

UL GmbH

Schwerzenbach

Report of the statutory auditor
to the Partner's Meeting

on the financial statements 2022

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 2022, 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 the 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 paragraph 1 CO in connection with article 728a paragraph 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists which has been designed for the preparation of the financial statements according to the instructions of Management.

We further confirm that the proposed appropriation of available earnings and the proposed repayment of the legal capital reserve comply 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, 14 June 2023

Enclosures:

- Financial statements (balance sheet, income statement, cash flow statement and notes)
- Proposed appropriation of available earnings and proposed repayment of the legal capital reserve

UL GmbH, Schwerzenbach

Balance sheet as of December

Assets	31-12-22	31-12-21
	CHF	CHF
Current assets		
Cash and cash equivalents	86,809,671	94,353,966
Accounts receivables third party	95,734,321	93,262,240
Accounts receivables intercompany	63,911,615	29,539,072
Security deposits	39,627	44,610
Inventory and unbilled services	13,409,433	10,723,143
Prepaid expenses and accrued income	452,958	195,255
Total current assets	<u>260,357,625</u>	<u>228,118,286</u>
Non current assets		
Long term intercompany loan receivable	27,841,567	122,461,281
Investment in affiliates	65,111,168	92,783,817
Leashold Improvements	276,729	248,943
Accumulated depreciation - Leasehold Improvements	-92,858	183,871
Plant machinery	1,999,718	-92,113
Accumulated depreciation - plant machinery	1,694,999	156,830
Capitalized Software	-1,105,437	894,281
Accumulated Amortization-Capitalized Software	894,281	-1,000,573
Goodwill	17,670	694,426
Accumulated depreciation - goodwill	-5,399	0
Customer relationship	12,271	0
Accumulated depreciation customer relationship	3,549,590	1,038,443
Leashold Improvements	-549,185	3,000,405
Accumulated depreciation - goodwill	-298,857	739,586
Customer relationship	1,313,666	136,945,484
Accumulated depreciation customer relationship	-135,904	1,177,762
Total non-current assets	<u>98,221,325</u>	<u>229,564,387</u>
Total assets	<u><u>358,578,950</u></u>	<u><u>457,682,673</u></u>

UL GmbH, Schwerzenbach

Balance sheet as of December

	31-12-22	31-12-21
	CHF	CHF
Liabilities and shareholders equity		
Liabilities		
Accounts payable third party	3,351,058	4,046,066
Accounts payable intercompany	8,848,479	17,102,114
Other payables third party	4,491,961	4,482,348
Clients deposits	20,541,044	19,552,892
Accruals	7,649,564	16,225,396
Deferred annual fee	356,395	377,104
Short term liabilities	<u>45,238,501</u>	<u>61,785,920</u>
Other long term liabilities	647,394	422,907
Accrued pension liabilities	5,562,075	5,165,188
Long term liabilities	<u>6,209,469</u>	<u>5,588,095</u>
Shareholders equity		
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	251,729,209	355,056,678
Statutory retained earnings	50,000	50,000
Available retained earnings	51,797,309	31,647,518
Retained earnings brought forward	31,647,518	19,829,011
Currency translation adjustment	517,826	0
Profit of the year	19,631,965	11,818,507
Total shareholders equity	<u>307,130,980</u>	<u>390,308,658</u>
Total liabilities and shareholders equity	<u>358,578,950</u>	<u>457,682,673</u>

