulted in an outflow of funds from the distributable profit of €4,719 thousand in 2020 (2019: €141,526 thousand). An amount of €148,804 thousand was transferred to other revenue reserves from the distributable profit for 2019.

A sum of €72,200 thousand was taken from other revenue reserves in 2020. In 2019, an amount of €3,500 thousand had been transferred to other revenue reserves from the net profit for 2019.

[7] Retirement benefit obligation and similar obligations

The retirement benefit obligation and similar obligations relates to pension entitlements granted to employees and Executive Board members.

The fair value of the assets invested by KION Vorsorge Aktiv e.V. shown in the following table was derived from the market prices of the plan assets as at the reporting date.

Pensions

€ thousand	31.12.2020	31.12.2019
Settlement value for retirement benefit obligation	73,256	64,259
Fair value of plan assets invested in special funds	18,922	16,893
Net amount for retirement benefit obligation	54,334	47,366
Cost of plan assets invested in special funds	16,176	14,843

During the year under review, the contributions made to the cover assets totaled €1,333 thousand (2019: €1,617 thousand). This means that an amount of €2,746 thousand (2019: €2,050 thousand) arising from the difference between cost and fair value was subject to a lock-up, KION GROUP AG being prohibited from distributing this amount as a dividend or transferring it under a profit-and-loss transfer agreement.

The expenses arising from unwinding the discount amounted to €6,279 thousand (2019: €6,408 thousand) and the income arising from the cover assets amounted to €1,200 thousand (2019: €1,001 thousand). The income and expenses were offset against each other and reported in interest expense in the income statement at an amount of €5,079 thousand (2019: €5,407 thousand).

The difference arising from the measurement of pension obligations pursuant to section 253 (6) HGB was €9,298 thousand (2019: €8,490 thousand) and cannot be distributed as a dividend.

In addition, a regular amount is added to the retirement benefit obligation and reported under personnel expenses. In 2020, this amount was €2,311 thousand (2019: €3,265 thousand).

[8] Other provisions

The breakdown of other provisions was as follows:

€ thousand	31.12.2020	31.12.2019
Personnel	24,824	27,339
Outstanding invoices	4,553	3,428
Other	4,418	2,608
Total other provisions	33,795	33,375

The decrease in personnel provisions was predominantly attributable to the remeasurement and subsequent reversal of provisions for the KION performance share plan (PSP) and short-term incentives as at the reporting date. Further information on the KION performance share plan (PSP) can be found in notes [24] and [25].

[9] Liabilities

Liabilities

€ thousand	31.12.2020	31.12.2019
Corporate Bond	500,000	–
due within one year	–	–
due in more than one year	500,000	–
Liabilities to banks	612,684	1,739,468
due within one year	28,684	29,468
due in more than one year	584,000	1,710,000
Trade payables	4,423	3,700
due within one year	4,387	3,647
due in more than one year	36	53
Liabilities to affiliated companies	1,973,389	1,981,040
due within one year	1,973,389	1,981,040
due in more than one year	–	–
Liabilities to other long-term investees and investors	60	60
due within one year	60	60
due in more than one year	–	–
Other liabilities	1,674	2,503
due within one year	1,674	2,503
due in more than one year	–	–
Total liabilities	3,092,229	3,726,771

On September 24, 2020, KION GROUP AG placed a corporate bond on the Luxembourg Stock Exchange with a total volume of €500,000 thousand, a coupon of 1.625 percent, and a term ending in September 2025. The unsecured corporate bond was issued at a price of 99.407 percent. The difference between the issue amount and the settlement amount (discount) will be recognized over the term of the bond (see also note [5]).

Liabilities to banks essentially comprised promissory notes and interest-bearing liabilities to banks. Of the total liabilities to banks, €75,500 thousand is due in more than five years (December 31, 2019: €327,500 thousand).

The variable-rate tranches of the promissory note of €653,500 thousand that was due to mature in 2022 were repaid ahead of schedule in October 2020. The variable-rate tranche of the promissory note of €72,500 thousand that was due to mature in 2026 was also repaid ahead of schedule in December 2020. Promissory notes that mature at different times, and have variable-rate or fixed

coupons, had been issued in a nominal amount totaling €584,000 thousand as at December 31, 2020 (December 31, 2019: €1,310,000 thousand).

Terms

€ thousand	Term	Maturity	Notional amount	
			31.12.2020	31.12.2019
Promissory note	5 years	May 2022	92,500	746,000
Promissory note	7 years	April 2024	236,500	236,500
Promissory note	7 years	June 2025	179,500	179,500
Promissory note	7 years	April 2026	48,000	120,500
Promissory note	10 years	April 2027	27,500	27,500

KION GROUP AG has entered into a number of interest-rate derivatives in order to hedge the interest-rate risk resulting from the variable-rate tranches of the promissory notes (see also note [2]).

As at December 31, 2019, there had been liabilities to banks from variable-rate loans in the amount of €400,000 thousand. These included the liabilities under the acquisition facilities agreement (AFA) of €200,000 thousand and a fixed-rate loan with a nominal amount of €200,000 thousand that, in 2020, was repaid early using proceeds from the issuance of the corporate bond and the capital increase.

KION GROUP AG also has a multicurrency revolving credit facility of €1,150,000 thousand. It has a variable interest rate and can be drawn down until February 2023. No amount was drawn down as at December 31, 2020, as had also been the case a year earlier.

In May 2020, the KION Group reached agreement with its core group of banks on the provision of a syndicated liquidity line, with Kreditanstalt für Wiederaufbau (KfW, Germany's state-owned development bank) taking a leading role. The liquidity line had a volume of €1,000,000 thousand and a term of twelve months but was not utilized and was terminated ahead of schedule in the fourth quarter.

The liabilities to banks and the promissory notes are not collateralized. KION GROUP is the borrower in respect of all the payment obligations resulting from the promissory notes.

Liabilities to affiliated companies largely consisted of short-term loans from subsidiaries and liabilities in connection with cash pooling within the KION Group. All KION GROUP AG companies that participate in the cash pooling use the cash pool to make their liquidity available to each other.

Other liabilities include the liabilities under the commercial paper program that KION GROUP AG launched with a total volume of €500,000 thousand in November 2019. The volume issued under this program amounted to €0 thousand as at December 31, 2020 (December 31, 2019: €0 thousand).

Notes to the income statement

[10] Revenue

Of the total revenue, most of it (€69,902 thousand; 2019: €46,158 thousand) arose from the performance of services for affiliated companies. These services comprised support and advice for the companies in various areas.

There was also revenue of €432 thousand (2019: €528 thousand) from reporting services rendered and €134 thousand (2019: €475 thousand) from services in connection with the KEEP Employee Equity Program, which KION GROUP AG launched for itself and various subsidiaries.

Revenue was broken down by region as follows:

Revenue

€ thousand	2020	2019
Germany	45,778	35,489
Europe (excluding Germany)	17,561	9,001
China	6,266	1,980
Rest of world	863	691
Total revenue	70,468	47,160

[11] Other operating income

Other operating income included the following items:

Other operating income

€ thousand	2020	2019
Foreign currency exchange rate gains	42,728	25,901
Income from the reversal of provisions	2,942	1,603
Sundry operating income	236	918
Total other operating income	45,905	28,422

The foreign currency exchange rate gains resulted from the measurement of bank accounts and the cash pools in foreign currencies.

Other operating income included an amount of €174 thousand relating to services from 2019 (2019: €581 thousand).

[12] Cost of materials for purchased services

The cost of materials for purchased services related to the revenue generated. This cost comprised expenses that were linked directly to, and formed an integral and significant part of, the performance of the services. These were largely expenses for advisory services.

[13] Personnel expenses

Personnel expenses amounted to €49,152 thousand, a year-on-year reduction of €4,724 thousand. As a result of the decrease in short-term bonus commitments, the addition to provisions for share-based remuneration and short-term incentives fell by €6,385 thousand. There was a countervailing effect from the increase in the number of employees.

The Company employed 276 people as at December 31, 2020 (December 31, 2019: 262). The breakdown of the average number of employees was as follows:

Average of Employees

	2020	2019
Employees with individually agreed remuneration	183	179
Employees covered by collective pay agreements	88	70
Total Employees	271	249

[14] Other operating expenses

Other operating expenses included the following items:

Other operating expenses

€ thousand	2020	2019
Foreign currency exchange rate losses	44,050	33,711
Expenses for other third-party services	39,252	14,951
Consultancy expenses	24,524	30,081
Ancillary personnel expenses	13,944	14,505
Insurance Premiums	3,508	329
Rental fees	2,933	2,792
Expenses for travel and events	1,771	4,369
Supervisory board remuneration	1,591	1,421
Sundry operating expenses	5,460	5,627
Total other operating expenses	137,033	107,786

The foreign currency exchange rate losses resulted from the measurement of bank accounts and cash pools in foreign currencies.

Expenses for other third-party services included the expenses of €14,705 thousand in connection with carrying out the capital increase.

Other operating expenses included an amount of €1,578 thousand relating to services from the 2019 accounting period (2019: €2,470 thousand). These were mainly attributable to consultancy services not invoiced and travel expenses not submitted from previous years.

[15] Income from profit-transfer agreements and expenses from the transfer of losses

The income from profit-transfer agreements was attributable to the transfer of Dematic Holdings GmbH's profit of €105,663 thousand (2019: €0 thousand), KION Information Management Services GmbH's profit of €773 thousand (2019: transfer of losses of €2,867 thousand, and proplan Transport- und Lagersysteme GmbH's profit of €27 thousand (2019: transfer of losses of €157 thousand).

Expenses of €23,537 thousand arose due to the obligation to transfer losses from Linde Material Handling GmbH (2019: profit transfer of €332,099 thousand); the expenses arising due to the obligation to transfer losses from KION IoT Systems GmbH came to €223 thousand (2019: profit transfer of €91 thousand).

A control and profit-and-loss transfer agreement has existed between KION GROUP AG and Dematic Holdings GmbH since January 1, 2020.

[16] Interest expense and similar charges

The breakdown of interest expense and similar charges was as follows:

Interest expense and similar charges

€ thousand	2020	2019
Interest expenses from promissory notes	21,524	19,382
Similar charges	14,067	4,079
Interest paid to affiliated companies	7,646	11,822
Unwinding of discount on provisions for pensions	5,080	5,407
Interest expenses from external loan liabilities	2,971	9,964
Interest expense Corporate Bond	2,340	–
Other interest expenses	847	2,238
Total interest expense and similar charges	54,474	52,892

The similar charges predominantly consisted of commitment fees for loan facilities, promissory notes, and the syndicated credit line in which KfW took a leading role. Fees for unused loan facilities were also included.

[17] Income taxes

KION GROUP AG incurred tax expenses of €19,388 thousand as a result of its role as the parent company of the tax group in 2020 (2019: €94,607 thousand). The primary reason for the decrease in the current tax expense for the German tax group of KION GROUP AG in 2020 was the significant deterioration in the profit before taxes of the entities in the German tax group.

Other disclosures

[18] Contingent liabilities

KION GROUP AG had contingent liabilities related to guarantees and indemnities for obligations of affiliated companies amounting to €3,910,679 thousand (December 31, 2019: €3,455,787 thousand). Of the total amount, most of it (€2,800,935 thousand) resulted from leasing obligations.

The guarantees and indemnities given to affiliated companies stood at €998,504 thousand and those to banks and insurance companies at €2,912,176 thousand. The economic position of the affiliated companies in respect of which the contingent liabilities have been given is positive. The Executive Board therefore believes the probability of their being used is low.

For the period ended December 31, 2020, a number of UK subsidiaries exercised the exemption in section 479A of the UK Companies Act 2006, which releases them from the obligation to have their

annual financial statements audited. KION GROUP AG is responsible for the liabilities that these companies had as at December 31, 2020; these liabilities (calculated in accordance with IFRS) amounted to €135,069 thousand (December 31, 2019: €257,056 thousand). The Executive Board believes the probability of settlement is low.

