



2022

**Separate financial statements**

**KION GROUP AG**

# Statement of financial position as at December 31, 2022

## Assets

€ thousand	Notes	31.12.2022	31.12.2021
<b>A. Non-current assets</b>	[3]		
I. Intangible assets		–	–
II. Property, plant and equipment		1,518	1,853
III. Financial assets		4,238,220	4,238,220
		<b>4,239,739</b>	<b>4,240,073</b>
<b>B. Current assets</b>			
I. Receivables and other assets	[4]		
1. Receivables from affiliated companies		3,827,181	3,385,138
2. Receivables from other long-term investees and investors		9,251	9,250
3. Other assets		37,446	44,379
		<b>3,873,878</b>	<b>3,438,767</b>
II. Cash on hand and credit balances with banks		48,111	200,046
<b>C. Deferred charges and prepaid expenses</b>	[5]	<b>3,546</b>	<b>4,064</b>
<b>Total assets</b>		<b>8,165,274</b>	<b>7,882,950</b>

**Equity and liabilities**

€ thousand	Notes	31.12.2022	31.12.2021
<b>A. Equity</b>	[6]		
I. Subscribed capital		131,199	131,199
Treasury shares		-74	-96
Issued capital		131,125	131,102
II. Capital reserves		3,861,051	3,860,736
III. Other revenue reserves		709,907	599,907
IV. Distributable profit		110,996	197,061
		<b>4,813,079</b>	<b>4,788,807</b>
<b>B. Provisions</b>			
1. Retirement benefit obligation	[7]	72,957	63,611
2. Tax provisions		311	261
3. Other provisions	[8]	25,720	65,715
		<b>98,988</b>	<b>129,587</b>
<b>C. Liabilities</b>	[9]		
1. Corporate bond thereof convertible €0 thousand (2021: €0 thousand)		500,000	500,000
2. Liabilities to banks		1,024,918	421,768
3. Trade payables		8,642	6,121
4. Liabilities to affiliated companies		1,411,622	2,035,059
5. Liabilities to other long-term investees and investors		121	120
6. Other liabilities thereof taxes €962 thousand (2021: €877 thousand) thereof relating to social security €0 thousand (2021: €0 thousand)		307,905	1,487
		<b>3,253,207</b>	<b>2,964,556</b>
<b>Total equity and liabilities</b>		<b>8,165,274</b>	<b>7,882,950</b>

# Income statement for the year ended

## December 31, 2022

### Income statement

€ thousand	Notes	2022	2021
1. Revenue	[10]	100,094	73,663
2. Other operating income	[11]	85,212	27,832
3. Cost of materials for purchased services	[12]	-225	-230
4. Personnel expenses	[13]	-52,500	-76,122
a) Wages and salaries		-42,631	-68,308
b) Social security contributions and expenses for pensions and other employee benefits thereof for pensions €-5,698 thousand (2021: €-3,933 thousand)		-9,870	-7,814
5. Depreciation, amortization and impairment		-12,782	-521
a) Depreciation, amortization and impairment of property, plant and equipment and non-current intangible assets		-374	-521
b) Depreciation, amortization and impairment of current assets	[14]	-12,408	-
6. Other operating expenses	[15]	-236,876	-116,122
<b>Operating loss</b>		<b>-117,077</b>	<b>-91,501</b>
7. Income from profit-transfer agreements	[16]	310,895	330,078
8. Expenses from the transfer of losses	[16]	-5,012	-192
9. Other interest and similar income thereof from affiliated companies €82,165 thousand (2021: €55,019 thousand)		84,083	56,309
10. Interest expense and similar charges thereof to affiliated companies €-18,302 thousand (2021: €-2,961 thousand)	[17]	-52,462	-33,979
11. Income taxes	[18]	161	-50,609
<b>12. Net profit</b>		<b>220,589</b>	<b>210,105</b>
<b>Appropriation of profit</b>			
Net profit		220,589	210,105
Profits brought forward		407	11,955
Allocation from other revenue reserves		-	-
Allocation to other revenue reserves		-110,000	-25,000
<b>Distributable profit</b>		<b>110,996</b>	<b>197,061</b>

# Notes to the financial statements of KION GROUP AG 2022 for the year ended December 31, 2022

## 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, the 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 2022 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 and equity investments 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 2021, 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 and prepaid expenses

Deferred charges and 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 deferred charges and prepaid expenses. It is amortized over the term of the bond.

## Equity

Subscribed capital is carried at its nominal amount.

## Retirement benefit obligation and similar obligations

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 2.75 percent and an assumed annual adjustment of 3.05 percent (2021: 2.75 percent) in remuneration and 2.35 percent (2021: 2.0 percent) in pensions paid, or 1.0 percent where agreed (2021: 1.0 percent). As at December 31, 2022, the discount rate used to discount the defined benefit obligation was 1.78 percent (December 31, 2021: 1.87 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 1.44 percent per annum (December 31, 2021: 1.35 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 recognized in the statement of financial position, 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.

KION GROUP AG uses the cash pool to make liquidity available to all companies that participate in the cash pool and to collect liquidity surpluses from these companies. It uses intercompany loans to cover funding requirements of subsidiaries that do not yet participate in the cash pool. Receivables from affiliated companies and equity investments with a residual maturity of more than one year totaled €433,799 thousand (December 31, 2021: €427,863 thousand). They related mainly to a fixed-rate loan made to Dematic Corporation (USA).

In addition to financial receivables, receivables from affiliated companies included trade receivables amounting to €38,669 thousand (December 31, 2021: €22,047 thousand).

Other assets included tax receivables amounting to €27,406 thousand (December 31, 2021: €21,845 thousand). This increase essentially arose because the prepayments made in 2022 exceeded the current tax expense.

## [5] Deferred charges and prepaid expenses

Deferred charges and prepaid expenses amounted to €3,546 thousand (December 31, 2021: €4,064 thousand) and included the difference between the issue amount and the settlement amount of the corporate bond issued in 2020. The discount will be amortized over the term of the bond. The amount of amortization in 2022 was €593 thousand (2021: €593 thousand). The residual carrying amount was €1,621 thousand as at December 31, 2022.

Deferred charges and prepaid expenses also included payments of €1,925 thousand made in 2022 (December 31, 2021: €1,850 thousand) that constitute an expense for subsequent years.

## [6] Equity

As at December 31, 2022, the Company's share capital amounted to €131,199 thousand (December 31, 2021: €131,199 thousand), which was fully paid up. It was divided into 131,198,647 no-par-value shares (December 31, 2021: 131,198,647), so each no-par-value share had a notional value of €1.

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 capital increase was entered in the commercial register on December 7, 2020. Consequently, the Executive Board is currently authorized by the Annual General Meeting held on July 16, 2020 to increase the Company's share capital by up to €279 thousand by issuing up to 279,353 new no-par-value bearer shares for cash (2020 Authorized Capital).

On the basis of a resolution of the Annual General Meeting on July 16, 2020, the Executive Board was authorized, in the period up to and including July 15, 2025, to issue, on one or more occasions, bearer or registered convertible and / or warrant-linked bonds and / or profit-sharing rights and / or income bonds with conversion rights or warrants and / or mandatory conversion requirements or option obligations (or a combination of these instruments) for a total par value of up to €1,000,000 thousand with or without a limited term (referred to jointly as 'debt instruments'), and to grant conversion rights / warrants to – and / or to impose mandatory conversion requirements / option obligations on – the beneficial owners of debt instruments to acquire up to 11.81 million new no-par-value bearer shares of KION GROUP AG with a pro rata amount of the share capital of up to €11,810 thousand ('2020 Authorization'). The 2020 Conditional Capital of €11,810 thousand was created to service the debt instruments. The 2020 Authorization has not been used so far.

The total number of shares outstanding as at December 31, 2022 was 131,124,771 no-par-value shares (December 31, 2021: 131,102,423 no-par-value shares). Due to the issue of 22,348 bonus shares under KEEP 2019 (2021: 15,953 bonus shares under KEEP 2018), KION GROUP AG held 73,876 treasury shares at the reporting date (December 31, 2021: 96,224). Treasury shares

accounted for 0.06 percent of the subscribed capital (December 31, 2021: 0.07 percent). The share options granted under the Employee Equity Program are not dividend-bearing and do not confer any voting rights.

As at December 31, 2022, KION Group employees held no options on no-par-value shares (December 31, 2021: 21,648) because the KEEP 2019 tranche, the most recent to be issued, expired in 2022.

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

#### Statement of changes in capital reserves

€ thousand	2022	2021
<b>Balance as at Jan. 1</b>	<b>3,860,736</b>	<b>3,860,178</b>
Capital increase	–	–
Issuance of treasury shares	315	559
Acquisition of treasury shares	–	–
<b>Balance as at Dec. 31</b>	<b>3,861,051</b>	<b>3,860,736</b>

The distribution of a dividend of €1.50 per share (2021: €0.41 per share) to the shareholders of KION GROUP AG resulted in an outflow of funds from the distributable profit of €196,654 thousand in 2022 (2021: €53,745 thousand).

An amount of €110,000 thousand was transferred to other revenue reserves from the net profit for 2022 (2021: €25,000 thousand).

## [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	31.12.2022	31.12.2021
Settlement value for retirement benefit obligation	96,078	87,747
Fair value of plan assets invested in special funds	23,120	24,137
<b>Net amount for retirement benefit obligation</b>	<b>72,957</b>	<b>63,611</b>
<b>Cost of plan assets invested in special funds</b>	<b>22,308</b>	<b>20,356</b>

During the year under review, the contributions made to the cover assets totaled €2,973 thousand (2021: €3,063 thousand). An amount of €812 thousand (2021: €3,781 thousand) arising from the difference between the cost and fair value of the cover assets 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 €5,116 thousand (2021: €6,739 thousand) and the losses arising from the cover assets amounted to €1,567 thousand (2021: income of €1,072 thousand). Interest expense of €6,683 thousand was reported in the income statement (2021: €5,667 thousand).

