

2023

Annual Report

kardex

More detailed information:



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The Annual Report is published in English. Figures indicated in brackets refer to the previous year.

Kardex at a glance



Kardex is a global industry partner for intralogistic solutions and a leading supplier of automated storage solutions and materials handling systems. The Group consists of mainly two entrepreneurially managed divisions, Kardex Remstar and Kardex Mlog.



Kardex Remstar develops, produces, and maintains dynamic storage and retrieval systems, and Kardex Mlog offers integrated materials handling systems and automated high bay warehouses. Kardex also acts as a global AutoStore partner.



Kardex is partner for its customers over the entire lifecycle of a product or solution. This begins with an assessment of customer requirements and continues via the planning, realization, and implementation of customer-specific systems.



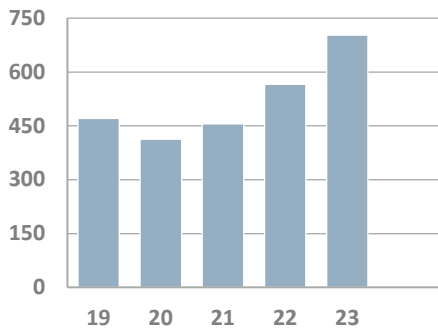
Kardex Holding AG is listed on the SIX Swiss Exchange, underlies the Swiss Reporting Standard and the shares are included in the SPI (Swiss Performance Index). Kardex applies the accounting standard Swiss GAAP FER.



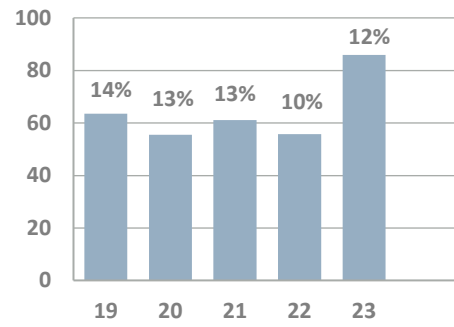
Around 2'400 employees (FTE) in over 30 countries worldwide work for the companies of Kardex.

The group of companies within the scope of consolidation are referred to as "Kardex", the "Group", or the "Organization" in this report. Kardex Holding AG is referred to as the "Company".

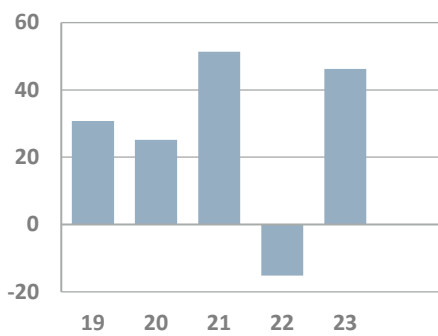
Net revenues
in EUR million



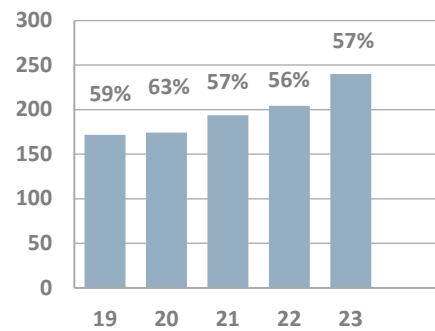
EBIT and EBIT margin
in EUR million and in %



Free cash flow
in EUR million

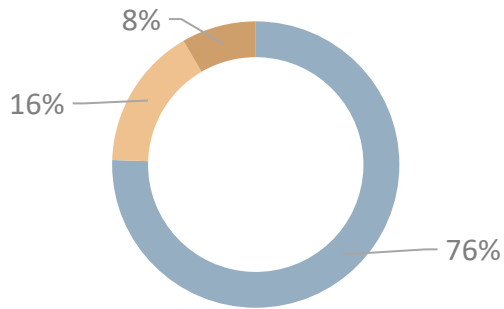


Equity and equity ratio
in EUR million and in %



Net revenues by segment

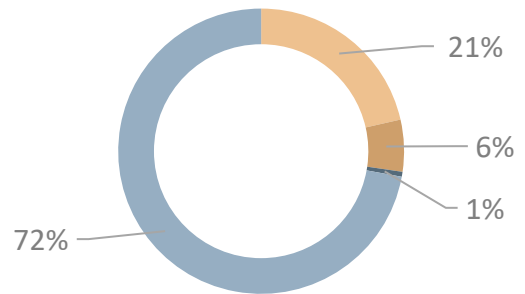
2023 financial year



- Kardex Remstar
- Kardex Mlog
- Corporate Ventures

Net revenues by region

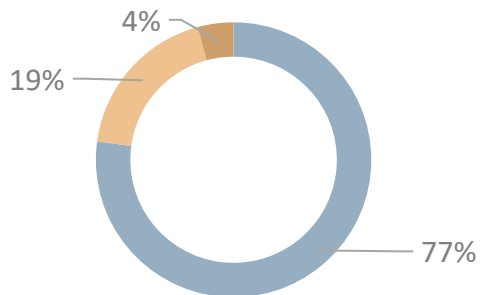
2023 financial year



- Europe
- Americas (North, Middle, South)
- Asia/Pacific
- Middle East and Africa

Net revenues by segment

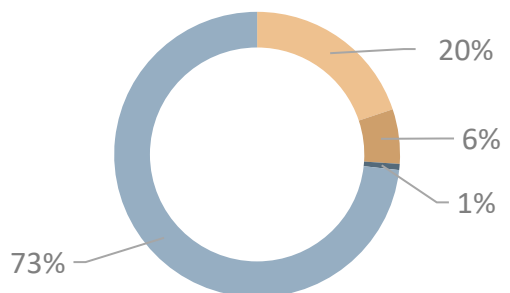
2022 financial year



- Kardex Remstar
- Kardex Mlog
- Corporate Ventures


Net revenues by region

2022 financial year




- Europe
- Americas (North, Middle, South)
- Asia/Pacific
- Middle East and Africa

Highlights




Robust **demand**

Sustained robust demand for intralogistics solutions despite the postponement of some larger projects



Normalized **supply chain**

Supply chain normalization led to significant efficiency improvements and enhanced production output



Increased **net revenues**

Substantial increase of net revenues is mainly based on the significant increase in production output



High **profitability**

Kardex achieved profitability within the upper range of financial targets

Key figures

in EUR million

01.01. - 31.12.	2023	(%)	2022	(%)	(+/-%)
Bookings	673.9	95.9%	698.6	123.5%	-3.5%
Order backlog (31.12.)	475.9	67.7%	510.5	90.3%	-6.8%
Net revenues	702.9	100.0%	565.6	100.0%	24.3%
Gross profit	235.9	33.6%	177.7	31.4%	32.8%
OPEX	150.0	21.3%	121.9	21.6%	23.1%
EBITDA	99.3	14.1%	65.4	11.6%	51.8%
Operating result (EBIT)	85.9	12.2%	55.8	9.9%	53.9%
Result for the period (net profit)	66.9	9.5%	38.6	6.8%	73.3%
Free cash flow	46.2		-15.2		403.9%
ROIC	37.6%		27.5%		

	31.12.2023	(%)	31.12.2022	(%)	(+/-%)
Net working capital	102.2		76.2		34.1%
Net cash ¹	119.6		102.7		16.5%
Equity/Equity ratio	240.1	56.9%	204.6	56.2%	17.4%
Employees (FTE)	2'397		2'097		14.3%

	2023	(%)	2022	(%)	(+/-%)
Distribution per share (CHF) ²	5.00		3.50		42.9%

¹ Definition according Alternative Performance Measures (APM) see note 1 of the consolidated financial statements.

² 2023: Distribution of a dividend as proposed to the Annual General Meeting to be held on 25 April 2024.

Based on Swiss GAAP FER, figures reported in euros unless indicated differently.

Report to the shareholders

The past year has been marked by a gradual return to normalcy in Kardex' business operations, following the challenging turbulence of previous years. Notably, the demand for intralogistics solutions remained at significantly elevated levels compared to pre-pandemic times, despite economic slowdowns in various industries. Equally significant was the improvement in Kardex' supply chain, particularly within Kardex Remstar. This led to higher efficiency in the factories, resulting in substantial increases in net revenues and profitability and leading to results in the upper range of Kardex' communicated financial targets.

The sustained positive momentum in intralogistics demand, coupled with Kardex' strong market position, is evident in its bookings, which totaled EUR 673.9 million, close to maintaining the high level of the previous year. While decision-making processes by customers, particularly for larger projects that mainly impacted Kardex Mlog, experienced a noticeable slowdown, the appetite for automation remained robust across all industry sectors and regions served by Kardex. Notably, North America and Europe began to feel the initial positive effects of reshoring and increased inventory levels. Whereas bookings for New Business decreased by 7.9%, bookings for Life Cycle Services grew by 9.5%. As of 31 December, the order backlog stood at EUR 475.9 million, which is slightly below last year with EUR 510.5 million, but still at a high level.

Net revenues climbed 24.3% year-on-year to EUR 702.9 million due to gradual supply chain normalization within Kardex Remstar, and accelerated progress in Kardex Mlog customer projects. New Business contributed 74.2% (71.1%) to net revenues, while Life Cycle Services accounted for 25.8% (28.9%).

Although costs, particularly for personnel and electronic components, continued to rise, the previous year's price adjustments and the efficiency gains achieved led to a higher gross profit margin, up from 31.4% last year to 33.6%. Operating costs remaining proportionally stable resulted in a significantly improved operating result and an EBIT margin of 12.2% (9.9%), representing the upper range of Kardex' financial targets. EBIT totaled EUR 85.9 million, marking a 53.9% increase compared to last year. Net profit soared by 73.3% to EUR 66.9 million.

Kardex Remstar regains structural strength

Kardex Remstar achieved strong results, benefiting from sustained demand across nearly all markets. Bookings slightly increased to EUR 527.6 million, surpassing the high level of the previous year (+3.5%), improved market conditions in procurement, a substantial increase in production output, and the record-high order backlog from the previous year translated into strong revenue growth of 21.6% to EUR 530.7 million. Price increases for Kardex' products and services coupled with enhanced efficiency, led to a higher gross profit of EUR 201.0 million, representing a gross profit margin of 37.9%. These positive developments enabled the operating result to regain its former strength, with EBIT increasing by 46.2% to EUR 82.0 million, yielding a 15.5% margin. Order backlog remained comfortable at EUR 313.7 million at year-end, providing a solid foundation for the new financial year.

Mixed results at Kardex Mlog

Kardex Mlog delivered mixed results in a challenging market environment. On the one hand, a substantial order backlog from the prior year significantly contributed to revenue growth of 7.4% to EUR 113.4 million. On the other hand, customer-driven order postponements led to significantly lower bookings of EUR 78.9 million, representing a downswing of 37.1%. Gross profit increased to EUR 22.6 million, and the operating result at EBIT level reached EUR 6.5 million, supported by increased volume and stringent cost management. The EBIT margin improved to 5.7%, returning to the predefined target range. Despite the lower bookings, the year-end order backlog of EUR 96.0 million, remains solid. This, together with a robust sales pipeline, provides the basis for a sound start into the new year albeit the fact that Germany, Mlog's main market, remains volatile.

Kardex AutoStore business grows rapidly and maintains profitability

Kardex AS Solutions continues to excel in Europe and North America, with the additional reception of initial orders from the APAC region in the latter half of the year. Bookings increased by 6.8% to EUR 67.6 million. Net revenues reached EUR 59.1 million, resulting in a positive mid-single-digit operating result for the first time, despite ongoing investments in geographic expansion.

Positive free cash flow and ROIC development

With improved supply conditions for raw materials and components, safety stock levels increased continuously to ensure delivery capability. Consequently, net working capital grew significantly compared to the previous year. Nevertheless, free cash flow remained positive at EUR 46.2 million (EUR -15.2 million), thanks to the strong operational performance. Return on invested capital (ROIC) surged significantly to 37.6% (27.5%).

Change in Group Management

As of 01 June, Jens Hardenacke has taken over as CEO of Kardex. The Board of Directors is pleased to have found a new CEO who, in addition to his industry expertise, brings a great deal of management experience from Kardex' growth markets. The Chairman of the Board, Felix Thöni, who led the Company on an interim basis from beginning of March to end of June, has returned to his core responsibilities.



Felix Thöni
Chairman of the Board of Directors

Proposals to the Annual General Meeting

In line with the dividend policy of distributing up to 75% of the net profit and taking into account future higher investments for ERP-Systems and factory infrastructures, the Board of Directors will propose a dividend of CHF 5.00 (CHF 3.50) to the Annual General Meeting of 25 April 2024. All current members of the Board of Directors, except Ulrich Looser, are standing for re-election at the next Annual General Meeting. The Board of Directors thank Ulrich Looser for his 12 years of dedicated service as Vice Chairman and his significant contributions as head of the CNC-Committee and wishes him all the best for his future.

Outlook

The flattening of inflation and the stabilization of the procurement market provide positive growth drivers, albeit against the backdrop of cooling global growth expectations. Nevertheless, the Board of Directors and the Group Management are confident that Kardex' customers will continue investing in intralogistics solutions to enhance their competitiveness. Additionally, the increasing difficulty in recruiting qualified personnel is driving greater investments in automated solutions. Kardex is well-positioned to capitalize on these megatrends and anticipates continued development in line with the financial targets throughout the cycle.



Jens Hardenacke
CEO

Information on the Kardex share

Share capital and capital structure

	2023	2022	2021	2020	2019
Par value per share (CHF)	0.45	0.45	0.45	0.45	0.45
Total registered shares	7'730'000	7'730'000	7'730'000	7'730'000	7'730'000
Number of treasury shares	14'210	16'832	17'984	19'560	11'640
Number of outstanding shares	7'715'790	7'713'168	7'712'016	7'710'440	7'718'360
Registered capital (CHF 1'000)	3'479	3'479	3'479	3'479	3'479
Total voting rights	7'715'790	7'713'168	7'712'016	7'710'440	7'718'360

Key stock exchange figures per share

CHF	2023	2022	2021	2020	2019
Share price high	223.50	306.00	313.00	197.60	178.40
Share price low	153.80	125.80	184.00	92.30	112.20
Closing rate	218.00	152.00	300.00	193.60	163.00
Average volume per trading day (no. of shares)	8'801	9'629	9'667	23'664	17'167
Market capitalization per 31.12. (CHF million)	1'685.14	1'174.96	2'319.00	1'496.53	1'259.99

Key figures per share

CHF	2023	2022	2021	2020	2019
Earnings per share (EPS) ¹ – basic	8.39	4.93	6.15	5.65	6.39
Earnings per share (EPS) ¹ – diluted	8.39	4.93	6.15	5.65	6.39
Price earning ratio (closing rate)	26.02	30.94	48.87	34.35	25.54
Dividend ²	5.00	3.50	4.30	4.00	4.50
Dividend yield	2.3%	2.3%	1.4%	2.1%	2.8%

¹ Calculated by the generally accepted method (net profit/average number of outstanding shares).

² 2023: Distribution of a dividend as proposed to the Annual General Meeting to be held on 25 April 2024.

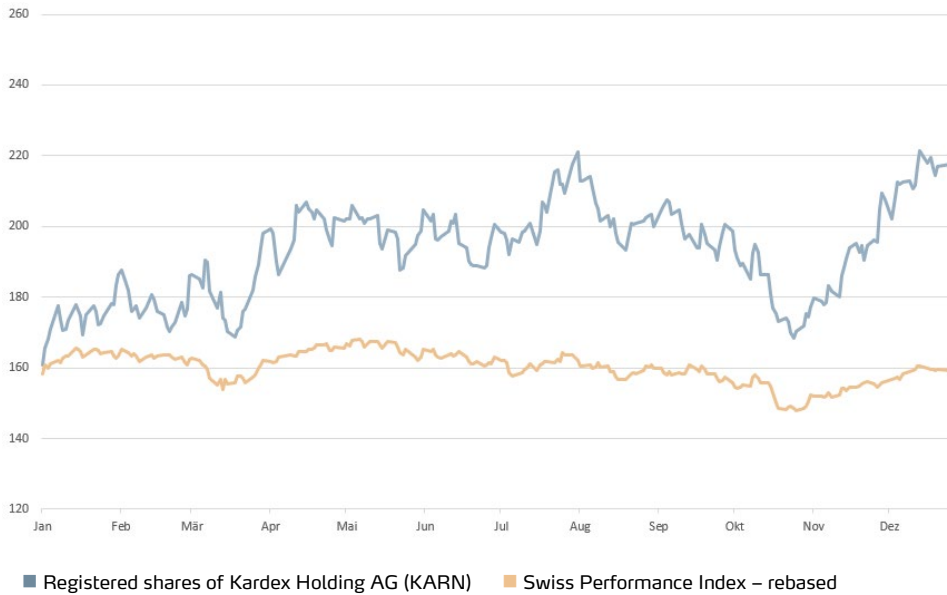
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Stock exchange symbol: KARN; Swiss securities number: 10083728; ISIN number: CH0100837282; Bloomberg: KARN SW Equity; Reuters: KARN.S. Current prices can be seen at <https://www.kardex.com/en/company/investors-and-shareholder-information>

Share price performance

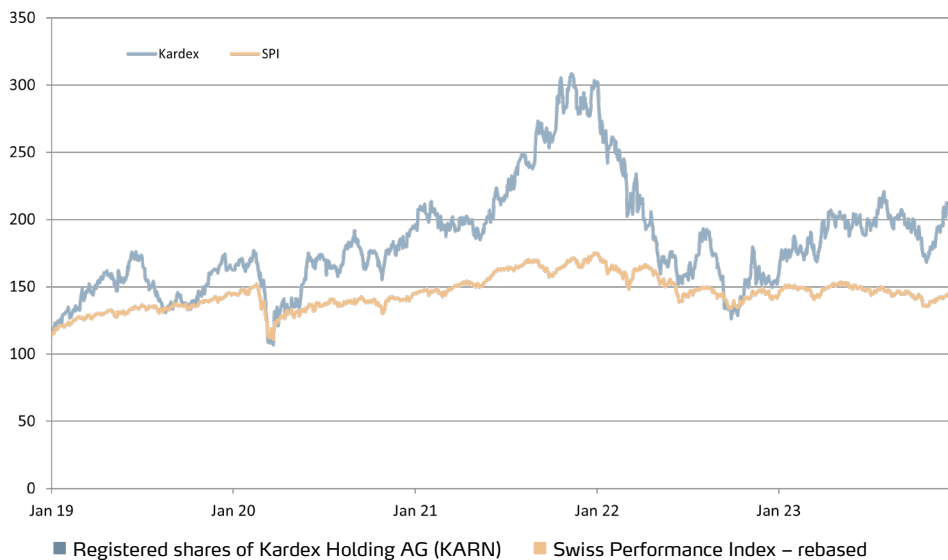
Kardex Holding AG share

On SIX Swiss Exchange 01 January to 31 December 2023, based on the daily closing price in CHF



The value of the Kardex share increased by 43.4 % (decrease of 49.3 %) from CHF 152.00 to CHF 218.00 during 2023. Kardex paid a dividend of CHF 3.50 per share in April 2023. The Total Shareholder Return (TSR) for the year was +45.7% (-47.9%).

On SIX Swiss Exchange 01 January 2019 to 31 December 2023, based on the daily closing price in CHF



Corporate calendar

2024 Annual General Meeting	25 April 2024
2024 Interim Report	30 July 2024
2024 Annual Report	6 March 2025
2025 Annual General Meeting	24 April 2025
2025 Interim Report	31 July 2025

Shareholder structure

As of 31 December 2023, there were 3'746 shareholders (3'505) entered in the share register. The following shareholders held 3% or more of the outstanding share capital of Kardex Holding AG at year end.

	31.12.2023	31.12.2022
BURU Holding AG and Philipp Buhofer	22.1%	22.1%
Kempen Capital Management N.V.	5.7%	6.4%
Alantra Partners S.A.	4.2%	5.4%
Credit Suisse Funds AG	3.1%	
Invesco Ltd.		3.1%

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Division Kardex Remstar

Kardex Remstar achieved strong results, capitalizing on sustained demand across almost all markets. With bookings totaling EUR 527.6 million, Kardex Remstar surpassed the high levels seen in the previous year, marking an increase of 3.5%. Notably, growth of bookings in Life Cycle Services outpaced New Business. The Division benefitted from a more favorable procurement market environment, a substantial boost in order processing efficiency, and an impressive record-high order backlog from the previous year, leading to a robust revenue increase of 21.6%, totaling EUR 530.7 million. Price adjustments for products and services coupled with efficiency gains contributed to a higher gross profit of EUR 201.0 million. As a result of these favorable developments, the operating result regained its previous strength, with EBIT increasing by 46.2% to EUR 82.0 million, yielding a margin of 15.5%. Ending the year with a comfortable order backlog of EUR 313.7 million sets Kardex Remstar on solid footing for the new financial year.

The year under review marked a gradual normalization of business activities after the significant turbulence of the previous year, particularly in the supply chain. Demand for intralogistics solutions remained significantly higher than pre-pandemic levels and held steady at the previous year's figures. Notably, North America and Europe experienced the positive effects of reshoring and increased inventory levels, contributing to Kardex Remstar's success.

Bookings remain strong

Again Kardex Remstar thrived on continued strong demand across all markets during the reporting period. Bookings reached EUR 527.6 million, marking a 3.5% increase over the previous year's record level of EUR 509.8 million. New Business contributed EUR 372.1 million, accounting for 70.5% of total bookings, while Life Cycle Services (LCS) achieved bookings of EUR 155.5 million, or 29.5%. The LCS segment showed particularly strong growth at approximately 8.4%, surpassing that of New Business which showed an increase of 1.5%. This growth reflects Kardex Remstar's expanding installed base in the market.

The Division received contributions from various industries, notably electronics and chip manufacturers, medium-sized industrial companies, e-commerce firms, and transportation companies. Geographically, the USA played a decisive role in the results, with lower government orders offset by increased industry demand. Eastern European markets (Romania, Czech Republic, Poland) and Spain stood out in Europe, while Asia experienced growth especially in Singapore and Taiwan, driven mainly by the chip and electronics industry. Growth in mainland China remained steady.

Improved factory productivity

While significant procurement market bottlenecks were a challenge in the previous year, the reporting period saw gradual improvements, although the supply of electronic components remained volatile. Inefficiencies in the production facilities were significantly reduced. Kardex Remstar successfully shortened delivery times and managed to work through the high order backlog from 2023. The difficulties faced at the US plant during ramp-up have eased considerably, with production output doubling, compared to the challenging previous year.

Key figures for the Kardex Remstar Division

in EUR million	2023	(%)	2022	(%)	(+/-%)
Bookings	527.6	99.4%	509.8	116.8%	3.5%
Order backlog (31.12.)	313.7	59.1%	322.2	73.8%	-2.6%
Net revenues	530.7	100.0%	436.6	100.0%	21.6%
EBITDA	94.6	17.8%	64.0	14.7%	47.8%
Operating result (EBIT)	82.0	15.5%	56.1	12.8%	46.2%
Employees (FTE as of 31.12.)	1'957		1'727		13.3%

Strong revenue growth

The various positive factors culminated in a remarkable 21.6% increase in net revenues, surging from EUR 436.6 million to EUR 530.7 million. New Business contributed EUR 381.9 million, representing 72.0% of net revenues, while LCS contributed EUR 148.7 million, or 28.0%. Approximately two-thirds of sales were generated by existing customers, with the remaining one-third being attributed to new customers. Notably, targeted online activities, which account for around 80% of the marketing budget, were particularly successful. The high level of advisory expertise possessed by Kardex Remstar's specialists also provided the Division with a notable competitive edge.

Thanks to continued strong demand, the order backlog remained at a comfortable level, totaling EUR 313.7 million at the end of the reporting period, a 2.6% decrease from the previous year's figure of EUR 322.2 million. This represents roughly 7 months of net revenues and positions Kardex Remstar favorably for the year 2024.

Significant improvement in profitability

Normalized material prices, especially in the latter half of the year, combined with 2022 price adjustments and achieved efficiency gains in the reporting year, had a positive impact on profitability, despite rising personnel costs. Gross profit increased from EUR 152.8 million to EUR 201.0 million, resulting in a gross profit margin of 37.9% (35.0%).

Operating expenses reached EUR 119.0 million, equivalent to 22.4% of net revenues. This increase was primarily attributable to higher headcount, increased travel expenses, and elevated development expenses.

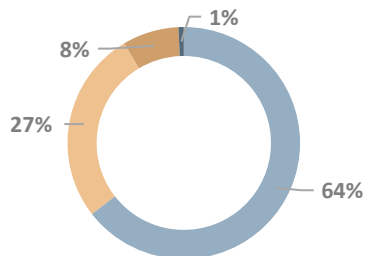
As a result of these developments, Kardex Remstar's operating result at EBIT level surged by 46.2% to a strong EUR 82.0 million (EUR 56.1 million) compared to the challenging previous year. This translated into an EBIT margin of 15.5% (12.8%), firmly situated in the mid of the target range.

Outlook

Kardex Remstar is well-positioned in the thriving global intralogistics market and anticipates solid demand in the coming year. Supply chain inefficiencies should continue to normalize. Reducing delivery times, while easing interest rates and financing costs should benefit industries served by Kardex Remstar's end customers. The Division remains committed to delivering EBIT margins within its target range of 14-17%.

Net revenues by region

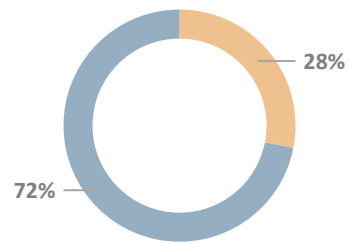
2023 financial year



- Europe
- Americas (North, Middle, South)
- Asia/Pacific
- Middle East and Africa

Net revenues by business unit

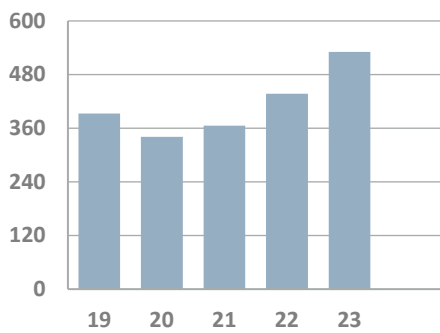
2023 financial year



- New Business
- Life Cycle Services

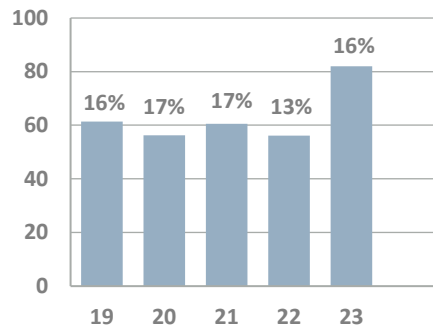
Net revenues

in EUR million



EBIT and EBIT margin

in EUR million and in %





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Division Kardex Mlog

Kardex Mlog achieved mixed results within a challenging market environment. On the one hand, the substantial order backlog from the previous year significantly contributed to a net revenue increase of 7.4%, totaling EUR 113.4 million. On the other hand, customer order postponements, especially in the latter half of the year, resulted in lower bookings for the reporting period. However, gross profit reached EUR 22.6 million, and the operating result on EBIT-level reached EUR 6.5 million, supported by increased volume and disciplined cost management. The EBIT margin climbed to 5.7%, returning to the defined target range. With an order backlog of EUR 96.0 million at year-end and a robust sales pipeline, Kardex Mlog anticipates a solid start to the new financial year, even though market visibility, especially in Germany, remains limited.

The market landscape remained challenging throughout the reporting period. Although the year began with strong demand, it tapered off significantly from the second quarter onward. As the year progressed, Kardex Mlog noted significant project delays in placing orders across various sectors due to shifts in the interest rate environment and the overall economic situation in Central Europe. This led to lower bookings of EUR 78.9 million, compared to EUR 125.4 million in the previous year.

Strengthening market position in lightgoods

Business collaboration with corporate ventures Rocket Solution and Kardex AS Solutions bolstered Kardex Mlog's standing in the market. The successful implementation of the first joined projects and the operation of four AutoStore systems based on Kardex Mlog software further solidified its position.

Order backlog normalized

The overall order backlog at year-end stood at EUR 96.0 million, down EUR 26.4% from the record-high levels of the previous year (EUR 130.5 million). This decline was largely due to delays and postponements to projects. However, it also ensured a well filled sales funnel heading into the new year. Furthermore, the resumption of EU funding is expected to drive increased demand during the year to come.

Encouraging net revenue growth

A combination of a record-high starting order backlog and strong early-year bookings led to net revenues of EUR 113.4 million, an increase of EUR 7.8 million compared to the previous year. The net revenue mix remained largely consistent with New Business contributing 71.8% (73.4%) or EUR 81.4 million, and Life Cycle Service (LCS) contributing EUR 32.0 million, equivalent to a 28.2% share (26.6%).

Key figures for the Kardex Mlog Division

in EUR million	2023	(%)	2022	(%)	(+/-%)
Bookings	78.9	69.6%	125.4	118.8%	-37.1%
Order backlog (31.12.)	96.0	84.7%	130.5	123.6%	-26.4%
Net revenues	113.4	100.0%	105.6	100.0%	7.4%
EBITDA	7.1	6.3%	5.8	5.5%	22.4%
Operating result (EBIT)	6.5	5.7%	5.1	4.8%	27.5%
Employees (FTE as of 31.12.)	353		333		6.0%

EBIT-margin returned to the target range

Despite some delays in electronic component deliveries persisted, and customer-side postponements further complicated project execution and on-site system commissioning. Nevertheless, Kardex Mlog was able to pass on higher procurement costs to customers and increase sales prices, particularly in the first half of the year. This translated into an increase in the gross profit margin from 19.3% to 19.9%. In absolute terms, gross profit grew by 10.8% to EUR 22.6 million.

