

# UL GmbH

## Schwerzenbach

Report of the statutory auditor  
to the Partners' Meeting

on the financial statements 2023

# Report of the statutory auditor

to the Partner's Meeting of UL GmbH

Schwerzenbach

## Report on the audit of the financial statements

### Opinion

We have audited the financial statements of UL GmbH (the Company), which comprise the balance sheet as at 31 December 2023, and the income statement, the cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements 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.

### Other information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report 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.

### Management's responsibilities for the financial statements

Management 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 Management 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, Management 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 Management 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

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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 818 para. 1 CO in connection 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 Management, 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

Petra Schwick  
Licensed audit expert  
Auditor in charge

Andreas Kägi  
Licensed audit expert

Basel, 11 June 2024

Enclosures:

- Financial statements (balance sheet, income statement, cash flow statement and notes)
- Proposed appropriation of available earnings

# UL GmbH, Schwerzenbach

## Balance sheet as of December

	<b>31.12.2023</b>		<b>31.12.2022</b>
<b>Assets</b>	CHF		CHF
<b>Current assets</b>			
Cash and cash equivalents	43'707'132		86'809'671
Accounts receivables third party	90'222'779		95'734'321
Accounts receivables intercompany	60'639'614		63'911'615
Security deposits	39'837		39'627
Inventory and unbilled services	9'393'621		13'409'433
Prepaid expenses and accrued income	141'460		452'958
<b>Total current assets</b>	<b><u>204'144'443</u></b>		<b><u>260'357'625</u></b>
<b>Non current assets</b>			
Long term intercompany loan receivable	25'145'606		27'841'567
Investment in affiliates	64'533'802		65'111'168
Leashold Improvements	291'375	276'729	
Accumulated depreciation - Leasehold Improvements	-115'527	175'848	-92'858
Plant machinery	2'344'721	1'999'718	
Accumulated depreciation - plant machinery	-1'358'015	986'706	-1'105'437
Capitalized Software	17'670	17'670	
Accumulated Amortization-Capitalized Software	-11'289	6'381	-5'399
Cloud Computing Software	27'216	0	
Accumulated Amortization-Cloud Computing Software	-6'625	20'591	0
Goodwill	3'549'590	3'549'590	
Accumulated depreciation - goodwill	-904'144	2'645'446	-549'185
Customer relationship	1'313'666	1'313'666	
Accumulated depreciation customer relationship	-264'996	1'048'670	-135'904
<b>Total non-current assets</b>	<b><u>94'563'050</u></b>		<b><u>98'221'325</u></b>
<b>Total assets</b>	<b><u><u>298'707'493</u></u></b>		<b><u><u>358'578'950</u></u></b>

# UL GmbH, Schwerzenbach

## Balance sheet as of December

	31.12.2023	31.12.2022
	CHF	CHF
<b>Liabilities and shareholders equity</b>		
<b>Liabilities</b>		
Accounts payable third party	2'670'876	3'351'058
Accounts payable intercompany	8'495'386	8'848'479
Other payables third party	5'431'659	4'491'961
Clients deposits	20'579'505	20'541'044
Accruals	12'680'237	7'649'564
Deferred annual fee	283'014	356'395
<b>Short term liabilities</b>	<b>50'140'677</b>	<b>45'238'501</b>
Other long term liabilities	715'783	647'394
Accrued pension liabilities	5'306'426	5'562'075
<b>Long term liabilities</b>	<b>6'022'209</b>	<b>6'209'469</b>
<b>Shareholders equity</b>		
Share capital	100'000	100'000
Capital reserves merger	3'313'407	3'313'407
Capital reserves branch	141'055	141'055
Capital reserves investment	181'729'209	251'729'209
Statutory retained earnings	50'000	50'000
<b>Available retained earnings</b>	<b>57'210'936</b>	<b>51'797'309</b>
Retained earnings brought forward	51'797'309	31'647'518
Currency translation adjustment	-17'591'609	517'826
Profit of the year	23'005'236	19'631'965
<b>Total shareholders equity</b>	<b>242'544'607</b>	<b>307'130'980</b>
<b>Total liabilities and shareholders equity</b>	<b>298'707'493</b>	<b>358'578'950</b>