The difference arising from the measurement of pension obligations pursuant to section 253 (6) HGB was €5,559 thousand (2021: €7,988 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 2022, this amount was €5,629 thousand (2021: €3,400 thousand).

## [8] Other provisions

The breakdown of other provisions was as follows:

### Other provisions

€ thousand	31.12.2022	31.12.2021
Personnel	20,906	58,844
Outstanding invoices	2,203	2,653
Other	2,611	4,218
<b>Total other provisions</b>	<b>25,720</b>	<b>65,715</b>

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 [25] and [26].

## [9] Liabilities

### Liabilities

€ thousand	31.12.2022	31.12.2021
<b>Corporate Bond</b>	<b>500,000</b>	<b>500,000</b>
due within one year	–	–
due in more than one year	500,000	500,000
<b>Liabilities to banks</b>	<b>1,024,918</b>	<b>421,768</b>
due within one year	225,418	97,268
due in more than one year	799,500	324,500
<b>Trade payables</b>	<b>8,642</b>	<b>6,121</b>
due within one year	8,642	6,109
due in more than one year	–	12
<b>Liabilities to affiliated companies</b>	<b>1,411,622</b>	<b>2,035,059</b>
due within one year	1,411,622	2,035,059
due in more than one year	–	–
<b>Liabilities to other long-term investees and investors</b>	<b>121</b>	<b>120</b>
due within one year	121	120
due in more than one year	–	–
<b>Other liabilities</b>	<b>307,905</b>	<b>1,487</b>
due within one year	307,451	1,487
due in more than one year	454	–
<b>Total liabilities</b>	<b>3,253,208</b>	<b>2,964,555</b>

In 2020, KION GROUP AG launched a corporate bond program (EMTN program) with a total volume of €3 billion. The first bond was placed on the capital markets under this program in 2020 and had a nominal amount of €500,000 thousand, a maturity date in 2025, and a coupon of 1.625 percent. The difference between the issue amount and the settlement amount (discount) will be amortized over the term of the bond (see also note [5]). The bond is not collateralized.

Liabilities to banks essentially comprised promissory notes and bilateral bank loans. The latter were new, variable-rate loans taken out in 2022. They mature between 2023 and 2026 and have a total volume of €575,000 thousand, of which €100,000 thousand is due within one year.

As at December 31, 2022, the total nominal amount of the issued promissory notes was €324,500 thousand (December 31, 2021: €417,000 thousand). The promissory notes maturing in 2024, 2025, 2026, and 2027 have fixed and variable interest rates (Euribor + margin). The following table shows the nominal amounts of the promissory notes issued by KION GROUP AG:

## Terms

€ thousand	Term	Maturity	Notional amount	
			31.12.2022	31.12.2021
Promissory note	5 years	May 2022	–	92,500
Promissory note	7 years	April 2024	69,500	69,500
Promissory note	7 years	June 2025	179,500	179,500
Promissory note	7 years	April 2026	48,000	48,000
Promissory note	10 years	April 2027	27,500	27,500

KION GROUP AG has entered into an interest-rate derivative in order to hedge the interest-rate risk resulting from a fixed-rate tranche of the promissory notes (see also note [2]).

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

The commercial paper program was increased by €250,000 thousand to €750,000 thousand in April 2022. Of these funds, €305,000 thousand had been drawn down as at December 31, 2022 (December 31, 2021: €0 thousand). As the creditor structure is not known and paper was not placed on the capital markets, the program is recognized under other liabilities.

KION GROUP AG has a syndicated revolving credit facility (RCF) with a total volume of €1,385,714 thousand (December 31, 2021: €1,000,000 thousand) and a term that ends in October 2027. The facility has a variable interest rate; the contractually agreed interest terms are linked to KION GROUP AG's credit rating and to compliance with sustainability KPIs. The amount drawn down from the revolving credit facility was €114,573 thousand as at December 31, 2022 (December 31, 2021: €0 thousand).

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.

## Notes to the income statement

### [10] Revenue

Of the total revenue, most of it (€99,683 thousand; 2021: €73,103 thousand) arose from the performance of services for affiliated companies. These services comprised support and advice for these companies, e.g. in relation to procurement, financing, tax, and legal matters.

Revenue was broken down by region as follows:

### Revenue

€ thousand	2022	2021
Germany	69,416	47,268
Europe (excluding Germany)	23,934	18,256
China	4,631	5,563
Rest of world	2,113	2,576
<b>Total revenue</b>	<b>100,094</b>	<b>73,663</b>

### [11] Other operating income

Other operating income included the following items:

### Other operating income

€ thousand	2022	2021
Foreign currency exchange rate gains	71,630	20,245
Income from the reversal of provisions	12,987	2,235
Sundry operating income	594	5,353
<b>Total other operating income</b>	<b>85,212</b>	<b>27,832</b>

The foreign currency exchange rate gains largely resulted from the measurement of bank accounts and the cash pools in foreign currencies. Income was also recognized from the reversal of personnel provisions for share-based remuneration and short-term incentive commitments.

Other operating income included an amount of €520 thousand relating to services from 2021 (2021: €5,096 thousand from 2020) as a result of passing on charges for services to Group companies.

### [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 €52,500 thousand, a year-on-year reduction of €23,622 thousand. As a result of the decrease in short-term and long-term incentive commitments, the expense for share-based remuneration and short-term incentives fell to €6,745 thousand (2021: €32,118 thousand).

The Company employed 289 people as at December 31, 2022 (December 31, 2021: 279). The breakdown of the average number of employees was as follows:

### Average number of employees

	2022	2021
Employees with individually agreed remuneration	173	178
Employees covered by collective pay agreements	113	98
<b>Total employees</b>	<b>286</b>	<b>276</b>

## [14] Depreciation, amortization, and impairment of current assets, where the amount exceeds the usual level of depreciation, amortization, and impairment recognized by the corporation

The depreciation, amortization, and impairment of current assets relates to the write-off of financial receivables from Russian subsidiaries.



## [15] Other operating expenses

Other operating expenses included the following items:

### Other operating expenses

€ thousand	2022	2021
Foreign currency exchange rate losses	111,454	19,115
Expenses for other third-party services	55,542	38,153
Consultancy expenses	43,191	32,734
Ancillary personnel expenses	7,691	9,876
Insurance premiums	5,728	4,585
Rental fees	3,094	3,131
Expenses for travel and events	1,703	541
Supervisory Board remuneration	1,556	1,540
Sundry operating expenses	6,917	6,448
<b>Total other operating expenses</b>	<b>236,876</b>	<b>116,122</b>

The foreign currency exchange rate losses largely resulted from the measurement of bank accounts and cash pools in foreign currencies and from consultancy and other third-party services.

Other operating expenses included an amount of €263 thousand relating to services from other accounting periods (2021: €106 thousand).

## [16] 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 €138,266 thousand (2021: €149,974 thousand) and Linde Material Handling GmbH's profit of €172,630 thousand (2021: €179,673 thousand).

In connection with the obligation to transfer losses, there were expenses of €4,204 thousand attributable to KION Information Management Services GmbH (2021: profit transfer of €268 thousand), expenses of €793 thousand attributable to proplan Transport- und Lagersysteme GmbH (2021: profit transfer of €163 thousand), and expenses of €15 thousand attributable to KION IoT Systems GmbH (2021: expenses of €192 thousand).

## [17] Interest expense and similar charges

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

### Interest expense and similar charges

€ thousand	2022	2021
Interest paid to affiliated companies	18,302	2,961
Interest expense from the corporate bond	8,718	8,718
Interest expenses from external loan liabilities and current bank accounts	6,850	434
Unwinding of discount on provisions for pensions	6,683	5,667
Similar charges	6,350	7,356
Interest expenses from promissory notes	4,575	8,761
Other interest expenses	983	81
<b>Total interest expense and similar charges</b>	<b>52,462</b>	<b>33,979</b>

The similar charges consisted primarily of interest of €2,836 thousand on the drawdown of commercial paper (2021: interest income of €176 thousand), commitment fees of €1,825 thousand for loan facilities (2021: €3,706 thousand), and transaction costs of €1,350 thousand for increasing the revolving credit facility in the reporting year.

In 2021, interest expense had included a sum of €3,549 thousand from the early repayment of the promissory note and the related interest-rate swap.

## [18] Income taxes

KION GROUP AG recorded tax income of €161 thousand as a result of its role as the parent company of the tax group in 2022 (2021: tax expenses of €50,609 thousand). The primary reasons for the current tax income for the German tax group of KION GROUP AG in 2022 were the significant deterioration in the profit before taxes of the entities in the German tax group and the effects of a reassessment of tax circumstances from previous years.

## Other disclosures

### [19] Contingent liabilities

KION GROUP AG had contingent liabilities related to guarantees and indemnities for obligations of affiliated companies amounting to €5,410,408 thousand (December 31, 2021: €5,149,255 thousand). Of the total amount, most of it (€3,321,780 thousand; December 31, 2021: €3,135,502 thousand) resulted from leasing obligations.

The guarantees and indemnities given to affiliated companies stood at €1,884,179 thousand and those to banks and insurance companies at €3,526,228 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.

## [20] Other financial commitments

The bulk of 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.

In addition, an investment commitment was made to a limited partnership in a venture capital fund that invests in start-ups. The total investment volume amounts to €4,000 thousand over a total period of ten years and is included in the table below.