The heightened gross profit margin, coupled with increased volumes and disciplined cost management in personnel and marketing expenses, resulted in an EBIT of EUR 6.5 million (EUR 5.1 million) with an EBIT margin of 5.7% (4.8%), thereby returning to the communicated target range.

Investments in a strong organization

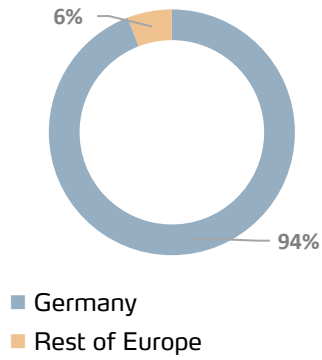
Kardex Mlog continued to make targeted investments in its future and organization. Strengthening key account management in the LCS area, which has become increasingly crucial for results

and margins, was a priority, doubling the number of employees in this segment. Currently, approximately 90% of Kardex Mlog's existing customers regularly seek advice, whether related to modernization projects or general system maintenance. Kardex Mlog also expanded the software development team, recognizing its growing importance for the successful market positioning. Overall, Kardex Mlog is seen as an attractive employer, successfully filling key positions with experienced specialists. The number of full-time positions increased by 6.0%, enabling Kardex Mlog to handle increased volumes efficiently and carefully monitor projects.

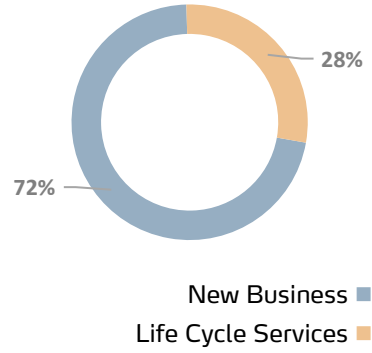
Outlook

The market environment in Kardex Mlog's sectors remains challenging. However, the solid order backlog and a well-filled sales funnel, along with the potential realization of previously postponed projects in the current year, set the stage for a good start to 2024. The goal is to maintain profitability within the communicated EBIT target range of 5-8% over the business cycle.

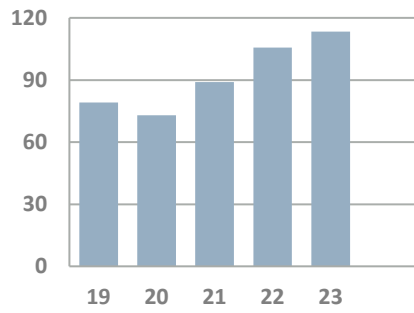
Net revenues by region
2023 financial year



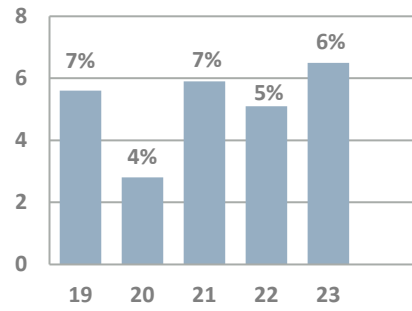
Net revenues by business unit
2023 financial year



Net revenues
in EUR million



EBIT and EBIT margin
in EUR million and in %





kardex

kardex

Corporate Governance

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Kardex is committed to the established principles of responsible corporate governance as outlined in the Swiss Code of Best Practice for Corporate Governance by *economiesuisse*, and also adheres to the Directive on Information Relating to Corporate Governance issued by SIX Exchange Regulation AG. By embracing these principles and adhering to the Directive, Kardex aims to uphold corporate and ESG policies that benefit current and future shareholders, investors, employees, business associates, and the general public. The Company ensures risk-managed decisions and outcomes through rigorous internal controls and business process monitoring. Kardex is dedicated to providing comprehensive and transparent communication with all stakeholders. The principles of corporate governance at Kardex are encapsulated in the Articles of Association ([Articles of Association Kardex Holding AG AGM 2023.pdf \(hubspotusercontent-na1.net\)](#)) and the Kardex Holding AG Organizational Regulations (2022-04 Organization Regulation of Kardex Holding AG v4.1 valid from 2022-05-01_EN.pdf ([hubspotusercontent-na1.net](#))), as well as the Code of Conduct ([Kardex CodeOfConduct_EN \(bflidr.com\)](#)). Further information is available on the Group's website at www.kardex.com.

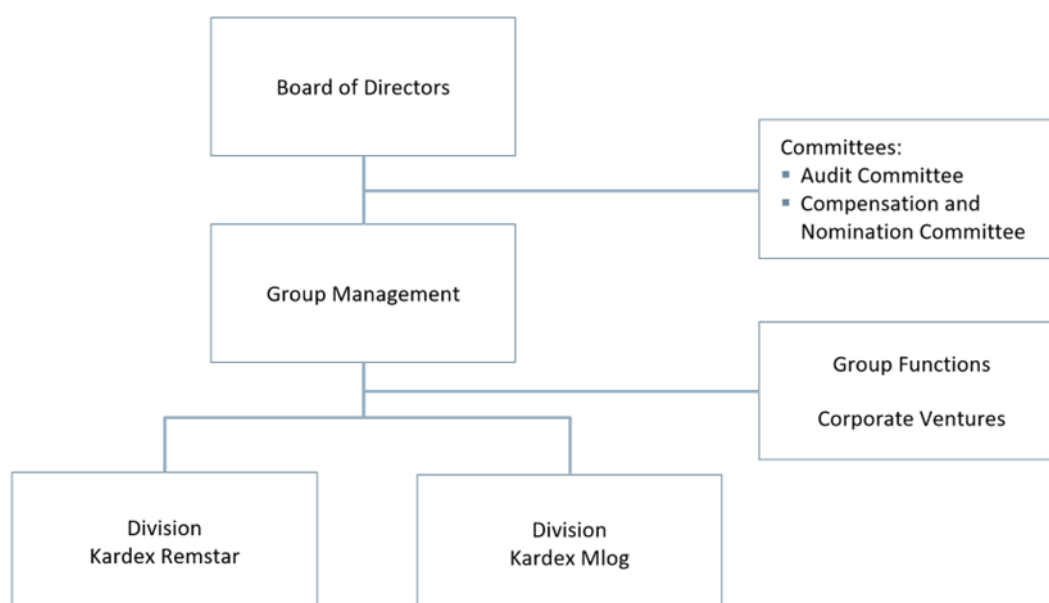
In this section, details about Kardex' corporate governance are presented. For clarity and to ensure a smooth reading experience, Kardex may direct the reader to relevant sections within this Annual Report or other Kardex publications for additional information. Please note, any significant events or changes that have taken place between the balance sheet date (i.e. 31 December 2023) and the publication of this report will be duly highlighted.

1. Group structure and shareholders

1.1 Group structure

1.1.1 Operational group structure

Kardex operates under two entrepreneurially led divisions: Kardex Remstar and Kardex Mlog, in addition to the overarching Kardex Holding AG, which encompasses Group Functions and Corporate Ventures. The leadership of Kardex is in the hands of the Board of Directors along with the Group Management team. This team comprises the CEO, CFO, and two Division Heads, collaboratively steering the Company's strategic direction and operations.



The allocation of responsibilities between the Board of Directors and Group Management is detailed in Section 3.6, page 33.

1.1.2 Listed company in scope of consolidation

Company	Kardex Holding AG
Registered office	Zurich, Switzerland
Listed at	SIX Swiss Exchange
Swiss security no.	10083728
ISIN	CH0100837282
Symbol	KARN
Market capitalization as of 31 December 2023	CHF 1'685 million

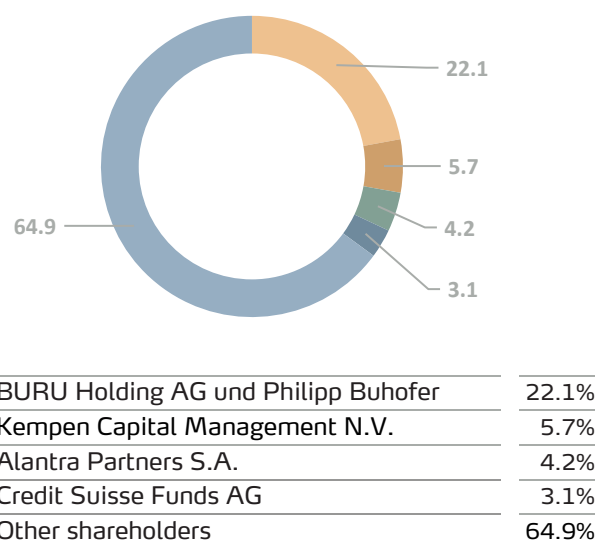
Kardex Holding AG, a publicly traded company incorporated under Swiss law and based in Zurich, Switzerland (referred to as "the Company"), serves as the parent company of Kardex. The shares of Kardex Holding AG are publicly traded under the Swiss Reporting Standard on the SIX Swiss Exchange, also located in Zurich, Switzerland. Each share has a nominal value of CHF 0.45. The subsidiary companies included in the consolidation are not publicly listed.

1.1.3 Non-listed companies in scope of consolidation

The subsidiaries and associated companies within the consolidation scope of Kardex Holding AG are detailed in the notes section of the consolidated financial statements. For a complete listing, please refer to pages 117 and 119 of the Annual Report.

1.2 Significant shareholders

As of 31 December 2023, the Company's share register listed a total of 3'746 shareholders (3'505). As of the same date, which marks the balance sheet date, the following shareholders held stakes of 3% or more in terms of the percentage of capital held:



As of the balance sheet date, the Company maintained ownership of 14'210 shares in Kardex Holding AG (16'832). Within the consolidated group, no other entities held shares in Kardex Holding AG.

Unregistered shares represented 41.8% of the total share count as of 31 December 2023, a slight change from the previous 39.0%.

In compliance with Articles 120 and 121 of the Financial Market Infrastructure Act (FinMIA), significant shareholders or shareholder groups have submitted reports to the Company and the Disclosure Office of SIX Swiss Exchange. These reports are publicly accessible on the Disclosure Office's publication platform, which can be found at <https://www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html#/>.

No Shareholders' Agreements exist.

1.3 Cross-shareholdings

As of the date of this balance sheet, there are no cross-shareholdings.

2. Capital structure

Share capital and capital structure

	2023	2022	2021	2020	2019
Par value per share (CHF)	0.45	0.45	0.45	0.45	0.45
Total registered shares	7'730'000	7'730'000	7'730'000	7'730'000	7'730'000
Number of treasury shares	14'210	16'832	17'984	19'560	11'640
Number of outstanding shares	7'715'790	7'713'168	7'712'016	7'710'440	7'718'360
Registered capital (CHF 1'000)	3'479	3'479	3'479	3'479	3'479
Total voting rights	7'715'790	7'713'168	7'712'016	7'710'440	7'718'360

Key figures per share

The key financial figures per share for the Company can be found on page 9 of this Annual Report.

2.1 Capital

As of 31 December 2023, the ordinary capital of Kardex Holding AG stood at CHF 3'478'500, represented by 7'730'000 shares.

2.2 Capital band and conditional capital in particular

As of 31 December 2023, the Company did not possess any conditional capital or maintain a capital band.

2.3 Changes in capital

For a comprehensive summary of the changes in capital from the financial years 2019 to 2023, refer to the table titled "Share capital and capital structure" in section 2, or on page 24.

2.4 Shares and participation certificates

The Company possesses 7'730'000 fully paid-up registered shares, each with a nominal value of CHF 0.45 each. Each registered share entitles the holder to one vote at the General Meeting, adhering to the 'one share – one vote' principle. These shares are also eligible for dividends. However, treasury shares are not entitled to dividends.

The Company held no participatory capital as of 31 December 2023.

Consistently, up to 75% of the operating profit (calculated as the operating result for the period from the consolidated Group result) will be allocated for distribution to shareholders. This is based on a recommendation by the Board of Directors and subject to approval at the General Meeting.

2.5 Dividend-right certificates

The Company did not issue any dividend rights certificates as of 31 December 2023.

2.6 Limitations on transferability and nominee registrations

The shares of Kardex Holding AG are open for purchase by any individual or legal entity. Nominee registrations are acceptable. However, the acquisition of shares is subject to specific conditions regarding nominee registrations:

- The Company may refuse registration as a shareholder with voting rights in the share register if upon request the purchaser does not expressly declare that they hold the shares in their name and for their account, that there is no agreement concerning the redemption or return of the shares in question and that they bear the economic risk associated with the shares. The Board of Directors is entitled to delete an entry in the share

register with retroactive effect from the date of that entry if such entry was based on false information but may hear the shareholder or beneficiary in question in advance. In each case, the shareholder or beneficiary in question must be immediately informed of the deletion.

- The aforementioned restrictions on nominee registrations are clearly outlined in paragraph 3 sections 11 and 12 of the Articles of Association, which can be accessed at [Articles of Association Kardex Holding AG AGM 2023.pdf \(hubspotusercontent-na1.net\)](#). These clauses in the Articles of Association can be repealed through a simple resolution of the General Meeting. All the above is subject to any legal constraints on share transferability. In the reported year and the preceding year, no exceptions to these rules were made.

2.7 Convertible bonds and options

As of 31 December 2023, the Company had no convertible bonds or options outstanding.

3. Board of Directors

The Board of Directors holds the primary responsibility for guiding Kardex' strategic direction and supervising its management. This Board serves as the highest authority in decision-making, barring issues that are reserved for resolution at the General Meeting.

3.1 Members of the Board of Directors

The Board of Directors at Kardex Holding AG is composed of seven members. During a transition period from March to May 2023, Felix Thöni served as the Acting Executive Director. This interim role bridged the gap between the departure of former CEO Jens Fankhänel and the commencement of Jens Hardenacke's tenure as the new CEO. The remaining Board members were all non-executive and met the criteria for independence as defined by the Swiss Code of Best Practice for Corporate Governance. Specifically, they had not been part of the Group Management of Kardex Holding AG or the management board of any subsidiary in the past three years. Furthermore, they maintained no or comparatively minor business relationships with Kardex. Notably, Philipp Buhofer, despite holding a substantial number of Kardex shares, was deemed independent from the Company's perspective. This assessment aligns with Article 154 of the Swiss Code of Best Practice for Corporate Governance as outlined by economie-suisse (for further details, visit https://www.economiesuisse.ch/sites/default/files/publications/swisscode_e_web_0.pdf).



Felix Thöni

1959, Swiss citizen,
Dr. oec. HSG

Non-executive member of the BoD

- Chairman since 2021
- Vice Chairman from 2016 - 2020
- Member since 2011
- Considered not independent due to his Executive Director role in 2023 (March – May)

2023 (March – May)

- a.i. Executive Director, Kardex Holding AG, Zurich, Switzerland

2012 - 2016

- Executive Director, Kardex Holding AG, Zurich, Switzerland

Since 2010

- Board Member, Management Consultant

2003 – 2009

- CFO, Charles Vögele Holding AG, Pfäffikon, Switzerland

1992 – 2002

- CFO, Carlo Gavazzi Holding AG, Steinhausen, Switzerland

Other directorships of non-listed companies

- Cham Group AG, Cham, Switzerland* *
- Renergia Zentralschweiz AG, Perlen/Root, Switzerland* *
- Felix Thöni (FT Consulting), Cham, Switzerland



Ulrich Jakob Looser

1957, Swiss citizen,
Dipl. Phys. ETH, lic. oec. HSG

Non-executive member of the BoD

- Vice Chairman since 2021
- Member since 2012
- Considered independent

Since 2009

- Partner, Berg Looser Rauber Partners (BLR Partners AG), Zurich, Switzerland

2001 – 2009

- Chairman (since 2005), Accenture AG (Switzerland), Zurich, Switzerland

1987 – 2001

- Partner (since 1993), McKinsey & Company Inc., Zurich, Switzerland

Other directorships of listed companies

- LEM, Fribourg, Switzerland**
- u-blox, Thalwil, Switzerland**

Other directorships of non-listed companies

- Bachofen Holding AG, Uster, Switzerland*
- Balgrist Beteiligungs AG, Zurich, Switzerland**
- BLR Partners AG, Zurich, Switzerland*
- FOSTAG Formenbau AG, Stein am Rhein, Switzerland**
- Geistlich Holding AG, Schlieren, Switzerland**

Other activities at legal entities such as foundations and associations/ consultancy roles/political offices

- Member of the Board of economiesuisse, Switzerland: Chairman of the Committee on Education and Research
- Swiss National Science Foundation (SNSF), Switzerland: Member of the Board of Trustees'
- Swiss-American Chamber of Commerce, Switzerland: Member Chapter "Doing business in the US"
- Swiss Association "Balgrist", Zurich, Switzerland: Member of the Board
- University of Applied Sciences, Zurich, Switzerland: Member of the University Board
- Venture Foundation, Zurich, Switzerland: Chairman of the Foundation Board



Philipp Buhofer

1959, Swiss citizen,
HWV Horw/Luzern

Non-executive member of the BoD

- Member since 2004
- Considered independent

Since 1997

- Independent entrepreneur

2002 – 2003

- Delegate and Chairman of the Board of Directors, EPA AG, Zurich, Switzerland

Other directorships of listed companies

- Klingelberg AG, Zurich, Switzerland**

Other directorships of non-listed companies

- Lokremise AG, Cham, Switzerland*
- ADUR Management AG, Baar, Switzerland**
- BURU Holding AG, Hagendorn, Switzerland**
- Cham Group AG, Cham, Switzerland*

* In the function as Chairperson of the Board of Directors

** In the function as Member of the Board of Directors



Eugen Elmiger

1963, Swiss citizen,
BS in Electrical Engineering, HSLU
Horw

Non-executive member of the BoD

- Member since 2020
- Considered independent

Since 2011

- CEO, maxon international ag, Sachseln, Switzerland

1991 - 2011

- Various management functions, maxon motor ag, Sachseln, Switzerland

Other directorship of listed company

- Monolithic Power Systems Inc., Kirkland, USA**

Other directorships of nonlisted companies

- maxon international ltd., Sachseln, Switzerland**

**Other activities at legal entities such as foundations and associations/
consultancy roles/political offices**

- Chamber of Commerce and Industry of Central Switzerland: Member of the Board of Directors
- Swiss American Chamber of Commerce, Switzerland: Member Chapter "Doing Business in the US"



Andreas Häberli

1968, Swiss citizen,
Dipl. El. Ing. ETH, Dr. sc. techn. ETH
Zurich

Non-executive member of the BoD

- Member since 2020
- Considered independent

Since 2023

- Co-Founder and Co-CEO of PhenoSign AG, Bubikon, Switzerland

2011 - 2023

- Chief Technology Officer and member of the Executive Committee, dormakaba Group, Ruemlang, Switzerland

2003 – 2010

- Head of Development and member of Management Board, Kaba AG, Wetzikon, Switzerland; from 2009 additionally Head of Development and member of Management Board, Kaba GmbH, Herzogenburg, Austria

1999 – 2003

- Member of Management Board, Sensirion AG, Staefa, Switzerland

Other directorship of listed company

- Komax Holding AG, Dierikon, Switzerland**

Other directorship of non-listed company

- PhenoSign AG, Bubikon, Switzerland*

**Other activities at legal entities such as foundations and associations/
consultancy roles/political offices**

- Member of Industrial Advisory Board ETH Zurich, Switzerland
- Member of Swissmem Research Committee Zurich, Switzerland



Jennifer Maag

1969, Swiss and German citizen,
Bachelor of Arts in Political Economy,
University of California, Berkeley,
USA

Non-executive member of the BoD

- Member since 2022
- Considered independent

Since 1999

- Founder and CEO, Capital Concepts International AG, Zurich, Switzerland

1996 - 1999

- Senior Manager Corporate Finance (since 1997), KPMG Corporate Finance Zurich, Switzerland

1992 - 1996

- Audit Senior (since 1994), Deloitte & Touche, Zurich, Switzerland and Munich, Germany

Other directorships of nonlisted companies

- Artemis Holding, Hergiswil, Switzerland*
- WICOR Holding AG, Rapperswil, Switzerland**
- Capital Concepts International AG, Zurich, Switzerland*
- Nova Property Fund Management, Pfäffikon, Switzerland**

Other activities at legal entities such as foundations and associations/ consultancy roles/political offices

- University of Zurich (UZH) Foundation**
- University of California, Berkeley, Department of Political Economy, Alumni Advisory Board**



Maria Teresa Vacalli

1971, Swiss citizen,
Master Degree in Industrial Engineering,
ETH, Zurich, Switzerland

Non-executive member of the BoD

- Member since 2023
- Considered independent

Since 2022

- Professional Board member

2019 - 2022

- CEO, Bank Cler, Basel, Switzerland

2018 - 2019

- Chief Digital Officer, Basler Kantonalbank Konzern, Basel, Switzerland

2016 - 2018

- CEO, Moneyhouse AG, NZZ Media Group, Zurich, Switzerland

2008 - 2016

- Executive Director Wholesale, Member of the Top Management, Director in various functions, Sunrise Communications AG, Zurich, Switzerland

2002 - 2008

- Manager, UPC, Zurich, Switzerland

Other directorship of listed company

- Burckhardt Compression AG, Winterthur, Switzerland**

Other directorships of nonlisted companies

- Die Schweizerische Post, Bern, Switzerland**
- Post Finance, Bern, Switzerland**
- MTK Consult GmbH, Erlenbach, Switzerland
- Kontivia AG, Zurich, Switzerland**

Other activities at legal entities such as foundations and associations/ consultancy roles/political offices

- ETH Juniors, Zurich, Switzerland: Member of the Board
- Gesellschaft für Marketing, Zurich, Switzerland: Member of the Marketing Price Jury
- GR Digital, Chur, Switzerland: Member of the Expert Council Team

* In the function as Chairperson of the Board of Directors

** In the function as Member of the Board of Directors

3.2 Other activities and vested interests

The various activities and interests of each Board of Directors member are detailed in section 3.1. These comply with the guidelines set forth in the Articles of Association, as explicitly outlined in section 13, paragraph 4, and as enumerated in section 3.3 of this report.

3.3 Number of permitted activities

In compliance with Section 13, Paragraph 4 of the Articles of Association ([Articles of Association Kardex Holding AG AGM 2023.pdf \(hub-spotusercontent-na1.net\)](#)), members of the Board of Directors are limited to holding no more than five mandates in publicly traded companies and a maximum of ten mandates in private companies.

However, the following types of mandates are exempt from these restrictions:

- Mandates in companies either controlled by or controlling this Company.
- Mandates in companies approved by this Company's order. No Board of Directors or Management Board member may exceed ten such mandates.
- Mandates in various non-profit and educational organizations such as associations, federations, foundations, trusts, employee benefit foundations, and educational institutions. No member of either the Board of Directors or Management Board may hold more than ten such mandates.

Comparable roles in economically driven companies will be considered as mandates. Mandates held across multiple legal entities under the same control or with identical beneficial ownership will be counted as a single mandate. If an individual serves on both the Board of Directors and the Management Board, they will only be subject to the mandate rules applicable to Management Board Association members.

During the reporting period, as well as in the preceding year, the Board of Directors fully adhered to the mandates outlined in the Articles of

Association. Further information can be found in section 3.2 of the Remuneration report.

3.4 Elections and terms of office

3.4.1 Principles of the election procedure and restrictions on term of office

Each member of the Board of Directors serves a one-year term, concluding at the end of the subsequent annual General Meeting. Members are eligible for re-election without any limitations. In the case of by-elections, newly appointed members will complete the remaining term of their predecessors.

Board members are required to retire from the Board of Directors upon reaching 70 years of age. This retirement becomes effective at the conclusion of the next annual General Meeting following their 70th birthday.

3.4.2 Initial election and remaining term of office of each member of the Board of Directors

Name	First year	Term expires
Felix Thöni	2011	2024
Ulrich Jakob Looser	2012	2024
Philipp Buhofer	2004	2024
Eugen Elmiger	2020	2024
Andreas Häberli	2020	2024
Jennifer Maag	2022	2024
Maria Teresa Vacalli	2023	2024

3.5 Internal organizational structure

The Board of Directors' non-transferable and irrevocable statutory responsibilities are defined under article 716a of the Swiss Code of Obligations (CO). These duties are further detailed in the Company's Articles of Association and Organizational Regulations. For more information, the Organizational Regulations can be accessed at [2022-04 Organization Regulation of Kardex Holding AG v4.1 valid from 2022-05-01 EN.pdf \(hubspotusercontent-na1.net\)](#).

3.5.1 Allocation of tasks within the Board of Directors

Felix Thöni has served as the Chairman of the Board of Directors since the 2021 General Meeting, with Ulrich Jakob Looser assuming the role of Vice Chairman since the same time. The Board's two permanent committees are chaired by Jennifer Maag, who leads the Audit Committee, and Ulrich Jakob Looser, who oversees the Compensation and Nomination Committee.

The Board of Directors carries overall responsibility for the ESG Strategy. To ensure the effective implementation of this strategy, an ESG Steering Group has been established. This group, chaired by Jennifer Maag, includes Felix Thöni as Chairman of the Board of Directors, Jens Hardenacke as CEO and Thomas Reist as CFO. They are tasked with steering and overseeing the ESG activities. Further details about the ESG Management Team are available in the Sustainability report (ESG) on page 62, section 0.

3.5.2 Members list, tasks and area of responsibility for each committee of the Board of Directors

The Audit Committee (AC) and the Compensation and Nomination Committee (CNC), as the two standing committees, play pivotal roles in supporting the Board of Directors. They are instrumental in preparing key decisions and providing essential assistance to the Board.

The composition of the committees is as follows:

Name	AC	CNC
Felix Thöni		
Ulrich Jakob Looser		Chairman
Philipp Buhofer		Member
Eugen Elmiger	Member	
Andreas Häberli	Member	
Jennifer Maag	Chairwoman	
Maria Teresa Vacalli		Member

Pursuant to article 3.9 of the Organizational Regulations ([2022-04 Organization Regulation of Kardex Holding AG v4.1 valid from 2022-05-01 EN.pdf \(hubspotusercontent-na1.net\)](#)), the Board of Directors has the authority to establish additional committees to enhance its efficiency in fulfilling its responsibilities.

The Board is responsible for appointing the chairs and members of these committees and delineating their specific roles and responsibilities. These committees provide regular reports to the Board of Directors on their respective activities. However, the overarching accountability for tasks delegated to these committees continues to rest with the full Board of Directors.

Audit Committee

The Audit Committee comprises two to five members from the Board of Directors, elected by the Board for a one-year term. The majority of the committee, including the Chairperson, must possess expertise in financial and accounting matters. The Board of Directors selects the Chairperson of the Audit Committee, who cannot concurrently serve as the Chairperson of the Board of Directors.

The Audit Committee assists the Board of Directors in its overarching supervisory role, focusing especially on overseeing the integrity of financial statements, both annual and interim reports, the accounting process' internal control system, risk management, and the review of external and internal auditors' work. The primary responsibilities

of the Audit Committee include:

- Critically evaluating the annual and interim financial statements, in consultation with external auditors and Group Management members, and presenting a recommendation for approval or rejection to the full Board of Directors.
- Assessing the activities, plans, independence, and compensation of external auditors, as well as their collaboration with the Company's finance and control officers, and discussing their reports and recommendations.
- Evaluating the effectiveness of the internal control system and the reliability of reporting.
- Appraising the efficiency of cybersecurity measures.
- Ensuring compliance with laws, internal guidelines, and other regulations.
- Proposing actions to the full Board of Directors when necessary during the course of fulfilling its responsibilities.

The Audit Committee's duties and responsibilities are detailed in article 3.9.1 of the Organizational Regulations.

Compensation and Nomination Committee

The Compensation and Nomination Committee is composed of two to five members, who are also members of the Board of Directors, elected at the Annual General Meeting. The Chairperson of this committee is appointed by the Board of Directors.

This committee's role is to advise and present suggestions to the full Board of Directors, primarily focusing on:

- Fundamental human resources issues within Kardex.
- Nominations for the Board of Directors and key Group positions.
- Approving appointment terms for Group Management members, including compensation and contract duration.
- Defining the framework for performance-based payments within Kardex.
- Determining individual performance-related payments for Group Management members.
- Monitoring the overall salary structure and its development, as well as individual total compensation exceeding a predetermined threshold set by the Committee.
- Ensuring compliance with legal, regulatory, and supervisory requirements regarding the disclosure of compensation for Board and Group Management members.
- Discussing and managing whistleblower cases.

The duties and responsibilities of the Compensation and Nomination Committee are outlined in article 3.9.2 of the Organizational Regulations.

3.5.3 Working methods of the Board of Directors and its committees

Board of Directors

The Board of Directors convenes upon the invitation of the Chairperson or a representative, or at the request of a Board member. Detailed minutes of the Board's discussions and decisions are maintained and signed by the Chairperson and the Secretary. The Chairperson also leads the General Meeting and, along with Group Management, ensures timely dissemination of essential information to all stakeholders.

The Board meets regularly and as business needs dictate, with standard meetings typically lasting from half a day to a full day. Additionally, the Board holds an annual two-to-three-day strategic planning session. This past year, the Board convened for seven meetings, ranging from one hour to two days (for the strategic session). Board members maintained a 100% attendance rate (96%). Group Management members are routinely invited to the Board meetings. For strategy and budget sessions, finance managers from various divisions also participate. Furthermore, the Board may invite other management staff or external advisors for specific matters. Comprehensive documentation on agenda items, as specified by the Chairperson or requested by Group Management, is provided well before the meetings.

Audit Committee

The Audit Committee convenes as necessary, typically three times annually. Meetings are called by the Committee Chair and are attended by the CEO, CFO, and other personnel or guests as needed. The external auditors are present at all meetings. This year, the Committee held five meetings, generally lasting half a day. The attendance rate for Committee members was 93% (100%): Jennifer Maag attended 5 of 5 meetings which were relevant for her, Jakob Bleiker 3 of 3, Eugen Elmiger 2 of 2 and Andreas Häberli 4 of 5.

The Audit Committee regularly reports to the full Board of Directors and submits recommendations as needed.

