

Supplemental Listing Document

If you are in any doubt as to any aspect of this document, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, accountant or other professional adviser.

Application has been made to the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for permission to deal in and for quotation of the Certificates (as defined below). The SGX-ST takes no responsibility for the contents of this document, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document. Admission to the Official List of the SGX-ST is not to be taken as an indication of the merits of UBS AG, acting through its London branch, the Certificates, or the Company (as defined below).

**40,000,000 European Style Cash Settled Short Certificates relating to
the ordinary shares of Alibaba Group Holding Limited
with a Daily Leverage of -5x**

**UBS AG
(Incorporated with limited liability in Switzerland)
acting through its London Branch**

Issue Price: S\$0.67 per Certificate

This document is published for the purpose of obtaining a listing of all the above certificates (the “**Certificates**”) to be issued by UBS AG (the “**Issuer**”) acting through its London branch, and is supplemental to and should be read in conjunction with a base listing document dated 28 June 2024 (the “**Base Listing Document**”), including its supplements and addenda as executed from time to time, for the purpose of giving information with regard to the Issuer and the Certificates. Information relating to the Company (as defined below) is contained in this document.

This document does not constitute or form part of any offer, or invitation, to subscribe for or to sell, or solicitation of any offer to subscribe for or to purchase, Certificates or other securities of the Issuer, nor is it calculated to invite, nor does it permit the making of, offers by the public to subscribe for or purchase for cash or other consideration the Certificates or other securities of the Issuer. Restrictions have been imposed on offers and sales of the Certificates and on distributions of documents relating thereto in the United States, the United Kingdom, the European Economic Area, Singapore and Hong Kong (see “Placing and Sale” contained herein).

The Certificates are complex products. You should exercise caution in relation to them. Investors are warned that the price of the Certificates may fall in value as rapidly as it may rise and holders may sustain a total loss of their investment. The price of the Certificates also depends on the supply and demand for the Certificates in the market and the price at which the Certificates is trading at any time may differ from the underlying valuation of the Certificates because of market inefficiencies. It is not possible to predict the secondary market for the Certificates. Although the Issuer and/or any of its affiliates may from time to time purchase the Certificates or sell additional

Certificates on the market, the Issuer and/or any of its affiliates are not obliged to do so. Investors should also note that there are leveraged risks because the Certificates integrate an inverse leverage mechanism and the Certificates will amplify the movements in the increase, and in the decrease, of the value of the Underlying Stock (as defined below) and if the investment results in a loss, any such loss will be increased by the leverage factor of the Certificates. As such, investors could lose more than they would if they had invested directly in the Underlying Stock.

For the purpose of section 309B(1) of the Securities and Futures Act 2001 of Singapore (the "**SFA**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in section 309A of the SFA) that the Certificates are classified as capital markets products other than prescribed capital markets products¹ and Specified Investment Products (SIPs)², and may only be sold to retail investors with enhanced safeguards, including an assessment of such investors' investment knowledge or experience.

Prospective purchasers should therefore ensure that they understand the nature of the Certificates and carefully study the risk factors set out in the Base Listing Document and pages 5 to 10 of this document before they invest in the Certificates.

Application has been made to the SGX-ST for permission to deal in and for quotation of the Certificates and the SGX-ST has agreed in principle to grant permission to deal in and for quotation of the Certificates. It is expected that dealings in the Certificates will commence on or about 27 May 2025.

As at the date hereof, the Issuer's long term credit rating by S&P Global Ratings Europe Limited is A+, by Moody's Investors Service Ltd. is Aa2 and by Fitch Ratings Ireland Limited is A+.

The Issuer is regulated by, among others, the Swiss Federal Banking Commission. In the United Kingdom, it is authorised by the Prudential Regulatory Authority and subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulatory Authority.

26 May 2025

¹ As defined in the Securities and Futures (Capital Markets Products) Regulations 2018.

² As defined in the MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products.

Subject as set out below, the Issuer accepts full responsibility for the accuracy of the information contained in this document and the Base Listing Document in relation to itself and the Certificates. To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case), the information contained in this document and the Base Listing Document for which it accepts responsibility (subject as set out below in respect of the information contained herein with regard to the Company) is in accordance with the facts and does not omit anything likely to affect the import of such information. The information with regard to the Company as set out herein is extracted from publicly available information. The Issuer accepts responsibility only for the accurate reproduction of such information. No further or other responsibility or liability in respect of such information is accepted by the Issuer.

No persons have been authorised to give any information or to make any representation save as contained in this document or otherwise authorised by the Issuer in connection with the Certificates and, if given or made, such information or representations must not be relied upon as having been authorised by the Issuer. Neither the delivery of this document nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Issuer or its subsidiaries and associates since the date hereof.

This document does not constitute an offer or solicitation by or on behalf of the Issuer to purchase or subscribe for any of the Certificates. The distribution of this document and the offering of the Certificates may, in certain jurisdictions, be restricted by law. The Issuer requires persons into whose possession this document comes to inform themselves of and observe all such restrictions. In particular, the Certificates have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”). Subject to certain exceptions, Certificates, or interests therein, may not at any time be offered, sold, resold or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person (as defined in Regulation S under the Securities Act) or to others for offering, sale or resale in the United States or to any such U.S. person. Offers and sales of Certificates, or interests therein, in the United States or to U.S. persons would constitute a violation of United States securities laws unless made in compliance with registration requirements of the Securities Act or pursuant to an exemption therefrom. A further description of certain restrictions on offering and sale of the Certificates and distribution of this document is given in the section headed “Placing and Sale” contained herein.

The SGX-ST has made no assessment of, nor taken any responsibility for, the financial soundness of the Issuer or the merits of investing in the Certificates, nor have they verified the accuracy or the truthfulness of statements made or opinions expressed in this document.

The Issuer and/or any of its affiliates may repurchase Certificates at any time on or after the date of issue and any Certificates so repurchased may be offered from time to time in one or more transactions in the over-the-counter market or otherwise at prevailing market prices or in negotiated transactions, at the discretion of the Issuer and/or any of its affiliates. Investors should not therefore make any assumption as to the number of Certificates in issue at any time.

References in this document to the “**Conditions**” shall mean references to the Terms and Conditions of the European Style Cash Settled Long/Short Certificates on Single Equities contained in the Base Listing Document. Terms not defined herein shall have the meanings ascribed thereto in the Conditions.

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RISK FACTORS

The following risk factors are relevant to the Certificates:-

- (a) investment in Certificates involves substantial risks including market risk, liquidity risk, and the risk that the Issuer will be unable to satisfy its obligations under the Certificates. Investors should ensure that they understand the nature of all these risks before making a decision to invest in the Certificates. You should consider carefully whether Certificates are suitable for you in light of your experience, objectives, financial position and other relevant circumstances. Certificates are not suitable for inexperienced investors;
- (b) the Certificates constitute direct, general and unsecured contractual obligations of the Issuer and if you purchase the Certificates you are relying upon the creditworthiness of the Issuer and have no rights under the Certificates against any other person. In particular, it should be noted that the Issuer issues a large number of financial instruments, including Certificates, on a global basis and, at any given time, the financial instruments outstanding may be substantial. If you purchase the Certificates you are relying upon the creditworthiness of the Issuer and have no rights under the Certificates against the Company which has issued the Underlying Stock (as defined below). The Issuer has substantially no obligation to a Certificate Holder (as defined in the Conditions) other than to pay amounts in accordance with the terms thereof as set forth herein and in the Base Listing Document. The Issuer does not in any respect underwrite or guarantee the performance of any Certificate. Any profit or loss realised by a Certificate Holder in respect of a Certificate upon exercise or otherwise due to changes in the value of such Certificate or the Underlying Stock is solely for the account of such Certificate Holder. In addition, the Issuer shall have the absolute discretion to put in place any hedging transaction or arrangement which it deems appropriate in connection with any Certificate or the Underlying Stock. A reduction in the rating, if any, accorded to outstanding debt securities of the Issuer by any one of its rating agencies could result in a reduction in the trading value of the Certificates;
- (c) since the Certificates relate to the price of the Underlying Stock, certain events relating to the Underlying Stock may cause adverse movements in the value and the price of the Underlying Stock, as a result of which, the Certificate Holders may, in extreme circumstances, sustain a significant loss of their investment if the price of the Underlying Stock has risen sharply;
- (d) in the event that the Company is subject to any sanction by governmental authorities, (i) such sanction may impact general investor interest in the Underlying Stock, which may in turn affect the liquidity and market price of the Underlying Stock, and (ii) investors should consult their own legal advisers to check whether and to what extent investing in the Certificates will be in violation of applicable laws and regulations;
- (e) in the event that the Company is controlled through weighted voting rights, certain individuals who own shares of a class which is being given more votes per share may have the ability to determine the outcome of most matters, and depending on the action taken by the Company, the market price of the Certificates could be adversely affected;
- (f) due to their nature, the Certificates can be volatile instruments and may be subject to considerable fluctuations in value. The price of the Certificates may fall in value as rapidly as it may rise due to, including but not limited to, variations in the frequency and magnitude of the changes in the price of the Underlying Stock, the time remaining to expiry and the creditworthiness of the Issuer;

- (g) fluctuations in the price of the Underlying Stock will affect the price of the Certificates but not necessarily in the same magnitude and direction, therefore, prospective investors intending to purchase Certificates to hedge their market risk associated with investing in the Underlying Stock which may be specified herein, should recognise the complexities of utilising the Certificates in this manner;
- (h) a Certificate Holder must tender a specified number of Certificates at any one time in order to exercise. Thus, Certificate Holders with fewer than the specified minimum number of Certificates in a particular series will either have to sell their Certificates or purchase additional Certificates, incurring transactions costs in each case, in order to realise their investment;
- (i) if, whilst any of the Certificates remain unexercised, trading in the Underlying Stock is suspended or halted on the relevant stock exchange, trading in the Certificates may be suspended for a similar period;
- (j) investors should note that the Issuer's obligations to pay amounts in accordance with the terms thereof as set forth herein shall be discharged by delivery of the aggregate Cash Settlement Amount (if positive) to all Certificate Holders in accordance with the agreement with the Warrant Agent;
- (k) investors should note that in the event of there being a Market Disruption Event (as defined in the Conditions) determination or payment of the Cash Settlement Amount (as defined in the Conditions) may be delayed, all as more fully described in the Conditions;
- (l) certain events relating to the Underlying Stock require or, as the case may be, permit the Issuer to make certain adjustments or amendments to the Conditions;
- (m) the Certificates are only exercisable on the expiry date and may not be exercised by Certificate Holders prior to such expiry date. Accordingly, if on such expiry date the Cash Settlement Amount is zero, a Certificate Holder will lose the value of his investment;
- (n) the total return on an investment in any Certificate may be affected by the Hedging Fee Factor (as defined below), Management Fee (as defined below) and Gap Premium (as defined below);
- (o) investors holding their position overnight should note that they would be required to bear the annualised cost which consists of the Management Fee and Gap Premium, which are calculated daily and applied to the value of the Certificates, as well as certain costs embedded within the Leverage Inverse Strategy (as described below) including the Stock Borrowing Cost (as defined below) and the Rebalancing Cost (as defined below);
- (p) investors should note that there may be an exchange rate risk where the Cash Settlement Amount may be converted from a foreign currency into Singapore dollars. Exchange rates between currencies are determined by forces of supply and demand in the foreign exchange markets. These forces are, in turn, affected by factors such as international balances of payments and other economic and financial conditions, government intervention in currency markets and currency trading speculation. Fluctuations in foreign exchange rates, foreign political and economic developments, and the imposition of exchange controls or other foreign governmental laws or restrictions applicable to such investments may affect the foreign currency market price and the exchange rate-adjusted equivalent price of the Certificates. Fluctuations in the exchange rate of any one currency may be offset by fluctuations in the exchange rate of other relevant currencies;

- (q) investors should note that there are leveraged risks because the Certificates integrate an inverse leverage mechanism and the Certificates will amplify the movements in the increase, and in the decrease, of the value of the Underlying Stock and if the investment results in a loss, any such loss will be increased by the leverage factor of the Certificates. As such, investors could lose more than they would if they had invested directly in the Underlying Stock;
- (r) when held for longer than a day, the performance of the Certificates could be more or less than the leverage factor that is embedded within the Certificates. The performance of the Certificates each day is locked in, and any subsequent returns are based on what was achieved the previous trading day. This process, referred to as compounding, may lead to a performance difference from 5 times the inverse performance of the Underlying Stock over a period longer than one day. This difference may be amplified in a volatile market with a sideways trend, where market movements are not clear in direction, whereby investors may sustain substantial losses;
- (s) the Air Bag Mechanism (as defined below) is triggered only when the Underlying Stock is calculated or traded, which may not be during the trading hours of the Relevant Stock Exchange for the Certificates (as defined below);
- (t) investors should note that the Air Bag Mechanism reduces the impact on the Leverage Inverse Strategy if the Underlying Stock rises further, but will also maintain a reduced exposure to the Underlying Stock in the event the Underlying Stock starts to fall after the Air Bag Mechanism is triggered, thereby reducing its ability to recoup losses;
- (u) there is no assurance that the Air Bag Mechanism will prevent investors from losing the entire value of their investment, in the event of (i) an overnight rise in the Underlying Stock, where there is a 20% or greater gap between the previous trading day closing price and the opening price of the Underlying Stock the following trading day, as the Air Bag Mechanism will only be triggered when the market (in respect of which the Underlying Stock is listed) opens the following trading day (including pre-opening session or opening auction, as the case may be) or (ii) a sharp intraday rise in the Underlying Stock of 20% or greater during the observation period compared to the reference price, being: (a) if air bag event has not been previously triggered on the same day, the previous closing price of the Underlying Stock, or (b) if one or more air bag events have been previously triggered on the same day, the latest new observed price. Investors may refer to pages 41 to 42 of this document for more information;
- (v) certain events may, pursuant to the terms and conditions of the Certificates, trigger (A) the implementation of methods of adjustment or (B) the early termination of the Certificates. The Issuer will give the investors reasonable notice of any early termination. If the Issuer terminates the Certificates early, then the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Certificate Holder in respect of each Certificate held by such holder equal to the fair market value of the Certificate less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion. The performance of this commitment shall depend on (A) general market conditions and (B) the liquidity conditions of the underlying instrument(s) and, as the case may be, of any other hedging transactions. Investors should note that the amount repaid by the Issuer may be less than the amount initially invested. Investors may refer to Condition 13 on pages 28 to 29 of this document for more information;
- (w) investors should note that it is not possible to predict the price at which the Certificates will trade in the secondary market or whether such market will be liquid or illiquid. To the extent Certificates of a particular issue are exercised, the number of Certificates of such issue

outstanding will decrease, resulting in a diminished liquidity for the remaining Certificates of such issue. A decrease in the liquidity of an issue of Certificates may cause, in turn, an increase in the volatility associated with the price of such issue of Certificates. The Issuer may, but is not obligated to, at any time, purchase Certificates at any price in the open market or by tender or private agreement. Any Certificates so purchased may be held or resold or surrendered for cancellation. To the extent that an issue of Certificates becomes illiquid, an investor may have to exercise such Certificates to realise value;

- (x) two or more risk factors may simultaneously have an effect on the value of a Certificate such that the effect of any individual risk factor may not be predicted. No assurance can be given as to the effect any combination of risk factors may have on the value of a Certificate;
- (y) investors should note that they may be required to pay stamp taxes or other documentary charges in accordance with the laws and practices of the country where the Certificates are transferred. Investors who are in any doubt as to their tax position should consult their own independent tax advisers. In addition, investors should be aware that tax regulations and their application by the relevant taxation authorities change from time to time. Accordingly, it is not possible to predict the precise tax treatment which will apply at any given time. Investors should refer to the Taxation Section in the Base Listing Document;
- (z) investors should note that the Issuer may enter into discount, commission or fee arrangements with brokers and/or any of its subsidiaries or affiliates with respect to the primary or secondary market in the Certificates. The arrangements may result in the benefit to investors in Certificates buying and selling Certificates through nominated brokers by reducing or eliminating the commission payable by such Certificate Holders. In the event that the commission payable by Certificate Holders is eliminated, fee arrangements between the Issuer and brokers and/or any of its subsidiaries or affiliates will continue to apply. Investors in the Certificates should note that any brokers with whom the Issuer has a commission arrangement does not, and cannot be expected to, deal exclusively in the Certificates, therefore any broker and/or any of its subsidiaries or affiliates may from time to time engage in transactions involving the Underlying Stock and/or structured products of other issuers over the Underlying Stock as the Certificates for their proprietary accounts and/or accounts of their clients. The fact that the same broker may deal simultaneously for different clients in competing products in the market place may affect the value of the Certificates and present certain conflicts of interests;
- (aa) various potential and actual conflicts of interest may arise from the overall activities of the Issuer and any of its subsidiaries and affiliates.

The Issuer and any of its subsidiaries and affiliates are diversified financial institutions with relationships in countries around the world. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, hedging transactions and investment and other activities for their own account or the account of others. In addition, the Issuer and any of its subsidiaries and affiliates, in connection with their other business activities, may possess or acquire material information about the Underlying Stock. Such activities and information may involve or otherwise affect issuers of the Underlying Stock in a manner that may cause consequences adverse to the Certificate Holders or otherwise create conflicts of interests in connection with the issue of Certificates by the Issuer. Such actions and conflicts may include, without limitation, the exercise of voting power, the purchase and sale of securities, financial advisory relationships and exercise of creditor rights. The Issuer and any of its subsidiaries and affiliates have no obligation to disclose such information about the Underlying Stock or such activities. The Issuer and any of its subsidiaries and affiliates

and their officers and directors may engage in any such activities without regard to the issue of Certificates by the Issuer or the effect that such activities may directly or indirectly have on any Certificate;

- (bb) in the ordinary course of their business, including without limitation in connection with the Issuer or its appointed designated market maker's market making activities, the Issuer and any of its respective subsidiaries and affiliates may effect transactions for their own account or for the account of their customers and hold long or short positions in the Underlying Stock and/or related derivatives. In addition, in connection with the offering of any Certificates, the Issuer and any of its respective subsidiaries and affiliates may enter into one or more hedging transactions with respect to the Underlying Stock and/or related derivatives. In connection with such hedging or market-making activities or with respect to proprietary or other trading activities by the Issuer and any of its respective subsidiaries and its affiliates, the Issuer and any of its respective subsidiaries and affiliates may enter into transactions in the Underlying Stock and/or related derivatives which may affect the market price, liquidity or value of the Certificates and which may affect the interests of Certificate Holders;
- (cc) the value of the Certificates depends on the Leverage Inverse Strategy performance built in the Certificate. The Calculation Agent will make the Leverage Inverse Strategy last closing level and a calculation tool available to the investors on a website;
- (dd) certain risks relating to the Issuer's operating environment and strategy, including those as set out in Appendix 2 of the Base Listing Document, may impact the Issuer's ability to execute its strategy and directly affect its business activities, financial condition, results of operations and prospects. As a broad-based international financial services firm, the Issuer is inherently exposed to risks that become apparent only with the benefit of hindsight, risks of which it is not presently aware or which it currently does not consider to be material could also materially affect its business activities, financial condition, results of operations and prospects. The sequence in which the risk factors are set out in Appendix 2 of the Base Listing Document is not indicative of their likelihood of occurrence or the potential magnitude of their financial consequences;
- (ee) as the Certificates are represented by a global warrant certificate which will be deposited with The Central Depository (Pte) Limited ("**CDP**"):-
 - (i) investors should note that no definitive certificate will be issued in relation to the Certificates;
 - (ii) there will be no register of Certificate Holders and each person who is for the time being shown in the records maintained by CDP as entitled to a particular number of Certificates by way of interest (to the extent of such number) in the global warrant certificate in respect of those Certificates represented thereby shall be treated as the holder of such number of Certificates;
 - (iii) investors will need to rely on any statements received from their brokers/custodians as evidence of their interest in the Certificates; and
 - (iv) notices to such Certificate Holders will be published on the website of the SGX-ST. Investors will need to check the website of the SGX-ST regularly and/or rely on their brokers/custodians to obtain such notices;
- (ff) Generally, investing in the Certificates may involve risks related to the discontinuance, changes or adjustments to benchmarks generally

Discontinuance of, or changes to, benchmarks may require adjustments to the Issuer's agreements, systems and processes. The interbank offered rate(s) and other interest rate, equity, commodity, foreign exchange and other types of indices which are deemed to be "benchmarks", are the subject of national, international and other regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be or may be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Certificates referencing such a benchmark. Investors should consult their own independent advisers and make their own assessment about the potential risks or any of the international or national reforms in making any investment decision with respect to any Certificates referencing a benchmark; and

- (gg) Specifically, the reform of HIBOR may adversely affect the value of the Certificates

The Hong Kong Inter-bank Offered Rate ("**HIBOR**") benchmark is referenced in the Leverage Inverse Strategy.

It is not possible to predict with certainty whether, and to what extent, HIBOR will continue to be supported going forwards. This may cause HIBOR to perform differently than they have done in the past, and may have other consequences which cannot be predicted. Such factors may have (without limitation) the following effects: (i) discouraging market participants from continuing to administer or contribute to a benchmark; (ii) triggering changes in the rules or methodologies used in the benchmark and/or (iii) leading to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on the Certificates.

In addition, the occurrence of a modification or cessation of HIBOR may cause adjustment of the Certificates which may include selecting one or more successor benchmarks and making related adjustments to the Certificates, including if applicable to reflect increased costs.

The Calculation Agent may make adjustments as it may determine appropriate if any of the following circumstances occurs or may occur: (1) HIBOR is materially changed or cancelled or (2)(i) the relevant authorisation, registration, recognition, endorsement, equivalence decision or approval in respect of the benchmark or the administrator or sponsor of the benchmark is not obtained, (ii) an application for authorisation, registration, recognition, endorsement, equivalence decision, approval or inclusion in any official register is rejected or (iii) any authorisation, registration, recognition, endorsement, equivalence decision or approval is suspended or inclusion in any official register is withdrawn.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by any of the international or national reforms in making any investment decision with respect to any Certificate.

TERMS AND CONDITIONS OF THE CERTIFICATES

The following are the terms and conditions of the Certificates and should be read in conjunction with, and are qualified by reference to, the other information set out in this document and the Base Listing Document.

The Conditions are set out in the section headed “Terms and Conditions of the European Style Cash Settled Long/Short Certificates on Single Equities” in the Base Listing Document. For the purposes of the Conditions, the following terms shall have the following meanings:

Certificates:	40,000,000 European Style Cash Settled Short Certificates relating to the ordinary shares of Alibaba Group Holding Limited traded in HKD (the “ Underlying Stock ” or the “ Underlying ”)
ISIN:	CH1227876971
Company:	Alibaba Group Holding Limited (RIC: 9988.HK)
Underlying Price ³ and Source:	HK\$116.90 (Bloomberg)
Calculation Agent:	UBS AG acting through its London Branch
Strike Level:	Zero
Daily Leverage:	-5x (within the Leverage Inverse Strategy as described below)
Notional Amount per Certificate:	SGD 0.67
Management Fee (p.a.) ⁴ :	0.40%
Gap Premium (p.a.) ⁵ :	15.00%, is a hedging cost against extreme market movements overnight.
Stock Borrowing Cost ⁶ :	The annualised costs for borrowing stocks in order to take an inverse exposure on the Underlying Stock.
Rebalancing Cost ⁶ :	The transaction costs (if applicable), computed as a function of leverage and daily inverse performance of the Underlying Stock.
Launch Date:	19 May 2025
Closing Date:	26 May 2025

³ These figures are calculated as at, and based on information available to the Issuer on or about 26 May 2025. The Issuer is not obliged, and undertakes no responsibility to any person, to update or inform any person of any changes to the figures after 26 May 2025.

⁴ Please note that the Management Fee is calculated on a 360-day basis and may be increased up to a maximum of 3% p.a. on giving one month's notice to investors. Any increase in the Management Fee will be announced on the SGXNET. Please refer to “Fees and Charges” below for further details of the fees and charges payable and the maximum of such fees as well as other ongoing expenses that may be borne by the Certificates.

⁵ Please note that the Gap Premium is calculated on a 360-day basis.

⁶ These costs are embedded within the Leverage Inverse Strategy. Please note that the Stock Borrowing Cost may be changed on giving 5 Business Days' notice to investors. Any change in the Stock Borrowing Cost will be announced on the SGXNET.

Expected Listing Date:	27 May 2025
Last Trading Date:	The date falling 5 Business Days immediately preceding the Expiry Date, currently being 23 October 2026
Expiry Date:	30 October 2026 (if the Expiry Date is not a Business Day, then the Expiry Date shall fall on the preceding Business Day and subject to adjustment of the Valuation Date upon the occurrence of Market Disruption Events as set out in the Conditions of the Certificates)
Board Lot:	100 Certificates
Valuation Date:	29 October 2026 or if such day is not an Exchange Business Day, the immediately preceding Exchange Business Day.
Exercise:	<p>The Certificates may only be exercised on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, in a Board Lot or integral multiples thereof. Certificate Holders shall not be required to deliver an exercise notice. Exercise of Certificates shall be determined by whether the Cash Settlement Amount (less any Exercise Expenses) is positive. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates shall be deemed to have been automatically exercised at 5:00 p.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day. The Cash Settlement Amount less the Exercise Expenses in respect of the Certificates shall be paid in the manner set out in Condition 4(c) of the Conditions. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired at 5:00 p.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, and Certificate Holders shall not be entitled to receive any payment from the Issuer in respect of the Certificates.</p>
Cash Settlement Amount:	<p>In respect of each Certificate, shall be an amount (if positive) payable in the Settlement Currency equal to:</p> <p>Closing Level multiplied by the Notional Amount per Certificate</p> <p>Please refer to the “Information relating to the European Style Cash Settled Short Certificates on Single Equities” section on pages 33 to 47 of this document for examples and illustrations of the calculation of the Cash Settlement Amount.</p>
Hedging Fee Factor:	<p>In respect of each Certificate, shall be an amount calculated as: Product (for t from Expected Listing Date to Valuation Date) of $(1 - \text{Management Fee} \times (\text{ACT}(t-1;t) \div 360)) \times (1 - \text{Gap Premium}(t-1) \times (\text{ACT}(t-1;t) \div 360))$, where:</p>

“t” refers to “**Observation Date**” which means each Underlying Stock Business Day (subject to Market Disruption Event) from (and including) the Underlying Stock Business Day immediately preceding the Expected Listing Date to the Valuation Date; and

ACT (t-1;t) means the number of calendar days between the Underlying Stock Business Day immediately preceding the Observation Date (which is “t-1”) (included) and the Observation Date (which is “t”) (excluded).

An “**Underlying Stock Business Day**” is a day on which The Stock Exchange of Hong Kong Limited (the “**HKEX**”) is open for dealings in Hong Kong during its normal trading hours and banks are open for business in Hong Kong.

Please refer to the “Information relating to the European Style Cash Settled Short Certificates on Single Equities” section on pages 33 to 47 of this document for examples and illustrations of the calculation of the Hedging Fee Factor.

Closing Level: In respect of each Certificate, shall be an amount payable in the Settlement Currency equal to:

$$\left(\frac{\text{Final Reference Level} \times \text{Final Exchange Rate}}{\text{Initial Reference Level} \times \text{Initial Exchange Rate}} - \text{Strike Level} \right) \times \text{Hedging Fee Factor}$$

Initial Reference Level: 1,000

Final Reference Level: The closing level of the Leverage Inverse Strategy (as described below) on the Valuation Date

The calculation of the closing level of the Leverage Inverse Strategy is set out in the “Specific Definitions relating to the Leverage Inverse Strategy” section on pages 15 to 19 below.

Initial Exchange Rate³: 0.1638480431

Final Exchange Rate: The rate for the conversion of HKD to SGD as at 5:00pm (Singapore Time) on the Valuation Date as shown on Reuters, provided that if the Reuters service ceases to display such information, as determined by the Issuer by reference to such source(s) as the Issuer may reasonably determine to be appropriate at such a time.

Air Bag Mechanism: The “**Air Bag Mechanism**” refers to the mechanism built in the Leverage Inverse Strategy and which is designed to reduce the Leverage Inverse Strategy exposure to the Underlying Stock during extreme market conditions. If the Underlying Stock rises by 15% or more (“**Air Bag Trigger Price**”) during the trading day (which represents approximately 75% loss after a 5 times inverse leverage), the Air Bag Mechanism is triggered and the Leverage Inverse Strategy is adjusted intra-day. The Air Bag Mechanism reduces the

impact on the Leverage Inverse Strategy if the Underlying Stock rises further, but will also maintain a reduced exposure to the Underlying Stock in the event the Underlying Stock starts to fall after the Air Bag Mechanism is triggered, thereby reducing its ability to recoup losses.

