

**DEMATIC LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

DEMATIC LIMITED

CONTENTS

COMPANY INFORMATION	1
STRATEGIC REPORT	2
DIRECTORS REPORT.....	6
DIRECTORS RESPONSIBILITY STATEMENT.....	10
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DEMATIC LIMITED	11
PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME.....	15
BALANCE SHEET	16
STATEMENT OF CHANGES IN EQUITY.....	17
NOTES TO THE FINANCIAL STATEMENTS.....	18

DEMATIC LIMITED

COMPANY INFORMATION

Directors

A Busby
B Siddorn

Company secretary

B Siddorn

Registered number

05856366

Registered office

Banbury Business Park
Trinity Way
Adderbury
Banbury
Oxfordshire
OX17 3SN

Independent auditor

KPMG LLP
2 Forbury Place
33 Forbury Road
Reading
RG1 3AD
United Kingdom

Bankers

JP Morgan Chase Bank
London Branch
1st Floor
Hampshire Building
Chaseside
Bournemouth
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DEMATIC LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

Introduction

The Directors present their Strategic Report and financial statements for the year ended 31 December 2024 and comparatives for the year ended 31 December 2023.

Dematic Limited (“the company”) was formed in 2006 from the Distribution and Industry and Material Handling divisions of Dematic Limited. The company provides automated logistics solutions for customers in retail, manufacturing, direct distribution, food and beverage and other industrial and commercial sectors. Its automated solutions are supported by a comprehensive range of maintenance services and spares packages. In addition to its UK based operations, the company has branches in The Republic of Ireland, Lithuania, Denmark, Norway and Sweden. The company also owns subsidiaries in Mexico.

Business review

The challenging environment continued into 2024 and saw the companies turnover decrease 15.6% to £204.3 million (2023: £242.0 million). Although management decreased costs by 9.1%, the gross profit margin reduced to a gross loss margin of negative 2.7% (2023: gross profit margin of 4.6%).

The company made an operating loss of £36.4m (2023: operating loss of £29.4m), an increase of £7.0m from the prior year reflecting a further decline in the challenging global supply chain conditions, partially offset by initiatives to reduce costs for all commodities, materials and services. Operating margin decreased from (12.1)% to (17.8)% reflecting a reduced return on the company's investment.

Current assets amounting to £110.7m (2023: £191.3m) have decreased by 42.1%, driven primarily by an increase in amounts owed by the parent undertaking. Current liabilities amounting to £116.2m (2023: £168.2m) have decreased by 30.9%, driven primarily by an increase in contract liabilities.

The company's main objectives are to be our customer's premier choice for automated logistic solutions and to be a market leader in innovative technical solutions and responding to the changing needs of customers in various industries.

The company's products and services are sold mainly through two market orientated channels, namely the Business Solutions (BS) and the Customer Service (CS) divisions.

Business Solutions focus is to sell complex, integrated systems including various components and software in a business-to-business environment. In addition to the embedded product, a key aspect of this business is the capacity to successfully integrate components to a high-performance bespoke solution, managing the complexity of the implementation and interfaces inherent to the project execution process. Within the Business Solutions division there is a secondary focus of less complex designs with a lower technical risk, its main strength being the product itself, supplied in a standardised modular structure.

The Customer Service division supplies on call maintenance and support services, spare parts, resident site engineers and IT support, as well as complete modernisation and upgrade packages.

DEMATIC LIMITED

STRATEGIC REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2024

Business review (continued)

The business model and plans for growth remain appropriate to the environment in which the company operate, In particular investing in people, processes and systems to scale the organisation appropriately to prudently seize the available market opportunities.

Principal risks and uncertainties

The risk management process at the company is an integral part of the monthly reporting of the business. All significant risks are evaluated with a view to their impact upon earnings before interest, tax, depreciation and amortisation (EBITDA), cash, net income and accruals already held. Due to the nature of the business dealing with large customer capital projects, the company prepares detailed project status reports. Individual project risks are identified, quantified, and given a probability of occurrence to ensure that contingency levels are adequately provided for at the project level. This process is reviewed, updated and reported monthly.

Dematic Limited works with its long-standing supplier partnerships, using ongoing category management and engaged team activities to identify any cost risks and to prepare mitigation plans that, wherever possible, reduce the overall cost to Dematic Limited and its end customer. Regular communication and engagement is maintained with the supplier base, to ensure market risks are identified and mitigation plans are reviewed with the help and support of relevant stakeholders.

Dematic Limited is part of KION Group, which sets out the limits of authorisation (LoA) across all group companies for projects and service contracts within certain criteria. The objective of this directive is to support the reduction of risk to the business. The LoA criteria are used to review the financial position of the project/contract and the commercial aspects e.g. the customer's financial strength, project cash flows, bank guarantees and bonds and contractual terms.

Dematic Limited conducts a substantial part of its business in foreign currencies. The foreign exchange risk is mitigated through forward rate currency deals or negotiating to receive revenue in foreign currencies to reflect the currencies of supplier costs. Dematic Limited also has a policy governing foreign currency transactions which is aimed specifically at mitigating risk. Suppliers and vendors are reviewed against credit scoring and volume of business to reduce the risk to the company of failures in the supply chain. The company's liquidity risk management, which is carried out by the global treasury function, ensures that there is sufficient cash available for funding operations. Interest bearing assets only include cash, and as such, interest rate risk is considered to be minimal.

Section 172(1) statement

In performing their duties under Section 172, the Directors have had regard to the matters set out in Section 172(1) as follows:

The Directors' approach

The board has a duty to promote the success of the company for the benefit of its shareholders.

In doing so, the Directors place great importance in the interest of the company's employees, its business relationship with customers and suppliers and the impact of its operations on communities and the environment when making decisions.