Compensation and Nomination Committee

The Compensation and Nomination Committee meets as required, usually three times per year. This year, the Committee held three standard meetings, typically lasting half a day. The attendance rate for Committee members was 89% (100%): Ulrich Jakob Looser attended 3 of 3 meetings which were relevant for him, Philipp Buhofer 2 of 3, Eugen Elmiger 1 of 1 and Maria Teresa Vaccali 2 of 2.

The Committee reports to the full Board of Directors and presents proposals when necessary.

3.6 Areas of responsibility

The Board of Directors is the paramount managerial and supervisory entity for both the Company and the Group. Its foremost duties include the oversight, management, and supervision of the Group Management, which is charged with the administration of Kardex. Central to the Board's responsibilities are strategic decision-making, shaping the organizational structure, and establishing corporate governance parameters. Additionally, the Board is tasked with appointing and dismissing Group Management members, setting their compensation and bonuses, defining financial and accounting frameworks, and endorsing long-term and annual plans, including investment budgets. The Board delegates the day-to-day management of the Company and Kardex entirely to the Group Management, led by the CEO, except as mandated by law, the Articles of Association, or the Organizational Regulations. Following the strategy set by the Board, the Group Management oversees Kardex. The roles and powers of the Group Management are detailed in article 4 of the Organizational Regulations ([2022-04 Organization Regulation of Kardex Holding AG v4.1 valid from 2022-05-01 EN.pdf \(hubspotusercontent-na1.net\)](#)).

The Group Management is primarily responsible for managing the operational aspects of Kardex, overseeing the overall financial outcomes, and executing the Board-approved strategy and action plans. The CFO, accountable for financial, tax, and capital management, ensures the development and implementation of risk control principles, regulations, and limits. The CFO also guarantees transparency in financial outcomes and is responsible for the timely delivery of high-quality financial reporting. Each Division Head is fully responsible for their respective division's management, outcomes, and associated risks.

3.7 Information and control instruments vis-à-vis the Group Management

Board of Directors

The Board receives regular updates on business operations and significant events from the Group Management at each Board meeting. Additionally, the Board Chairperson meets monthly with the CEO and CFO to discuss business progress, facilitating the Board's oversight of the Group's strategic and operational advancement.

Key instruments for monitoring and controlling the Group Management include:

- Monthly financial reports from Division Heads on ongoing business performance.
- Annual strategic divisional and Group analyses, prepared by the Group Management, accompanied by a long-term plan revised by the Group Management.
- Annual review of Kardex' business risk matrix by the Group Management and individual risk owners, categorizing and assessing risks, and defining control measures in commercial, financial, governance, information & security, innovation & technology, and strategy risks.
- Special reports from the Group Management on significant investments, acquisitions, and partnerships.
- Regular briefings to the Board on major developments by the Group Management.

Audit Committee

The Audit Committee typically reports to the Board thrice yearly on finance and accounting matters, adherence to accounting standards and compliance with laws and processes, risk management, and internal and external auditing. It also scrutinizes financial reporting processes.

Internal audit function

Integrated within the finance function of the Company and its divisions, the internal auditors aid organizational units in meeting objectives related to maintaining and enhancing internal control systems. Following investigations, the ICS Coordinator presents a report on any actual or suspected irregularities to the Audit Committee.

Actions based on these reports are systematically addressed in the relevant meeting agendas by the aforementioned bodies.

3.8 Gender guidelines

The Board of Directors is currently composed of 71% men and 29% women. After 12 years of service, Ulrich J. Looser has decided to step down at the AGM 2024. The Board thanks him for his valuable input during this period. The goal to reach 30% by 2024 will be achieved with the new composition of the Board (67% men; 33% women).

4. Group Management

4.1 Members of the Group Management

The Group Management, comprising four members, oversees Kardex' operational business. Jens Hardenacke serves as the CEO and Chairman of the Group Management since 01 June 2023. The team also includes the CFO, the Head of the Kardex Remstar Division, and the Head of the Kardex Mlog Division. Jens Fankhänel, the former CEO, left Kardex by end of February 2023. Details on the management structure are available in section 1.1.1 of this report on page 22.



Jens Hardenacke
Chief Executive Officer

1971, German citizen,
Dr. rer. Pol. WWU Münster, Germany

Since 2023

- CEO of Kardex Holding AG

2021 - 2023

- MD Dematic Central Europe / MD Dematic DACH, SVP, Dematic GMBH, Germany

2017 - 2021

- MD / President Dematic China, SVP, Dematic International Trading, China

2010 - 2017

- CEO DMG Asia II / DMG Mori Asia / DMG Mori Seiki Cooperation Markets, Singapore

2008 - 2009

- CEO DMG Asia, Gildemeister AG, Shanghai, China

2006 - 2008

- Managing Director DMG Charlotte, Gildemeister AG, Charlotte, USA



Thomas Reist
Chief Financial Officer

1971, Swiss citizen,
MAS in Corporate Finance/
Bachelor of Science FH
in Business Administration,
FHNW Zurich/Olten, Switzerland

Since 2016

- CFO of Kardex Holding AG

2011 - 2016

- Head of Finance & Controlling on Holding-level, Kardex Holding AG, Zurich, Switzerland

2001 - 2011

- Group Controller / Head of Finance & Controlling, Angst+Pfister AG, Zurich, Switzerland / Paris, France

1998 - 2001

- Head of Finance & Controlling, Zimex Aviation AG, Zurich, Switzerland



Urs Siegenthaler
Head of Kardex Remstar Division

1959, Swiss citizen,
University Degree in Mechanical
Engineering, Bern University of
Applied Sciences, Biel, Switzerland,
Postgraduate Studies in Business
Management, Lucerne University of
Applied Sciences, Horw, Switzerland

Since 2019

- Head of Kardex Remstar Division

2016 – 2019

- Head of New Business Kardex Remstar

2011 – 2016

- Head of Life Cycle Service Kardex Remstar

2008 – 2011

- Divisional Head of TGW Group, Austria

2007 – 2008

- Senior VP Strategic Projects, Swisslog Group, Switzerland

1999 – 2007

- Head of Region / Managing Director, Swisslog Group, Switzerland



Hans-Jürgen Heitzer
Head of Kardex Mlog Division

1962, German citizen,
Grad. mechanical engineer,
Aachen Technical University,
Germany

Since 2011

- Head of Kardex Mlog Division

2010 – 2011

- Managing Director, Mlog Logistics GmbH, Neuenstadt, Germany

2002 – 2009

- CEO, Locanis AG, Unterföhring, Germany

2000 – 2001

- Division Manager Distribution and Project Management automatic high rack storage systems, MAN Logistics, Heilbronn, Germany

4.2 Other activities and vested interests

Members of the Group Management, except as noted in their biographies, do not engage in any significant external activities or hold vested interests beyond their roles at Kardex. Specifically, they do not participate in management or supervisory roles, nor do they undertake long-term executive or advisory duties outside of Kardex. Additionally, they hold no official positions or political offices, and they have no substantial vested interests or participations.

The regulations stipulated in the Articles of Association, particularly in paragraph 13, section 5, and outlined in section 4.3 of this report, were adhered to during the reporting period and the previous year.

4.3 Number of permitted activities

In accordance with paragraph 13 section 5 of Kardex' Articles of Association, members of the Management Board are limited to holding no more than ten positions in other companies, with a maximum of two in publicly traded companies. Each position held by Management Board members, including any temporary exceptions to this limitation, requires the approval of the Board of Directors.

Positions in companies with similar economic objectives are considered equivalent to these mandates. Roles in different legal entities under the same control or with the same beneficial ownership are counted as a single position. If an individual serves on both the Board of Directors and the Management Board, they are subject only to the regulations pertaining to Management Board members.

Throughout the reporting period and the previous year, members of the Group Management have adhered to the mandate limits as specified in the Articles of Association.

4.4 Management contracts

The Company and its subsidiaries do not engage in management contracts with third parties.

4.5 Gender Guidelines

The Group Management currently consists entirely of male members. The implemented measures for people development facilitate a progressive increase in the representation of women in mid- and top-level management positions. Gender equality is a fundamental aspect of Kardex' recruitment process. Kardex trusts that these initiatives will organically contribute to an ongoing enhancement of gender balance within the Group Management.

5. Compensations, shareholdings, and loans

Information Details regarding compensation, shareholdings, and loans can be found in the Remuneration report on page 46 et seqq.

6. Shareholders' participation rights

6.1 Voting rights restrictions and representation

On 31 December 2023, 3'746 shareholders were registered in the share register. Each registered share of Kardex Holding AG grants the owner the right to one vote at the General Meeting. Voting rights are unrestricted. Additionally, shareholders are entitled to appoint a representative to vote on their behalf at the General Meeting. This can be done via a written proxy given to an independent voting proxy, another shareholder with voting rights, or a third party.

The Board of Directors establishes the guidelines for granting powers of attorney and providing instructions. They may also allow the issuance of powers of attorney and instructions to the independent representative electronically, without requiring a qualified electronic signature.

During the year in review, as well as the preceding year, there were no deviations from these rules. Moreover, no specific regulations were introduced concerning the issuance of instructions to the independent proxy or regarding electronic participation in the General Meeting.

6.2 Quorums required by the Articles of Association

Unless otherwise specified by law or the Articles of Association, General Meeting resolutions and elections require an absolute majority of cast votes, excluding abstentions, blank, and invalid votes. In a tie, the General Meeting Chairperson has the casting vote (paragraph 11 section 1 of the Articles of Association ([Articles of Association Kardex Holding AG AGM 2023.pdf \(hubspotusercontent-na1.net\)](#))).

The Company's Articles of Association do not mandate specific quorums beyond those required by company law.

6.3 Convocation of General Meetings

The Board of Directors convenes General Meetings, issuing a notice at least 20 days before the meeting. This notice is published in the Company's official publication, the Swiss Commercial Gazette. The announcement includes the meeting's date, time, and location, along with the agenda items and resolutions proposed by both the Board of Directors and shareholders who have either requested a General Meeting or submitted agenda items.

Resolutions can only be passed on matters announced in this manner. However, exceptions are made for requests to hold an extraordinary General Meeting or to conduct a special investigation, if these are initiated by a shareholder.

Extraordinary General Meetings can be called by either the Board of Directors or upon the auditors' request. Additionally, if shareholders holding a minimum of 5% of the share capital collectively request such a meeting in writing,

specifying the agenda and proposals, the Board of Directors must convene it within 8 weeks.

6.4 Inclusion of items on the agenda

Shareholders collectively owning at least 0.5 percent of the Company's share capital may formally request the addition of an item to the agenda. This request should include detailed proposals and must be submitted to the Board of Directors no later than 40 days before the General Meeting.

6.5 Entries in the share register

For the General Meeting, the Board of Directors will announce a specific cut-off date. Shareholders must be registered in the share register by this date to be eligible to participate and vote at the General Meeting (paragraph 3 section 14 of the Articles of Association ([Articles of Association Kardex Holding AG AGM 2023.pdf \(hubspotusercontent-na1.net\)](#))).

7. Changes of control and defense measures

7.1 Duty to make an offer

The Articles of Association do not contain any opting out or opting up clauses.

7.2 Clauses on changes of control

There are no provisions regarding changes of control in the Articles of Association.

7.3 Transparency on non-financial matters

Details on non-financial aspects, including environmental, social, and employee concerns, human rights adherence, and anti-corruption efforts, are available in the Sustainability report on page 57.

8. Auditors

8.1 Duration of the mandate and term of office of the lead auditor

8.1.1 Date of assumption of the current audit mandate

The auditors are appointed annually at the General Meeting. PricewaterhouseCoopers AG, based in Zurich, Switzerland, has served as the Company's auditors since 2014.

8.1.2 Date on which the lead auditor responsible for the current audit mandate took up office

Norbert Kühnis has served as the lead auditor since the General Meeting on April 15, 2021, resuming the role he previously held until 2015. The lead auditor's term is limited to a maximum of seven years, with eligibility for reappointment following a three-year interval.

8.2 Auditing fees

For the fiscal year 2023, PricewaterhouseCoopers billed CHF 1'010.0 thousand (CHF 603.0 thousand) for audit services, of which CHF 236.0 thousand related to the audit procedures for the 2022 year-end audit. Therefore, the comparable figures for the audit fees 2023 are CHF 774.0 thousand for the year 2023 and CHF 839.0 thousand for the year 2022. These figures include all related expenses.

8.3 Additional fees

PricewaterhouseCoopers also received CHF 211.0 thousand (CHF 147.7 thousand) for services beyond the audit scope. These fees were for developing and managing the transfer pricing framework and providing tax consulting as well as for consulting services in relation to the Sustainability report.

8.4 Information instruments pertaining to the external audit

The Audit Committee, acting on behalf of the Board of Directors, assesses the auditors' licensing, independence, and performance. It recommends their appointment or removal to the General Meeting as necessary. This Committee oversees the auditing of Kardex Holding AG's annual financial statements, Remuneration report, and consolidated financial statements. It receives regular updates from the statutory auditors, including written and verbal reports on their findings and recommendations for enhancing accounting and internal controls. These insights are consolidated into a comprehensive report for the full Board of Directors, including the management letter. The Committee typically meets with the external auditors three times annually to define the audit's scope, ensuring compliance with the mandatory rotation policy for the lead auditor. It also reviews and approves the auditor's fees, detailing the split between audit and non-audit services. The full Board of Directors is kept informed through the Audit Committee.

9. Information policy

Kardex Holding AG is dedicated to transparent and prompt communication, ensuring shareholders, the capital market, employees, and all stakeholders are well-informed. The information policy aligns with the Swiss stock exchange (SIX Swiss Exchange) regulations and relevant legal requirements. As a SIX Swiss Exchange-listed entity, Kardex adheres to the Listing Rules and the Guidelines of SIX Exchange Regulation AG on Directive on Ad hoc Publicity.

Kardex issues biannual business performance reports. All the publications, including Annual and Interim Reports, are accessible electronically on the Company's website. Regular press releases supplement these publications. Kardex engages with investors, analysts, and the media through special events, teleconferences, and roadshows.

Annual and half-year results are communicated to media and analysts via teleconference. The General Meeting convenes in Zurich, Switzerland.

Information is distributed electronically or via e-mail to SIX Swiss Exchange, the Swiss Commercial Gazette (the Company's official publication medium), and other pertinent national business journals. Concurrently, it's posted on the Kardex website (<https://www.kardex.com/en/company/news>). Interested parties can subscribe at <https://www.kardex.com/en/company/investor-relations-contact> com to receive updates via e-mail.

The Chairperson of the Group Management leads corporate communications. Official announcements, particularly those related to the maintenance of registered share listings on SIX Swiss Exchange, adhere to the exchange's Listing Rules and implementing decrees, available at www.ser-ag.com. Visit www.kardex.com for comprehensive and current information about the Group, its products, and contact details.

Contact information is provided on page 11 of this report.

Corporate calendar

<u>2024 Annual General Meeting</u>	<u>25 April 2024</u>
<u>2024 Interim Report</u>	<u>30 July 2024</u>
<u>2024 Annual Report</u>	<u>6 March 2025</u>
<u>2025 Annual General Meeting</u>	<u>24 April 2025</u>
<u>2025 Interim Report</u>	<u>31 July 2025</u>

10. Quiet and blackout periods

General quiet and blackout periods

The general quiet and blackout period commences on the final day of the calendar year or half-year and concludes one business day following the publication of the relevant ad hoc announcement associated with the respective Annual and Interim Report.

This period applies to the following individuals (deemed insiders):

- Members of the Board of Directors, Group Management, and their assistants
- Employees of Group, Divisional, and Regional Finance
- Employees in Corporate Communications and Investor Relations
- Employees involved in projects containing price-sensitive information
- External consultants

The Chief Financial Officer (CFO) is responsible for maintaining a list of all pertinent individuals.

Special quiet and blackout periods

Additional quiet and blackout periods may be instituted at any time. The CFO has the authority to determine the initiation and termination of these special periods and can make such decisions as circumstances dictate. The CFO is also tasked with keeping a record of individuals subject to these special quiet periods.

Effects of quiet and blackout periods

During a quiet and blackout period, insiders are prohibited from trading in Kardex shares, related securities, or options, whether on their own behalf or on behalf of others.

Remuneration report

- 42 Content and method of determining compensation and shareholding programs
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11. Content and method of determining compensation and shareholding programs

11.1 Guiding principles

The success of Kardex is deeply intertwined with the quality and dedication of the Board of Directors and the Group Management members. Kardex' compensation policy is strategically designed to attract and retain top talent in both these critical areas. A key component of this policy is performance-related compensation for Group Management, essential for meeting Kardex' objectives. The guiding principles of the compensation strategy are:

- Compensation should be contingent on performance and align with market standards.
- Decisions regarding compensation should be transparent and easily understood.
- Compensation should be directly connected to the business success of the Company or its divisions.

11.2 Responsibilities

At the start of each term, the Compensation and Nomination Committee, as outlined in section 3.5.2 on page 31 f.) of this report, presents recommendations to the full Board of Directors regarding the annual compensation for the Board of Directors members (detailed in section 13.2.1, page 50) and suggestions for the remuneration of Group Management members (section 13.2.2, page 50). In collaboration with the full Board, the Committee also sets performance targets for Group Management and proposes a structure for their variable compensation. Subsequently, the Board annually presents to the General Meeting for approval the proposed maximum total compensations for:

- The Board of Directors' remuneration for the period leading up to the next Annual General Meeting.
- Total remuneration of Group Management for the full financial year which follows the Annual General Meeting.

Additionally, the Board of Directors may propose to the General Meeting maximum total amounts or specific compensation elements for the Board of Directors and Group Management for different time frames.

The total remuneration for both the Board of Directors and Group Management is sanctioned by an absolute majority of votes cast (excluding abstentions, unmarked ballots, and invalid votes).

Should the General Meeting disapprove a proposed amount, the Board of Directors will determine the next steps. This may include convening an extraordinary General Meeting or setting a maximum total amount or several maximum partial amounts, considering all relevant factors, to be approved at the next General Meeting. Within these limits, the Company may adjust remuneration, pending General Meeting approval.

At the financial year's end, the Compensation and Nomination Committee evaluates the Group Management's target achievements. Based on their recommendation, the Board of Directors approves the actual variable compensation within the authorized maximum total remuneration approved by the General Meeting.

The Board of Directors submits the annual compensation report to the General Meeting for advisory approval.

11.3 System of compensation

11.3.1 Members of the Board of Directors

The Board members receive a fixed annual fee for their duties, including meeting preparation and attendance, and committee work. This fee comprises a base fee and additional amounts based on committee roles and functions. These fees are structured to adequately compensate for their managerial and supervisory roles over the Company's operations. In extraordinary business situations necessitating extra meetings, members are compensated with a daily rate of CHF 5'000. No further compensation is provided for additional responsibilities.

The fees are determined based on factors such as the responsibility level, task complexity, required expertise, personal attributes, and expected time commitment. We periodically review data from comparable Swiss industrial companies listed on SIX Swiss Exchange, considering their size and international operations, to ensure competitive compensation.

Board members receive 20% to 100% of their fixed fees in shares, with the balance paid in cash. The share price is based on the prior month's weighted average price, typically August. These shares are subject to a three-year trading restriction and are therefore discounted by 16%. For reporting purposes in the Remuneration report on page 46, shares are valued pre-discount.

For mid-month entries or exits, the 15th is the cut-off date. Fees for the entire month are paid if joining occurs on or before this date. If a resignation occurs before the 15th, no fee is paid for that month.

11.3.2 Members of the Group Management

The members of the Group Management are compensated with a remuneration package that includes the following components:

- Fixed compensation, including base salary, lump-sum for representation expenses, and a company car.
- Short-term variable compensation based on individual performance and success (STI program).
- Long-term variable compensation tied to share performance (LTI program).

Group Management members who also serve on subsidiary Boards of Group subsidiaries are not compensated separately for these roles.

New Group Management members receive compensation from the month they assume their role. Upon departure, remuneration is paid until the contract's expiry.

Base salary

Base salaries reflect the assigned responsibilities, required qualifications and experience, and the market context. We also consider publicly available data from comparable Swiss industrial firms listed on the SIX Swiss Exchange of similar size with international operations. No external consultants were engaged for compensation matters in the reporting year.

Short-Term Incentive program

The STI program offers variable compensation based on individual performance targets and the Company's or a specific business unit's economic success, as approved by the Board. The Compensation and Nomination Committee sets individual targets at the year's start and evaluates achievements post-financial year, proposing variable compensation to the Board. The variable component of the STI program for the CEO and CFO primarily hinges on the accomplishment of Kardex' financial targets, particularly Earnings Before Interest and Taxes (EBIT). Additionally, it may incorporate qualitative targets ranging from 30-50%, depending on the identified focus areas. As for the Heads of Kardex Remstar and Kardex Mlog divisions, the STI is allocated with a 70% weight for achieving the financial targets (EBIT and other profitability metrics) within their

respective divisions, and a 30% weight for attaining personal qualitative targets. The STI is paid in cash.

Long-Term Incentive program

The reporting year marks the conclusion of the three-year Long-Term Incentive (LTI) program, which mandates participation from Group Management members. This program establishes successive LTI periods, each spanning three years. The inaugural LTI period commenced on 1 January 2021.

Performance targets are gauged based on the Total Shareholder Return (TSR) of Kardex shares relative to peers in the Swiss Performance Index (SPI) over an LTI period. The SPI's constituent companies form the comparative peer group. At each LTI period's outset, a portion of the participants' STI compensation (20% for the CEO and 15% for other members) is allocated to the LTI program and matched doubled in total by the Company. This forms the maximum LTI entitlement, converted into a maximum quantity of LTI shares (performance shares). This conversion uses the Kardex Holding AG share's weighted average price from the fourth quarter preceding the LTI period. For the 2021-2023 period, this average price in Q4 2020 was CHF 176. Throughout the LTI period, TSR performance is assessed at multiple intervals. At the period's conclusion, an average performance calculation across the entire span determines each participant's LTI compensation eligibility. This entitlement ranges from 0% to 100% of the maximum LTI shares. Full entitlement is achieved if the Kardex share's performance ranks within the top 25% of SPI index shares on average over the three years. Conversely, if Kardex' average three-year performance falls within the bottom 33% of SPI shares, no LTI shares are awarded. Intermediate performance results in a linearly calculated entitlement. This variable LTI compensation is disbursed in Kardex shares at the end of the three-year cycle.

11.4 Notice periods

Board of Directors members are appointed annually by the General Meeting. Group Management members hold employment contracts with a maximum twelve-month notice period. Neither Board nor Group Management members are entitled to contractual severance payments, remuneration, or benefits upon departure.

12. Rules in the Articles of Association

12.1 Principles regarding remuneration for members of the Board of Directors and the Group Management

The Company's Articles of Association stipulate fixed remuneration for the Board of Directors members, while for Group Management, it consists of fixed and variable (performance-based) components.

Key statutory principles guiding variable remuneration for Group Management, as outlined in section 18c (paragraphs 2 and 3) of the Articles of Association, are:

- Variable remuneration may comprise both short-term and long-term components.
- Short-term incentives are based on individual performance targets and/or the Company's or a division's economic performance.
- Long-term incentives hinge on objective performance metrics that align with strategic objectives, typically evaluated over multiple years.

Both the Board of Directors and Group Management members may receive part or all of their remuneration in Company shares. The Board of Directors sets the terms for this (award date, valuation, holding periods, etc.) as per paragraph 18b (section 2) and paragraph 18c (section 4 and 5) of the Articles of Association.

For information on the authority to set and approve remuneration, refer to section 11.2 on page 42 of this report. If new members join the Group Management during a period for which remuneration has been sanctioned, the Company can allocate an additional sum per member, up to 40% of the total approved remuneration for the Group Management. This adjustment, which can be applied to all remuneration types, including compensation for job change disadvantages, does not require General Meeting approval (paragraph 18e, section 3 of the Articles of Association).

12.2 Loans, credits, and pension benefits provided to members of the Board of Directors and the Group Management

The Articles of Association do not allow for loans or credits to the Board of Directors or Group Management members. These contributions are considered remuneration (as per paragraph 18b, section 1, and paragraph 18c, section 1 of the Articles of Association) and must be approved by the General Meeting, either individually or as a total sum (paragraph 18d of the Articles of Association).

12.3 General Meeting vote regarding remuneration

For regulations concerning General Meeting votes on remuneration, refer to the statements in section 11.2 on page 42 of this report.

13. Remuneration 2023

13.1 Compensation

The Remuneration report details all compensation and participation rights awarded to current or former Board members, Group Management, and related parties. It is audited by external auditors and presented by the Board of Directors for consultative approval at the General Meeting.

There have been no waivers of claims against current or former Board or Group Management members or related parties, nor are there any outstanding loans or credits to them. Additionally, no exceptional compensation has been paid to former Board members or Group Management.

Compensation 2023

Board of Directors (BoD)

in CHF 1'000

Name	First year	Function	Remuneration		Social security	Total compensation	
			in cash	Remuneration in shares Number			Value
Felix Thöni	2011	Chairman	240.1	349	71.3	68.4	379.8
Ulrich Jakob Looser	2012	Vice Chairman	50.0	437	89.3	10.4	149.7
Jakob Bleiker ¹	2012	Member	10.2	135	27.6	2.5	40.3
Philipp Buhofer	2004	Member	72.1	104	21.3	10.1	103.5
Eugen Elmiger	2020	Member	-	524	107.1	10.7	117.8
Andreas Häberli	2020	Member	72.2	104	21.3	10.7	104.2
Jennifer Maag	2022	Member	80.2	169	34.5	12.6	127.3
Maria Teresa Vacalli ²	2023	Member	48.2	69	14.1	6.7	69.0
Total BoD			573.0	1'891	386.5	132.1	1'091.6

All members of the BoD are elected for one year and term expires at the AGM 2024.

¹ Until AGM 2023.

² Since AGM 2023.

Group Management (GM)

in CHF 1'000

Name	Function	Base salary		Variable salary		Social security	Total compensation
		in cash	STI ¹	LTI ²	Total		
Thomas Reist ³	CFO	366.6	292.5	-	292.5	104.5	763.6
Total GM		1'492.1	990.2	-	990.2	367.1	2'849.4

By the end of February 2023, the former CEO, Jens Fankhänel, left the Company. His compensation of CHF 104.8 thousand base salary and CHF 41.2 thousand social security is not included in the above list.

¹ Short-Term Incentive (in cash).

² Long-Term Incentive (considered at grant date in 2021 for the entire LTI period of 3 years (2021 - 2023)).

³ Highest compensation.

Compensation 2022

Board of Directors (BoD)

in CHF 1'000

Name	Year elected	Function	Remuneration in cash	Remuneration in shares		Social security	Total compensation
				Number	Value		
Felix Thöni	2011	Chairman	240.1	387	71.3	75.9	387.3
Ulrich Jakob Looser	2012	Vice Chairman	51.4	497	91.6	13.7	156.7
Jakob Bleiker	2012	Member	90.0	129	23.8	9.5	123.3
Philipp Buhofer	2004	Member	72.1	116	21.3	10.1	103.5
Eugen Elmiger	2020	Member	0.1	581	107.1	10.7	117.9
Andreas Häberli	2020	Member	0.1	581	107.1	10.7	117.9
Jennifer Maag	2022	Member	58.1	77	14.2	8.6	80.9
Total BoD			511.9	2'368	436.4	139.2	1'087.5

Group Management (GM)

in CHF 1'000

Name	Function	Base salary		Variable salary		Social security	Total compensation³
		in cash	STI ¹	LTI ²	Total		
Jens Fankhänel ⁴	CEO	630.1	74.0	-	74.0	170.0	874.1
Total GM		1'619.9	251.2	-	251.2	360.3	2'231.4

¹ Short-Term Incentive (in cash).

² Long-Term Incentive (present value of shares) valued over the entire LTI period of 3 years at grant date (01 January 2021).

³ Including valued long-term incentive over the entire LTI period of 3 years.

⁴ Highest compensation of former CEO.

13.2 Explanatory notes

Board of Directors

The Board of Directors receives a fixed fee for their full term of service, as well as additional fixed fees based on their roles and participation in the two permanent committees.

Board of Directors' fees	in CHF
Fixed fee	80'000
+	
Chairperson Board of Directors	220'000
Vice Chairperson Board of Directors	25'000
Chairperson AC	20'000
Chairperson CNC	20'000
Member AC	10'000
Member CNC	10'000

Extraordinary business circumstances that necessitate additional meetings are compensated at a fixed daily rate of CHF 5'000. In the reviewed year, five half-day ESG Steering Group meetings took place for which Jennifer Maag received CHF 12'500 for her work as Chairwoman. In 2022, two full-day ESG Management Team meetings took place for which Jakob Bleiker and Jennifer Maag each received CHF 10'000.

The portion of the Board of Directors' remuneration paid in shares is valued at the preceding month's weighted average share price, with a 16% discount applied to reflect the three-year holding period (see section 11.3.1, page 43). However, in the Compensation Report, the value of the allocated shares is calculated based on the weighted average share price of the month preceding allocation, typically August.