### Other financial commitments

€ thousand	2022	2021
<b>Long-term commitments</b>	<b>42,654</b>	<b>19,281</b>
due within one year	4,094	3,021
due in one to five years	12,657	9,873
due in more than five years	25,903	6,387

## [21] 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 €1,691,064 thousand as at December 31, 2022 (December 31, 2021: €1,766,801 thousand). Offsetting derivatives with a notional amount of €720,004 thousand were entered into with Group companies (December 31, 2021: €823,114 thousand). In total, there were therefore derivative transactions with a notional amount of €2,411,069 thousand (December 31, 2021: €2,589,914 thousand). This included transactions totaling €165,410 thousand that formed part of hedges (December 31, 2021: €382,798 thousand). The table below shows the breakdown of derivatives:

### Derivatives and hedge accounting

€ thousand	Fair value		Notional amount	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
<b>Foreign-currency forwards</b>				
Positive fair values	28,587	21,863	1,282,617	1,203,134
Negative fair values	-25,732	-21,908	968,952	1,177,281
<b>Interest-rate swaps</b>				
Positive fair values	553	1,987	40,000	144,500
Negative fair values	-5,105	-489	119,500	65,000
	<b>-1,697</b>	<b>1,453</b>	<b>2,411,069</b>	<b>2,589,915</b>

The fair 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 €683 thousand for negative ineffective portions (December 31, 2021: €1,453 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
<b>Hedging of currency risk using currency forwards</b>				
- Currency forwards transferred to Group companies	Currency risk	Micro-hedge	680,004	-5,755
- Intercompany loans in foreign currency	Currency risk	Micro-hedge	85,910	-226
<b>Hedging of interest-rate risk using interest-rate swaps</b>				
- Promissory notes	Interest-rate risk	Micro-hedge	79,500	4,551
- Interest-rate swaps transferred to Group companies	Interest-rate risk	Micro-hedge	40,000	-553

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.

KION GROUP AG has issued variable-rate and fixed-rate promissory notes as part of its financing (see also note [9]). 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 swap reflects the maturity profile of the hedged tranche of the promissory note and will mature in 2025.

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 €548 thousand for the negative fair values of the currency forwards entered into for this purpose (December 31, 2021: €1,423 thousand).

## [22] Members of the Executive Board and Supervisory Board

### Executive Board members

#### **Dr. Richard Robinson Smith**

Chief Executive Officer (since January 1, 2022) and Labor Relations Director (since April 1, 2022)

- Member of the Board of Directors of FLSmidth & CO A/S, Copenhagen, Denmark

#### **Anke Groth**

Chief Financial Officer and Labor Relations Director (from June 1, 2018 to March 31, 2022)

#### **Marcus A. Wassenberg**

Chief Financial Officer (since January 1, 2023)

#### **Hasan Dandashly**

President KION Supply Chain Solutions (since January 1, 2021)

#### **Andreas Krinninger**

President 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
- Member of the Supervisory Board of Schöler Fördertechnik AG, Rheinfeldern, Germany (until March 2022)

#### **Dr. Henry Puhl**

Chief Technology Officer (since July 1, 2021)

- Member of the Board of Directors of Linde (China) Forklift Truck Corp., 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
- Member of the Shareholders' Advisory Board of KION Battery Systems GmbH, Karlstein, Germany
- Member of the Advisory Board of JULI Motorenwerk s.r.o., Moravany, Czech Republic

#### **Ching Pong Quek**

President KION ITS Asia Pacific & Americas (since January 11, 2013)

- Chairman of the Board of Directors of KION South Asia Pte Ltd., Singapore, Singapore
- Chairman of the Board of Directors of KION ASIA (HONG KONG) Ltd., Hong Kong, People's Republic of China
- 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 Asia Pacific Pte. Ltd., Singapore, Singapore
- 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
- Chairman of the Board of Directors of KION Baoli (Jiangsu) Forklift Co., Ltd., Jiangsu, People's Republic of China
- Chairman of the Board of Directors of KION India Pvt. Ltd., Pune, India
- 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
- Chairman of the Board of Directors of Linde (China) Forklift Truck Corp., Ltd., Xiamen, People's Republic of China
- 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
- Member of the Board of Directors of Anhui Hayuan X Drive Tech Co., Ltd., Shanghai, People's Republic of China

## Supervisory Board members

### **Dr. Michael Macht (since October 9, 2018)**

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

Freelance management consultant

- Member of the Supervisory Board of Mahle Behr GmbH & Co. KG, Stuttgart, Germany
- Member of the Board of Directors of McLaren Group Limited, Woking, United Kingdom
- Member of the Supervisory Board of Mahle GmbH, Stuttgart, Germany
- Chairman of the Administrative Board of Rosenberger Hochfrequenztechnik GmbH & Co. KG, Tittmoning, Germany
- Member of the Board of Directors of Weichai Power Co., Ltd., Weifang, People's Republic of China

### **Özcan Pancarci<sup>1</sup> (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

Chairman of the Plants I and II Works Council of Linde Material Handling GmbH

Deputy Chairman of the European Works Council of the KION Group

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<sup>1</sup> Employee representative

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

**Birgit A. Behrendt (since January 1, 2015)**

Member of the Supervisory Board and freelance management consultant

- Member of the Supervisory Board of Umicore SA, Brussels, Belgium
- Member of the Board of Directors of Infinium Holdings, Inc., Sacramento, USA
- Member of the Supervisory Board of Ford Werke GmbH, Cologne, Germany
- Member of the Advisory Board of Hydrogenious LOHC Technologies GmbH, Erlangen, Germany
- Member of the Administrative Board of Stulz Verwaltungsgesellschaft mbH & Co. KG, Hamburg, Germany
- Member of the Supervisory Board of thyssenkrupp AG, Essen, Germany

**Jan Bergemann<sup>1</sup> (since May 11, 2022)**

Senior Director Central Order Desk KION ITS EMEA at STILL Gesellschaft mit beschränkter Haftung, Hamburg

**Stefan Casper<sup>1</sup> (from May 11, 2017 to May 11, 2022)**

Chairman of the Works Council of KION Warehouse Systems GmbH  
Member of the Group Works Council of the German KION Group

**Dr. Alexander Dibelius (since March 12, 2007)**

Managing Partner at CVC Capital Partners (Deutschland) GmbH

- Member and Chairman of the Board of Directors 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 ironSource Mobile Ltd., Tel Aviv, Israel (until January 2022)
- Member of the Supervisory Board of Kirk Beauty Investments S.A., Luxembourg
- Member of the Advisory Board of Messer Industries GmbH, Bad Soden, Germany
- Member of the Advisory Board of Messer Industries USA Inc., Bridgewater, USA
- Member of the Supervisory Board of Syntegon Technology GmbH, Waiblingen, Germany
- Member of the Shareholders' Committee of Tipico Group Ltd., St. Giljan, Malta

**Martin Fahrendorf<sup>1</sup> (since May 10, 2018)**

Chairman of the Works Council of Dematic GmbH and Dematic Services GmbH

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<sup>1</sup> Employee representative



**Jiang Kui (since December 27, 2012)**

President of Shandong Heavy Industry Group Co., Ltd.

- Member of the Board of Directors of Ballard Power Systems Inc., Burnaby, Canada
- 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 (until June 10, 2022)
- Member of the Board of Directors of SINOTRUK (Hong Kong) Limited, Hong Kong, People's Republic of China (until December 5, 2022)
- 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<sup>1</sup> (from September 1, 2014 to May 11, 2022)**

Trade Union Secretary on the National Executive of IG Metall

- Member of the Supervisory Board of STILL Gesellschaft mit beschränkter Haftung, Hamburg, Germany (until February 10, 2022)

**Dominique Lembke<sup>1</sup> (since May 11, 2022)**

Head of Collective Bargaining at IG Metall District Office for the Coast, Hamburg

- Member of the Supervisory Board of STILL Gesellschaft mit beschränkter Haftung, Hamburg, Germany (since February 10, 2022)

**Thomas Mainka<sup>1</sup> (since May 11, 2022)**

Full-time works council chairman for the Hamburg/Bremen main branch at STILL Gesellschaft mit beschränkter Haftung

Member of the Group Works Council of the German KION Group

- Member of the Supervisory Board of STILL Gesellschaft mit beschränkter Haftung, Hamburg, Germany (since February 10, 2022)

**Jörg Milla<sup>1</sup> (since November 16, 2015)**

Chairman of the Works Council of STILL Gesellschaft mit beschränkter Haftung

- Member and Deputy Chairman of the Supervisory Board of STILL Gesellschaft mit beschränkter Haftung, Hamburg, Germany

**Dr. Christina Reuter (since May 12, 2016)**

Head of Digitalization in Operations at Airbus Defence and Space GmbH

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<sup>1</sup> Employee representative

**Hans Peter Ring (since June 9, 2013)**

Freelance management consultant

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

**Alexandra Schädler<sup>1</sup> (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

- 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<sup>2</sup> (from May 11, 2017 to May 11, 2022)**

Senior Vice President of Operations at Linde Material Handling GmbH  
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.