[19] Other financial commitments

The other financial commitments relate to obligations under long-term leases, most of which were entered into in connection with administrative buildings, office space, and vehicles.

Other financial commitments

€ thousand	2020	2019
Obligations under long-term leases	20,974	22,576
due within one year	2,926	2,806
due in one to five years	9,636	9,922
due in more than five years	8,412	9,848

[20] Derivative financial instruments and hedge accounting

KION GROUP AG is exposed to currency risk and interest-rate risk as a result of its business activities. It predominantly uses derivatives to hedge these risks.

In accordance with Corporate Treasury guidelines, the KION Group hedges currency risk both locally at company level and centrally via KION GROUP AG using prescribed hedging ratios. The main hedging instruments employed are foreign-currency forwards, provided that there are no country-specific restrictions on their use. In addition, foreign-currency forwards are employed to hedge the currency risks arising in the course of internal financing. Interest-rate risk within the KION Group is managed centrally and hedged using interest-rate swaps.

The notional amount of the derivatives entered into with external counterparties was €1,398,233 thousand as at December 31, 2020 (December 31, 2019: €1,894,986 thousand). Offsetting derivatives with a notional amount of €505,319 thousand were entered into with Group companies (December 31, 2019: €514,937 thousand). In total, there were therefore derivative transactions with a notional amount of €1,903,552 thousand (December 31, 2019: €2,409,923 thousand). This included transactions totaling €535,364 thousand that formed part of hedge accounting (December 31, 2019: €1,128,289 thousand). The table below shows the breakdown of derivatives:

Derivatives and Hedge Accounting

€ thousand	Fair value		Notional amount	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Foreign-currency forwards				
Positive fair values	19,581	18,780	764,958	886,863
Negative fair values	-16,343	-14,765	719,094	503,561
Interest-rate swaps				
Positive fair values	3,693	3,574	169,500	169,500
Negative fair values	-4,696	-10,821	250,000	850,000
	2,235	-3,232	1,903,552	2,409,923

The fair values (market values) of derivative financial instruments are calculated using standard market-based valuation methods and the market data available at the measurement date. The fair values of currency derivatives are computed by using a risk-free interest rate to discount the difference between the contracted forward rate and the current forward rate over the derivatives' residual term. The fair values of interest-rate swaps are calculated by using standard market-based interest rates to discount the expected future cash flows over the residual term of the instruments.

Cash flow risk and the risk of a change in fair value attaching to existing and planned transactions are hedged using derivatives, thereby forming hedges. The underlying transactions and hedges are subject to similar risks, and their amounts and maturities are matched in order to ensure that the hedges remain highly effective. KION GROUP AG conducts retrospective and prospective assessments of effectiveness by comparing all the factors that affect the fair values of underlying transactions and their corresponding hedging transactions (critical-terms-match method). Provisions for expected losses were recognized in an amount of €1,789 thousand for negative ineffective portions (December 31, 2019: €1,096 thousand).

The following table shows the hedged risk, i.e. the accounting impact that would have arisen without hedging:

Financial impact

€ thousand	Nature of risk	Hedging relationship	Amount of underlying transaction	Amount of hedged risk
Hedging of currency risk using currency forwards				
- Currency forwards transferred to Group companies	Currency risk	Micro-hedge	415,319	-5,018
- Intercompany loans in foreign currency	Currency risk	Micro-hedge	295,864	-3,977
Hedging of interest-rate risk using interest-rate swaps				
- Promissory notes	Interest-rate risk	Micro-hedge	239,500	1,002
- Interest-rate swaps transferred to Group companies	Interest-rate risk	Micro-hedge	90,000	1,126

The currency forwards and interest-rate swaps entered into by KION GROUP AG to hedge the Group companies' risks are usually transferred to the subsidiaries using corresponding internal transactions. The effects of the underlying and hedging transactions cancel each other out at maturity.

Currency forwards have also been entered into in order to hedge currency risk arising on intercompany loans. The maturities of the hedging transactions match those of the underlying transactions and are usually less than a year. A long-term loan denominated in US dollars is hedged using rolling three-month hedges that are entered into throughout the term of the loan. The hedges are partially settled at intervals in order to ensure that the maturities of the underlying transactions match those of the corresponding hedging transactions.

KION GROUP AG has issued variable-rate and fixed-rate promissory notes as part of its financing (see also note [9]). Interest-rate risks arising on the variable-rate tranches of the promissory note were hedged by entering into a number of interest-rate swaps, thereby transforming the variable interest-rate exposure into fixed-rate obligations. In 2020, the weighted, hedged, and risk-free fixed interest rate remained unchanged year on year at 0.5 percent. Moreover, the risk of a change in the fair value of the fixed-rate tranche of the promissory note that was issued in 2018 is hedged using an interest-rate swap, thereby creating a Euribor-based variable-rate obligation. The interest-rate swaps reflect the maturity profile of the hedged tranches of the promissory note and will mature between 2022 and 2027.

The derivatives that are not included in hedging relationships related to the hedging of recognized foreign-currency positions and highly probable future transactions. Provisions for expected losses were recognized in an amount of €1,265 thousand for the negative fair values of the currency forwards entered into for this purpose (December 31, 2019: €112 thousand).

[21] Members of the Executive Board and Supervisory Board

Executive Board members

Gordon Riske

Chief Executive Officer (CEO) (since March 14, 2008)

Chairman of the Board of Directors of Linde (China) Forklift Truck Co., Ltd., Xiamen, People's Republic of China

Non-Executive Director of Weichai Power Co., Ltd., Weifang, People's Republic of China

Member of the Executive Board of the non-profit Hertie Foundation, Frankfurt am Main, Germany

Member of the Board of Directors of Atlas Copco AB, Stockholm, Sweden (since April 23, 2020)

Anke Groth

Member of the Executive Board / CFO (since June 1, 2018)

Dr. Eike Böhm

Member of the Executive Board / CTO (since August 1, 2015)

Member of the Board of Directors of Linde (China) Forklift Truck Co., Ltd., Xiamen, People's Republic of China

Member of the Board of Directors of KION (Jinan) Forklift Truck Co., Ltd., Jinan, People's Republic of China (since January 3, 2020)

Member of the Supervisory Board of e.GO Mobile AG, Aachen, Germany (until August 31, 2020)

Hasan Dandashly

Member of the Executive Board / President of Supply Chain Solutions (since January 1, 2021)

Andreas Krinninger

Member of the Executive Board / President of KION ITS EMEA (since January 1, 2021)

Member of the Supervisory Board of Linde Hydraulics GmbH & Co. KG, Aschaffenburg, Germany

Member of the Advisory Board of ebm-papst Mulfingen GmbH & Co. KG, Mulfingen, Germany (since March 25, 2020)

Member of the Supervisory Board of Schöler Fördertechnik AG, Rheinfelden, Germany

Ching Pong Quek

Member of the Executive Board / Chief Asia Pacific & Americas Officer (from January 11, 2013 to December 31, 2020), President of KION ITS APAC & Americas (since January 1, 2021)

Chairman of the Board of Directors of KION South Asia Pte Ltd., Singapore, Singapore

Chairman of the Board of Directors of KION Asia Ltd., Hong Kong, People's Republic of China

Chairman of the Board of Directors of KION Baoli Forklift Co., Ltd., Jiangsu, People's Republic of China

Chairman of the Board of Directors of KION India Pvt. Ltd., Pune, India

Chairman of the Board of Directors of Linde Material Handling Asia Pacific Pte. Ltd., Singapore, Singapore

Chairman of the Board of Directors of Linde Material Handling Hong Kong Ltd., Hong Kong, People's Republic of China

Chairman of the Board of Directors of Linde Material Handling (Malaysia) Sdn. Bhd., Petaling Jaya, Malaysia

Chairman of the Board of Directors of Linde Material Handling (Thailand) Co., Ltd., Pathum Thani, Thailand

Member of the Board of Directors of Linde Material Handling Pty. Ltd., Huntingwood, Australia

Member of the Board of Directors of Lansing Bagnall (Aust.) Pty. Ltd., Huntingwood, Australia

Chairman of the Board of Directors of KION (Jinan) Forklift Co., Ltd., Jinan, People's Republic of China (since January 3, 2020)

Member of the Advisory Board of Fujian JULI Motor Co., Ltd., Putian, People's Republic of China

Chairman of the APAC Advisory Board of Euro Asia Consulting Co., Ltd., Shanghai, People's Republic of China

Member of the Board of Directors of Zhejiang EP Equipment Co., Ltd., Hangzhou, People's Republic of China

Member of the Board of Directors of Shanghai Quicktron Intelligent Technology Co., Ltd., Shanghai, People's Republic of China (since November 2, 2020)

Susanna Schneeberger

Member of the Executive Board / CDO (from October 1, 2018 to January 12, 2020)

Member of the Supervisory Board of Concentric AB, Linköping, Sweden

Member of the Supervisory Board of Hempel A/S, Kongens Lyngby, Denmark

Member of the Supervisory Board of SKF Group AB, Gothenburg, Sweden (since March 26, 2020)

Supervisory Board members

Dr. Michael Macht (since October 9, 2018)

Chairman of the Supervisory Board (since May 9, 2019)

Shareholder and member of the Supervisory Board of Endurance Capital Aktiengesellschaft, Munich, Germany

Member of the Advisory Board of Linde & Wiemann SE & Co. KG, Dillenburg, Germany

Member of the Supervisory Board of Mahle GmbH, Stuttgart, Germany (since February 11, 2020)

Member of the Board of Directors of Weichai Power Co. Ltd., Weifang, People's Republic of China

Özcan Pancarci ¹ (since June 12, 2013)

Deputy Chairman of the Supervisory Board (since January 1, 2016)

Chairman of the Group Works Council of the German KION Group, Frankfurt am Main, Germany

Full-time works council representative and Chairman of the Plants I & II Works Council, Linde Material Handling GmbH, Aschaffenburg, Germany

Deputy Chairman of the European Works Council of the KION Group, Frankfurt am Main, Germany

Member and Deputy Chairman of the Supervisory Board of Linde Material Handling GmbH, Aschaffenburg, Germany

¹ Employee representative

Birgit A. Behrendt (since January 1, 2015)

Member of the Supervisory Board and freelance management consultant, Cologne, Germany

Member of the Supervisory Board of Ford Werke GmbH, Cologne, Germany

Member of the Advisory Board of Hydrogenious LOHC Technologies GmbH, Erlangen, Germany (since February 2020)

Member of the Administrative Board of Stulz Verwaltungsgesellschaft, Hamburg, Germany (since April 2020)

Member of the Supervisory Board of thyssenkrupp AG, Essen, Germany (since January 31, 2020)

Stefan Casper ¹ (since May 11, 2017)

Chairman of the Works Council of KION Warehouse Systems GmbH, Reutlingen, Germany

Member of the Group Works Council of the German KION Group, Frankfurt am Main, Germany

Dr. Alexander Dibelius (since 12 March 2007)

Managing Partner at CVC Capital Partners (Deutschland) GmbH, Frankfurt am Main, Germany

Chairman of the Administrative Board of Breitling S.A., Grenchen, Switzerland

Member of the Board of Directors of CVC Capital Partners (Luxembourg) SARL, Luxembourg

Member of the Board of Directors of Diebold Nixdorf Inc., North Canton, USA

Member of the Supervisory Board of DKV MOBILITY SERVICES HOLDING GmbH & Co. KG, Ratingen, Germany