DEMATIC LIMITED

STRATEGIC REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2024

Section 172(1) statement (continued)

Maintaining our licence to operate

During the year, the company deployed an employee feedback initiative via an employee engagement survey. All employees are encouraged to provide their own feedback anonymously, on a range of topics including communication and collaboration, strategy and direction, leadership and recognition and feedback. The results of the survey have been published and direct actions implemented with the intention to address topics where employees have highlighted potential for improvement.

In addition to the survey, there is also an employee forum, headed and operated by employees as representatives from the various functions across the company. On a quarterly basis town halls are held to communicate company performance and updates.

The company takes very seriously its environmental, quality and health and safety commitments. The company takes steps to ensure it can operate safely, with increasing focus on environmental issues, thereby ensuring that working practices are kept up to date to ensure compliance with the Health and Safety at Work Act and UK BS ISO Occupational Health and Safety, Environmental and Quality standards as appropriate.

In terms of its environmental impact, the company is part of a Group-wide sustainability program which is consistently being implemented and reviewed. The KION Group aims to continuously improve its sustainability performance, and to this end, the program includes fourteen fields of action which were derived from an initial materiality analysis. Underpinning each action field is a specific program with aims and, where appropriate, quantifiable performance measures. The resulting sustainability targets define a minimum standard that is binding for the entire KION Group. Development of the action fields is ongoing.

The company upholds the KION Group values, which come under the four main headings of Integrity, Courage, Collaboration and Excellence. These shared values and leadership principles are designed to drive the individual actions of employees and their collaboration with colleagues, customers and suppliers.

The company works very closely with its supply chain to ensure continuity of supply, with consideration of potential disruption due to post-Brexit legislative changes and other external and international factors. The company engages with suppliers at all levels of the business to ensure conformance with the company's compliance standards.

The Directors have always, both collectively and individually, taken decisions for the long term and consistently aim to uphold the highest standards of business conduct. In this regard, the UK Leadership team meet at least once a month to discuss and agree ways in which it can continue to uphold the highest values in its relationship with customers and suppliers, employees, the local community, and the environment.

Employee engagement

The company invests heavily in the provision of information and consultation with employees. A quarterly magazine called "In Touch" is published which focuses on all aspects of the company and the welfare of employees. Following the financial year end there is a presentation by senior management to the whole business, where the results are announced, and employees are given the opportunity to ask questions in an open floor format.

DEMATIC LIMITED

STRATEGIC REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2024

The business holds regular All Hands meetings for all staff, where it provides an overview of the company's performance, outlines the business strategy and objectives, and most importantly, allows the employees to ask questions and share their views during the live session, via Slido Questions. The Directors respond to questions the staff raise during the session, and anything that is not covered has responses sent after the session, along with a recording of the All-Hands meeting. The company provides continuous feedback to the staff either during the open session at the All Hands meeting or as a follow-up to address any issues that were not addressed; usually due to time constraints.

Sites regularly holds "toolbox talks" with their staff, where staff are able to give 1:1 feedback and hold dialogues on a continuous basis. The company also utilises its Yammer channel to share information and to communicate with its staff in a less formal way. The company has introduced numerous initiatives to improve its employee engagement and to encourage open dialogue at all levels.

It is equally as important for colleagues to collectively come together and drive company-wide initiatives which they do through the support of employee led groups such as the Employee forum and the Health and Wellbeing committee. These communities champion engagement initiatives such as social events, mental health awareness and change management across the business.

The business conducts an annual engagement survey, which is then broken up into local action plans for the business to address concerns raised and to provide feedback to the staff.

Financial Key Performance Indicators (KPI's)

Execution of company business is measured against a series of key performance indicators, focusing upon the gross profit margin, turnover and profit before tax. The results of which can be found detailed above in the Business Review.

This report was approved by the board on August 2025 and signed on its behalf by:

Amy Busby
Director

DEMATIC LIMITED

DIRECTORS REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

The Directors present their report and the audited financial statements for the year ended 31 December 2024.

Principal activity

Dematic Limited is a leading global supplier of materials handling solutions for the manufacturing and retailing distribution industries. The company is engaged in the design, manufacture, sales and servicing of automated warehouse and distribution systems.

Results and dividends

The loss for the year, after taxation, amounted to £27,429,000 (2023: loss of £18,117,000).

No dividends were paid during the year (2023: £Nil). No dividends are proposed for payment in 2025.

Directors

The Directors who served during the year and up to the date of signing this report, unless otherwise indicated, were:

A Busby (appointed 1 April 2024)
C Cicchitelli (resigned 1 April 2024)
B Siddorn

Strategic Report

As permitted under Section 414C (11) of the Companies Act, the company has chosen to present information regarding engagement with suppliers, customers, and others within the Strategic Report.

Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The principal activity of the company is to operate as a global supplier of materials handling solutions for the manufacturing and retailing distribution industries. The company is engaged in the design, manufacture, sales and servicing of automated warehouse and distribution systems. The company's cash flows are therefore dependent on the continuation, volume, and pricing of those operations.

The company meets its day to day working capital requirements from operational cash flows and treasury management agreements with KION GROUP AG, which maintains the group-wide cash-pool balances, and trading balances with the group headed by KION Group AG.

The directors have performed a going concern assessment which indicates that in reasonably possible downsides, the company will require additional funds, through funding from its ultimate parent undertaking, KION Group AG, to meet its liabilities for at least 12 months from the date of the approval of the financial statements, the going concern assessment period.

KION Group AG has indicated its intention to continue to make available such funds as are needed by the company during the going concern assessment period. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that

DEMATIC LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Financial risk management objectives and policies

The company's activities expose it to a number of financial risks and uncertainties. Further information is detailed in the Strategic Report.

Business Relationships

The Directors actively foster the company's business relationships with suppliers, customers and others, taking these into account when determining the principal decisions taken by the company during the financial year. As permitted under Section 414C (11) of the Companies Act, the company has chosen to present information within the Strategic Report, in particular within the Section 172(1) statement.

Future developments

The company utilises the benefits of being part of a large global group of companies with a more diverse (but complementary) range of products as well as different points of access into key markets. It can offer its customers globally everything they need for their intralogistics solutions - from basic hand pallet trucks to the most complex of automated material handling solutions, underpinned by what is probably the most geographically extensive sales and service network in the industry worldwide.