## UL GmbH, Schwerzenbach

Income statement for the year	01.01.2023 - 31.12.2023	01.01.2022 - 31.12.2022
	CHF	CHF
<b>Gross revenue</b>	<b>852'345'343</b>	<b>850'247'472</b>
Bad debt loss	-1'462'638	-2'254'556
<b>Net Revenue</b>	<b>850'882'705</b>	<b>847'992'916</b>
Change of inventory and unbilled services	-4'015'812	2'686'290
<b>Net Revenue including change of inv. and unbilled</b>	<b>846'866'893</b>	<b>850'679'206</b>
<b>Direct expenses and commissions</b>		
Intercompany expenses	-772'763'873	-764'363'459
Materials & supplies	-87'982	-134'571
<b>Total direct expenses and commissions</b>	<b>-772'851'855</b>	<b>-764'498'030</b>
<b>Gross margin I</b>	<b>74'015'038</b>	<b>86'181'176</b>
Staff expenses	-38'055'020	-36'115'858
<b>Gross margin II</b>	<b>35'960'018</b>	<b>50'065'318</b>
<b>Operating expenses</b>		
Management fees	-9'570'940	-9'623'938
Office and equipment	-2'930'120	-3'183'183
Travel and meetings	-1'510'351	-1'112'971
Other operating expense	-2'099'299	-1'603'022
<b>Total operating expenses</b>	<b>-16'110'710</b>	<b>-15'523'114</b>
<b>EBITDA</b>	<b>19'849'308</b>	<b>34'542'204</b>
Depreciation	-799'808	-12'884'599
<b>EBIT</b>	<b>19'049'500</b>	<b>21'657'605</b>
<b>Financial income / expenses</b>		
Financial income	2'494'128	2'568'603
Financial expense	-1'340'605	-1'446'429
Investment Income	11'463'662	3'940'731
Unrealized foreign exchange loss / gain	-181'087	-1'418'247
Realized foreign exchange loss / gain	-1'761'741	-7'554'559
<b>Total financial income / expenses</b>	<b>10'674'357</b>	<b>-3'909'901</b>
<b>Operating result</b>	<b>29'723'857</b>	<b>17'747'704</b>
Extraordinary income	177'126	3'357'680
Extraordinary expense	-900'087	-100'971
<b>Net result before income taxes</b>	<b>29'000'896</b>	<b>21'004'413</b>
<b>Taxes</b>	<b>-5'995'660</b>	<b>-1'372'448</b>
<b>Profit of the year</b>	<b>23'005'236</b>	<b>19'631'965</b>

Cashflow statement	2023	2022
	CHF	CHF
Net income	23'005'236	19'631'965
Currency translation adjustment	-17'591'609	517'826
Depreciation	799'808	12'884'599
Extraordinary depreciation	-27'995	-14'556
Movement accounts receivables third party	5'511'542	-2'472'081
Movement accounts receivables intercompany	3'272'001	-34'372'543
Movement security deposits	-210	4'983
Movement inventory and unbilled services	4'015'812	-2'686'290
Movement prepaid expenses and accrued income	311'498	-257'703
Movement accounts payable third party	-680'182	-695'008
Movement accounts payable intercompany	-353'093	-8'253'635
Movement other payables third party	939'698	9'613
Movement client deposits	38'461	988'152
Movement accruals	5'030'673	-8'575'832
Movement deferred annual fee	-73'381	-20'709
Movement other long term liabilities	68'389	224'487
Movement accrued pension liabilities	-255'649	396'887
<b>Cashflow from operating activities</b>	<b>24'010'999</b>	<b>-22'689'845</b>
<b>Investing activities</b>		
Investment in affiliates	-	-2'110'940
Deinvestment in affiliates	577'366	29'783'589
Intercompany Loans to affiliates	2'695'961	-8'707'754
Fixed assets	-359'649	-332'505
Software	-27'216	-17'670
Customer Relationship	-	-958'021
Goodwill	-	-2'511'147
<b>Cashflow from investing activities</b>	<b>2'886'462</b>	<b>15'145'550</b>
<b>Financing Activities</b>		
Dividend paid in cash	-70'000'000	-
Dividend received in cash	-	-
<b>Cashflow from financing activities</b>	<b>-70'000'000</b>	<b>-</b>
<b>Total Cashflow</b>	<b>-43'102'539</b>	<b>-7'544'295</b>
Beginning Cash Balance	86'809'671	94'353'966
Ending Cash Balance	43'707'132	86'809'671
Change of Cash Balance	-43'102'539	-7'544'295

## Notes to the financial statements 2023

UL GmbH is registered at Ringstrasse 1, 8603 Schwerzenbach. The number of full-time equivalents exceeded 250 on an annual average basis.