Member of the Supervisory Board of Douglas GmbH, Düsseldorf, Germany

Member of the Supervisory Board of Douglas Holding AG, Düsseldorf, Germany

Member of the Supervisory Board of ironSource Mobile Ltd., Tel Aviv, Israel

Member of the Supervisory Board of Kirk Beauty Investments S.A., Luxembourg

Member of the Advisory Board of Messer Industries Europe GmbH, Bad Soden, Germany

Member of the Advisory Board of Messer Industries US Inc., Bridgewater, USA

Member of the Supervisory Board of Syntegon Technology GmbH, Waiblingen, Germany (since January 2020)

Member of the Shareholders' Committee of Tipico Group Ltd., St. Giljan, Malta

Martin Fahrendorf ¹ (since May 10, 2018)

Chairman of the Works Council of Dematic GmbH and Dematic Services GmbH, Heusenstamm, Germany

Jiang Kui (since December 27, 2012)

President of Shandong Heavy Industry Group Co., Ltd., Jinan, People's Republic of China

Member of the Board of Directors of Ballard Power Systems Inc., Burnaby, Canada

Chairman of the Board of Directors of Dezhou Degong Machinery Co. Ltd., Dezhou, People's Republic of China (until April 2020)

Chairman of the Board of Directors of Shandong Degong Machinery Co., Ltd., Dezhou, People's Republic of China (until April 2020)

Member of the Board of Directors of Ferretti International Holding S.p.A., Milan, Italy (until April 4, 2020)

Member of the Board of Directors of Ferretti S.p.A., Cattolica, Italy (until April 4, 2020)

¹ Employee representative

Member of the Executive Board of Hydraulics Drive Technology Beteiligungs GmbH, Aschaffenburg, Germany

Member of the Supervisory Board of Linde Hydraulics Verwaltungs GmbH, Aschaffenburg, Germany (until April 6, 2020)

Member of the Board of Directors of Power Solutions International Inc., Wood Dale, USA (until December 15, 2020)

Member of the Board of Directors of Shantui Construction Machinery Co. Ltd. Jining, People's Republic of China

Member of the Board of Directors of Sinotruk (BVI) Limited, British Virgin Islands

Member of the Board of Directors of Sinotruk (Hong Kong) Limited, Hong Kong, People's Republic of China

Member of the Board of Directors of Sinotruk Jinan Power Co. Ltd, Jinan, People's Republic of China

Member and Chairman of the Board of Directors of Weichai Ballard Hy-Energy Technologies Co. Ltd., Weifang, People's Republic of China

Member of the Board of Directors of Weichai Power Co. Ltd., Weifang, People's Republic of China

Olaf Kunz ¹ (since September 1, 2014)

Trade Union Secretary on the National Executive of IG Metall, Frankfurt am Main, Germany

Member of the Supervisory Board of STILL GmbH, Hamburg, Germany

Jörg Milla ¹ (since November 16, 2015)

Chairman of the Works Council of STILL GmbH, Hamburg, Germany

Member and Deputy Chairman of the Supervisory Board of STILL GmbH, Hamburg, Germany

Dr. Christina Reuter (since May 12, 2016)

Head of Digital Design, Manufacturing and Services (DDMS) at Operations, Airbus Defence and Space GmbH, Taufkirchen, Germany

Hans Peter Ring (since June 9, 2013)

Freelance management consultant, Munich, Germany

Member of the Supervisory Board of Airbus Defense and Space GmbH, Ottobrunn, Germany

Member of the Supervisory Board of Fokker Technologies Holding B.V., Papendrecht, Netherlands

¹ Employee representative

Alexandra Schädler ¹ (since October 2, 2013)

Trade Union Secretary on the National Executive of IG Metall, Industrial Relations Policy department, Industrial Relations Code and Co-Determination Policy division, Frankfurt am Main, Germany

Member of the Supervisory Board of Linde Material Handling GmbH, Aschaffenburg, Germany

Member of the Supervisory Board of Opel Automobile GmbH, Rüsselsheim, Germany

Dr. Frank Schepp ² (since May 11, 2017)

Senior Vice President Operations, Linde Material Handling GmbH, Aschaffenburg, Germany

Head of Production Unit Counterbalance Trucks KION

Tan Xuguang (since May 9, 2019)

Chairman of the Board of Directors and President of Shandong Heavy Industry Group Co., Ltd., Jinan, People's Republic of China

Chairman of the Board of Directors of Shaanxi Heavy-Duty Automobile Co., Ltd., Jinan, People's Republic of China

Chairman of the Board of Directors of Ferretti International Holding S.p.A., Milan, Italy (until April 2020)

Chairman of the Board of Directors of Ferretti S.p.A., Cattolica, Italy

Chairman of the Board of Directors of Weichai Holding Group Co., Ltd., Weifang, People's Republic of China

Chairman of the Board of Directors and Chief Executive Officer of Weichai Power Co., Ltd., Weifang, People's Republic of China

Chairman of the Board of Directors of Sinotruk Group Co., Ltd, Jinan, People's Republic of China

Claudia Wenzel ¹ (since November 1, 2016)

Full-time works council member, HQ and plant 2 at Linde Material Handling GmbH, Aschaffenburg, Germany

Xu Ping (since January 1, 2015)

Senior Partner and Member of the Management Committee at law firm King & Wood Mallesons, Beijing, People's Republic of China

Member of the Board of Directors of Ferretti International Holding S.p.A., Milan, Italy (until April 2020)

¹ Employee representative

² Executive representative

[22] Remuneration of the Executive Board and Supervisory Board

The total remuneration for the members of the Executive Board pursuant to section 285 no. 9a HGB came to €8,852 thousand in 2020 (2019: €13,759 thousand). This consisted of short-term remuneration amounting to €4,138 thousand (2019: €8,088 thousand) and share-based payments of €4,715 thousand (2019: €5,671 thousand).

In 2019, agreement had been reached with a member of the Executive Board about stepping down from the Executive Board. The benefits in connection with this are included in the aforementioned remuneration for 2020 and 2019.

In connection with the arrangement of the liquidity line with a syndicate of banks led by KfW, the Executive Board has foregone its variable remuneration for 2020 (2018 tranche). However, an Executive Board member who left in 2020 is still entitled to this variable remuneration.

Also in 2020, talks began with a member of the Executive Board about ending the member's Executive Board service contract and signing a termination agreement. The member is intending to step down on June 30, 2021. The Executive Board service contract is due to end on July 31, 2022. At the time that these separate financial statements were prepared, the talks were still ongoing.

The fair value of the share-based payments at their individual grant dates amounted to €4,715 thousand (2019: €5,671 thousand).

As at December 31, 2020, no loans or advances had been extended to members of the Executive Board.

The total remuneration paid to the members of the Supervisory Board for the year under review (excluding VAT) totaled €1,553 thousand (2019: €1,551 thousand).

There were pension provisions of €10,800 thousand for former members of the Executive Board of KION GROUP AG and its legal predecessors as at the reporting date (December 31, 2019: €10,255 thousand). The payments made in 2020 totaled €266 thousand (2019: €262 thousand).

Disclosures regarding the remuneration paid to individual members of the Executive Board and the Supervisory Board can be found in the remuneration report, which forms part of the combined management report of KION GROUP AG.

[23] KEEP Employee Equity Program

The Executive Board of KION GROUP AG decided not to run a KEEP 2020 Employee Equity Program. In 2019, KION GROUP AG plus 19 German and 60 foreign subsidiaries were eligible to take part in KEEP 2019. Each year, the Executive Board of KION GROUP AG decides whether there will be an offer made under the Employee Equity Program that year and which companies will participate.

KEEP is a share matching plan. Participating employees acquire KION shares for their own investment purposes. Each set of three KION shares represents a share package. Once the three-year holding period has expired, employees are entitled to another free matching share (bonus share) for each share package. However, KION GROUP AG has the right to satisfy each program participant's entitlement by paying a cash settlement instead of granting a bonus share. For employees taking part for the first time, the KION Group offers a special incentive in the form of starter packages.

Under KEEP 2019, the KION Group bore the cost of one KION share (free share) in each of the first seven share packages that an employee took up.

The right to obtain a bonus share lapses if participants sell their own investment in KION shares or cease to work for the KION Group.

The change in the number of bonus shares granted was as follows:

Change in the number of bonus shares granted

	2020	2019
Balance as at 1 Jan	53,776	43,655
Granted bonus shares	–	24,794
Exercised bonus shares	–11,129	–14,136
Forfeited bonus shares	–2,118	–537
Balance as at 31 Dec	40,529	53,776

In 2019, 3,785 free shares were issued to employees as part of their starter packages.

The free shares to be issued are measured at their fair value on the day on which employees obtain the right to acquire shares as their own investment. The fair value on the grant date was determined on the basis of Monte Carlo simulation. The following measurement parameters were used:

Significant measurement parameters

	KEEP 2019	KEEP 2018
Expected dividend	1.30 €	0.99 €
Price of the KION share as at the grant date	58.82 €	44.59 €

As at December 31, 2020, the fair value of a bonus share for KEEP 2019 was €55.16 (KEEP 2018: €42.03).

The fair value of the bonus shares to be granted is recognized as an expense and paid into capital reserves over the three-year holding period. The holding period for KEEP 2017 ended on November 2, 2020 and the bonus shares were issued to the eligible employees at no cost.

In 2020, an expense totaling €34 thousand was recognized for free shares and bonus shares in connection with the Employee Equity Program (2019: €45 thousand).

[24] KION performance share plan (PSP) for managers

The 2020 tranche of the long-term, variable remuneration component for the managers in the KION Group (LTI 2020) was granted with effect from January 1, 2020 and has a term of three years. The

remuneration component measured over the long term is based in equal parts on the total shareholder return (TSR) of KION GROUP AG shares compared with the performance of the MDAX index as a measure of market performance, and with return on capital employed (ROCE) as an internal measure. It also depends on the performance of KION GROUP AG shares during the relevant period.

The performance period for the 2020 tranche ends on December 31, 2022 (2019 tranche: December 31, 2021). The 2018 tranche expired on December 31, 2020 and will be paid out in the first quarter of 2021.

At the beginning of the performance period on January 1, 2020 (2019 tranche: January 1, 2019; 2018 tranche: January 1, 2018), the managers were allocated a total of 53,518 phantom shares for this tranche (2019 tranche: 56,460 phantom shares; 2018 tranche: 39,007 phantom shares). The allocation was based on a particular percentage of each manager's individual gross annual remuneration at the time of grant. At the end of the performance period, the number of the phantom shares is amended depending on the degree to which the relevant targets are achieved. The resulting final number of phantom shares multiplied by the smoothed price of KION GROUP AG shares at the end of the performance period determines the amount of cash actually paid. The KION Group has the right to adjust the amount payable at the end of the performance period in the event of exceptional occurrences or developments. The maximum amount payable is limited to 200.0 percent of the value of the shares allotted to an individual at the grant date.

The pro-rata expense calculation based on the fair value of the phantom shares on each valuation date is carried out using Monte Carlo simulation.

The measurement parameters used to value the phantom shares on the reporting date were as follows:

Significant measurement parameters

	Tranche 2020	Tranche 2019
Expected volatility of KION shares	40.00 %	45.00 %
Expected volatility of the MDAX Index	20.00 %	30.00 %
Risk-free interest rate	-0.77 %	-0.75 %
Expected dividend	0.94 €	0.67 €
Value of a KION shares as at valuation date	71.36 €	71.36 €
Value of the MDAX index as at valuation date	30,233.41 PKT	30,233.41 PKT
Starting price of KION shares (60-days average)	57.79 €	48.68 €
Starting value of the MDAX Index (60-days average)	26,893.05 PKT	23,511.95 PKT

Taking account of the remaining term of two years (2020 tranche) and one year (2019 tranche), the historic volatility of KION shares was used to determine the volatility on which the valuation is based. As at December 31, 2020, the fair value of one phantom share was €58.26 for the 2019 tranche (December 31, 2019: €50.27) and €52.86 for the 2020 tranche.