Trading of Certificates is suspended for at least 30 minutes of continuous trading after the Air Bag is triggered. The resumption of trading is subject to the SGX-ST's requirements of at least 15 minutes after the SGX-ST approves the request from the Issuer to resume trading on the Certificates, rounded to the next quarter of an hour.

The Leverage Inverse Strategy is floored at 0 and the Certificates cannot be valued below zero.

Please refer to the "Air Bag Mechanism" section on page 19 below and the "Description of Air Bag Mechanism" section on pages 39 to 40 of this document for further information of the Air Bag Mechanism.

Adjustments and Extraordinary Events:	The Issuer has the right to make adjustments to the terms of the Certificates if certain events, including any capitalisation issue, rights issue, extraordinary distributions, merger, delisting, insolvency (as more specifically set out in the terms and conditions of the Certificates) occur in respect of the Underlying Stock. For the avoidance of doubt, no notice will be given if the Issuer determines that adjustments will not be made.
Underlying Stock Currency:	Hong Kong Dollar (" HKD ")
Settlement Currency:	Singapore Dollar (" SGD ")
Exercise Expenses:	Certificate Holders will be required to pay all charges which are incurred in respect of the exercise of the Certificates.
Relevant Stock Exchange for the Certificates:	The Singapore Exchange Securities Trading Limited (" SGX-ST ")
Relevant Stock Exchange for the Underlying Stock:	HKEX
Business Day, Settlement Business Day and Exchange Business Day:	<p>A "Business Day" or a "Settlement Business Day" is a day (excluding Saturdays, Sundays and public holidays) on which the SGX-ST is open for dealings in Singapore during its normal trading hours and banks are open for business in Singapore.</p> <p>An "Exchange Business Day" is a day on which the SGX-ST and the HKEX are open for dealings in Singapore and Hong Kong respectively during its normal trading hours and banks are open for business in Singapore and Hong Kong.</p>

Warrant Agent:	The Central Depository (Pte) Limited (“CDP”)
Clearing System:	CDP
Fees and Charges:	<p>Normal transaction and brokerage fees shall apply to the trading of the Certificates on the SGX-ST. Investors should note that they may be required to pay stamp taxes or other documentary charges in accordance with the laws and practices of the country where the Certificates are transferred. Investors who are in any doubt as to their tax position should consult their own independent tax advisers. In addition, investors should be aware that tax regulations and their application by the relevant taxation authorities change from time to time. Accordingly, it is not possible to predict the precise tax treatment which will apply at any given time.</p> <p>Investors holding position overnight would also be required to bear the Management Fee and Gap Premium, which are calculated daily and applied to the value of the Certificates, as well as certain costs embedded within the Leverage Inverse Strategy including the Stock Borrowing Cost and the Rebalancing Cost. The Management Fee may be increased up to a maximum of 3% p.a. on giving one month’s notice to investors in accordance with the terms and conditions of the Certificates. Any increase in the Management Fee will be announced on the SGXNET.</p>
Further Information:	Please refer to the website at http://dlc.ubs.com for more information on the theoretical closing price of the Certificates on the previous trading day, the closing price of the Underlying Stock on the previous trading day, the Air Bag Trigger Price for each trading day and the Management Fee and Gap Premium.

Specific Definitions relating to the Leverage Inverse Strategy

Description of the Leverage Inverse Strategy

The Leverage Inverse Strategy is designed to track a 5 times daily leveraged inverse exposure to the Underlying Stock.

At the end of each trading day of the Underlying Stock, the exposure of the Leverage Inverse Strategy to the Underlying Stock is reset within the Leverage Inverse Strategy in order to retain a daily leverage of 5 times the inverse performance of the Underlying Stock (excluding costs) regardless of the performance of the Underlying Stock on the preceding day. This mechanism is referred to as the Daily Reset.

The Leverage Inverse Strategy incorporates an air bag mechanism which is designed to reduce exposure to the Underlying Stock during extreme market conditions, as further described below.

Leverage Inverse Strategy Formula

LSL_t means the Leverage Inverse Strategy Level as of the Leverage Reset Time (t), calculated in accordance with the following formulae:

On Leverage Reset Time(1):

$$LSL_1 = 1000$$

On each subsequent Leverage Reset Time(t):

$$LSL_t = \text{Max} \left[LSL_{r(t)} \times \left(1 + LR_{r(t),t} - FC_{r(t),t} - SB_{r(t),t} - RC_{r(t),t} \right), 0 \right]$$

Leverage Reset Time (t) means

1) the scheduled closing time for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto) on any Observation Date; and

2) end of any Intraday Restrike Event Observation Period.

Leverage Reset Time (1) is the scheduled close for the Relevant Stock Exchange for the Underlying Stock on Issue Date.

Leverage Reset Time r(t) means the Leverage Reset Time immediately preceding the Leverage Reset Time (t).

LR_{r(t),t} means the Leveraged Return of the Underlying Stock between Leverage Reset Time r(t) and Leverage Reset Time (t), calculated as follows:

$$LR_{r(t),t} = \text{Leverage} \times \left(\frac{S_t}{S_{r(t)} \times \text{Factor}_t} - 1 \right)$$

FC_{r(t),t} means, the Funding Cost between the Leverage Reset Time r(t) (included) and the Leverage Reset Time (t) (excluded) calculated as follows:

If the Leverage Reset Time r(t) is at the scheduled closing time for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto) on any Observation Date,

$$FC_{r(t),t} = (\text{Leverage} - 1) \times \frac{\text{Rate}_{r(t)} \times \text{ACT}(r(t), t)}{\text{DayCountBasisRate}}$$

Otherwise, $FC_{r(t),t} = 0$

SB_{r(t),t} means the Stock Borrowing Cost between the Leverage Reset Time r(t) (included) and the Leverage Reset Time (t) (excluded) calculated as follows:

If the Leverage Reset Time r(t) is at the scheduled closing time for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto) on any Observation Date,

$$SB_{r(t),t} = -\text{Leverage} \times \frac{\text{CB} \times \text{ACT}(r(t), t)}{\text{DayCountBasisRate}}$$

Otherwise, $SB_{r(t),t} = 0$

CB means the Cost of Borrowing applicable that is equal to: 4.00%

RC_{r(t),t} means the Rebalancing Cost of the Leverage Inverse Strategy as at Leverage Reset Time (t), calculated as follows :

$$RC_{r(t),t} = \text{Leverage} \times (\text{Leverage} - 1) \times \left(\left| \frac{S_t}{S_{r(t)} \times Rfactor_t} - 1 \right| \right) \times TC$$

TC means the Transaction Costs applicable as determined by the Calculation Agent (including Stamp Duty and any other applicable taxes, levies and costs which may be levied on the stock transactions on the Relevant Stock Exchange for the Underlying Stock by the applicable regulatory authorities from time to time) that are currently equal to :

0.11%

“Stamp Duty” refers to the applicable rate of stamp duty on the stock transactions in the jurisdiction of the Relevant Stock Exchange for the Underlying Stock, which may be changed by the applicable regulatory authorities from time to time.

Leverage -5

S_t means the Underlying Stock Price as of Leverage Reset Time (t) computed as follows, subject to the adjustments and provisions of the Conditions:

If the Leverage Reset Time (t) is at the scheduled closing time for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto) on any Observation Date,

S_t is the Closing Price of the Underlying Stock as of such Observation Date.

Otherwise,

S_t is the highest price of the Underlying Stock during the respective Intraday Restrike Observation Period.

Rfactor_t means an amount determined by the Calculation Agent, according to the following formula, subject to the adjustments and provisions of the Conditions:

If in respect of the Leverage Reset Time (t), the immediately preceding Leverage Reset Time r(t) is at the scheduled closing time for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto) on any Observation Date,

$$Rfactor_t = 1 - \frac{Div_t}{S_{r(t)}}$$

Otherwise,

$$Rfactor_t = 1$$

Where

Div_t is the dividend to be paid out in respect of the Underlying Stock on the Observation Date of the Leverage Reset Time (t) if such Observation Date is an ex-dividend date, otherwise is zero. The dividend shall be considered gross of any applicable withholding taxes.

Rate_t means, in respect of the Observation Date of Leverage Reset Time (t), the Overnight HKD Hong Kong Interbank Offered Rate (HIBOR) Fixing,

as published on Reuters RIC HHHKDOND= or any successor page, being the rate as of day (t), provided that if such rate is not available, then the rate shall be determined by reference to the latest available rate that was published on the relevant Reuters page. Upon the occurrence or likely occurrence, as determined by the Calculation Agent, of a Benchmark Event, the Calculation Agent may make adjustments as it may determine appropriate to account for the relevant event or circumstance, including but not limited to using any alternative rates from such date, with or without retroactive effect as the Calculation Agent may in its sole and absolute discretion determine.

Benchmark Event

means:

- (a) the relevant reference rate has ceased to be published on the relevant screen page as a result of such benchmark ceasing to be calculated or administered; or
- (b) a public statement by the administrator of the relevant reference rate that (in circumstances where no successor administrator has been or will be appointed that will continue publication of such reference rate) it has ceased publishing such reference rate permanently or indefinitely or that it will cease to do so by a specified future date (the "**Specified Future Date**"); or
- (c) a public statement by the supervisor of the administrator of the relevant reference rate that such reference rate has been or will, by a specified future date (the "**Specified Future Date**"), be permanently or indefinitely discontinued; or
- (d) a public statement by the supervisor of the administrator of the relevant reference rate as a consequence of which Reference Rate will, by a specified future date (the "**Specified Future Date**"), be prohibited from being used, or that its use will be subject to restrictions or adverse consequences, either generally or in respect of the Certificates; or
- (e) a public statement by the supervisor of the administrator of the relevant reference rate that, in the view of such supervisor, such reference rate is or will, by a specified future date (the "**Specified Future Date**"), be no longer representative of an underlying market or the methodology to calculate such reference rate has materially changed; or
- (f) it has or will, by a specified date within the following six months, become unlawful for the Calculation Agent or the Issuer to calculate any payments due to be made to any holder of the Certificates using the relevant reference rate (including, without limitation, under the Benchmarks Regulation (EU) 2016/1011, if applicable).

Notwithstanding the subparagraphs above, where the relevant Benchmark Event is a public statement within subparagraphs (b), (c), (d)

or (e) above and the Specified Future Date in the public statement is more than six months after the date of that public statement, the Benchmark Event shall not be deemed occur until the date falling six months prior to such Specified Future Date.

ACT(r(t),t) ACT (r(t),t) means the number of calendar days between the Observation Date of the Leverage Reset Time r(t) (included) and the Observation Date of the Leverage Reset Time (t) (excluded).

DayCountBasisRate 365

Air Bag Mechanism

Intraday Restrike Event means in respect of an Observation Date, the increase at any Calculation Time of the Underlying Stock price by 15% or more compared with the amount of $S_{r(t)} \times Rfactor_t$ where r(t) means the immediately preceding Leverage Reset Time prior to such Calculation Time.

Calculation Time means any time between the TimeReferenceOpening and the TimeReferenceClosing, provided that the relevant data is available to enable the Calculation Agent to determine the Leverage Inverse Strategy Level.

TimeReferenceOpening means the scheduled opening time (including pre-opening session or opening auction, as the case may be) for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto).

TimeReferenceClosing means the scheduled closing time (including closing auction session) for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto).

Intraday Restrike Event Observation Period means in respect of an Intraday Restrike Event, the period starting on and excluding the Intraday Restrike Event Time and finishing on and including the sooner between (1) the time falling 15 minutes of continuous trading after the Intraday Restrike Event Time and (2) the TimeReferenceClosing.

Where, during such period, the Calculation Agent determines that (1) the trading in the Underlying Stock is disrupted or subject to suspension or limitation or (2) the Relevant Stock Exchange for the Underlying Stock is not open for continuous trading, the Intraday Restrike Event Observation Period will be extended to the extent necessary until (1) the trading in the Underlying Stock is no longer disrupted, suspended or limited and (2) the Relevant Stock Exchange for the Underlying Stock is open for continuous trading.

Intraday Restrike Event Time means in respect of an Intraday Restrike Event, the Calculation Time on which such event occurs.

The Conditions set out in the section headed "Terms and Conditions of the European Style Cash Settled Long/Short Certificates on Single Equities" in the Base Listing Document are set out below. This section is qualified in its entirety by reference to the detailed information appearing elsewhere in this document which shall, to the extent so specified or to the extent inconsistent with the relevant Conditions set out below, replace or modify the relevant Conditions for the purpose of the Certificates.

TERMS AND CONDITIONS OF THE EUROPEAN STYLE CASH SETTLED LONG/SHORT CERTIFICATES ON SINGLE EQUITIES

1. Form, Status, Transfer and Title

- (a) *Form.* The Certificates (which expression shall, unless the context otherwise requires, include any further certificates issued pursuant to Condition 11) are issued subject to and with the benefit of:-
- (i) a master instrument by way of deed poll (the "**Master Instrument**") dated 28 June 2024, made by UBS AG (the "**Issuer**") acting through its London Branch; and
 - (ii) a warrant agent agreement (the "**Master Warrant Agent Agreement**" or "**Warrant Agent Agreement**") dated any time on or before the Closing Date, made between the Issuer and the Warrant Agent for the Certificates.

Copies of the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement are available for inspection at the specified office of the Warrant Agent.

The Certificate Holders (as defined below) are entitled to the benefit of, are bound by and are deemed to have notice of all the provisions of the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement.

- (b) *Status.* The Certificates constitute direct, general and unsecured contractual obligations of the Issuer and rank, and will rank, equally among themselves and *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer (save for statutorily preferred exceptions). The Certificates provide for cash settlement on exercise and, in particular, the Certificates will not be secured by any underlying assets. The Certificates do not entitle Certificate Holders to the delivery of any Underlying Stock, are not secured by the Underlying Stock and do not entitle Certificate Holders to any interest in any Underlying Stock.
- (c) *Transfer.* The Certificates are represented by a global warrant certificate ("**Global Warrant**") which will be deposited with The Central Depository (Pte) Limited ("**CDP**"). Certificates in definitive form will not be issued. Transfers of Certificates may be effected only in Board Lots or integral multiples thereof. All transactions in (including transfers of) Certificates, in the open market or otherwise, must be effected through a securities account with CDP. Title will pass upon registration of the transfer in the records maintained by CDP.
- (d) *Title.* Each person who is for the time being shown in the records maintained by CDP as entitled to a particular number of Certificates shall be treated by the Issuer and the Warrant Agent as the holder and absolute owner of such number of Certificates, notwithstanding any notice to the contrary. The expression "**Certificate Holder**" shall be construed accordingly.

2. Certificate Rights and Exercise Expenses

- (a) *Certificate Rights.* Every Certificate entitles each Certificate Holder, upon due exercise and on compliance with Condition 4, to payment by the Issuer of the Cash Settlement Amount (as defined below) (if any) in the manner set out in Condition 4.

The "**Cash Settlement Amount**", in respect of each Certificate, shall be an amount (if positive) payable in the Settlement Currency equal to the Closing Level multiplied by the Notional Amount per Certificate.

The "**Closing Level**", in respect of each Certificate, shall be an amount payable in the Settlement Currency equal to:

$$\left(\frac{\text{Final Reference Level} \times \text{Final Exchange Rate}}{\text{Initial Reference Level} \times \text{Initial Exchange Rate}} - \text{Strike Level} \right) \times \text{Hedging Fee Factor}$$

If the Issuer determines, in its sole discretion, that on the Valuation Date or any Observation Date a Market Disruption Event has occurred, then that Valuation Date or Observation Date shall be postponed until the first succeeding Exchange Business Day or Underlying Stock Business Day, as the case may be, on which there is no Market Disruption Event, unless there is a Market Disruption Event on each of the five Exchange Business Days or Underlying Stock Business Days, as the case may be, immediately following the original date that, but for the Market Disruption Event, would have been a Valuation Date or an Observation Date. In that case:-

- (i) that fifth Exchange Business Day or Underlying Stock Business Day, as the case may be, shall be deemed to be the Valuation Date or the Observation Date notwithstanding the Market Disruption Event; and
- (ii) the Issuer shall determine the Final Reference Level or the relevant closing level on the basis of its good faith estimate of the Final Reference Level or the relevant closing level that would have prevailed on that fifth Exchange Business Day or Underlying Stock Business Day, as the case may be, but for the Market Disruption Event provided that the Issuer, if applicable, may, but shall not be obliged to, determine such Final Reference Level or the relevant closing level by having regard to the manner in which futures contracts relating to the Underlying Stock are calculated.

"**Market Disruption Event**" means the occurrence or existence of (i) any suspension of trading on the Relevant Stock Exchange of the Underlying Stock requested by the Company if that suspension is, in the determination of the Issuer, material, (ii) any suspension of or limitation imposed on trading (including but not limited to unforeseen circumstances such as by reason of movements in price exceeding limits permitted by the Relevant Stock Exchange or any act of God, war, riot, public disorder, explosion, terrorism or otherwise) on the Relevant Stock Exchange in the Underlying Stock if that suspension or limitation is, in the determination of the Issuer, material, or (iii) the closing of the Relevant Stock Exchange or a disruption to trading on the Relevant Stock Exchange, if that disruption is, in the determination of the Issuer, material as a result of the occurrence of any act of God, war, riot, public disorder, explosion or terrorism.

- (b) *Exercise Expenses.* Certificate Holders will be required to pay all charges which are incurred in respect of the exercise of the Certificates (the "**Exercise Expenses**"). An amount equivalent to the Exercise Expenses will be deducted by the Issuer from the Cash Settlement Amount in accordance with Condition 4. Notwithstanding the

foregoing, the Certificate Holders shall account to the Issuer on demand for any Exercise Expenses to the extent that they were not or could not be deducted from the Cash Settlement Amount prior to the date of payment of the Cash Settlement Amount to the Certificate Holders in accordance with Condition 4.

- (c) **No Rights.** The purchase of Certificates does not confer on the Certificate Holders any right (whether in respect of voting, dividend or other distributions in respect of the Underlying Stock or otherwise) which the holder of an Underlying Stock may have.

3. Expiry Date

Unless automatically exercised in accordance with Condition 4(b), the Certificates shall be deemed to expire at 5:00 p.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day (as defined below), the immediately preceding Business Day.

4. Exercise of Certificates

- (a) **Exercise.** Certificates may only be exercised on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, in accordance with Condition 4(b).
- (b) **Automatic Exercise.** Certificate Holders shall not be required to deliver an exercise notice. Exercise of Certificates shall be determined by whether the Cash Settlement Amount (less any Exercise Expenses) is positive. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates shall be deemed to have been automatically exercised at 5:00 p.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day. The Cash Settlement Amount less the Exercise Expenses in respect of the Certificates shall be paid in the manner set out in Condition 4(c) below. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired at 5:00 p.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, and Certificate Holders shall not be entitled to receive any payment from the Issuer in respect of the Certificates.
- (c) **Settlement.** In respect of Certificates which are automatically exercised in accordance with Condition 4(b), the Issuer will pay to the Warrant Agent who will then pay to the relevant Certificate Holder the Cash Settlement Amount (if any) in the Settlement Currency. The aggregate Cash Settlement Amount (less any Exercise Expenses) shall be dispatched by the Warrant Agent as soon as practicable and no later than five Settlement Business Days (as defined in the relevant Supplemental Listing Document) following the Expiry Date (subject to extension upon the occurrence of a Market Disruption Event (as defined above) by way of crossed cheque or other payment in immediately available funds drawn in favour of the Certificate Holder only (or, in the case of joint Certificate Holders, the first-named Certificate Holder) appearing in the records maintained by CDP. Any payment made pursuant to this Condition 4(c) shall be delivered at the risk and expense of the Certificate Holder and posted to the Certificate Holder's address appearing in the records maintained by CDP (or, in the case of joint Certificate Holders, to the address of the first-named Certificate Holder appearing in the records maintained by CDP). If the Cash Settlement Amount is equal to or less than the determined Exercise Expenses, no amount is payable.

The Issuer's obligations to pay the Cash Settlement Amount shall be discharged by payment to the Warrant Agent in accordance with the Master Warrant Agent Agreement or Warrant Agent Agreement.

- (d) *CDP not liable.* CDP shall not be liable to any Certificate Holder with respect to any action taken or omitted to be taken by the Issuer or the Warrant Agent in connection with the exercise of the Certificates or otherwise pursuant to or in connection with these Conditions.
- (e) *Business Day.* In these Conditions, a "**Business Day**" shall be a day (excluding Saturdays, Sundays and public holidays) on which the SGX-ST is open for dealings in Singapore during its normal trading hours and banks are open for business in Singapore.

5. Warrant Agent

- (a) *Warrant Agent.* The Issuer reserves the right, subject to the appointment of a successor, at any time to vary or terminate the appointment of the Warrant Agent and to appoint another Warrant Agent provided that it will at all times maintain a Warrant Agent which, so long as the Certificates are listed on the SGX-ST, shall be in Singapore. Notice of any such termination or appointment and of any change in the specified office of the Warrant Agent will be given to the Certificate Holders in accordance with Condition 9.
- (b) *Agent of Issuer.* The Warrant Agent will be acting as agent of the Issuer and will not assume any obligation or duty to or any relationship of agency or trust for the Certificate Holders. All determinations and calculations by the Warrant Agent under these Conditions shall (save in the case of manifest error) be final and binding on the Issuer and the Certificate Holders.

6. Adjustments

- (a) *Potential Adjustment Event.* Following the declaration by a Company of the terms of any Potential Adjustment Event (as defined below), the Issuer will determine whether such Potential Adjustment Event has a dilutive or concentrative or other effect on the theoretical value of the Underlying Stock and, if so, will (i) make the corresponding adjustment, if any, to any one or more of the Conditions as the Issuer determines appropriate to account for that dilutive or concentrative or other effect, and (ii) determine the effective date of that adjustment. The Issuer may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an exchange on which options or futures contracts on the Underlying Stock are traded.
- (b) *Definitions.* "*Potential Adjustment Event*" means any of the following:
 - (i) a subdivision, consolidation, reclassification or other restructuring of the Underlying Stock (excluding a Merger Event) or a free distribution or dividend of any such Underlying Stock to existing holders by way of bonus, capitalisation or similar issue;
 - (ii) a distribution or dividend to existing holders of the Underlying Stock of (1) such Underlying Stock, or (2) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Company equally or proportionately with such payments to holders of such Underlying Stock, or (3) share capital or other securities of another issuer

acquired by the Company as a result of a “spin-off” or other similar transaction, or (4) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or otherwise) at less than the prevailing market price as determined by the Issuer;

- (iii) an extraordinary dividend;
 - (iv) a call by the Company in respect of the Underlying Stock that is not fully paid;
 - (v) a repurchase by the Company of the Underlying Stock whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
 - (vi) with respect to a Company an event that results in any shareholder rights pursuant to a shareholder rights agreement or other plan or arrangement of the type commonly referred to as a “poison pill” being distributed, or becoming separated from shares of common stock or other shares of the capital stock of such Company (provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights); or
 - (vii) any other event that may have, in the opinion of the Issuer, a dilutive or concentrative or other effect on the theoretical value of the Underlying Stock.
- (c) *Merger Event, Tender Offer, Nationalisation and Insolvency.* If a Merger Event, Tender Offer, Nationalisation or Insolvency occurs in relation to the Underlying Stock, the Issuer may take any action described below:
- (i) determine the appropriate adjustment, if any, to be made to any one or more of the Conditions to account for the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, and determine the effective date of that adjustment. The Issuer may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of the Merger Event, Tender Offer, Nationalisation or Insolvency made by an options exchange to options on the Underlying Stock traded on that options exchange;
 - (ii) cancel the Certificates by giving notice to the Certificate Holders in accordance with Condition 9. If the Certificates are so cancelled, the Issuer will pay an amount to each Certificate Holder in respect of each Certificate held by such Certificate Holder which amount shall be the fair market value of a Certificate taking into account the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, less the cost to the Issuer and/or any of its affiliates of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its reasonable discretion. Payment will be made in such manner as shall be notified to the Certificate Holders in accordance with Condition 9; or
 - (iii) following any adjustment to the settlement terms of options on the Underlying Stock on such exchange(s) or trading system(s) or quotation system(s) as the Issuer in its reasonable discretion shall select (the “**Option Reference Source**”) make a corresponding adjustment to any one or more of the Conditions, which adjustment will be effective as of the date determined by the Issuer to be the effective date of the corresponding adjustment made by the Option Reference Source. If options on the Underlying Stock are not traded on the Option Reference Source, the Issuer will make such adjustment, if any, to any one or

more of the Conditions as the Issuer determines appropriate, with reference to the rules and precedents (if any) set by the Option Reference Source, to account for the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, that in the determination of the Issuer would have given rise to an adjustment by the Option Reference Source if such options were so traded.

Once the Issuer determines that its proposed course of action in connection with a Merger Event, Tender Offer, Nationalisation or Insolvency, it shall give notice to the Certificate Holders in accordance with Condition 9 stating the occurrence of the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, giving details thereof and the action proposed to be taken in relation thereto. Certificate Holders should be aware that due to the nature of such events, the Issuer will not make an immediate determination of its proposed course of action or adjustment upon the announcement or occurrence of a Merger Event, Tender Offer, Nationalisation or Insolvency.

- (d) *Definitions.* “**Insolvency**” means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting a Company (i) all the Underlying Stock of that Company is required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the Underlying Stock of that Company become legally prohibited from transferring them. “**Merger Date**” means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Issuer. “**Merger Event**” means, in respect of the Underlying Stock, any (i) reclassification or change of such Underlying Stock that results in a transfer of or an irrevocable commitment to transfer all of such Underlying Stock outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of a Company with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Company is the continuing entity and which does not result in reclassification or change of all of such Underlying Stock outstanding), (iii) takeover offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Underlying Stock of the Company that results in a transfer of or an irrevocable commitment to transfer all such Underlying Stock (other than such Underlying Stock owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the Company or its subsidiaries with or into another entity in which the Company is the continuing entity and which does not result in a reclassification or change of all such Underlying Stock outstanding but results in the outstanding Underlying Stock (other than Underlying Stock owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Underlying Stock immediately following such event, in each case if the Merger Date is on or before the Valuation Date. “**Nationalisation**” means that all the Underlying Stock or all or substantially all of the assets of a Company are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof. “**Tender Offer**” means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the Company, as determined by the Issuer, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Issuer deems relevant.

- (e) *Subdivision or Consolidation of the Certificates.* The Issuer reserves the right to subdivide or consolidate the Certificates, provided that such adjustment is considered by the Issuer not to be materially prejudicial to the Certificate Holders generally (without considering the circumstances of any individual Certificate Holder or the tax or other consequences of such adjustment or amendment in any particular jurisdiction).
- (f) *Other Adjustments.* Except as provided in this Condition 6 and Conditions 10 and 12, adjustments will not be made in any other circumstances, subject to the right reserved by the Issuer (such right to be exercised in the Issuer's sole and unfettered discretion and without any obligation whatsoever) to make such adjustments and amendments as it believes appropriate in circumstances where an event or events (including the events as contemplated in Conditions 6(a) to 6(e)) occur which it believes in its sole discretion (and notwithstanding any prior adjustment made pursuant to the above) and irrespective of, in substitution for, or in addition to the provisions contemplated in Conditions 6(a) to 6(e) should, in the context of the issue of the Certificates and the obligations of the Issuer, give rise to such adjustment or as the case may be, amendment provided that such adjustment or as the case may be, amendment is considered by the Issuer not to be materially prejudicial to the Certificate Holders generally (without considering the circumstances of any individual Certificate Holder or the tax or other consequences of such adjustment or amendment in any particular jurisdiction).
- (g) *Notice of Adjustments.* All determinations made by the Issuer pursuant hereto will be conclusive and binding on the Certificate Holders. The Issuer will give, or procure that there is given notice as soon as practicable of any adjustment and of the date from which such adjustment is effective in accordance with Condition 9. For the avoidance of doubt, no notice will be given if the Issuer determines that adjustments will not be made.