### Accounting principles applied

The functional currency of UL GmbH Switzerland is USD, Taiwan branch is TWD, Saudi Arabia Branch is SAR, Abu Dhabi Branch is AED, Denmark Branch is DKK, Sweden Branch is SEK, Poland Branch is PLN, Korean Branch is KRW, UK Branch is GBP and the functional currency of all other EU Branches is EUR. For the conversion to CHF we generally used the following rates:

<u>December month end rate for balance sheet</u>	2023	2022
1 USD = X CHF	0.841525	0.923506
1 TWD = X CHF	0.229125	0.030071
1 SAR = X CHF	0.119372	0.246253
1 AED = X CHF	0.928812	0.251456
1 EUR = X CHF	1.071375	0.985935
1 GBP = X CHF	0.213856	1.113739
1 SEK = X CHF	0.224406	0.088469
1 DKK = X CHF	0.083449	0.132589
1 PLN = X CHF	0.027450	0.209802
1 KRW = X CHF	0.000650	0.000733

### Average rates for P&L

1 USD = X CHF	0.896673	0.953030
1 TWD = X CHF	0.244137	0.031933
1 SAR = X CHF	0.130344	0.254125
1 AED = X CHF	0.970988	0.259467
1 EUR = X CHF	1.116645	1.002277
1 GBP = X CHF	0.214320	1.172013
1 SEK = X CHF	0.239071	0.094081
1 DKK = X CHF	0.084701	0.134721
1 PLN = X CHF	0.028830	0.213803
1 KRW = X CHF	0.000685	0.000739

### The following positions in the financial statements are converted with historical rates:

Share capital	Investment in affiliates
Capital reserves merger	Other long term liabilities
Capital reserves branch	Goodwill incl. depreciation
Capital reserves investment	Plant machinery incl. depreciation
Statutory retained earnings	Intellectual property/patents incl. depreciation
Retained earnings	Customer relationship incl. depreciation
Capitalized Software incl. depreciation	Leasehold improvement incl. depreciation
Cloud Computing Software including depreciation	

### Bad debt reserves

The calculation of the bad debt reserves is based on days outstanding for invoices on the 24 month average write-offs, with a reserve of 40% for invoices not paid within 360 days and specific reserves if needed.

### Investments

Investments are valued at cost. In case there is an indicator for impairment, the investments will be reviewed in detail and revalued.

## Notes to the financial statements 2023 (continued)

### Revenue recognition criteria

- 1) Persuasive evidence of an arrangement exists: explicit or implicit sales contract
- 2) Delivery has occurred or services have been rendered
- 3) Seller's price to the buyer is fixed or determinable
- 4) Collectability is reasonably assured

### Inventory and unbilled services

At month-end, revenue for projects which have been completed but which have not yet been invoiced will be accrued as unbilled revenue. This accrual only represent completed projects and will not include partial recognition of any certification projects that are still in process. Inventory is valued at cost and checked for any indicator for an impairment at each balance sheet date.

### Property, plant and equipment and intangible assets

Assets are valued at cost or manufacturing cost including directly attributable expenditure, less straight-line depreciation over their useful lives. At each balance sheet date, the company tests whether there are any indications of assets being subject to impairment.

#### Depreciation and amortization lifetime:

Leasehold Improvement	2 Years
Computer Hardware	3 - 4 Years
Office Furniture	5 -13 Years
Plant Machinery	5 - 12 Years
Customer Relationship	10 Years
Goodwill	10 Years
Intellectual Property/Patents	10 Years
Capitalized Software	3 years
Cloud Computing Software	3 - 4 years

### Explanations of exceptional, non-recurring or prior-period items

	<b>2023</b>	<b>2022</b>
<b>Breakdown of extraordinary expense</b>	<b>CHF 900'087</b>	<b>CHF 100'971</b>
Restructuring expense	CHF 206'785	CHF 6'883
Non-op pension expense	CHF 44'359	CHF 94'054
Write-off Investment Russia LLC	CHF 577'359	CHF 0
Miscellaneous	CHF 71'585	CHF 33
<b>Breakdown of extraordinary income</b>	<b>-CHF 177'126</b>	<b>-CHF 3'357'680</b>
Client invoice write ups	-CHF 88'435	CHF 0
Release of VAT Accrual France	CHF 0	-CHF 3'277'035
Miscellaneous	-CHF 88'691	-CHF 80'645
	<b>31.12.2023</b>	<b>31.12.2022</b>
<b>Liabilities relating to pension plans</b>	<b>CHF 0</b>	<b>CHF 0</b>
<b><u>Fees paid to the auditor</u></b>	<b>2023</b>	<b>2022</b>
Audit fees	CHF 66'081	CHF 62'466
Non-audit fees	CHF 42'276	CHF 62'274

**Notes to the financial statements 2023 (continued)****Collateral for liabilities of affiliates** **31.12.2023** **31.12.2022**

Guarantee Obligations CHF 16,205 CHF 16,205

**Investment in affiliates** **31.12.2023** **31.12.2022****UL International Services B.V.** **CHF 34'727'070** **CHF 34'287'793**Share capital EUR 18'000 EUR 18'000  
Participation rate (capital & votes) 100% 100%

UL International Services B.V. is a holding company that holds subsidiaries mainly in Asia Pacific. The statutory seat of the company is Amsterdam (The Netherlands). The office is registered in Arnhem, Netherlands.