UL GmbH, Schwerzenbach

Income statement for the year	01.01.2022 - 31.12.2022	01.01.2021 - 31.12.2021
	CHF	CHF
Gross revenue	850,247,472	832,730,688
Bad debt loss	-2,254,556	-2,293,750
Net Revenue	847,992,916	830,436,938
Change of inventory and unbilled services	2,686,290	-2,180,204
Net Revenue including change of inv. and unbilled	850,679,206	828,256,734
Direct expenses and commissions		
Intercompany expenses	-764,363,459	-745,022,302
Materials & supplies	-134,571	-220,523
Total direct expenses and commissions	-764,498,030	-745,242,825
Gross margin I	86,181,176	83,013,909
Staff expenses	-36,115,858	-34,131,926
Gross margin II	50,065,318	48,881,983
Operating expenses		
Management fees	-9,623,938	-6,270,664
Office and equipment	-3,183,183	-3,197,570
Travel and meetings	-1,112,971	-681,375
Other operating expense	-1,603,022	-4,683,722
Total operating expenses	-15,523,114	-14,833,331
EBITDA	34,542,204	34,048,652
Depreciation	-12,884,599	-12,818,327
EBIT	21,657,605	21,230,325
Financial income / expenses		
Financial income	2,568,603	1,944,148
Financial expense	-1,446,429	-1,478,900
Investment Income	3,940,731	0
Unrealized foreign exchange loss / gain	-1,418,247	-1,082,848
Realized foreign exchange loss / gain	-7,554,559	-4,642,971
Total financial income / expenses	-3,909,901	-5,260,571
Operating result	17,747,704	15,969,754
Extraordinary income	3,357,680	469,082
Extraordinary expense	-100,971	-116,567
Translation gain / loss	0	1,614,147
Net result before income taxes	21,004,413	17,936,416
Taxes	-1,372,448	-6,117,909
Profit of the year	19,631,965	11,818,507

Cashflow	2022	2021
	CHF	CHF
Net income	19,631,965	11,818,507
Currency translation adjustment	517,826	-
Depreciation	12,884,599	12,818,327
Extraordinary depreciation	-14,556	-
Other non-cash transactions	-	3,229
Movement accounts receivables third party	-2,472,081	8,106,249
Movement accounts receivables intercompany	-34,372,543	19,595,563
Movement security deposits	4,983	1,195
Movement inventory and unbilled services	-2,686,290	2,180,204
Movement prepaid expenses and accrued income	-257,703	36,735
Movement accounts payable third party	-695,008	-681,156
Movement accounts payable intercompany	-8,253,635	-887,106
Movement other payables third party	9,613	-903,103
Movement client deposits	988,152	-1,131,305
Movement accruals	-8,575,832	4,339,859
Movement deferred annual fee	-20,709	58,504
Movement other long term liabilities	224,487	99,247
Movement accrued pension liabilities	396,887	564,326
Cashflow from operating activities	-22,689,845	56,019,275
<u>Investing activities</u>		
Investment in affiliates	-2,110,940	-196,376
Deinvestment in affiliates	29,783,589	10,801,412
Intercompany Loans to affiliates	-8,707,754	7,494,821
Fixed assets	-332,505	-927,677
Software	-17,670	-
Customer Relationship	-958,021	-
Goodwill	-2,511,147	-
Cashflow from investing activities	15,145,550	17,172,181
<u>Financing Activities</u>		
Dividend paid in cash	-	-90,000,000
Dividend received in cash	-	136,698
Cashflow from financing activities	-	-89,863,302
Total Cashflow	-7,544,295	-16,671,846
Beginning Cash Balance	94,353,966	111,025,812
Ending Cash Balance	86,809,671	94,353,966
Change of Cash Balance	-7,544,295	-16,671,846

Notes to the financial statements 2022

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:

Currency translation adjustment

As of 2022 the currency translation adjustment is presented in the balance sheet instead of the income statement.

<u>December month end rate for balance sheet</u>	2022	2021
1 USD = X CHF	0.923506	0.915223
1 TWD = X CHF	0.030071	0.033039
1 SAR = X CHF	0.246253	0.244044
1 AED = X CHF	0.251456	0.249173
1 EUR = X CHF	0.985935	1.036472
1 GBP = X CHF	1.113739	1.234672
1 SEK = X CHF	0.088469	0.101179
1 DKK = X CHF	0.132589	0.139380
1 PLN = X CHF	0.209802	0.225252
1 KRW = X CHF	0.000733	0.000770

Average rates for P&L

1 USD = X CHF	0.953030	0.914570
1 TWD = X CHF	0.031933	0.032781
1 SAR = X CHF	0.254125	0.243864
1 AED = X CHF	0.259467	0.248992
1 EUR = X CHF	1.002277	1.080182
1 GBP = X CHF	1.172013	1.258004
1 SEK = X CHF	0.094081	0.106219
1 DKK = X CHF	0.134721	0.145249
1 PLN = X CHF	0.213803	0.235889
1 KRW = X CHF	0.000739	0.000796

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	

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.