E-commerce is a game changer in the company's industry. Online retailers are constantly competing to offer the shortest possible time to delivery for their customers. To achieve this, continued investment in distribution centres in key locations is critical. Thriving companies are those that have automation solutions with which they can meet the constantly changing needs of today's and, above all, tomorrow's customers. The company's continued focus will be to support and meet the needs of its customers, in this market.

Disabled employees

At the company, it is acknowledged that everyone is different. Therefore, the company is committed to creating a workforce that reflects the society it lives and works in. The company is also committed to creating an inclusive workplace culture that supports diversity and inclusion, allowing all colleagues to bring their whole selves to work, without fear. The company's aim is to ensure a fair process during recruitment based on job specific competency.

To assist the company in monitoring and evaluating the delivery of its vision, it requests candidates to complete a Diversity Monitoring form. This monitoring form will not be seen by those involved in the recruitment process; only contact details will be passed on if a candidate is being invited to an interview.

The other information provided will be used for statistical purposes only to ensure that the company's recruitment processes uphold its commitment to equality of opportunity.

DEMATIC LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

The company aims to ensure that it will:

- Embed accessibility into all parts of its recruitment process.
- Modify its working arrangements to suit all staff.
- Provide coaching and mentoring for line managers to effectively manage colleagues and to harness all their differences.
- Pay all staff equally using its job levels; and
- Support and encourage training and development for all staff across the business.

Post balance sheet events

In the opinion of the directors there have been no significant events that require disclosure.

Energy Usage and Carbon Emissions

The company has reported on all sources of carbon emissions and energy usage required under the Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008 as amended in the table below.

GHG emissions and energy usage data for the year ended 31 December 2024		
	UK and offshore	
	2024	2023
Emissions from activities which the company owns or controls, including combustion of fuel and operation of facilities - tonnes of CO ₂ e (Scope 1)	1,021,410	985,240
Emissions from purchase of electricity, heat, steam and cooling purchased for own use - tonnes of CO ₂ e (Scope 2)	128,460	75,160
Total gross Scope 1 & Scope 2 emissions - tonnes of CO ₂ e	1,149,870	1,060,400
Electricity consumption used to calculate emissions - kwh	622,234	364,058

In order to calculate these disclosures the company uses the GHG Protocol Corporate Accounting and Reporting Standard, conversion factors for fuels from the UK Government's GHG Conversion Factors for Company Reporting 2022, for electricity (location-based) based on data published by the German Association of the Automotive Industry (VOA, as of 2019). In addition, reporting for Scope 2 emissions can be complemented by market-based values.

The key sources of emissions for the company are; diesel: 415.13 t CO₂e (5,881 GJ), gasoline: 572.51 t CO₂e (8,866 GJ) and electricity: 128.46 t CO₂e (2,240 GJ). The company used electricity from renewable sources: 529 GJ (market based).

Disclosure of the company's reduction target and the percentage of reduction achieved against a set baseline:

- Kion's official target reduction in GHG emissions against the base year of 2021 (per year on a linear basis up to 2030: Scope 1 and 2 from 4.2 percent to 4.7 percent, Scope 3 from 2.5 percent to 2.8 percent, net zero by 2050) based on the Greenhouse Gas Protocol, were made more specific that in the previous year. The GHG targets are based on the well respected Greenhouse Gas Protocol and its operational control approach, and on the net-zero standard of the Science Based Targets initiative.
- Achievement (market-based preliminary) Dematic GB -1%

DEMATIC LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

Disclosure of information to auditor

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as that Director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- that Director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Auditor

In accordance with section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG will therefore continue in office.

This report was approved by the board on August 2025 and signed on its behalf by.

Amy Busby
Director

Banbury Business Park
Trinity Way
Adderbury
Banbury
Oxfordshire
OX17 3SN

DEMATIC LIMITED

DIRECTORS RESPONSIBILITY STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

The directors are responsible for preparing the Annual Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DEMATIC LIMITED

Opinion

We have audited the financial statements of Dematic Limited ("the Company") for the year ended 31 December 2023 which comprise the Profit and Loss Account and Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF DEMATIC LIMITED (continued)

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud (“fraud risks”) we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors, and inspection of policy documentation as to the Company’s high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected, or alleged fraud.
- Reading Board minutes.
- Considering remuneration incentive schemes and performance targets.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that component management may be in a position to make inappropriate accounting entries and the risk that revenue arising on long term contracts, measured based on progress over time, is overstated through inappropriate estimation of remaining costs and thus the percentage of completion.

We did not identify any additional fraud risks.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and others management (as required by auditing standards) and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, whilst the Company is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, data protection laws and employment law. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF DEMATIC LIMITED (continued)

Context of the ability of the audit to detect fraud or breaches of law or regulation.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon. Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 11, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF DEMATIC LIMITED (continued)

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and 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.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Robert Fitzpatrick (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

2 Forbury Place
33 Forbury Road
Reading RG1 3AD
United Kingdom

DEMATIC LIMITED

PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 £'000	2023 £'000
Turnover	2	204,343	241,994
Cost of sales		(209,762)	(230,807)
Gross (loss)/profit		(5,419)	11,187
Administrative expenses		(30,974)	(40,556)
Operating loss		(36,393)	(29,369)
Foreign exchange gain		2,816	5,593
Foreign exchange loss		(5,516)	(6,119)
Interest receivable and similar income	7	3,267	3,355
Interest payable and similar charges	8	(622)	(121)
Loss before taxation		(36,448)	(26,661)
Taxation on (loss)	9	9,019	8,544
Loss for the financial year		(27,429)	(18,117)
Other comprehensive income:			
Change in cash flow hedge - may be reclassified to the P&L		87	(135)
Deferred tax		(22)	62
Total comprehensive expense		65	(73)
Total comprehensive expense for the year		(27,364)	(18,190)

Turnover and operating loss are all derived from continuing operations. The notes on pages 18 to 42 form part of these financial statements.