- Chairman of the Board of Directors of Weichai Lovol Intelligent Agricultural Technology Co., Ltd., Weifang, People's Republic of China (since August 30, 2022)
- 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 Shaanxi Fast Gear Co., Ltd., Jinan, People's Republic of China
- Chairman of the Board of Directors of China National Heavy Duty Truck Group Co., Ltd., Jinan, People's Republic of China
- 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 of Weichai Power Co., Ltd., Weifang, People's Republic of China

**Claudia Wenzel<sup>1</sup> (since November 1, 2016)**

Full-time works council member, headquarters and plant 2 at Linde Material Handling GmbH

**Xu Ping (since January 1, 2015)**

Senior Partner and member of the Management Committee at law firm King & Wood Mallesons

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<sup>1</sup> Employee representative

<sup>2</sup> Executive representative

## [23] 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 €12,439 thousand in 2022 (2021: €19,613 thousand). This consisted of short-term remuneration amounting to €6,826 thousand (2021: €12,448 thousand) and share-based payments of €5,613 thousand (2021: €7,165 thousand).

The fair value of the share-based payments at their individual grant dates amounted to €5,613 thousand (2021: €7,165 thousand).

In 2022, a termination agreement was entered into with a member of the Executive Board, who stepped down at the end of March 31, 2022. The benefits for this member are included in the aforementioned remuneration. In 2022, KION GROUP AG recognized a provision of €400 thousand for the contractually agreed granting of commitments beyond December 31, 2022.

As at December 31, 2022, 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 €1,454 thousand (2021: €1,445 thousand).

There were pension provisions of €25,071 thousand for former members of the Executive Board of KION GROUP AG and its legal predecessors as at the reporting date (December 31, 2021: €12,484 thousand). The payments made in 2022 totaled €431 thousand (2021: €266 thousand).

Disclosures regarding the remuneration paid to the individual members of the Executive Board and the Supervisory Board are published on the website of KION GROUP AG.

## [24] KEEP Employee Equity Program

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.

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. The most recent active program, KEEP 2019, expired in 2022. There are no other programs currently running.

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

	2022	2021
<b>Balance as at Jan. 1</b>	<b>23,411</b>	<b>40,529</b>
Granted bonus shares	–	–
Exercised bonus shares	–22,348	–15,953
Forfeited bonus shares	–1,063	–1,165
<b>Balance as at Dec. 31</b>	<b>–</b>	<b>23,411</b>

The holding period for KEEP 2019 ended on October 2, 2022 and the bonus shares were issued to the eligible employees at no cost.

In 2022, an expense totaling €14 thousand was recognized for free shares and bonus shares in connection with the Employee Equity Program (2021: €22 thousand).

### [25] KION performance share plan (PSP) for managers

The 2022 tranche of the long-term, variable remuneration component for the managers in the KION Group (LTI 2022) was granted with effect from January 1, 2022 and has a term of three years. For the 2022 tranche, 50 percent of the remuneration component (2020 and 2021 tranches: 50 percent) measured over the long term is based on the total shareholder return (TSR) of KION GROUP AG shares compared with the performance of the MDAX index (market-oriented measure of performance) and 30 percent (2020 and 2021 tranches: 50 percent) is based on return on capital employed (ROCE) (internal measure of performance). Starting with the 2022 tranche, 20 percent of the performance share plan is now linked to the achievement of ESG targets. The plan also depends on the performance of KION GROUP AG shares during the relevant period.

The performance period for the 2022 tranche ends on December 31, 2024 (2021 tranche: December 31, 2023). The 2020 tranche expired on December 31, 2022 and will be paid out in the first quarter of 2023.

At the beginning of the performance period on January 1, 2022 (2021 tranche: January 1, 2021; 2020 tranche: January 1, 2020), the managers were allocated a total of 51,397 phantom shares for this tranche (2021 tranche: 43,409 phantom shares; 2020 tranche: 53,518 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 2022	Tranche 2021
Expected volatility of KION shares	50.0%	65.0%
Expected volatility of the MDAX Index	25.0%	25.0%
Risk-free interest rate	2.38%	2.23%
Expected dividend	0.75 €	0.30 €
Value of a KION shares as at valuation date	27.03 €	27.03 €
Value of the MDAX index as at valuation date	25,486.65 points	25,486.65 points
Starting price of KION shares (60-days-average)	94.32 €	71.20 €
Starting value of the MDAX Index (60-days-average)	34,820.06 points	28,518.18 points

Taking account of the remaining term of two years (2022 tranche) and one year (2021 tranche), the historic volatility of KION shares was used to determine the volatility on which the valuation is based. As at December 31, 2022, the fair value of one phantom share was €10.41 for the 2021 tranche (December 31, 2021: €76.53) and €12.51 for the 2022 tranche.

On that date, the total fair value was €427 thousand for the 2021 tranche based on 41,010 phantom shares (December 31, 2021: €3,376 thousand) and €658 thousand for the 2022 tranche based on 52,600 phantom shares. The amount of €197 thousand that is expected to be paid out for the 2020 tranche (2021: €4,972 thousand for the 2019 tranche) was calculated on the basis of a preliminary total target achievement rate.

In March 2022, a payment from the 2019 tranche was made on the basis of the achievement of the long-term targets that were defined in 2019 at the start of the performance period.

The total carrying amount for liabilities in connection with share-based remuneration was €701 thousand as at December 31, 2022 (December 31, 2021: €9,219 thousand). Of this amount, €197 thousand related to the 2020 tranche (December 31, 2021: €3,122 thousand), €285 thousand to the 2021 tranche (December 31, 2021: €1,125 thousand), and €219 thousand to the 2022 tranche. In 2021, there had also been an amount of €4,972 thousand relating to the 2019 tranche. In 2022, income of €2,892 thousand in respect of the 2020 tranche (2021: expense of €2,207 thousand), pro rata income for twelve months of €834 thousand for the 2021 tranche (2021: expense of €1,115 thousand), and an expense of €224 thousand for the 2022 tranche were recognized. Furthermore, an expense of €2,841 thousand for the 2019 tranche had been recognized in 2021.

## [26] 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 financial performance targets for the 2022 tranche are the relative total shareholder return (TSR) for the shares of KION GROUP AG compared with the MDAX (market-oriented measure of financial performance), with a weighting of 40 percent (2020 tranche: 50 percent; 2021 tranche: 40 percent), and return on capital employed (ROCE) (internal measure of financial performance), with a weighting of 40 percent (2020 tranche: 50 percent; 2021 tranche: 40 percent). Starting with the 2021 tranche, 20 percent of the performance share plan is linked to the achievement of ESG targets. The plan also depends on the performance of KION GROUP AG shares during the relevant period.

The performance period for the 2022 tranche ends on December 31, 2024 (2021 tranche: December 31, 2023).

At the beginning of the performance period on January 1, 2022 (2021 tranche: January 1, 2021; 2020 tranche: January 1, 2020), the Executive Board members were allocated a total of 56,333 phantom shares for this tranche (2021 tranche: 96,785 phantom shares; 2020 tranche: 76,656 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 2022	Tranche 2021
Expected volatility of KION shares	50.0%	65.0%
Expected volatility of the MDAX Index	25.0%	25.0%
Risk-free interest rate	2.38%	2.23%
Expected dividend	0.75 €	0.30 €
Value of a KION shares as at valuation date	27.03 €	27.03 €
Value of the MDAX index as at valuation date	25,486.65 points	25,486.65 points
Starting price of KION shares (60-days-average)	94.32 €	71.20 €
Starting value of the MDAX Index (60-days-average)	34,820.06 points	28,518.18 points

Taking account of the remaining term of two years (2022 tranche) and one year (2021 tranche), the historic volatility of KION shares was used to determine the volatility on which the valuation is based.

As at December 31, 2022, the fair value of one phantom share was €13.45 for the 2021 tranche (December 31, 2021: €78.76) and €13.07 for the 2022 tranche. On that date, the total fair value was €972 thousand for the 2021 tranche based on 72,284 phantom shares (December 31, 2021: €5,786 thousand) and €736 thousand for the 2022 tranche based on 56,333 phantom shares.

The total carrying amount for liabilities in connection with share-based remuneration was €1,334 thousand as at December 31, 2022 (December 31, 2021: €16,191 thousand). Of this amount, €220 thousand related to the 2020 tranche (December 31, 2021: €4,626 thousand), €847 thousand to the 2021 tranche (December 31, 2021: €2,491 thousand), and €267 thousand to the 2022 tranche. In 2021, there had also been an amount of €9,074 thousand relating to the 2019 tranche. In 2022, income of €4,406 thousand in respect of the 2020 tranche (2021: expense of €3,192 thousand), pro rata income for twelve months of €1,644 thousand for the 2021 tranche (2021: expense of €2,491 thousand), and an expense of €267 thousand for the 2022 tranche were recognized. Furthermore, an expense of €5,321 thousand for the 2019 tranche had been recognized in 2021.

## [27] 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](http://www.hkexnews.hk)) and the company ([www.weichaipower.com](http://www.weichaipower.com)).

## [28] 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 in the consolidated financial statements and paid to the auditors of the consolidated financial statements in 2022 amounted to €2.2 million (2021: €2.3 million) for the audit of the financial statements, €0.3 million (2021: €0.5 million) for other advisory services, €0.0 million (2021: €0.0 million) for tax consultancy services, and €0.0 million (2021: €0.0 million) for other services.

## [29] Events after the reporting date

We are not aware of any reportable events after the end of the financial year.

### [30] Affiliated companies and equity investments

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

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

In December 2022, the Executive Board and Supervisory Board of KION GROUP AG submitted their declaration of conformity for 2022 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](https://www.kiongroup.com/en/About-us/Management/#text_picture_corporate_governance).