Members' roles in other companies

Felix Thöni

- Cham Group AG¹, Cham, Switzerland (nl)²: non-exec. Vice-Chairman of the board
- Renergia Zentralschweiz AG, Perlen/Root, Switzerland (nl): non-exec. member of the board
- Felix Thöni (FT Consulting), Cham, Switzerland (nl): Owner

Ulrich Jakob Looser

- LEM, Fribourg, Switzerland (l)³: non-exec. member of the board, Chairman of CNC, member of ARC
- u-blox, Thalwil, Switzerland (l): non-exec. member of the board, Chairman of NCSC, member of AC
- Bachofen Holding AG, Uster, Switzerland (nl): non-exec. Chairman of the board
- Balgrist Beteiligungs AG¹, Zurich, Switzerland (nl): non-exec. member of the board
- BLR Partners AG, Zurich, Switzerland (nl): exec. Chairman of the board
- FOSTAG Formenbau AG, Stein am Rhein, Switzerland (nl): non-exec. member of the board
- Geistlich Holding AG, Schlieren, Switzerland (nl): non-exec. member of the board

Philipp Buhofer

- Lokremise AG¹, Cham, Switzerland (nl): non-exec. Chairman of the board
- Klingelberg AG, Zurich, Switzerland (l): non-exec. member of the board, member of NCC
- ADUR Management AG, Baar, Switzerland (nl): non-exec. member of the board
- BURU Holding AG¹, Hagendorn, Switzerland (nl): exec. member of the board
- Cham Group AG¹, Cham, Switzerland (nl): non-exec. Chairman of the board

Eugen Elmiger

- Monolithic Power Systems Inc., Kirkland, USA (l): non-exec. member of the board, member of CC, Chairman of NGC
- maxon international ltd.¹, Sachseln, Switzerland (nl): Vice-president of the board, member of CNC and CEO of maxon group

Andreas Häberli

- Komax Holding AG, Dierikon, Switzerland (l): non-exec. member of the board, member of the NCC, member of SIC
- PhenoSign AG, Bubikon, Switzerland (nl): exec. Chairman of the board

Jennifer Maag

- Artemis Holding, Hergiswil, Switzerland (nl): non-exec. Chairwoman of the board
- WICOR Holding AG, Rapperswil, Switzerland (nl): non-exec. member of the board
- Capital Concepts International AG, Zurich, Switzerland (nl): exec. Chairwoman of the board
- Nova Property Fund Management, Pfäffikon, Switzerland (nl): non-exec. member of the board

Maria Teresa Vacalli

- Burckhardt Compression AG, Winterthur, Switzerland (l): non-executive member of the board, member of CNC, member of AC
- Die Schweizerische Post, Bern, Switzerland (nl): non-executive member of the board, member of AC
- Post Finance, Bern, Switzerland (nl): non-executive member of the board, Chairwoman of CNC, member of ITD
- MTK Consult GmbH, Erlenbach, Switzerland (nl): Owner and CEO
- Kontivia AG, Zurich, Switzerland (nl): member of the Advisory Board

¹ including subsidiaries.

² nl = non-listed company.

³ l = listed company.

Group Management

Section 13.1, page 46, outlines the total remuneration for the review year. The reported variable pertains to the completed fiscal year for the Short-Term Incentive (STI) program, based on the accrual principle. For the Long-Term Incentive (LTI) program, the projected variable compensation cost for the entire 2021-2023 period was accounted for in 2021 (grant principle) and is thus nil for the reviewed year.

Jens Fankhänel, former CEO, departed Kardex at the end of February 2023.

Felix Thöni served as Executive Director from March to May 2023, billing a daily rate of CHF 3'500.0 for 39 days. Jens Hardenacke joined Kardex in June 2023 and was not part of the LTI 2021-2023 period. His variable compensation was entirely allocated to the STI program.

13.2.1 Members of the Board of Directors

During the past year, the Board of Directors bid farewell to Jakob Bleiker after 11 years of remarkable service and significant contributions as a member of the Board. The Board of Directors was also pleased to welcome Maria Teresa Vaccalli, an accomplished expert in industry and digitalization, to the Board.

Regarding compensation, shares allocated in the reviewed year are valued in the Remuneration report at a weighted average price of CHF 204.34 per share for August (CHF 184.26). The total compensation for the Board of Directors remained on the same level compared to the previous year. The Annual General Meeting of 2023 approved a maximum total compensation of CHF 1'300.0 thousand for the period from the 2023 to the 2024 Annual General Meetings and thus, remained unchanged compared to the year before. Therefore, the maximum compensation relevant for this year totaled CHF 1'300.0 thousand (CHF 1'266.7 thousand), with the actual compensation being CHF 1'091.6 thousand (CHF 1'087.5 thousand). This figure is

CHF 208.4 thousand or 16.0% below the approved maximum (CHF 179.2 thousand or 14.1%).

13.2.2 Members of the Group Management

The Group Management team consisted of four members: the Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of the Kardex Remstar Division, and Head of the Kardex Mlog Division. Kardex Holding AG's Articles of Association mandate that the General Meeting must pre-approve executive compensation. In 2022, the General Meeting approved a maximum of CHF 4'750.0 thousand for the total compensation of the Group Management for the 2023 fiscal year (AGM 2021 for the year 2022: CHF 4'750.0 thousand). The actual total compensation for 2023 amounted to CHF 2'849.4 thousand (CHF 2'231.4 thousand), representing an unused amount of CHF 1'754.6 thousand or 36.9% below the approved ceiling.

Short-Term Incentive program

Since June 2023, Jens Hardenacke has served as CEO. Under the Short-Term Incentive (STI) program, his maximum variable compensation is set at CHF 400.0 thousand. Pro-rata, this amounts to CHF 233.3 thousand. Normally, 20% of this compensation is allocated to the Long-Term Incentive (LTI) program. However, as detailed in section 3.2, Jens Hardenacke did not participate in the LTI during his first year, allowing the full amount to remain available for the STI.

For the remaining three members of the Group Management and the Executive Director, their maximum individual variable compensation under the STI program equaled 100% of their base salary, with 15% of this being transferred to the LTI program for the CFO and the two Division Heads. Both quantitative and qualitative annual targets are aligned with the company's strategic goals. To achieve the maximum variable compensation for the Earnings Before Interest and Taxes (EBIT) target under the STI program, the

previous year's EBIT results must generally be surpassed by approximately 15%.

The determination of individual variable remuneration is based on key financial figures published in section 11.3.2 (on page 43 f.) and personal objectives. In 2023, Group Management largely met the established targets for key financial figures, including the EBIT of the Group and respective divisions. Consequently, Group Management received 81.8% (18.0%) of the maximum variable compensation available under the STI program. No discretionary adjustments were made to these figures.

Long-Term Incentive program

The Long-Term Incentive (LTI) program operates on a grant-based system. Consequently, it was necessary to estimate the expected performance over the full three-year term at the time of the grant, which occurred on 01 January 2021. This estimation was factored into the compensation report for the year 2021. To project the anticipated share price as of 31 December 2023, the average share performance was analyzed from 01 January 2018, through 31 December 2020, and incorporated forecasts from share market analysts. Additionally, a share performance of 50% was assumed.

In the year under review, there were no variable salary cost considerations required under the LTI program.

13.3 Share holdings

13.3.1 Share holdings as of 31 December 2023

Board of Directors (BoD)

Name	Function	Number of shares	Voting interest in %	Thereof with retention period of 3 years until			
				2024	2025	2026	Total
Felix Thöni	Chairman	34'733	0.45%	249	387	349	985
Ulrich Jakob Looser	Vice Chairman	4'376	0.06%	245	497	437	1'179
Philipp Buhofer ¹	Member	1'709'722	22.12%	111	116	104	331
Eugen Elmiger	Member	2'906	0.04%	437	581	524	1'542
Andreas Häberli	Member	1'213	0.02%	437	581	104	1'122
Jennifer Maag	Member	456	0.01%	-	77	169	246
Maria Teresa Vacalli	Member	69	0.00%	-	-	69	69
Total BoD		1'753'475	22.68%	1'479	2'239	1'756	5'474

¹ Including shares held by BURU Holding AG.

Group Management (GM)

Name	Function	Number of shares	Voting interest in %
Jens Hardenacke	CEO	-	-
Thomas Reist	CFO	558	0.01%
Urs Siegenthaler	HoD	-	-
Hans-Jürgen Heitzer	HoD	-	-
Total GM		558	0.01%

Long-Term Incentive program

Name	Function	Expected number	Effective number
Jens Fankhänel	CEO until February 2023	2'070	731
Thomas Reist	CFO	640	1'258
Urs Siegenthaler	HoD	735	1'390
Hans-Jürgen Heitzer	HoD	614	1'110
Total GM		4'059	4'489

The expected number of LTI shares, also known as performance shares, as indicated above, was determined on the grant date, 01 January 2021. This figure represents the anticipated quantity of LTI shares for the full three-year LTI period, as established on the grant date. The effective number of LTI shares was accurately calculated

at the conclusion of the LTI period. The LTI shares of Jens Fankhänel were assigned in 2023 as he departed already and the LTI shares of the other participants will be assigned in 2024. The maximal achievable number under the LTI program was 10'020 shares.

13.3.2 Share holdings as of 31 December 2022

Board of Directors (BoD)

Name	Function	Number of shares	Voting interest in %	Thereof with retention period of 3 years until			
				2022	2024	2025	Total
Felix Thöni	Chairman	34'384	0.44%	166	249	387	802
Ulrich Jakob Looser	Vice Chairman	3'939	0.05%	136	245	497	878
Jakob Bleiker	Member	5'469	0.07%	132	97	129	358
Philipp Buhofer ¹	Member	1'709'618	22.12%	253	111	116	480
Eugen Elmiger	Member	2'382	0.03%	364	437	581	1'382
Andreas Häberli	Member	1'109	0.01%	91	437	581	1'109
Jennifer Maag	Member	287	0.00%	-	-	77	77
Total BoD		1'757'188	22.73%	1'142	1'576	2'368	5'086

¹ Including shares held by BURU Holding AG.

Group Management (GM)

Name	Function	Number of shares	Voting interest in %
Jens Fankhänel	CEO	933	0.01%
Thomas Reist	CFO	558	0.01%
Urs Siegenthaler	HoD	-	-
Hans-Jürgen Heitzer	HoD	-	-
Total GM		1'491	0.02%

13.4 Qualitative Assessment

Ulrich Looser, Chairman of the Compensation and Nomination Committee, regards the remuneration system as equitable and effective in driving incentives that enhance long-term shareholder returns. He is of the opinion that the variable compensation awarded in 2023, was justified and consistent with the Company's performance.

After the majority of the defined goals were not achieved in 2022 and the STI payout was only 18.0%, Kardex can now look back on a successful

reporting year and the STI payout rate reflects the good overall business result with a payout rate of 81.8%.

The first LTI cycle was completed in 2023 and Kardex shares ranked among the 35% best-performing stocks in the SPI during this assessment period, despite the significant price correction in 2022. The above-average fulfillment level is therefore justified and in line with the LTI-Plan set up 3 years ago. No discretionary adjustments were made to the variable compensation plans.

Report of the statutory auditor to the General Meeting



Report on the audit of the remuneration report

Opinion

We have audited the remuneration report of Kardex Holding AG (the Company) for the year ended 31 December 2023. The audit was limited to the information pursuant to article 734a-734f CO in the tables and paragraphs on pages 46 to 47 as well as the listing on page 49 and the tables on page 52 to 54 of the remuneration report.

In our opinion, the information pursuant to article 734a-734f CO in the remuneration report (pages as stated above) complies with Swiss law and the Company's articles of incorporation.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the remuneration report' section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the information pursuant to article 734a-734f CO in the tables and paragraphs mentioned above in the remuneration report, the consolidated financial statements, the financial statements and our auditor's reports thereon.

Our opinion on the remuneration report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the remuneration report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the remuneration report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the remuneration report

The Board of Directors is responsible for the preparation of a remuneration report in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of a remuneration report that is free from material misstatement, whether due to fraud or error. It is also responsible for designing the remuneration system and defining individual remuneration packages.

Auditor's responsibilities for the audit of the remuneration report

Our objectives are to obtain reasonable assurance about whether the information pursuant to article 734a-734f CO is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this remuneration report.



As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the remuneration report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

PricewaterhouseCoopers AG

A handwritten signature in blue ink, appearing to read 'N. Kühnis'.

Norbert Kühnis

Licensed audit expert
Auditor in charge

A handwritten signature in blue ink, appearing to read 'C. Lussu'.

Claudia Lussu

Licensed audit expert

Zürich, 6 March 2024

Sustainability report

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1. Introduction

The current business environment is marked by significant environmental challenges and a global demand for responsible corporate behavior.

Kardex recognizes and embraces its important role in promoting sustainable practices.

This Sustainability report offers a detailed account of the commitment to environmental, social, and governance (ESG) responsibilities. The report is oriented towards the Global Reporting Initiative (GRI) standards for sustainability reporting. It shows how Kardex addresses sustainability topics and how the Group aligns with sustainability requirements. Furthermore, the double materiality assessment in section 5.2 shows which material topics Kardex contributes to sustainable business practices.

To reinforce its commitment, Kardex intends to progressively expand the scope and enhance transparency for both environmental and social data. Notably, during the reporting period, the initial stage of this scope extension incorporated specific metrics such as electricity, heat, and water consumption related to the US production site. Additionally, it provides a global overview of all injuries, resulting in more than three days of absence from work. This proactive approach aligns with Kardex' dedication to thorough and transparent reporting on its environmental and social impacts.

2. Ethical business practices

Kardex actively addresses both present and forthcoming regulatory requirements concerning environmental, social, and governance (ESG) topics. The Board of Directors, in conjunction with the Group Management, champions a responsible corporate culture and ethical, fair, and resilient business practices to ensure sustainable and profitable business growth.

2.1 Ethical behavior

Kardex is dedicated to fostering positive social, environmental, and cultural impacts. Kardex honors the local cultures and practices within its business markets, upholding a commitment to act responsibly and beneficially in society. In defining the Group's external perception, Kardex has crafted its Brand Promise, embodying the principles of being "Straightforward", "Innovative", and "Fair". This Brand Promise guides the employees in their interactions with all stakeholders, providing a framework to prioritize their daily activities and decisions.

2.2 Core Values and Code of Conduct

Kardex fosters an environment where positivity, enthusiasm, and a strong sense of belonging flourish. The Core Values — "Respect", "Team Spirit", "Reliability", and "Passion" — serve as the foundation of its Corporate Culture. These values offer distinct direction for all activities, guiding stakeholders in their daily interactions with Kardex employees and others.

The Code of Conduct is based on the Core Values, and establishes the essential principles of ethical behavior in a binding manner. This governs the internal interactions with employees and colleagues, as well as external relations with customers, suppliers, competitors, and various interest groups and stakeholders.

The Kardex ethical business principles, as defined in the Code of Conduct, are binding for all employees. Compliance is also required of affiliated companies and business partners. The underlying values are expressed in five basic principles:

- We treat our employees fairly and with respect;
- Customer benefit is our top priority;
- We aim to deliver sustainable performance with integrity;
- Our goal is to be a trustworthy, fair, and respectful business partner;
- We strive to be a responsible corporate citizen.

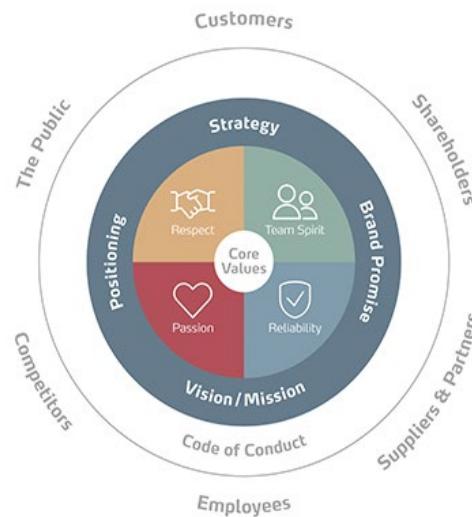
The Kardex Code of Conduct (https://f.hubspotusercontent00.net/hubfs/4920851/Kardex_CodeOfConduct_EN_2021.pdf) underscores Kardex' commitment to meeting the expectations of its stakeholders as a responsible corporate citizen and sets out the fundamental principles and rules for ethical business behavior. Specific regulations, guidelines, and manuals complement the Code of Conduct principles. All employees must comply with the ethical guidelines forming an integral part of their employment conditions. The values derived from the Code of Conduct represent the "Common Sense" of each individual in fulfilling commitments to Kardex stakeholders.

To ensure thorough understanding, Kardex provides all employees with comprehensive and mandatory online training on the Code of Conduct. This training module is also an essential

part of the orientation for all new employees.

Group Management leads by example, ensuring that all stakeholders are familiar with, comprehend, and abide by the Code of Conduct. This leadership is critical for Kardex to achieve long-term, sustainable business success and exemplify "good corporate citizenship".

Kardex insists on full compliance with the Code of Conduct, makes no compromises, and does not tolerate any violations. Employees are encouraged to report potential misconduct, which can be done through internal contacts or anonymously to a central location. Kardex provides access to a Whistleblowing platform (<https://kardex.integrityline.com>), enabling also anonymous reporting of potential misconduct. The platform is available to internal as well as external parties.



<div style="display: flex; align-items: center; justify-content: space-between;"> Respect </div> <ul style="list-style-type: none"> • We meet at level par, act with tolerance and mutual respect • We decide in a transparent way • We treat each other with openness, fairness and honesty and promote a constructive communication culture • We accept rules and decisions and implement them actively 	<div style="display: flex; align-items: center; justify-content: space-between;"> Team Spirit </div> <ul style="list-style-type: none"> • We trust each other • We combine our strengths and share ideas and experience • We prioritize the common targets in everything we do • We win together and lose together 	<div style="display: flex; align-items: center; justify-content: space-between;"> Reliability </div> <ul style="list-style-type: none"> • We accept responsibility and deliver the promised results • We stabilize wherever possible and change only where necessary • We say what we do and we do what we say • We live our Core Values 	<div style="display: flex; align-items: center; justify-content: space-between;"> Passion </div> <ul style="list-style-type: none"> • We are committed and identify with our company • We strive for continuous improvement and development • We see set-backs as new opportunities • We love challenges and are proud of our success
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Fig. 1 Guiding principles

3. Business model

Kardex is a leading intralogistics solution provider of automated storage, retrieval and material handling systems in an attractive and growing market. With two entrepreneurially managed divisions, Kardex Remstar and Kardex Mlog, Kardex developed from a product and service supplier into a global industry partner providing solutions and services under the Kardex brand name.

Kardex is well positioned to grow in a market with strong fundamentals and to achieve attractive financial returns.

Kardex has defined three strategic drivers to exploit further growth and profit opportunities:

- Geographical expansion
- Leverage existing customer base
- Focus on target industry segments

The main geographic growth will be based on an increased market penetration in regions such as North America and Asia. In addition, Kardex will leverage its strong position and large installed base in the current markets to generate additional sales with existing customers through an extended solution and service offering. To further broaden the revenue streams, Kardex will further exploit existing and develop additional industry segments with existing standard solutions or new industry specific solutions.

3.1 Sustainability of business model

At Kardex, sustainability is not just a policy, but a core element of the Group's DNA. The products and systems offered are inherently sustainable. This means that Kardex' products and systems conserve energy and reduce emissions by maximizing space efficiency. They also enhance the health and safety of users through ergonomic designs, while their extended lifecycles conserve resources. For a more comprehensive explanation of this inherently sustainable approach, please see section 6.1.1.

As a result, sustainability is of central importance at Kardex, influencing interactions with customers, suppliers, and other stakeholders. Fundamental to the business model is the efficient utilization of resources. Kardex views the commitment to sustainability as an opportunity and a basis for future success.

3.2 Member of UN Global Compact Switzerland & Liechtenstein

Kardex' commitment to the world's largest and most significant initiative for sustainable and responsible corporate governance is evident through its ongoing membership in the United Nations Global Compact (UNGC) since 2021.

By adhering to the UNGC's ten principles, which encompass human rights, labor, environment, and anti-corruption, Kardex demonstrates its dedication to these critical areas. Each year, Kardex issues a Communication on Progress (COP) report, detailing its activities and achievements in applying these ten principles, as outlined in the Kardex Communication on Progress 2023 (<https://unglobalcompact.org/what-is-gc/participants/149245>).

3.3 Sustainable development goals

Kardex recognizes the role of the private sector in delivering Sustainable Development Goals (SDGs) and acknowledges its responsibility in

reaching these goals. Kardex strives to operate in a sustainable manner that contributes to achieving the objectives outlined in the SDGs. The Company has identified four SDGs to which it can bring a significant contribution:



Quality education and lifelong learning

Kardex actively promotes a learning culture, consistently offering comprehensive training programs to maintain and enhance the professional competencies of its employees. This commitment to ongoing development ensures continual growth and adaptation in a dynamic business environment. Furthermore, Kardex extends learning opportunities to the next generation of professionals through apprenticeships and internships.



Decent work and economic growth

Kardex prioritizes adherence to human rights, environmental, and social standards across its sphere of influence. The products and systems are engineered with an ergonomic focus, promoting comfortable and safer work environments. This approach significantly reduces the risk of accidents and injuries by minimizing manual handling in tasks that could be hazardous.



Responsible consumption and production

Kardex' products and systems play a crucial role in elevating industrial infrastructure. They achieve this by optimizing spatial use, enhancing resource efficiency, and improving energy efficiency.



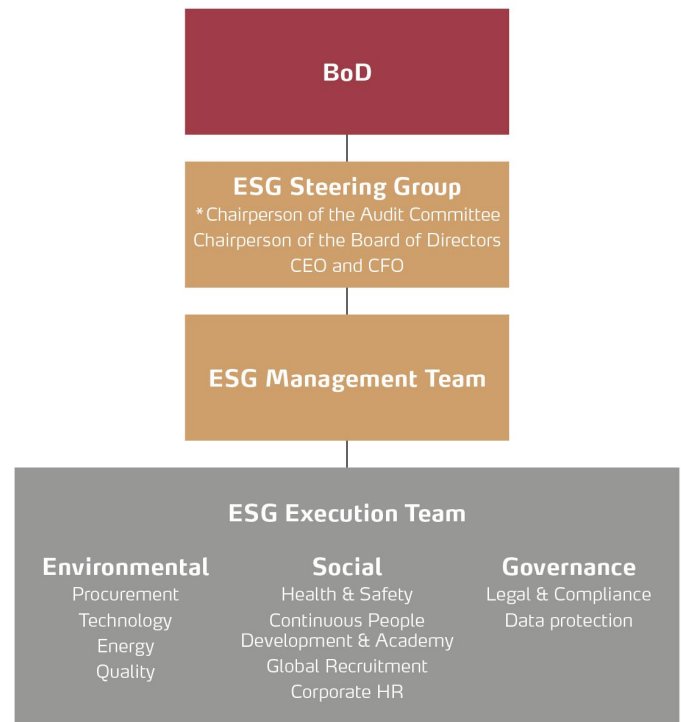
Climate action

Kardex is committed to reduce its emissions. Kardex' products and systems improve efficiency and decrease the necessity for extensive handling and transportation. This not only aids in reducing carbon footprint but also enables precise energy management at the customers' sites, furthering Kardex' commitment to climate action.

4. ESG organization

Kardex has formally integrated sustainability management into the management structures through the ESG Steering Group. The members of this Steering Group include the Chairperson of the Audit Committee, the Chairperson of the Board of Directors, as well as the CEO and CFO from Group Management. The ESG Steering Group is led by the Chairperson of the Audit Committee and reports to the Board of Directors. One full-time internal Sustainability Manager on group-level leads and coordinates the ESG initiatives and reporting cycles. The Board of Directors has validated the material sustainability topics identified by the ESG Steering Group, which now form the foundation of Kardex' sustainability efforts, detailed in section 5.2. For a comprehensive understanding of Kardex' Compliance & Governance Setup, please refer to section 6.3

During the reporting period, Kardex achieved a significant milestone by integrating ESG and sustainability management both horizontally and vertically within the Group. With the ESG Governance Model, Kardex is able to strategically plan, implement, and execute reporting and initiatives. These are grounded in the prioritization of the topics of the double materiality assessment described in detail in section 5.2.



* Chairperson of the ESG Steering Group

Fig. 2 ESG Governance Model

5. Double materiality analysis

5.1 Stakeholder-dialogue

Kardex is actively engaging with stakeholders to deepen its understanding and strengthen relationships within the markets it serves. This stakeholder-dialogue not only fosters stronger connections but also plays a crucial role in identifying and exploring potential risks and opportunities relevant to a sustainable value chain.



Fig. 3 Kardex stakeholders

5.2 Double materiality assessment

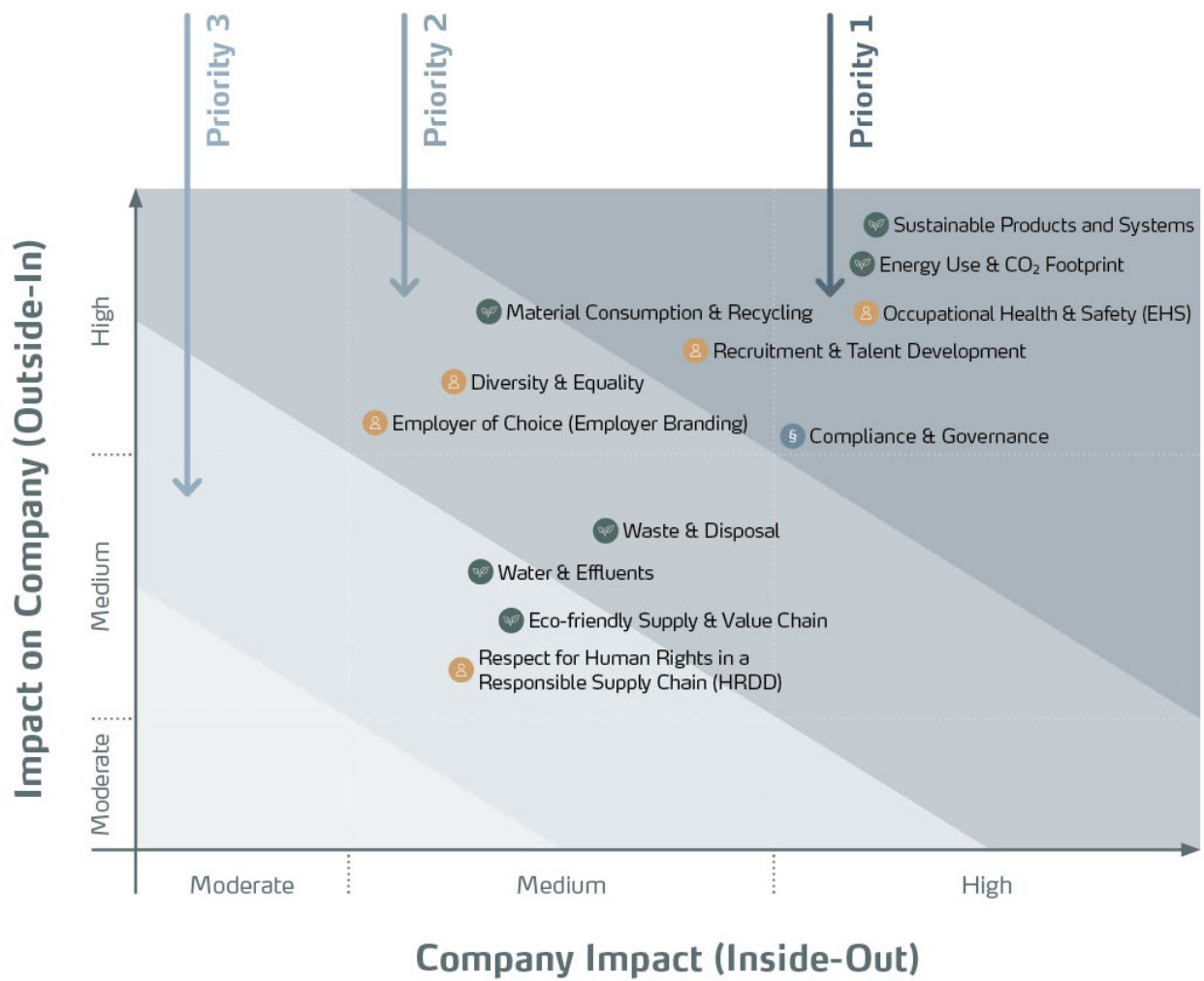
At the core of Kardex' strategy for prioritizing its ESG initiatives is the "double materiality assessment". This approach evaluates the impact and relevance of material topics from two perspectives:

1. The relevance of Kardex' business activities for the economy, environment, and society (Inside-out).
2. The relevance of external factors for Kardex' long-term business success (Outside-in).

Drawing from the stakeholder dialogue outlined in section 5.1, and informed by internal business and external environmental analyses, the ESG Steering Group conducted the materiality assessment in 2022. This process was integral to achieving transparent and standardized sustainability reporting. Within this context, material topics were consolidated to identify and assess those most relevant to Kardex, evaluating their relevance for the Company's sustainable

development. A thorough list of potential sustainability topics was compiled and scrutinized. These topics were then categorized into priority levels 1, 2, and 3, based on the impact of Kardex' business activities on the economy, environment, and society.

For efficiency and clarity, the four material topics: "Corporate Governance", "Compliance", "Anti-Corruption & Anti-Competitive Behavior", and "Data Protection" have been combined into a single topic: "Compliance & Governance".



Topics with relevant impacts on environmental matters



Topics with relevant impacts on social matters



Topics with relevant impacts on governance matters

Fig. 3 Double materiality matrix

5.3 Primary risks related to material sustainability topics

The primary risks facing Kardex in relation to **human rights, environmental matters, social issues, employee related issues, and combatting corruption** are:

Respect for human rights in a responsible supply chain: Human rights are not a primary risk for Kardex as an intralogistics solution provider with production sites solely in Germany and the USA. However, as a Swiss company, Kardex is obligated to comply with conflict minerals and child labor regulations under the Swiss Code of Obligations, representing an abstract legal, regulatory and reputation risk.

Energy use & CO₂ footprint: By regularly monitoring and diligently managing its energy use, Kardex aims to mitigate the market risk associated with fluctuations in energy prices. These fluctuations can have a significant impact on operating expenses. Shareholders are increasingly factoring in climate-related risks when making investment decisions. This leads to financial and reputational risks for Kardex.

Sustainable products and systems: In light of the expanding awareness and demand for sustainable products and services, Kardex recognizes a significant opportunity to meet this growing market trend. But, this does also entail navigating various market, brand, and innovation and technology risks. The less innovative Kardex' products and systems are from a sustainability perspective, while retaining the same functionality and marketable price, the greater is the risk exposure.