7. Purchases

The Issuer or its related corporations may at any time purchase Certificates at any price in the open market or by tender or by private treaty. Any Certificates so purchased may be held or resold or surrendered for cancellation.

8. Meetings of Certificate Holders; Modification

- (a) *Meetings of Certificate Holders.* The Master Warrant Agent Agreement or Warrant Agent Agreement contains provisions for convening meetings of the Certificate Holders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Master Warrant Agent Agreement or Warrant Agent Agreement) of a modification of the provisions of the Certificates or of the Master Warrant Agent Agreement or Warrant Agent Agreement.

At least 21 days' notice (exclusive of the day on which the notice is given and of the day on which the meeting is held) specifying the date, time and place of the meeting shall be given to the Certificate Holders.

Such a meeting may be convened by the Issuer or by Certificate Holders holding not less than ten per cent. of the Certificates for the time being remaining unexercised. The quorum at any such meeting for passing an Extraordinary Resolution will be two or more persons holding or representing not less than 25 per cent. of the Certificates for the time being remaining unexercised, or at any adjourned meeting two or more

persons being or representing Certificate Holders whatever the number of Certificates so held or represented.

A resolution will be an Extraordinary Resolution when it has been passed at a duly convened meeting by not less than three-quarters of the votes cast by such Certificate Holders who, being entitled to do so, vote in person or by proxy.

An Extraordinary Resolution passed at any meeting of the Certificate Holders shall be binding on all the Certificate Holders whether or not they are present at the meeting. Resolutions can be passed in writing if passed unanimously.

- (b) *Modification.* The Issuer may, without the consent of the Certificate Holders, effect (i) any modification of the provisions of the Certificates or the Master Instrument which is not materially prejudicial to the interests of the Certificate Holders or (ii) any modification of the provisions of the Certificates or the Master Instrument which is of a formal, minor or technical nature, which is made to correct an obvious error or which is necessary in order to comply with mandatory provisions of Singapore law. Any such modification shall be binding on the Certificate Holders and shall be notified to them by the Warrant Agent before the date such modification becomes effective or as soon as practicable thereafter in accordance with Condition 9.

9. Notices

- (a) *Documents.* All cheques and other documents required or permitted by these Conditions to be sent to a Certificate Holder or to which a Certificate Holder is entitled or which the Issuer shall have agreed to deliver to a Certificate Holder may be delivered by hand or sent by post addressed to the Certificate Holder at his address appearing in the records maintained by CDP or, in the case of joint Certificate Holders, addressed to the joint holder first named at his address appearing in the records maintained by CDP, and airmail post shall be used if that address is not in Singapore. All documents delivered or sent in accordance with this paragraph shall be delivered or sent at the risk of the relevant Certificate Holder.
- (b) *Notices.* All notices to Certificate Holders will be validly given if published in English on the website of the SGX-ST. Such notices shall be deemed to have been given on the date of the first such publication. If publication on the website of the SGX-ST is not practicable, notice will be given in such other manner as the Issuer may determine. The Issuer shall, at least one month prior to the expiry of any Certificate, give notice of the date of expiry of such Certificate in the manner prescribed above.

10. Liquidation

In the event of a liquidation or dissolution of the Company or the appointment of a liquidator (including a provisional liquidator) or receiver or judicial manager or trustee or administrator or analogous person under Singapore or other applicable law in respect of the whole or substantially the whole of its undertaking, property or assets, all unexercised Certificates will lapse and shall cease to be valid for any purpose, in the case of voluntary liquidation, on the effective date of the relevant resolution and, in the case of an involuntary liquidation or dissolution, on the date of the relevant court order or, in the case of the appointment of a liquidator (including a provisional liquidator) or receiver or judicial manager or trustee or administrator or analogous person under Singapore or other applicable law in respect of the whole or substantially the whole of its undertaking, property or assets, on the date when such appointment is effective but subject (in any such case) to any contrary mandatory requirement of law. In the event of the voluntary liquidation of the Company, the Issuer shall make such adjustments or amendments as it reasonably believes are appropriate in the circumstances.

11. Further Issues

The Issuer shall be at liberty from time to time, without the consent of the Certificate Holders, to create and issue further certificates so as to form a single series with the Certificates.

12. Delisting

- (a) *Delisting.* If at any time, the Underlying Stock ceases to be listed on the Relevant Stock Exchange, the Issuer shall give effect to these Conditions in such manner and make such adjustments and amendments to the rights attaching to the Certificates as it shall, in its absolute discretion, consider appropriate to ensure, so far as it is reasonably able to do so, that the interests of the Certificate Holders generally are not materially prejudiced as a consequence of such delisting (without considering the individual circumstances of any Certificate Holder or the tax or other consequences that may result in any particular jurisdiction).
- (b) *Issuer's Determination.* The Issuer shall determine, in its absolute discretion, any adjustment or amendment and its determination shall be conclusive and binding on the Certificate Holders save in the case of manifest error. Notice of any adjustments or amendments shall be given to the Certificate Holders in accordance with Condition 9 as soon as practicable after they are determined.

13. Early Termination

- (a) *Early Termination for Illegality etc.* The Issuer shall have the right to terminate the Certificates if it shall have determined in its absolute discretion that a Regulatory Event (as defined below) has occurred and, for reasons beyond its control its performance thereunder shall have become unlawful in whole or in part under any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power ("**Applicable Law**").

For the purposes of this Condition:

"**Regulatory Event**" means, following the occurrence of a Change in Law (as defined below) with respect to the Issuer and/or any of its affiliates involved in the issue of the Certificates (hereafter the "**Relevant Affiliates**" and each of the Issuer and the Relevant Affiliates, a "**Relevant Entity**") that, after the Certificates have been issued, (i) any Relevant Entity would incur a materially increased (as compared with circumstances existing prior to such event) amount of tax, duty, liability, penalty, expense, fee, cost or regulatory capital charge however defined or collateral requirements for performing its obligations under the Certificates or hedging the Issuer's obligations under the Certificates, including, without limitation, due to clearing requirements of, or the absence of, clearing of the transactions entered into in connection with the issue of, or hedging the Issuer's obligation under, the Certificates, (ii) it is or will become for any Relevant Entity impracticable, impossible (in each case, after using commercially reasonable efforts), unlawful, illegal or otherwise prohibited or contrary, in whole or in part, under any law, regulation, rule, judgement, order or directive of any governmental, administrative or judicial authority, or power, applicable to such Relevant Entity (a) to hold, acquire, issue, reissue, substitute, maintain, settle, or as the case may be, guarantee, the Certificates, (b) to acquire, hold, sponsor or dispose of any asset(s) (or any interest thereof) of any other transaction(s) such Relevant Entity may use in connection with the issue of the Certificates or to hedge the Issuer's obligations under the Certificates, (c) to perform obligations in connection with, the Certificates or any contractual arrangement entered into between the Issuer and any Relevant Affiliate (including without limitation to hedge the Issuer's obligations under the Certificates) or (d) to hold, acquire, maintain, increase,

substitute or redeem all or a substantial part of its direct or indirect shareholding in the Issuer's capital or the capital of any Relevant Affiliate or to directly or indirectly sponsor the Issuer or any Relevant Affiliate, or (iii) there is or may be a material adverse effect on a Relevant Entity in connection with the issue of the Certificates.

"Change in Law" means (i) the adoption, enactment, promulgation, execution or ratification of any applicable new law, regulation or rule (including, without limitation, any applicable tax law, regulation or rule) after the Certificates have been issued, (ii) the implementation or application of any applicable law, regulation or rule (including, without limitation, any applicable tax law, regulation or rule) already in force when the Certificates have been issued but in respect of which the manner of its implementation or application was not known or unclear at the time, or (iii) the change of any applicable law, regulation or rule existing when the Certificates are issued, or the change in the interpretation or application or practice relating thereto, existing when the Certificates are issued of any applicable law, regulation or rule, by any competent court, tribunal, regulatory authority or any other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any additional or alternative court, tribunal, authority or entity, to that existing when the Certificates are issued).

- (b) *Early Termination for other reasons.* The Issuer reserves the right (such right to be exercised in the Issuer's sole and unfettered discretion and without any obligation whatsoever) to terminate the Certificates in accordance with Condition 13(c) where an event or events occur which it believes in its sole discretion should, in the context of the issue of the Certificates and the obligations of the Issuer, give rise to such termination provided that such termination is considered by the Issuer not to be materially prejudicial to the interests of Certificate Holders generally (without considering the circumstances of any individual Certificate Holder or the tax or other consequences of such termination in any particular jurisdiction).
- (c) *Termination.* If the Issuer terminates the Certificates early, then the Issuer will give notice to the Certificate Holders in accordance with Condition 9. The Issuer will, if and to the extent permitted by the Applicable Law, pay to each Certificate Holder in respect of each Certificate held by such Certificate Holder an amount calculated by it as the fair market value of the Certificate immediately prior to such termination (ignoring such illegality) less the cost to the Issuer of unwinding any related hedging arrangements. Payment will be made to the Certificate Holder in such manner as shall be notified to the Certificate Holder in accordance with Condition 9.

14. Governing Law

The Certificates, the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement will be governed by and construed in accordance with Singapore law. The Issuer and each Certificate Holder (by its purchase of the Certificates) shall be deemed to have submitted for all purposes in connection with the Certificates, the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement to the non-exclusive jurisdiction of the courts of Singapore.

15. Prescription

Claims against the Issuer for payment of any amount in respect of the Certificates will become void unless made within six years of the Expiry Date and, thereafter, any sums payable in respect of such Certificates shall be forfeited and shall revert to the Issuer.

16. Contracts (Rights of Third Parties) Act 2001 of Singapore

Unless otherwise expressly provided in the Global Warrant, the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement, a person who is not a party to any contracts made pursuant to the Global Warrant, the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement has no rights under the Contracts (Rights of Third Parties) Act 2001 of Singapore to enforce any terms of such contracts. Except as expressly provided herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts.

SUMMARY OF THE ISSUE

The following is a summary of the issue and should be read in conjunction with, and is qualified by reference to, the other information set out in this document and the Base Listing Document. Terms used in this Summary are defined in the Conditions.

Issuer:	UBS AG acting through its London Branch
Company:	Alibaba Group Holding Limited
The Certificates:	European Style Cash Settled Short Certificates relating to the Underlying Stock
Number:	40,000,000 Certificates
Form:	The Certificates will be issued subject to, and with the benefit of, a master instrument by way of deed poll dated 28 June 2024 (the “ Master Instrument ”) and executed by the Issuer and a master warrant agent agreement dated 27 February 2008 (the “ Master Warrant Agent Agreement ”) and made between the Issuer and the Warrant Agent.
Cash Settlement Amount:	In respect of each Certificate, is the amount (if positive) equal to: Notional Amount per Certificate x Closing Level
Denominations:	Certificates are represented by a global warrant in respect of all the Certificates.
Exercise:	The Certificates may only be exercised on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, in a Board Lot or integral multiples thereof. Certificate Holders will not be required to deliver an exercise notice. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates will be deemed to have been automatically exercised at 5:00 p.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day. The Cash Settlement Amount less the Exercise Expenses in respect of the Certificates shall be paid in the manner set out in Condition 4(c) of the Conditions. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired at 5:00 p.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, and Certificate Holders shall not be entitled to receive any payment from the Issuer in respect of the Certificates.
Exercise and Trading Currency:	SGD
Board Lot:	100 Certificates

Transfers of Certificates:	Certificates may only be transferred in Board Lots (or integral multiples thereof). All transfers in Certificates, in the open market or otherwise, must be effected through a securities account with CDP. Title will pass upon registration of the transfer in the records of CDP.
Listing:	Application has been made to the SGX-ST for permission to deal in and for quotation of the Certificates and the SGX-ST has agreed in principle to grant permission to deal in and for quotation of the Certificates. Issue of the Certificates is conditional on such listing being granted. It is expected that dealings in the Certificates on the SGX-ST will commence on or about 27 May 2025.
Governing Law:	The laws of Singapore
Warrant Agent:	The Central Depository (Pte) Limited 4 Shenton Way #02-01 SGX Centre 2 Singapore 068807
Further Issues:	Further issues which will form a single series with the Certificates will be permitted.

The above summary is qualified in its entirety by reference to the detailed information appearing elsewhere in this document and the Base Listing Document.

INFORMATION RELATING TO THE EUROPEAN STYLE CASH SETTLED SHORT CERTIFICATES ON SINGLE EQUITIES

What are European Style Cash Settled Short Certificates on Single Equities?

European style cash settled short certificates on single equities (the “**Certificates**”) are structured products relating to the Underlying Stock and the return on a Certificate is linked to the performance of the Leverage Inverse Strategy.

A) Cash Settlement Amount Payable upon the Exercise of the Certificates at Expiry

Upon the exercise of the Certificates at expiry, the Certificate Holders would be paid a Cash Settlement Amount in respect of each Certificate.

The Cash Settlement Amount, in respect of each Certificate, shall be an amount payable in the Settlement Currency equal to the Closing Level multiplied by the Notional Amount per Certificate.

The Closing Level, in respect of each Certificate, shall be an amount payable in the Settlement Currency equal to (1) divided by (2) less (3) subject to any adjustments such as (4), where:

- (1) is the Final Reference Level multiplied by the Final Exchange Rate;
- (2) is the Initial Reference Level multiplied by the Initial Exchange Rate;
- (3) is the Strike Level; and
- (4) is the Hedging Fee Factor.

If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates shall be deemed to have been automatically exercised and investors will receive a Cash Settlement Amount. If the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired. Please refer to the section headed “Terms and Conditions of the European Style Cash Settled Long/Short Certificates on Single Equities” for further details on the calculation of the Cash Settlement Amount.

The Certificates are only suitable for investors who believe that the price of the Underlying Stock will decrease and are seeking short-term leveraged inverse exposure to the Underlying Stock.

B) Trading the Certificates before Expiry

If the Certificate Holders want to cash out their investments in the Certificates before the expiry of the Certificates, they may sell the Certificates in the secondary market during the life of the Certificates, and would be subject to the following fees and charges:

- (i) For Certificate Holders who trade the Certificates intraday: shall pay normal transaction and brokerage fees for the trading of the Certificates on the SGX-ST, and may be required to pay stamp taxes or other documentary charges in accordance with the laws and practices of the country where the Certificates are transferred; and
- (ii) For Certificate Holders who hold the Certificates overnight: in addition to the normal transaction and brokerage fees and applicable stamp taxes, would also be required to bear the Management Fee and Gap Premium as well as certain costs embedded within the Leverage Inverse Strategy including the Stock Borrowing Cost and the Rebalancing Cost.

Illustration of the Calculation of Hedging Fee Factor

Hedging Fee Factor	=	Product of the Daily Fees
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Daily Fees	=	<table><tr><td>Daily Management Fee Adjustment</td></tr><tr><td>1 – Management Fee x ACT (t-1;t) / 360</td></tr></table> x <table><tr><td>Daily Gap Premium Adjustment</td></tr><tr><td>1 – Gap Premium (t-1) x ACT (t-1;t) / 360</td></tr></table>	Daily Management Fee Adjustment	1 – Management Fee x ACT (t-1;t) / 360	Daily Gap Premium Adjustment	1 – Gap Premium (t-1) x ACT (t-1;t) / 360
Daily Management Fee Adjustment						
1 – Management Fee x ACT (t-1;t) / 360						
Daily Gap Premium Adjustment						
1 – Gap Premium (t-1) x ACT (t-1;t) / 360						

Illustration of the Calculation of Cash Settlement Amount

Cash Settlement Amount = Final Value of Certificates – Strike Level (zero)

Value of Certificates	=	<table><tr><td>t'=0</td></tr><tr><td>Notional Amount</td></tr></table> x	t'=0	Notional Amount	<table><tr><td>t=1</td></tr><tr><td>Leverage Inverse Strategy daily performance⁸ x Daily Fees</td></tr></table> x	t=1	Leverage Inverse Strategy daily performance ⁸ x Daily Fees	<table><tr><td>t=2</td></tr><tr><td>Leverage Inverse Strategy daily performance x Daily Fees</td></tr></table> x ...	t=2	Leverage Inverse Strategy daily performance x Daily Fees	<table><tr><td>t=i</td></tr><tr><td>Leverage Inverse Strategy Daily performance x Daily Fees</td></tr></table>	t=i	Leverage Inverse Strategy Daily performance x Daily Fees			
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Notional Amount																
t=1																
Leverage Inverse Strategy daily performance ⁸ x Daily Fees																
t=2																
Leverage Inverse Strategy daily performance x Daily Fees																
t=i																
Leverage Inverse Strategy Daily performance x Daily Fees																
Value of Certificates	=	<table><tr><td>t=0</td></tr><tr><td>Notional Amount</td></tr></table> x	t=0	Notional Amount	<table><tr><td colspan="2">Product of the daily Leverage Inverse Strategy Performance</td></tr><tr><td>Leverage Inverse Strategy daily performance</td><td>x</td><td>Leverage Inverse Strategy daily performance</td></tr></table> x	Product of the daily Leverage Inverse Strategy Performance		Leverage Inverse Strategy daily performance	x	Leverage Inverse Strategy daily performance	<table><tr><td colspan="2">Product of the Daily Fees (Hedging Fee Factor)</td></tr><tr><td>Daily Fees</td><td>x</td><td>Daily Fees</td></tr></table>	Product of the Daily Fees (Hedging Fee Factor)		Daily Fees	x	Daily Fees
t=0																
Notional Amount																
Product of the daily Leverage Inverse Strategy Performance																
Leverage Inverse Strategy daily performance	x	Leverage Inverse Strategy daily performance														
Product of the Daily Fees (Hedging Fee Factor)																
Daily Fees	x	Daily Fees														
Final Value of Certificates	=	<table><tr><td>t=0</td></tr><tr><td>Notional Amount</td></tr></table> x	t=0	Notional Amount	<table><tr><td colspan="2">Final Reference Level x Final Exchange Rate</td></tr><tr><td colspan="2">÷</td></tr><tr><td colspan="2">Initial Reference Level x Initial Exchange Rate</td></tr></table> x	Final Reference Level x Final Exchange Rate		÷		Initial Reference Level x Initial Exchange Rate		<table><tr><td colspan="2">Hedging Fee Factor</td></tr></table>	Hedging Fee Factor			
t=0																
Notional Amount																
Final Reference Level x Final Exchange Rate																
÷																
Initial Reference Level x Initial Exchange Rate																
Hedging Fee Factor																

Illustration of the applicable fees and charges for an intraday trading scenario

Hedging Fee is implemented overnight in the price of the Certificate. As a consequence, when trading intraday, investors will not bear any Hedging Fee.

Investors will only support bid/ask costs, which are the difference between the price at which the Designated Market Maker purchases (bid) and sells (ask) the Certificate at any point of time.

⁷ "t" refers to "Observation Date" which means each Underlying Stock Business Day (subject to Market Disruption Event) from (and including) the Underlying Stock Business Day immediately preceding the Expected Listing Date to the Valuation Date.

⁸ Leverage Inverse Strategy daily performance is computed as the Leverage Inverse Strategy Level on Business Day (t) divided by the Leverage Inverse Strategy Level on Business Day (t-1).

Example of Calculation of Hedging Fee Factor and Cash Settlement Amount

The example is purely hypothetical. We include the example to illustrate how the Certificates work, and you MUST NOT rely on them as any indication of the actual return or what the payout on the Certificates might actually be. The example also assumes a product which expires 16 days after listing date, to illustrate the daily calculation of price, costs and fees from listing date to expiry date.

Assuming an investor purchases the following Certificates at the Issue Price:

Underlying Stock:	Ordinary shares of Alibaba Group Holding Limited traded in HKD
Expected Listing Date:	01/02/2021
Expiry Date:	16/02/2021
Initial Reference Level:	1,000
Initial Exchange Rate:	1
Final Reference Level:	1,200
Final Exchange Rate:	1
Issue Price:	0.67 SGD
Notional Amount per Certificate:	0.67 SGD
Management Fee (p.a.):	0.40%
Gap Premium (p.a.):	15.00%
Strike Level:	Zero

Hedging Fee Factor

Hedging Fee Factor on the n^{th} Underlying Stock Business Day after issuance of Certificate ("HFF (n)") is calculated as follows:

$$\text{HFF}(0) = 100\%$$

On Next Calendar Day (assuming it is an Underlying Stock Business Day):

$$\text{HFF}(1) = \text{HFF}(0) \times \left(1 - \text{Management Fee} \times \frac{\text{ACT}(t-1; t)}{360}\right) \times \left(1 - \text{Gap Premium} \times \frac{\text{ACT}(t-1; t)}{360}\right)$$

$$\text{HFF}(1) = 100\% \times \left(1 - 0.40\% \times \frac{1}{360}\right) \times \left(1 - 15.00\% \times \frac{1}{360}\right)$$

$$\text{HFF}(1) = 100\% \times 99.9989\% \times 99.9583\% \approx 99.9572\%$$

Assuming 2nd Underlying Stock Business Day falls 3 Calendar Days after 1st Underlying Stock Business Day:

$$\text{HFF (2)} = \text{HFF (1)} \times \left(1 - \text{Management Fee} \times \frac{\text{ACT (t-1; t)}}{360}\right) \times \left(1 - \text{Gap Premium} \times \frac{\text{ACT (t-1; t)}}{360}\right)$$

$$\text{HFF (2)} = 99.9572\% \times \left(1 - 0.40\% \times \frac{3}{360}\right) \times \left(1 - 15.00\% \times \frac{3}{360}\right)$$

$$\text{HFF (2)} = 99.9572\% \times 99.9967\% \times 99.8750\% \approx 99.8289\%$$

The same principle applies to the following Underlying Stock Business Days:

$$\text{HFF (n)} = \text{HFF (n-1)} \times \left(1 - \text{Management Fee} \times \frac{\text{ACT (t-1; t)}}{360}\right) \times \left(1 - \text{Gap Premium} \times \frac{\text{ACT (t-1; t)}}{360}\right)$$

In this example, the Hedging Fee Factor as of the Valuation Date would be equal to 99.3602% as illustrated below:

Date	HFF
2/1/2021	100.0000%
2/2/2021	99.9572%
2/3/2021	99.9145%
2/4/2021	99.8717%
2/5/2021	99.8290%
2/8/2021	99.7009%
2/9/2021	99.6582%
2/10/2021	99.6156%
2/11/2021	99.5730%
2/12/2021	99.5304%
2/15/2021	99.4027%
2/16/2021	99.3602%

Cash Settlement Amount

In this example, the Closing Level and the Cash Settlement Amount would be computed as follows:

$$\begin{aligned} \text{Closing Level} &= [(\text{Final Reference Level} \times \text{Final Exchange Rate}) / (\text{Initial Reference Level} \times \text{Initial Exchange Rate}) - \text{Strike Level}] \times \text{Hedging Fee Factor} \\ &= [(1200 \times 1) / (1000 \times 1) - 0] \times 99.3602\% \\ &= 119.23\% \end{aligned}$$

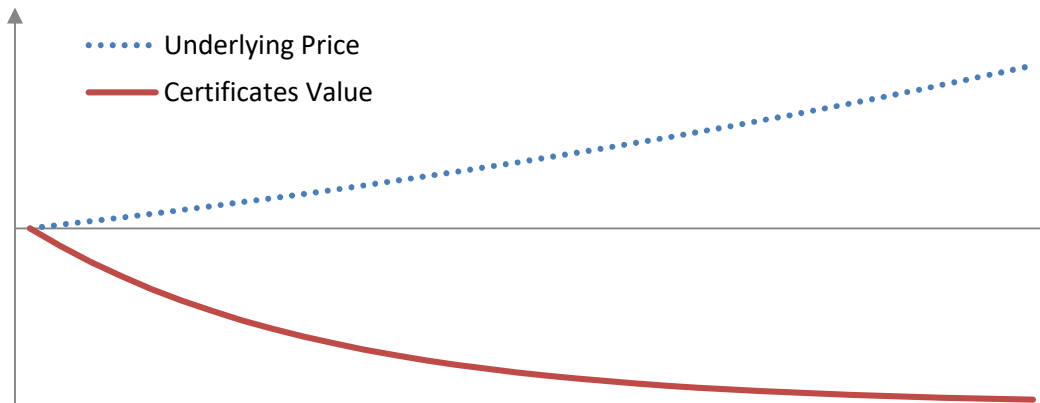
$$\begin{aligned} \text{Cash Settlement Amount} &= \text{Closing Level} \times \text{Notional Amount per Certificate} \\ &= 119.23\% \times 0.67 \text{ SGD} \\ &= \mathbf{0.799 \text{ SGD}} \end{aligned}$$

Illustration on how returns and losses can occur under different scenarios

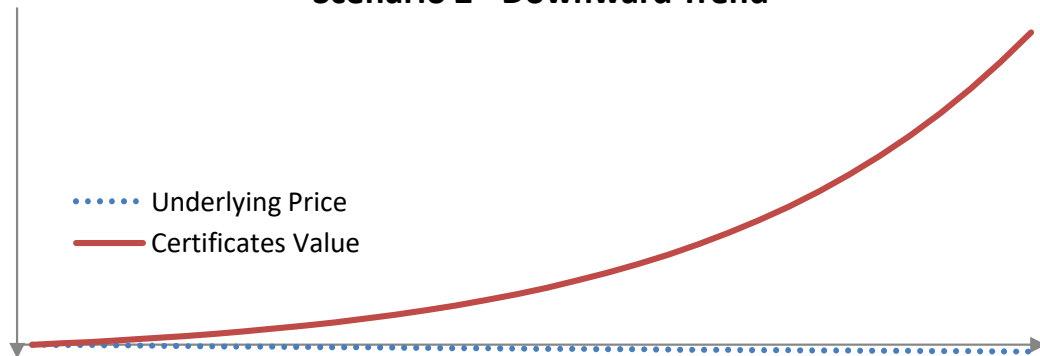
The examples are purely hypothetical and do not take fees and charges payable by investors into consideration. The examples highlight the effect of the Underlying Stock performance on the value of the Certificates and do not take into account the possible influence of fees, exchange rates, dividends, or any other market parameters.

1. Illustrative examples

Scenario 1 - Upward Trend



Scenario 2 - Downward Trend



Scenario 3 - Volatile Market



2. Numerical Examples

Scenario 1 – Upward Trend

Underlying						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily Return		2.00%	2.00%	2.00%	2.00%	2.00%
Value at end of day	10,000.00	10,200.00	10,404.00	10,612.08	10,824.32	11,040.81
Accumulated Return		2.00%	4.04%	6.12%	8.24%	10.41%

Value of the Certificates						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily Return		-10.00%	-10.00%	-10.00%	-10.00%	-10.00%
Price at end of day	0.67	0.60	0.54	0.49	0.44	0.40
Accumulated Return		-10.00%	-19.00%	-27.10%	-34.39%	-40.95%

Scenario 2 – Downward Trend

Underlying						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily Return		-2.00%	-2.00%	-2.00%	-2.00%	-2.00%
Value at end of day	10,000.00	9,800.00	9,604.00	9,411.92	9,223.68	9,039.21
Accumulated Return		-2.00%	-3.96%	-5.88%	-7.76%	-9.61%

Value of the Certificates						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily Return		10.00%	10.00%	10.00%	10.00%	10.00%
Price at end of day	0.67	0.74	0.81	0.89	0.98	1.08
Accumulated Return		10.00%	21.00%	33.10%	46.41%	61.05%

Scenario 3 – Volatile Market

Underlying						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily Return		2.00%	-2.00%	-2.00%	2.00%	2.00%
Value at end of day	10,000.00	10,200.00	9,996.00	9,796.08	9,992.00	10,191.84
Accumulated Return		2.00%	-0.04%	-2.04%	-0.08%	1.92%

Value of the Certificates						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily Return		-10.00%	10.00%	10.00%	-10.00%	-10.00%
Price at end of day	0.67	0.60	0.66	0.73	0.66	0.59
Accumulated Return		-10.00%	-1.00%	8.90%	-1.99%	-11.79%

Description of Air Bag Mechanism

The Certificates integrate an “Air Bag Mechanism” which is designed to reduce exposure to the Underlying Stock during extreme market conditions.

In accordance with the Air Bag Mechanism timeline below, when the Air Bag triggers, the following typically occurs:

- Observation Period: the price of the Underlying Stock is observed and its maximum price is recorded (i) during 15 minutes of continuous trading after the Air Bag is triggered, or (ii) until Market Close if there is 15 minutes (or less) of continuous trading until Market Close when the Air Bag is triggered; and
- Reset Period: thereafter, the Leverage Inverse Strategy is reset using the maximum price of the Underlying Stock during the Observation Period as the New Observed Price. The New Observed Price replaces the last closing price of the Underlying Stock in order to compute the performance of the Leverage Inverse Strategy.