## [32] 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 February 22, 2023. 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 February 22, 2023 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 2022/2023

	1	2	3
<b>Details of person subject to notification obligation</b>	DWS Investment GmbH	BlackRock, Inc	Invesco Ltd.
<b>Reason for notification</b>	Other reason: Equity collateral received	Acquisition/disposal of shares with voting rights	Acquisition/disposal of shares with voting rights
<b>Names of shareholders holding directly 3% or more voting rights (if different from person subject to notification obligation)</b>	—	—	—
<b>Date on which threshold was crossed or reached</b>	April 13, 2022	November 30, 2022	November 1, 2022
<b>Percentage of voting rights attached to shares at the time of previous notification</b>	3.02 %	3.14 %	3.00 %
<b>New percentage of voting rights attached to shares (excess/shortfall)</b>	2.77% (shortfall)	1.96% (shortfall)	3.15% (excess)
<b>Total voting rights</b>	131,198,647	131,198,647	131,198,647
<b>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)</b>	—	—	—
<b>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)</b>	2.77% (3,629,685 voting rights)	1.96% (2,569,696 voting rights)	3.15% (4,134,983 voting rights)
<b>Complete chain of subsidiaries, beginning with the ultimate controlling company (and specification of voting rights in %, where indicated)</b>	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 2

FN 1:  
BlackRock, Inc.; Trident Merger LLC, BlackRock Investment Management, LLC  
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BlackRock, Inc., BlackRock Holdco 2, Inc., BlackRock Financial Management, Inc.

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BlackRock, Inc., Trident Merger LLC, BlackRock Investment Management, LLC, Amethyst Intermediate LLC, Aperio Holdings LLC, Aperio Group, LLC

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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

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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

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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,

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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

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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

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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

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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

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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

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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

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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,

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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

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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 Asset Management Deutschland AG

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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 Asset Management Deutschland AG, iShares (DE) I Investmentaktiengesellschaft mit Teilgesellschaftsvermögen

FN 2:

Invesco Ltd., Invesco Holding Company Limited, Invesco Inc., Invesco Canada Ltd.

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Invesco Ltd., Invesco UK Limited, Invesco Asset Management Limited,

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Invesco Ltd., Invesco Holding Company Limited, Invesco Holding Company (US), Inc., Oppenheimer Acquisition Corporation, OppenheimerFunds, Inc., Invesco Group Services, Inc., Invesco Capital Management LLC

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Invesco Ltd., Invesco Holding Company Limited, Invesco Holding Company (US), Inc., Oppenheimer Acquisition Corporation, OppenheimerFunds, Inc., Invesco Group Services, Inc., Invesco Advisers, Inc.

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Invesco Ltd., Invesco Holding Company Limited, Invesco Far East Limited, Invesco Asset Management (Japan) Limited

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Invesco Ltd., Invesco Holding Company Limited, Invesco Pacific Group Limited, Invesco Asset Management Pacific Limited, Invesco Hong Kong Limited

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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 33 (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
<b>Party subject to notification requirement</b>	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
<b>Date on which threshold was crossed or reached</b>	February 16, 2015	February 16, 2015	February 16, 2015
<b>Notification threshold; whether shareholding was higher or lower</b>	50%; lower	50%; lower	50%; lower
<b>Share and number of voting rights</b>	47.23% (46,712,186 voting rights)	47.23% (46,712,186 voting rights)	47.23% (46,712,186 voting rights)
<b>Of which attributable pursuant to section 22 (1) sentence 1 no. 1 WpHG old</b>	–	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
<b>Of which attributable pursuant to section 22 (1) sentence 1 no. 6 WpHG old (if applic. in conjunction with sentence 2)</b>	–	–	–
<b>Of which attributable pursuant to section 22 (2) WpHG old</b>	13.93% (13,778,486 voting rights) held by Superlift Holding S.à.r.l.	13.93% (13,778,486 voting rights) held by Superlift Holding S.à.r.l.	13.93% (13,778,486 voting rights) held by 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

## Notification of voting rights 2015/2016

	4	5	6
<b>Party subject to notification requirement</b>	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
<b>Date on which threshold was crossed or reached</b>	February 16, 2015	February 16, 2015	February 16, 2015
<b>Notification threshold; whether shareholding was higher or lower</b>	50%; lower	50%; lower	50%; lower
<b>Share and number of voting rights</b>	47.23% (46,712,186 voting rights)	47.23% (46,712,186 voting rights)	47.23% (46,712,186 voting rights)
<b>Of which attributable pursuant to section 22 (1) sentence 1 no. 1 WpHG old</b>	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
<b>Of which attributable pursuant to section 22 (1) sentence 1 no. 6 WpHG old (if applic. in conjunction with sentence 2)</b>	–	–	–
<b>Of which attributable pursuant to section 22 (2) WpHG old</b>	13.93% (13,778,486 voting rights) held by Superlift Holding S.à.r.l.	13.93% (13,778,486 voting rights) held by Superlift Holding S.à.r.l.	13.93% (13,778,486 voting rights) held by 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

### [33] Proposal for the appropriation of profit

The Executive Board and the Supervisory Board will propose to the Annual General Meeting to be held on May 17, 2023 that an amount of €24,914 thousand be appropriated from the distributable profit of KION GROUP AG for the 2022 financial year of €110,996 thousand for the payment of a dividend of €0.19 per dividend-bearing share. It is also proposed that a further sum of €85,000 thousand be transferred to other revenue reserves and that €1,082 thousand be carried forward to the next accounting period.

Frankfurt am Main, February 22, 2023

The Executive Board



Dr. Richard Robinson Smith



Marcus A. Wassenberg



Hasan Dandashly



Andreas Krininger



Dr. Henry Puhl



Ching Pong Quek

## Statement of changes in non-current assets for 2022 (annex to the notes to the financial statements)

## Summary of fixed assets 2022

€ thousand	Gross carrying amount				Balance as at 31.12.2022
	Balance as at 01.01.2022	Additions	Disposals	Reclassifications	
<b>Intangible assets</b>					
Concessions, trademarks and similar rights and values as well as licenses in such rights and values	2	0	0	0	2
<b>Total intangible assets</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>
<b>Property, plant and equipment</b>					
Land and buildings	1,330	0	0	0	1,330
Office furniture and equipment	2,968	39	0	0	3,007
Advances paid and assets under construction	0	0	0	0	0
<b>Total property, plant and equipment</b>	<b>4,298</b>	<b>39</b>	<b>0</b>	<b>0</b>	<b>4,337</b>
<b>Financial assets</b>					
Investments in affiliated companies	4,235,707	0	0	0	4,235,707
Equity Investments	2,513	0	0	0	2,513
<b>Total financial assets</b>	<b>4,238,220</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,238,220</b>
<b>Total non-current assets</b>	<b>4,242,520</b>	<b>39</b>	<b>0</b>	<b>0</b>	<b>4,242,559</b>

## Summary of fixed assets 2022

€ thousand	Accumulated amortization				Carrying amount		
	Balance as at 01.01.2022	Additions	Disposals	Reclassifications	Balance as at 31.12.2022	Balance as at 31.12.2022	Balance as at 31.12.2021
<b>Intangible assets</b>							
Concessions, trademarks and similar rights and values as well as licenses in such rights and values	2	0	0	0	2	0	0
<b>Total intangible assets</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>0</b>
<b>Property, plant and equipment</b>							
Land and buildings	495	141	0	0	636	694	836
Office furniture and equipment	1,950	233	0	0	2,183	824	1,017
Advances paid and assets under construction	0	0	0	0	0	0	0
<b>Total property, plant and equipment</b>	<b>2,445</b>	<b>374</b>	<b>0</b>	<b>0</b>	<b>2,819</b>	<b>1,518</b>	<b>1,853</b>
<b>Financial assets</b>							
Investments in affiliated companies	0	0	0	0	0	4,235,707	4,235,707
Equity Investments	0	0	0	0	0	2,513	2,513
<b>Total financial assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,238,220</b>	<b>4,238,220</b>
<b>Total non-current assets</b>	<b>2,447</b>	<b>374</b>	<b>0</b>	<b>0</b>	<b>2,821</b>	<b>4,239,738</b>	<b>4,240,073</b>

## List of shareholdings as at December 31, 2022 (annex to the notes to the financial statements)

The companies' equity and net profit (loss) are reported as at December 31, 2022 and for the 2022 financial year respectively in accordance with IFRS, unless otherwise indicated.

### Investments in affiliated companies

Name	Registered office	Country	Share-holding	Equity, (€ thousand)	Net profit (loss) (€ thousand)	Note
<b>Domestic:</b>						
BlackForxx GmbH	Stuhr	Germany	100.0%	-1,423	-130	[A]
Comnovo GmbH	Dortmund	Germany	100.0%	2,345	1,512	[1], [4]
Dematic GmbH	Heusenstamm	Germany	100.0%	7,818	-43,501	
Dematic Holdings GmbH	Frankfurt am Main	Germany	100.0%	3,543,544	0	[B]
Dematic Logistics GmbH	Heusenstamm	Germany	100.0%	8,615	947	
Dematic Services GmbH	Heusenstamm	Germany	100.0%	57,095	2,123	[C]
Eisengießerei Dinklage GmbH	Dinklage	Germany	100.0%	7,033	-23	[A]
Eisenwerk Weilbach GmbH	Frankfurt am Main	Germany	100.0%	287	0	[D]
Fahrzeugbau GmbH Geisa	Geisa	Germany	100.0%	7,441	-7	[A]
Hans Joachim Jetschke Industriefahrzeuge (GmbH & Co.) KG	Hamburg	Germany	100.0%	19,296	3,348	
JETSCHKE GmbH	Hamburg	Germany	100.0%	97	3	[1], [4]
KION Battery Systems GmbH	Karlstadt am Main	Germany	50.0%	3,885	3,475	
KION Financial Services GmbH	Frankfurt am Main	Germany	100.0%	2,135	106	[D]
KION Information Management Services GmbH	Frankfurt am Main	Germany	100.0%	13,793	2,554	[B]
KION IoT Systems GmbH	Frankfurt am Main	Germany	100.0%	25	0	[4], [B]
KION Warehouse Systems GmbH	Reutlingen	Germany	100.0%	48,301	2,818	[A]
Linde Material Handling GmbH	Aschaffenburg	Germany	100.0%	645,985	14,275	[B]
Linde Material Handling Rhein-Ruhr GmbH & Co. KG	Essen	Germany	100.0%	23,312	6,378	
Linde Material Handling Rhein-Ruhr Verwaltungs-GmbH	Essen	Germany	100.0%	56	1	[1], [4]
Linde Material Handling Rental Services GmbH	Aschaffenburg	Germany	100.0%	23	0	[D]
LMH Immobilien GmbH & Co. KG	Aschaffenburg	Germany	99.6%	26,700	-116	
LMH Immobilien Holding GmbH & Co. KG	Aschaffenburg	Germany	94.0%	2,213	207	
LMH Immobilien Holding Verwaltungs-GmbH	Aschaffenburg	Germany	100.0%	36	-2	
LMH Immobilien Verwaltungs-GmbH	Aschaffenburg	Germany	100.0%	35	-1	