Occupational health & safety: The most immediate risk for Kardex is the occurrence of workplace accidents and injuries. Not only do accidents cause harm to employees, but they can also lead to lost productivity, increased insurance costs, and potential legal liabilities. Such incidents can also damage Kardex' reputation, both internally among employees and among external stakeholders.

Recruitment & talent development / employer of choice: Recruitment and talent development are critical components of maintaining competitiveness and driving long-term success. Failure to attract high-quality candidates can hinder Kardex' ability to innovate, meet strategic objectives, and maintain a competitive edge in the market. High fluctuations can be costly for Kardex, leading to increased recruitment and training expenses and loss of institutional knowledge. Rapid technological advancements and evolving market demands can lead to skills shortages and talent gaps within the Company. Failure to address these gaps through effective recruitment and talent development strategies can result in decreased productivity, increased fluctuations, and lost opportunities for growth.

Compliance & governance: Fraud and corruption pose a certain risk to Kardex, potentially affecting its operations, reputation and financial stability. While the objective corruption risk exposure is rather limited, Kardex does without exception not tolerate any form of bribery or corruption. Such risks can lead in particular to financial losses, legal and regulatory consequences, loss of business relations as a result of loss of reputation, and loss of investor confidence.

6. Reporting on material topics

Kardex continuously expands its reporting on environmental, social, and governance (ESG) matters. Guided by the prioritization of the double materiality matrix into priority 1, 2, and 3 topics, the Group systematically plans, implements, and executes its ESG reporting and initiatives.

For this non-financial report, the Company has used its best endeavors to disclose its efforts and progress in the addressed areas. In doing so, the Company had to rely on internal and external third party data and information which was reviewed based on current methodologies and understandings. The information given may be subject to review and amendments.

This report delves into the material sustainability topics in greater detail. It includes comprehensive descriptions of strategies for effective management, highlights topic-specific initiatives

undertaken during the reporting period, presents key figures for the most relevant indicators, and provides, where necessary, interpretations and clarifications of these key figures.

6.1 Environmental matters

6.1.1 Sustainable products and systems (priority 1)

Kardex' product portfolio is a crucial area where the Company can generate a substantial positive impact on the environment and society.

Inherent sustainability of Kardex' products and systems

As a leading global provider of automated storage and retrieval systems, Kardex embodies the essential synergy between long-term business success and the core principles of sustainability. The inherent sustainability of Kardex' products and systems stems from several key factors:



Area and space optimization

Kardex' products and systems offer compact, high-density solutions that significantly save floor space compared to conventional racks and shelving. Depending on the specific product or system, space savings range between 65% and 85%. This reduction not only lessens the environmental footprint but also reduces energy use and, consequently, CO₂ emissions.



Energy efficiency

Designed for optimal energy efficiency, Kardex' products and systems incorporate innovative technologies and optimized routing to reduce energy needs for transportation. Features such as standby modes and optimized operational power consumption further enhance the energy efficiency of Kardex' products and systems.



Resource optimization

Kardex' products and systems streamline processes, leading to improved resource management. Precise inventory management helps avoid understocking and reduces waste due to overstocking.



Lifecycle sustainability

Kardex' products and systems are of the highest quality and designed to stay current through upgrades and modernization over their entire service life. This results in significantly longer life cycles compared to many competitors' products.



Adaptability and scalability

Kardex ensures that its products and systems are adaptable to the customers' evolving needs. This adaptability helps minimize resource strain and waste during scaling operations.



Recyclability

Predominantly composed of recyclable materials, Kardex' products and systems allow for an efficient decommissioning process. Kardex offers the service of decommissioning products or systems and then reutilizing or recycling them.



Carbon footprint reduction

Kardex is committed to reducing travel-related carbon emissions. One contributing factor in achieving this goal is by offering remote diagnostics, remote services, and increasingly, preventive maintenance. This approach significantly reduces the need for ad hoc on-site service interventions, saving considerable travel mileage.



Ergonomics

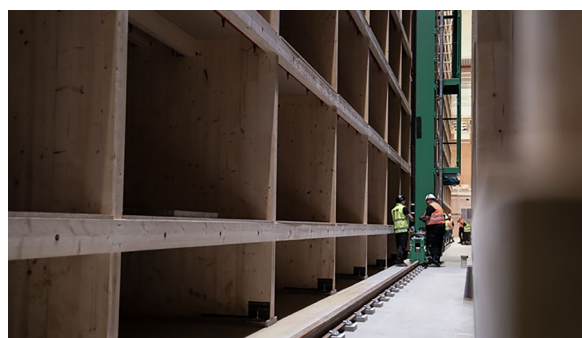
Kardex' products and systems are meticulously crafted, adhering to the goods-to-person principle with a robust emphasis on ergonomics. This approach is instrumental in safeguarding the well-being of order pickers by ensuring the delivery of goods at an ergonomically optimal height.

Overall, Kardex' diverse solution portfolio supports the customers in tapping into their sustainability potential, aligning with the commitment to creating a healthier, more sustainable future.

Showcase project: Weleda

Weleda AG, renowned as a worldwide leading manufacturer of certified natural cosmetics and anthroposophical pharmaceuticals, pursues its mission of sustainability and responsibility with great commitment, passion, and clear focus. Weleda built a new innovative high-bay warehouse in Schwäbisch Gmünd (Germany), which sets entirely new standards for sustainable construction. In order to minimize the construction footprint and leave 80% of surfaces unsealed, Weleda required a solution of a high level of vertical integration.

Kardex is proud to have been selected by Weleda AG as a trusted partner. The role of Kardex is to provide custom-designed automated storage and retrieval systems, with an associated conveyor technology to complement the wooden racking system. This collaboration plays an important role in supporting Weleda to meet its sustainability goals.



Kardex Mlog has manufactured five 27-meter-high automated stacker cranes, along with a shipping buffer. This infrastructure accommodates 17160 pallet storage spaces, tailored to meet specific customer requirements. A key consideration in this project was ensuring that the stacker cranes operate reliably under specific temperature conditions, reaffirming Kardex' commitment to delivering solutions that are both innovative and sustainable.

Product safety

Recognizing that warehouses are challenging environments despite stringent safety protocols, Kardex places great importance on product safety. Health and safety in user operation are central to the product development strategy. The Kardex technology team is dedicated to continually assessing operational risks and integrating innovative solutions to enhance the existing product range. The products undergo rigorous testing for safety compliance, adhering to country-specific regulations. Many of the automated storage and retrieval systems meet the highest international standards, including ISO 9001, ISO 14001, ISO 50001, and ISO 45001, ensuring a maximum level of safety during operation.

To further ensure safe operation, Kardex provides customers with detailed safety instructions and warnings. Kardex is also committed to promoting operational awareness and offers comprehensive,

customized training programs. Kardex' trainers, certified as "Certified Industrial Trainers" by the Industrial Training Association (ITA), undergo regular advanced training in didactics and methodology. The training options range from on-site to virtual formats, and Kardex is continuously expanding its e-learning offerings, all complying with local regulations.

Kardex product development: Stage gate process

The Kardex product development process is characterized by a stage gate methodology. This process ensures that progression from one stage to the next is contingent upon meeting specific, pre-defined criteria at each gate. These criteria outline the milestones to be attained in each phase. A key benefit of this stage gate approach is its facilitation of seamless integration of ESG and sustainability considerations into every stage of the product development journey.

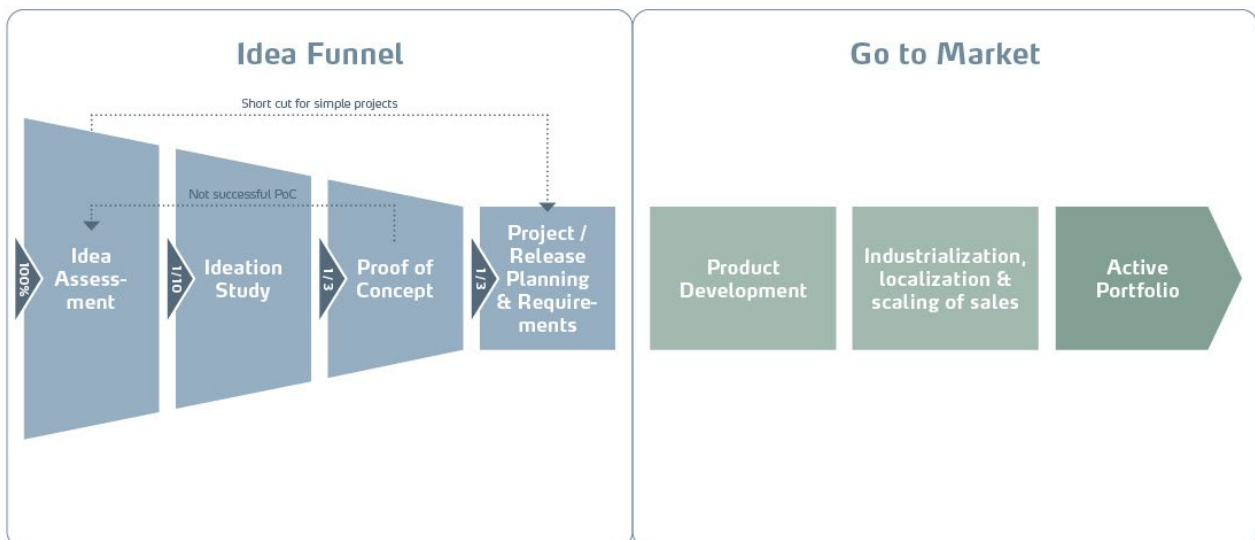


Fig. 4 Product development process

The process is structured as follows:

Idea assessment: Identify the feasibility, market potential, and sustainability aspects of innovative ideas for Kardex' products and systems.

Ideation study: Begin with a preliminary evaluation of the proposed ideas, focusing on a high-level assessment of each idea's sustainability advantages and challenges. This includes examining how well they align with Kardex' strategic goals and objectives. Following this assessment, a selection of the most viable ideas will be formulated into a shortlist.

Proof of concept: Create a comprehensive business case for each proposed product. This requires a thorough analysis of environmental benefits, societal impacts, and governance issues related to each idea. The business case should also explore the potential market demand for more sustainable products and assess how these innovations could improve Kardex' environmental impact.

Product development: Advance the design of the new product, ensuring the integration of sustainable materials and energy-efficient technologies. This stage includes initiating tests and gathering stakeholder feedback, particularly on the product's sustainability features.

Industrialization and localization: Focus on evaluating the sustainability of the supply chain and assessing the efficiency of manufacturing processes in terms of energy and material use. Additionally, it involves customizing the product for various markets to meet local standards and regulations.

Scaling of sales: Develop an effective communication campaign that not only promotes the product but also emphasizes its ESG/sustainability attributes, particularly during the launch phase. This approach aims to resonate with a growing market segment that values sustainability.

6.1.2 Energy use & CO₂ footprint (priority 1)

Energy use and CO₂ emissions are key topics for Kardex. The Company is committed to regularly monitoring, managing, and reducing its energy consumption.

The transformation concept of Bellheim

In a further demonstration of its commitment to lower CO₂ emissions, Kardex has developed a transformation concept for its Bellheim (Germany) production site. This includes a thorough energy assessment by external experts, pinpointing major energy consumers and implementing corrective actions. A similar evaluation is planned for the Neuburg (Germany) production site in 2024.

Certification

Two of the three German production sites are certified to the international energy management standard ISO 50001, covering approximately 67% of Kardex' total energy use. In December 2023, a DIN EN 16247-1 energy audit at Kardex Mlog identified opportunities for enhanced optimization.

District heating

In late 2022, Kardex began participating in a local initiative, linking its Neuburg (Germany) production site and offices to an advanced district heating network utilizing woodchips. The climate-neutral woodchips are scrap material from the timber industry. This led to a notable decrease in natural gas consumption at the Neuburg (Germany) production site, achieving a reduction of 14.7 % per unit sold, equating to a total annual reduction of 182.1 MWh.

Initiatives

In 2023, Kardex expanded its energy monitoring with additional smart meters, offering a detailed view of energy usage across the operational equipment. This data drives continuous upgrades for greater energy efficiency in production machinery.

At the Bellheim (Germany) site, Kardex is improving the thermal envelope of the building, including window replacements and roof renovations for better insulation, minimizing energy loss.

Further, Kardex has transitioned to energy-efficient LED lighting in its German production sites. At the Bellheim (Germany) production site alone, 1'500 bulbs were switched to LED, saving 378 MWh/year. This change not only conserves energy but also enhances workplace safety and operational efficiency due to the durability of LED lights.

Electric mobility initiative

Since 2022, Kardex has been actively championing the transition to electric mobility, with a dedicated focus on supporting this transformative shift. The commitment extends to substantial investments in the development of charging infrastructure, in particular at the production sites in Germany. Kardex successfully installed 28 charging stations / wall boxes in Neuenstadt (Germany), Neuburg (Germany), Bellheim (Germany) and Zürich (Switzerland). Importantly, most of these charging facilities are also accessible to external visitors, emphasizing the contribution of Kardex to broader sustainability goals. Moreover, Kardex subsidizes the installation of private wall boxes for its employees.



Fig. 5 Charging stations in Neuenstadt (Germany)

In alignment with its dedication to responsible practices, Kardex' locations and entities conducted evaluations of the usage data pertaining to the company car fleet and the existing infrastructure in different countries. Based on this comprehensive assessment, Kardex has made the strategic decision to progressively replace the company car fleet with electric vehicles in the coming years.

As a part of this transformative shift, Kardex has revised its Company Car Policy, incorporating measures and guidelines that support and encourage the use of electric vehicles. This policy revision underscores the commitment to reducing the carbon footprint and contributing to a cleaner and more sustainable future.

KPIs - extension of scope in 2023

During the reporting period, Kardex expanded the scope and enhanced the transparency of its environmental data. Energy use and CO₂ emission data was collected for all four production sites, compared to only three production sites in 2022.

In 2023, Kardex' total energy consumption amounted to 22'183.5 MWh, with natural gas, primarily used for heating and accounting for 47% of this figure. Kardex actively seeks alternatives to fossil fuels. Notably, in 2023, 14.7% of the natural gas consumption per unit sold at the Neuburg (Germany) production site was substituted with district heating.

Kardex consistently supports sustainability by sourcing 100% renewable electricity for all German production sites.

The CO₂ emissions calculation adheres to the internationally recognized "Corporate Accounting and Reporting Standard" set by the Greenhouse Gas Protocol Initiative (GHG Protocol):

- **Scope 1** emissions encompass the consumption of fuels and other fossil energy sources at Kardex-owned or leased production facilities and company vehicles.

- **Scope 2** emissions are derived from the measured consumption of electricity and district heating at Kardex-owned or leased production sites.

Kardex plans to monitor and report emissions from Scope 3 in the future.

6.1.3 Material consumption & recycling (priority 2)

Kardex systematically examines the materials employed in its products, focusing on the proportion of recycled input materials, and the product-specific energy consumption. To evaluate the materials in Kardex' products and systems, the "Kardex Shuttle 500 HSD" was chosen as the Reference Unit. This is Kardex' best selling product, and therefore a good example of the overall material usage.

Steel is the primary material in Kardex' products, composing approximately 97% of the product's weight. For packaging, wood comprises around 93%, while metal and paper combined account for another 6%. Plastic is used minimally, comprising less than 1%. In terms of recycled input materials, the steel used in manufacturing contains 15-25% recycled material. More in-depth analysis of these metrics is scheduled for 2024.

6.1.4 Waste & disposal (priority 2)

Kardex already practices good waste management and aims to further these achievements. Kardex has designated waste managers at each production site to oversee proper waste disposal and recycling, adhering to legal standards and best practices. Kardex engages exclusively with certified waste disposal firms, ensuring compliance with environmental regulations. Notably, two of the three German production sites hold ISO 14001 certification.

All waste and recycling data from German production sites are meticulously tracked using a centralized environmental, health, and safety IT system. Because of a change of the waste service provider for the US production site in the reporting period, a more in-depth analysis is planned for 2024. Office waste, being relatively minor, is excluded from these figures.

97% of the waste from German production sites is non-hazardous, with 96% being recycled. Kardex focuses on minimizing landfill usage. During the reporting period, 2% of the total waste was landfilled.

The hazardous waste generated decreased from 280.8 tons reported in 2022 to 124.2 tons in the current reporting period, with 32% of the waste being successfully recycled. The majority of the waste primarily originates from the remaining construction waste during the excavation works at the Bellheim production site in 2022. Adhering to a conservative approach, the construction waste has been classified as hazardous.

Kardex also aids customers in reducing shipping waste by minimizing packaging. The Group utilizes 99.5% recyclable materials, such as single-use pallets, wooden crates, and cardboard boxes. Larger Kardex Mlog installations are typically delivered without packaging.

6.1.5 Water & effluents (priority 3)

The major water consumption is attributed to the production. Kardex is continuously implementing new technologies and strategies to reduce water use. In 2023, comprehensive water usage data was gathered from all four production sites. These locations remain the focal point for future conservation efforts. The water consumption at the three German production sites in 2023 amounted to 7'515 m³, showing less than 4% increase compared to the figures reported in 2022, which can be attributed to the rise in production activity.

6.1.6 Eco-friendly supply & value chain (priority 3)

Reducing the environmental impact of Kardex' operations is achievable through the pursuit of an eco-friendly supply and value chain. Embracing a local supply base not only strengthens the regional economy but also fosters stronger relationships and trust with suppliers. A combination of a regional/local supply base and rigorous, compliant, and strategically oriented supplier

management cultivates a robust supply chain and minimizes risk exposure. Kardex aims to find a good balance between using local suppliers with short transport distances and more distant suppliers, which can fulfil Kardex' needs for higher production capacity. Through comprehensive supplier assessments and audits, Kardex establishes strategic supplier partnerships based on solid cooperation. This collaboration is integral to developing holistic, eco-friendly solutions, and processes.

Scope extension in 2023

The environmental data presented below is expressed in absolute values and reflects the increased volume output in 2023. It is important to note that in specific metrics, such as electricity, heat, and water, the 2023 figures are not comparable to the 2022 data due to the inclusion of the US production site in the 2023 figures.

Key figures per million net revenues

	Unit	2023	2022	(+/-%)
Total CO ₂ emissions	tCO ₂	5.5	9.0	-38.9%
Total energy consumption	MWh	31.6	31.7	-0.3%
Total water consumption	m ³	14.0	12.8	9.4%
Total waste	tons	5.2	6.2	-16.1%

Environmental data

	Unit	2023	(%)	2022	(%)
CO₂ emissions	tCO ₂	3'858.9	100.0%	5'116.8	100.0%
Scope 1	tCO ₂	3'410.1	88.4%	2'875.8	56.2%
Combustibles	tCO ₂	2'024.6		1'456.2	
Fuels	tCO ₂	1'385.5		1'419.6	
Scope 2	tCO ₂	448.8	11.6%	2'241.0	43.8%
Electricity ¹	tCO ₂	441.3		2'235.4	
District heating	tCO ₂	7.5		5.6	
Total energy consumption²	MWh	22'183.5	100.0%	17'914.6	100.0%
Electricity	MWh	6'334.1	28.6%	5'222.9	29.2%
Fuels (car fleet)³					
Diesel	MWh	5'207.7	23.5%	5'306.8	29.6%
Petrol	MWh	1.1	0.0%	16.0	0.1%
Heat					
Natural gas	MWh	10'361.5	46.7%	7'210.3	40.2%
District heating	MWh	279.0	1.3%	158.6	0.9%
Water consumption⁴	m³	9'808.9	100.0%	7'259.4	100.0%
Total waste⁵	tons	3'643.9	100.0%	3'491.8	100.0%
Non-hazardous waste	tons	3'519.7	96.6%	3'211.0	92.0%
To incineration	tons	133.8		152.6	
To landfill	tons	0		0	
To recycling	tons	3'385.9		3'058.4	
Hazardous waste	tons	124.2	3.4%	280.8	8.0%
To incineration	tons	2.1		0	
To landfill	tons	82.4		272.3	
To recycling	tons	39.7		8.5	

¹ The 2023 Scope 2 emissions do **not** contain emissions attributed to 100% renewable electricity consumed at the German production sites.

² In 2023 electricity and heat data was collected for all production sites, while in 2022 only for the German production sites.

³ Car fleet fuel consumption data was collected for the German production sites.

⁴ In 2023 water consumption data was collected for all production sites, while in 2022 only for the German production sites.

⁵ Waste data was collected for the German production sites.

6.2 Social matters

6.2.1 EHS (priority 1)

EHS stands for **E**nvironment, **H**ealth and **S**afety. Kardex is deeply committed to health and safety, striving to provide employees worldwide with the safest working conditions in all activities. Emphasis on prevention measures is paramount to reduce risks, prevent accidents, and safeguard employees.

EHS management systems

Kardex operates in diverse regions, each subject to various occupational health and safety laws and regulations. This results in a variety of management systems. While the management systems across the Group adhere to global standards, they may not be identical but are aligned in their approach.

The health and safety management systems at Kardex Remstar German production sites in Bellheim and Neuburg are certified under the international standard ISO 45001.

The German Social Accident Insurance Institution for the woodworking and metalworking industries certifies that Mlog Logistics GmbH meets the requirements for systematic and effective occupational safety and health for "Systematic Safety" as per the industry-specific implementation of NLF/ILO-OSH 2001.

EHS Guidelines

To maintain a global standard of health and safety compliance, Kardex Remstar has issued comprehensive EHS Guidelines, developed in line with ISO 45001. These guidelines have been implemented across 27 legal entities.

In line with these guidelines, each entity is required to develop and maintain a local EHS structural overview. This outlines the local structure for EHS matters, ensuring compliance with specific local legal requirements. Currently, the EHS structural overview is approximately 80% complete across all operational sites.

To ensure thorough knowledge of applicable laws and specific EHS legal requirements, Kardex maintains a legal register.

KPIs – extension of scope in 2023

In the reporting period, Kardex expanded the scope and transparency of health and safety-related data. The primary indicator of safety performance is the number of injuries and fatalities. In 2022, the German production sites reported injuries resulting in more than three days of absence from work, following the requirements of BGHW. Starting in 2023, all legal entities and production sites globally reported injuries which lead to more than three days of absence from work.

In 2023, there were 37 total injuries reported. As in 2022, there were no fatalities in 2023.

In the Bellheim production site (Germany)

Kardex is committed to fostering safe behavior and provides preventive health and safety awareness training. On November 20, 2023, a comprehensive emergency exercise, including a fire drill and first responder training, was conducted in collaboration with the fire departments of Bellheim and Ottersheim (Germany) at the Bellheim site. This exercise involved nearly 40 people, testing and training a broad range of rescue skills and services.



Fig. 6 Emergency exercise in Bellheim (Germany)

6.2.2 Recruitment & talent development (priority 1) / employer of choice (priority 2)

Kardex is committed to identifying and securing skilled talent, equipped with the capabilities essential for addressing the challenges of the future.

Recruiting policy

In 2023, Kardex introduced a new recruiting policy to enhance the efficiency, comprehensiveness, and transparency of the recruitment processes across the Group. The vacancies are published worldwide, supporting internal career growth. Furthermore, the policy now includes an internal referral program. Consistent with the Code of Conduct, Kardex' recruitment approach focuses on inclusion, diversity, and equality, aiming to attract, develop, and retain highly talented individuals from diverse backgrounds with inclusive mindsets.

Kardex Academy

In addition to offering competitive salaries, Kardex has instituted various personnel development initiatives, such as the Kardex Academy. This academy provides both online and in-person learning opportunities, fostering competency development at all levels. Additionally, the competency model facilitates effective and successful performance. The Academy supports ongoing skill development, offering customized learning paths for specific target groups across various levels.

Performance management process and feedback dialogue

Central to personnel development is the ongoing feedback dialogue. Constructive discussions between employees and supervisors about goals, priorities, and individual growth are integral to Kardex' annual performance management process. These discussions lead to the creation of development plans that align individual aspirations with Kardex' objectives.

Dual career model

Kardex offers a dual career model catering to employees aspiring to managerial roles as well as those aiming to become domain experts without managerial duties. This flexibility allows talents to transition between leadership and expert roles, contributing significantly to the Group's success through participation in a variable compensation plan.

Early career opportunities

Kardex follows a robust talent acquisition strategy. This includes offering early career opportunities and apprenticeship positions. Presently, Kardex is proud to host 58 apprentices and university interns, contributing actively to a dynamic work environment. In celebration of Bellheim's 75th anniversary, a career information day was organized at this production site. This event drew 185 students who participated in educational sessions and training workshops. The day was further enhanced by the support of the Pfalzmetall (M+E) employers' association, which provided an

information truck. Here, attendees could try out the state-of-the-art CNC machines, gaining valuable insights into technical professions. Kardex is delighted by the enthusiastic response from participants.

Two-way communication system

Kardex, values open and transparent communication and has therefore implemented a two-way communication system, encouraging employees to freely express their views on work conditions. The Kardex Academy plays a crucial role in this, offering training sessions on employee rights. For addressing grievances, employees can approach their direct managers, designated Human Resources personnel, or report issues anonymously through the Whistleblowing platform (<https://kardex.integrityline.com>), as detailed in see section 2.2.

Culture Committee

The Culture Committee is Kardex' global employee representative group. This committee, representing the geographical regions and functions equitably, acts as an independent entity. Its primary role is to gauge employee sentiment, assess the maturity and effectiveness of the Guiding Principles (refer to section 2.2), and communicate findings and recommendations for improvement to Group Management biannually.

Freedom of association

Kardex strictly adheres to the freedom of association as outlined in the Code of Conduct. The right to freely associate and collectively bargain is actively promoted as detailed in the comprehensive, mandatory Code of Conduct online learning module (see section 2.2).

In Germany the employees are represented by four working councils (Betriebsräte), which are supportive in ensuring adherence to labor laws and negotiating collective agreements.

Employee engagement surveys

In line with the principle of maintaining an open dialogue, Kardex conducted anonymous online employee engagement surveys in 2023. The findings and feedback from these surveys have been thoroughly analyzed and made accessible on the internal corporate portal. The responsible managers are tasked with discussing these results with their teams early in 2024. Together, they will identify and implement strategies and initiatives to enhance employee engagement and the overall work environment.

New HCM platform Workday

In March 2023, Kardex launched the Human Capital Management (HCM) platform Workday, enhancing HR processes across the Group. This platform centralizes and standardizes global social data collection. To optimize Workday integration and utilization, Kardex Academy developed training sessions for various user groups. Additionally, the annual individual performance process has been seamlessly integrated into Workday, fostering a transparent and efficient two-way communication system.

KPIs

During the reporting period, Kardex Academy conducted the highest number of training courses in its history. Over 1'080 employees participated in at least one course, dedicating over 23'000 hours to training. This equates to an average of 21.1 hours of internal training per employee globally. The number of trainings offered has doubled since last year.

In 2023, 226 employees left Kardex, while 433 new talents joined. Employee turnover decreased from 9.4% in 2022 to 9.2 % in 2023.

6.2.3 Diversity & equality (priority 2)

By promoting diversity and equal opportunities, Kardex is firmly committed to providing equitable and fair conditions for all employees, thus contributing to the eradication of societal discrimination. This dedication to diversity is evident in the recruitment process, which is designed to enhance diversity across various dimensions such as regional background, age, origin, gender, and culture. The selection process is grounded solely in professional and personal qualifications, ensuring a merit-based approach. Equal opportunities are also deliberately created in the internal promotion of talent.

Kardex takes its duty of care with utmost seriousness, striving to accommodate the specific needs of the workforce. This includes attention to both temporary situations like short-term injuries or maternity, as well as ongoing circumstances such as "disabilities". Accordingly, Kardex has moved away from reporting global figures for "employees with a disability," reflecting a more nuanced understanding of individual needs.

KPIs

The proportion of female managers at Kardex stands at 19.5% (17.4%), mirroring the gender ratio within the Group. The Board of Directors currently consists of two women and five men (28.6% female) and will consist of two women and four men from AGM 2024 onwards, which will lead to an increased female ratio of 33.3%. These statistics underscore Kardex' commitment to permeability and equal opportunity, demonstrating Kardex' success in fostering advancement opportunities for all.

6.2.4 Respect for human rights in a responsible supply chain (priority 3)

Kardex' global supply network plays an important role in enhancing the value and quality of the products and systems. Working with approximately 1'500 direct suppliers, including subcontractors, Kardex' supplier base reflects a diverse geographic distribution: 98% in Europe, 1.5% in the USA, and the remainder primarily in Asia, especially China.

Aligned with the Code of Conduct, Kardex expects the suppliers to adhere to legal requirements, ethical business practices, and standard requirements relating to labor, health, safety, environmental protection, and management systems. This also includes ensuring that their operations within Kardex' sphere of influence do not adversely affect fundamental human rights, as outlined in the United Nations's Bill of Rights and the International Labor Organization's (ILO) core conventions.

Following conflict minerals and child labor regulations under the Swiss Code of Obligations art. 946j ff. and the Ordinance on Due Diligence on Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labor (DDTrO), Kardex focused in 2023 on mitigating risks related to child labor and conflict minerals (identified as tin, tungsten, tantalum, and gold, or "3T+G", from conflict-affected and high-risk areas (CAHRAs)). Kardex assessed the risks in a systematic and comprehensive approach based on geography (child labor risks according to UNICEF Children's Rights in the Workplace Index) and product/commodity group (conflict minerals). This assessment concluded that the import and processing quantities for conflict minerals were not reached and no reasonable suspicion of child labor could be identified, exempting Kardex from due diligence and reporting obligations.