On that date, the total fair value was €3,148 thousand for the 2019 tranche based on 54,037 phantom shares (December 31, 2019: €2,717 thousand) and €2,698 thousand for the 2020 tranche based on 51,045 phantom shares. The amount of €743 thousand that is expected to be paid out for the 2018 tranche (2019: €932 thousand for the 2017 tranche) was calculated on the basis of a preliminary total target achievement rate.

In March 2020, a payment from the 2017 tranche was made on the basis of the achievement of the long-term targets that were defined in 2017 at the start of the performance period.

The total carrying amount for liabilities in connection with share-based remuneration was €3,741 thousand as at December 31, 2020 (December 31, 2019: €2,728 thousand). Of this amount, €743 thousand related to the 2018 tranche (December 31, 2019: €891 thousand), €2,099 thousand to the 2019 tranche (December 31, 2019: €906 thousand), and €899 thousand to the 2020 tranche. In 2019, there had also been an amount of €932 thousand relating to the 2017 tranche. In 2020, income of €194 thousand in respect of the 2018 tranche (2019: expense of €544 thousand), a pro-rata expense for twelve months of €1,136 thousand for the 2019 tranche (2019: expense of €889 thousand), and a pro-rata expense for twelve months of €869 thousand for the 2020 tranche were recognized. Furthermore, an expense of €262 thousand for the 2017 tranche had been recognized in 2019.

[25] KION performance share plan (PSP) for the Executive Board

The members of the Executive Board have been promised a multiple-year variable remuneration component in the form of a performance share plan with a three-year term in each case. The remuneration component measured over the long term is based in equal parts on the total shareholder return (TSR) of KION GROUP AG shares compared with the performance of the MDAX index as a measure of market performance, and with return on capital employed (ROCE) as an internal measure. It also depends on the performance of KION GROUP AG shares during the relevant period.

The performance period for the 2020 tranche ends on December 31, 2022 (2019 tranche: December 31, 2021).

At the beginning of the performance period on January 1, 2020 (2019 tranche: January 1, 2019; 2019 tranche: January 1, 2018), the Executive Board members were allocated a total of 76,656 phantom shares for this tranche (2019 tranche: 111,544 phantom shares; 2018 tranche: 72,170 phantom shares) on the basis of the starting price of KION shares (60-day average). The shares were allocated on the basis of an allocation value in euros specified in each Executive Board member's service contract. At the end of the performance period, the number of the phantom shares is amended depending on the degree to which the relevant targets are achieved. The resulting final number of phantom shares multiplied by the smoothed price of KION GROUP AG shares at the end of the performance period determines the amount of cash actually paid. The Supervisory Board can also use a discretionary personal performance multiplier to adjust the final payment at the end of the performance period by + / - 30.0 percent. The maximum amount payable is limited to 200.0 percent of the value of the shares allotted to an individual at the grant date.

The pro-rata expense calculation based on the fair value of the phantom shares on each valuation date is carried out using Monte Carlo simulation. The measurement parameters shown in the following table were used to value the phantom shares on the reporting date:

Significant measurement parameters

	Tranche 2020	Tranche 2019
Expected volatility of KION shares	40.00 %	45.00 %
Expected volatility of the MDAX Index	20.00 %	30.00 %
Risk-free interest rate	-0.77 %	-0.75 %
Expected dividend	0.94 €	0.67 €
Value of a KION shares as at valuation date	71.36 €	71.36 €
Value of the MDAX index as at valuation date	30,233.41 PKT	30,233.41 PKT
Starting price of KION shares (60-days average)	57.79 €	48.68 €
Starting value of the MDAX Index (60-days average)	26,893.05 PKT	23,511.95 PKT

Taking account of the remaining term of two years (2020 tranche) and one year (2019 tranche), the historic volatility of KION shares was used to determine the volatility on which the valuation is based. As at December 31, 2020, the fair value of one phantom share was €58.26 for the 2019 tranche (December 31, 2019: €50.27) and €52.86 for the 2020 tranche. On that date, the total fair value was €5,302 thousand for the 2019 tranche based on 91,002 phantom shares (December 31, 2019: €5,607 thousand) and €4,052 thousand for the 2020 tranche based on 76,656 phantom shares.

In March 2020, a payment from the 2017 tranche was made on the basis of the achievement of the long-term targets that were defined in 2017 at the start of the performance period.

In connection with the arrangement of the liquidity line with a syndicate of banks led by KfW, the Executive Board has foregone its variable remuneration for 2020 (2018 tranche). However, an Executive Board member who left in 2020 is still entitled to the variable remuneration for the 2018 tranche.

The total carrying amount for liabilities in connection with share-based remuneration was €5,187 thousand as at December 31, 2020 (December 31, 2019: €5,759 thousand). Of this amount, €0 thousand related to the 2018 tranche (December 31, 2019: €1,990 thousand), €3,753 thousand to the 2019 tranche (December 31, 2019: €1,952 thousand), and €1,434 thousand to the 2020 tranche. In 2019, there had also been an amount of €1,817 thousand relating to the 2017 tranche. In 2020, income of €1,990 thousand in respect of the 2018 tranche (2019: expense of €1,345 thousand), a pro-rata expense for twelve months of €1,801 thousand for the 2019 tranche (2019: expense of €1,952 thousand), and a pro-rata expense for twelve months of €1,434 thousand for the 2020 tranche were recognized. Furthermore, an expense of €511 thousand for the 2017 tranche had been recognized in 2019.

[26] Membership of a corporate group

KION GROUP AG, Frankfurt am Main, prepares consolidated financial statements that are published in the German Federal Gazette.

Shandong Heavy Industry Group Co., Ltd., Jinan, People's Republic of China, is the company that prepares the global consolidated financial statements for the largest number of affiliated companies. These consolidated financial statements are not publicly available.

Weichai Power Co., Ltd., Weifang, People's Republic of China, is the company that prepares the global consolidated financial statements for the smallest number of affiliated companies. These are available in English on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and the company (www.weichaipower.com).

[27] Total fees paid to the auditors

The total fees paid to the auditors engaged by the Company are not disclosed pursuant to section 285 no. 17 HGB because they are disclosed in the consolidated financial statements of KION GROUP AG, Frankfurt am Main.

The fees recognized as an expense and paid to the auditors of the consolidated financial statements in 2020 amounted to €2.3 million (2019: €2.2 million) for the audit of the financial statements, €0.5 million (2019: €0.1 million) for other advisory services, €0.0 million (2019: €0.0 million) for tax consultancy services, and €0.0 million (2019: €0.0 million) for other services.

[28] Events after the reporting date

We are not aware of any reportable event after the reporting date.

[29] Affiliated companies and equity investments

Pursuant to section 285 no. 11 HGB, shareholdings are disclosed in the list of shareholdings attached to these notes.

[30] Declaration of conformity regarding the German Corporate Governance Code (DCGK)

In December 2020, the Executive Board and Supervisory Board of KION GROUP AG submitted their declaration of conformity for 2020 relating to the recommendations of the German Corporate Governance Code government commission pursuant to section 161 AktG.

The declaration of conformity has been made permanently available to shareholders on the website of KION GROUP AG at https://www.kiongroup.com/en/About-us/Management/#text_picture_corporate_governance.

[31] Notifications of voting rights pursuant to section 33 (1) WpHG

Section 160 (1) no. 8 AktG requires disclosures to be made about the existence of equity investments of which the Company has been notified pursuant to section 33 (1) or (1a) of the German Securities Trading Act (WpHG).

The following table shows the notifiable equity investments of which the Company had been notified by March 1, 2021. The disclosures are taken from the notifications that the Company has received.

All notifications about equity investments published by the Company in the reporting year and up to March 1, 2021 are available on the website of KION GROUP AG at <https://www.kiongroup.com/en/Investor-Relations/Financial-News/>. Please note that the disclosures about the percentages and voting rights relating to equity investments may no longer be up to date.

notification of voting rights 2020/2021

	1	2
Details of person subject to notification obligation	DWS Investment GmbH	BlackRock, Inc
Reason for notification	Acquisition/disposal of shares with voting rights	Acquisition/disposal of shares with voting rights Other reason: Voluntary group notification with triggered threshold on subsidiary level
Names of shareholders holding directly 3% or more voting rights (if different from person subject to notification obligation)	—	—
Date on which threshold was crossed or reached	August 7, 2020	December 18, 2020
Percentage of voting rights attached to shares at the time of previous notification	5.01%	3.06%
New percentage of voting rights attached to shares (exceedence/shortfall)	4.94% (shortfall)	3.13% (exceedence)
Total voting rights	118,090,000	131,198,647
of that, percentage directly held acc. to sec. 21 German Securities Trading Act old version / sec. 33 German Securities Trading Act new version (voting right percentage and voting rights)	—	—
of that, percentage to be attributed acc. to sec. 22 German Securities Trading Act old version / sec. 34 German Securities Trading Act new version (voting right percentage and voting rights)	4.94% (5,835,352 voting rights)	3.13% (4,101,448 voting rights)
Complete chain of subsidiaries, beginning with the ultimate controlling company (and specification of voting rights in %, where indicated)	Person subject to the notification obligation is not controlled nor does it control any other undertaking(s) that directly or indirectly hold(s) an interest in the (underlying) issuer.	FN 1

FN 1:
BlackRock, Inc.; Trident Merger LLC; BlackRock Investment Management, LLC

BlackRock, Inc.; BlackRock Holdco 2, Inc.; BlackRock Financial Management, Inc.

BlackRock, Inc.; BlackRock Holdco 2, Inc.; BlackRock Financial Management, Inc.; BlackRock Capital Holdings, Inc.; BlackRock Advisors, LLC

BlackRock, Inc.; BlackRock Holdco 2, Inc.; BlackRock Financial Management, Inc.; BlackRock Holdco 4, LLC; BlackRock Holdco 6, LLC; BlackRock Delaware Holdings Inc.

BlackRock, Inc.; BlackRock Holdco 2, Inc.; BlackRock Financial Management, Inc.; BlackRock International Holdings, Inc.; BR Jersey International Holdings L.P.; BlackRock (Singapore) Holdco Pte. Ltd.; BlackRock (Singapore) Limited

BlackRock, Inc.; BlackRock Holdco 2, Inc.; BlackRock Financial Management, Inc.; BlackRock Holdco 4, LLC; BlackRock Holdco 6, LLC; BlackRock Delaware Holdings Inc.; BlackRock Fund Advisors

BlackRock, Inc.; BlackRock Holdco 2, Inc.; BlackRock Financial Management, Inc.; BlackRock Holdco 4, LLC; BlackRock Holdco 6, LLC; BlackRock Delaware Holdings Inc.; BlackRock Institutional Trust Company, National Association

BlackRock, Inc.; BlackRock Holdco 2, Inc.; BlackRock Financial Management, Inc.; BlackRock International Holdings, Inc.; BR Jersey International Holdings L.P.; BlackRock Australia Holdco Pty. Ltd.; BlackRock Investment Management (Australia) Limited

BlackRock, Inc.; BlackRock Holdco 2, Inc.; BlackRock Financial Management, Inc.; BlackRock International Holdings, Inc.; BR Jersey International Holdings L.P.; BlackRock (Singapore) Holdco Pte. Ltd.; BlackRock HK Holdco Limited; BlackRock Asset Management North Asia Limited

BlackRock, Inc.; BlackRock Holdco 2, Inc.; BlackRock Financial Management, Inc.; BlackRock Holdco 4, LLC; BlackRock Holdco 6, LLC; BlackRock Delaware Holdings Inc.; BlackRock Institutional Trust Company, National Association; SAE Liquidity Fund (GenPar), LLC

BlackRock, Inc.; BlackRock Holdco 2, Inc.; BlackRock Financial Management, Inc.; BlackRock International Holdings, Inc.; BR Jersey International Holdings L.P.; BlackRock Holdco 3, LLC; BlackRock Canada Holdings LP; BlackRock Canada Holdings ULC; BlackRock Asset Management Canada Limited

BlackRock, Inc.; BlackRock Holdco 2, Inc.; BlackRock Financial Management, Inc.; BlackRock International Holdings, Inc.; BR Jersey International Holdings L.P.; BlackRock (Singapore) Holdco Pte. Ltd.; BlackRock HK Holdco Limited; BlackRock Lux Finco S. a r.l.; BlackRock Japan Holdings GK; BlackRock Japan Co., Ltd.