**BALANCE SHEET
AS AT 31 DECEMBER 2024**

	Note	2024 £'000	2023 £'000
Fixed assets			
Deferred tax	9	786	1,011
Intangible assets	10	551	1,231
Tangible fixed assets	11	1,107	1,241
Right-of-use assets	12	2,227	2,604
Investments	13	290	290
		4,961	6,377
Current assets			
Stocks	14	2,162	2,000
Debtors: amounts falling due within one year	15	108,072	183,543
Cash at bank and in hand	16	483	5,783
		110,717	191,326
Current liabilities			
Creditors: amounts falling due within one year	17	(96,465)	(138,755)
Provisions	18	(19,762)	(29,451)
		(116,227)	(168,206)
Net current (liabilities)/assets		(5,510)	23,120
Total assets less current liabilities			
		(549)	29,497
Creditors: amounts falling due after more than one year	19	(1,306)	(1,768)
Provisions	18	(7,914)	(10,134)
Net (liabilities)/assets		(9,769)	17,595
Capital and reserves			
Called up share capital	21	6,111	6,111
Profit and loss account		(67,899)	(40,470)
Share Premium	21	52,013	52,013
Cash flow Hedge		6	(59)
Total shareholders' (deficit)/equity		(9,769)	17,595

The notes on pages 18 to 42 form part of these financial statements.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on August 2025 by:

Amy Busby

Director

DEMATIC LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

	Called up share capital £'000	Share premium £'000	Profit and loss account £'000	Cash flow hedge £'000	Total equity/ (deficit) £'000
At 1 January 2023	6,111	-	(22,353)	14	(16,228)
Comprehensive income for the year					
Loss for the financial year	-	-	(18,117)	-	(18,117)
Other comprehensive income	-	-	-	(73)	(73)
Total comprehensive expense for the year	-	-	(18,117)	(73)	(18,190)
Capital Contribution	-	52,013	-	-	52,013
At 31 December 2023	6,111	52,013	(40,470)	(59)	17,595
Comprehensive expense for the year					
Loss for the financial year	-	-	(27,429)	-	(27,429)
Other comprehensive expense	-	-	-	65	65
Total comprehensive expense for the year	-	-	(27,429)	65	(27,364)
				6	
At 31 December 2024	6,111	52,013	(67,899)		(9,769)

The notes on pages 18 to 42 form part of these financial statements.

DEMATIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

1.1. General information

Dematic Limited ("the company") is a private company, limited by shares, incorporated and domiciled in the United Kingdom under the Companies Act 2006 and registered in England and Wales. The company is engaged in the design, manufacture, sale and servicing of automated warehouse and distribution systems.

The company is exempt by virtue of Section 401 of the Companies Act 2006 from the requirement to prepare group financial statements as it is a qualifying entity. These financial statements present information about the company as an individual undertaking and not about its group.

The company is a subsidiary undertaking of KION GROUP AG (incorporated in Germany). The smallest and largest group in which the results of the company are consolidated is that headed by KION GROUP AG, who prepare financial statements in accordance with Section 315a of the German Commercial Code (HGB) in conjunction with International Financial Reporting Standards (IFRS) as adopted by the United Kingdom. The consolidated financial statements of KION GROUP AG are available at Thea-Rasche-Strasse 8, 60549 Frankfurt am Main, Germany.

These financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£000) except when otherwise indicated.

1.2 Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

In preparing these financial statements, the company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the United Kingdom ("Adopted IFRSs") but makes amendments where necessary in order to comply with Companies Act 2006. In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
- disclosures in respect of capital management;
- the effects of new but not yet effective IFRSs;
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers;
- the requirements of paragraph 52, the second sentence of paragraph 89, paragraphs 90, 91 and 93 and the requirements of paragraph 58 of IFRS 16 Leases; and

DEMATIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

1. Accounting policies (continued)

1.2 Basis of preparation (continued)

- the exemption in relation to IAS 1 requirements for comparative information for fixed asset reconciliations.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the Directors, in the application of these accounting policies that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 26.

1.3 Basis of measurement

The financial statements have been prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: derivative financial instruments, financial instruments classified as fair value through profit or loss. Monetary assets and liabilities denominated in foreign currencies are translated at period-end exchange rates. Where applicable, information about the methods and assumptions used in determining the respective measurement bases is disclosed in the notes specific to that asset or liability.

1.4 Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The principal activity of the company is to operate as a global supplier of materials handling solutions for the manufacturing and retailing distribution industries. The company is engaged in the design, manufacture, sales and servicing of automated warehouse and distribution systems. The company's cash flows are therefore dependent on the continuation, volume, and pricing of those operations.

The company meets its day to day working capital requirements from operational cash flows, treasury management agreements with KION GROUP AG, which maintains the group-wide cash-pool balances, and trading balances with the group headed by KION Group AG.

The directors have performed a going concern assessment which indicates that in reasonably possible downsides, the company will require additional funds, through funding from its ultimate company, KION Group AG, to meet its liabilities for at least 12 months from the date of the approval of the financial statements, the going concern assessment period.

KION Group AG has indicated its intention to continue to make available such funds as are needed by the company during the going concern assessment period. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

DEMATIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

1. Accounting policies (continued)

1.5 Foreign currency

Transactions in foreign currencies are translated to the company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

1.6 Turnover

Turnover is the fair value of the consideration received for the sale of goods and services (excluding VAT) after deduction of trade discounts and rebates. In addition to the contractually agreed consideration, the transaction price may also include variable elements such as rebates and penalties. Turnover is recognised when control of the good or service passes to the customer.