Social data

	Unit	2023			2022			
		Total	male (%)	female (%)	Total	male (%)	female (%)	(+/-%)
Workforce								
Full-time	hc ¹	2'294	82.9%	17.1%	2'063	83.5%	16.5%	11.2%
Part-time	hc	164	29.9%	70.1%	137	29.9%	70.1%	19.7%
Total	hc	2'458	79.4%	20.6%	2'200	80.1%	19.9%	11.7%
Workforce by geographic markets								
Europe	hc	2'086	79.6%	20.4%	1'904	80.7%	19.3%	9.6%
Americas (North, Middle, South)	hc	232	79.7%	20.3%	180	78.3%	21.7%	28.9%
Asia-Pacific	hc	140	75.7%	24.3%	116	74.1%	25.9%	20.7%
Total	hc	2'458	79.4%	20.6%	2'200	80.1%	19.9%	11.7%
Hires and fluctuations								
Hires	hc	433	75.8%	24.2%	433	76.4%	23.6%	0.0%
Fluctuations	hc	226	76.1%	23.9%	206	73.8%	26.2%	9.7%
Management								
Total leadership positions	amount	462	80.5%	19.5%	409	82.6%	17.4%	13.0%
Divisional or Group Management	amount	24	87.5%	12.5%	22	90.9%	9.1%	9.1%
Board of Directors	amount	7	71.4%	28.6%	7	85.7%	14.3%	0.0%
Training and education								
Internal training hours	hours	23'002	83.5%	16.5%	10'362	77.4%	22.6%	122.0%
Other workforce								
Apprentices / University interns	hc	58	75.9%	24.1%	54	94.4%	5.6%	7.4%
Occupational health & safety								
Fatalities	cases	0			0			n. a.
Injuries ²	cases	37			23			n. a.

¹ hc = headcounts

² In 2023 all injuries that resulted in more than three days of absence from work were reported globally (rather than German production sites only in 2022).

6.3 Governance matters

6.3.1 Compliance and governance (priority 1)

New legal & compliance organization

In the reporting period, Kardex significantly invested in strengthening its compliance management system and corporate governance structures. This effort resulted in the establishment of a new position, the Senior Director Legal & Compliance, at group-level. Appointed in April 2023, the individual in this role dedicated approximately 40% of its time to ESG and sustainability management. The group-level Sustainability Manager reports directly-, and the Legal Counsel of Kardex Remstar reports functionally, to the Senior Director Legal & Compliance.

Fight against corruption and anti-competitive behavior

Kardex is committed to fair competition and firmly opposes any forms of bribery or corruption. The Group holds its business partners to the same high standards, expecting adherence to legal requirements, ethical business practices, and compliance with regulations pertaining to personnel, health, safety, environmental protection, and management systems. Kardex' zero-tolerance stance on corruption, bribery, and anti-competitive behavior underpins its commitment to fostering a just society and a competitive economy.

An awareness training on anti-corruption and fair competition is integrated into the comprehensive

and mandatory Code of Conduct online learning module, detailed in section 2.2.

There were no reported incidents, legal cases, or known violations related to anti-corruption, anti-trust, or other anti-competitive behaviors during the reporting period. Furthermore, there were no reported violations of environmental or social laws.

Data protection

Data protection and information security are a priority for Kardex and are integral to the regular training initiatives. By prioritizing these areas, Kardex safeguards the privacy of stakeholders, including customers and employees.

In November 2023, Kardex' IT systems experienced a security breach. Attackers gained temporary access to a limited number of administrator accounts. Thanks to an immediate and professional response from the internal and external IT security and forensics teams, the breach was swiftly contained. Subsequent investigations by external experts found no indication of customer data leaks, thefts, or losses.

Kardex duly reported this incident to the appropriate data protection authorities.

No other incidents involving data leaks, thefts, or losses of customer data were reported by external parties or regulatory bodies for the year 2023.

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Based on Swiss GAAP FER, figures reported in euros unless indicated differently.

Consolidated income statement

in EUR million	Notes	2023	(%)	2022	(%)
Net revenues¹	1.1	702.9	100.0%	565.6	100.0%
Cost of goods sold and services provided		-467.0	-66.4%	-387.9	-68.6%
Gross profit		235.9	33.6%	177.7	31.4%
Sales and marketing expenses		-76.3	-10.9%	-65.3	-11.5%
Administrative expenses		-50.9	-7.2%	-41.9	-7.4%
R&D expenses		-17.5	-2.5%	-12.7	-2.2%
Other operating income	1.3	0.5	0.1%	0.7	0.1%
Other operating expenses	1.3	-5.8	-0.8%	-2.7	-0.5%
Operating result (EBIT)		85.9	12.2%	55.8	9.9%
Financial result, net	1.4	1.2	0.2%	-2.3	-0.4%
Result for the period before tax (EBT)		87.1	12.4%	53.5	9.5%
Income tax expense	1.5	-20.2	-2.9%	-14.9	-2.6%
Income tax rate (based on EBT)			23.2%		27.9%
Result for the period		66.9	9.5%	38.6	6.8%
Attributable to:					
Shareholders of Kardex Holding AG		66.6	9.5%	37.8	6.7%
Non-controlling interests		0.3	0.0%	0.8	0.1%
Result for the period		66.9	9.5%	38.6	6.8%
Earnings per share attributable to shareholders of Kardex Holding AG (EUR) ²	3.2	8.63		4.90	

¹ Thereof from construction contracts (percentage of completion (POC)): EUR 139.9 million (EUR 100.1 million).

² No dilutive effect occurred in 2023 and 2022.

The notes to the consolidated financial statements from page 86 to page 122 represent an integral part of Kardex' financial statements.

Consolidated balance sheet

in EUR million	Notes	31.12.2023		31.12.2022	
			(%)		(%)
Cash and cash equivalents	2.1	107.3	25.4%	71.2	19.6%
Trade accounts receivable	2.2	93.0	22.0%	80.7	22.2%
Other receivables	2.3	47.8	11.3%	32.4	8.9%
Current fixed term deposits		12.3	2.9%	31.5	8.7%
Inventories and work in progress	2.4	23.4	5.5%	33.5	9.2%
Prepaid expenses		10.9	2.6%	8.6	2.4%
Current assets		294.7	69.8%	257.9	70.8%
Property, plant and equipment	2.5	68.9	16.3%	61.2	16.8%
Intangible assets	2.5	8.4	2.0%	11.2	3.1%
Financial assets	2.6	50.2	11.9%	33.8	9.3%
Non-current assets		127.5	30.2%	106.2	29.2%
Assets		422.2	100.0%	364.1	100.0%
Trade accounts payable		25.7	6.1%	26.3	7.2%
Other current liabilities	2.8	44.2	10.5%	47.3	13.0%
Current provisions	2.10	8.4	2.0%	4.4	1.2%
Accruals	2.11	72.6	17.2%	54.4	14.9%
Current liabilities		150.9	35.7%	132.4	36.4%
Non-current provisions	2.10	31.2	7.4%	27.1	7.4%
Non-current liabilities		31.2	7.4%	27.1	7.4%
Liabilities		182.1	43.1%	159.5	43.8%
Share capital	3.1	2.5	0.6%	2.5	0.7%
Capital reserves ¹		32.3	7.7%	32.1	8.8%
Goodwill offset		-45.0	-10.7%	-42.8	-11.8%
Retained earnings and translation differences ¹		251.1	59.5%	214.3	58.9%
Treasury shares	3.1	-1.8	-0.4%	-2.2	-0.6%
Equity before non-controlling interests		239.1	56.6%	203.9	56.0%
Non-controlling interests		1.0	0.2%	0.7	0.2%
Equity		240.1	56.9%	204.6	56.2%
Equity and liabilities		422.2	100.0%	364.1	100.0%

¹ The equity comprises EUR 17.5 million (EUR 17.3 million) in non-distributable reserves.

The notes to the consolidated financial statements from page 86 to page 122 represent an integral part of Kardex' financial statements.

Consolidated cash flow statement

in EUR million	Notes	2023	2022
Result for the period		66.9	38.6
Depreciation, amortization and impairment	1.1, 1.3, 2.5	13.4	9.6
Additions and reversals of provisions	2.10	12.9	5.0
Gain/loss on sale of assets		-	-0.5
Other non-cash items		-2.1	2.2
Change in accounts receivable		-12.8	-19.0
Change in other receivables		-15.7	-5.3
Change in inventories and work in progress		9.5	-27.0
Change in prepaid expenses		-2.5	-4.2
Change in accounts payable		-0.5	6.8
Change in other current liabilities		-2.9	10.0
Change in provisions	2.10	-4.6	-3.6
Change in accruals		18.8	-2.2
Net cash flow from operating activities		80.4	10.4
Purchase of property, plant and equipment		-16.6	-14.2
Sale of property, plant and equipment		0.4	1.2
Purchase of intangible assets		-3.1	-4.6
Sale of intangible assets		0.2	-
Change in current fixed term deposits		19.2	42.7
Purchase of non-current fixed term deposits		-	-11.0
Purchase of financial assets		-0.1	-
Change in other investments		-13.1	-7.9
Acquisition of subsidiary	4.4	-1.9	-
Sale of subsidiary	4.4	-	-0.1
Net cash flow from investing activities		-15.0	6.1
Acquisition of treasury shares	3.1	-	-1.9
Disposal of treasury shares		-	1.5
Change in current financial liabilities		-	0.2
Dividend paid		-27.5	-32.6
Net cash flow from financing activities		-27.5	-32.8
Effect of currency translation differences on cash and cash equivalents		-1.8	1.6
Net change in cash and cash equivalents		36.1	-14.7
Cash and cash equivalents at 1 January	2.1	71.2	85.9
Cash and cash equivalents at 31 December	2.1	107.3	71.2
Net change in cash and cash equivalents		36.1	-14.7

The notes to the consolidated financial statements from page 86 to page 122 represent an integral part of Kardex' financial statements.

Consolidated statement of changes in equity

in EUR million	Notes	Share capital	Capital reserves	Goodwill offset	Retained earnings	Translation differences	Treasury shares ¹	Equity before non-controlling interests	Non-controlling interests	Equity
Opening balance 1 January 2023		2.5	32.1	-42.8	211.0	3.3	-2.2	203.9	0.7	204.6
Result for the period		-	-	-	66.6	-	-	66.6	0.3	66.9
Acquisition of subsidiary	3.3, 4.4	-	-	-2.2	0.1	-	-	-2.1	0.2	-1.9
Currency translation differences		-	-	-	-	-2.5	-	-2.5	-	-2.5
Disposal of treasury shares ²	3.1	-	0.2	-	-	-	0.4	0.6	-	0.6
Dividend paid		-	-	-	-27.3	-	-	-27.3	-0.2	-27.5
Valuation of hedging reserves		-	-	-	-0.1	-	-	-0.1	-	-0.1
Closing balance 31 December 2023		2.5	32.3	-45.0	250.3	0.8	-1.8	239.1	1.0	240.1
Opening balance 1 January 2022		2.5	31.6	-44.4	205.0	0.8	-1.7	193.8	0.1	193.9
Result for the period		-	-	-	37.8	-	-	37.8	0.8	38.6
Sale of subsidiary	4.4	-	-	1.6	-	-	-	1.6	-0.1	1.5
Currency translation differences		-	-	-	-	2.5	-	2.5	0.1	2.6
Acquisition of treasury shares	3.1	-	-	-	-	-	-1.9	-1.9	-	-1.9
Disposal of treasury shares ²	3.1	-	0.5	-	-	-	1.4	1.9	-	1.9
Dividend paid		-	-	-	-32.4	-	-	-32.4	-0.2	-32.6
Share-based remuneration	1.2	-	-	-	0.1	-	-	0.1	-	0.1
Valuation of hedging reserves		-	-	-	0.5	-	-	0.5	-	0.5
Closing balance 31 December 2022		2.5	32.1	-42.8	211.0	3.3	-2.2	203.9	0.7	204.6

¹ Number of treasury shares held as of 31 December 2023: 14'210 (16'832).

² As part of share-based remuneration to the BoD and the former CEO, treasury shares were allocated in the amount of EUR 0.4 million (EUR 0.3 million). This results in a gain of EUR 0.2 million (EUR 0.1 million) reported in 'Capital reserves'.

The notes to the consolidated financial statements from page 86 to page 122 represent an integral part of Kardex' financial statements.

Notes to the consolidated financial statements

The notes are divided into five sections. Each section starts with an introduction, which summarizes the information provided. In addition, the accounting policies and accounting estimates applied to prepare the consolidated financial statements appear at the end of the note to which they relate in order to provide appropriate context.

1. Performance

This section provides information on the operational performance of Kardex. The description of the operating model provides useful information to understand the segment reporting, which corresponds to Kardex' internal reporting system. In addition, information is presented on selected income and expense items.

The key headlines concerning Kardex' performance are:

in EUR million	2023	2022
Net revenues	702.9	565.6
Operating result (EBIT)	85.9	55.8
EBIT (margin)	12.2%	9.9%
Result for the period	66.9	38.6

Alternative performance measures (APM)

Based on the Directive on the Use of Alternative Performance Measures (DAPM), issuers whose equity securities are listed on SIX Swiss Exchange are requested to publish clear and comprehensive definitions of APM. APM are financial measures not clearly defined or specified in the applicable recognized accounting standard.

Earnings before interest, taxes, depreciation and amortization (EBITDA)

in EUR million	2023	2022
Operating result (EBIT)	85.9	55.8
Depreciation, amortization and impairment	13.4	9.6
EBITDA	99.3	65.4

Equity ratio

in EUR million	31.12.2023	31.12.2022
Assets	422.2	364.1
Equity	240.1	204.6
Equity ratio¹	56.9%	56.2%

¹ 'Equity' divided by 'Assets'.

Invested capital

in EUR million	2023	2022
Equity	222.4	199.3
Value adjustment for doubtful accounts	-0.9	-0.8
Deferred tax liabilities	3.7	1.8
Accrual for income tax < 1 year	3.2	2.7
Invested capital¹	228.4	203.0

¹ Each position is calculated on average basis of one year.

Free cash flow

in EUR million	2023	2022
Net cash flow from operating activities	80.4	10.4
Net cash flow from investing activities	-15.0	6.1
Adjustment for changes in fixed term deposits	-19.2	-31.7
Adjusted net cash flow from investing activities	-34.2	-25.6
Free cash flow	46.2	-15.2

Net cash

in EUR million	31.12.2023	31.12.2022
Cash and cash equivalents	107.3	71.2
Current fixed term deposits	12.3	31.5
Net cash	119.6	102.7

Net working capital (NWC)

in EUR million	31.12.2023	31.12.2022
Trade accounts receivable (excl. value adjustment)	94.0	81.4
Construction contracts with amounts due from customers (underfinanced - POC) ²	17.2	9.3
Advance payments	5.4	2.5
Accounts receivable	116.6	93.2
Raw materials, supplies and other consumables	27.5	28.3
Finished goods	5.1	13.9
Spare parts	10.2	7.1
Work in progress	58.0	39.4
Advance payments from customers	-75.7	-55.0
Advance payments to suppliers	5.4	5.4
Inventories	30.5	39.1
Trade accounts payable	-25.7	-26.3
Construction contracts with amounts due to customers (overfinanced - POC) ²	-16.3	-27.2
Other payables	-2.9	-2.6
Accounts payable	-44.9	-56.1
NWC	102.2	76.2

² POC = Percentage of completion.

Return on invested capital (ROIC)

in EUR million	2023	2022
Operating result (EBIT)	85.9	55.8
Invested capital	228.4	203.0
ROIC³	37.6%	27.5%

³ 'Operating result (EBIT)' divided by 'Invested capital'.

1.1 Segment reporting

Kardex is a global industry partner for intralogistic solutions and a leading supplier of automated storage solutions and material handling systems. The Group consists of the two entrepreneurially managed divisions, Kardex Remstar and Kardex Mlog, as well as the Holding, which also includes Corporate Ventures. Kardex Remstar develops, produces and maintains dynamic storage and retrieval systems and Kardex Mlog offers integrated material handling systems and automated high bay warehouses. The two divisions are partners for their customers over the entire life cycle of a product or solution. The AutoStore business and the affiliated company Robomotive B.V. (sold in November 2022) are reported in the segment 'Holding / Other'.

1.1.1 Income statement for 2023

in EUR million	Kardex Remstar	Kardex Mlog	Holding / Other	Elimina- tions	Kardex
Bookings¹	527.6	78.9	67.6	-0.2	673.9
Net revenues, third party					
- Europe	343.6	113.0	50.4	-	507.0
- Americas	141.8	0.2	8.7	-	150.7
- Asia/Pacific	41.3	-	-	-	41.3
- Middle East and Africa	3.9	-	-	-	3.9
Total net revenues, third party	530.6	113.2	59.1	-	702.9
Net revenues, with other operating segments	0.1	0.2	-	-0.3	-
Net revenues²	530.7	113.4	59.1	-0.3	702.9
Cost of goods sold and services provided	-329.7	-90.8	-46.8	0.3	-467.0
Gross profit	201.0	22.6	12.3	-	235.9
Gross profit margin	37.9%	19.9%	20.8%		33.6%
Sales and marketing expenses	-58.8	-9.5	-8.0	-	-76.3
Administrative expenses	-39.7	-5.6	-10.8	5.2	-50.9
R&D expenses	-15.2	-1.1	-1.2	-	-17.5
Other operating income	0.3	0.2	5.2	-5.2	0.5
Other operating expenses	-5.6	-0.1	-0.1	-	-5.8
Operating result (EBIT)	82.0	6.5	-2.6	-	85.9
EBIT margin	15.5%	5.7%			12.2%
Depreciation, amortization and impairment	12.6	0.6	0.2	-	13.4
EBITDA	94.6	7.1	-2.4	-	99.3
EBITDA margin	17.8%	6.3%			14.1%

¹ 'Bookings' are legally binding contracts with customers entered into during the reporting period. Figures related to 'Bookings' are not audited.

² 'Net revenues' comprise EUR 521.6 million from New Business and EUR 181.3 million from Life Cycle Services.

1.1.2 Income statement for 2022

in EUR million	Kardex Remstar	Kardex Mlog	Holding / Other	Elimina- tions	Kardex
Bookings¹	509.8	125.4	63.4	-	698.6
Net revenues, third party					
- Europe	292.1	104.4	17.8	-	414.3
- Americas	105.8	0.6	6.0	-	112.4
- Asia/Pacific	34.7	0.3	-	-	35.0
- Middle East and Africa	3.9	-	-	-	3.9
Total net revenues, third party	436.5	105.3	23.8	-	565.6
Net revenues, with other operating segments	0.1	0.3	-	-0.4	-
Net revenues²	436.6	105.6	23.8	-0.4	565.6
Cost of goods sold and services provided	-283.8	-85.2	-19.3	0.4	-387.9
Gross profit	152.8	20.4	4.5	-	177.7
Gross profit margin	35.0%	19.3%	18.9%		31.4%
Sales and marketing expenses	-51.7	-8.7	-4.9	-	-65.3
Administrative expenses	-32.8	-5.5	-7.8	4.2	-41.9
R&D expenses	-11.2	-1.1	-0.4	-	-12.7
Other operating income	0.6	0.1	4.2	-4.2	0.7
Other operating expenses	-1.6	-0.1	-1.0	-	-2.7
Operating result (EBIT)	56.1	5.1	-5.4	-	55.8
EBIT margin	12.8%	4.8%			9.9%
Depreciation, amortization and impairment	7.9	0.7	1.0	-	9.6
EBITDA	64.0	5.8	-4.4	-	65.4
EBITDA margin	14.7%	5.5%			11.6%

¹ 'Bookings' are legally binding contracts with customers entered into during the reporting period. Figures related to 'Bookings' are not audited.

² 'Net revenues' comprise EUR 402.4 million from New Business and EUR 163.2 million from Life Cycle Services.



Accounting principles

Net revenues include all revenues from products sold and services provided less items such as early payer discounts, rebates, other agreed discounts and value-added tax. No revenue is recognized if there is significant uncertainty regarding the collectability of the consideration due, associated costs or the possible return of goods. Revenues from:

- sales of goods are recognized when the risks and rewards of ownership have transferred to the buyer, which is most frequently after finalized installation or based on accepted international commercial terms, such as EXW, FOB or DDP;
- services are recognized according to the stage of completion;
- construction contracts are reported using the percentage of completion (POC) method, provided that the contractual performance is highly probable and income and expenses arising from long-term construction contracts can be reliably estimated. The revenues and expenses are recognized in the income statement proportionally to the stage of completion. The stage of completion is determined using the cost-to-cost method, i.e. by calculating the ratio between the project costs incurred to date and the estimated overall costs of the project. Expected losses from construction contracts are immediately recognized in the income statement as at the date of detection. Underfinanced projects are recorded in the balance sheet under 'Other receivables' while overfinanced positions report under 'Other current liabilities'.



Use of accounting estimates

The application of the POC method requires multiple estimates regarding forecasted overall costs to be incurred until the end of the projects.

1.2 Personnel expenses

in EUR million	2023	2022
Fixed and variable salaries	-175.0	-149.2
Social security contributions	-35.3	-29.4
Retirement and pension plan costs	-5.1	-4.2
Other personnel expenses	-11.5	-10.2
Total personnel expenses	-226.9	-193.0

A share-based Long-Term Incentive Program was introduced in 2021 for the members of the Group Management representing EUR 0.2 million (EUR 0.1 million) of variable salaries.



Accounting principles

Share-based payments are recognized at fair value at the grant date and, until such time as entitlement is asserted, are charged to the corresponding positions in the income statement as personnel expenses. As these awards are equity-settled, the consideration is recognized in equity.

1.3 Other operating income and expenses

in EUR million	2023	2022
Gains from non-current assets sold	-	0.5
Other income	0.5	0.2
Total other operating income	0.5	0.7
Taxes other than income taxes	-0.8	-0.9
Impairment of assets / loss from sale of subsidiary	-4.3	-1.0
Severance payments	-	-0.5
Losses from non-current assets sold	-0.1	-
Other expenses	-0.6	-0.3
Total other operating expenses	-5.8	-2.7

In the period under review, EUR 4.3 million impairment of assets are mainly due to developments during the introduction of the global ERP system and elements that did not meet the expectations (see note 2.5.3). In 2022, all shares of Robomotive B.V. were disposed by Kardex Holding AG. This resulted in a write-off which mainly arose from the recycling of the goodwill (see note 4.4).

1.4 Financial result, net

in EUR million	2023	2022
Interest income	1.8	0.4
Foreign exchange gains (net)	-	0.3
Other financial income	2.1	0.3
Total financial income	3.9	1.0
Interest expense	-0.2	-0.6
Foreign exchange losses (net)	-1.7	-
Other financial expenses	-0.8	-2.7
Total financial expenses	-2.7	-3.3
Total financial result, net	1.2	-2.3

'Other financial income' includes returns from fixed term and time deposits and other financial investments. Losses on 'Other financial assets' were recognized as 'Other financial expenses' in the reporting period.



Accounting principles

Net financing costs comprise interest expense on borrowings and pension liabilities, interest earned on investments, gains and losses from foreign currency translation, as well as gains and losses from derivative financial instruments used for exchange rate hedging (unless designated as cash flow hedge). All of which with the exception of cash flow hedges are recognized in the income statement. Interest income and expense as well as gains or losses from interest rate hedging are recognized in the income statement as they occur.

1.5 Income tax expense and tax losses carryforward

1.5.1 Income tax expense

in EUR million	2023	2022
Current income tax	-20.0	-13.0
Deferred income tax	-0.2	-1.9
Total income tax expense	-20.2	-14.9

1.5.2 Analysis of income tax expense

The variance between the expected income tax expense, based on the expected income tax rate, and the effective income tax expense recorded in the consolidated income statement depends on the following determining factors. Kardex' expected income tax rate is based on the result for the period before tax and the tax rate pertaining to each individual entity at the respective fiscal year.

in EUR million	2023	2022
Result for the period before tax	87.1	53.5
Weighted average income tax rate	23.5%	24.5%
Expected income tax expense	-20.5	-13.1
Use of unrecognized tax losses carryforward	1.5	0.6
Effect of change in tax rates	-0.3	-0.5
Effect of non-recognition of tax losses in current year	-	-0.9
Income tax of prior periods, net	-0.5	-0.6
Withholding taxes on dividends not recoverable	-	-0.1
Other	-0.4	-0.3
Effective income tax expense	-20.2	-14.9
Effective income tax rate	23.2%	27.9%

1.5.3 Tax losses carryforward

Tax effects on losses carryforward are not capitalized.

in EUR million	31.12.2023	31.12.2022
Tax losses carryforward by expiration		
Following year	-	0.2
In 2 to 5 years	1.4	1.4
After 5 years	0.2	1.7
Not expiring	1.5	6.1
Total tax losses carryforward	3.1	9.4

As of 31 December 2023, the non-capitalized tax effects on losses carryforward amounted to EUR 0.6 million (EUR 2.1 million).



Accounting principles

Income tax comprises current and deferred tax. Income tax is recognized in the income statement unless it relates to items recognized in equity. Current tax is the expected tax payable on the taxable income for the year and any adjustment to tax payable related to previous years. Income tax is calculated using tax rates already in force or substantially enacted at the balance sheet date. Deferred tax is calculated using the balance sheet liability method on the basis of tax rates already in force or substantially enacted at the balance sheet date and is based on temporary differences between Swiss GAAP FER carrying amounts and the tax base. Deferred income tax assets and liabilities are netted only if they relate to the same taxable entity. Tax savings due to tax loss carryforward on future taxable income are not recognized.

2. Operating assets and liabilities

Detailed information on the operating assets used and liabilities incurred to support Kardex' operating activities are disclosed in this section. This includes disclosures on the valuation of trade accounts receivable, inventories and work in progress as well as movements in property, plant, equipment, intangible assets and provisions.



Accounting principles

Impairment of assets

Property, plant and equipment and other non-current assets are assessed as at each balance sheet date to determine whether any events or changes in circumstances have occurred that might indicate an impairment. Where such indications exist, an impairment test is conducted. If the carrying amount of the asset exceeds the recoverable amount, an impairment loss is recognized.

The recoverable amount is the higher of the net selling price and value in use of the asset. The recoverable amount is normally determined for each asset. If the asset in question does not generate any separate cash flows, the smallest possible group of assets that generate separate cash flows is tested. Where the impairment exceeds the residual carrying amount, a provision amounting to the remaining difference is recognized.

On each balance sheet date, impairments previously recorded are examined to establish whether the reasons that led to the impairment still apply to the same extent. If the reasons for an impairment no longer apply, the value will be reinstated up to a maximum of the carrying amount, as adjusted according to scheduled depreciation. The reverse booking is recognized in the income statement.

Liabilities

Liabilities are shown at their nominal value.

Operating lease payments

Payments made under operating leases are recognized in the income statement on a straight-line basis over the term of the lease.

Finance lease payments

Payments made under finance leases are allocated between the financing costs and repayment of the principal. The financing costs are allocated to each period during the lease term to produce a constant rate of interest over the term of the liability.

2.1 Cash and cash equivalents

in EUR million	31.12.2023	31.12.2022
Cash, postal and bank current accounts	92.4	65.4
Fixed term and time deposits	14.9	5.8
Total cash and cash equivalents	107.3	71.2

Of 'Cash and cash equivalents', EUR 2.6 million (EUR 4.2 million) were held in countries with specific formalities and request procedures for transfers abroad. By complying with these requirements, Kardex has these funds at its disposal.

**Accounting principles**

'Cash and cash equivalents' comprise cash balances, postal and bank account balances and other liquid investments with a maximum total maturity of three months from the balance sheet date.

2.2 Trade accounts receivable

in EUR million	31.12.2023	31.12.2022
Trade accounts receivable	94.0	81.4
Value adjustment for doubtful accounts	-1.0	-0.7
Total trade accounts receivable	93.0	80.7

Trade accounts receivable are distributed over a widely scattered customer base. Management does not expect any material losses on receivables.



Accounting principles

Trade accounts receivable are stated at nominal value less any impairments. The value adjustment consists of individual value adjustment for specifically identified positions for which there are objective indications that the outstanding amount will not be received in full and of a collective value adjustment for positions that have been overdue for 180 days or longer.

2.3 Other receivables

in EUR million	31.12.2023	31.12.2022
Construction contracts with amounts due from customers (underfinanced – POC) ¹	17.2	9.3
Income tax receivables	8.1	6.4
VAT, withholding and other refundable tax	14.8	11.6
Guarantees paid in cash	0.1	0.1
Advance payments	5.4	2.5
Other receivables	2.2	2.5
Total other receivables	47.8	32.4

¹ Before offsetting against accrued cost, gross advance payments from customers for underfinanced POC projects amount to EUR 76.0 million (EUR 32.2 million).

2.4 Inventories and work in progress

in EUR million	31.12.2023	31.12.2022
Raw materials, supplies and other consumables	27.5	28.3
Finished goods	5.1	13.9
Spare parts	10.2	7.1
Work in progress	58.0	39.4
Value adjustment	-7.1	-5.6
Advance payments from customers	-75.7	-55.0
Advance payments to suppliers	5.4	5.4
Total inventories and work in progress	23.4	33.5



Accounting principles

Inventories are stated at the lower of acquisition/production cost or fair value less costs to sell. Fair value less costs to sell is defined as the value of the sales proceeds less the remaining costs of production, sale and administration incurred until the time of sale. Inventories are valued on a weighted-average basis. The acquisition and production costs also include the costs of purchase and transport of inventories. In the case of inventories manufactured by Kardex, production costs also include an appropriate share of the overheads incurred. Adjustments are made for items lacking marketability and for slow-moving items.