During the Observation Period and Reset Period, trading of Certificates is suspended for a period of at least 30 minutes of continuous trading after the Air Bag is triggered, and such suspension will be based on instructions provided by the Issuer to the SGX-ST for suspension of trading. Investors cannot sell or purchase any Certificates during this period.

The performance of the Leverage Inverse Strategy will be the inverse of the Underlying Stock.

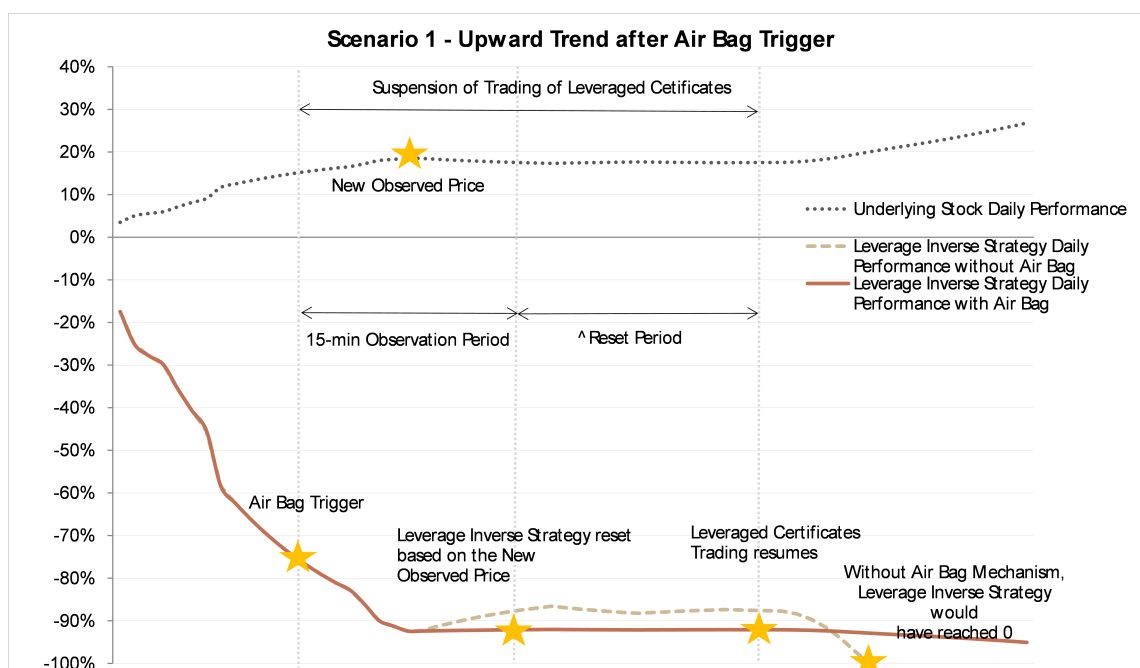
For the avoidance of doubt, if the Air Bag Mechanism was triggered with more than 60 minutes of continuous trading before Market Close, trading of Certificates will resume the same trading day after the Reset Period has elapsed, subject to the SGX-ST's approval to resume trading. If the Air Bag Mechanism was triggered between 45 minutes and 60 minutes of continuous trading before Market Close, trading of Certificates may or may not resume the same trading day after the Reset Period has elapsed. If the Air Bag Mechanism was triggered with only 45 minutes (or less) of continuous trading before Market Close, trading of Certificates resumes on the next trading day.

The resumption of trading is subject to the SGX-ST's requirements of at least 15 minutes after the SGX-ST approves the request from the Issuer to resume trading on the Certificates, rounded to the next quarter of an hour. The Issuer will provide at least 15 minutes' notice of the resumption of trading by making an SGXNET announcement.

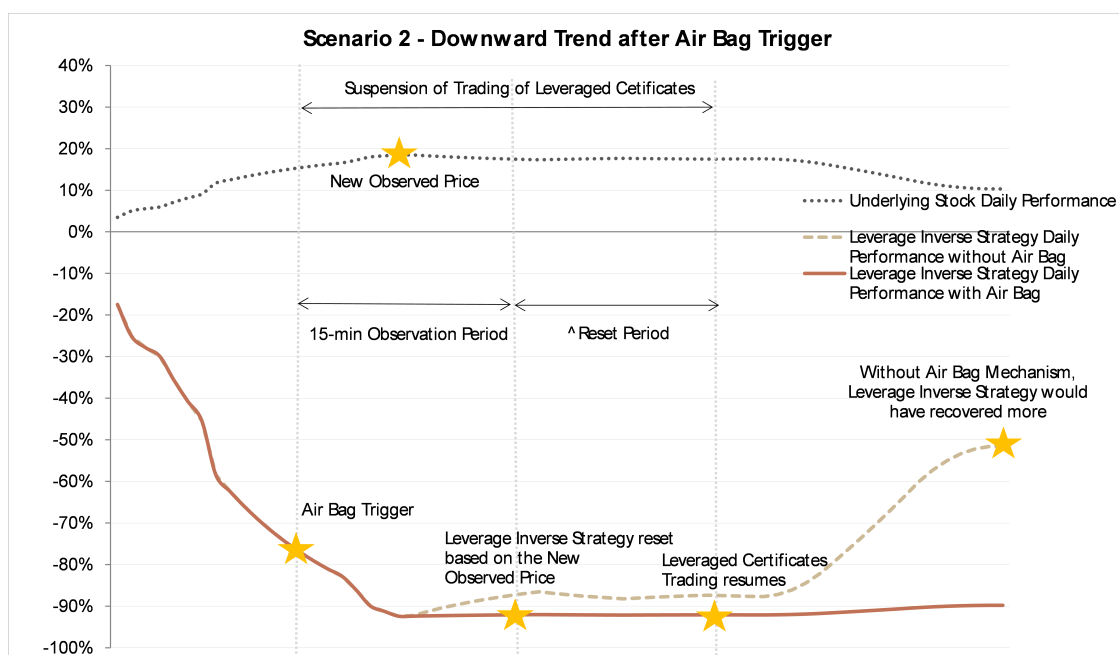
With **Market Close** defined as:

- the Underlying Stock closing time, including the closing auction session, with respect to the Observation Period; and
- the sooner of (i) the Underlying Stock closing time for continuous trading and (ii) the SGX-ST closing time, with respect to the Resumption of Trading

Illustrative examples of the Air Bag Mechanism⁹



^ The resumption of trading is subject to the SGX-ST's requirements of at least 15 minutes after the SGX-ST approves the request from the Issuer to resume trading on the Certificates, rounded to the next quarter of an hour.



^ The resumption of trading is subject to the SGX-ST's requirements of at least 15 minutes after the SGX-ST approves the request from the Issuer to resume trading on the Certificates, rounded to the next quarter of an hour.

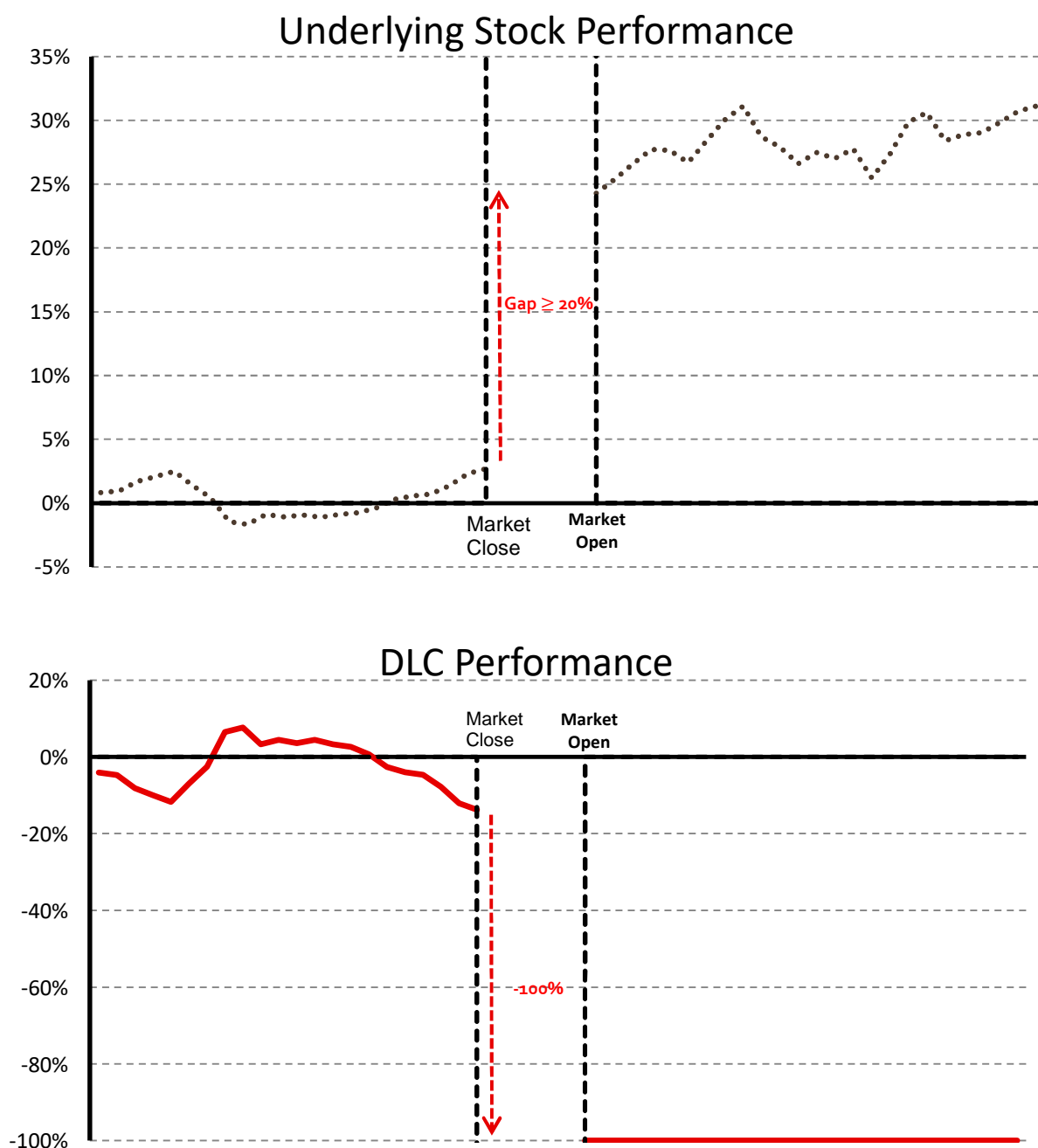
⁹ The illustrative examples are not exhaustive.

Scenarios where the investor may lose the entire value of the investment

The scenarios below are purely hypothetical and do not take fees and charges payable by investors into consideration. The scenarios highlight cases where the Certificates may lose 100% of their value.

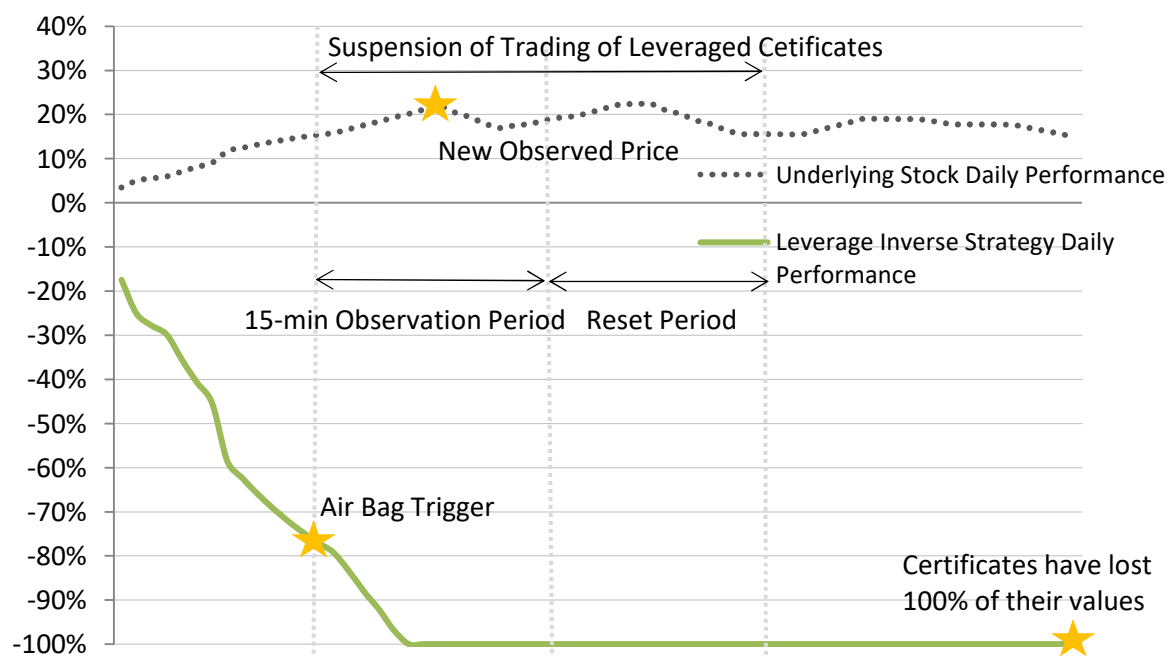
Scenario 1 – Overnight rise of the Underlying Stock

On any Underlying Stock Business Day, the opening price of the Underlying Stock may be higher or lower than the closing price on the previous trading day. The difference between the previous closing price and the opening price of the Underlying Stock is termed a “gap”. If the opening price of the Underlying Stock is 20% or more above the previous trading day closing price, the Air Bag Mechanism would only be triggered when the market (in respect of which the Underlying Stock is listed) opens the following trading day (including pre-opening session or opening auction, as the case may be), and the Certificates would lose their entire value in such event.



Scenario 2 – Sharp intraday rise of the Underlying Stock

Although the Air Bag Mechanism is designed to reduce the exposure to the Underlying Stock during extreme market conditions, the Certificate can lose 100% of its value in the event the price of the Underlying Stock rises by 20% or more within the 15 minutes Observation Period compared to the reference price, being: (i) if air bag event has not been previously triggered on the same day, the previous closing price of the Underlying Stock, or (ii) if one or more air bag events have been previously triggered on the same day, the latest New Observed Price. The Certificates would lose their entire value in such event.



Examples and illustrations of adjustments due to certain corporate actions

The examples are purely hypothetical and do not take fees and charges payable by investors into consideration. The examples highlight the effect of corporate actions on the value of the Certificates and do not take into account the possible influence of fees, exchange rates, or any other market parameters.

In the case of any corporate action on the Underlying Stock, the Calculation Agent will, as soon as reasonably practical after it becomes aware of such event, determine whether such corporate action has a dilutive or concentrative effect on the theoretical value of the Underlying Stock, and if so, will (a) calculate the corresponding adjustment, if any, to be made to the elements relating to the Underlying Stock which are used to determine any settlement or payment terms under the Certificates and/or adjust at its discretion any other terms of the Certificates as it determines appropriate to preserve the economic equivalent of the obligations of the Issuer under the Certificates and (b) determine the effective date of such adjustment.

Notwithstanding the foregoing, in the event the Observation Date of the Leverage Reset Time(t) is an ex-date with respect to a corporate action related to the Underlying Stock, and the immediately preceding Leverage Reset Time r(t) is at the scheduled closing time for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto), the Calculation Agent may, in its sole and absolute discretion, replace the $Rfactor_t$ with respect to such Leverage Reset Time (t) by an amount computed according to the following generic formula :

$$Rfactor_t = \left[1 - \frac{Div_t + DivExc_t - M \times R}{S_{r(t)}} \right] \times \frac{1}{1 + M}$$

This formula is provided for indicative purposes and the Calculation Agent may determine that this formula is not appropriate for certain corporate actions and may apply a different formula instead.

Such adjustment of $Rfactor_t$ would affect the Leveraged Return, the Rebalancing Cost, and the Underlying Reference Price used to determine the Intraday Restrike Event. The Air Bag mechanism would not be triggered if the stock price rises by 15% exclusively because of the dilutive effect of a corporate action.

Where:

$DivExc_t$ is the amount received as an Extraordinary Dividend by a holder of existing Shares for each Share held prior to the Extraordinary Dividend, net of any applicable withholding taxes.

M is the number of new Share(s) (whether a whole or a fraction) per existing Share each holder thereof is entitled to subscribe or to receive (positive amount) or the number of existing Shares redeemed or canceled per existing Share (negative amount), as the case may be, resulting from the corporate action.

R is the subscription price per Share (positive amount) or the redemption price per Share (negative amount) including any dividends or other benefits forgone to be subscribe to or to receive (as applicable), or to redeem a Share.

1. Stock split

Assuming the Underlying Stock is subject to a 1 to 2 stock split (i.e. 1 new Share for every 1 existing share):

$$S_{r(t)} = \$100$$

$$S_t = \$51$$

$$\text{Div}_t = \$0$$

$$\text{DivExc}_t = \$0$$

$$M = 1 \text{ (i.e. 1 new Shares for 1 existing Share)}$$

$$R = \$0 \text{ (no subscription price / redemption price)}$$

$$Rfactor_t = \left[1 - \frac{0 + 0 - 2 \times 0}{100} \right] \times \frac{1}{1 + 1} = 50\%$$

As a consequence:

$$LR_{r(t),t} = \text{Leverage} \times \left(\frac{S_t}{S_{r(t)} \times Rfactor_t} - 1 \right) = -5 \times \left(\frac{51}{100 \times 50\%} - 1 \right) = -10\%$$

$S_{r(t)}$	$S_{r(t)} \times Rfactor_t$	S_t	Adjusted Underlying Stock Performance
100	50	51	2%

Value of the Certificate r(t)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
0.67	0.603	-10%

In such case an Intraday Restrike Event would occur if the Underlying Stock price rises to \$57.5, which is 15% above \$50, the Underlying Stock Reference Price.

2. Share Consolidation

Assuming the Underlying Stock is subject to a 2 to 1 share consolidation (i.e. 1 Share canceled for every 2 existing Shares):

$$S_{r(t)} = \$100$$

$$S_t = \$202$$

$$\text{Div}_t = \$0$$

$$\text{DivExc}_t = \$0$$

$$M = -0.5 \text{ (i.e. 0.5 Shares canceled for each 1 existing Share)}$$

$$R = \$0 \text{ (no subscription price / redemption price)}$$

$$Rfactor_t = \left[1 - \frac{0 + 0 - (-0.5) \times 0}{100} \right] \times \frac{1}{1 + (-0.5)} = 200\%$$

As a consequence:

$$LR_{r(t),t} = \text{Leverage} \times \left(\frac{S_t}{S_{r(t)} \times Rfactor_t} - 1 \right) = -5 \times \left(\frac{202}{100 \times 200\%} - 1 \right) = -5\%$$

$S_{r(t)}$	$S_{r(t)} \times Rfactor_t$	S_t	Adjusted Underlying Stock Performance
100	200	202	1%

Value of the Certificate r(t)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
0.67	0.6365	-5%

In such case an Intraday Restrike Event would occur if the Underlying Stock price rises to \$230, which is 15% above \$200, the Underlying Stock Reference Price.

3. Rights Issues

Assuming there is a rights issue with respect to the Underlying Stock, with a right to receive 1 new Share for every 2 existing Shares, for a subscription price of \$40.

$$S_{r(t)} = \$100$$

$$S_t = \$84$$

$$Div_t = \$0$$

$$DivExc_t = \$0$$

$$R = \$40 \text{ (i.e. subscription price of \$40)}$$

$$M = 0.5 \text{ (i.e. 1 new share for every 2 existing shares)}$$

$$Rfactor_t = \left[1 - \frac{0 + 0 - 0.5 \times 40}{100} \right] \times \frac{1}{1 + 0.5} = 80\%$$

As a consequence:

$$LR_{r(t),t} = \text{Leverage} \times \left(\frac{S_t}{S_{r(t)} \times Rfactor_t} - 1 \right) = -5 \times \left(\frac{84}{100 \times 80\%} - 1 \right) = -25\%$$

$S_{r(t)}$	$S_{r(t)} \times Rfactor_t$	S_t	Adjusted Underlying Stock Performance
100	80	84	5%

Value of the Certificate r(t)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
0.67	0.5025	-25%

In such case an Intraday Restrike Event would occur if the Underlying Stock price rises to \$92, which is 15% above \$80, the Underlying Stock Reference Price.

4. Bonus Issues

Assuming there is a bonus issue with respect to the Underlying Stock, where shareholders receive 1 bonus share for 5 existing shares:

$$S_{r(t)} = \$100$$

$$S_t = \$85$$

$$\text{Div}_t = \$0$$

$$\text{DivExc}_t = \$0$$

$$R = \$0$$

$$M = 0.2 \text{ (i.e. 1 new share for 5 existing shares)}$$

$$Rfactor_t = \left[1 - \frac{0 + 0 - 0.2 \times 0}{100} \right] \times \frac{1}{1 + 0.2} = 83.33\%$$

As a consequence:

$$LR_{r(t),t} = \text{Leverage} \times \left(\frac{S_t}{S_{r(t)} \times Rfactor_t} - 1 \right) = -5 \times \left(\frac{85}{100 \times 83.33\%} - 1 \right) = -10\%$$

$S_{r(t)}$	$S_{r(t)} \times Rfactor_t$	S_t	Adjusted Underlying Stock Performance
100	83.33	85	2%

Value of the Certificate r(t)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
0.67	0.603	-10%

In such case an Intraday Restrike Event would occur if the Underlying Stock price rises to \$95.83, which is 15% above \$83.33, the Underlying Stock Reference Price.

5. Extraordinary Dividend

Assuming there is an extraordinary dividend of \$20 (net of taxes) paid in respect of each stock.

$$S_{r(t)} = \$100$$

$$S_t = \$84$$

$$\text{Div}_t = \$0$$

$$\text{DivExc}_t = \$20$$

$$R = \$0$$

$$M = 0$$

$$Rfactor_t = \left[1 - \frac{0 + 20 - 0 \times 0}{100} \right] \times \frac{1}{1 + 0} = 80\%$$

As a consequence:

$$LR_{r(t),t} = \text{Leverage} \times \left(\frac{S_t}{S_{r(t)} \times Rfactor_t} - 1 \right) = -5 \times \left(\frac{84}{100 \times 80\%} - 1 \right) = -25\%$$

$S_{r(t)}$	$S_{r(t)} \times Rfactor_t$	S_t	Adjusted Underlying Stock Performance
100	80	84	5%

Value of the Certificate r(t)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
0.67	0.5025	-25%

In such case an Intraday Restrike Event would occur if the Underlying Stock price rises to \$92, which is 15% above \$80, the Underlying Stock Reference Price.

INFORMATION RELATING TO THE COMPANY

All information contained in this document regarding the Company, including, without limitation, its financial information, is derived from publicly available information which appears on the web-site of Hong Kong Exchanges and Clearing Limited (the “HKExCL”) at <http://www.hkex.com.hk> and/or the Company’s web-site at <http://www.alibabagroup.com/>. The Issuer has not independently verified any of such information.

Alibaba Group Holding Limited (the “**Company**”) is an investment holding company mainly engaged in the provision of technology infrastructure and marketing platforms. The Company operates its business through nine segments. The China Commerce Retail segment is engaged in the China commerce retail business. The China Commerce Wholesale segment is mainly engaged in the operation of 1688.com. The Cloud Intelligence segment provides cloud services. The International Commerce Retail segment provides customer management services, sales of goods and logistics services. The International Commerce Wholesale segment is mainly engaged in the operation of Alibaba.com. The Cainiao Represents Logistics Services segment provides fulfilment services. The Local Services segment’s revenue includes platform commissions, logistics services revenue. The Digital Media and Entertainment segment engages in the operation of Youku and Alibaba. The All Others segment is mainly engaged in the Sun Art, Freshippo and other business.

The information set out in Appendix I of this document relates to the unaudited results of the Company and its subsidiaries for the three months and the fiscal year ended 31 March 2025 and has been extracted and reproduced from an announcement by the Company dated 15 May 2025 in relation to the same. Further information relating to the Company may be located on the web-site of the HKExCL at <http://www.hkex.com.hk>.

INFORMATION RELATING TO THE DESIGNATED MARKET MAKER

UBS AG, acting through its London Branch, has been appointed the designated market maker (“DMM”) for the Certificates. The DMM will provide competitive buy and sell quotes for the Certificates continuously during the trading hours of the SGX-ST on the following basis:

- (a) Maximum bid and offer spread : (i) when the best bid price of the Certificate is S\$10 and below: 10 ticks or S\$0.20 whichever is greater; and
(ii) when the best bid price of the Certificate is above S\$10: 5% of the best bid price of the Certificate.
- (b) Minimum quantity subject to bid and offer spread : 10,000 Certificates
- (c) Last Trading Day for Market Making : The date falling 5 Exchange Business Days immediately preceding the Expiry Date

In addition, the DMM may not provide a quotation in the following circumstances:

- (i) during the pre-market opening and five minutes following the opening of the SGX-ST on any trading day;
- (ii) if the Certificates are valueless (where the Issuer’s bid price is below the minimum bid size for such securities as prescribed by the SGX-ST);
- (iii) before the Relevant Stock Exchange for the Underlying Stock has opened and after the Relevant Stock Exchange for the Underlying Stock has closed on any trading day;
- (iv) when trading in the Underlying Stock is suspended or limited in a material way for any reason, for the avoidance of doubt, the DMM is not obliged to provide quotations for the Certificates at any time when the Underlying Stock is not negotiated/traded for any reason;
- (v) where the Certificates are suspended from trading for any reason;
- (vi) market disruption events, including, without limitation, any suspension of or limitation imposed on trading (including but not limited to unforeseen circumstances such as by reason of movements in price exceeding limits permitted by the SGX-ST or any act of God, war, riot, public disorder, explosion, terrorism or otherwise) in the Underlying Stock;
- (vii) where the Issuer or the DMM faces technical problems affecting the ability of the DMM to provide bids and offer quotations;
- (viii) where the ability of the Issuer to source a hedge or unwind an existing hedge, as determined by the Issuer in good faith, is materially affected by the prevailing market conditions, and the Issuer informs the SGX-ST of its inability to do so as soon as practicable;
- (ix) in cases where the Issuer has no Certificates to sell, then the DMM will only provide bid quotations. The DMM may provide intermittent offer quotations when it has inventory of the Certificates;

- (x) if the stock market experiences exceptional price movement and volatility;
- (xi) when it is a public holiday in Singapore and/or Hong Kong and the SGX-ST and/or the HKEX is not open for dealings; and
- (xii) during the suspension of trading of Certificates after an Air Bag Mechanism has been triggered.

The last trading day on which the DMM will provide competitive quotations for the Certificates would be the fifth Exchange Business Day immediately preceding the Expiry Date.

PLACING AND SALE

General

No action has been or will be taken by the Issuer that would permit a public offering of the Certificates or possession or distribution of any offering material in relation to the Certificates in any jurisdiction where action for that purpose is required. No offers, sales or deliveries of any Certificates, or distribution of any offering material relating to the Certificates may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws or regulations and will not impose any obligation on the Issuer. In the event that the Issuer contemplates a placing, placing fees may be payable in connection with the issue and the Issuer may at its discretion allow discounts to placees.

United Kingdom

In relation to each tranche of Certificates, the Issuer has represented, warranted and agreed that:

(a) No deposit-taking: in relation to any Certificates having a maturity of less than one year:

(i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and

(ii) it has not offered or sold and will not offer or sell any Certificates other than to persons:

(A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or

(B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,

where the issue of the Certificates would otherwise constitute a contravention of section 19 of the Financial Services and Markets Act 2000 (the "FSMA") by the Issuer;

(b) Financial Promotion: it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Certificates in circumstances in which section 21(1) of the FSMA does not or would not, if the Issuer was not an authorised person, apply to the Issuer; and

(c) General Compliance: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Certificates in, from or otherwise involving the United Kingdom.

If the applicable Supplemental Listing Document in respect of any Certificates specifies the "Prohibition of Sales to European Economic Area Retail Investors" as "Not Applicable", the Issuer has represented and agreed that it has not offered, sold or otherwise made available such Certificates to any retail investor in the United Kingdom. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

(i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or

- (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA which were relied on immediately before exit day to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or
 - (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA; and
- (b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Certificates to be offered so as to enable an investor to decide to purchase or subscribe for the Certificates.