BlackRock, Inc.; BlackRock Holdco 2, Inc.; BlackRock Financial Management, Inc.; BlackRock International Holdings, Inc.; BR Jersey International Holdings L.P.; BlackRock Holdco 3, LLC; BlackRock Cayman 1 LP; BlackRock Cayman West Bay Finco Limited; BlackRock Cayman West Bay IV Limited; BlackRock Group Limited; BlackRock International Limited

BlackRock, Inc.; BlackRock Holdco 2, Inc.; BlackRock Financial Management, Inc.; BlackRock International Holdings, Inc.; BR Jersey International Holdings L.P.; BlackRock Holdco 3, LLC; BlackRock Cayman 1 LP; BlackRock Cayman West Bay Finco Limited; BlackRock Cayman West Bay IV Limited; BlackRock Group Limited; BlackRock Finance Europe Limited; BlackRock (Netherlands) B.V.

BlackRock, Inc.; BlackRock Holdco 2, Inc.; BlackRock Financial Management, Inc.; BlackRock International Holdings, Inc.; BR Jersey International Holdings L.P.; BlackRock Holdco 3, LLC; BlackRock Cayman 1 LP; BlackRock Cayman West Bay Finco Limited; BlackRock Cayman West Bay IV Limited; BlackRock Group Limited; BlackRock Finance Europe Limited; BlackRock Advisors (UK) Limited

BlackRock, Inc.; BlackRock Holdco 2, Inc.; BlackRock Financial Management, Inc.; BlackRock International Holdings, Inc.; BR Jersey International Holdings L.P.; BlackRock Holdco 3, LLC; BlackRock Cayman 1 LP; BlackRock Cayman West Bay Finco Limited; BlackRock Cayman West Bay IV Limited; BlackRock Group Limited; BlackRock Luxembourg Holdco S.a.r.l.; BlackRock (Luxembourg) S.A.

BlackRock, Inc.; BlackRock Holdco 2, Inc.; BlackRock Financial Management, Inc.; BlackRock International Holdings, Inc.; BR Jersey International Holdings L.P.; BlackRock Holdco 3, LLC; BlackRock Cayman 1 LP; BlackRock Cayman West Bay Finco Limited; BlackRock Cayman West Bay IV Limited; BlackRock Group Limited; BlackRock International Limited; BlackRock Life Limited

BlackRock, Inc.; BlackRock Holdco 2, Inc.; BlackRock Financial Management, Inc.; BlackRock International Holdings, Inc.; BR Jersey International Holdings L.P.; BlackRock Holdco 3, LLC; BlackRock Cayman 1 LP; BlackRock Cayman West Bay Finco Limited; BlackRock Cayman West Bay IV Limited; BlackRock Group Limited; BlackRock Finance Europe Limited; BlackRock Investment Management (UK) Limited

BlackRock, Inc.; BlackRock Holdco 2, Inc.; BlackRock Financial Management, Inc.; BlackRock International Holdings, Inc.; BR Jersey International Holdings L.P.; BlackRock Holdco 3, LLC; BlackRock Cayman 1 LP; BlackRock Cayman West Bay Finco Limited; BlackRock Cayman West Bay IV Limited; BlackRock Group Limited; BlackRock Luxembourg Holdco S.a.r.l.; BlackRock Investment Management Ireland Holdings Limited; BlackRock Asset Management Ireland Limited

BlackRock, Inc.; BlackRock Holdco 2, Inc.; BlackRock Financial Management, Inc.; BlackRock International Holdings, Inc.; BR Jersey International Holdings L.P.; BlackRock Holdco 3, LLC; BlackRock Cayman 1 LP; BlackRock Cayman West Bay Finco Limited; BlackRock Cayman West Bay IV Limited; BlackRock Group Limited; BlackRock Luxembourg Holdco S.a.r.l.; BlackRock UK Holdco Limited; BlackRock Asset Management Schweiz AG

BlackRock, Inc.; BlackRock Holdco 2, Inc.; BlackRock Financial Management, Inc.; BlackRock International Holdings, Inc.; BR Jersey International Holdings L.P.; BlackRock Holdco 3, LLC; BlackRock Cayman 1 LP; BlackRock Cayman West Bay Finco Limited; BlackRock Cayman West Bay IV Limited; BlackRock Group Limited; BlackRock Finance Europe Limited; BlackRock Investment Management (UK) Limited; BlackRock Fund Managers Limited

BlackRock, Inc.; BlackRock Holdco 2, Inc.; BlackRock Financial Management, Inc.; BlackRock International Holdings, Inc.; BR Jersey International Holdings L.P.; BlackRock Holdco 3, LLC; BlackRock Cayman 1 LP; BlackRock Cayman West Bay Finco Limited; BlackRock Cayman West Bay IV Limited; BlackRock Group Limited; BlackRock Finance Europe Limited; BlackRock Investment Management (UK) Limited; BlackRock Asset Management Deutschland AG

BlackRock, Inc.; BlackRock Holdco 2, Inc.; BlackRock Financial Management, Inc.; BlackRock International Holdings, Inc.; BR Jersey International Holdings L.P.; BlackRock Holdco 3, LLC; BlackRock Cayman 1 LP; BlackRock Cayman West Bay Finco Limited; BlackRock Cayman West Bay IV Limited; BlackRock Group Limited; BlackRock Finance Europe Limited; BlackRock Investment Management (UK) Limited; BlackRock Asset Management Deutschland AG; iShares (DE) I Investmentaktiengesellschaft mit Teilgesellschaftsvermögen

In addition to the aforementioned notifications, we received other notifications in previous years in accordance with section 21 (1) and (1a) WpHG old and section 133 (1) and (1a) WpHG new, in respect of which we did not receive new notifications up to the reporting date.

Notification of voting rights 2015/2016

	1	2	3
Party subject to notification requirement	Weichai Power (Luxembourg) Holding S.à r.l., Luxembourg, Grand Duchy of Luxembourg	Weichai Power Hong Kong International Development Co., Ltd., Hong Kong, People's Republic of China	Weichai Power Co., Ltd., Weifang, Shandong Province, People's Republic of China
Date on which threshold was crossed or reached	16 February 2015	16 February 2015	16 February 2015
Notification threshold; whether shareholding was higher or lower	50%; lower	50%; lower	50%; lower
Share and number of voting rights	47.23% (46,712,186 voting rights)	47.23% (46,712,186 voting rights)	47.23% (46,712,186 voting rights)
Of which attributable pursuant to section 22 (1) sentence 1 no. 1 WpHG old	–	33.30% (32,933,700 voting rights) via individual or all of the controlled entities in FN 1	33.30% (32,933,700 voting rights) via individual or all of the controlled entities in FN 1
Of which attributable pursuant to section 22 (1) sentence 1 no. 6 WpHG old (if applic. in conjunction with sentence 2)	–	–	–
Of which attributable pursuant to section 22 (2) WpHG old	13,93 % (13.778.486 Stimmrechte) gehalten von Superlift Holding S.à.r.l.	13,93 % (13.778.486 Stimmrechte) gehalten von Superlift Holding S.à.r.l.	13,93 % (13.778.486 Stimmrechte) gehalten von Superlift Holding S.à.r.l.

Shandong Heavy Industry Group Co., Ltd., Jinan, Provinz Shandong, Volksrepublik China;
 Weichai Group Holdings Limited, Weifang, Provinz Shandong, Volksrepublik China;
 Weichai Power Co., Ltd., Weifang, Provinz Shandong, Volksrepublik China;
 Weichai Power Hong Kong International Development Co., Ltd., Hong Kong, Volksrepublik China;
 Weichai Power (Luxembourg) Holding S.à r.l., Luxemburg, Großherzogtum Luxemburg

Notification of voting rights 2015/2016

	4	5	6
Party subject to notification requirement	Weichai Group Holdings Limited, Weifang, Shandong Province, People's Republic of China	Shandong Heavy Industry Group Co., Ltd., Jinan, Shandong Province, People's Republic of China	People's Republic of China, acting through the State-owned Assets Supervision and Administration Commission (SASAC) of Shandong People's Government of the People's Republic of China, Jinan, Shandong Province, People's Republic of China; People's Republic of China; People's Republic of China; People's Republic of China, Jinan, Provinz Shandong, Volksrepublik China
Date on which threshold was crossed or reached	16 February 2015	16 February 2015	16 February 2015
Notification threshold; whether shareholding was higher or lower	50%; lower	50%; lower	50%; lower
Share and number of voting rights	47.23% (46,712,186 voting rights)	47.23% (46,712,186 voting rights)	47.23% (46,712,186 voting rights)
Of which attributable pursuant to section 22 (1) sentence 1 no. 1 WpHG old	33.30% (32,933,700 voting rights) via individual or all of the controlled entities in FN 1	33.30% (32,933,700 voting rights) via individual or all of the controlled entities in FN 1	33.30% (32,933,700 voting rights) via individual or all of the controlled entities in FN 1
Of which attributable pursuant to section 22 (1) sentence 1 no. 6 WpHG old (if applic. in conjunction with sentence 2)	–	–	–
Of which attributable pursuant to section 22 (2) WpHG old	13.93 % (13.778.486 Stimmrechte) gehalten von Superlift Holding S.à.r.l.	13.93 % (13.778.486 Stimmrechte) gehalten von Superlift Holding S.à.r.l.	13.93 % (13.778.486 Stimmrechte) gehalten von Superlift Holding S.à.r.l.

FN 1:

Shandong Heavy Industry Group Co., Ltd., Jinan, Shandong Province, People's Republic of China;
 Weichai Group Holdings Limited, Weifang, Shandong Province, People's Republic of China;
 Weichai Power Co., Ltd., Weifang, Shandong Province, People's Republic of China;
 Weichai Power Hong Kong International Development Co., Ltd., Hong Kong, People's Republic of China;
 Weichai Power (Luxembourg) Holding S.à.r.l., Luxembourg, Grand Duchy of Luxembourg

[32] Proposal for the appropriation of profit

The Supervisory Board and the Executive Board propose to the Annual General Meeting to be held on May 11, 2021 that an amount of €53,745 thousand be appropriated from the distributable profit of KION GROUP AG for the 2020 financial year of €65,701 thousand for the payment of a dividend of €0.41 per dividend-bearing share. It is also proposed that €11,955 thousand be carried forward to the next accounting period.