Project business contracts

Receivables and turnover from project business contracts are recognised over a particular period according to the stage of completion (percentage-of-completion method). The percentage-of-completion is the proportion of contract costs incurred up to the reporting date compared to the total estimated contract costs as at the reporting date (cost-to-cost method). Under the percentage-of-completion method, project business contracts are measured at the amount of the contract costs incurred to date plus the pro rata profit earned according to the percentage-of-completion method. If it is probable that the total contract costs will exceed the contract turnover, the expected loss is immediately recognised as an expense in the financial year in which the loss emerges. If the contract costs incurred and the profit and loss recognised exceed the progress billings, the excess is recognised as an asset under contract assets. If the progress billings exceed the capitalised contract costs and recognised profit and loss, the excess is recognised as a liability under contract liabilities. Progress billings are based on a payment schedule provided to the customer at the outset of each project business contract.

If the outcome of a project business contract cannot be reliably estimated, the likely achievable turnover is recognised up to the amount of the costs incurred. Contract costs are recognised as an expense in the period in which they are incurred. Variations in the contract work, claims and incentive payments are recognised if they are likely to result in turnover and their amount can be reliably estimated.

The company's obligation to repair or replace faulty products under the standard warranty terms is recognised as a provision.

DEMATIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

1. Accounting policies (continued)

1.6 Turnover (continued)

Performance obligations

Warranties

Provisions for estimated costs related to product warranties are recorded in costs of goods sold and services rendered at the date the related sale is recognised and are determined on an individual basis. The estimate reflects the historical trends of warranty costs, as well as information regarding product failure experienced during construction, installation, or testing of products. In the case of new products, expert opinions and industry data are also taken into consideration in estimating product warranty provisions.

Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before the provision is established the company recognises any impairment loss on the assets associated with that contract.

Rendering of services

The company provides aftermarket services for installed solutions in the form of maintenance contracts.

For long-term contracts turnover is recognised on a straight-line basis over the term of the contract. For all other services turnover is recognised at the date the services' performance obligation has been completed.

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably.
- it is probable that the company will receive the consideration due under the contract.
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Sale of goods

As part of its aftermarket solutions the company also sells spare parts for installed solutions. Turnover on spare parts is recognised when control of the good has transferred, being when the good has been delivered to the customer, the risks and rewards incidental to the ownership of the goods sold are substantially transferred to the customer and recovery of the consideration is sufficiently probable.

DEMATIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

1. Accounting policies (continued)

1.7 Other operating income

Government Grants

Grants received by the company have been accounted for under the accrual model and recognised within other operating income.

1.8 Finance costs

Interest payable and interest receivable

Interest payable and similar charges include interest payable and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy). Other interest receivable and similar income includes interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in profit or loss on an accruals basis, using the effective interest rate method.

1.9 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts in addition to its fixed contributions. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

1.10 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other

DEMATIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

1. Accounting policies (continued)

1.10 Taxation (continued)

than in a business combination; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

1.11 Intangible assets

Intangible assets represent internally generated software and are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated to write off the software over its expected useful life of 3 years, on a straight-line basis.

The costs in developing the software are recognised when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use.
- management intends to complete the software and use or sell it.
- there is an ability to use or sell the software.
- it can be demonstrated how the software will generate probable future economic benefits.
- adequate technical, financial, and other resources to complete the development and to use or sell the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

1.12 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. The estimated useful lives are as follows:

Fixtures and fittings – 3 - 5 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

DEMATIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

1. Accounting policies (continued)

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the profit and loss account.

1.13 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. In the case of manufactured stocks and work in progress, cost includes the purchase price and other costs directly attributable to acquisition as well as an appropriate share of overheads based on normal operating capacity.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss in the period the write-down occurs.

1.14 Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity, trade and other debtors, cash and cash equivalents and trade and other creditors.

Investments in debt and equity securities

Financial instruments held for trading are stated at fair value, with any resultant gain or loss recognised in profit or loss.

Other investments in debt and equity securities held by the company are classified as being available-for-sale and are stated at fair value, with any resultant gain or loss being recognised directly in equity (in the fair value reserve), except for impairment losses and, in the case of monetary items such as debt securities, foreign exchange gains and losses. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss. Where these investments are interest-bearing, interest calculated using the effective interest rate method is recognised in profit or loss.

Investments in subsidiaries are carried at cost less impairment.

Trade and other debtors

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest rate method, less any impairment losses.

Trade and other creditors

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest rate method.

DEMATIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

1. Accounting policies (continued)

1.15 Derivative financial instruments

Derivative financial instruments that are part of a formally documented hedge with a hedged item are not assigned to any of the IFRS 9 measurement categories and are therefore recognised in accordance with the hedge accounting rules described below.

In the case of cash flow hedges for hedging currency risk and interest-rate risk, derivatives are used to hedge future cash flow risks from existing hedged items, planned transactions and firm obligations not reported in the balance sheet. The effective portion of changes in the fair value of derivatives is initially recognised in equity in the hedge reserve (other comprehensive income). The amounts previously recognised in the hedge reserve are subsequently reclassified to the profit and loss account when the gain or loss on the corresponding hedged item is recognised. Any ineffective portion of the changes in fair value is recognised immediately in the profit and loss account.

The critical-terms-match method is used to measure the prospective effectiveness of the hedges. Ineffective portions can arise if the critical terms of the hedged item and hedge no longer match; this is determined using the dollar-offset method.

Derivative financial instruments that are not part of a formally documented hedge are recognised at fair value. The gain or loss on re-measurement to fair value is recognised immediately in profit or loss.

1.16 Impairment excluding stock and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the company's non-financial assets, other than stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

DEMATIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

1. Accounting policies (continued)

1.16 Impairment excluding stock and deferred tax assets (continued)

The recoverable amount of an asset or cash-generating unit ("CGU") is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the CGU). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to CGUs. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.17 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and demand deposits, together with other short-term, highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible into known amounts of cash, and which are subject to an insignificant risk of changes in value.

1.18 Provisions

A provision is recognised in the balance sheet when the company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

1.19 Warranties

Provisions for estimated costs related to product warranties are recorded in costs of goods sold and services rendered at the date the related sale is recognised and are determined on the individual basis. The estimate reflects the historical trends of warranty costs, as well as information regarding product failure experienced during construction, installation, or testing of products. In the case of new products, expert opinions and industry data are also taken into consideration in estimating product warranty provisions.

DEMATIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

1. Accounting policies (continued)

1.20 Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before the provision is established the company recognises any impairment loss on the assets associated with that contract.

1.21 Leases

At inception of a contract, the company assesses whether the contract is, or contains, a lease. A contract is a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The company has applied this criteria since adopting IFRS 16 effective from 1 January 2018.

Where a contract is deemed to be, or contains, a lease, the company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability, adjusted for any lease payments made at or before the commencement date, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life or the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Group's incremental borrowing rate. During the current financial year, the total cash outflow for leases amounted to £1,135,630 (2023: £1,199,837).

The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2 Turnover

Analysis of turnover by country of destination:

	2024	2023
	£'000	£'000
United Kingdom	156,943	179,203
Rest of the world	47,400	62,791
	204,343	241,994

DEMATIC LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

2 Turnover (continued)

Analysis of turnover by class:

	2024	2023
	£'000	£'000
Projects	139,316	182,177
Spare parts	11,643	10,812
Services	53,384	49,005
	204,343	241,994

Assets and liabilities related to contracts with customers

The company has recognised the following assets and liabilities related to contracts with customers:

	2024	2023
	£'000	£'000
Contract assets - opening balance	19,029	22,085
Contract liabilities - opening balance	71,870	30,322
Contract assets - closing balance	12,014	19,029
Contract liabilities - closing balance	27,604	71,870

Turnover recognised in relation to contract liabilities.

How the timing of satisfaction of performance obligations relates to the typical timing of payment and the effect that those factors have on the contract asset and the contract liability balances is explained in the accounting policies in note 1.6. The following table shows how much of the turnover recognised in the current year related to carried forward contract liabilities:

	2024	2023
	£'000	£'000
Contract liabilities	99,892	120,831

DEMATIC LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

3 Operating (loss)/profit

Operating (loss)/profit is stated after charging:

	2024	2023
	£'000	£'000
Research and development charged as an expense	8,511	11,722
Motor vehicle lease costs relating to short-term and low value assets	778	1,197
Rental lease costs relating to short-term and low value assets	15	(490)
Amortisation of intangible assets	680	494
Depreciation of tangible fixed assets	620	806
Depreciation of right-of-use assets	1,023	1,155
Contributions to defined contribution pension plan	3,522	3,455
Foreign exchange losses	2,701	526

The research and development charged as an expense relates to intragroup licences and royalties e.g. the Cross Licence fee which is a royalty payment for the use of other Dematic IP products.

4 Auditor's remuneration

The company paid the following amounts to its auditor:

	2024	2023
	£'000	£'000
Audit of these financial statements	126	204

5 Employees

Staff costs, including Directors' remuneration, were as follows:

	2024	2023
	£'000	£'000
Wages and salaries	55,665	54,854
Social security costs	5,494	5,103
Contributions to defined contribution pension schemes	3,522	3,447
	64,681	63,404

The average monthly number of employees, including the Directors, during the year was as follows:

	2024	2023
	No.	No.
Finance and administration	70	81
Technical and sales	863	948
	933	1,029

DEMATIC LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

5 Employees (continued)

In 2024 the calculation of the average monthly number of employees was changed from employees and contractors to just employees. On this basis, the total average monthly number of employees, for 2023, would have been 978.

6 **Directors' remuneration**

	2024	2023
	£'000	£'000
Directors' emoluments	234	196
Company contributions to defined contribution pension schemes	17	13
	251	209

During the year, retirement benefits were accruing to 3 Directors (2023: 2) in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £119,641 (2023: £119,764).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £10,812 (2023: £9,097).

7 **Interest receivable and similar income**

	2024	2023
	£'000	£'000
Interest receivable from group undertakings	3,148	3,127
Bank interest received	119	228
	3,267	3,355

Average interest rate 4.64% (2023: 4.15%)

8 **Interest payable and similar charges**

	2024	2023
	£'000	£'000
Interest payable to group undertakings	547	38
Interest expense from leases	75	83
	622	121

DEMATIC LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

Average interest rate 4.86% (2023: 4.37%)

9 Taxation

	2024	2023
	£'000	£'000
Current tax:		
UK Current tax on loss for the year	(9,135)	(6,106)
Adjustment in respect of prior years	(161)	(2,432)
Foreign tax suffered	74	46
Total current tax	(9,222)	(8,492)
Deferred tax:		
Current year	17	(166)
Adjustments in respect of prior years	186	127
Effect of changes in tax rates	-	(13)
Total deferred tax	203	(52)
Tax per profit and loss account	(9,019)	(8,544)
Other comprehensive income items		
Deferred tax - current year charge	22	(34)
Deferred tax - prior year		(28)
Tax per other comprehensive income	22	(62)

DEMATIC LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

9 Taxation (continued)

Factors affecting total tax credit for the current year.

The tax credit for the year can be reconciled to the loss per the profit and loss account as follows:

	2024	2023
	£'000	£'000
Loss before taxation	(36,448)	(26,661)
Tax on loss at standard UK tax rate of 25.0% (2023: 23.52%)	(9,112)	(6,271)
<i>Effects of</i>		
Adjustments in respect of prior years	24	(2,305)
Expenses not deductible	13	10
Tax rate changes		(13)
Overseas tax rates	56	35
Amounts not recognised		-
Tax credit for year	(9,019)	(8,544)
Income tax credit reported in the profit and loss account	(9,019)	(8,544)

Current tax assets

	2024	2023
	£'000	£'000
UK Corporation tax	12	12
Overseas tax	59	24
UK Group relief debtor	22,724	13,400
	22,795	13,436

Deferred tax assets:

	2024	2023
	£'000	£'000
At start of year	1,011	897
Adjustments in respect of prior years	(185)	(98)
Deferred tax charge to P&L for the year	(18)	179
Deferred tax charge in OCI for the year	(22)	33
At end of year	786	1,011