If the applicable Supplemental Listing Document in respect of any Certificates specifies the "Prohibition of Sales to European Economic Area Retail Investors" as "Not Applicable", the Issuer has represented and agreed that it has not made and will not make an offer of Certificates which are the subject of the offering contemplated by the Base Listing Document as completed by this Supplemental Listing Document to the public in the United Kingdom except that it may make an offer of such Certificates to the public in the United Kingdom:

- a) if the Supplemental Listing Document in relation to the Certificates specifies an offer of those Certificates may be made other than pursuant to Article 1(4) of the UK Prospectus Regulation in the United Kingdom (a "**Public Offer**"), following the date of publication of a prospectus in relation to such Certificates which either (i) has been approved by the UK Financial Conduct Authority ("**FCA**"), or (ii) is to be treated as if it had been approved by the FCA in accordance with the transitional provision in Regulation 74 of the Prospectus (Amendment etc.) (EU Exit) Regulations 2019, provided that any such prospectus has subsequently been completed by final terms contemplating such Public Offer, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable, and the Issuer has consented in writing to its use for the purpose of that Public Offer;
- b) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;
- c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation); or
- d) at any time in any other circumstances falling within section 86 of the FSMA, provided that no such offer of Certificates to the public referred to in (a) to (c) above shall require the publication of a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation,

provided that no such offer of Certificates referred to in (b) to (d) above shall require the Issuer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression "an offer of Certificates to the public" in relation to any products in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and the Certificates to be offered so as to enable an investor to decide to purchase or subscribe the Certificates, and the expression "**UK Prospectus Regulation**" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

United States of America

The Certificates have not been, and will not be, registered under the Securities Act. Subject to certain exceptions, Certificates, or interests therein, may not at any time be offered, sold, resold or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person or to others for offering, sale or resale in the United States or to any such U.S. person. Offers and sales of Certificates, or interests therein, in the United States or to U.S. persons would constitute a violation of United States securities laws unless made in compliance with registration requirements of the Securities Act or pursuant to an exemption therefrom. The Certificates will not be offered, sold or delivered within the United States or to U.S. persons. As used herein, "**United States**" means the United States of America (including the States and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction; and "**U.S. person**" means (i) any citizen or resident of the United States, including any corporation, partnership or other entity created or organised in or under the laws of the United States or of any political subdivision thereof, (ii) any estate or trust the income of which is subject to United States income taxation regardless of its source, (iii) "U.S. person" as such term is defined in (a) Regulation S under the Securities Act or (b) the Interpretive Guidance and Policy Statement Regarding Compliance with Certain Swap Regulations promulgated by the U.S. Commodity Futures Trading Commission ("**CFTC**") pursuant to the U.S. Commodity Exchange Act of 1936, as amended, or (iv) a person other than a "Non-United States Person" as defined in CFTC Rule 4.7, in each case, as such definition is amended, modified or supplemented from time to time.

Prohibition of Sales to European Economic Area

If the applicable Supplemental Listing Document in respect of any Certificates specifies the "Prohibition of Sales to European Economic Area Retail Investors" as "Not Applicable", the Issuer has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Certificates which are the subject of the offering contemplated by the Base Listing Document as completed by this Supplemental Listing Document to any retail investor in the European Economic Area. For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

- (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**");
- (ii) a customer within the meaning of Directive 2016/97 (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
- (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "**Prospectus Regulation**"); and

(b) the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Certificates to be offered so as to enable an investor to decide to purchase or subscribe the Certificates.

PUBLIC OFFER SELLING RESTRICTION UNDER THE PROSPECTUS REGULATION

If the Supplemental Listing Document specifies "Prohibition of Sales to European Economic Area Retail Investors" as "Not Applicable", in relation to each member state of the European

Economic Area (each, a "**Relevant State**"), the Issuer has represented, warranted and agreed that it has not made and will not make an offer of Certificates which are the subject of the offering contemplated by the Base Listing Document as completed by this Supplemental Listing Document to the public in that Relevant State except that it may make an offer of such Certificates to the public in that Relevant State:

(a) Approved listing document: if the Supplemental Listing Document in relation to the Certificates specifies that an offer of those Certificates may be made other than pursuant to Article 1(4) of the Prospectus Regulation in that Relevant State (a "**Non-exempt Offer**"), following the date of publication of a listing document in relation to such Certificates which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, provided that any such listing document has subsequently been completed by the Supplemental Listing Document contemplating such Non-exempt Offer, in accordance with the Prospectus Regulation, in the period beginning and ending on the dates specified in such listing document or Supplemental Listing Document, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

(b) Qualified investors: at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(c) Fewer than 150 offered: at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the Issuer for any such offer; or

(d) Other exempt offers: at any time in any other circumstances falling within Article 3(2) of the Prospectus Regulation,

provided that no such offer of Certificates referred to in (b) to (d) above shall require the Issuer to publish a listing document pursuant to Article 3 of the Prospectus Regulation or supplement a listing document pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "**offer of Certificates to the public**" in relation to any Certificates in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and the Certificates to be offered so as to enable an investor to decide to purchase or subscribe for the Certificates, as the same may be varied in that Relevant State by any measure implementing the Prospectus Regulation in that Relevant State.

Singapore

This document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Certificates may not be circulated or distributed, nor may Certificates be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than pursuant to, and in accordance with the conditions of, any applicable provision of the Securities and Futures Act 2001 of Singapore.

Hong Kong

No person, other than a person permitted to do so under the securities laws of Hong Kong, has issued, or had in its possession for the purposes of issue, or will issue, or have in its possession for the purposes of issue any advertisement, invitation or document relating to the Certificates, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong other than with respect to Certificates which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong and any rules made thereunder.

SUPPLEMENTAL INFORMATION RELATING TO THE ISSUER

The information set out in Appendix II of this document relates to the risk factors relating to operating environment and strategy of the Issuer.

The information set out in Appendix III of this document relates to the recent developments in the Issuer's business.

The information set out in Appendix IV of this document is an extract of the unaudited consolidated financial statements of UBS AG and its subsidiaries for the first quarter ended 31 March 2025.

For more information on the Issuer, please see <http://www.ubs.com/>.

Queries regarding the Certificates may be directed to +852 2971 6668 or OL-HKWarrants@ubs.com.

SUPPLEMENTAL GENERAL INFORMATION

The information set out herein is supplemental to, and should be read in conjunction with, the information set out on page 268 of the Base Listing Document.

1. Save as disclosed in the Base Listing Document and herein, there is no litigation, arbitration or administrative proceedings relating to claims or amounts which are material in the context of the issue of the Certificates to which the Issuer is a party nor, to the best of its knowledge and belief, is there any threatened litigation, arbitration or administrative proceedings relating to claims or amounts which are material in the context of the issue of the Certificates which would in either case jeopardise its ability to discharge its obligations in respect of the Certificates.
2. UBS AG, Singapore Branch at 9 Penang Road, Singapore 238459, has been authorised to accept, on behalf of the Issuer, service of process and any other notices required to be served on the Issuer. Any notices required to be served on the Issuer should be sent to UBS AG, Singapore Branch at the above address for the attention of Han-Kiat Tan, Legal & Compliance.
3. Settlement of trades done on a normal “ready basis” on the SGX-ST generally take place on the second Business Day following the transaction. Dealing in the Certificates will take place in board lots of 100 Certificates in Singapore dollars. For further details on the transfer of Certificates and their exercise, please refer to the section headed “Summary of the Issue” above.
4. It is not the current intention of the Issuer to apply for a listing of the Certificates on any stock exchange other than the SGX-ST.
5. There has been no adverse change, material in the context of the issue of the Certificates, in the financial position of the Issuer since 31 March 2025.
6. The following contracts, relating to the issue of the Certificates, have been or will be entered into by the Issuer and may be material to the issue of the Certificates:
 - (a) the Master Instrument; and
 - (b) the Master Warrant Agent Agreement.

None of the directors of the Issuer has any direct or indirect interest in any of the above contracts.
7. The Issuer has appropriate risk management capabilities to manage the issue of the Certificates.
8. Copies of the following documents may be inspected during usual business hours on any weekday (Saturdays, Sundays and holidays excepted) at the office of Allen & Gledhill LLP at One Marina Boulevard #28-00, Singapore 018989, during the period of 14 days from the date of this document:

- (a) the articles of association of the Issuer;
- (b) the latest financial reports (including the notes thereto) of the Issuer;
- (c) the Base Listing Document; and
- (d) this document.

APPENDIX I

**REPRODUCTION OF THE UNAUDITED RESULTS
FOR THE THREE MONTHS AND THE FISCAL YEAR ENDED 31 MARCH 2025 OF
ALIBABA GROUP HOLDING LIMITED AND ITS SUBSIDIARIES**

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

We have one class of shares, and each holder of our shares is entitled to one vote per share. As the Alibaba Partnership’s director nomination rights are categorized as a weighted voting rights structure (the “**WVR structure**”) under the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, we are deemed as a company with a WVR structure. Shareholders and prospective investors should be aware of the potential risks of investing in a company with a WVR structure. Our American depositary shares, each representing eight of our shares, are listed on the New York Stock Exchange in the United States under the symbol BABA.



Alibaba Group Holding Limited

阿里巴巴集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9988 (HKD Counter) and 89988 (RMB Counter))

ANNOUNCEMENT OF THE MARCH QUARTER 2025 RESULTS AND FISCAL YEAR 2025 ANNUAL RESULTS

The board of directors (the “**Board**”) of Alibaba Group Holding Limited (“**Alibaba Group**” or the “**company**”) is pleased to announce that the unaudited consolidated results of the company, its subsidiaries and consolidated entities (the “**Group**”) for the three months and the fiscal year ended March 31, 2025 (the “**Annual Results**”). The Group’s Annual Results have been prepared under accounting principles generally accepted in the United States of America (“**U.S. GAAP**”) and reviewed by the audit committee (the “**Audit Committee**”) of the Board.

In this results announcement, “we,” “us,” and “our” refer to the company and where the context otherwise requires, the Group.

“Our results this quarter and for the full fiscal year demonstrate the ongoing effectiveness of our ‘user first, AI-driven’ strategy, with core business growth continuing to accelerate. Driven by strong demand for AI, Cloud Intelligence Group quarterly revenue growth accelerated to 18%, with AI-related product revenue achieving triple-digit growth for the seventh consecutive quarter. Customer management revenue at Taobao and Tmall Group grew 12% this quarter, reflecting the sustained impact of investments in user experience and effective monetization. Looking ahead, we will remain focused on our core businesses and continue to drive AI + Cloud as a new engine for our long-term growth,” said Eddie Wu, Chief Executive Officer of Alibaba Group.

“We delivered a strong quarter with revenue growth of 7% and EBITA growth of 36%. We are confident in our business outlook and will continue to invest in our core businesses to strengthen our competitive advantages. We remain committed to enhancing shareholder returns. During fiscal year 2025, we repurchased US\$11.9 billion of shares, thereby achieving a 5.1% net reduction in outstanding shares. In addition, our board of directors approved the distribution of annual and special dividends totaling US\$4.6 billion,” said Toby Xu, Chief Financial Officer of Alibaba Group.

BUSINESS HIGHLIGHTS

In the quarter ended March 31, 2025:

- **Revenue** was RMB236,454 million (US\$32,584 million), an increase of 7% year-over-year.
- **Income from operations** was RMB28,465 million (US\$3,923 million), an increase of 93% year-over-year, primarily due to the increase in adjusted EBITA and a decrease in non-cash share-based compensation expense. We excluded non-cash share-based compensation expense from our non-GAAP measurements. **Adjusted EBITA**, a non-GAAP measurement, increased 36% year-over-year to RMB32,616 million (US\$4,495 million), primarily attributable to revenue growth and improved operating efficiency, partly offset by the increase in investments in our e-commerce businesses and technology.
- **Net income attributable to ordinary shareholders** was RMB12,382 million (US\$1,706 million). **Net income** was RMB11,973 million (US\$1,650 million), an increase of 1203% year-over-year, primarily due to the mark-to-market changes from our equity investments, the increase in income from operations and the decrease in impairment of equity method investments, partly offset by the losses arising from the disposal of subsidiaries. **Non-GAAP net income** in the quarter ended March 31, 2025 was RMB29,847 million (US\$4,113 million), an increase of 22% compared to RMB24,418 million in the same quarter of 2024.
- **Diluted earnings per ADS** was RMB5.17 (US\$0.71). **Diluted earnings per share** was RMB0.65 (US\$0.09 or HK\$0.70). **Non-GAAP diluted earnings per ADS** was RMB12.52 (US\$1.73), an increase of 23% year-over-year. **Non-GAAP diluted earnings per share** was RMB1.57 (US\$0.22 or HK\$1.70), an increase of 23% year-over-year.
- **Net cash provided by operating activities** was RMB27,520 million (US\$3,792 million), an increase of 18% compared to RMB23,340 million in the same quarter of 2024. **Free cash flow**, a non-GAAP measurement of liquidity, was RMB3,743 million (US\$516 million), a decrease of 76% compared to RMB15,361 million in the same quarter of 2024, which was mainly attributed to the increase in our cloud infrastructure expenditure, partly offset by year-over-year increase of adjusted EBITDA.

In the fiscal year ended March 31, 2025:

- **Revenue** was RMB996,347 million (US\$137,300 million), an increase of 6% year-over-year.

- **Income from operations** was RMB140,905 million (US\$19,417 million), an increase of 24% year-over-year, primarily due to the decrease in impairment of intangible assets and goodwill, the decrease in non-cash share-based compensation expense and the increase in adjusted EBITA. We excluded impairment of intangible assets and goodwill, and non-cash share-based compensation expense from our non-GAAP measurements. **Adjusted EBITA**, a non-GAAP measurement, increased 5% year-over-year to RMB173,065 million (US\$23,849 million), primarily attributable to revenue growth and improved operating efficiency, partly offset by the increase in investments in our e-commerce businesses and technology.
- **Net income attributable to ordinary shareholders** was RMB129,470 million (US\$17,841 million). **Net income** was RMB125,976 million (US\$17,360 million), an increase of 77% year-over-year, primarily due to the mark-to-market changes from our equity investments and the increase in income from operations, partly offset by the losses arising from the disposal of subsidiaries. **Non-GAAP net income** in fiscal year 2025 was RMB158,122 million (US\$21,790 million), which remained stable compared to RMB157,479 million in fiscal year 2024.
- **Diluted earnings per ADS** was RMB53.59 (US\$7.38). **Diluted earnings per share** was RMB6.70 (US\$0.92 or HK\$7.26). **Non-GAAP diluted earnings per ADS** was RMB65.41 (US\$9.01), an increase of 5% year-over-year. **Non-GAAP diluted earnings per share** was RMB8.18 (US\$1.13 or HK\$8.86), an increase of 5% year-over-year.
- **Net cash provided by operating activities** was RMB163,509 million (US\$22,532 million), a decrease of 10% compared to RMB182,593 million in fiscal year 2024. **Free cash flow**, a non-GAAP measurement of liquidity, was RMB73,870 million (US\$10,180 million), a decrease of 53% compared to RMB156,210 million in fiscal year 2024, which was mainly attributed to the increase in our cloud infrastructure expenditure, partly offset by year-over-year increase of adjusted EBITDA.

Reconciliations of GAAP measures to non-GAAP measures presented above are included at the end of this results announcement.

BUSINESS AND STRATEGIC UPDATES

Taobao and Tmall Group

For the quarter ended March 31, 2025, our customer management revenue grew 12% year-over-year to RMB71,077 million (US\$9,794 million), primarily driven by the improvement of take rate year-over-year. Our take rate benefited from the impact of the software service fee and increasing penetration of Quanzhantui. Merchants benefit through Quanzhantui's convenience of use and improvement of marketing efficiency.

We continued to invest in user growth and other strategic initiatives such as price-competitive products, customer service, membership program benefits and AI technology applications to enhance user experience. These efforts led to stronger momentum in new consumer growth and continuous increase in orders.

On the merchant end, we remained focused on improving their operating environment and ensuring their sustainable development on our platform. In particular, we increased support of merchants that provide high-quality products and customer services, including support for marketing, new product launches and customer management.

The number of 88VIP members, our highest spending consumer group, continued to increase by double digits year-over-year, surpassing 50 million. We will continue to focus on improving the retention rate of

88VIP membership.

Alibaba International Digital Commerce Group (“AIDC”)

For the quarter ended March 31, 2025, revenue from AIDC grew 22% year-over-year to RMB33,579 million (US\$4,627 million), primarily driven by strong performance in cross-border businesses. During the quarter, AIDC continued to focus on enhancing operating and investment efficiency, leading to narrowed loss of the segment year-over-year. In particular, the unit economics of the AliExpress’ *Choice* business improved on a sequential basis.

AIDC has a diverse geographical presence, with a consistent strategic focus on key regions such as select European markets and the Gulf Region. AliExpress and Trendyol, in particular, continue to diversify and enrich their product offerings by engaging local merchants and partners, through different business models in different markets. We believe that our diverse businesses and product offerings across geographies will continue to enhance our competitive advantages in the evolving global e-commerce landscape.

Cloud Intelligence Group

For the quarter ended March 31, 2025, revenue from Cloud Intelligence Group was RMB30,127 million (US\$4,152 million), an increase of 18% year-over-year. During this quarter, the year-over-year growth of overall revenue excluding Alibaba-consolidated subsidiaries accelerated to 17%. This momentum was primarily driven by an even faster public cloud revenue growth, including the increasing adoption of AI-related products.

Notably, AI-related product revenue maintained triple-digit year-over-year growth for the seventh consecutive quarter. Our AI products are seeing broader adoption across a wide range of industry verticals including Internet, retail, manufacturing, and media, with a growing focus on value-added applications. For example, Lingma, our AI coding assistant launched last year, has seen strong adoption among enterprise customers and delivered robust revenue growth. We will continue to invest in anticipation of customer growth and technology innovation, including AI products and services, to increase cloud adoption for AI and maintain our market leadership.

In the 2025 Gartner® Innovation Guide for Generative AI Technologies, which assessed vendors across four defined submarkets, Alibaba Cloud was the only Chinese provider named an Emerging Leader in all four areas: Generative AI Model Providers, Generative AI Engineering, Generative AI Specialized Cloud Infrastructure, and AI Knowledge Management Apps/General Productivity.

We remain committed to advancing multi-modal AI technology and expanding our open-source initiatives. In April, we launched the Qwen3 series, a new generation of hybrid reasoning models that combine the capabilities of fast, simple responses and deeper chain-of-thought reasoning into a single model. The Qwen3 series covers a full range of model sizes, including two MoE (Mixture-of-Experts) models and six dense models. The flagship MoE model, Qwen3-235B-A22B, with 235 billion parameters but only 22 billion activated parameters, delivers efficiency and world-leading performance in key benchmarks such as code generation, mathematics, and general reasoning. The smaller models, including the dense models and the lightweight MoE model Qwen3-30B-A3B, are designed for ease of adoption by developers and enterprises, while delivering strong performance at lower costs. All Qwen3 models have been fully open-sourced on ModelScope, Hugging Face, and other platforms. We believe the full open-sourcing of Qwen3 will drive innovation and new applications by developers, start-ups and enterprises.

Cainiao Smart Logistics Network Limited (“Cainiao”)

For the quarter ended March 31, 2025, revenue of Cainiao Smart Logistics Network Limited was RMB21,573 million (US\$2,973 million), a decrease of 12% year-over-year. This is the result of the increasing integration of logistics offerings into our e-commerce businesses.

Local Services Group

For the quarter ended March 31, 2025, revenue from Local Services Group grew 10% year-over-year to RMB16,134 million (US\$2,223 million), driven by the order growth of both Amap and Ele.me, as well as revenue growth from marketing services.

For the quarter ended March 31, 2025, overall losses continued to narrow year-over-year as scale increased and unit economics improved due to operating efficiency.

Digital Media and Entertainment Group

For the quarter ended March 31, 2025, revenue of Digital Media and Entertainment Group was RMB5,554 million (US\$765 million), an increase of 12% year-over-year, primarily driven by the strong performance of the movie and entertainment businesses and the increase in Youku's advertising revenue.

During the quarter, the adjusted EBITA of Digital Media and Entertainment Group turned positive, primarily driven by Youku's profitability.

Share Repurchases and Dividends

During the quarter ended March 31, 2025, we repurchased a total of 51 million ordinary shares (equivalent to 6 million ADSs) for a total of US\$0.6 billion. These purchases were made in the U.S. market under our share repurchase program. For the fiscal year ended March 31, 2025, we repurchased a total of 1,197 million ordinary shares (equivalent to 150 million ADSs) for a total of US\$11.9 billion, resulting in a net decrease of 995 million ordinary shares, or a 5.1% net reduction in our outstanding shares after accounting for shares issued under our ESOP.

Our board of directors has approved a two-part dividend in the total amount of US\$0.25 per ordinary share or US\$2.00 per ADS comprised of (i) an annual regular cash dividend for fiscal year 2025 in the amount of US\$0.13125 per ordinary share or US\$1.05 per ADS, and (ii) a one-time extraordinary cash dividend as a distribution of proceeds from disposition of certain businesses and financial investments in the amount of US\$0.11875 per ordinary share or US\$0.95 per ADS, in each case payable in U.S. dollars, to holders of ordinary shares and holders of ADSs, as of the close of business on June 12, 2025, Hong Kong Time and New York Time, respectively. The aggregate amount of the dividend will be approximately US\$4.6 billion. As at the date hereof, the company does not hold any treasury shares whether in the Central Clearing and Settlement System, or otherwise. All the shares bought back by the company pending cancellation will not receive the annual dividend for the fiscal year ended March 31, 2025.

For holders of ordinary shares, in order to qualify for the dividend, all valid documents for the transfers of shares accompanied by the relevant share certificates must be lodged with the company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on June 12, 2025, Hong Kong Time. The payment date is expected to be on or around July 3, 2025 for holders of ordinary shares and on or around July 10, 2025 for holders of ADSs.

MARCH QUARTER SUMMARY FINANCIAL RESULTS

	Three months ended March 31,			YoY % Change
	2024	2025		
	RMB	RMB	US\$	
	(in millions, except percentages and per share amounts)			
Revenue	221,874	236,454	32,584	7%
Income from operations	14,765	28,465	3,923	93% ⁽²⁾
Operating margin	7%	12%		
Adjusted EBITDA ⁽¹⁾	30,807	41,783	5,758	36% ⁽³⁾
Adjusted EBITDA margin ⁽¹⁾	14%	18%		
Adjusted EBITA ⁽¹⁾	23,969	32,616	4,495	36% ⁽³⁾
Adjusted EBITA margin ⁽¹⁾	11%	14%		
Net income	919	11,973	1,650	1203% ⁽⁴⁾
Net income attributable to ordinary shareholders	3,270	12,382	1,706	279% ⁽⁴⁾
Non-GAAP net income ⁽¹⁾	24,418	29,847	4,113	22% ⁽⁴⁾
Diluted earnings per share ⁽⁵⁾	0.16	0.65	0.09	296% ⁽⁴⁾⁽⁶⁾
Diluted earnings per ADS ⁽⁵⁾	1.30	5.17	0.71	296% ⁽⁴⁾⁽⁶⁾
Non-GAAP diluted earnings per share ⁽¹⁾⁽⁵⁾	1.27	1.57	0.22	23% ⁽⁴⁾⁽⁶⁾
Non-GAAP diluted earnings per ADS ⁽¹⁾⁽⁵⁾	10.14	12.52	1.73	23% ⁽⁴⁾⁽⁶⁾

- (1) See the sections entitled “Non-GAAP Financial Measures” and “Reconciliations of Non-GAAP Measures to the Nearest Comparable U.S. GAAP Measures” for more information about the non-GAAP measures referred to within this results announcement.
- (2) The year-over-year increase was primarily due to the increase in adjusted EBITA and a decrease in non-cash share-based compensation expense.
- (3) The year-over-year increases were primarily attributable to revenue growth and improved operating efficiency, partly offset by the increase in investments in our e-commerce businesses and technology.
- (4) The year-over-year increases were primarily due to the mark-to-market changes from our equity investments, the increase in income from operations and the decrease in impairment of equity method investments, partly offset by the losses arising from the disposal of subsidiaries, while net income attributable to ordinary shareholders and earnings per share/ADS would further take into account the net loss attributable to noncontrolling interests. We excluded non-cash share-based compensation expense, gains/losses of investments, impairment of goodwill and intangible assets, and certain other items from our non-GAAP measurements.
- (5) Each ADS represents eight ordinary shares.
- (6) The year-over-year percentages as stated are calculated based on the exact amount and there may be minor differences from the year-over-year percentages calculated based on the RMB amounts after rounding.

MARCH QUARTER SEGMENT RESULTS

Revenue for the quarter ended March 31, 2025 was RMB236,454 million (US\$32,584 million), an increase of 7% year-over-year compared to RMB221,874 million in the same quarter of 2024.

The following table sets forth a breakdown of our revenue by segment for the periods indicated:

	Three months ended March 31,			
	2024	2025		
	RMB	RMB	US\$	YoY % Change
	(in millions, except percentages)			
Taobao and Tmall Group:				
China commerce retail				
- Customer management	63,574	71,077	9,794	12%
- Direct sales and others ⁽¹⁾	24,690	24,504	3,377	(1)%
	88,264	95,581	13,171	8%
China commerce wholesale	4,952	5,788	798	17%
Total Taobao and Tmall Group	93,216	101,369	13,969	9%
Alibaba International Digital Commerce Group:				
International commerce retail	22,278	27,603	3,804	24%
International commerce wholesale	5,170	5,976	823	16%
Total Alibaba International Digital Commerce Group	27,448	33,579	4,627	22%
Cloud Intelligence Group	25,595	30,127	4,152	18%
Cainiao Smart Logistics Network Limited	24,557	21,573	2,973	(12)%
Local Services Group	14,628	16,134	2,223	10%
Digital Media and Entertainment Group	4,945	5,554	765	12%
All others ⁽²⁾	51,458	53,988	7,440	5%
Unallocated	397	446	61	
Inter-segment elimination	(20,370)	(26,316)	(3,626)	
Consolidated revenue	221,874	236,454	32,584	7%

(1) Direct sales and others revenue under Taobao and Tmall Group primarily represents Tmall Supermarket, Tmall Global and other direct sales businesses, where revenue and cost of inventory are recorded on a gross basis, as well as other revenue from value-added services.

(2) All others include Sun Art, Freshippo, Alibaba Health, Lingxi Games, Intime, Intelligent Information Platform (which mainly consists of UCWeb and Quark businesses), Fliggy, DingTalk and other businesses. The majority of revenue within All others consists of direct sales revenue, which is recorded on a gross basis.

The following table sets forth a breakdown of our adjusted EBITA by segment for the periods indicated:

	Three months ended March 31,			
	2024	2025		
	RMB	RMB	US\$	YoY % Change ⁽³⁾
	(in millions, except percentages)			
Taobao and Tmall Group	38,501	41,749	5,753	8%
Alibaba International Digital Commerce Group	(4,085)	(3,574)	(492)	13%
Cloud Intelligence Group	1,432	2,420	333	69%
Cainiao Smart Logistics Network Limited	(1,342)	(606)	(83)	55%
Local Services Group	(3,198)	(2,316)	(319)	28%
Digital Media and Entertainment Group	(884)	36	5	N/A
All others ⁽¹⁾	(2,818)	(2,535)	(349)	10%
Unallocated ⁽²⁾	(2,900)	(2,030)	(280)	
Inter-segment elimination	(737)	(528)	(73)	
Consolidated adjusted EBITA	23,969	32,616	4,495	36%
Less: Non-cash share-based compensation expense	(7,123)	(2,781)	(383)	
Less: Amortization and impairment of intangible assets, and others	(2,081)	(1,370)	(189)	
Income from operations	14,765	28,465	3,923	93%

- (1) All others include Sun Art, Freshippo, Alibaba Health, Lingxi Games, Intime, Intelligent Information Platform (which mainly consists of UCWeb and Quark businesses), Fliggy, DingTalk and other businesses.
- (2) Unallocated primarily relates to certain costs incurred by corporate functions and other miscellaneous items that are not allocated to individual segments.
- (3) For a more intuitive presentation, widening of loss in YoY% is shown in terms of negative growth rate, and narrowing of loss in YoY% is shown in terms of positive growth rate.