Frankfurt am Main, March 1, 2021

The Executive Board



Gordon Riske



Anke Groth



Dr. Eike Böhm



Hasan Dandashly



Andreas Krinninger



Ching Pong Quek

Statement of changes in non-current assets for 2020 (annex to the notes to the financial statements)

Summary of fixed assets 2020

€ thousand	Gross carrying amount				Balance as at 31.12.2020
	Balance as at 01.01.2020	Additions	Disposals	Reclassifications	
Intangible assets					
Concessions, trademarks and similar rights and values as well as licences in such rights and values	2	0	0	0	2
Total intangible assets	2	0	0	0	2
Property, plant and equipment					
Land and Buildings	1,330	0	0	0	1,330
Office furniture and equipment	2,907	37	0	0	2,944
Advances paid and assets under construction	0	0	0	0	0
Total property, plant and equipment	4,237	37	0	0	4,274
Financial assets					
Investments in affiliated companies	4,231,227	4,516	0	0	4,235,743
Total financial assets	4,231,227	4,516	0	0	4,235,743
Total non-current assets	4,235,466	4,553	0	0	4,240,019

Summary of fixed assets 2020

€ thousand	Accumulated amortisation				Carrying amount		
	Balance as at 01.01.2020	Additions	Disposals	Reclassi- fications	Balance as at 31.12.2020	Balance as at 31.12.2020	Balance as at 31.12.2019
Intangible assets							
Concessions, trademarks and similar rights and values as well as licences in such rights and values	1	0	0	0	1	0	1
Total intangible assets	1	0	0	0	1	0	1
Property, plant and equipment							
Land and Buildings	211	142	0	0	353	977	1,119
Office furniture and equipment	1,192	379	0	0	1,571	1,373	1,715
Advances paid and assets under construction	0	0	0	0	0	0	0
Total property, plant and equipment	1,403	521	0	0	1,924	2,350	2,834
Financial assets							
Investments in affiliated companies	0	0	0	0	0	4,235,742	4,231,227
Total financial assets	0	0	0	0	0	4,235,742	4,231,227
Total non-current assets	1,405	521	0	0	1,926	4,238,092	4,234,061

List of shareholdings as at December 31, 2020 (annex to the notes to the financial statements)

The companies' equity and net profit (loss) are reported as at December 31, 2020 and for the 2020 financial year respectively in accordance with IFRS, unless otherwise indicated.

Investments in affiliated companies

Name	Registered office	Country	Shareholding	Equity, € thousand	Profit/loss for the financial year in € thousand	Note
Domestic:						
BlackForxx GmbH	Stuhr	Germany	100.00 %	-1,375	38	[E]
Comnovo GmbH	Dortmund	Germany	100.00 %	873	698	[1], [5]
Dematic GmbH	Heusenstamm	Germany	100.00 %	26,163	-4,481	
Dematic Holdings GmbH	Frankfurt am Main	Germany	100.00 %	3,543,543	-2	[A]
Dematic Logistics GmbH	Heusenstamm	Germany	100.00 %	5,788	2,731	
Dematic Services GmbH	Heusenstamm	Germany	100.00 %	48,352	-5,264	[B]
Eisengießerei Dinklage GmbH	Dinklage	Germany	100.00 %	6,548	669	[E]
Eisenwerk Weilbach GmbH	Frankfurt am Main	Germany	100.00 %	287	0	[D]
Fahrzeugbau GmbH Geisa	Geisa	Germany	100.00 %	7,240	-55	[E]
KION Battery Systems GmbH	Karlstein am Main	Germany	50.00 %	-1,740	-3,740	[4]
KION Financial Services GmbH	Frankfurt am Main	Germany	100.00 %	1,342	67	[D]
KION Information Management Services GmbH	Frankfurt am Main	Germany	100.00 %	-5,804	1,899	[A]
KION IoT Systems GmbH	Frankfurt am Main	Germany	100.00 %	25	0	[5], [A]
KION Warehouse Systems GmbH	Reutlingen	Germany	100.00 %	22,187	2,532	[E]
Linde Material Handling GmbH	Aschaffenburg	Germany	100.00 %	357,943	98,858	[A]
Linde Material Handling Rhein-Ruhr GmbH & Co. KG (formerly: Schrader Industriefahrzeuge GmbH & Co. KG)	Essen	Germany	100.00 %	17,319	1,565	
Linde Material Handling Rhein-Ruhr Verwaltungs GmbH (formerly: Klaus Pahlke Betriebsführungs-GmbH)	Essen	Germany	100.00 %	54	1	[1], [5]
Linde Material Handling Rental Services GmbH	Aschaffenburg	Germany	100.00 %	23	0	[D]
LMH Immobilien GmbH & Co. KG	Aschaffenburg	Germany	99.64 %	30,077	1,555	
LMH Immobilien Holding GmbH & Co. KG	Aschaffenburg	Germany	94.00 %	1,869	51	
LMH Immobilien Holding Verwaltungs-GmbH	Aschaffenburg	Germany	100.00 %	37	1	
LMH Immobilien Verwaltungs-GmbH	Aschaffenburg	Germany	100.00 %	35	1	
LR Intralogistik GmbH	Wörth a. d. Isar	Germany	100.00 %	13,432	-282	[E]
OM Deutschland GmbH	Neuhausen a. d. Fildern	Germany	100.00 %	-2,867	-27	[5]
proplan Transport- und Lagersysteme GmbH	Aschaffenburg	Germany	100.00 %	573	0	[5], [A]
Schrader Industriefahrzeuge Verwaltung GmbH	Essen	Germany	100.00 %	105	4	[1], [5]
STILL Financial Services GmbH	Hamburg	Germany	100.00 %	7,445	1,620	[C]
STILL Gesellschaft mit beschränkter Haftung	Hamburg	Germany	100.00 %	170,342	20,884	[D]

Trainingscenter für Sicherheit und Transport GmbH	Bremen	Germany	74.00 %	25	0	[1], [5], [F]
Urban-Transporte Gesellschaft mit beschränkter Haftung	Unterschleißheim	Germany	100.00 %	2,815	287	[D]
Willenbrock Fördertechnik Beteiligungs-GmbH	Bremen	Germany	74.00 %	47	2	[1], [5]
Willenbrock Fördertechnik Beteiligungs-GmbH	Hannover	Germany	74.00 %	38	2	[1], [5]
Willenbrock Fördertechnik GmbH & Co. KG	Bremen	Germany	74.00 %	-	-	[6]
Willenbrock Fördertechnik GmbH & Co. KG	Hannover	Germany	74.00 %	-	-	[6]
Willenbrock Fördertechnik Holding GmbH	Bremen	Germany	74.00 %	26,431	4,786	
Foreign:						
Dematic Holdings Pty. Ltd.	Belrose	Australia	100.00 %	2,881	528	
Dematic Pty. Ltd.	Belrose	Australia	100.00 %	51,789	4,199	
Lansing Bagnall (Aust.) Pty. Ltd.	Huntingwood	Australia	100.00 %	1,584	-2	[3], [5], [R]
Linde Material Handling Pty. Ltd.	Huntingwood	Australia	100.00 %	33,835	2,442	
NDC Automation Pty. Ltd.	Belrose	Australia	100.00 %	12	0	[3], [5], [R]
NDC Manage Pty. Ltd.	Belrose	Australia	100.00 %	1	0	[3], [5], [R]
Dematic NV	Zwijndrecht	Belgium	100.00 %	97,525	-4,555	
STILL NV	Wijnegem	Belgium	100.00 %	7,659	2,395	
Dematic Sistemas e Equipamentos de Movimentação de Materiais Ltda.	Indaiatuba / São Paulo	Brazil	100.00 %	-2,578	-561	
KION South America Fabricação de Equipamentos para Armazenagem Ltda.	Indaiatuba / São Paulo	Brazil	100.00 %	26,330	8,585	
STILL DANMARK A/S	Kolding	Denmark	100.00 %	13,373	680	
BARTHELEMY MANUTENTION SAS	Vitrolles	France	100.00 %	3,966	2,527	
Bastide Manutention SAS	Bruguières	France	100.00 %	6,058	1,818	
Bretagne Manutention SAS	Pacé	France	100.00 %	8,953	6,806	
Dematic SAS	Bussy-Saint-Georges	France	100.00 %	-4,636	-5,969	
FENWICK FINANCIAL SERVICES SAS	Élancourt	France	100.00 %	6,778	2,238	
FENWICK-LINDE OPERATIONS SAS	Cenon-sur-Vienne	France	100.00 %	-1,622	-10,180	
FENWICK-LINDE SAS	Élancourt	France	100.00 %	270,028	25,831	
KION France SERVICES SAS	Élancourt	France	100.00 %	344,042	1,621	
LOIRE OCEAN MANUTENTION SAS	Saint-Herblain	France	100.00 %	4,366	2,244	
Manuchar SAS	Gond-Pontouvre	France	100.00 %	2,505	1,065	
Société Angoumoisine de Manutention (SAMA) SAS	Champniers	France	100.00 %	13,942	525	
SCI Champ Lagarde	Élancourt	France	100.00 %	105	0	[1], [5]
SM Rental SAS	Roissy-Charles-de-Gaulle	France	100.00 %	921	320	
STILL Location Services SAS	Marne-la-Vallée	France	100.00 %	4,406	1,541	
STILL SAS	Marne-la-Vallée	France	100.00 %	23,558	1,495	
URBAN LOGISTIQUE SAS	Élancourt	France	100.00 %	2,776	549	
Castle Lift Trucks Ltd.	Basingstoke	United Kingdom	100.00 %	789	0	[5], [R]

Creighton Materials Handling Ltd.	Basingstoke	United Kingdom	100.00 %	507	0	[5], [R]
D.B.S. Brand Factors Ltd.	Basingstoke	United Kingdom	100.00 %	0	0	[5], [R]
Dematic Ltd.	Banbury	United Kingdom	100.00 %	25,120	7,028	
Dematic Group Ltd.	Banbury	United Kingdom	100.00 %	31,726	-8,345	
Dematic Holdings UK Ltd.	Banbury	United Kingdom	100.00 %	824,692	-59,447	
Digital Applications International Ltd.	London	United Kingdom	100.00 %	13,733	3,444	[4]
Fork Truck Rentals Ltd.	Basingstoke	United Kingdom	100.00 %	224	0	[5], [R]
Fork Truck Training Ltd.	Basingstoke	United Kingdom	100.00 %	0	0	[5], [R]
KION FINANCIAL SERVICES Ltd.	Basingstoke	United Kingdom	100.00 %	11,794	2,051	
Lancashire (Fork Truck) Services Ltd.	Basingstoke	United Kingdom	100.00 %	0	0	[5], [R]
Lansing Linde Ltd.	Basingstoke	United Kingdom	100.00 %	112	0	[5], [R]
Lansing Linde Trifik Ltd.	Basingstoke	United Kingdom	100.00 %	0	0	[5], [R]
Linde Castle Ltd.	Basingstoke	United Kingdom	100.00 %	11	0	[5], [R]
Linde Creighton Ltd.	Basingstoke	United Kingdom	100.00 %	-2	-16,212	
Linde Heavy Truck Division Ltd.	Basingstoke	United Kingdom	100.00 %	5,573	-64	[5]
Linde Holdings Ltd.	Basingstoke	United Kingdom	100.00 %	170,123	-598	
Linde Jewsbury's Ltd.	Basingstoke	United Kingdom	100.00 %	0	0	[5], [R]
Linde Material Handling (UK) Ltd.	Basingstoke	United Kingdom	100.00 %	79,173	13,709	
Linde Material Handling East Ltd.	Basingstoke	United Kingdom	100.00 %	-3	440	
Linde Material Handling Scotland Ltd.	Basingstoke	United Kingdom	100.00 %	-2	267	
Linde Material Handling South East Ltd.	Basingstoke	United Kingdom	100.00 %	-1	1,232	
Linde MH UK Ltd.	Basingstoke	United Kingdom	100.00 %	134,160	28,325	
Linde Severnside Ltd.	Basingstoke	United Kingdom	100.00 %	998	-1,769	
Linde Sterling Ltd.	Basingstoke	United Kingdom	100.00 %	-4	-8,556	
McLEMAN FORK LIFT SERVICES LTD.	Basingstoke	United Kingdom	100.00 %	0	-65	[5]
Mirror Bidco Ltd.	Banbury	United Kingdom	100.00 %	87	2,768	