DEMATIC LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

9 Taxation (continued)

Deferred tax assets consist of:

	2024	2023
	£'000	£'000
Fixed assets	710	976
IFRS 16 restatement	3	7
Trading temporary differences	73	28
	786	1,011

Movement in deferred tax assets and (liabilities)

	Fixed assets	Tax losses	IFRS 16 restatement	Trading temporary differences	Total
	£'000	£'000	£'000	£'000	£'000
At 1 January 2023	928	-	10	(41)	897
Prior year adjustments	(133)	-	-	34	(99)
(Charged)/credited to P&L	181	-	(3)	1	179
(Charged)/credited to OCI	-	-	-	34	34
At 31 December 2023	976	-	7	28	1,011
At 1 January 2024	976	-	7	28	1,011
Prior year adjustments	(217)	-	-	32	(185)
(Charged)/credited to P&L	(48)	-	(4)	34	(18)
(Charged)/credited to OCI	-	-	-	(22)	(22)
At 31 December 2024	711	-	3	72	786

IFRS 16 transitional adjustments and losses are expected to reverse during the year ended 31 December 2025. Trading temporary differences are expected to reverse during the year ended 31 December 2025. The deferred tax asset not recognized relating to £3,375,515, 25% of carried forward losses of £13,505,058 (2023: £3,375,515, 25% of carried forward losses of £13,505,058).

DEMATIC LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

9 Taxation (continued)

The recognition of deferred tax assets is on the following basis:

1. Deferred tax assets have not been recognised in respect of carried forward losses due to the Directors being insufficiently certain of the generation of future taxable profits, nor the requirement within the group for group relief on a paid for basis.
2. The company has calculated the deferred tax liability on temporary trading differences at a rate of 25%.
3. Adopting a consistent approach with the prior year, deferred tax assets in relation to fixed assets and provisions have been recognised in full.
4. Depreciation on fixed assets not qualifying for capital allowances has been assumed as being at 25% per annum. This is in line with the treatment in prior years.
5. Deferred tax has not been calculated on the shares not yet exercised as the amounts involved are not considered to be material.

10 Intangible assets

	Software
	£'000
Cost	
At 1 January 2024	2,038
Additions	-
At 31 December 2024	2,038
Amortisation	
At 1 January 2024	807
Charge for the year	680
At 31 December 2024	1,487
Net book value	
At 31 December 2024	551
At 31 December 2023	1,231

The company capitalised directly attributable development costs relating to an internally generated software tool. This software tool is being amortised over its estimated useful life of 3 years, on a straight-line basis.

DEMATIC LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

11 Tangible Fixed Assets

	Fixtures and fittings £'000
Cost	
At 1 January 2024	6,744
Additions	486
Disposals	(43)
At 31 December 2024	7,187
Depreciation	
At 1 January 2024	5,503
Charge for the year	620
Disposals	(43)
At 31 December 2024	6,080
Net book value	
At 31 December 2024	1,107
At 31 December 2023	1,241

12 Right-of-use assets

	Right-of-Use: Buildings £'000	Right-of-Use: Cars £'000	Total £'000
Cost			
At 1 January 2024	6,351	1,838	8,189
Additions	41	621	662
Disposals	(673)	(601)	(1,274)
At 31 December 2024	5,719	1,858	7,577
Depreciation			
At 1 January 2024	4,439	1,146	5,585
Charge for the year	633	390	1,023
Disposals	(674)	(584)	(1,258)
At 31 December 2024	4,398	952	5,350
Net book value			
At 31 December 2024	1,321	906	2,227
At 31 December 2023	1,912	692	2,604

The finance leases are for a number of office-based properties in the UK, Denmark and Lithuania, for periods up to 3 years, and car leases for periods up to four years. These lease agreements are for fixed lease payments and do not have a purchase option at the end of the lease term.

Total cash outflow for leases was £1,135,630 in 2024 (2023: £1,199,837).

DEMATIC LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

12 Right of use assets (continued)

The following amounts have been recognized in the profit and loss account for which the company is a lessee.

	2024	2023
	£'000	£'000
Interest expense on lease liabilities	75	83
Expenses relating to short term leases	742	1,227
Expenses relating to variable lease payments not included in the measurement of lease liabilities	12	(559)
Loss from leaseback transactions	3	-
	832	751

DEMATIC LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

13 Investments

	Investments in subsidiary companies
	£'000
Cost	
At 1 January 2024 and 31 December 2024	579
Impairment provision	-
At 1 January 2024	289
Charge for the year	-
At 31 December 2024	289
Net book value	
At 31 December 2024	290
At 31 December 2023	290

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Country of incorporation	Class of Shares	Hold ing	Principal activity
Dematic Logistics de Mexico	Mexico	Ordinary	99 %	Sale and servicing of automated warehouse and distribution systems
Dematic Trading de Mexico	Mexico	Ordinary	99 %	Sale and servicing of automated warehouse and distribution systems
DMTC Services S de RL de CV Mexico	Mexico	Ordinary	99 %	Sale and servicing of automated warehouse and distribution systems

The principal place of business for all subsidiary undertakings is Avenida Desarrollo, 540 Parque Industrial Finsa Guadalupe CP 67114, Guadalupe, Nuevo Leon, Mexico.

DEMATIC LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

14 Stocks

	2024	2023
	£'000	£'000
Raw materials and consumables	371	392
Work in progress (goods to be sold)	1,791	1,608
	2,162	2,000

The difference between purchase price or production cost of stocks and their replacement cost is not significant.

15 Debtors: amounts falling due within one year

	2024	2023
	£'000	£'000
Trade debtors	22,863	19,717
Amounts owed by parent undertaking	57,741	128,570
Amounts owed by fellow group undertakings	2,748	2,112
Other debtors	36	135
Prepayments	7,348	13,945
Corporation Tax	70	35
Taxation and social security	5,252	-
Amounts recoverable on contracts	12,014	19,029
	108,072	183,543

Amounts owed by parent undertaking represent cash balances repayable on demand and are interest bearing at an average variable rate in 2024 of 4.86% (2023: 4.37%).