Taobao and Tmall Group

(i) Segment revenue

- ***China Commerce Retail Business***

Revenue from our China commerce retail business in the quarter ended March 31, 2025 was RMB95,581 million (US\$13,171 million), an increase of 8% compared to RMB88,264 million in the same quarter of 2024.

Customer management revenue increased by 12% year-over-year, primarily driven by the improvement of take rate year-over-year.

Direct sales and others revenue under China commerce retail business in the quarter ended March 31, 2025 was RMB24,504 million (US\$3,377 million), a decrease of 1% compared to RMB24,690 million in the same quarter of 2024, primarily driven by the decrease in direct sales revenue as a result of our planned reduction of certain direct sales businesses, partly offset by the increase in revenue from value-added services.

- ***China Commerce Wholesale Business***

Revenue from our China commerce wholesale business in the quarter ended March 31, 2025 was RMB5,788 million (US\$798 million), an increase of 17% compared to RMB4,952 million in the

same quarter of 2024, primarily due to an increase in revenue from value-added services provided to paying members.

(ii) Segment adjusted EBITA

Taobao and Tmall Group adjusted EBITA increased by 8% to RMB41,749 million (US\$5,753 million) in the quarter ended March 31, 2025, compared to RMB38,501 million in the same quarter of 2024, primarily due to the increase in revenue from customer management service, partly offset by the increase in investments in user experience and technology.

Alibaba International Digital Commerce Group

(i) Segment revenue

- ***International Commerce Retail Business***

Revenue from our International commerce retail business in the quarter ended March 31, 2025 was RMB27,603 million (US\$3,804 million), an increase of 24% compared to RMB22,278 million in the same quarter of 2024, primarily driven by the increase in revenue contributed by AliExpress and Trendyol. As certain of our international businesses generate revenue in local currencies while our reporting currency is Renminbi, AIDC's revenue is affected by exchange rate fluctuations.

- ***International Commerce Wholesale Business***

Revenue from our International commerce wholesale business in the quarter ended March 31, 2025 was RMB5,976 million (US\$823 million), an increase of 16% compared to RMB5,170 million in the same quarter of 2024, primarily due to an increase in revenue generated by cross-border related value-added services.

(ii) Segment adjusted EBITA

Alibaba International Digital Commerce Group adjusted EBITA was a loss of RMB3,574 million (US\$492 million) in the quarter ended March 31, 2025, compared to a loss of RMB4,085 million in the same quarter of 2024, primarily due to Lazada's significant reduction in operating losses driven by its improvement in monetization and operating efficiency.

Cloud Intelligence Group

(i) Segment revenue

Revenue from Cloud Intelligence Group was RMB30,127 million (US\$4,152 million) in the quarter ended March 31, 2025, an increase of 18% compared to RMB25,595 million in the same quarter of 2024. Overall revenue excluding Alibaba-consolidated subsidiaries increased by 17% year-over-year, primarily driven by an even faster public cloud revenue growth, including the increasing adoption of AI-related products.

(ii) Segment adjusted EBITA

Cloud Intelligence Group adjusted EBITA increased by 69% to RMB2,420 million (US\$333 million) in the quarter ended March 31, 2025, compared to RMB1,432 million in the same quarter of 2024, primarily due to faster public cloud revenue growth and improving operating efficiency, partly offset by the increasing investments in customer growth and technology innovation.

Cainiao Smart Logistics Network Limited

(i) Segment revenue

Revenue from Cainiao Smart Logistics Network Limited was RMB21,573 million (US\$2,973 million) in the quarter ended March 31, 2025, a decrease of 12% compared to RMB24,557 million in the same quarter of 2024, primarily due to the decrease in revenue from domestic logistics services as a result of our e-commerce businesses taking on certain logistics platform role.

(ii) Segment adjusted EBITA

Cainiao Smart Logistics Network Limited adjusted EBITA was a loss of RMB606 million (US\$83 million) in the quarter ended March 31, 2025, compared to a loss of RMB1,342 million in the same quarter of 2024, primarily due to retention incentives granted to Cainiao employees in connection with the withdrawal of its initial public offering in the same quarter last year.

Local Services Group

(i) Segment revenue

Revenue from Local Services Group was RMB16,134 million (US\$2,223 million) in the quarter ended March 31, 2025, an increase of 10% compared to RMB14,628 million in the same quarter of 2024, driven by the order growth of both Amap and Ele.me, as well as revenue growth from marketing services.

(ii) Segment adjusted EBITA

Local Services Group adjusted EBITA was a loss of RMB2,316 million (US\$319 million) in the quarter ended March 31, 2025, compared to a loss of RMB3,198 million in the same quarter of 2024, as unit economics improved due to operating efficiency and increased scale.

Digital Media and Entertainment Group

(i) Segment revenue

Revenue from Digital Media and Entertainment Group was RMB5,554 million (US\$765 million) in the quarter ended March 31, 2025, an increase of 12% compared to RMB4,945 million in the same quarter of 2024, primarily driven by the revenue growth of the movie and entertainment businesses of Alibaba Pictures.

(ii) Segment adjusted EBITA

Digital Media and Entertainment Group adjusted EBITA in the quarter ended March 31, 2025 was a profit of RMB36 million (US\$5 million), compared to a loss of RMB884 million in the same quarter of 2024, primarily due to the improved operating results of Youku.

All Others

(i) Segment revenue

Revenue from All others segment was RMB53,988 million (US\$7,440 million) in the quarter ended March 31, 2025, an increase of 5% compared to RMB51,458 million in the same quarter of 2024, primarily due to the increase in revenue from Freshippo and Alibaba Health, partly offset by the decrease in revenue from Sun Art due to its sale and deconsolidation in February 2025.

(ii) Segment adjusted EBITA

Adjusted EBITA from All others segment in the quarter ended March 31, 2025 was a loss of RMB2,535 million (US\$349 million), compared to a loss of RMB2,818 million in the same quarter of 2024.

MARCH QUARTER OTHER FINANCIAL RESULTS

Costs and Expenses

The following tables set forth a breakdown of our costs and expenses, share-based compensation expense, and costs and expenses excluding share-based compensation expense by function for the periods indicated:

	Three months ended March 31,					% of
	2024		2025			Revenue
	RMB	% of	RMB	US\$	% of	YoY
		Revenue			Revenue	change
	(in millions, except percentages)					
Costs and expenses:						
Cost of revenue	148,098	66.7%	145,626	20,068	61.6%	(5.1)%
Product development expenses	14,085	6.3%	14,934	2,058	6.3%	0.0%
Sales and marketing expenses	28,826	13.0%	36,179	4,985	15.3%	2.3%
General and administrative expenses	14,019	6.3%	10,331	1,423	4.4%	(1.9)%
Amortization and impairment of intangible assets	2,081	0.9%	833	115	0.4%	(0.5)%
Total costs and expenses	207,109		207,903	28,649		
Share-based compensation expense:						
Cost of revenue	891	0.4%	417	57	0.2%	(0.2)%
Product development expenses	2,037	0.9%	1,538	212	0.7%	(0.2)%
Sales and marketing expenses	735	0.3%	654	90	0.3%	0.0%
General and administrative expenses	3,460	1.6%	826	114	0.3%	(1.3)%
Total share-based compensation expense ⁽¹⁾	7,123		3,435	473		
Costs and expenses excluding share-based compensation expense:						
Cost of revenue	147,207	66.3%	145,209	20,011	61.4%	(4.9)%
Product development expenses	12,048	5.4%	13,396	1,846	5.7%	0.3%
Sales and marketing expenses	28,091	12.7%	35,525	4,895	15.0%	2.3%
General and administrative expenses	10,559	4.8%	9,505	1,309	4.0%	(0.8)%
Amortization and impairment of intangible assets	2,081	0.9%	833	115	0.4%	(0.5)%
Total costs and expenses excluding share-based compensation expense	199,986		204,468	28,176		

(1) This includes both cash and non-cash share-based compensation expenses.

Cost of revenue – Cost of revenue in the quarter ended March 31, 2025 was RMB145,626 million (US\$20,068 million), or 61.6% of revenue, compared to RMB148,098 million, or 66.7% of revenue, in the same quarter of 2024. Without the effect of share-based compensation expense, cost of revenue as a percentage of revenue would have decreased from 66.3% in the quarter ended March 31, 2024 to 61.4% in the quarter ended March 31, 2025, primarily due to the decrease in scale of low margin direct sales businesses, and improvement in monetization and operating efficiency.

Product development expenses – Product development expenses in the quarter ended March 31, 2025 were RMB14,934 million (US\$2,058 million), or 6.3% of revenue, compared to RMB14,085 million, or 6.3% of revenue, in the same quarter of 2024. Without the effect of share-based compensation expense, product development expenses as a percentage of revenue would have increased from 5.4% in the quarter ended March 31, 2024 to 5.7% in the quarter ended March 31, 2025.

Sales and marketing expenses – Sales and marketing expenses in the quarter ended March 31, 2025 were RMB36,179 million (US\$4,985 million), or 15.3% of revenue, compared to RMB28,826 million, or 13.0% of revenue, in the same quarter of 2024. Without the effect of share-based compensation expense, sales and marketing expenses as a percentage of revenue would have increased from 12.7% in the quarter ended March 31, 2024 to 15.0% in the quarter ended March 31, 2025, primarily due to our increased investments in e-commerce businesses.

General and administrative expenses – General and administrative expenses in the quarter ended March 31, 2025 were RMB10,331 million (US\$1,423 million), or 4.4% of revenue, compared to RMB14,019 million, or 6.3% of revenue, in the same quarter of 2024. Without the effect of share-based compensation expense, general and administrative expenses as a percentage of revenue would have decreased from 4.8% in the quarter ended March 31, 2024 to 4.0% in the quarter ended March 31, 2025.

Share-based compensation expense – Total share-based compensation expense included in the cost and expense items above in the quarter ended March 31, 2025 was RMB3,435 million (US\$473 million), compared to RMB7,123 million in the same quarter of 2024.

The following table sets forth our analysis of share-based compensation expense for the quarters indicated by type of share-based awards:

	Three months ended March 31,			YoY % Change
	2024	2025		
	RMB	RMB	US\$	
	(in millions, except percentages)			
By type of awards:				
Alibaba Group share-based awards ⁽¹⁾	4,350	2,712	374	(38)%
Ant Group share-based awards ⁽²⁾	25	9	1	(64)%
Others ⁽³⁾	2,748	714	98	(74)%
Total share-based compensation expense ⁽⁴⁾	7,123	3,435	473	(52)%

(1) This represents Alibaba Group share-based awards granted to our employees.

(2) This represents Ant Group share-based awards granted to our employees, which is subject to mark-to-market accounting treatment.

(3) This represents share-based awards of our subsidiaries.

(4) This includes both cash and non-cash share-based compensation expenses.

Share-based compensation expense decreased in the quarter ended March 31, 2025 compared to the same quarter of 2024. This decrease was primarily due to the decrease in the number of the awards granted and the increase in long-term cash incentives granted after considering the macroeconomic environment and the general trends in the talent market.

We expect that our share-based compensation expense will continue to be affected by changes in the fair value of the underlying awards and the quantity of awards we grant in the future.

Amortization and impairment of intangible assets – Amortization and impairment of intangible assets in the quarter ended March 31, 2025 was RMB833 million (US\$115 million), a decrease of 60% from RMB2,081 million in the same quarter of 2024.

Income from operations and operating margin

Income from operations in the quarter ended March 31, 2025 was RMB28,465 million (US\$3,923 million), or 12% of revenue, an increase of 93% compared to RMB14,765 million, or 7% of revenue, in the same quarter of 2024, primarily due to the increase in adjusted EBITA and a decrease in non-cash share-based compensation expense.

Adjusted EBITDA and Adjusted EBITA

Adjusted EBITDA increased 36% year-over-year to RMB41,783 million (US\$5,758 million) in the quarter ended March 31, 2025, compared to RMB30,807 million in the same quarter of 2024. Adjusted EBITA increased 36% year-over-year to RMB32,616 million (US\$4,495 million) in the quarter ended March 31, 2025, compared to RMB23,969 million in the same quarter of 2024, primarily attributable to revenue growth and improved operating efficiency, partly offset by the increase in investments in our e-commerce businesses and technology. A reconciliation of net income to adjusted EBITDA and adjusted EBITA is included at the end of this results announcement.

Adjusted EBITA by segment

Adjusted EBITA by segment as well as a reconciliation of income from operations to adjusted EBITA are set forth in the section entitled “March Quarter Segment Results” above.

Interest and investment income, net

Interest and investment income, net in the quarter ended March 31, 2025 was a loss of RMB7,516 million (US\$1,036 million), compared to a loss of RMB5,702 million in the same quarter of 2024, primarily due to the losses arising from the disposal of subsidiaries, partly offset by the mark-to-market changes from our equity investments and the decrease in impairment of our investments.

The above-mentioned investment gains and losses were excluded from our non-GAAP net income.

Other income, net

Other income, net in the quarter ended March 31, 2025 was RMB20 million (US\$3 million), a decrease of 99% compared to RMB2,963 million in the same quarter of 2024, primarily due to the net exchange loss in this quarter compared to the net exchange gain in the same quarter last year, arising from the exchange rate fluctuation between Renminbi and U.S. dollar.

Income tax expenses

Income tax expenses in the quarter ended March 31, 2025 were RMB6,854 million (US\$945 million), compared to RMB5,722 million in the same quarter of 2024.

Share of results of equity method investees

Share of results of equity method investees in the quarter ended March 31, 2025 was a profit of RMB354 million (US\$49 million), compared to a loss of RMB3,208 million in the same quarter of 2024. The following table sets forth a breakdown of share of results of equity method investees for the periods indicated:

	Three months ended March 31,		
	2024	2025	
	RMB	RMB	US\$
		(in millions)	
Share of profit (loss) of equity method investees			
- Ant Group	2,570	1,763	243
- Others	358	(981)	(135)
Impairment loss	(5,403)	(43)	(6)
Others ⁽¹⁾	(733)	(385)	(53)
Total	(3,208)	354	49

(1) “Others” mainly include basis differences arising from equity method investees, share-based compensation expense related to share-based awards granted to employees of our equity method investees, as well as gain or loss arising from the deemed disposal of the equity method investees.

We record our share of results of all equity method investees one quarter in arrears. The year-over-year decrease in share of profit of Ant Group was mainly attributable to investments in new growth initiatives, partly offset by an increase in fair value of certain investments. Impairment loss decreased year-over-year as we recorded impairment losses of RMB5,403 million in the same quarter last year, primarily due to a prolonged decline in the public market value of an equity method investee against its carrying value.

Net income and Non-GAAP net income

Our net income in the quarter ended March 31, 2025 was RMB11,973 million (US\$1,650 million), compared to RMB919 million in the same quarter of 2024, primarily due to the mark-to-market changes from our equity investments, the increase in income from operations, and the decrease in impairment of equity method investments, partly offset by the losses arising from the disposal of subsidiaries.

Excluding non-cash share-based compensation expense, gains/losses of investments, impairment of goodwill and intangible assets, and certain other items, non-GAAP net income in the quarter ended March 31, 2025 was RMB29,847 million (US\$4,113 million), an increase of 22% compared to RMB24,418 million in the same quarter of 2024. A reconciliation of net income to non-GAAP net income is included at the end of this results announcement.

Net income attributable to ordinary shareholders

Net income attributable to ordinary shareholders in the quarter ended March 31, 2025 was RMB12,382 million (US\$1,706 million), compared to RMB3,270 million in the same quarter of 2024, primarily due to the mark-to-market changes from our equity investments, the increase in income from operations, and the decrease in impairment of equity method investments, partly offset by the losses arising from the disposal of subsidiaries.

Diluted earnings per ADS/share and non-GAAP diluted earnings per ADS/share

Diluted earnings per ADS in the quarter ended March 31, 2025 was RMB5.17 (US\$0.71), compared to RMB1.30 in the same quarter of 2024. Excluding non-cash share-based compensation expense, gains/losses of investments, impairment of goodwill and intangible assets, and certain other items, non-

GAAP diluted earnings per ADS in the quarter ended March 31, 2025 was RMB12.52 (US\$1.73), an increase of 23% compared to RMB10.14 in the same quarter of 2024.

Diluted earnings per share in the quarter ended March 31, 2025 was RMB0.65 (US\$0.09 or HK\$0.70), compared to RMB0.16 in the same quarter of 2024. Excluding non-cash share-based compensation expense, gains/losses of investments, impairment of goodwill and intangible assets, and certain other items, non-GAAP diluted earnings per share in the quarter ended March 31, 2025 was RMB1.57 (US\$0.22 or HK\$1.70), an increase of 23% compared to RMB1.27 in the same quarter of 2024.

A reconciliation of diluted earnings per ADS/share to non-GAAP diluted earnings per ADS/share is included at the end of this results announcement. Each ADS represents eight ordinary shares.

Net cash provided by operating activities and free cash flow

During the quarter ended March 31, 2025, net cash provided by operating activities was RMB27,520 million (US\$3,792 million), an increase of 18% compared to RMB23,340 million in the same quarter of 2024. Free cash flow, a non-GAAP measurement of liquidity, was RMB3,743 million (US\$516 million), a decrease of 76% compared to RMB15,361 million in the same quarter of 2024. The decrease in free cash flow was mainly attributed to the increase in our cloud infrastructure expenditure, partly offset by year-over-year increase of adjusted EBITDA. A reconciliation of net cash provided by operating activities to free cash flow is included at the end of this results announcement.

Net cash used in investing activities

During the quarter ended March 31, 2025, net cash used in investing activities of RMB39,547 million (US\$5,450 million) primarily reflected capital expenditures of RMB24,612 million (US\$3,392 million) and an increase in other treasury investments by RMB15,248 million (US\$2,101 million).

Net cash used in financing activities

During the quarter ended March 31, 2025, net cash used in financing activities of RMB4,102 million (US\$565 million) primarily reflected cash used in repurchase of ordinary shares of RMB4,584 million (US\$632 million) and acquisition of additional equity interests in non-wholly owned subsidiaries of RMB2,028 million (US\$279 million), partly offset by net proceeds from bank borrowings of RMB3,418 million (US\$471 million).

Employees

As of March 31, 2025, we had a total of 124,320 employees, compared to 194,320 as of December 31, 2024. The decrease in number of employees was mainly the result of sale and deconsolidation of Sun Art, partly offset by new hires.

FULL FISCAL YEAR SUMMARY FINANCIAL RESULTS

	Year ended March 31,			
	2024	2025		
	RMB	RMB	US\$	YoY % Change
	(in millions, except percentages and per share amounts)			
Revenue	941,168	996,347	137,300	6%
Income from operations	113,350	140,905	19,417	24% ⁽²⁾
Operating margin	12%	14%		
Adjusted EBITDA ⁽¹⁾	191,668	202,325	27,881	6% ⁽³⁾
Adjusted EBITDA margin ⁽¹⁾	20%	20%		
Adjusted EBITA ⁽¹⁾	165,028	173,065	23,849	5% ⁽³⁾
Adjusted EBITA margin ⁽¹⁾	18%	17%		
Net income	71,332	125,976	17,360	77% ⁽⁴⁾
Net income attributable to ordinary shareholders	79,741	129,470	17,841	62% ⁽⁴⁾
Non-GAAP net income ⁽¹⁾	157,479	158,122	21,790	0% ⁽⁴⁾
Diluted earnings per share ⁽⁵⁾	3.91	6.70	0.92	72% ⁽⁴⁾⁽⁶⁾
Diluted earnings per ADS ⁽⁵⁾	31.24	53.59	7.38	72% ⁽⁴⁾⁽⁶⁾
Non-GAAP diluted earnings per share ⁽¹⁾⁽⁵⁾	7.78	8.18	1.13	5% ⁽⁴⁾⁽⁶⁾
Non-GAAP diluted earnings per ADS ⁽¹⁾⁽⁵⁾	62.23	65.41	9.01	5% ⁽⁴⁾⁽⁶⁾

- (1) See the sections entitled “Non-GAAP Financial Measures” and “Reconciliations of Non-GAAP Measures to the Nearest Comparable U.S. GAAP Measures” for more information about the non-GAAP measures referred to within this results announcement.
- (2) The year-over-year increase was primarily due to the decrease in impairment of intangible assets and goodwill, the decrease in non-cash share-based compensation expense and the increase in adjusted EBITA.
- (3) The year-over-year increases were primarily attributable to revenue growth and improved operating efficiency, partly offset by the increase in investments in our e-commerce businesses and technology.
- (4) The year-over-year increases were primarily due to the mark-to-market changes from our equity investments and the increase in income from operations, partly offset by the losses arising from the disposal of subsidiaries, while net income attributable to ordinary shareholders and earnings per share/ADS would further take into account the net loss attributable to noncontrolling interests. We excluded non-cash share-based compensation expense, gains/losses of investments, impairment of goodwill and intangible assets, and certain other items from our non-GAAP measurements.
- (5) Each ADS represents eight ordinary shares.
- (6) The year-over-year percentages as stated are calculated based on the exact amount and there may be minor differences from the year-over-year percentages calculated based on the RMB amounts after rounding.

FULL FISCAL YEAR SEGMENT RESULTS

Revenue for fiscal year 2025 was RMB996,347 million (US\$137,300 million), an increase of 6% year-over-year compared to RMB941,168 million in fiscal year 2024.

The following table sets forth a breakdown of our revenue by segment for the periods indicated:

	Year ended March 31,			
	2024	2025		
	RMB	RMB	US\$	YoY % Change
	(in millions, except percentages)			
Taobao and Tmall Group:				
China commerce retail				
- Customer management	304,009	322,346	44,420	6%
- Direct sales and others ⁽¹⁾	110,405	103,180	14,219	(7)%
	414,414	425,526	58,639	3%
China commerce wholesale	20,479	24,301	3,349	19%
Total Taobao and Tmall Group	434,893	449,827	61,988	3%
Alibaba International Digital Commerce Group:				
International commerce retail	81,654	108,465	14,947	33%
International commerce wholesale	20,944	23,835	3,284	14%
Total Alibaba International Digital Commerce Group	102,598	132,300	18,231	29%
Cloud Intelligence Group	106,374	118,028	16,265	11%
Cainiao Smart Logistics Network Limited	99,020	101,272	13,956	2%
Local Services Group	59,802	67,076	9,243	12%
Digital Media and Entertainment Group	21,145	22,267	3,068	5%
All others ⁽²⁾	192,331	206,269	28,425	7%
Unallocated	1,297	1,924	265	
Inter-segment elimination	(76,292)	(102,616)	(14,141)	
Consolidated revenue	941,168	996,347	137,300	6%

(1) Direct sales and others revenue under Taobao and Tmall Group primarily represents Tmall Supermarket, Tmall Global and other direct sales businesses, where revenue and cost of inventory are recorded on a gross basis, as well as other revenue from value-added services.

(2) All others include Sun Art, Freshippo, Alibaba Health, Lingxi Games, Intime, Intelligent Information Platform (which mainly consists of UCWeb and Quark businesses), Fliggy, DingTalk and other businesses. The majority of revenue within All others consists of direct sales revenue, which is recorded on a gross basis.

The following table sets forth a breakdown of our adjusted EBITA by segment for the periods indicated:

	Year ended March 31,			
	2024	2025		
	RMB	RMB	US\$	YoY % Change ⁽³⁾
	(in millions, except percentages)			
Taobao and Tmall Group	194,827	196,232	27,041	1%
Alibaba International Digital Commerce Group	(8,035)	(15,137)	(2,086)	(88)%
Cloud Intelligence Group	6,121	10,556	1,455	72%
Cainiao Smart Logistics Network Limited	1,402	302	41	(78)%
Local Services Group	(9,812)	(3,689)	(508)	62%
Digital Media and Entertainment Group	(1,539)	(554)	(76)	64%
All others ⁽¹⁾	(9,160)	(8,536)	(1,176)	7%
Unallocated ⁽²⁾	(6,190)	(4,337)	(598)	
Inter-segment elimination	(2,586)	(1,772)	(244)	
Consolidated adjusted EBITA	165,028	173,065	23,849	5%
Less: Non-cash share-based compensation expense	(18,546)	(13,970)	(1,925)	
Less: Amortization and impairment of intangible assets	(21,592)	(6,336)	(873)	
Less: Impairment of goodwill, and others	(11,540)	(11,854)	(1,634)	
Income from operations	113,350	140,905	19,417	24%

- (1) All others include Sun Art, Freshippo, Alibaba Health, Lingxi Games, Intime, Intelligent Information Platform (which mainly consists of UCWeb and Quark businesses), Fliggy, DingTalk and other businesses.
- (2) Unallocated primarily relates to certain costs incurred by corporate functions and other miscellaneous items that are not allocated to individual segments.
- (3) For a more intuitive presentation, widening of loss in YoY% is shown in terms of negative growth rate, and narrowing of loss in YoY% is shown in terms of positive growth rate.

Taobao and Tmall Group

(i) Segment revenue

- ***China Commerce Retail Business***

Revenue from our China commerce retail business in fiscal year 2025 was RMB425,526 million (US\$58,639 million), an increase of 3% compared to RMB414,414 million in fiscal year 2024.

Customer management revenue increased by 6% year-over-year, primarily driven by the online GMV growth and improvement of take rate year-over-year.

Direct sales and others revenue under China commerce retail business in fiscal year 2025 was RMB103,180 million (US\$14,219 million), a decrease of 7% compared to RMB110,405 million in fiscal year 2024, primarily due to the decrease in direct sales revenue as a result of our planned reduction of certain direct sales businesses, partly offset by the increase in revenue from value-added services.

- ***China Commerce Wholesale Business***

Revenue from our China commerce wholesale business in fiscal year 2025 was RMB24,301 million (US\$3,349 million), an increase of 19% compared to RMB20,479 million in fiscal year 2024, primarily due to an increase in revenue from value-added services provided to paying members.

(ii) Segment adjusted EBITA

Taobao and Tmall Group adjusted EBITA increased by 1% to RMB196,232 million (US\$27,041 million) in fiscal year 2025, compared to RMB194,827 million in fiscal year 2024, primarily due to the increase in revenue from customer management service, partly offset by the increase in investments in user experience and technology.

Alibaba International Digital Commerce Group

(i) Segment revenue

- ***International Commerce Retail Business***

Revenue from our International commerce retail business in fiscal year 2025 was RMB108,465 million (US\$14,947 million), an increase of 33% compared to RMB81,654 million in fiscal year 2024, primarily driven by the increase in revenue contributed by AliExpress and Trendyol. As certain of our international businesses generate revenue in local currencies while our reporting currency is Renminbi, AIDC's revenue is affected by exchange rate fluctuations.

- ***International Commerce Wholesale Business***

Revenue from our International commerce wholesale business in fiscal year 2025 was RMB23,835 million (US\$3,284 million), an increase of 14% compared to RMB20,944 million in fiscal year 2024, primarily due to an increase in revenue generated by cross-border related value-added services.

(ii) Segment adjusted EBITA

Alibaba International Digital Commerce Group adjusted EBITA was a loss of RMB15,137 million (US\$2,086 million) in fiscal year 2025, compared to a loss of RMB8,035 million in fiscal year 2024, primarily due to the increase in investments in AliExpress and Trendyol's cross-border businesses, partly offset by Lazada's significant reduction in operating losses due to its improvement in monetization and operating efficiency, as well as improvements in profitability of Trendyol's domestic businesses.

Cloud Intelligence Group

(i) Segment revenue

Revenue from Cloud Intelligence Group was RMB118,028 million (US\$16,265 million) in fiscal year 2025, an increase of 11% compared to RMB106,374 million in fiscal year 2024. Overall revenue excluding Alibaba-consolidated subsidiaries increased by 10% year-over-year, primarily driven by an even faster public cloud revenue growth, including the increasing adoption of AI-related products.

(ii) Segment adjusted EBITA

Cloud Intelligence Group adjusted EBITA increased by 72% to RMB10,556 million (US\$1,455 million) in fiscal year 2025, compared to RMB6,121 million in fiscal year 2024, primarily due to faster public cloud revenue growth and improving operating efficiency, partly offset by the increasing investments in customer growth and technology innovation.