Notes to the financial statements 2022 (continued)

Investments

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

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 - 11 Years
Goodwill	10 - 20 Years
Intellectual Property/Patents	20 Years
Capitalized Software	3 years

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

	2022	2021
Breakdown of extraordinary expense	CHF 100,971	CHF 116,567
Restructuring expense in Poland	CHF 6,883	CHF 0
Non-op pension expense	CHF 94,054	CHF 115,598
Miscellaneous	CHF 33	CHF 969
Breakdown of extraordinary income	-CHF 3,357,680	-CHF 469,082
Deposit invoice write up	CHF 0	-CHF 463,660
Release of VAT Accrual France	-CHF 3,277,035	CHF 0
Miscellaneous	-CHF 80,645	-CHF 5,422
	31-12-22	31-12-21
Liabilities relating to pension plans	CHF 0	CHF 0

Notes to the financial statements 2022 (continued)

<u>Fees paid to the auditor</u>	2022	2021
Audit fees	CHF 0	CHF 53,515
Non-audit fees	CHF 71,498	CHF 26,449

<u>Collateral for liabilities of affiliates</u>	31-12-22	31-12-21
Guarantee Obligations	CHF 16,205	CHF 16,205

<u>Investment in affiliates</u>	31-12-22	31-12-21
UL International Services B.V.	CHF 34,727,070	CHF 62,565,841

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.

<u>Futuremark OY</u>	CHF 10,519,300	CHF 10,519,300
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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.

<u>UL Ireland Operations Limited</u>	CHF 18,276,407	CHF 18,276,407
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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.

<u>Underwriter Laboratories Middle-East FZ-LLC</u>	CHF 179,263	CHF 13,140
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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.

Notes to the financial statements 2022 (continued)

Cr edit 360 Global Limited	CHF 7	CHF 7
Share capital	GBP 900	GBP 900
Participation rate (capital & votes)	100%	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.

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.

UL RUS LLC	CHF 577,359	CHF 577,359
Share capital	RUB 10,000	RUB 10,000
Participation rate (capital & votes)	99%	99%

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

<u>Indirect shareholdings</u>	Share Capital	Participation Rate (capital & votes)
UL International Services B.V. owns:		
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%
UL International Australia Pty Ltd owns:		
UL Transaction Security Pty Ltd, Kew Victoria, AU	AUD 12	100%
Collis Holding B.V. owns:		
UL TS B.V.	EUR 2,500,001	100%
UL TS FZE	AED 1,000,000	100%
UL TS Inc.	USD 10	100%
Futuremark OY owns:		
Futuremark Inc., Fremont California, USA	USD 8,000	100%
Cr edit 360 Global Limited owns:		
Safeware Investors Limited, Leicestershire, UK	GBP 200	100%

Subsequent Events

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

	2022	2021
<u>Proposed appropriation of available retained earnings</u>	CHF	CHF
Available retained earnings carried forward	31,647,518	19,829,011
Profit of the year	19,631,965	11,818,507
Retained earnings available for appropriation	51,279,483	31,647,518
Currency translation adjustment	517,826	0
Available retained earnings 31.12.	51,797,309	31,647,518

The board of directors proposes to pay dividends from capital reserves

Total capital reserves	255,183,671	358,511,140
Dividend in kind from capital reserves	0	103,327,468
Pay out of cash dividend from capital reserves*	70,000,000	0
Balance to be brought forward	185,183,671	255,183,671

*USD 75Mio equivalent as of the date of the transaction