## Investments in affiliated companies

Name	Registered office	Country	Shareholding	Equity, (€ thousand)	Net profit (loss) (€ thousand)	Note
LR Intralogistik GmbH	Wörth a. d. Isar	Germany	100.0%	12,911	-257	[A]
OM Deutschland GmbH	Neuhausen a. d. Fildern	Germany	100.0%	-2,896	-29	[1], [4], [8]
proplan Transport- und Lagersysteme GmbH	Aschaffenburg	Germany	100.0%	573	0	[4], [B]
Schrader Industriefahrzeuge Verwaltung GmbH	Essen	Germany	100.0%	110	1	[1], [4]
STILL Financial Services GmbH	Hamburg	Germany	100.0%	14,986	5,768	[E]
STILL Gesellschaft mit beschränkter Haftung	Hamburg	Germany	100.0%	411,990	9,761	[D]
Urban-Transporte Gesellschaft mit beschränkter Haftung	Unterschleißheim	Germany	100.0%	2,811	-1,102	[D]
Willenbrock Fördertechnik Beteiligungs-GmbH	Bremen	Germany	74.0%	48	22	[1], [4]
Willenbrock Fördertechnik Beteiligungs-GmbH	Hannover	Germany	74.0%	38	13	[1], [4]
Willenbrock Fördertechnik GmbH & Co. KG	Bremen	Germany	74.0%	-	-	[5]
Willenbrock Fördertechnik GmbH & Co. KG	Hannover	Germany	74.0%	-	-	[5]
Willenbrock Fördertechnik Holding GmbH	Bremen	Germany	74.0%	27,909	8,538	
<b>Foreign:</b>						
Actil Kungstro AB	Linköping	Sweden	100.0%	-	-	[7]
Actil Warehouse Trucks AB	Linköping	Sweden	100.0%	4,764	0	
AUSTRO OM PIMESPO Fördertechnik GmbH	Linz	Austria	100.0%	12,858	1,121	
Baoli EMEA S.p.A.	Lainate	Italy	100.0%	7,630	1,092	
BARTHELEMY MANUTENTION SAS	Vitrolles	France	100.0%	5,077	3,625	
Bastide Manutention SAS	Bruguières	France	100.0%	6,759	2,371	
Bretagne Manutention SAS	Pacé	France	100.0%	10,805	8,484	
Castle Lift Trucks Ltd.	Basingstoke	United Kingdom	100.0%	839	0	[1], [4], [8]
Creighton Materials Handling Ltd.	Basingstoke	United Kingdom	100.0%	538	0	[1], [4], [8]
D.B.S. Brand Factors Ltd.	Basingstoke	United Kingdom	100.0%	0	0	[1], [4], [8]
DAI Software Technology (Shanghai) Co. Ltd.	Shanghai	People's Republic of China	100.0%	-	-	[6]
Dematic (Malaysia) Sdn. Bhd.	Petaling Jaya	Malaysia	100.0%	2,732	-23	
Dematic Corp.	Grand Rapids	United States	100.0%	-782	69,908	
Dematic Group Ltd.	Banbury	United Kingdom	100.0%	21,100	-7,830	
Dematic Group S.à r.l.	Luxembourg	Luxembourg	100.0%	3,892,119	182,842	
Dematic Holdings Pty. Ltd.	Belrose	Australia	100.0%	11,378	4,906	
Dematic Holdings UK Ltd.	Banbury	United Kingdom	100.0%	836,000	-4,676	
Dematic International Trading Ltd.	Shanghai	People's Republic of China	100.0%	19,557	1,195	
Dematic Korea Ltd.	Seoul	South Korea	100.0%	-806	-1,110	

## Investments in affiliated companies

Name	Registered office	Country	Shareholding	Equity, (€ thousand)	Net profit (loss) (€ thousand)	Note
Dematic Logistic Systems S.A.U.	Coslada	Spain	100.0%	34,364	-2,077	
Dematic Logistics de Mexico S. de R.L. de C.V.	Monterrey	Mexico	100.0%	-2,340	-1,089	
Dematic Logistics Systems Ltd.	Suzhou	People's Republic of China	100.0%	12,365	181	
Dematic Ltd.	Banbury	United Kingdom	100.0%	-11,870	-45,888	
Dematic Ltd.	Mississauga	Canada	100.0%	1,288	-16,442	
Dematic NV	Antwerp	Belgium	100.0%	92,030	-2	
Dematic Poland Sp. z o.o.	Poznań	Poland	100.0%	125	40	
Dematic Pte. Ltd.	Singapore	Singapore	100.0%	12,919	911	
Dematic Pty. Ltd.	Belrose	Australia	100.0%	56,701	9,109	
Dematic S.r.l.	Cernusco sul Naviglio	Italy	100.0%	46,891	-12,981	
Dematic SAS	Bussy-Saint-Georges	France	100.0%	3,942	-3,176	
Dematic Sistemas e Equipamentos de Movimentação de Materiais Ltda.	Indaiatuba / São Paulo	Brazil	100.0%	-1,858	1,086	
Dematic Suisse Sagl	Lugano	Switzerland	100.0%	-69	8	
Dematic Trading de Mexico S. de R.L. de C.V.	Monterrey	Mexico	100.0%	-24,008	-5,430	
Digital Applications GmbH	Basel	Switzerland	100.0%	690	-509	
Digital Applications International B.V.	Bussum	Netherlands	100.0%	0	0	[4], [8]
Digital Applications International Ltd.	Stockport	United Kingdom	100.0%	29,776	7,306	
DMTC Technology Services, S. de R.L. de C.V.	Monterrey	Mexico	100.0%	-3,519	-249	
Egemin Asia Pacific Automation Ltd.	Causeway Bay - Hong Kong	People's Republic of China	100.0%	-269	-29	
Emhilia Material Handling S.p.A.	Modena	Italy	100.0%	6,184	-195	
FENWICK FINANCIAL SERVICES SAS	Elancourt	France	100.0%	12,037	2,620	
FENWICK-LINDE OPERATIONS SAS	Cenon-sur-Vienne	France	100.0%	12,918	-24,945	
FENWICK-LINDE SAS	Elancourt	France	100.0%	245,117	48,544	
Fork Truck Rentals Ltd.	Basingstoke	United Kingdom	100.0%	238	0	[1], [4], [8]
Fork Truck Training Ltd.	Basingstoke	United Kingdom	100.0%	0	0	[1], [4], [8]
Ha-Ma Ubbarp AB	Mjölby	Sweden	100.0%	-	-	[7]
Ha-Ma Verken AB	Mjölby	Sweden	100.0%	-	-	[7]
IBER-MICAR S.L.U.	Gavà	Spain	100.0%	7,011	824	[4]
KION (Jinan) Forklift Co., Ltd.	Jinan	People's Republic of China	95.0%	70,688	-6,965	
KION ASIA (HONG KONG) Ltd.	Kwai Chung - Hong Kong	People's Republic of China	100.0%	43,854	-5	