Cainiao Smart Logistics Network Limited

(i) Segment revenue

Revenue from Cainiao Smart Logistics Network Limited was RMB101,272 million (US\$13,956 million) in fiscal year 2025, an increase of 2% compared to RMB99,020 million in fiscal year 2024, primarily driven by the increase in revenue from cross-border fulfillment solutions, partly offset by the decrease in revenue from domestic logistics services as a result of our e-commerce businesses taking on certain logistics platform role.

(ii) Segment adjusted EBITA

Cainiao Smart Logistics Network Limited adjusted EBITA decreased by 78% to RMB302 million (US\$41 million) in fiscal year 2025, compared to RMB1,402 million in fiscal year 2024, primarily due to the decrease in profits from cross-border fulfillment solutions.

Local Services Group

(i) Segment revenue

Revenue from Local Services Group was RMB67,076 million (US\$9,243 million) in fiscal year 2025, an increase of 12% compared to RMB59,802 million in fiscal year 2024, driven by the order growth of both Amap and Ele.me, as well as revenue growth from marketing services.

(ii) Segment adjusted EBITA

Local Services Group adjusted EBITA was a loss of RMB3,689 million (US\$508 million) in fiscal year 2025, compared to a loss of RMB9,812 million in fiscal year 2024, as unit economics improved due to operating efficiency and increased scale.

Digital Media and Entertainment Group

(i) Segment revenue

Revenue from Digital Media and Entertainment Group was RMB22,267 million (US\$3,068 million) in fiscal year 2025, an increase of 5% compared to RMB21,145 million in fiscal year 2024, driven by the strong revenue growth of the movie and entertainment businesses of Alibaba Pictures, and Youku.

(ii) Segment adjusted EBITA

Digital Media and Entertainment Group adjusted EBITA in fiscal year 2025 was a loss of RMB554 million (US\$76 million), compared to a loss of RMB1,539 million in fiscal year 2024, primarily due to the narrowing of loss from Youku.

All Others

(i) Segment revenue

Revenue from All others segment was RMB206,269 million (US\$28,425 million) in fiscal year 2025, an increase of 7% compared to RMB192,331 million in fiscal year 2024, primarily due to the increase in revenue from Freshippo and Alibaba Health, partly offset by the decrease in revenue from Sun Art due to its sale and deconsolidation in February 2025.

(ii) Segment adjusted EBITA

Adjusted EBITA from All others segment in fiscal year 2025 was a loss of RMB8,536 million (US\$1,176 million), compared to a loss of RMB9,160 million in fiscal year 2024, primarily due to improved operating results from Sun Art, Freshippo and Alibaba Health, partly offset by the increased investment in technology businesses.

FULL FISCAL YEAR OTHER FINANCIAL RESULTS

Costs and Expenses

The following tables set forth a breakdown of our costs and expenses, share-based compensation expense, and costs and expenses excluding share-based compensation expense by function for the periods indicated:

	Year ended March 31,					% of Revenue YoY change
	2024		2025			
		% of			% of	
	RMB	Revenue	RMB	US\$	Revenue	
	(in millions, except percentages)					
Costs and expenses:						
Cost of revenue	586,323	62.3%	598,285	82,446	60.0%	(2.3)%
Product development expenses	52,256	5.6%	57,151	7,876	5.7%	0.1%
Sales and marketing expenses	115,141	12.2%	144,021	19,847	14.5%	2.3%
General and administrative expenses	41,985	4.5%	44,239	6,096	4.4%	(0.1)%
Amortization and impairment of intangible assets	21,592	2.3%	6,336	873	0.6%	(1.7)%
Impairment of goodwill	10,521	1.1%	6,171	850	0.6%	(0.5)%
Total costs and expenses	827,818		856,203	117,988		
Share-based compensation expense:						
Cost of revenue	3,012	0.3%	2,162	298	0.2%	(0.1)%
Product development expenses	7,623	0.8%	6,700	923	0.7%	(0.1)%
Sales and marketing expenses	2,265	0.2%	2,137	295	0.2%	0.0%
General and administrative expenses	5,646	0.6%	4,578	631	0.5%	(0.1)%
Total share-based compensation expense ⁽¹⁾	18,546		15,577	2,147		
Costs and expenses excluding share-based compensation expense:						
Cost of revenue	583,311	62.0%	596,123	82,148	59.8%	(2.2)%
Product development expenses	44,633	4.7%	50,451	6,953	5.1%	0.4%
Sales and marketing expenses	112,876	12.0%	141,884	19,552	14.2%	2.2%
General and administrative expenses	36,339	3.9%	39,661	5,465	4.0%	0.1%
Amortization and impairment of intangible assets	21,592	2.3%	6,336	873	0.6%	(1.7)%
Impairment of goodwill	10,521	1.1%	6,171	850	0.6%	(0.5)%
Total costs and expenses excluding share-based compensation expense	809,272		840,626	115,841		

(1) This includes both cash and non-cash share-based compensation expenses.

Cost of revenue – Cost of revenue in fiscal year 2025 was RMB598,285 million (US\$82,446 million), or 60.0% of revenue, compared to RMB586,323 million, or 62.3% of revenue, in fiscal year 2024. Without the effect of share-based compensation expense, cost of revenue as a percentage of revenue would have decreased from 62.0% in fiscal year 2024 to 59.8% in fiscal year 2025, primarily due to the decrease in scale of low margin direct sales businesses, and improvement in monetization and operating efficiency.

Product development expenses – Product development expenses in fiscal year 2025 were RMB57,151 million (US\$7,876 million), or 5.7% of revenue, compared to RMB52,256 million, or 5.6% of revenue, in fiscal year 2024. Without the effect of share-based compensation expense, product development expenses as a percentage of revenue would have increased from 4.7% in fiscal year 2024 to 5.1% in fiscal year 2025.

Sales and marketing expenses – Sales and marketing expenses in fiscal year 2025 were RMB144,021 million (US\$19,847 million), or 14.5% of revenue, compared to RMB115,141 million, or 12.2% of revenue, in fiscal year 2024. Without the effect of share-based compensation expense, sales and marketing expenses as a percentage of revenue would have increased from 12.0% in fiscal year 2024 to 14.2% in fiscal year 2025, primarily due to our increased investments in e-commerce businesses.

General and administrative expenses – General and administrative expenses in fiscal year 2025 were RMB44,239 million (US\$6,096 million), or 4.4% of revenue, compared to RMB41,985 million, or 4.5% of revenue, in fiscal year 2024. Without the effect of share-based compensation expense, general and administrative expenses as a percentage of revenue would have increased from 3.9% in fiscal year 2024 to 4.0% in fiscal year 2025.

Share-based compensation expense – Total share-based compensation expense included in the cost and expense items above in fiscal year 2025 was RMB15,577 million (US\$2,147 million), compared to RMB18,546 million in fiscal year 2024.

The following table sets forth our analysis of share-based compensation expense for the periods indicated by type of share-based awards:

by type of share-based awards.

	Year ended March 31,			
	2024	2025		
	RMB	RMB	US\$	YoY % Change
	(in millions, except percentages)			
By type of awards:				
Alibaba Group share-based awards ⁽¹⁾	17,974	11,121	1,533	(38)%
Ant Group share-based awards ⁽²⁾	(6,691)	4	1	N/A
Others ⁽³⁾	7,263	4,452	613	(39)%
Total share-based compensation expense ⁽⁴⁾	18,546	15,577	2,147	(16)%

(1) This represents Alibaba Group share-based awards granted to our employees.

(2) This represents Ant Group share-based awards granted to our employees, which is subject to mark-to-market accounting treatment.

(3) This represents share-based awards of our subsidiaries.

(4) This includes both cash and non-cash share-based compensation expenses.

Share-based compensation expense decreased in fiscal year 2025 compared to fiscal year 2024. This decrease was primarily due to the decrease in the number of the awards granted and the increase in long-term cash incentives granted after considering the macroeconomic environment and the general trends in the talent market.

Share-based compensation expense related to Ant Group share-based awards was a net reversal in fiscal year 2024 because we made a mark-to-market adjustment during the fiscal year relating to Ant Group share-based awards granted to our employees, reflecting a decrease in the value of Ant Group.

We expect that our share-based compensation expense will continue to be affected by changes in the fair value of the underlying awards and the quantity of awards we grant in the future.

Amortization and impairment of intangible assets – Amortization and impairment of intangible assets in fiscal year 2025 was RMB6,336 million (US\$873 million), a decrease of 71% from RMB21,592 million in fiscal year 2024. In fiscal year 2025, impairment of intangible assets of RMB634 million (US\$87 million) was recorded mainly relating to our businesses within All others segment. In fiscal year 2024, an impairment of intangible assets of RMB12,084 million was recorded relating to Sun Art within All others segment.

Impairment of goodwill – Impairment of goodwill in fiscal year 2025 was RMB6,171 million (US\$850 million), a decrease of 41% from RMB10,521 million in fiscal year 2024, which mainly related to Digital Media and Entertainment Group and All others segment.

Income from operations and operating margin

Income from operations in fiscal year 2025 was RMB140,905 million (US\$19,417 million), or 14% of revenue, an increase of 24% compared to RMB113,350 million, or 12% of revenue, in fiscal year 2024, primarily due to the decrease in impairment of intangible assets and goodwill, the decrease in non-cash share-based compensation expense and the increase in adjusted EBITA.

Adjusted EBITDA and Adjusted EBITA

Adjusted EBITDA increased 6% year-over-year to RMB202,325 million (US\$27,881 million) in fiscal year 2025, compared to RMB191,668 million in fiscal year 2024. Adjusted EBITA increased 5% year-over-year to RMB173,065 million (US\$23,849 million) in fiscal year 2025, compared to RMB165,028 million in fiscal year 2024, primarily attributable to revenue growth and improved operating efficiency, partly offset by the increase in investments in our e-commerce businesses and technology. A reconciliation of net income to adjusted EBITDA and adjusted EBITA is included at the end of this results announcement.

Adjusted EBITA by segment

Adjusted EBITA by segment as well as a reconciliation of income from operations to adjusted EBITA are set forth in the section entitled “Full Fiscal Year Segment Results” above.

Interest and investment income, net

Interest and investment income, net in fiscal year 2025 was a gain of RMB20,759 million (US\$2,861 million), compared to a loss of RMB9,964 million in fiscal year 2024, primarily due to the mark-to-market changes from our equity investments and the decrease in impairment of our investments, partly offset by the losses arising from the disposal of subsidiaries.

The above-mentioned gains and losses were excluded from our non-GAAP net income.

Other income, net

Other income, net in fiscal year 2025 was RMB3,387 million (US\$467 million), a decrease of 45% compared to RMB6,157 million in fiscal year 2024, primarily due to change in input VAT super-credit rate from 5% to 0% in calendar year 2024.

Income tax expenses

Income tax expenses in fiscal year 2025 were RMB35,445 million (US\$4,884 million), compared to RMB22,529 million in fiscal year 2024.

Share of results of equity method investees

Share of results of equity method investees in fiscal year 2025 was a profit of RMB5,966 million (US\$822 million), compared to a loss of RMB7,735 million in fiscal year 2024. The following table sets forth a breakdown of share of results of equity method investees for the periods indicated:

	Year ended March 31,		
	2024	2025	
	RMB	RMB	US\$
	(in millions)		
Share of profit (loss) of equity method investees			
- Ant Group	7,860	12,648	1,743
- Others	(2,154)	(2,276)	(314)
Impairment loss	(9,895)	(2,723)	(375)
Others ⁽¹⁾	(3,546)	(1,683)	(232)
Total	(7,735)	5,966	822

(1) “Others” mainly include basis differences arising from equity method investees, share-based compensation expense related to share-based awards granted to employees of our equity method investees, as well as gain or loss arising from the deemed disposal of the equity method investees.

We record our share of results of all equity method investees one quarter in arrears. The year-over-year increase in share of profit of Ant Group was mainly attributable to an increase in fair value of certain investments, partly offset by the investments in new growth initiatives.

Net income and Non-GAAP net income

Our net income in fiscal year 2025 was RMB125,976 million (US\$17,360 million), compared to RMB71,332 million in fiscal year 2024, primarily due to the mark-to-market changes from our equity investments and the increase in income from operations, partly offset by the losses arising from the disposal of subsidiaries.

Excluding non-cash share-based compensation expense, gains/losses of investments, impairment of goodwill and intangible assets, and certain other items, non-GAAP net income in fiscal year 2025 was RMB158,122 million (US\$21,790 million), which remained stable compared to RMB157,479 million in fiscal year 2024. A reconciliation of net income to non-GAAP net income is included at the end of this results announcement.

Net income attributable to ordinary shareholders

Net income attributable to ordinary shareholders in fiscal year 2025 was RMB129,470 million (US\$17,841 million), compared to RMB79,741 million in fiscal year 2024, primarily due to the mark-to-market changes from our equity investments and the increase in income from operations, partly offset by the losses arising from the disposal of subsidiaries.

Diluted earnings per ADS/share and non-GAAP diluted earnings per ADS/share

Diluted earnings per ADS in fiscal year 2025 was RMB53.59 (US\$7.38), compared to RMB31.24 in fiscal year 2024. Excluding non-cash share-based compensation expense, gains/losses of investments, impairment of goodwill and intangible assets, and certain other items, non-GAAP diluted earnings per ADS in fiscal year 2025 was RMB65.41 (US\$9.01), an increase of 5% compared to RMB62.23 in fiscal year 2024.

Diluted earnings per share in fiscal year 2025 was RMB6.70 (US\$0.92 or HK\$7.26), compared to RMB3.91 in fiscal year 2024. Excluding non-cash share-based compensation expense, gains/losses of

investments, impairment of goodwill and intangible assets, and certain other items, non-GAAP diluted earnings per share in fiscal year 2025 was RMB8.18 (US\$1.13 or HK\$8.86), an increase of 5% compared to RMB7.78 in fiscal year 2024.

A reconciliation of diluted earnings per ADS/share to non-GAAP diluted earnings per ADS/share is included at the end of this results announcement. Each ADS represents eight ordinary shares.

Cash and cash equivalents, short-term investments and other treasury investments

As of March 31, 2025, cash and cash equivalents, short-term investments and other treasury investments included in equity securities and other investments on the consolidated balance sheets, of which that are unrestricted for withdrawal and use, were RMB597,132 million (US\$82,287 million), compared to RMB617,230 million as of March 31, 2024. Other treasury investments consist of fixed deposits, certificates of deposit and marketable debt securities with original maturities over one year for treasury purposes. The decrease in cash and cash equivalents, short-term investments and other treasury investments during the year ended March 31, 2025, was primarily due to cash used in repurchase of ordinary shares of RMB86,662 million (US\$11,942 million), dividend payment of RMB29,077 million (US\$4,007 million), acquisition of additional equity interests in non-wholly owned subsidiaries of RMB21,949 million (US\$3,025 million), repayment of unsecured senior notes of RMB16,220 million (US\$2,235 million) and net cash outflow of RMB7,662 million (US\$1,056 million) for investment and acquisition activities, partly offset by free cash flow generated from operations of RMB73,870 million (US\$10,180 million) and net proceeds from the issuance of unsecured and convertible senior notes and the payments for capped call transactions of RMB67,032 million (US\$9,237 million).

Net cash provided by operating activities and free cash flow

Net cash provided by operating activities in fiscal year 2025 was RMB163,509 million (US\$22,532 million), a decrease of 10% compared to RMB182,593 million in fiscal year 2024. Free cash flow, a non-GAAP measurement of liquidity, was RMB73,870 million (US\$10,180 million), a decrease of 53% compared to RMB156,210 million in fiscal year 2024. The decrease in free cash flow was mainly attributed to the increase in our cloud infrastructure expenditure, partly offset by year-over-year increase of adjusted EBITDA. A reconciliation of net cash provided by operating activities to free cash flow is included at the end of this results announcement.

Net cash used in investing activities

During fiscal year 2025, net cash used in investing activities of RMB185,415 million (US\$25,551 million) primarily reflected an increase in other treasury investments by RMB126,041 million (US\$17,369 million) and capital expenditures of RMB85,972 million (US\$11,847 million), partly offset by a decrease in short-term investments by RMB23,395 million (US\$3,224 million).

Net cash used in financing activities

During fiscal year 2025, net cash used in financing activities of RMB76,215 million (US\$10,502 million) primarily reflected cash used in repurchase of ordinary shares of RMB86,662 million (US\$11,942 million), dividend payment of RMB29,077 million (US\$4,007 million) and acquisition of additional equity interests in non-wholly owned subsidiaries of RMB21,949 million (US\$3,025 million), partly offset by net proceeds from the issuance of unsecured and convertible senior notes and the payments for capped call transactions of RMB67,032 million (US\$9,237 million).

Employees

As of March 31, 2025, we had a total of 124,320 employees, compared to 204,891 as of March 31, 2024. The decrease in number of employees was mainly the result of sale and deconsolidation of Sun Art, partly offset by new hires.

WEBCAST AND CONFERENCE CALL INFORMATION

Alibaba Group's management will hold a conference call to discuss the financial results at 7:30 a.m. U.S. Eastern Time (7:30 p.m. Hong Kong Time) on Thursday, May 15, 2025.

All participants must pre-register to join this conference call using the Participant Registration link below:

English: <https://s1.c-conf.com/diamondpass/10046682-j7a0c5.html>

Chinese: <https://s1.c-conf.com/diamondpass/10046685-k9a6cf.html>

Upon registration, each participant will receive details for the conference call, including dial-in numbers, conference call passcode and a unique access PIN. To join the conference, please dial the number provided, enter the passcode followed by your PIN, and you will join the conference.

A live webcast of the earnings conference call can be accessed at <https://www.alibabagroup.com/en/ir/earnings>. An archived webcast will be available through the same link following the call. A replay of the conference call will be available for one week from the date of the conference (Dial-in number: +1 855 883 1031; English conference PIN 10046682; Chinese conference PIN 10046685).

Please visit Alibaba Group's Investor Relations website at <https://www.alibabagroup.com/en/ir/home> on May 15, 2025 to view the earnings release and accompanying slides prior to the conference call.

ABOUT ALIBABA GROUP

Alibaba Group's mission is to make it easy to do business anywhere. The company aims to build the future infrastructure of commerce. It envisions that its customers will meet, work and live at Alibaba, and that it will be a good company that lasts for 102 years.

Investor Relations Contact

Lydia Liu
Head of Investor Relations
Alibaba Group Holding Limited
investor@alibaba-inc.com

Media Contacts

Cathy Yan
cathy.yan@alibaba-inc.com

Ivy Ke
ivy.ke@alibaba-inc.com

EXCHANGE RATE INFORMATION

This results announcement contains translations of certain Renminbi ("RMB") amounts into U.S. dollars ("US\$") and Hong Kong dollars ("HK\$") for the convenience of the reader. Unless otherwise stated, all translations of RMB into US\$ were made at RMB7.2567 to US\$1.00, the exchange rate on March 31, 2025 as set forth in the H.10 statistical release of the Federal Reserve Board, and all translations of RMB into HK\$ were made at RMB0.92283 to HK\$1.00, the middle rate on March 31, 2025 as published by the People's Bank of China. The percentages stated in this announcement are calculated based on the RMB amounts and there may be minor differences due to rounding.

SAFE HARBOR STATEMENTS

This announcement contains forward-looking statements. These statements are made under the “safe harbor” provisions of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by terminology such as “may,” “will,” “expect,” “anticipate,” “future,” “aim,” “estimate,” “intend,” “seek,” “plan,” “believe,” “potential,” “continue,” “ongoing,” “target,” “guidance,” “is/are likely to” and similar statements. In addition, statements that are not historical facts, including statements about Alibaba Group’s new organizational and governance structure, Alibaba’s strategies and business and operational plans, Alibaba’s beliefs, expectations and guidance regarding the growth of its business, its financial results, return on investments, strategic investments and dispositions and share repurchases, and the business outlook and quotations from management in this announcement, are or contain forward-looking statements. Forward-looking statements involve inherent risks and uncertainties. A number of factors could cause actual results to differ materially from those contained in any forward-looking statement, including but not limited to: the implementation of Alibaba Group’s new organizational and governance structure; Alibaba’s ability to compete, innovate and maintain or grow its business; risks associated with sustained investments in Alibaba’s businesses; risks related to strategic transactions; fluctuations in general economic and business conditions in China and globally; uncertainties arising from competition among countries and geopolitical tensions, including national trade, investment, protectionist or other policies and export control, economic or trade sanctions; changes to our shareholder return initiatives; and assumptions underlying or related to any of the foregoing. Further information regarding these and other risks is included in Alibaba’s filings with the U.S. Securities and Exchange Commission and announcements on the website of The Stock Exchange of Hong Kong Limited. All information provided in this results announcement is as of the date of this results announcement and are based on assumptions that we believe to be reasonable as of this date, and Alibaba does not undertake any obligation to update any forward-looking statement, except as required under applicable law.

NON-GAAP FINANCIAL MEASURES

To supplement our consolidated financial statements, which are prepared and presented in accordance with GAAP, we use the following non-GAAP financial measures: for our consolidated results, adjusted EBITDA (including adjusted EBITDA margin), adjusted EBITA (including adjusted EBITA margin), non-GAAP net income, non-GAAP diluted earnings per share/ADS and free cash flow. For more information on these non-GAAP financial measures, please refer to the table captioned “Reconciliations of Non-GAAP Measures to the Nearest Comparable U.S. GAAP Measures” in this results announcement.

We believe that adjusted EBITDA, adjusted EBITA, non-GAAP net income and non-GAAP diluted earnings per share/ADS help identify underlying trends in our business that could otherwise be distorted by the effect of certain income or expenses that we include in income from operations, net income and diluted earnings per share/ADS. We believe that these non-GAAP measures provide useful information about our core operating results, enhance the overall understanding of our past performance and future prospects and allow for greater visibility with respect to key metrics used by our management in its financial and operational decision-making. We present three different income measures, namely adjusted EBITDA, adjusted EBITA and non-GAAP net income in order to provide more information and greater transparency to investors about our operating results.

We consider free cash flow to be a liquidity measure that provides useful information to management and investors about the amount of cash generated by our business that can be used for strategic corporate transactions, including investing in our new business initiatives, making strategic investments and acquisitions and strengthening our balance sheet.

Adjusted EBITDA, adjusted EBITA, non-GAAP net income, non-GAAP diluted earnings per share/ADS and free cash flow should not be considered in isolation or construed as an alternative to income from operations, net income, diluted earnings per share/ADS, cash flows or any other measure of performance or

as an indicator of our operating performance. These non-GAAP financial measures presented here do not have standardized meanings prescribed by U.S. GAAP and may not be comparable to similarly titled measures presented by other companies. Other companies may calculate similarly titled measures differently, limiting their usefulness as comparative measures to our data.

Adjusted EBITDA represents net income before interest and investment income, net, interest expense, other income (expense), net, income tax expenses, share of results of equity method investees, certain non-cash expenses, consisting of share-based compensation expense, amortization and impairment of intangible assets, impairment of goodwill, depreciation and impairment of property and equipment, and operating lease cost relating to land use rights, and others (including provision in relation to matters outside the ordinary course of business), which we do not believe are reflective of our core operating performance during the periods presented.

Adjusted EBITA represents net income before interest and investment income, net, interest expense, other income (expense), net, income tax expenses, share of results of equity method investees, certain non-cash expenses, consisting of share-based compensation expense, amortization and impairment of intangible assets, impairment of goodwill, and others (including provision in relation to matters outside the ordinary course of business), which we do not believe are reflective of our core operating performance during the periods presented.

Non-GAAP net income represents net income before non-cash share-based compensation expense, amortization and impairment of intangible assets, gain or loss on deemed disposals/disposals/revaluation of investments, impairment of goodwill and investments, and others (including provision in relation to matters outside the ordinary course of business), and adjustments for the tax effects.

Non-GAAP diluted earnings per share represents non-GAAP net income attributable to ordinary shareholders divided by the weighted average number of outstanding ordinary shares for computing non-GAAP diluted earnings per share on a diluted basis. **Non-GAAP diluted earnings per ADS** represents non-GAAP diluted earnings per share after adjusting for the ordinary share-to-ADS ratio.

Free cash flow represents net cash provided by operating activities as presented in our consolidated cash flow statement less purchases of property and equipment (excluding acquisition of land use rights and construction in progress relating to office campuses) and intangible assets (excluding those acquired through acquisitions), as well as adjustments to exclude from net cash provided by operating activities the buyer protection fund deposits from merchants on our marketplaces. We deduct certain items of cash flows from investing activities in order to provide greater transparency into cash flow from our revenue-generating business operations. We exclude “acquisition of land use rights and construction in progress relating to office campuses” because the office campuses are used by us for corporate and administrative purposes and are not directly related to our revenue-generating business operations. We also exclude buyer protection fund deposits from merchants on our marketplaces because these deposits are restricted for the purpose of compensating buyers for claims against merchants.

The table captioned “Reconciliations of Non-GAAP Measures to the Nearest Comparable U.S. GAAP Measures” in this results announcement has more details on the non-GAAP financial measures that are most directly comparable to GAAP financial measures and the related reconciliations between these financial measures.

ALIBABA GROUP HOLDING LIMITED
UNAUDITED CONSOLIDATED INCOME STATEMENTS

	Three months ended March 31,			Year ended March 31,		
	2024	2025		2024	2025	
	RMB	RMB	US\$	RMB	RMB	US\$
	(in millions, except per share data)			(in millions, except per share data)		
Revenue	221,874	236,454	32,584	941,168	996,347	137,300
Cost of revenue	(148,098)	(145,626)	(20,068)	(586,323)	(598,285)	(82,446)
Product development expenses	(14,085)	(14,934)	(2,058)	(52,256)	(57,151)	(7,876)
Sales and marketing expenses	(28,826)	(36,179)	(4,985)	(115,141)	(144,021)	(19,847)
General and administrative expenses	(14,019)	(10,331)	(1,423)	(41,985)	(44,239)	(6,096)
Amortization and impairment of intangible assets	(2,081)	(833)	(115)	(21,592)	(6,336)	(873)
Impairment of goodwill	–	–	–	(10,521)	(6,171)	(850)
Other (losses) gains, net	–	(86)	(12)	–	761	105
Income from operations	14,765	28,465	3,923	113,350	140,905	19,417
Interest and investment income, net	(5,702)	(7,516)	(1,036)	(9,964)	20,759	2,861
Interest expense	(2,177)	(2,496)	(344)	(7,947)	(9,596)	(1,323)
Other income, net	2,963	20	3	6,157	3,387	467
Income before income tax and share of results of equity method investees	9,849	18,473	2,546	101,596	155,455	21,422
Income tax expenses	(5,722)	(6,854)	(945)	(22,529)	(35,445)	(4,884)
Share of results of equity method investees	(3,208)	354	49	(7,735)	5,966	822
Net income	919	11,973	1,650	71,332	125,976	17,360
Net loss attributable to noncontrolling interests	2,446	586	81	8,677	4,133	569
Net income attributable to Alibaba Group Holding Limited	3,365	12,559	1,731	80,009	130,109	17,929
Accretion of mezzanine equity	(95)	(177)	(25)	(268)	(639)	(88)
Net income attributable to ordinary shareholders	3,270	12,382	1,706	79,741	129,470	17,841
Earnings per share attributable to ordinary shareholders⁽¹⁾						
Basic	0.17	0.67	0.09	3.95	6.89	0.95
Diluted	0.16	0.65	0.09	3.91	6.70	0.92
Earnings per ADS attributable to ordinary shareholders⁽¹⁾						
Basic	1.32	5.36	0.74	31.61	55.12	7.60
Diluted	1.30	5.17	0.71	31.24	53.59	7.38
Weighted average number of shares used in calculating earnings per ordinary share (million shares)⁽¹⁾						
Basic	19,763	18,487		20,182	18,791	
Diluted	19,980	19,153		20,359	19,318	

(1) Each ADS represents eight ordinary shares.