16 Cash at bank and in hand

	2024	2023
	£'000	£'000
Cash at bank and in hand	483	5,783

DEMATIC LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

17 Creditors: amounts falling due within one year

	2024	2023
	£'000	£'000
Payments received on account (contract liabilities)	27,604	71,870
Trade creditors	13,334	18,320
Amounts owed to fellow group undertakings	41,409	31,264
Corporation tax	-	-
Taxation and social security	-	2,650
Other creditors	5,733	6,699
Accruals and deferred income	7,390	7,007
Lease liabilities	995	945
	96,465	138,755

Amounts owed to fellow group undertakings are interest bearing at an average variable rate of 4.64% (2023: 4.15%) and are repayable on demand.

18 Provisions

	Warranty Provision	Loss Provision	Total
	£'000	£'000	£'000
Balance as at 1 January 2024	5,388	34,197	39,585
Provisions made during the year	4,567	2,144	6,711
Provisions used during the year	(2,422)	-	(2,422)
Provisions reversed in the year	(1,444)	-	(1,444)
Unwinding of provision		(14,753)	(14,753)
Balance as at 31 December 2024	6,089	21,588	27,677

	2024	2023
	£'000	£'000
Current: Less than one year	19,763	29,451
Non-current: More than one year	7,914	10,134
Total balance as at 31 December	27,677	39,585

Warranty provisions relate to expected costs that may occur during the warranty period for specific projects. Costs are released as and when repairs are performed under warranty. The remaining provision is released at the end of the warranty period. Warranty periods are normally for a period of one or two years.

Loss provisions relate to the expected loss on specific projects. These specific provisions are for the length of the project and are released as the project progresses, on a percentage complete basis.

DEMATIC LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

19 Creditors: amounts falling due after more than one year

	2024	2023
	£'000	£'000
Lease liabilities	1,306	1,768
	1,306	1,768
	2024	2023
	£'000	£'000
Within five years	1,306	1,768
More than five years	-	-
	1,306	1,768

During the current and prior year, there were no secured loans. Intercompany balances are dealt with on a separate basis.

20 Financial instruments

	2024	2023
	£'000	£'000
Financial assets		
Financial assets measured at amortised cost	83,870	156,317
Financial assets at fair value	0	108
	83,870	156,425
Financial liabilities		
Financial liabilities measured at amortised cost	(55,739)	(50,529)
Financial liabilities at fair value	(45)	(233)
	(55,784)	(50,762)

Financial assets measured at amortised cost relate to cash flows which will take place within 12 months of the year end date.

The company also uses derivative financial instruments to manage the forward foreign exchange rate risk. After initial recognition at the date the derivative contract is entered into, the derivative is subsequently re-measured to fair value. Their fair value was determined using appropriate valuation methods on the basis of the observable market information at the reporting date. The fair value of the currency forwards was calculated using the present value method based on forward rates.

Financial liabilities measured at amortised cost relate to cash flows which will take place within 12 months of the year end date.

DEMATIC LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

21 Called up share capital

	2024	2023	2024	2023
Ordinary share capital authorised, issued and fully paid	Number	Number	£'000	£'000
Ordinary shares of £1 each beginning of year	6,111,486	6,111,485	6,111	6,111
Issued in year	-	1	-	-
Ordinary shares of £1 each end of year	6,111,486	6,111,486	6,111	6,111

The Ordinary shares of £1 each are non-redeemable and hold full voting rights and the right to receive dividends.

22 Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents defined contributions payable by the company to the scheme (see note 5).

23 Related party transactions

The company has taken advantage of the exemption offered by FRS 101 which precludes the necessity to detail related party transactions between wholly owned subsidiaries.

24 Post balance sheet events

Details of post balance sheet events are provided in the Directors' Report.

25 Controlling party

The company is a subsidiary undertaking of Dematic Holdings UK Limited (incorporated in the United Kingdom). The ultimate controlling party is KION GROUP AG (incorporated in Germany). The smallest and largest group in which the results of the company are consolidated is that headed by KION GROUP AG, which prepares consolidated financial statements under International Financial Reporting Standards (IFRS) as adopted by the United Kingdom. Copies of these consolidated financial statements can be obtained from the registered office at Thea-Rasche-Strasse 8, 60549 Frankfurt am Main, Germany.

DEMATIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

26 Accounting estimates and judgements

The preparation of the financial statements in conformity with FRS 101 requires management to make judgements, estimates, and assumptions that affect the application of 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 accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Management continually review all estimates involved, adjusting them as necessary.

Key accounting judgements

There are no key accounting judgements made in the preparation of these financial statements.

Key sources of estimation uncertainty

Contract risk

A major portion of the company's business is performed on the basis of long-term contracts, often for large projects, awarded on a competitive bidding basis. The company records a provision for onerous sales contracts when current estimates of total contract costs exceed contract turnover. Such estimates are subject to change based on new information as projects progress toward completion.

Onerous sales contracts are identified by monitoring the progress of the project and updating the estimate of total contract costs, which also requires significant judgement relating to achieving certain performance standards and estimates involving warranty costs.

Warranty provisions include both specific and general risks. Specific warranty provisions are based on individual customer complaints, valued using engineer knowledge and the risk and probability of conformity. General warranty risk is covered by an overall provision and measured by using the experience of the past as an indicator, engineer knowledge and management judgement.

Recognition of turnover on project business contracts

The company conducts a significant portion of its business under project business contracts with customers. The company generally accounts for projects using the percentage-of-completion method, recognising turnover as performance on a contract progresses. This method places considerable importance on accurate estimates of the extent of progress towards completion. Depending on the methodology to determine contract progress, the significant estimates include total contract costs, remaining costs to completion, total contract turnover, contract risks and other judgements.