## Investments in affiliated companies

Name	Registered office	Country	Shareholding	Equity, (€ thousand)	Net profit (loss) (€ thousand)	Note
KION Baoli (Jiangsu) Forklift Co., Ltd.	Jingjiang	People's Republic of China	100.0%	51,308	9,980	
KION Business Services Polska Sp. z o.o.	Kraków	Poland	100.0%	2,654	394	
KION FINANCIAL SERVICES Ltd.	Basingstoke	United Kingdom	100.0%	29,856	8,495	
KION France SERVICES SAS	Elancourt	France	100.0%	447,833	98,447	
KION Financial Services Sweden AB	Örebro	Sweden	100.0%	4,587	1,497	
KION India Pvt. Ltd.	Pune	India	100.0%	21,112	978	
KION North America Corp.	Summerville	United States	100.0%	-31,071	-30,372	
KION Polska Sp. z o.o.	Kolbaskowo	Poland	100.0%	37,900	-3,135	
KION Regional Distribution Center EEU, s.r.o. (formerly: Linde Material Handling Parts Distribution CZ s.r.o.)	Český Krumlov	Czech Republic	100.0%	18,236	6,164	
KION Regional Distribution Center Nordics AB	Jonköping	Sweden	100.0%	1,655	-756	
KION Rental Services S.A.U.	Barcelona	Spain	100.0%	17,011	5,375	
KION Rental Services S.p.A.	Milan	Italy	100.0%	68,047	19,692	
KION South America Fabricação de Equipamentos para Armazenagem Ltda.	Indaiatuba / São Paulo	Brazil	100.0%	44,960	5,324	
KION South Asia Pte. Ltd.	Singapore	Singapore	100.0%	3,415	934	
KION Supply Chain Solutions Czech, s.r.o.	Kostelec (Stříbro)	Czech Republic	100.0%	8,695	1,184	
Lancashire (Fork Truck) Services Ltd.	Basingstoke	United Kingdom	100.0%	0	0	[1], [4], [8]
Lansing Bagnall (Aust.) Pty. Ltd.	Huntingwood	Australia	100.0%	1,584	-2	[3], [4], [8]
Lansing Linde Ltd.	Basingstoke	United Kingdom	100.0%	119	0	[1], [4], [8]
Lansing Linde Triflik Ltd.	Basingstoke	United Kingdom	100.0%	0	0	[1], [4], [8]
Linde (China) Forklift Truck Corporation Ltd.	Xiamen	People's Republic of China	100.0%	251,237	39,971	
Linde Castle Ltd.	Basingstoke	United Kingdom	100.0%	12	0	[1], [4], [8]
Linde Creighton Ltd.	Basingstoke	United Kingdom	100.0%	0	0	[1], [4], [8]
Linde Heavy Truck Division Ltd.	Basingstoke	United Kingdom	100.0%	6,400	-42	[4]
Linde Holdings Ltd.	Basingstoke	United Kingdom	100.0%	165,831	-3,039	
Linde Jewsbury's Ltd.	Basingstoke	United Kingdom	100.0%	0	0	[1], [4], [8]
Linde Magyarország Anyagmozgatási Kft.	Dunaharaszti	Hungary	100.0%	995	1,809	
Linde Material Handling (Ireland) Ltd.	Ballymount (Dublin)	Ireland	100.0%	-7,246	-1,077	
Linde Material Handling (Malaysia) Sdn. Bhd.	Petaling Jaya	Malaysia	100.0%	-4,039	-309	[1], [4]

## Investments in affiliated companies

Name	Registered office	Country	Shareholding	Equity, (€ thousand)	Net profit (loss) (€ thousand)	Note
Linde Material Handling (Pty) Ltd.	Linbro Park	South Africa	100.0%	5,556	636	
Linde Material Handling (Thailand) Co., Ltd.	Pathum Thani	Thailand	100.0%	-2,135	-1,337	
Linde Material Handling (UK) Ltd.	Basingstoke	United Kingdom	100.0%	117,716	7,357	
Linde Material Handling AB	Örebro	Sweden	100.0%	29,211	11,412	
Linde Material Handling Asia Pacific Pte. Ltd.	Singapore	Singapore	100.0%	38,514	-886	
Linde Material Handling Austria GmbH	Linz	Austria	100.0%	13,748	4,912	
Linde Material Handling Česká republika s.r.o.	Prague	Czech Republic	100.0%	11,337	4,892	
Linde Material Handling East Ltd.	Basingstoke	United Kingdom	100.0%	0	0	[1], [4], [8]
Linde Material Handling Hong Kong Ltd.	Kwai Chung - Hong Kong	People's Republic of China	100.0%	2,795	1,014	
Linde Material Handling Ibérica, S.A.U.	Pallejá	Spain	100.0%	64,395	11,257	
Linde Material Handling Italia S.p.A.	Lainate	Italy	100.0%	23,004	2,449	
Linde Material Handling Polska Sp. z o.o.	Warsaw	Poland	100.0%	32,366	6,194	
Linde Material Handling Pty. Ltd.	Huntingwood	Australia	100.0%	41,256	4,064	
Linde Material Handling Schweiz AG	Dietlikon	Switzerland	100.0%	8,434	2,046	
Linde Material Handling Scotland Ltd.	Basingstoke	United Kingdom	100.0%	0	0	[1], [4], [8]
Linde Material Handling Slovenská republika s.r.o.	Trenčín	Slovakia	100.0%	4,913	1,052	
Linde Material Handling South East Ltd.	Basingstoke	United Kingdom	100.0%	0	0	[1], [4], [8]
Linde MH UK Ltd.	Basingstoke	United Kingdom	100.0%	158,069	21,057	
Linde Pohony s.r.o.	Český Krumlov	Czech Republic	100.0%	32,158	2,358	
Linde Severnside Ltd.	Basingstoke	United Kingdom	100.0%	0	0	[1], [4], [8]
Linde Sterling Ltd.	Basingstoke	United Kingdom	100.0%	0	0	[1], [4], [8]
Linde Viličar d.o.o.	Celje	Slovenia	100.0%	3,107	602	
Linde Viljuškari d.o.o.	Vrčin	Serbia	100.0%	448	260	[4]
LOIRE OCEAN MANUTENTION SAS	Saint-Herblain	France	100.0%	5,453	3,605	
Manuchar SAS	Gond-Pontouvre	France	100.0%	2,881	1,190	
McLEMAN FORK LIFT SERVICES LTD.	Basingstoke	United Kingdom	100.0%	0	0	[1], [4], [8]
Nordtruck AB	Örnsköldsvik	Sweden	100.0%	7,781	841	
OOO "Dematic"	Moscow	Russian Federation	100.0%	175	12	
OOO "Linde Material Handling Rus"	Moscow	Russian Federation	100.0%	13,020	12,757	
OOO "STILL Forkliftrucks"	Moscow	Russian Federation	100.0%	9,302	10,059	

## Investments in affiliated companies

Name	Registered office	Country	Shareholding	Equity, (€ thousand)	Net profit (loss) (€ thousand)	Note
QUALIFT S.p.A.	Verona	Italy	100.0%	2,133	481	[1], [4]
Regentruck Ltd.	Basingstoke	United Kingdom	100.0%	1	0	[1], [4], [8]
Société Angoumoisine de Manutention (SAMA) SAS	Champniers	France	100.0%	14,124	621	
SCI Champ Lagarde	Elancourt	France	100.0%	106	0	[1], [4]
SM Rental SAS	Roissy-Charles-de-Gaulle	France	100.0%	1,414	716	
Stephensons Enterprise Fork Trucks Ltd.	Basingstoke	United Kingdom	100.0%	0	0	[1], [4], [8]
Sterling Mechanical Handling Ltd.	Basingstoke	United Kingdom	100.0%	1,229	0	[1], [4], [8]
STILL AG	Otelfingen	Switzerland	100.0%	9,590	2,096	
STILL ARSER İş Makineleri Servis ve Ticaret A.Ş.	Izmir	Turkey	51.0%	-11,264	8,599	
STILL ČR spol. s.r.o.	Prague	Czech Republic	100.0%	6,989	2,213	
STILL DANMARK A/S	Kolding	Denmark	100.0%	16,930	2,353	
STILL Gesellschaft m.b.H.	Wiener Neudorf	Austria	100.0%	6,451	1,217	
STILL Intern Transport B.V.	Hendrik-Ido-Ambacht	Netherlands	100.0%	30,885	7,795	
STILL Kft.	Tatabánya	Hungary	100.0%	3,024	253	
STILL Location Services SAS	Marne-la-Vallée	France	100.0%	11,935	4,821	
STILL MATERIAL HANDLING ROMANIA SRL	Ilfov	Romania	100.0%	6,529	1,866	
STILL Materials Handling Ltd.	Exeter	United Kingdom	100.0%	-18,678	-1,195	
STILL Norge AS	Trondheim	Norway	100.0%	5,113	364	
STILL NV	Wijnegem	Belgium	100.0%	9,790	3,864	
STILL POLSKA Sp. z o.o.	Gądko	Poland	100.0%	34,819	9,024	
STILL S.p.A.	Lainate	Italy	100.0%	105,785	16,464	
STILL SAS	Marne-la-Vallée	France	100.0%	34,265	7,570	
STILL SR, spol. s.r.o.	Nitra	Slovakia	100.0%	2,528	1,052	
STILL Sverige AB	Malmö	Sweden	100.0%	5,310	963	
STILL, S.A.U.	L'Hospitalet de Llobregat	Spain	100.0%	23,738	2,977	
Superlift UK Ltd.	Basingstoke	United Kingdom	100.0%	52,541	54,826	
Transcend Fulfilment Solutions Ltd.	Banbury	United Kingdom	100.0%	0	0	
URBAN LOGISTICA S.R.L.	Lainate	Italy	100.0%	2,982	1,291	
Urban Logistics (UK) Ltd.	Basingstoke	United Kingdom	100.0%	1,822	532	[1], [4]
URBAN LOGISTIQUE SAS	Elancourt	France	100.0%	2,834	659	
Urban Transporte spol. s.r.o.	Moravany	Czech Republic	100.0%	3,066	1,598	

## Investments in affiliated companies

Name	Registered office	Country	Shareholding	Equity, (€ thousand)	Net profit (loss) (€ thousand)	Note
Urban Logistyka Polska Sp. z o.o.	Kolbaskowo	Poland	100.0%	-14	-25	[1], [4]
WHO Real Estate UAB	Vilnius	Lithuania	74.0%	-29	0	[1], [4]