Regentruck Ltd.	Basingstoke	United Kingdom	100.00 %	1	0	[5], [R]
Stephensons Enterprise Fork Trucks Ltd.	Basingstoke	United Kingdom	100.00 %	0	0	[5], [R]
Sterling Mechanical Handling Ltd.	Basingstoke	United Kingdom	100.00 %	1,157	0	[5], [R]
STILL Materials Handling Ltd.	Exeter	United Kingdom	100.00 %	-22,548	-2,071	
Superlift UK Ltd.	Basingstoke	United Kingdom	100.00 %	641	-28,892	
Urban Logistics (UK) Ltd.	Basingstoke	United Kingdom	100.00 %	25	374	[5]
KION India Pvt. Ltd.	Pune	India	100.00 %	19,596	-1,761	
Linde Material Handling (Ireland) Ltd.	Ballymount (Dublin)	Ireland	100.00 %	-1,658	-494	
Baoli EMEA S.p.A.	Lainate	Italy	100.00 %	7,210	1,351	
Dematic S.r.l.	Cernusco sul Naviglio	Italy	100.00 %	43,186	11,011	
Emhilia Material Handling S.p.A.	Modena	Italy	100.00 %	7,406	-290	
KION Rental Services S.p.A.	Milan	Italy	100.00 %	42,977	5,840	
Linde Material Handling Italia S.p.A.	Buguggiate	Italy	100.00 %	18,937	4,377	
QUALIFT S.p.A.	Verona	Italy	100.00 %	1,651	310	[5]
STILL S.p.A.	Lainate	Italy	100.00 %	96,439	13,874	
URBAN LOGISTICA S.R.L.	Lainate	Italy	100.00 %	2,369	540	
Dematic Ltd.	Mississauga	Canada	100.00 %	9,368	1,921	
WHO Real Estate UAB	Vilnius	Lithuania	74.00 %	-30	0	[1], [5]
Dematic Group S.à r.l.	Luxembourg	Luxembourg	100.00 %	3,859,276	-53,051	
Dematic (Malaysia) Sdn. Bhd.	Petaling Jaya	Malaysia	100.00 %	2,913	-109	
Linde Material Handling (Malaysia) Sdn. Bhd.	Petaling Jaya	Malaysia	100.00 %	3,884	-1,350	[5]
Dematic Logistics de Mexico S. de R.L. de C.V.	Monterrey	Mexico	100.00 %	-166	-302	
DMTC Technology Services, S. de R.L. de C.V.	Monterrey	Mexico	100.00 %	-2,918	-182	
Dematic Trading de Mexico S. de R.L. de C.V.	Monterrey	Mexico	100.00 %	-15,554	-1,833	
Digital Applications International B.V.	Bussum	Netherlands	100.00 %	-	-	[4], [7]
STILL Intern Transport B.V.	Hendrik-Ido-Ambacht	Netherlands	100.00 %	29,167	6,399	
STILL Norge AS	Trondheim	Norway	100.00 %	-1,353	-211	
AUSTRO OM PIMESPO Fördertechnik GmbH	Linz	Austria	100.00 %	12,858	1,085	
Linde Material Handling Austria GmbH	Linz	Austria	100.00 %	8,824	2,305	
STILL Gesellschaft m.b.H.	Wiener Neudorf	Austria	100.00 %	4,998	440	
Dematic Poland Sp. z o.o.	Poznań	Poland	100.00 %	71	14	
KION Business Services Polska Sp. z o.o.	Kraków	Poland	100.00 %	2,425	-987	[4]
KION Polska Sp. z o.o.	Kolbaskowo	Poland	100.00 %	50,705	7,360	
Linde Material Handling Polska Sp. z o.o.	Warsaw	Poland	100.00 %	22,184	2,765	
STILL POLSKA Sp. z o.o.	Gądkki	Poland	100.00 %	21,356	-3,511	
STILL MATERIAL HANDLING ROMANIA SRL	Ilfov	Romania	100.00 %	4,961	60	
OOO "Dematic"	Moscow	Russian Federation	100.00 %	45	-26	[4], [5]

OOO "Linde Material Handling Rus"	Moscow	Russian Federation	100.00 %	-229	-331
OOO "STILL Forklifttrucks"	Moscow	Russian Federation	100.00 %	-3,336	-3,305
Linde Material Handling AB	Örebro	Sweden	100.00 %	15,934	-205
Linde Material Handling Financial Services AB	Örebro	Sweden	100.00 %	2,980	691
Nordtruck AB	Örnsköldsvik	Sweden	100.00 %	8,273	928
STILL Sverige AB	Malmö	Sweden	100.00 %	4,607	454
Dematic Suisse Sagl	Lugano	Switzerland	100.00 %	-61	3
Digital Applications GmbH	Basel	Switzerland	100.00 %	1,105	45 [4]
Linde Material Handling Schweiz AG	Dietlikon	Switzerland	100.00 %	3,622	489
STILL AG	Otelfingen	Switzerland	100.00 %	6,811	2,043
Linde Viljuškari d.o.o.	Vrčin	Serbia	100.00 %	140	-73 [5]
Dematic Pte. Ltd. (formerly: Dematic S.E.A. Pte. Ltd.)	Singapore	Singapore	100.00 %	6,973	1,609
KION South Asia Pte. Ltd.	Singapore	Singapore	100.00 %	1,669	653
Linde Material Handling Asia Pacific Pte. Ltd.	Singapore	Singapore	100.00 %	40,315	1,070
Linde Material Handling Slovenská republika s.r.o.	Trenčín	Slovakia	100.00 %	3,902	515
STILL SR, spol. s.r.o.	Nitra	Slovakia	100.00 %	621	-1,698
Linde Viličar d.o.o.	Celje	Slovenia	100.00 %	2,162	263
Dematic Logistic Systems S.A.U.	Coslada	Spain	100.00 %	28,271	2,761
IBER-MICAR S.L.U.	Gavà	Spain	100.00 %	5,767	971 [5]
Islavista Spain S.A.U.	L'Hospitalet de Llobregat	Spain	100.00 %	42,785	6,104
KION Rental Services S.A.U.	Barcelona	Spain	100.00 %	9,588	395
Linde Material Handling Ibérica, S.A.U.	Pallejá	Spain	100.00 %	90,866	793
STILL, S.A.U.	L'Hospitalet de Llobregat	Spain	100.00 %	21,476	560
Linde Material Handling (Pty) Ltd.	Linbro Park	South Africa	100.00 %	9,089	-307
Linde Material Handling (Thailand) Co., Ltd.	Pathum Thani	Thailand	100.00 %	215	-832
KION Supply Chain Solutions Czech, s.r.o.	Český Krumlov	Czech Republic	100.00 %	-13,558	-199
Linde Material Handling Česká republika s.r.o.	Prague	Czech Republic	100.00 %	6,743	2,501
Linde Material Handling Parts Distribution CZ s.r.o.	Český Krumlov	Czech Republic	100.00 %	3,961	2,302
Linde Pohony s.r.o.	Český Krumlov	Czech Republic	100.00 %	34,984	12,357
Použitý Vozík CZ, s.r.o.	Prague	Czech Republic	100.00 %	-71	1 [3], [5]
STILL ČR spol. s.r.o.	Prague	Czech Republic	100.00 %	4,787	-20
STILL Regional Service Center, s.r.o.	Prague	Czech Republic	100.00 %	1,142	295
Urban Transporte spol. s.r.o.	Moravany	Czech Republic	100.00 %	1,817	1,014
STILL ARSER İş Makineleri Servis ve Ticaret A.Ş.	Izmir	Turkey	51.00 %	-25,087	-7,343
TOV "Linde Material Handling Ukraine"	Kiev	Ukraine	100.00 %	819	-90 [5]
Linde Magyarország Anyagmozgatási Kft.	Dunaharaszti	Hungary	100.00 %	-2,337	-3,617
STILL Kft.	Tatabánya	Hungary	100.00 %	2,204	-346
Dematic Corp.	Grand Rapids	United States	100.00 %	-51,471	164,651
KION North America Corp.	Summerville	United States	100.00 %	11,273	646
DAI Software Technology (Shanghai) Co. Ltd.	Shanghai	People's Republic of China	100.00 %	-	- [4], [7]

Dematic International Trading Ltd.	Shanghai	People's Republic of China	100.00 %	-20,413	-592	
Dematic Logistics Systems Ltd.	Suzhou	People's Republic of China	100.00 %	11,638	1,624	
Egemin Asia Pacific Automation Ltd.	Causeway Bay - Hong Kong	People's Republic of China	100.00 %	-179	-130	
KION (Jinan) Forklift Co., Ltd.	Jinan	People's Republic of China	95.00 %	25,886	-6,711	[4]
KION ASIA (HONG KONG) Ltd.	Kwai Chung - Hong Kong	People's Republic of China	100.00 %	43,859	0	
KION Baoli (Jiangsu) Forklift Co., Ltd.	Jingjiang	People's Republic of China	100.00 %	38,670		
Linde (China) Forklift Truck Corporation Ltd.	Xiamen	People's Republic of China	100.00 %	202,885		
Linde Material Handling Hong Kong Ltd.	Kwai Chung - Hong Kong	People's Republic of China	100.00 %	2,082		

Equity Investments

Domestic:

Carl Beuthauser Kommunal- und Fördertechnik GmbH & Co. KG	Hagelstadt	Germany	25.00 %	22,382	2,463	[1], [5]
Hans Joachim Jetschke Industriefahrzeuge (GmbH & Co.) KG	Hamburg	Germany	21.00 %	5,224	3,124	[1], [5]
JETSCHKE GmbH	Hamburg	Germany	21.00 %	92	2	[1], [5]
Linde Leasing GmbH	Wiesbaden	Germany	45.00 %	58,153	6,906	[1], [5]
Linde Hydraulics GmbH & Co. KG	Aschaffenburg	Germany	10.00 %	181,566	-47,740	[5]
Linde Hydraulics Verwaltungs GmbH	Aschaffenburg	Germany	10.00 %	35	1	[1], [5]
MV Fördertechnik GmbH	Blankenhain	Germany	25.00 %	2,531	374	[1], [5]
Pelzer Fördertechnik GmbH	Kerpen	Germany	24.96 %	29,991	3,271	[1], [5]
Supralift Beteiligungs- und Kommunikationsgesellschaft mbH	Frankfurt am Main	Germany	50.00 %	20	0	[1], [5]
Supralift GmbH & Co. KG	Frankfurt am Main	Germany	50.00 %	623	4	[1], [5]

Foreign:

Linde High Lift Chile S.A.	Santiago de Chile	Chile	45.00 %	30,569	1,257	[1], [5]
Balyo SA	Ivry-sur-Seine	France	6.35 %	17,294	-13,223	[1], [5]
Labrosse Equipement SAS	Saint-Péray	France	34.00 %	9,907	2,713	[2], [5]
Normandie Manutention SAS	Saint-Étienne-du-Rouvray	France	34.00 %	32,021	6,821	[1], [5]
Chadwick Materials Handling Ltd.	Corsham	United Kingdom	48.00 %	1,203	101	[5]
TPZ Linde Viličari Hrvatska d.o.o.	Zagreb	Croatia	20.00 %	1,758	298	[1], [5]
Carretillas Elevadoras Sudeste S.A.	Murcia	Spain	38.54 %	7,569	893	[5]
JULI Motorenwerk s.r.o.	Moravany	Czech Republic	50.00 %	31,049	6,258	[1], [5]
Motorové závody JULI CZ s.r.o.	Moravany	Czech Republic	50.00 %	0	0	[3], [5]
DEMATIC ELECTROMECHANICAL SYSTEMS MIDDLE EAST L.L.C.	Dubai	United Arab Emirates	49.00 %	145	0	[5]

Shanghai Quicktron Intelligent Technology Co., Ltd.	Shanghai	People's Re- public of China	7.84 %	35,801	-9,899	[1], [4], [5]
Zhejiang EP Equipment Co., Ltd.	Anji (Huzhou)	People's Re- public of China	4.99 %	66,607	22,405	[3], [5]

[1] Financial figures as of 31 December 2019

[2] Financial figures as of 30 June 2020

[3] Last provided financial statement

[4] Addition / Foundation during 2020

[5] Financial figures in local GAAP

[6] Pre-consolidated in Willenbrock Fördertechnik Holding GmbH

[7] Pre-consolidated in Digital Applications International Ltd.