**Futuremark OY** **CHF 10'519'300** **CHF 10'519'300**Share capital EUR 2'500 EUR 2'500  
Participation rate (capital & votes) 100% 100%

Futuremark Oy (business identity code 1109663-4) is a company incorporated and existing under the laws of Finland, having its registered office in Espoo, Finland. The Company and its subsidiaries are engaged in the software development business.

**UL Ireland Operations Limited** **CHF 18'276'407** **CHF 18'276'407**Share capital EUR 127 EUR 127  
Participation rate (capital & votes) 100% 100%

UL Ireland Operations Limited is registered in the Republic of Ireland in Dublin. The principal activity of the company is software development, sale and consultancy in the area of test and validation of real-time payment systems. The company competes internationally to provide acquiring and issuing bank, payment providers and terminal vendors simulation software and services that enable them to bring their products to market faster, at a lower cost and higher quality than their competitors.

**Underwriter Laboratories Middle-East FZ-LLC** **CHF 179'263** **CHF 179'263**Share capital AED 50'000 AED 50'000  
Participation rate (capital & votes) 100% 100%

Underwriter Laboratories Middle-East FZ-LLC is a subsidiary of UL GmbH in Dubai, United Arab Emirates. UL Middle East FZ-LLC is UL's regional headquarters in the Middle East. The regional office is registered in the Tecom's Dubai Science Park and is registered with the Dubai Creative Clusters Authority in the Emirate of Dubai of the United Arab Emirates. The office is mainly promoting UL's mission and services as well as fulfilling regional client projects.

**UL de Colombia SAS** **CHF 831'763** **CHF 831'763**Share capital COP 1'050'000'000 COP 1'050'000'000  
Participation rate (capital & votes) 100% 100%

UL de Colombia SAS is a subsidiary of UL GmbH in Bogota D.C., Colombia. Its main activity is the certification of products with experience in standards development and in the field of tests and product certification. As second activity it provides advisory services specialized in Renewable Energy, including as its main focus the areas of Photovoltaic Plants, Wind Farms and Battery Storage Systems.

## Notes to the financial statements 2023 (continued)

<b>Cr edit 360 Global Limited</b>	<b>Dissolved</b>	<b>CHF 7</b>
Share capital	N/A	GBP 900
Participation rate (capital & votes)	N/A	100%

Cr360 provides companies with a 360-degree view of EHS (Environment, Health and Safety), Compliance, Energy and Carbon, Corporate Social Responsibility and Supply Chain information. The company is registered in Cambridge, England. Registration number 03743459.

<b>UL RUS LLC</b>	<b>Dissolved</b>	<b>CHF 577'359</b>
Share capital	N/A	RUB 10,000
Participation rate (capital & votes)	N/A	99%

UL RUS LLC is a subsidiary of UL GmbH in Moscow, Russia. Its main activity is technical tests research, analysis and certification.

<b><u>Indirect shareholdings</u></b>	<b>Share Capital</b>	<b>Participation Rate (capital &amp; votes)</b>
<b>UL International Services B.V. owns:</b>		
UL International Australia Pty Ltd, Baulkham Hills, AU	AUD 1	100%
Underwriter Laboratories Taiwan Co Ltd, Taipei, TW	TWD 500'000	100%
UL International (Netherlands) B.V. Arnhem, NL	EUR 18'151	100%
Collis Holding B.V	EUR 2,500,000	100%
<b>UL International Australia Pty Ltd owns:</b>		
UL Transaction Security Pty Ltd, Kew Victoria, AU	AUD 12	100%
<b>Collis Holding B.V. owns:</b>		
UL TS B.V.	EUR 2,500,001	100%
UL TS FZE	AED 1,000,000	100%
UL TS Inc.	USD 10	100%
<b>Futuremark OY owns:</b>		
Futuremark Inc., Fremont California, USA	USD 8'000	100%
<b>Underwriter Laboratories Middle-East FZ-LLC owns:</b>		
ULME Trading LLC	AED 1,000,000	100%

### **Subsequent Events**

There were no subsequent events at the date the financial statements were available to be issued.

	2023	2022
<b><u>Proposed appropriation of available retained earnings</u></b>	CHF	CHF
Available retained earnings carried forward	51'797'309	31'647'518
Profit of the year	23'005'236	19'631'965
Retained earnings available for appropriation	74'802'545	51'279'483
Currency translation adjustment	-17'591'609	517'826
Available retained earnings 31.12.	57'210'936	51'797'309
Available retained earnings carried forward	57'210'936	51'797'309

### **Movement in capital reserves**

Total capital reserves	185'183'671	255'183'671
Dividend in kind from capital reserves	0	0
Pay out of cash dividend from capital reserves	0	70'000'000
Balance to be brought forward	185'183'671	185'183'671