## Equity Investments

Name	Registered office	Country	Shareholding	Equity, (€ thousand)	Net profit (loss) (€ thousand)	Note
<b>Domestic:</b>						
Carl Beuthhauser Kommunal- und Fördertechnik GmbH & Co. KG	Hagelstadt	Germany	25.0%	24,789	2,459	[1], [4]
ifesca GmbH	Ilmenau	Germany	19.8%	5,753	-2,241	[1], [4]
Linde Leasing GmbH	Wiesbaden	Germany	45.0%	66,536	5,595	[1], [4]
Linde Hydraulics GmbH & Co. KG	Aschaffenburg	Germany	10.0%	104,067	-21,152	[1], [4]
Linde Hydraulics Verwaltungs GmbH	Aschaffenburg	Germany	10.0%	38	1	[1], [4]
MV Fördertechnik GmbH	Blankenhain	Germany	25.0%	3,383	604	[1], [4]
Pelzer Fördertechnik GmbH	Kerpen	Germany	25.0%	36,518	3,827	[1], [4]
Schwerter Profile GmbH	Schwerte	Germany	50.0%	6,702	1,678	[1], [4]
Supralift Beteiligungs- und Kommunikationsgesellschaft mbH	Frankfurt am Main	Germany	50.0%	19	0	[1], [4]
Supralift GmbH & Co. KG	Frankfurt am Main	Germany	50.0%	637	51	[1], [4]
<b>Foreign:</b>						
Anhui Haiyuan X Drive Tech Co., Ltd.	Hefei	People's Republic of China	20.0%	1,222	0	[4]
Balyo SA	Ivry-sur-Seine	France	5.4%	11,990	-2,115	[1], [4]
Carretillas Elevadoras Sudeste S.A.	Murcia	Spain	38.5%	8,120	823	[4]
Chadwick Materials Handling Ltd.	Corsham	United Kingdom	48.0%	1,380	145	[1], [4]
DEMATIC ELECTROMECHANICAL SYSTEMS MIDDLE EAST L.L.C.	Dubai	United Arab Emirates	49.0%	152	0	[4]
JULI Motorenwerk s.r.o.	Moravany	Czech Republic	50.0%	32,367	4,888	[1], [4]
Labrosse Equipement SAS	Saint-Péray	France	34.0%	13,985	4,074	[2], [4]
Linde High Lift Chile S.A.	Santiago de Chile	Chile	45.0%	29,322	2,326	[1], [4]
Normandie Manutention SAS	Saint-Etienne-du-Rouvray	France	34.0%	36,020	7,314	[1], [4]
Shaanxi KION Intelligent Warehousing Equipment Co., Ltd.	Xi'an	People's Republic of China	20.0%	1,684	207	[4]

## Equity Investments

Name	Registered office	Country	Shareholding	Equity, (€ thousand)	Net profit (loss) (€ thousand)	Note
Shanghai Quicktron Intelligent Technology Co., Ltd.	Shanghai	People's Republic of China	7.7%	42,419	-27,061	[4]
Zhejiang EP Equipment Co., Ltd.	Anji (Huzhou)	People's Republic of China	4.7%	277,258	87,023	[4]

[1] Financial figures as at 31 December 2021

[2] Financial figures as at 30 June 2022

[3] Most recently submitted annual financial statements

[4] Financial data in accordance with local financial reporting standards

[5] Preliminary consolidation in Willenbrock Fördertechnik Holding GmbH

[6] Preliminary consolidation in Digital Applications International Ltd.

[7] Preliminary consolidation in Actil Warehouse Trucks AB

[8] Dormant company

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

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

[C] Profit and loss transfer agreement with Dematic GmbH

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

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

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

# 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 2022, and the statement of profit and loss for the financial year from 1 January to 31 December 2022, 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 for the parent and the group of KION GROUP AG, Frankfurt am Main/Germany, for the financial year from 1 January to 31 December 2022. In accordance with the German legal requirements, we have not audited the content of the corporate governance statement pursuant to Sections 289f, 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 2022 and of its financial performance for the financial year from 1 January to 31 December 2022 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 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 2022. 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 key audit matter “Recoverability of the shares in affiliated companies” we have determined in the course of our audit.

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 2022, the book value of the shares in affiliated companies disclosed within the annual financial statements is mEUR 4,238.2 (51.9% of the balance sheet total) and relates to the shares in Dematic Holdings GmbH, Frankfurt am Main/Germany, proplan Transport- und Lagersysteme GmbH, Aschaffenburg/Germany, KION IoT Systems GmbH, Frankfurt am Main/Germany, KION Battery Systems GmbH, Karlstein am Main/Germany, KION Business Srv. Pol. Sp. z o.o., Cracow/Poland, Schwerter Profile GmbH, Schwerte/Germany, as well as the shares in Linde Material Handling GmbH, Aschaffenburg/Germany, and KION Information Management Services GmbH, Frankfurt am Main/Germany. Each year, the shares in affiliated companies are tested for a presumably permanent impairment in value and thus the need for recognising an impairment loss to the lower fair value.

Due to the outstanding significance of the shares in affiliated companies in the annual financial statements as well as the assessment of their recoverability to be made by the executive directors, this matter was a key audit matter in our audit.

Information on the recoverability of the shares in affiliated companies is provided in section 2 of the notes to the financial statements.

- b) As part of our test for a permanent impairment of the shares in affiliated companies, we followed the approach taken by the executive directors in performing their impairment test. In doing so, we drew on findings from the annual audits we conducted at these affiliated companies. In this context, we derived the expected future cash inflows from the operating budget planning (2023) approved by the supervisory board and the medium-term planning (2024 to 2025) approved by the executive directors and tested the planning, including a projection based on it up to perpetuity, as well as the perpetuity itself, against general and industry-specific market expectations. In doing so, we included the planning accuracy in relation to the individual affiliated companies in our assessment. In addition, we reviewed the country-specific discount rates used (weighted average cost of capital – WACC) based on the respective market conditions with the assistance of valuation experts.

Due to the high significance of the shares in affiliated companies in the annual financial statements, sensitivity analyses were finally carried out both with regard to the growth expectations of the future cash inflows of the affiliated companies and with regard to the discount rates applied.

### **Other Information**

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

- the corporate governance statement which is included in the combined management report and 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.

The executive directors and the supervisory board are responsible for the statement according to Section 161 German Stock Corporation Act (AktG) concerning the German Corporate Governance Code, 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 identified above and, in doing so, 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 (i.e., fraudulent financial reporting and misappropriation of assets) 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 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 the risk of not detecting a material misstatement 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 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 actions taken or safeguards applied to eliminate independence threats.

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 for 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 Reproductions of the Annual Financial Statements and of the Combined Management Report Prepared for Publication Pursuant to Section 317 (3a) HGB**

#### **Audit Opinion**

We have performed an audit in accordance with Section 317 (3a) HGB to obtain reasonable assurance whether the electronic reproductions of the annual financial statements and of the combined management report (hereinafter referred to as "ESEF documents") prepared for publication, contained in the file, which has the SHA-256 value 7F534B59A82407D2DCC261CBEFC26E982D86512669985B4BC207D2C95053936B, meet, in all material respects, the requirements for the electronic reporting format pursuant to Section 328 (1) HGB ("ESEF format"). In accordance with the German legal requirements, this audit only covers the conversion of the information contained in the annual financial statements and the combined management report into the ESEF format, and therefore covers neither the information contained in these electronic reproductions nor any other information contained in the file identified above.

In our opinion, the electronic reproductions of the annual financial statements and of the combined management report prepared for publication contained in the file identified above meet, in all material respects, the requirements for 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 2022 contained in the “Report on the Audit of the Annual Financial Statements and of the Combined Management Report” above, we do not express any assurance opinion on the information contained within these electronic reproductions or on any other information contained in the file identified above.

### **Basis for the Audit Opinion**

We conducted our audit of the electronic reproductions of the annual financial statements and of the combined management report contained in the file identified above in accordance with Section 317 (3a) HGB and on the basis of the IDW Auditing Standard: Audit of the Electronic Reproductions of Financial Statements and Management Reports Prepared for Publication Purposes Pursuant to Section 317 (3a) HGB (IDW AuS 410 (06.2022)). Our responsibilities in this context are further described in the “Auditor’s Responsibilities for the Audit of the ESEF Documents” section. Our audit firm has applied the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm (IDW QS 1).

### **Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents**

The executive directors of the Company are responsible for the preparation of the ESEF documents 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 controls that they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements for the electronic reporting format pursuant to Section 328 (1) HGB.

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

### **Auditor’s Responsibilities for the Audit of the ESEF Documents**

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB. We exercise professional judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB, 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 documents in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.

- evaluate the technical validity of the ESEF documents, i.e. whether the file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815, in the version in force at the balance sheet date, on the technical specification for this electronic file.
- evaluate whether the ESEF documents enable a XHTML reproduction with content equivalent to the audited annual financial statements and to the audited combined management report.

### **Further information pursuant to Article 10 of the EU Audit Regulation**

We were elected as auditor by the annual general meeting on 11 May 2022. We were engaged by the supervisory board on 2 / 21 September 2022. We have been the auditor of KION GROUP AG, Frankfurt am Main/Germany, which had been named KION Holding 1 GmbH, Wiesbaden/Germany, 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 316a sentence 2 no. 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).

### **Other matter – Use of the auditor's report**

Our auditor's report must always be read together with the audited annual financial statements and the audited combined management report as well as with the audited ESEF documents. The annual financial statements and the combined management report converted into the ESEF format – including the versions to be submitted for inclusion in the Company Register – are merely electronic reproductions of the audited annual financial statements and the audited combined management report and do not take their place. In particular, the ESEF report and our audit opinion contained therein are to be used solely together with the audited ESEF documents made available in electronic form.

### **German public auditor responsible for the engagement**

The German Public Auditor responsible for the engagement is Stefan Dorissen.

Frankfurt am Main/Germany, 22 February 2023

#### **Deloitte GmbH**

Wirtschaftsprüfungsgesellschaft

Signed:

Annika Deutsch

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, February 22, 2023

The Executive Board



Dr. Richard Robinson Smith



Marcus A. Wassenberg



Hasan Dandashly



Andreas Krinninger



Dr. Henry Puhl



Ching Pong Quek

We keep

the world moving.

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