[A] Profit and loss transfer agreement with KION GROUP AG

[B] Profit and loss transfer agreement with Dematic GmbH

[C] Profit and loss transfer agreement with KION Financial Services GmbH

[D] Profit and loss transfer agreement with Linde Material Handling GmbH

[E] Profit and loss transfer agreement with STILL Gesellschaft mit beschränkter Haftung

[F] Profit and loss transfer agreement with Willenbrock Fördertechnik Holding GmbH

[R] Dormant company

INDEPENDENT AUDITOR'S REPORT

To KION GROUP AG, Frankfurt am Main/Germany

REPORT ON THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS AND OF THE COMBINED MANAGEMENT REPORT

Audit Opinions

We have audited the annual financial statements of KION GROUP AG, Frankfurt am Main/Germany, which comprise the balance sheet as at 31 December 2020, and the statement of profit and loss for the financial year from 1 January to 31 December 2020, and the notes to the financial statements, including the presentation of the recognition and measurement policies. In addition, we have audited the combined management report of KION GROUP AG, Frankfurt am Main/Germany, for the financial year from 1 January to 31 December 2020. In accordance with the German legal requirements, we have not audited the content of the corporate governance statement pursuant to Section 289f, Section 315d German Commercial Code (HGB) included in the combined management report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2020 and of its financial performance for the financial year from 1 January to 31 December 2020 in compliance with German Legally Required Accounting Principles, and
- the accompanying combined management report as a whole provides an appropriate view of the Company's position. In all material respects, this combined management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the combined management report does not cover the content of the corporate governance statement pursuant to Sections 289f, 315d HGB included in the combined management report.

Pursuant to Section 322 (3) sentence 1 German Commercial Code (HGB), we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the combined management report.

Basis for the Audit Opinions

We conducted our audit of the annual financial statements and of the combined management report in accordance with Section 317 HGB and the EU Audit Regulation (No. 537/2014; referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Combined Management Report" section of our auditor's report. We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit

Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and on the combined management report.

Key Audit Matters in the Audit of the Annual Financial Statements

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the annual financial statements for the financial year from 1 January to 31 December 2020. These matters were addressed in the context of our audit of the annual financial statements as a whole and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In the following, we present the issue of recoverability of the shares in affiliated companies, which we have identified in the course of our audit to be a key audit matter.

Our presentation of this key audit matter has been structured as follows:

- a) description (including reference to corresponding information in the annual financial statements), and
- b) auditor's response.

Recoverability of the Shares in Affiliated Companies

- a) As at 31 December 2020, the book value of the shares in affiliated companies in the annual financial statements amounts to mEUR 4,235.7 (54.2% of total assets) and relates to the shares in Dematic Holdings GmbH, Frankfurt am Main/Germany, in proplan Transport- und Lagersysteme GmbH, Aschaffenburg/Germany, in KION IoT Systems GmbH, Frankfurt am Main/Germany, in KION Battery Systems GmbH, Karlstein am Main/Germany, in KION Business Srv. Pol. Sp. z o.o., Krakow/Poland, as well as the shares in Linde Material Handling GmbH, Aschaffenburg/Germany, and in KION Information Management Services GmbH, Frankfurt am Main/Germany. Once a year, the shares in affiliated companies are tested for expected permanent impairment and, thus, for any need for a write-down to the lower fair value.

Due to the major significance of the shares in affiliated companies within the annual financial statements and due to the executive directors' estimation of their recoverability, this matter was of particular significance in the scope of our audit.

For information about the recoverability of the shares in affiliated companies, please refer to note [2] to the financial statements.

- b) As part of our audit of permanent impairment of the shares in affiliated companies, we obtained an understanding of the approach applied by the executive directors as part of their impairment test. To this end, we used the information obtained during our audit of the annual financial statements of these affiliated companies. In this context, we determined the expected future cash flows based on the operative budget (2021) adopted by the supervisory board and on the medium-term budget (2022 to 2023) approved by the executive directors, and audited the budget, including the projection until perpetuity that is based on the budget, as well as perpetuity itself by using general and industry-specific market expectations. For this purpose, we have taken into account the adherence to the budget planning related to the individual affiliated companies. In addition, we audited the applied country-specific discount rates (weighted average cost of capital – WACC) based on the corresponding market situation and for this purpose also consulted valuation specialists.

Due to the great significance of the shares in affiliated companies within the annual financial statements, we finally conducted sensitivity analyses with regard to both the growth expectations of the future cash flows from the affiliated companies and the applied discount rates.

Other Information

The executive directors and the supervisory board are responsible for the other information. The other information comprises

- the corporate governance statement included in the combined management report,
- the executive directors' confirmation regarding the annual financial statements and the combined management report pursuant to Section 264 (2) sentence 3 and Section 289 (1) sentence 5 HGB, respectively, and
- all other parts of the annual report, with the exception of the audited annual financial statements and combined management report and our auditor's report.

The executive directors and the supervisory board as well are responsible for the declaration related to the German Corporate Governance Code according to Section 161 German Stock Corporation Act (AktG), which is part of the corporate governance statement included in the combined management report. Otherwise, the executive directors are responsible for the other information.

Our audit opinions on the annual financial statements and on the combined management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information mentioned above and, in so doing, to consider whether the other information

- is materially inconsistent with the annual financial statements, with the audited content of the combined management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of the Executive Directors and the Supervisory Board for the Annual Financial Statements and the Combined Management Report

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the combined management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined management report.

The supervisory board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and of the combined management report.

Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Combined Management Report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the annual financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. 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 annual financial statements and this combined management report.

We exercise professional judgment and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the annual financial statements and of the combined management 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 audit opinions. 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 controls.
- obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems of the Company.
- evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we

conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.

- evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.
- evaluate the consistency of the combined management report with the annual financial statements, its conformity with German law, and the view of the Company's position it provides.
- perform audit procedures on the prospective information presented by the executive directors in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance 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 those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on the Audit of the Electronic Files of the Annual Financial Statements and of the Combined Management Report prepared for Publication pursuant to Section 317 (3b) HGB

Audit Opinion

In accordance with Section 317 (3b) HGB, we have assessed with reasonable assurance whether the electronic files of the annual financial statements and of the combined management report (hereafter referred to as "ESEF files") prepared for publication, contained in the accompanying file, which has the SHA-256 value 2F120B6D72F540FBAD06CE42713A9C9D1CE57F492E48421215D7A9F7FBBD1EB6, meet, in all material respects, the requirements concerning the electronic reporting format ("ESEF format") pursuant to Section 328 (1) HGB. In accordance with the German legal requirements, this audit only covers the transfer of the

annual financial statements' and the combined management report's information into the ESEF format, and therefore covers neither the information contained in these electronic files nor any other information contained in the file stated above.

In our opinion, the electronic files of the annual financial statements and of the combined management report prepared for publication contained in the accompanying file stated above meet, in all material respects, the requirements concerning the electronic reporting format pursuant to Section 328 (1) HGB. Beyond this audit opinion and our audit opinions on the accompanying annual financial statements and on the accompanying combined management report for the financial year from 1 January to 31 December 2020 contained in the above "Report on the Audit of the Annual Financial Statements and of the Combined Management Report", we do not express any audit opinion on the information contained in these electronic files and on any other information contained in the file stated above.

Basis for the Audit Opinion

We conducted our audit of the electronic files of the annual financial statements and of the combined management report contained in the accompanying file stated above in accordance with Section 317 (3b) HGB and on the basis of the IDW Draft Auditing Standard: Audit of the Electronic Files of the Annual Financial Statements and of the Management Report prepared for Publication pursuant to Section 317 (3b) HGB (IDW Draft AuS 410). Our responsibilities in this context are further described in the section "Auditor's Responsibilities for the Audit of the ESEF Files". Our audit firm has applied the Quality Assurance Standard: Quality Assurance Requirements in Audit Practices (IDW QS 1) promulgated by the Institut der Wirtschaftsprüfer (IDW).

Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Files

The executive directors of the Company are responsible for the preparation of the ESEF files based on the electronic files of the annual financial statements and of the combined management report according to Section 328 (1) sentence 4 no. 1 HGB.

In addition, the executive directors of the Company are responsible for such internal control as they have determined necessary to enable the preparation of ESEF files that are free from material violations against the requirements concerning the electronic reporting format pursuant to Section 328 (1) HGB, whether due to fraud or error.

The executive directors of the Company are also responsible for the submission of the ESEF files together with the auditor's report and the accompanying audited annual financial statements and the audited combined management report as well as other documents to be filed with the publisher of the Federal Gazette.

The supervisory board is responsible for overseeing the preparation of the ESEF files as part of the financial reporting process.

Auditor's Responsibilities for the Audit of the ESEF Files

Our objectives are to obtain reasonable assurance about whether the ESEF files are free from material violations, whether due to fraud or error, against the requirements pursuant to Section 328 (1) HGB. We exercise professional judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material violations against the requirements pursuant to Section 328 (1) HGB, 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 audit opinion.
- obtain an understanding of internal control relevant to the audit of the ESEF files in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these controls.
- assess the technical validity of the ESEF files, i.e. whether the file containing the ESEF files meets the requirements of the Delegated Regulation (EU) 2019/815 in the version applicable as of the balance sheet date as to the technical specification of this file.
- evaluate whether the ESEF files enable a XHTML copy of the audited annual financial statements and of the audited combined management report whose content is identical with these documents.

Further information pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor by the general meeting on 16 July 2020. We were engaged by the supervisory board on 4 June 2020 (subject to the election by the general meeting on 16 July 2020) and on 13 November/27 November 2020. We have been the group auditor of KION GROUP AG, Frankfurt am Main/Germany, which was named KION Holding 1 GmbH until 12 June 2013, without interruption since the financial year 2007. Since the financial year 2013, the Company has been a public interest entity within the meaning of Section 319a (1) sentence 1 HGB.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

INFORMATION ON THE SUPPLEMENTARY AUDIT

We issue this auditor's report on the amended annual financial statements, the amended combined management report and the amended ESEF files on account of our audit conducted in accordance with professional auditing standards, which was completed on 19 February 2021, and our supplementary audit completed on 1 March 2021, which related to the amendments of the notes to the financial statements in note [32] "Proposal for the appropriation of profit", note [21] "Members of the Executive Board and the Supervisory Board", note [31] "Notifications of voting rights pursuant to section 33 (1) WpHG" and regarding the signature date of the annual financial statements, to the amendments to the combined management report in section "Financial position and financial performance of the KION Group" regarding the explanations on the appropriation of profits as well as to the corresponding amendments to the ESEF files.

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Kirsten Gräbner-Vogel.

Frankfurt am Main/Germany, 19 February 2021 / Restricted to the amendments stated under “Information on the Supplementary Audit”: 1 March 2021

Deloitte GmbH

Wirtschaftsprüfungsgesellschaft

Signed:

Kirsten Gräbner-Vogel

Wirtschaftsprüferin

(German Public Auditor)

Signed:

Stefan Dorissen

Wirtschaftsprüfer

(German Public Auditor)

Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles for financial reporting, the separate financial statements give a true and fair view of the financial performance and financial position of the Company, and the management report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal opportunities and risks associated with the expected development of the Company.

Frankfurt am Main, March 1, 2021

The Executive Board



Gordon Riske



Anke Groth



Dr. Eike Böhm



Hasan Dandashly



Andreas Krinninger



Ching Pong Quek

We keep

the world moving.

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