2.5 Property, plant, equipment and intangible assets

2.5.1 Property, plant and equipment 2023

in EUR million	Undeveloped properties	Land and buildings	Machinery, production tools and equipment	Information technology	Under construction	Other	Property, plant and equipment
Acquisition cost, 1 January	-	43.5	67.4	9.7	11.6	4.8	137.0
Change in scope of consolidation	-	-	0.5	-	-	-	0.5
Additions	-	0.7	5.7	2.3	7.5	0.4	16.6
Disposals	-	-0.1	-4.2	-0.4	-0.3	-0.4	-5.4
Reclassifications ¹	-	5.4	2.6	-	-8.1	-	-0.1
Exchange rate differences	-	-0.6	-0.5	-	-0.1	-0.1	-1.3
31 December	-	48.9	71.5	11.6	10.6	4.7	147.3
Accumulated depreciation, 1 January	-	-20.1	-44.8	-7.9	-	-3.0	-75.8
Additions	-	-1.2	-5.0	-1.2	-	-0.3	-7.7
Impairment	-	-0.2	-	-	-	-	-0.2
Disposals	-	-	4.2	0.4	-	0.3	4.9
Disposals - impairment	-	-	-	-	-	0.1	0.1
Exchange rate differences	-	-	0.2	-	-	0.1	0.3
31 December	-	-21.5	-45.4	-8.7	-	-2.8	-78.4
Net carrying amount, 1 January	-	23.4	22.6	1.8	11.6	1.8	61.2
Net carrying amount, 31 December	-	27.4	26.1	2.9	10.6	1.9	68.9

¹ The residual value of the reclassifications amounting to EUR 0.1 million was done between 'Property, plant and equipment' and 'Intangible assets' (see note 2.5.3).

Depreciation of property, plant and equipment is included in the following items: EUR 5.0 million 'Cost of goods sold and services provided', EUR 0.3 million in 'Sales and marketing expenses', EUR 2.3 million in 'Administrative expenses' and EUR 0.1 million in 'R&D expenses'.

Impairment of property, plant and equipment of EUR 0.2 million is reported under 'Other operating expenses'.

2.5.2 Property, plant and equipment 2022

in EUR million	Undeveloped properties	Land and buildings	Machinery, production tools and equipment	Information technology	Under construction	Other	Property, plant and equipment
Acquisition cost, 1 January	0.5	42.4	55.4	8.3	13.4	4.4	124.4
Additions	-	0.7	3.0	1.2	8.8	0.5	14.2
Disposals	-0.5	-0.5	-1.7	-0.1	-	-0.2	-3.0
Reclassifications ¹	-	-	10.7	0.3	-11.3	-	-0.3
Exchange rate differences	-	0.9	-	-	0.7	0.1	1.7
31 December	-	43.5	67.4	9.7	11.6	4.8	137.0
Accumulated depreciation, 1 January	-	-19.4	-41.7	-6.9	-	-2.7	-70.7
Additions	-	-1.1	-4.6	-1.1	-	-0.3	-7.1
Impairment	-	-	-	-	-	-0.1	-0.1
Disposals	-	0.5	1.6	0.1	-	0.1	2.3
Exchange rate differences	-	-0.1	-0.1	-	-	-	-0.2
31 December	-	-20.1	-44.8	-7.9	-	-3.0	-75.8
Net carrying amount, 1 January	0.5	23.0	13.7	1.4	13.4	1.7	53.7
Net carrying amount, 31 December	-	23.4	22.6	1.8	11.6	1.8	61.2

¹ The residual value of the reclassifications amounting to EUR 0.3 million was done between 'Property, plant and equipment' and 'Intangible assets' (see note 2.5.4).

Depreciation of property, plant and equipment is included in the following items: EUR 4.5 million in 'Cost of goods sold and services provided', EUR 0.3 million in 'Sales and marketing expenses', EUR 2.2 million in 'Administrative expenses' and EUR 0.1 million in 'R&D expenses'.

Impairment of property, plant and equipment of EUR 0.1 million is reported under 'Other operating expenses'.



Accounting principles

Owned assets

Items of property, plant and equipment are stated at acquisition or construction cost less accumulated depreciation and impairment losses. The acquisition and construction cost includes all expenses directly attributable to the acquisition and necessary to bring the asset to working condition for its intended use. Interest expenses during the construction phase of property, plant and equipment are not capitalized.

Leased assets

Leasing agreements under which Kardex essentially assumes all the risks and rewards associated with the acquisition are treated as finance leases. These assets are stated at an amount equal to the lower of cost of acquisition/net fair value or present value of the future lease payments at the start of the agreement, less the accumulated depreciation and impairment loss. Obligations arising from finance leasing are recognized as liabilities.

Maintenance and renovation costs

Major renovation or modernization work, as well as expenses that significantly increase fair value or value in use, and expenditure that extends the estimated useful life of property, plant and equipment, are capitalized. Repairs and maintenance costs are recognized directly under operating expenses.

Depreciation

Depreciation is charged to the income statement on a straight-line basis over the following estimated useful lives:

Buildings	20 to 40 years
Machinery, production tools and equipment	4 to 12 years
Information technology (hardware)	3 years
Other (e.g., vehicles)	5 to 8 years

Depreciation of an item of property, plant or equipment begins when actual operational use commences. Property, plant and equipment under construction is not depreciated, but is regularly assessed for any indication of a need to apply impairment charges.

The residual value and the useful economic life of the property, plant and equipment are reviewed annually and adjusted where necessary. Gains and losses arising from the sale of property, plant and equipment are recognized in the income statement.

2.5.3 Intangible assets in 2023

in EUR million	Capitalized development costs	Capitalized software	Software under construction	Patents, licenses and other intangible assets	Intangible assets
Acquisition cost, 1 January	0.1	19.0	6.2	1.7	27.0
Additions	-	2.6	0.3	-	2.9
Disposals	-	-	-0.2	-	-0.2
Reclassifications ¹	-	5.2	-5.1	-	0.1
31 December	0.1	26.8	1.2	1.7	29.8
Accumulated amortization, 1 January	-0.1	-14.2	-	-1.5	-15.8
Additions	-	-1.4	-	-	-1.4
Impairment ²	-	-4.1	-	-	-4.1
Exchange rate differences	-	-0.1	-	-	-0.1
31 December	-0.1	-19.8	-	-1.5	-21.4
Net carrying amount, 1 January	-	4.8	6.2	0.2	11.2
Net carrying amount, 31 December	-	7.0	1.2	0.2	8.4

¹ The residual value of the reclassifications amounting to EUR 0.1 million was done between 'Property, plant and equipment' and 'Intangible assets' (see note 2.5.1).

² The impairment of EUR 4.1 million is due to developments during the introduction of the global ERP system and elements that did not meet expectations.

Amortization of intangible assets is included in the following items: EUR 0.1 million in 'Cost of goods sold and services provided', EUR 0.1 million in 'Sales and marketing expenses' and EUR 1.2 million in 'Administrative expenses'.

Impairment of intangible assets of EUR 4.1 million is reported under 'Other operating expenses'.

2.5.4 Intangible assets in 2022

in EUR million	Capitalized development costs	Capitalized software	Software under construction	Patents, licenses and other intangible assets	Intangible assets
Acquisition cost, 1 January	0.1	14.2	6.5	1.5	22.3
Additions	-	0.4	3.8	0.2	4.4
Reclassifications ¹	-	4.4	-4.1	-	0.3
31 December	0.1	19.0	6.2	1.7	27.0
Accumulated amortization, 1 January	-0.1	-12.8	-	-1.5	-14.4
Additions	-	-1.5	-	-	-1.5
Exchange rate differences	-	0.1	-	-	0.1
31 December	-0.1	-14.2	-	-1.5	-15.8
Net carrying amount, 1 January	-	1.4	6.5	-	7.9
Net carrying amount, 31 December	-	4.8	6.2	0.2	11.2

¹ The residual value of the reclassifications amounting to EUR 0.3 million was done between 'Property, plant and equipment' and 'Intangible assets' (see note 2.5.2).

Amortization of intangible assets is included in the following items: EUR 0.2 million in 'Sales and marketing expenses' and EUR 1.3 million in 'Administrative expenses'.



Accounting principles

Intangible assets from development activities

Expenditure on development activities related to new technologies or know-how is recognized in the income statement in the period in which it is incurred.

Other intangible assets

Other internally generated or acquired intangible assets are capitalized if they will generate measurable benefits for Kardex over several years. Such intangible assets are stated at cost of production or acquisition less accumulated amortization and impairment loss.

Subsequent costs

Subsequent costs for existing intangible assets are only capitalized if they increase the future economic benefits of the assets concerned by at least the same amount. All other costs are expensed as incurred.

Amortization

Amortization of intangible assets is charged to the income statement on a straight-line basis over their estimated useful lives. Amortization of intangible assets begins on the date they are available for use. The estimated useful lives applied are as follows:

Licenses and patents	5 years
Trademark rights	5 years
Capitalized software	5 to 10 years
Other intangible assets	5 years

The residual value and the useful economic life of the intangible assets are reviewed annually and adjusted where necessary. Gains and losses arising from the sale of intangible assets are recognized in the income statement.



Use of accounting estimates

Intangible assets are measured by using key assumptions and estimates underlying their valuation considering recoverability of such assets from acquisitions and capitalized internally generated intangible assets. This includes the consideration of related forecasted cash flows.

2.6 Financial assets

in EUR million	31.12.2023	31.12.2022
Loans to associated companies	24.8	11.7
Other financial assets	17.4	15.9
Deferred tax assets	8.0	6.2
Total financial assets	50.2	33.8

Loans to associated companies relate to the further start-up and growth financing of Rocket Solution GmbH. Kardex invested in the past years in a portfolio of pension-related assets amounting to EUR 16.0 million as of 31 December 2023 (EUR 14.1 million).



Accounting principles

Financial assets are generally measured at acquisition cost less any impairments.

2.7 Current financial liabilities

Kardex Holding AG has entered into bilateral uncommitted credit lines with its main banks in the total amount of EUR 40.0 million. All bilateral uncommitted credit lines are available to Kardex Holding AG for the issuance of guarantees and in the form of overdrafts or fixed advances.

EUR 6.2 million (EUR 4.5 million) of these bilateral credit lines have been utilized in the form of guarantees as of 31 December 2023 (refer to note 4.1).

No collateral was provided for all these lines of credit. All lines of credit rank pari passu.

2.8 Other current liabilities

in EUR million	31.12.2023	31.12.2022
VAT, withholding tax and other tax liabilities	20.3	13.1
Construction contracts with amounts due to customers (overfinanced – POC) ¹	16.3	27.2
Social security and pension plan liabilities	1.6	1.8
Fixed and variable salaries	3.1	2.5
Other financial liabilities	-	0.1
Other payables	2.9	2.6
Total other current liabilities	44.2	47.3

¹ Before offsetting against accrued cost, gross advance payments from customers for overfinanced POC projects amount to EUR 40.2 million (EUR 48.7 million).

2.9 Pension plans

Employees and former employees receive different employee benefits and retirement pensions, which are determined in accordance with the legislative provisions in the countries concerned. Some Kardex companies are not direct risk-takers as being members of collective foundations. These pension plans are funded by contributions from both the employer and the employee. The private pension plans in Switzerland and the Netherlands are structured for the purpose of building up retirement assets to be converted into fixed retirement pensions and supplementary risk benefits. The Swiss entities are affiliated to a collective pension plan where the surplus/deficit cannot be determined per individual contract but it can be stated that based on the preliminary, non-audited figures as of 31 December 2023 the coverage of the collective plan as a whole amounts to 112.6% (110.0%).

Some of the pension plans are made into independent schemes, especially in Germany and Italy. In addition to the independent schemes in Germany there are also schemes where the companies are direct risk-takers. In Italy, a fixed percentage of salary is provided for in the amount of the nominal value. These funds can be invested either within the company or in an independent scheme. The range of the discount rate applied for the major foreign pension plans varies as follow:

- Germany: 1.8% (1.8%)
- France: 3.1% (3.8%)

In 2022, the retirement defined benefit plan in the UK was liquidated, whereupon a reinsurance company assumed the obligations to the insured through individual insurance policies.

2.9.1 Pension plans 2023

in EUR million	Pension plans with- out sur- plus/deficit	Pension plans with- out own assets	Total
Economic part of the Group 1 January	-	18.0	18.0
Change to prior period or recognized in the result for the period, respectively	-	0.8	0.8
Economic part of the Group 31 December	-	18.8	18.8
Pension benefit expenses within personnel expenses	-3.4	-1.7	-5.1
Change to prior period or recognized in the result for the period, respectively	-	0.8	0.8
Contributions concerning the period	-3.4	-0.9	-4.3

2.9.2 Pension plans 2022

in EUR million	Pension plans with- out sur- plus/deficit	Pension plans with- out own assets	Total
Economic part of the Group 1 January	-	17.5	17.5
Change to prior period or recognized in the result for the period, respectively	-	0.5	0.5
Economic part of the Group 31 December	-	18.0	18.0
Pension benefit expenses within personnel expenses	-3.0	-1.2	-4.2
Change to prior period or recognized in the result for the period, respectively	-	0.5	0.5
Contributions concerning the period	-3.0	-0.7	-3.7



Accounting principles

There are several pension plans within Kardex, each of which complies with the legal requirements for the country in question. A majority of employees are insured against the risk of age, death and disability. These plans are funded by contributions from employees and employers.

Actual economic impacts of employee pension plans on Kardex are calculated on the balance sheet date. The pension plan's financial position is relevant to the measurement of pension assets and pension liabilities.

In the case of Swiss pension plans, the latest financial statements prepared in accordance with Swiss GAAP FER 26 constitute the basis. An economic obligation is carried as a liability if the conditions for the recognition of a provision are met. An economic benefit is capitalized if it is used for Kardex' future employee benefit expenses. Freely disposable employer contribution reserves are capitalized. The economic impacts of pension fund surpluses and deficits and the change in any employer contribution reserves are recognized in the income statement together with the amounts accrued over the same period. These same principles are applied in the case of foreign pension plans.



Use of accounting estimates

Kardex operates pension plans in various countries. The calculation of pension provisions for plans that do not have their own assets is based on key actuarial assumptions (including discount rate, future salary or pension increases and average life expectancy, as well as plan assets performance and funded status), which may differ from the actual results. The discount rate used in the calculation for certain foreign pension plans is the most important parameter and any changes can strongly impact the valuation of the pension liability. The range of the applied discount rate corresponds to local market conditions.

2.10 Provisions

2.10.1 Provisions 2023

in EUR million	Deferred tax liabilities	Legal disputes and contractual penalties	Warranties	Retirement and other employee benefit obligations	Restructuring	Others	Provisions
Opening balance 1 January	2.6	1.3	3.9	22.5	-	1.2	31.5
Additions	2.7	0.8	4.8	4.3	-	1.1	13.7
Utilization	-	-0.5	-2.5	-1.0	-	-0.6	-4.6
Reversal	-0.6	-	-0.1	-	-	-0.1	-0.8
Exchange rate differences	-	-	-0.1	-0.1	-	-	-0.2
Closing balance 31 December	4.7	1.6	6.0	25.7	-	1.6	39.6
Non-current provisions	4.7	0.8	1.6	23.2	-	0.9	31.2
Current provisions	-	0.8	4.4	2.5	-	0.7	8.4

2.10.2 Provisions 2022

in EUR million	Deferred tax liabilities	Legal disputes and contractual penalties	Warranties	Retirement and other employee benefit obligations	Restructuring	Others	Provisions
Opening balance 1 January	0.9	1.2	4.4	21.6	0.4	1.6	30.1
Additions	1.9	-	2.4	2.0	-	0.8	7.1
Utilization	-	-	-1.9	-0.8	-0.4	-0.5	-3.6
Reversal	-0.2	-	-1.0	-0.3	-	-0.6	-2.1
Reclassifications	-	0.1	-	-	-	-0.1	-
Closing balance 31 December	2.6	1.3	3.9	22.5	-	1.2	31.5
Non-current provisions	2.6	1.1	1.7	21.2	-	0.5	27.1
Current provisions	-	0.2	2.2	1.3	-	0.7	4.4

Deferred tax liabilities are shown net after offsetting them against deferred tax assets. Netting takes place at individual company level.

The provisions for legal disputes and contractual penalties relate to ongoing proceedings and include provisions for contractual obligations.

The provision for warranties covers the cost for warranty claims. The actual amount is based on current revenues and available data. Experience shows that most of the provisions will be used in the following one to two years.



Accounting principles

Provisions

Provisions are made insofar as

- Kardex has, or may have, a legal or constructive obligation due to past events;
- it is probable that settlement of this obligation will lead to an outflow of resources;
- the extent of the obligation can be reliably estimated.

If the time effect is significant, long-term provisions at the present value of probable future cash outflows will be created.

Warranties

The provision for warranty risks from the sale of products and services is based on information about warranties from earlier periods and on punctual consideration of individual cases.

Restructuring

Restructuring costs are provided for the period in which an official, detailed restructuring plan is available to Kardex and the management must have raised a valid expectation that it will carry out the restructuring or the restructuring plan is announced. No provision is made for future operating losses.



Use of accounting estimates

In the course of their ordinary operating activities, Group companies can face claims from third parties. Provisions for pending claims are measured on the basis of the information available and a realistic estimate of the expected outflow of resources. The outcome of these proceedings may result in claims against the Group that cannot be met at all or in full through provisions or insurance cover.

Significant judgment is required to determine the costs of restructuring plans. The actual cost might deviate from the original plan.

2.11 Accruals

in EUR million	31.12.2023	31.12.2022
Accrued expenses	14.3	11.6
Accrued vacation and overtime pay	7.7	6.6
Accruals for salaries, variable compensations etc.	16.7	9.1
Accrual for income tax < 1 year	4.0	2.3
Deferred income	29.9	24.8
Total accruals	72.6	54.4

The item 'Accrued expenses' contains expenses that have occurred in the period under review but the corresponding invoices have not been received yet. 'Deferred income' consists of recorded invoices to customers based on maintenance and service contracts where services have not yet been fully provided as per balance sheet date.

3. Capital and financial risk management

This section outlines the principles and procedures applied to manage the capital structure and the financial risks to which Kardex is exposed. Detailed information on Kardex' sources of funding are provided here. In addition, the details of the share capital, treasury shares, earnings per share, and dividends are disclosed in this section. The theoretical movement of goodwill provides information about the impact of Kardex' accounting decision to offset goodwill against equity.

3.1 Share capital

3.1.1 Share capital 2023

	Nominal value per share (CHF)	Number of shares	Share capital in EUR million	Number of treasury shares	Treasury shares in EUR million
Opening balance 1 January	0.45	7'730'000	2.5	16'832	2.2
Disposals	-	-	-	-2'622	-0.4
Closing balance 31 December	0.45	7'730'000	2.5	14'210	1.8

3.1.2 Share capital 2022

	Nominal value per share (CHF)	Number of shares	Share capital in EUR million	Number of treasury shares	Treasury shares in EUR million
Opening balance 1 January	0.45	7'730'000	2.5	17'984	1.7
Additions	-	-	-	10'000	1.9
Disposals	-	-	-	-11'152	-1.4
Closing balance 31 December	0.45	7'730'000	2.5	16'832	2.2

As of 31 December 2023 and 2022, all registered shares were fully paid up.

The capital reserves comprise premiums as well as gains/losses from transactions with treasury shares.

In the period under review, the Board of Directors and the former CEO, as part of their compensation, drew 2'622 (2'368) shares from the Kardex Holding AG's treasury shares. As of 31 December 2023, Kardex Holding AG held 14'210 (16'832) treasury shares, which were purchased at an average share price of CHF 131.77 (CHF 131.77) each.



Accounting principles

Repurchase of treasury shares

If Kardex repurchases its own shares, the payments, including directly related costs, are deducted from equity. Any gains or losses arising from transactions with treasury shares are recognized in equity (item 'Capital reserves').

Dividends

Dividends are recognized as a liability in the period in which they are approved.

3.2 Earnings per share

	2023	2022
Number of outstanding shares, 1 January	7'713'168	7'712'016
Acquisition of treasury shares	-	-10'000
Disposal of treasury shares	2'622	11'152
Number of outstanding shares, 31 December	7'715'790	7'713'168
Weighted average number of outstanding shares	7'714'294	7'710'634
Result for the period attributable to shareholders of Kardex Holding AG (EUR 1'000)	66'607	37'792
Basic earnings per share (EUR)	8.63	4.90
Diluted earnings per share (EUR)¹	8.63	4.90

¹ No dilutive effect occurred in 2023 and 2022, the diluted result per share is the same as the basic result per share (result for the period/average number of outstanding shares).



Accounting principles

Earnings per share are calculated by dividing the result for the period attributable to the shareholders of Kardex Holding AG by the weighted average number of shares outstanding during the reporting period. The diluted earnings per share figure additionally includes the shares that might arise following the exercising of option rights.

3.3 Treatment of goodwill

Theoretical movement schedule for goodwill:

in EUR million	2023	2022
Acquisition value of goodwill, 1 January	42.4	44.0
Disposal of Robomotive B.V.	-	-1.6
Additions from acquisitions of subsidiaries	2.2	-
Exchange rate differences	-0.2	-
Acquisition value of goodwill, 31 December	44.4	42.4
Accumulated amortization, 1 January	-42.4	-43.6
Amortization expense	-0.5	-0.4
Disposal of Robomotive B.V.	-	1.6
Exchange rate differences	0.3	-
Accumulated amortization, 31 December	-42.6	-42.4
Net book value goodwill, 1 January	-	0.4
Net book value goodwill, 31 December	1.8	-

Impact of theoretical capitalization on income statement:

in EUR million	2023	2022
Result for the period according to income statement	66.9	38.6
Amortization of goodwill	-0.5	-0.4
Theoretical result for the period incl. amortization of goodwill	66.4	38.2

Impact of theoretical capitalization on balance sheet:

in EUR million	2023	2022
Equity according to balance sheet, 31 December	240.1	204.6
Capitalization of goodwill from prior periods	-	0.4
Change of goodwill in reporting period	1.8	-0.4
Theoretical equity incl. net book value of goodwill, 31 December	241.9	204.6



Accounting principles

Goodwill, the difference between the cost of acquisitions and the fair value of the net assets acquired, results from the purchase of subsidiaries and associates. Any goodwill that arises is offset against equity at the time of acquisition. In case of the disposal of a subsidiary or associate, acquired goodwill offset against equity at an earlier date is stated at original cost to determine the gain or loss recognized in the income statement.

The effects of a theoretical capitalization of goodwill with scheduled amortization (on a straight-line basis) and any value adjustment impacting the balance sheet and income statement over a useful life of five years are disclosed according to Swiss GAAP FER 30.16.

3.4 Risk management

As part of its duty to supervise Kardex Holding AG, the Board of Directors performs a systematic risk assessment at least once a year. The risk assessment was based on a company-specific risk universe and on information obtained from interviews with Division and Group Management and the individual riskowner. Risks were assessed according to their likelihood, reputational risk and potential financial impact. This process is supported by a risk matrix that describes and values the substantial risks valid for Kardex according to the following categories: commercial risk, financial risk, governance risk, information & security risk, innovation & technology risk, and strategy risk. Measures in order to cope with these risks are also contained in the risk matrix. The Board of Directors noted the report of the Group Management on group-wide risk management at the meeting on 01 November 2023 and approved the measures contained therein.

3.5 Derivative financial instruments

in EUR million	31.12.2023	31.12.2022
Currency derivatives (hedging)		
Contract or nominal value	15.6	17.6
Positive fair value ¹	0.2	0.4
Negative fair value ²	-	0.1

¹ EUR 0.1 million (EUR 0.3 million) from equity and EUR 0.1 million (EUR 0.1 million) from income statement.

² EUR 0.0 million (EUR 0.1 million) from equity and EUR 0.0 million (EUR 0.0 million) from income statement.

Currency derivatives are mainly used to hedge the foreign currency risk on accounts receivable in US dollar, Swiss franc, British pound and Swedish krona.



Accounting principles

Kardex uses derivative financial instruments mainly to hedge its exposure to foreign exchange and interest rate risks arising from operational, financing and investment activities. When designated hedges that qualify for hedge accounting treatment are initially recognized, they are classified either as hedging of the fair value of a specific asset or liability (Fair Value Hedge) or as hedging of projected highly probable cash flows arising from an expected future transaction (Cash Flow Hedge). Fluctuations in the market values of reported financial instruments or firm commitments are recognized in the result for the period. Fluctuations in the value of cash flow hedge items are recognized in accordance with the option in Swiss GAAP FER 27 in shareholders' equity. Amounts recognized in equity are recycled in the profit and loss statement in the periods when the hedged item affects gain or loss.

4. Other financial information

This section provides details of the various commitments and contingencies as well as information about associated companies, acquisitions and divestments, and legal subsidiaries including Group companies' shareholdings.

4.1 Contingent liabilities

Kardex is currently involved in various litigations arising in the course of business. Kardex does not anticipate that the outcome of these proceedings, either individually or in total, will have a material effect on its financial or income situation.

For guarantees in favor of third parties, Kardex has entered into bilateral guarantee lines (committed and uncommitted) in the total amount of EUR 116.7 million (EUR 111.5 million). The total amount of guarantees in favor of third parties utilized as of 31 December 2023 was composed as follow:

in EUR million	31.12.2023	31.12.2022
Committed guarantee lines (committed and uncommitted)	50.8	57.8
Credit lines (convertible into guarantee lines) ¹	6.2	4.5
Total (convertible) guarantee lines	57.0	62.3

¹ Refer to note 2.8.

4.2 Related parties

Related parties (natural persons or legal entities) are defined as any party directly or indirectly able to exercise significant influence over the organization as it makes financial or operational decisions. Organizations that are in turn directly or indirectly controlled by the same related parties are also deemed to be related parties. With the exception of the pension plans (see note 2.9), there were no outstanding receivables from or liabilities towards these parties. No material transactions were carried out with related parties during the year under review or the previous year. All transactions carried out with related parties fulfilled the arm's length principle.

Information on compensation and shareholdings in accordance with the Swiss Code of Obligations can be found in the Remuneration Report on page 46 to 51 and in the notes to the financial statements of Kardex Holding AG.

4.3 Operating leases

in EUR million	31.12.2023	31.12.2022
Expense for operating leases for the year	13.2	12.3
Future minimum payments for non-cancellable lease agreements		
Up to 1 year	8.3	7.5
1 to 5 years	17.4	13.9
Over 5 years	3.0	8.9
Total future minimum payments for operating leases	28.7	30.3

Operating leases mainly relate to vehicles and rents on buildings. Leasing contracts are agreed at current market conditions.

4.4 Change in consolidation scope

4.4.1 Change in consolidation scope 2023

In January 2023, Kardex Holding AG, Zurich, took over the full control of SumoBox AB, Västerås, Sweden, and now fully owns this company. The remaining shares (67.0%) were acquired for an amount of EUR 3.2 million. SumoBox AB is specialized in the production of boxes, bins and other kinds of containers. The purchase price is composed of the elements below and goodwill has been allocated to equity.

in EUR million	Fair value
Fixed assets	0.5
Goodwill	3.0
Current assets and liabilities	0.1
Cash	1.1
Fair value of net assets acquired	4.7
thereof 67%	3.2

As SumoBox AB sells exclusively to Kardex, there is no impact on the consolidated net revenues.

Furthermore, in the second half-year, Kardex Korea Co., Ltd., Seoul, Korea, a subsidiary owned at 60%, as well as Kardex South Africa (Pty) Ltd, Johannesburg, South Africa, a fully owned subsidiary, were founded.

4.4.2 Change in consolidation scope 2022

In November 2022, Kardex Holding AG, Zurich, Switzerland, disposed all shares (50% + 1 share) of Robomotive B.V., Heerlen, the Netherlands. This resulted in a low single-digit million euros write-off which mainly arose from the recycling of the goodwill (see notes 1.3 and 3.3). No significant cash flow resulted from this transaction.

4.5 Subsidiaries and associates

Country	Finance, property, services	Development, production	Distribution, service	Company, domicile	Employees (FTE) (non-audited)	Currency	Proportional share capital in local currency	Percentage (holding and voting rights)	Held by
AT			*	Kardex Austria GmbH, Vienna	45	EUR	300'000	100	1
AU			*	Kardex VCA Pty Ltd, Wodonga	20	AUD	700'000	100	1
BE			*	Kardex N.V., Dilbeek	20	EUR	507'895	100	1
CH			*	Kardex Systems AG, Schwerzenbach	48	CHF	1'000'000	100	1
	*			KRM Service AG, Zurich	16	CHF	500'000	100	1
	*		*	Kardex AS Solutions AG, Zurich	12	EUR	464'000	100	1
CN			*	Kardex Logistic System (Beijing) Co. Ltd., Beijing	53	CNY	1'675'040	100	1
CO			*	Kardex South-America S.A.S., Bogotá	2	COP	72'000'000	100	1
CY			*	Kardex Systems Ltd., Limassol	14	EUR	418'950	100	1
CZ			*	Kardex s.r.o., Prague	56	CZK	500'000	100	1
DE	*	*	*	Kardex Produktion Deutschland GmbH, Neuburg/Kammel	642	EUR	8'567'760	87.47 12.53	4 3
		*	*	Kardex Software GmbH, Rülzheim	49	EUR	26'000	100	4
	*			Kardex Germany GmbH, Bellheim/Pfalz	72	EUR	511'292	100	1
			*	Kardex Deutschland GmbH, Neuburg/Kammel	207	EUR	1'386'310	26.2 73.8	2 4
			*	Kardex Business Partner GmbH, Neuburg/Kammel	6	EUR	25'000	100	4
	*			Kardex Remstar Properties GmbH & Co. KG, Neuburg/Kammel	-	EUR	10'000	100 0	2 4
		*	*	MLOG Logistics GmbH, Neuenstadt am Kocher	339	EUR	50'000	100	4
		*	*	Rocket Solution GmbH, Unterhaching	40	EUR	9'000	26.47	1

Country	Finance, property, services	Development, production	Distribution, service	Company, domicile	Employees (FTE) (non-audited)	Currency	Proportional share capital in local currency	Percentage (holding and voting rights)	Held by
DK			*	Kardex Danmark A/S, Odense	13	DKK	500'000	100	1
ES			*	Kardex Sistemas S.A., San Fernando de Henares, Madrid	52	EUR	142'900	100	1
FI			*	Kardex Finland OY, Jyväskylä	13	EUR	134'550	100	1
FR			*	Kardex France SASU, Fontenay-sous-Bois	71	EUR	1'835'000	100	1
HU			*	Kardex Hungaria Kft., Budaörs	14	HUF	3'000'000	100	1
IE			*	Kardex Systems Ireland Ltd., Dublin	-	EUR	300'000	100	1
IN			*	Kardex India Private Limited, Bengaluru	27	INR	26'143'500	99.0 1.0	1 5
IT			*	Kardex Italia S.p.A., Milano	36	EUR	310'000	100	1
KR			*	Kardex Korea Co., Ltd., Seoul	3	KRW	420'000'000	60	1
MY			*	Kardex Malaysia Sdn. Bhd., Kuala Lumpur	28	MYR	1'000'000	100	1
NL			*	Kardex Systemen bv, Woerden	58	EUR	90'756	100	1
NO			*	Kardex Norge AS, Kjeller	23	NOK	2'550'000	100	1
PL			*	Kardex Polska Sp.z.o.o., Warsaw	37	PLN	1'250'000	100	1
PT			*	KARDEX PORTUGAL, UNIPessoal LDA, Lisboa	5	EUR	18'000	100	1
RO			*	Kardex Systems Romania SRL, Timisoara	19	RON	1'200'000	100	1
SE			*	Kardex Sverige AB, Bromma	38	SEK	100'000	100	1
		*	*	SumoBox AB, Västerås	2	EUR	4'493	100	1
SG			*	Kardex Far East Private Ltd., Singapore	9	SGD	850'000	100	1

Country	Finance, property, services	Development, production	Distribution, service	Company, domicile	Employees (FTE) (non-audited)	Currency	Proportional share capital in local currency	Percentage (holding and voting rights)	Held by
SI			*	Kardex Remstar SI d.o.o., Ljubljana	4	EUR	200'000	100	1
TR			*	Kardex Turkey Depolama Sistemleri Ltd. Sti., Istanbul	18	TRY	1'350'000	99.5 0.5	1 6
UK			*	Kardex Systems (UK) Ltd., Hertford	71	GBP	828'000	100	1
US			*	Kardex Remstar, LLC, Westbrook (Maine)	107	USD	100	100	7
	*			Kardex Production USA Inc., Westbrook (Maine)	-	USD	1'000	100	1
			*	Kardex Handling Solutions, LLC, Kokomo (Indiana)	14	USD	100'000	100	7
			*	Kardex Storage Systems, LLC, Jacksonville (Florida)	10	USD	67'000	67	7
		*		Kardex US Manufacturing, LLC, Dover (Delaware)	74	USD	48'850'000	100	7
			*	Kardex Solutions, LLC, Cincinnati (Ohio)	25	USD	1'000	100	7
ZA			*	Kardex South Africa (Pty) Ltd., Johannesburg	0	ZAR	0	100	1

¹ Kardex Holding AG, Zurich, Switzerland.

² Kardex Produktion Deutschland GmbH, Neuburg/Kammel, Germany.

³ Kardex Deutschland GmbH, Neuburg/Kammel, Germany.

⁴ Kardex Germany GmbH, Bellheim, Germany.

⁵ Kardex Systems Ltd., Limassol, Cyprus.

⁶ KRM Service AG, Zurich, Switzerland.

⁷ Kardex Production USA Inc., Westbrook, USA.

** Robomotive B.V. was disposed in November 2022 (see note 4.4).

*** Rocket Solution GmbH: Percentage of voting rights 32.44% due to canceled shares.

5. Other disclosure

This section provides a general understanding of the preparation and consolidation principles as well as an overview of the use of accounting estimates. In addition, it details any event occurring between the balance sheet date and the date at which the financial statements are approved by the Board of Directors.

5.1 About this report

5.1.1 General information

The accompanying consolidated financial statements of Kardex include Kardex Holding AG and its subsidiaries (referred to collectively as 'Kardex' and individually as the 'Group companies'). Kardex Holding AG is Kardex' parent company, a limited company under Swiss law, which is registered and domiciled in Zurich, Switzerland. Kardex Holding AG is listed on SIX Swiss Exchange.

5.1.2 Basis of preparation

Kardex' consolidated financial statements were prepared in compliance with the provisions of the Swiss Code of Obligations and are in accordance with Swiss GAAP FER in their entirety.

5.1.3 Principles of consolidation

Consolidation is based on the individual Group companies' financial statements, as prepared on a consistent basis. The balance sheet date for all Group companies is 31 December. The consolidated financial statements are prepared on a historical cost basis with the exception of derivative financial instruments, which may be stated at fair value.

The consolidated financial statements include Kardex Holding AG as well as all domestic and foreign subsidiaries in which Kardex Holding AG holds a direct or indirect ownership. Acquisitions are accounted for using the purchase method. All relevant companies in which Kardex holds more than 50% of the voting rights or for which it is able to exercise a controlling influence on the company's operating or financial policies are accounted for using the full consolidation method, which incorporates assets and liabilities as well as revenues and expenses in their entirety. Intra-Group balances, transactions and profits not realized through third parties are eliminated in the consolidation process. Investments in associates, in which Kardex holds voting rights of 20% - 50%, are accounted for at equity. Kardex Holding AG currently has no investments with voting rights of less than 20%, and it is currently not engaged in any joint ventures.

5.1.4 Foreign currency translation

The main exchange rates for currency translation are:

in EUR	Average rate		Year-end rates	
	2023	2022	31.12.2023	31.12.2022
1 CHF	1.029	0.995	1.060	1.012
1 CNY	0.131	0.141	0.126	0.135
1 GBP	1.150	1.173	1.152	1.132
1 USD	0.925	0.950	0.904	0.941



Accounting principles

Functional and presentation currency

The consolidated financial statements are presented in millions of euros. The euro is Kardex Holding AG's functional currency and the presentation currency of Kardex because Kardex' cash flows and transactions are denominated mainly in euros.

Foreign currency transactions

Foreign currency transactions are translated using the exchange rates prevailing at the dates of the transactions. Gains and losses resulting from transactions in foreign currencies and adjustments of foreign currency items as at the balance sheet date are recognized in the income statement.

Financial statements of subsidiaries in foreign currencies

The assets and liabilities of subsidiaries whose financial statements are prepared in currencies other than the euro are converted for consolidation purposes as follows:

- assets and liabilities are translated on the balance sheet date at the exchange rate prevailing on that date;
- revenues and expenses as well as cash flows are translated at the average exchange rate;
- equity is translated at historical rates.

All resulting translation differences are shown separately under equity (translation differences). If a subsidiary is sold, its cumulative translation differences are included in the income statement as part of the gain or loss arising from the sale.

Foreign currency impacts on long-term intra-Group loans with equity characteristics are recognized in equity.

5.1.5 Changes in accounting policy and disclosure, and errors in prior year financial statements

There were no changes related to accounting policy in 2023 and 2022.

5.1.6 Use of judgments and estimates

Use of judgments and estimates in preparing these consolidated financial statements, management has made judgments, estimates and assumptions that affect the application of Kardex' accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

Information about judgments made in applying accounting policies, that have the most significant effects on the consolidated financial statements and information about uncertainties related to assumptions and estimates, that have the potential risk of resulting in a significant adjustment, are included in the following notes:

	Notes	Page
Percentage of completion	1.1	88
Testing for impairment of property, plant, equipment and intangible assets	2.5	97
Testing for impairment of financial assets	2.6	103
Pension plans	2.9	104
Provisions	2.10	107
Testing goodwill for impairment	3.3	112

5.2 Events after the balance sheet date

No events took place between 31 December 2023 and 6 March 2024 that would require an adjustment to the book value of Kardex Holding AG's assets, liabilities or equity or need to be disclosed here.

5.3 Release for publication and approval of the financial statements

The Board of Directors approved these financial statements on 6 March 2024 and released them for publication. They must also be approved by the General Meeting.

Report of the statutory auditor on the consolidated financial statements



Report of the statutory auditor to the General Meeting of Kardex Holding AG, Zurich

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Kardex Holding AG and its subsidiaries (the Group), which comprise the consolidated income statement for the period from 1 January to 31 December 2023, the consolidated balance sheet as at 31 December 2023, the consolidated cash flow statement and the consolidated statement of changes in equity for the year then ended as well as the notes to the consolidated financial statements, including a summary of significant accounting principles.

In our opinion, the consolidated financial statements (pages 82 to 122) give a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Swiss GAAP FER and comply with Swiss law.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the consolidated financial statements' section of our report. We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach

Overview

Overall Group materiality: EUR 4 million



We concluded full scope audit work at ten reporting units in eight countries.

Our audit scope addressed 62% of the Group's total net revenues.

In addition, specific scope audit procedures were performed on three further reporting units in three countries representing a further 3% of the Group's total net revenues.

Moreover, early statutory audits/examinations were performed on a further six reporting units in five countries representing a further 13% of the Group's total net revenues, which enables the Group audit team to take indirect comfort from this work.

As key audit matter the following area of focus has been identified:

Revenue recognition on long-term construction contracts (percentage of completion accounting)

Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the consolidated financial statements as a whole.

Overall Group materiality	EUR 4.0 million
Benchmark applied	Profit before tax
Rationale for the materiality benchmark applied	We chose profit before tax as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured, and it is a generally accepted benchmark.

We agreed with the Audit Committee that we would report to them misstatements above EUR 0.3 million identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

Audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Following our assessment of the risk of material misstatement to the Group financial statements, we selected thirteen reporting units which represent the principal business units within the Group's two reportable segments. Ten of these reporting units were subject to a full scope audit, and three were subject to specific scope audit procedures. The reporting units subject to full scope audit and specific scope audit procedures accounted for 65% of the Group's total net revenues.

In addition to this work, five component teams were instructed to complete their statutory audits/examinations of six components on a timely basis and to report any significant findings to the Group team in due time. This enables the Group team to take indirect comfort from this work, especially where the reporting frameworks align. For the remaining reporting units, we performed other procedures to test or assess that there were no significant risks of material misstatement in these reporting units in relation to the Group financial statements.

To ensure sufficient and appropriate involvement of the Group team, we held conference calls with the component teams that performed full scope audits and specific scope audit procedures during the different phases of the audit. In addition, we held conference calls with selected component teams that were subject to early statutory audit/examination. We discussed the risks identified and challenged the audit approach on significant risk areas relevant to each reporting unit. Furthermore, we obtained an audit memorandum from all full scope component teams and discussed the results and impact on the consolidated financial statements and challenged their conclusions. Moreover, throughout the year, we had regular calls with the German and US component teams, which are responsible for the most important reporting units of the Group.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition on long-term construction contracts (percentage of completion accounting)

Key audit matter	How our audit addressed the key audit matter
<p>A significant portion of Kardex Group revenues are generated from long-term contracts. This includes the construction of complex integrated materials handling systems and automated high-bay warehouses.</p> <p>Revenues and related costs from such contracts are recognized by applying the percentage of completion (PoC) method. The PoC method allows the recognition of revenues by reference to the stage of completion of the contract. As set out in footnote 1 to the consolidated income statement on page 83 of the annual report, revenues from long-term construction contracts subject to PoC accounting amount to EUR 139.9m in the year 2023. This represents 19.9% of the Group's total net revenues.</p> <p>We focused on this area mainly due to the size of revenues generated from long-term construction contracts. Furthermore, the application of the PoC method is complex and involves both judgement by management, in assessing whether the criteria set out in the accounting standards have been met, and estimates, related to the stage of completion, total project costs and the costs to complete the contract.</p> <p>The principal risks include:</p> <ul style="list-style-type: none"> • the potential manipulation risk of results to achieve predefined performance targets through management's use of estimates and judgments in relation to such long-term projects; • incorrect or inappropriate accounting for the percentage of completion, change orders, expected costs to complete, estimated project margin and risk contingencies; <p>Please refer to note 1.1.2 'Accounting principles' on page 91 of the annual report 2023 for the description of the accounting policy for construction contracts.</p>	<p>As part of our work, we obtained an understanding of the methodology applied, the internal processes and the controls used to determine the percentage of completion. We evaluated the processes and technical systems used to record actual costs incurred and tested the manual controls and automated controls implemented in the systems.</p> <p>As part of our audit, we focused on management's judgement in applying the methodology and the estimates made to determine the amount of revenue to be recorded in their project calculations.</p> <ul style="list-style-type: none"> • We obtained and reviewed project source documents such as contracts, budgets and project calculations. • We tested the calculation of stage of completion including testing the costs incurred and recorded against the contract for occurrence and accuracy, assessing the basis for determining the costs to complete and total contract cost and then reperforming the percentage of completion calculation. • We challenged management in respect of the reasonableness of judgements made regarding the cost to complete estimate and the timing of recognition of change orders as well as the assessments around projects behind schedule and the adequacy of contingency provisions to mitigate contract specific risks. • We also assessed whether management's policies and processes for making these estimates continue to be appropriate and are applied consistently over time and to contracts of a similar nature. <p>On the basis of the audit procedures above, we have gained sufficient evidence to address the risk of material misstatements in revenue recognition on long-term construction contracts (PoC).</p>

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements, the consolidated financial statements, the remuneration report and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the consolidated financial statements

The Board of Directors is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Swiss GAAP FER and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located on EXPERTsuisse's website: <http://www.expertsuisse.ch/en/audit-report>. This description forms an integral part of our report.

Report on other legal and regulatory requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm the existence of an internal control system that has been designed, pursuant to the instructions of the Board of Directors, for the preparation of the consolidated financial statements.

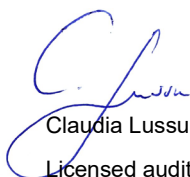
We recommend that the consolidated financial statements submitted to you be approved.

PricewaterhouseCoopers AG



Norbert Kühnis

Licensed audit expert
Auditor in charge



Claudia Lussu

Licensed audit expert

Zürich, 6 March 2024

Financial statements

Kardex Holding AG

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Based on Swiss Code of Obligations, figures reported in Swiss francs.

Income statement of Kardex Holding AG

in CHF million	Notes	2023	2022
Income from investments	4	35.6	11.0
Licensing income		12.1	10.0
Other operating income		5.3	4.3
Total operating income		53.0	25.3
Licensing expenses		-	-0.1
Personnel expenses		-7.3	-5.2
Other operating expenses		-3.6	-2.4
Depreciation and amortization		-0.1	-0.1
Impairment on loans to Group companies	3	1.5	-0.4
Impairment on investments	4	-1.4	1.8
Total operating expenses		-10.9	-6.4
Operating result (EBIT)		42.1	18.9
Financial income		6.1	1.8
Financial expenses		-4.0	-2.6
Foreign exchange losses/gains (net)	6	-10.7	-11.4
Result for the period before tax		33.5	6.7
Tax expense		-0.9	-1.3
Result for the period		32.6	5.4

Balance sheet of Kardex Holding AG

in CHF million	Notes	31.12.2023	31.12.2022
Cash and cash equivalents		30.5	19.8
Other current receivables from Group companies		12.3	44.6
Other current receivables third		12.9	31.6
Prepaid expenses		0.7	0.8
Current assets		56.4	96.8
Property, plant and equipment		0.1	0.1
Intangible assets		-	0.2
Loans to Group companies		95.9	68.2
Loans to associated companies		23.4	11.6
Investments	4	134.7	139.5
Other financial assets	5	15.1	13.9
Non-current assets		269.2	233.5
Assets		325.6	330.3
Other current payables to Group companies		43.0	105.0
Other current payables third		0.9	1.0
Accruals		3.6	3.0
Current liabilities		47.5	109.0
Loans from Group companies		50.0	-
Non-current provisions		1.0	0.6
Non-current liabilities		51.0	0.6
Liabilities		98.5	109.6
Share capital		3.5	3.5
Treasury shares	7	-1.9	-2.2
Statutory retained earnings		17.0	17.0
Unrestricted reserve		20.2	20.2
Retained earnings		155.7	176.8
Result for the period		32.6	5.4
Equity		227.1	220.7
Equity and liabilities		325.6	330.3

Notes to the financial statements of Kardex Holding AG

1. Significant accounting policies

Basis of preparation

The financial statements of Kardex Holding AG comply with the requirements of the Swiss Code of Obligations and follow the recognized accounting principles.

Foreign currencies

The euro is Kardex Holding AG's functional currency because Kardex' cash flows and transactions are denominated mainly in euros. The accounts of Kardex Holding AG are presented in millions of Swiss francs.

Foreign currency translation

As of 31 December, the annual financial statements presented in Swiss francs are translated by applying the following principles, whereas translation differences are recognized in accordance with the imparity principle (provisioning of unrealized gains):

- assets and liabilities (including shareholdings and loans to Group companies) are translated at closing rates;
- the income statement and movements in equity capital are translated at average rates;
- equity capital is translated at historical rates.

Cash and cash equivalents

Cash and cash equivalents comprise bank account balances and other liquid investments with a maximum total maturity of three months from the balance sheet date.

Other current receivables third

Other current receivables comprise mainly current fixed term deposits which are carried at cost less any impairment.

Investments

Investments comprise shareholdings in subsidiaries and in associates which are carried at cost. The purchase price includes the acquisition price of the shares but also additional cost of acquisition. An impairment is recognized for each individual investment whenever the fair value of a shareholding, based on the earnings value (weighted two times) and the net asset value (weighted one time), falls below the investment value. In certain cases, the fair value is assessed by applying the discounted cash flow method (using a projection of three years and a terminal value).

Other financial assets

Other financial assets comprise:

- non-current fixed term deposits which are carried at cost less any impairment;
- a portfolio of assets and securities which is measured at actual values.

Other current payables to Group companies and Loans from Group companies

This position contains euro cash-pool balances in favor of the counterparty of Kardex Holding AG. Participants of the euro cash-pool are all Group companies with a transaction volume in euro. Interest rates applied are at market level.

2. Employees

The average number of full-time equivalents at Kardex Holding AG amounted to 22.0 in 2023 (18.2).

3. Loans to Group companies

Provision for impairment of loans to subsidiaries were released in the amount of CHF 1.5 million (additional provisions of CHF -0.4 million).

4. Investments

Investments are made up entirely of shareholdings of Kardex Holding AG in subsidiaries and associates which are listed on pages 117 to 119 of this report.

In January 2023, Kardex Holding AG, Zurich, took over the full control of SumoBox AB, Västerås, Sweden, and now fully owns this company. The remaining shares (67.0%) were acquired for an amount of EUR 3.2 million. SumoBox AB is specialized in the production of boxes, bins and other kinds of containers.

Furthermore, in the second half-year, Kardex Korea Co., Ltd., Seoul, Korea, a subsidiary owned at 60%, as well as Kardex South Africa (Pty) Ltd, Johannesburg, South Africa, a fully owned subsidiary, were founded.

In the prior period, Kardex Holding AG disposed of all shares (50% +1) of Robomotive B.V., Heerlen, the Netherlands.

The increase in income from investments is due to higher payment of dividends from subsidiaries. In 2023, provisions for impairment of investments in subsidiaries were recognized in the amount of CHF -1.4 million (release in the amount of CHF 1.8 million), while CHF 2.8 million impairment provision was built up and CHF 1.4 million existing impairment was released.

5. Other financial assets

Kardex Holding AG holds investments in a portfolio of pension-related assets amounting to CHF 15.1 million (CHF 13.9 million).

6. Foreign exchange gains/losses (net)

Foreign exchange losses (net) of CHF 10.7 million were recognized (loss of CHF 11.4 million) as a result of the appreciation of the Swiss franc against Kardex Holding AG's functional currency (as explained in note 1 – Foreign currency translation).

7. Treasury shares

Kardex Holding AG held 14'210 (16'832) treasury shares with a value of CHF 1.9 million (CHF 2.2 million) as of 31 December 2023.

Treasury shares underwent the following movements for 2023:

	Number	Price per share in CHF	Total CHF '000
Opening balance 1 January	16'832	131.77	2'218.0
Disposals	-2'622	131.77	-345.5
Closing balance 31 December	14'210	131.77	1'872.5

Treasury shares underwent the following movements for 2022:

	Number	Price per share in CHF	Total CHF '000
Opening balance 1 January	17'984	96.41	1'733.8
Purchases	10'000	195.35	1'953.5
Disposals	-11'152	131.77	-1'469.5
Valuation adjustments			-0.1
Closing balance 31 December	16'832	131.77	2'218.0

8. Liabilities towards pension funds

Kardex Holding AG had no liabilities towards pension funds as of 31 December 2023 (CHF 0.2 million).

9. Release of hidden reserves

In the period under review, no hidden reserves related to provisions for impairment of loans were released (CHF 1.4 million).

10. Significant shareholders

As defined by Art. 663c of the Swiss Code of Obligations and according to the requirements of SIX Swiss Exchange, the following shareholders owned more than 3% of the share capital of CHF 3'478'500 as of 31 December 2023 respectively as of 31 December 2022.

	31.12.2023	31.12.2022
BURU Holding AG and Philipp Buhofer	22.1%	22.1%
Kempen Capital Management N.V.	5.7%	6.4%
Alantra Partners S.A.	4.2%	5.4%
Credit Suisse Funds AG	3.1%	
Invesco Ltd.		3.1%

11. Operating leases

Operating leases apply mainly to vehicles and rents on buildings. Leasing contracts are agreed at current market conditions.

in CHF million	31.12.2023	31.12.2022
Expense for operating leases for the year	0.1	0.1
Future minimum payments for non-cancellable lease agreements		
Up to 1 year	0.4	0.4
1 to 5 years	0.4	0.8
Total future minimum payments for operating leases	0.8	1.2

12. Securing of liabilities

In view of the group taxation principle, all Swiss companies bear unlimited joint and several liability for value-added tax (in accordance with Art. 15, § 1c of Swiss VAT legislation).

Kardex Holding AG has joint responsibility for all liabilities arising from the cash-pooling agreement.

13. Contingent liabilities

in CHF million	31.12.2023	31.12.2022
Contingent liabilities in favor of subsidiaries and third parties	1.8	2.6

14. Events after the balance sheet date

No events took place between 31 December 2023 and 6 March 2024 that would require an adjustment to the book value of Kardex Holding AG's assets, liabilities or equity or are subject to disclosure here.

15. Shareholdings and grants

Shareholdings of members of the Board of Directors, Group Management and related parties are disclosed under this note.

Related parties and companies comprise family members and individuals or companies that can exert a significant influence.

Other than compensation payments and ordinary contributions to the various pension plans for members of the Board of Directors and Group Management, no significant transactions with related parties and companies took place.

Board of Directors and Group Management 2023

Board of Directors (BoD)

Name	Function	Number of shares ²	Voting interest in %	Thereof with retention period of 3 years until			
				2024	2025	2026	Total
Felix Thöni	Chairman	34'733	0.45%	249	387	349	985
Ulrich Jakob Looser	Vice Chairman	4'376	0.06%	245	497	437	1'179
Philipp Buhofer ¹	Member	1'709'722	22.12%	111	116	104	331
Eugen Elmiger	Member	2'906	0.04%	437	581	524	1'542
Andreas Häberli	Member	1'213	0.02%	437	581	104	1'122
Jennifer Maag	Member	456	0.01%	-	77	169	246
Maria Teresa Vacalli	Member	69	0.00%	-	-	69	69
Total BoD		1'753'475	22.68%	1'479	2'239	1'756	5'474

Group Management (GM)

Name	Function	Number of shares ²	Voting interest in %
Jens Hardenacke	CEO	-	-
Thomas Reist	CFO	558	0.01%
Urs Siegenthaler	HoD	-	-
Hans-Jürgen Heitzer	HoD	-	-
Total GM		558	0.01%

¹ Including shares held by BURU Holding AG.

² Share price (closing rate): CHF 218.0.

Long-Term Incentive program

Name	Function	Expected number	Effective number
Jens Fankhänel	CEO until February 2023	2'070	731
Thomas Reist	CFO	640	1'258
Urs Siegenthaler	HoD	735	1'390
Hans-Jürgen Heitzer	HoD	614	1'110
Total GM		4'059	4'489

The expected number of LTI shares, also known as performance shares, as indicated above, was determined on the grant date, 01 January 2021. This figure represents the anticipated quantity of LTI shares for the full three-year LTI period, as established on the grant date. The effective number of LTI shares was accurately calculated at the conclusion of the LTI period. The LTI shares of Jens Fankhänel were assigned in 2023 as he departed already and the LTI shares of the other participants will be assigned in 2024.

Board of Directors and Group Management 2022

Board of Directors

Name	Function	Number of shares ²	Voting interest in %	Thereof with retention period of 3 years until			
				2022	2024	2025	Total
Felix Thöni	Chairman	34'384	0.44%	166	249	387	802
Ulrich Jakob Looser	Vice Chairman	3'939	0.05%	136	245	497	878
Jakob Bleiker	Member	5'469	0.07%	132	97	129	358
Philipp Buhofer ¹	Member	1'709'618	22.12%	253	111	116	480
Eugen Elmiger	Member	2'382	0.03%	364	437	581	1'382
Andreas Häberli	Member	1'109	0.01%	91	437	581	1'109
Jennifer Maag	Member	287	0.00%	-	-	77	77
Total BoD		1'757'188	22.73%	1'142	1'576	2'368	5'086

Group Management

Name	Function	Number of shares ²	Voting interest in %
Jens Fankhänel	CEO	933	0.01%
Thomas Reist	CFO	558	0.01%
Urs Siegenthaler	HoD	-	-
Hans-Jürgen Heitzer	HoD	-	-
Total GM		1'491	0.02%

¹ Including shares held by BURU Holding AG.

² Share price (closing rate): CHF 152.0.

In the period under review, the Board of Directors, as part of their compensation for the 2023/2024 term, were granted 1'756 (2'368) shares equivalent to the value of CHF 386.5 thousand (CHF 436.4 thousand) instead of remuneration in cash.

Proposal of the Board of Directors to the Annual General Meeting

1. Appropriation of retained earnings

The Board of Directors will propose to the General Meeting a dividend of CHF 5.00 per share totaling to CHF 38.7 million be paid out and CHF 149.6 million be carried forward.

in CHF million	31.12.2023
Retained earnings brought forward	155.7
Result for the period	32.6
Available earnings	188.3
Proposed dividend	38.7
Retained earnings to be carried forward	149.6

Report of the statutory auditor on the financial statements of Kardex Holding AG



Report of the statutory auditor to the General Meeting of Kardex Holding AG, Zurich

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Kardex Holding AG (the Company), which comprise the income statement for the period from 1 January to 31 December 2023, the balance sheet as at 31 December 2023, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 128 to 135) comply with Swiss law and the Company's articles of incorporation.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach

Overview

Overall materiality: CHF 3.2 million



We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

As key audit matter the following area of focus has been identified:

Valuation of investments in subsidiaries



Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

Overall materiality	CHF 3.2 million
Benchmark applied	A percentage of total assets
Rationale for the materiality benchmark applied	We chose total assets as the benchmark because Kardex Holding AG is a holding company which holds mainly investments in subsidiaries. The profit of a holding company fluctuates depending on the decision of paying up dividends. Furthermore, total assets is a generally accepted benchmark to determine the materiality according to auditing standards. We chose a percentage which is within the range of acceptable quantitative materiality thresholds in auditing standards.

We agreed with the Audit Committee that we would report to them misstatements above CHF 0.32 million identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of investments in subsidiaries

Key audit matter	How our audit addressed the key audit matter
Investments in subsidiaries amount to CHF 134.7m as of 31 December 2023. In the reporting period, impairments of investments in subsidiaries in the amount of CHF 2.8m were recognized and CHF 1.4m were reversed.	Management calculates the value of each investment based on the earnings value (weighted two times) and the net asset value (weighted one time) or based on a discounted cash flow model. The chosen model depends on the size and the complexity of each entity. The earnings value takes future results into consideration including an appropriate uncertainty factor whereas the discounted
Investments in subsidiaries are carried at historical cost less required impairments and are valued on an individual basis.	



We focused on this area due to the size and significance of the position (41.4% of total assets) and the judgement inherent in the valuation of investments when performing an impairment test.

Please refer to notes 1 and 4 on pages 130 and 131 of the annual report 2023 for the description of the accounting policy for investments.

cashflow model considers the latest business plan of the entity.

We have compared the book values with the corresponding valuations. The profits used for calculation were compared with the previous years' figures. Furthermore, we challenged the discount rate used to calculate the earnings value as well as for the discounted cash flow model by assessing the cost of capital. On a sample basis, more detailed procedures were performed for specific investments.

Based on the audit procedures above, we have gained sufficient evidence to address the risk of material misstatements in valuation of investments in subsidiaries.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements, the consolidated financial statements, the remuneration report and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the financial statements

The Board of Directors is responsible for the preparation of financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on EXPERTsuisse's website: <http://www.expertsuisse.ch/en/audit-report>. This description forms an integral part of our report.



Report on other legal and regulatory requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm the existence of an internal control system that has been designed, pursuant to the instructions of the Board of Directors, for the preparation of the financial statements.

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

PricewaterhouseCoopers AG

A handwritten signature in blue ink, appearing to read 'N. Kühnis'.

Norbert Kühnis

Licensed audit expert
Auditor in charge

A handwritten signature in blue ink, appearing to read 'C. Lussu'.

Claudia Lussu

Licensed audit expert

Zürich, 6 March 2024

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Imprint

Kardex publishes its Annual Report in English.

This communication contains statements that constitute “forward-looking statements”. In this communication, such forward-looking statements include, without limitation, statements relating to our financial condition, results of operations and business and certain of our strategic plans and objectives. Because these forward-looking statements are subject to risks and uncertainties, actual future results may differ materially from those expressed in or implied by the statements. Many of these risks and uncertainties relate to factors which are beyond Kardex’ ability to control or estimate precisely, such as future market conditions, currency fluctuations, the behavior of other market participants, the actions of governmental regulators and other risk factors detailed in Kardex’ past and future filings and reports and in past and future filings, press releases, reports and other information posted on Kardex’ website. Readers are cautioned not to put undue reliance on forward-looking statements, which speak only of the date of this communication. Kardex disclaims any intention or obligation to update and revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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