ALIBABA GROUP HOLDING LIMITED
UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Year ended March 31,		
	2024	2025	
	RMB	RMB	US\$
		(in millions)	
Net income	71,332	125,976	17,360
Other comprehensive income (loss):			
- Foreign currency translation:			
Change in unrealized gains (losses), net of tax	13,502	(512)	(70)
- Share of other comprehensive income of equity method investees:			
Change in unrealized gains	980	239	33
- Interest rate swaps under hedge accounting and others:			
Change in unrealized (losses) gains	(97)	82	11
Other comprehensive income (loss)	14,385	(191)	(26)
Total comprehensive income	85,717	125,785	17,334
Total comprehensive loss attributable to noncontrolling interests	8,364	4,183	576
Total comprehensive income attributable to ordinary shareholders	94,081	129,968	17,910

ALIBABA GROUP HOLDING LIMITED
UNAUDITED CONSOLIDATED BALANCE SHEETS

	As of March 31,	As of March 31,	
	2024	2025	
	RMB	RMB	US\$
		(in millions)	
Assets			
Current assets:			
Cash and cash equivalents	248,125	145,487	20,049
Short-term investments	262,955	228,826	31,533
Restricted cash and escrow receivables	38,299	43,781	6,033
Equity securities and other investments	59,949	53,780	7,411
Prepayments, receivables and other assets	143,536	202,175	27,860
Total current assets	752,864	674,049	92,886
Equity securities and other investments	220,942	356,818	49,171
Prepayments, receivables and other assets	116,102	83,431	11,497
Investment in equity method investees	203,131	210,169	28,962
Property and equipment, net	185,161	203,348	28,022
Intangible assets, net	26,950	20,911	2,882
Goodwill	259,679	255,501	35,209
Total assets	1,764,829	1,804,227	248,629
Liabilities, Mezzanine Equity and Shareholders' Equity			
Current liabilities:			
Current bank borrowings	12,749	22,562	3,109
Current unsecured senior notes	16,252	—	—
Income tax payable	9,068	11,638	1,604
Accrued expenses, accounts payable and other liabilities	297,883	332,537	45,825
Merchant deposits	12,737	274	37
Deferred revenue and customer advances	72,818	68,335	9,417
Total current liabilities	421,507	435,346	59,992

ALIBABA GROUP HOLDING LIMITED
UNAUDITED CONSOLIDATED BALANCE SHEETS (CONTINUED)

	As of March 31, 2024	As of March 31, 2025	
	RMB	RMB	US\$
		(in millions)	
Deferred revenue	4,069	4,536	625
Deferred tax liabilities	53,012	48,454	6,677
Non-current bank borrowings	55,686	49,909	6,878
Non-current unsecured senior notes	86,089	122,398	16,867
Non-current convertible unsecured senior notes	—	35,834	4,938
Other liabilities	31,867	17,644	2,432
Total liabilities	652,230	714,121	98,409
Commitments and contingencies			
Mezzanine equity	10,728	11,713	1,613
Shareholders' equity:			
Ordinary shares	1	1	—
Additional paid-in capital	397,999	381,379	52,555
Treasury shares at cost	(27,684)	(36,329)	(5,006)
Statutory reserves	14,733	15,936	2,196
Accumulated other comprehensive income	3,598	3,393	468
Retained earnings	597,897	645,478	88,949
Total shareholders' equity	986,544	1,009,858	139,162
Noncontrolling interests	115,327	68,535	9,445
Total equity	1,101,871	1,078,393	148,607
Total liabilities, mezzanine equity and equity	1,764,829	1,804,227	248,629

ALIBABA GROUP HOLDING LIMITED
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three months ended March 31,			Year ended March 31,		
	2024	2025		2024	2025	
	<u>RMB</u>	<u>RMB</u>	<u>US\$</u>	<u>RMB</u>	<u>RMB</u>	<u>US\$</u>
		(in millions)			(in millions)	
Net cash provided by operating activities	23,340	27,520	3,792	182,593	163,509	22,532
Net cash provided by (used in) investing activities	20,267	(39,547)	(5,450)	(21,824)	(185,415)	(25,551)
Net cash used in financing activities	(54,012)	(4,102)	(565)	(108,244)	(76,215)	(10,502)
Effect of exchange rate changes on cash and cash equivalents, restricted cash and escrow receivables	1,900	(569)	(78)	4,389	965	133
(Decrease) Increase in cash and cash equivalents, restricted cash and escrow receivables	(8,505)	(16,698)	(2,301)	56,914	(97,156)	(13,388)
Cash and cash equivalents, restricted cash and escrow receivables at beginning of period	294,929	205,966	28,383	229,510	286,424	39,470
Cash and cash equivalents, restricted cash and escrow receivables at end of period	<u>286,424</u>	<u>189,268</u>	<u>26,082</u>	<u>286,424</u>	<u>189,268</u>	<u>26,082</u>

ALIBABA GROUP HOLDING LIMITED
RECONCILIATIONS OF NON-GAAP MEASURES TO THE NEAREST COMPARABLE U.S. GAAP MEASURES

The table below sets forth a reconciliation of our net income to adjusted EBITA and adjusted EBITDA for the periods indicated:

	Three months ended March 31,			Year ended March 31,		
	2024	2025		2024	2025	
	RMB	RMB	US\$	RMB	RMB	US\$
		(in millions)			(in millions)	
Net income	919	11,973	1,650	71,332	125,976	17,360
Adjustments to reconcile net income to adjusted EBITA and adjusted EBITDA:						
Interest and investment income, net	5,702	7,516	1,036	9,964	(20,759)	(2,861)
Interest expense	2,177	2,496	344	7,947	9,596	1,323
Other income, net	(2,963)	(20)	(3)	(6,157)	(3,387)	(467)
Income tax expenses	5,722	6,854	945	22,529	35,445	4,884
Share of results of equity method investees	3,208	(354)	(49)	7,735	(5,966)	(822)
Income from operations	14,765	28,465	3,923	113,350	140,905	19,417
Non-cash share-based compensation expense	7,123	2,781	383	18,546	13,970	1,925
Amortization and impairment of intangible assets	2,081	833	115	21,592	6,336	873
Impairment of goodwill, and others	–	537	74	11,540	11,854	1,634
Adjusted EBITA	23,969	32,616	4,495	165,028	173,065	23,849
Depreciation and impairment of property and equipment, and operating lease cost relating to land use rights	6,838	9,167	1,263	26,640	29,260	4,032
Adjusted EBITDA	30,807	41,783	5,758	191,668	202,325	27,881

ALIBABA GROUP HOLDING LIMITED
RECONCILIATIONS OF NON-GAAP MEASURES TO THE NEAREST COMPARABLE U.S. GAAP MEASURES (CONTINUED)

The table below sets forth a reconciliation of our net income to non-GAAP net income for the periods indicated:

	Three months ended March 31,			Year ended March 31,		
	2024	2025		2024	2025	
	RMB	RMB	US\$	RMB	RMB	US\$
		(in millions)			(in millions)	
Net income	919	11,973	1,650	71,332	125,976	17,360
Adjustments to reconcile net income to non-GAAP net income:						
Non-cash share-based compensation expense	7,123	2,781	383	18,546	13,970	1,925
Amortization and impairment of intangible assets	2,081	833	115	21,592	6,336	873
Loss (Gain) on deemed disposals/disposals/ revaluation of investments	4,994	12,306	1,696	21,659	(8,764)	(1,208)
Impairment of goodwill and investments, and others	10,657	897	123	33,679	22,435	3,092
Tax effects ⁽¹⁾	(1,356)	1,057	146	(9,329)	(1,831)	(252)
Non-GAAP net income	24,418	29,847	4,113	157,479	158,122	21,790

(1) Tax effects primarily comprise tax effects relating to non-cash share-based compensation expense, amortization and impairment of intangible assets and certain gains and losses from investments, and others.

ALIBABA GROUP HOLDING LIMITED
RECONCILIATIONS OF NON-GAAP MEASURES TO THE NEAREST COMPARABLE U.S.
GAAP MEASURES (CONTINUED)

The table below sets forth a reconciliation of our diluted earnings per share/ADS to non-GAAP diluted earnings per share/ADS for the periods indicated:

	Three months ended March 31,			Year ended March 31,		
	2024	2025		2024	2025	
	RMB	RMB	US\$	RMB	RMB	US\$
	(in millions, except per share data)			(in millions, except per share data)		
Net income attributable to ordinary shareholders – basic	3,270	12,382	1,706	79,741	129,470	17,841
Dilution effect on earnings arising from non-cash share-based awards operated by equity method investees and subsidiaries	(15)	(82)	(11)	(228)	(300)	(41)
Adjustments for interest expense attributable to convertible unsecured senior notes	–	70	10	–	235	32
Net income attributable to ordinary shareholders – diluted	3,255	12,370	1,705	79,513	129,405	17,832
Non-GAAP adjustments to net income attributable to ordinary shareholders ⁽¹⁾	22,073	17,610	2,426	78,846	28,535	3,933
Non-GAAP net income attributable to ordinary shareholders for computing non-GAAP diluted earnings per share/ADS	25,328	29,980	4,131	158,359	157,940	21,765
Weighted average number of shares on a diluted basis for computing non-GAAP diluted earnings per share/ADS (million shares)⁽²⁾	19,980	19,153		20,359	19,318	
Diluted earnings per share⁽²⁾⁽³⁾	0.16	0.65	0.09	3.91	6.70	0.92
Non-GAAP diluted earnings per share⁽²⁾⁽⁴⁾	1.27	1.57	0.22	7.78	8.18	1.13
Diluted earnings per ADS⁽²⁾⁽³⁾	1.30	5.17	0.71	31.24	53.59	7.38
Non-GAAP diluted earnings per ADS⁽²⁾⁽⁴⁾	10.14	12.52	1.73	62.23	65.41	9.01

(1) Non-GAAP adjustments excluding the attributions to the noncontrolling interests. See the table above for items regarding the reconciliation of net income to non-GAAP net income (before excluding the attributions to the noncontrolling interests).

(2) Each ADS represents eight ordinary shares.

(3) Diluted earnings per share is derived from dividing net income attributable to ordinary shareholders by the weighted average number of outstanding ordinary shares, on a diluted basis. Diluted earnings per ADS is derived from the diluted earnings per share after adjusting for the ordinary share-to-ADS ratio.

(4) Non-GAAP diluted earnings per share is derived from dividing non-GAAP net income attributable to ordinary shareholders by the weighted average number of outstanding ordinary shares for computing non-GAAP diluted earnings per share, on a diluted basis. Non-GAAP diluted earnings per ADS is derived from the non-GAAP diluted earnings per share after adjusting for the ordinary share-to-ADS ratio.

ALIBABA GROUP HOLDING LIMITED
RECONCILIATIONS OF NON-GAAP MEASURES TO THE NEAREST COMPARABLE U.S.
GAAP MEASURES (CONTINUED)

The table below sets forth a reconciliation of net cash provided by operating activities to free cash flow for the periods indicated:

	Three months ended March 31,			Year ended March 31,		
	2024	2025		2024	2025	
	RMB	RMB	US\$	RMB	RMB	US\$
		(in millions)			(in millions)	
Net cash provided by operating activities	23,340	27,520	3,792	182,593	163,509	22,532
Less: Purchase of property and equipment (excluding land use rights and construction in progress relating to office campuses)	(10,174)	(23,993)	(3,306)	(27,579)	(84,278)	(11,614)
Less: Purchase of intangible assets (excluding those acquired through acquisitions)	—	—	—	(842)	—	—
Less: Changes in the buyer protection fund deposits	2,195	216	30	2,038	(5,361)	(738)
Free cash flow	15,361	3,743	516	156,210	73,870	10,180

NOTES TO THE FINANCIAL INFORMATION

Basis of presentation

Our unaudited condensed consolidated financial statements were prepared in accordance with accounting principles generally accepted in the United States of America. There were no significant changes to our significant accounting policies from the audited consolidated financial statements for the preceding fiscal year, except that the accounting policies relating to unsecured senior notes and derivatives and hedging were updated for the convertible senior notes and the related capped call transactions, respectively. The adoption of the accounting standard updates did not have a material impact on the financial position, results of operations and cash flows.

Revenue

Revenue by type is as follows:

	Year ended March 31,	
	2024	2025
	RMB	RMB
	(in millions)	
Customer management services	386,571	424,877
Membership fees and value-added services	41,956	46,613
Logistics services	114,073	123,379
Cloud services	76,459	84,517
Sales of goods	283,273	274,276
Other revenue	38,836	42,685
	<u>941,168</u>	<u>996,347</u>

Income tax expenses

Composition of income tax expenses is as follows:

	Year ended March 31,	
	2024	2025
	RMB	RMB
	(in millions)	
Current income tax expense	27,792	35,071
Deferred taxation	(5,263)	374
	<u>22,529</u>	<u>35,445</u>

Dividends

A two-part dividend comprised of (i) an annual dividend for the year ended March 31, 2024 of US\$0.125 per ordinary share or US\$1.00 per ADS, and (ii) a one-time extraordinary dividend of US\$0.0825 per ordinary share or US\$0.66 per ADS, was declared on May 14, 2024.

A two-part dividend in the total amount of US\$0.25 per ordinary share or US\$2.00 per ADS comprised of (i) an annual dividend for the year ended March 31, 2025 of US\$0.13125 per ordinary share or US\$1.05 per ADS, and (ii) a one-time extraordinary dividend of US\$0.11875 per ordinary share or US\$0.95 per ADS, was declared on May 15, 2025.

NOTES TO THE FINANCIAL INFORMATION (CONTINUED)

Earnings per share/ADS

The following table sets forth the computation of basic and diluted net income per share/ADS for the following periods:

	Year ended March 31,	
	2024	2025
	RMB	RMB
	(in millions, except per share data)	
Earnings per share		
<u>Numerator:</u>		
Net income attributable to ordinary shareholders for computing net income per ordinary share — basic	79,741	129,470
Dilution effect on earnings arising from non-cash share-based awards operated by equity method investees and subsidiaries	(228)	(300)
Adjustments for interest expense attributable to convertible unsecured senior notes	—	235
Net income attributable to ordinary shareholders for computing net income per ordinary share — diluted	79,513	129,405
<u>Shares (denominator):</u>		
Weighted average number of shares used in calculating net income per ordinary share — basic (million shares)	20,182	18,791
Adjustments for dilutive RSUs and share options (million shares)	177	200
Adjustments for convertible unsecured senior notes (million shares)	—	327
Weighted average number of shares used in calculating net income per ordinary share — diluted (million shares)	20,359	19,318
Net income per ordinary share — basic (RMB)	3.95	6.89
Net income per ordinary share — diluted (RMB)	3.91	6.70
Earnings per ADS		
Net income per ADS — basic (RMB)	31.61	55.12
Net income per ADS — diluted (RMB)	31.24	53.59

NOTES TO THE FINANCIAL INFORMATION (CONTINUED)

Aging analysis

Accounts receivable

The aging analysis of the accounts receivable, net of allowance based on billing date is as follows:

	As of March 31,	
	2024	2025
	RMB	RMB
	(in millions)	
0-3 months	23,046	25,172
3-6 months	3,306	3,078
6-12 months	2,086	1,775
Over 1 year	924	627
Accounts receivable, net of allowance	29,362	30,652

Accounts payable

The aging analysis of the accounts payable based on billing date is as follows:

	As of March 31,	
	2024	2025
	RMB	RMB
	(in millions)	
0-3 months	54,066	52,019
3-6 months	5,551	3,990
6-12 months	1,271	846
Over 1 year	2,960	1,346
Accounts payable	63,848	58,201

LIQUIDITY AND CAPITAL RESOURCES

We fund our operations and strategic investments from cash generated from our operations and through debt and equity financing. We generated RMB182,593 million and RMB163,509 million of cash from operating activities for the year ended March 31, 2024 and 2025, respectively. As of March 31, 2025, we had cash and cash equivalents, short-term investments and other treasury investments of RMB597,132 million that are unrestricted for withdrawal and use. Short-term investments include investments in fixed deposits with original maturities between three months and one year and certain investments in wealth management products, certificates of deposit, marketable debt securities and other investments whereby we have the intention to redeem within one year. Other treasury investments mainly include investments in fixed deposits, certificates of deposit and marketable debt securities with original maturities over one year for treasury purposes. The remaining maturities of these treasury investments held by us generally range from one to five years.

We believe that our current levels of cash and cash flows from operations will be sufficient to meet our anticipated cash needs for at least the next twelve months. However, we may need additional cash resources in the future if we find and wish to pursue opportunities for investment, acquisition, strategic cooperation or other similar actions, which may include investing in technology, infrastructure, including data management and analytics solutions, or related talent. If we determine that our cash requirements exceed our amounts of cash on hand or if we decide to further optimize our capital structure, we may seek to issue additional debt or equity securities or obtain credit facilities or other sources of funding.

In May 2024, we issued convertible unsecured fixed rate senior notes for an aggregate principal amount of US\$5.0 billion due on June 1, 2031. The convertible senior notes are senior unsecured obligations, and interest at an annual rate of 0.5% is payable in arrears semiannually.

In November 2024, we issued unsecured fixed rate senior notes with varying maturities, consisting of U.S. dollar-denominated notes for an aggregate principal amount of US\$2.65 billion and RMB-denominated notes for an aggregate principal amount of RMB17 billion. The senior notes are senior unsecured obligations, and interest is payable in arrears semiannually.

We monitor the Group's financial health and liquidity position by reviewing its total debts to Adjusted EBITDA ratio, calculated by dividing bank borrowings, unsecured senior notes and convertible unsecured senior notes by Adjusted EBITDA for the last twelve months. The Group's total debts to Adjusted EBITDA ratio was 0.89 and 1.14 as at March 31, 2024 and 2025, respectively.

SIGNIFICANT INVESTMENTS

Our significant investment consists of Ant Group. Ant Group provides comprehensive digital payment services and facilitates digital financial and value-added services for consumers and merchants in China and across the world. As of March 31, 2025, our equity interest in Ant Group on a fully diluted basis was 33%. During the year ended March 31, 2025, dividend received from Ant Group amounted to RMB2,630 million.

We did not hold any other significant investments as of March 31, 2025.

MATERIAL ACQUISITIONS AND DISPOSALS

Our material acquisitions and disposals of subsidiaries, associates and joint ventures in the year ended March 31, 2025 are set forth below.

In December 2024, we entered into the sale and purchase agreement with an independent purchaser, pursuant to which, among other things, the purchaser has conditionally agreed to purchase all of the equity interest in Sun Art held by the Group, representing approximately 73.66% of the total number of the ordinary shares of Sun Art in issue. Pursuant to the sale and purchase agreement, the Group was entitled to

receive approximately HKD9,698 million (RMB9,054 million), which comprised of cash considerations and deferred cash considerations. The sale of Sun Art was completed as of March 31, 2025.

In December 2024, we together with another minority shareholder agreed to sell 100% of the equity interest in Intime to a consortium of purchasers. The Group held approximately 99% of the equity interest in Intime. The cash consideration to the Group from the sale of Intime is approximately RMB7.4 billion. The sale of Intime was substantially completed as of March 31, 2025.

As at the date of this results announcement, the Group did not have detailed future plans for material investments.

PLEDGE OF ASSETS

Certain of the Group's bank borrowings are collateralized by a pledge of certain buildings and property improvements, construction in progress and land use rights in the PRC, receivables and other treasury investments with carrying values of RMB34,056 million and RMB30,213 million, as of March 31, 2024 and 2025, respectively. In addition, certain of the Group's payables are collateralized by a pledge of certain short-term investments and other treasury investments with carrying values of nil and RMB3,697 million as of March 31, 2024 and 2025, respectively.

FOREIGN EXCHANGE RISK

Foreign currency risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations. Although we operate businesses in different countries and regions, most of our revenue-generating transactions, and a majority of our expense-related transactions, are denominated in Renminbi, which is the functional currency of our major operating subsidiaries and the reporting currency of our financial statements. When considered appropriate, we enter into hedging activities with regard to exchange rate risk.

The value of the Renminbi against the U.S. dollar and other currencies may fluctuate and is affected by, among other things, changes in political and economic conditions and the foreign exchange policy adopted by the governments. It is difficult to predict how market forces or PRC or U.S. government policy may impact the exchange rate between the Renminbi and the U.S. dollar in the future.

To the extent that we need to convert U.S. dollars into Renminbi for our operations, appreciation of the Renminbi against the U.S. dollar would reduce the Renminbi amount we receive from the conversion. Conversely, if we decide to convert Renminbi into U.S. dollars for the purpose of making payments for dividends on our ordinary shares or ADSs, servicing our outstanding debts, or for other business purposes, appreciation of the U.S. dollar against the Renminbi would reduce the U.S. dollar amounts available to us.

CONTINGENT LIABILITIES

As at March 31, 2025, the Group had no material contingent liabilities.

CAPITAL EXPENDITURE AND CAPITAL COMMITMENT

Our capital expenditures have been incurred primarily in relation to (i) the acquisition of computer equipment and construction of data centers relating to our Cloud business and our e-commerce businesses; (ii) the acquisition of infrastructure for logistics services and direct sales businesses; and (iii) the acquisition of land use rights and construction of corporate campuses and office facilities. In the year ended March 31, 2024 and 2025, our capital expenditures totaled RMB32,087 million and RMB85,972 million, respectively.

The Group's capital commitments primarily relate to capital expenditures contracted for purchase of property and equipment, including the construction of corporate campuses. Total capital commitments

contracted but not provided for amounted to RMB18,372 million and RMB45,321 million as of March 31, 2024 and March 31, 2025, respectively.

We recently announced our plan to invest in our cloud and AI infrastructure. Save as disclosed above, as at the date of this results announcement, the Group did not have other detailed future plans for material capital assets.

REMUNERATION POLICY

The Group's remuneration policy and compensation packages are periodically reviewed. Discretionary bonuses and other long-term incentives may be awarded to selected employees based on various factors including but not limited to individual performance and the overall performance of our business. We have established learning and training programs to develop our employees both personally and professionally, helping them to better realize their potential and create value, thereby supporting their long-term career success.

The company's subsidiaries in the PRC participate in a government-mandated multi-employer defined contribution plan, which provides housing, pension, medical, maternity, work-related injury and unemployment benefits, as well as other welfare benefits to employees. The relevant labor regulations require the company's subsidiaries in the PRC to make monthly contributions to the local labor and social security authorities based on the applicable benchmarks and rates stipulated by the local government. Additionally, we provide commercial health and accidental insurance for our employees. The company's subsidiaries also formulate their own unique benefit plans and assistance programs tailored to their specific business needs.

The Group also makes payments to other defined contribution plans and defined benefit plans for the benefit of employees employed by subsidiaries outside of the PRC.

Share-based awards such as restricted share units, incentive and non-statutory stock options, restricted shares and share appreciation rights may be granted to any directors, employees and consultants of the Group or affiliated companies under equity incentive plans adopted since the inception of the company.

SUBSEQUENT EVENTS

Save as disclosed in this results announcement, as at the date of this results announcement, there were no significant events that might affect the Group since March 31, 2025.

PURCHASE, SALE OR REDEMPTION OF OUR COMPANY'S LISTED SECURITIES

During the year ended March 31, 2025, our company repurchased a total of 1,078 million ordinary shares on the Hong Kong Stock Exchange and the New York Stock Exchange for an aggregate consideration of US\$10.7 billion.

Details of the ordinary shares repurchased on the Hong Kong Stock Exchange are as follows:

Month of repurchase	Number of ordinary shares repurchased	Highest price paid (HK\$)	Lowest price paid (HK\$)	Aggregate consideration paid (HK\$, in millions)
April 2024	96,690,300	75.40	65.85	6,786
May 2024	41,430,000	85.85	73.45	3,261
June 2024	68,863,600	77.45	70.55	5,018
July 2024	92,633,600	77.95	69.90	6,875
August 2024	43,526,100	80.55	72.85	3,354
Total	343,143,600			25,294

Details of the ordinary shares repurchased on the New York Stock Exchange are as follows:

Month of repurchase	Number of ordinary shares underlying ADSs repurchased ⁽¹⁾	Highest price paid (US\$)	Lowest price paid (US\$)	Aggregate consideration paid (US\$, in millions)
April 2024	119,222,792	9.61	8.56	1,078
May 2024	57,509,912	11.30	9.36	580
June 2024	111,022,008	10.00	8.98	1,059
July 2024	96,566,976	10.12	9.00	920
August 2024	101,855,904	10.72	9.24	1,030
September 2024	79,554,616	12.19	10.04	840
October 2024	11,759,376	12.50	11.94	145
November 2024	54,593,728	12.50	10.33	606
December 2024	52,621,624	11.25	10.25	560
January 2025	39,373,032	11.25	10.04	410
February 2025	1,758,560	17.50	16.28	30
March 2025	9,397,632	17.50	15.82	159
Total	735,236,160			7,417

(1) Each ADS represents eight ordinary shares.

Our company also repurchased 118,628,800 ordinary shares at the price of US\$10.10 per share, representing an aggregate consideration of approximately US\$1.2 billion, through privately negotiated transaction concurrently with the pricing of our convertible senior notes offering on May 23, 2024.

As of the date of this results announcement, other than ordinary shares transferred to a trust prior to the Primary Conversion Effective Date (as defined below), all the ordinary shares repurchased during the year ended March 31, 2025 have been cancelled.

Save as disclosed above, neither our company nor any of our subsidiaries purchased, sold or redeemed any of our company's securities listed on the Hong Kong Stock Exchange or the New York Stock Exchange (including sale of Treasury Shares) during the year ended March 31, 2025. As of March 31, 2025, our company did not hold any treasury shares as defined in the Hong Kong Listing Rules.

CORPORATE GOVERNANCE

Compliance with the Corporate Governance Code

We became subject to the Corporate Governance Code (the “**Corporate Governance Code**”) set forth in Appendix C1 to the Hong Kong Listing Rules upon the voluntary conversion of our secondary listing status to primary listing status on the Main Board of the Hong Kong Stock Exchange, effective on August 28, 2024 (the “**Primary Conversion Effective Date**”).

To the knowledge of the company and our directors, we have complied with all applicable code provisions as set out in Part 2 of the Corporate Governance Code during the period from the Primary Conversion Effective Date to March 31, 2025.

Compliance with the Model Code

We have adopted our own trading guidelines, on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Hong Kong Listing Rules, to regulate, among others, all dealings by directors and relevant employees of securities in the company.

Having made specific enquiry of all directors, all directors confirmed that they have complied with our trading guidelines throughout the period from the Primary Conversion Effective Date to March 31, 2025.

REVIEW OF ANNUAL RESULTS

Our audit committee has reviewed our unaudited consolidated annual results for the fiscal year ended March 31, 2025, and has met with the independent auditor of the company, PricewaterhouseCoopers. Our audit committee has also discussed the accounting policies and practices adopted by us, as well as internal control and financial reporting matters with our senior management members.

The unaudited financial information disclosed in this announcement is preliminary. The audit of the consolidated financial statements and related notes to be included in our annual report to shareholders for the fiscal year ended March 31, 2025 is still in progress. The figures in respect of our unaudited consolidated balance sheets, unaudited consolidated income statements, unaudited consolidated statements of comprehensive income, unaudited condensed consolidated statements of cash flows and the related notes thereto for the fiscal year ended March 31, 2025 as set out in this announcement have been agreed by our auditor, PricewaterhouseCoopers, to the amounts set out in our draft consolidated financial statements for the fiscal year. The work performed by our auditor in this respect did not constitute an assurance engagement, and consequently no opinion or assurance has been expressed by our auditor on this announcement.

By order of the Board
Alibaba Group Holding Limited
Kevin Jinwei ZHANG
Secretary

Hong Kong, May 15, 2025

As at the date of this results announcement, our board of directors comprises Mr. Joseph C. TSAI as the chairman, Mr. Eddie Yongming WU, Mr. J. Michael EVANS and Ms. Maggie Wei WU as directors, and Mr. Jerry YANG, Ms. Wan Ling MARTELLO, Mr. Weijian SHAN, Ms. Irene Yun-Lien LEE, Mr. Albert Kong Ping NG and Mr. Kabir MISRA as independent directors.

APPENDIX II

RISK FACTORS RELATING TO

THE OPERATING ENVIRONMENT AND STRATEGY OF UBS AG

This section supersedes in its entirety Appendix 2 of the Base Listing Document.

Risks relating to UBS AG

Certain risks, including those described below, may affect the ability of UBS AG to execute its strategy or its business activities, financial condition, results of operations and prospects. It is inherently exposed to multiple risks, many of which may become apparent only with the benefit of hindsight. As a result, risks that UBS AG does not consider to be material, or of which it is not currently aware, could also adversely affect it. Within each category, the risks that UBS AG considers to be most material are presented first.

Strategy, management and operational risks

UBS's acquisition of Credit Suisse Group AG exposes the UBS AG Group to heightened litigation risk and regulatory scrutiny and entails significant additional costs, liabilities and business integration risks

UBS Group AG acquired Credit Suisse Group AG under exceptional circumstances and the continued outflows and deteriorating overall financial position of Credit Suisse, in order to avert a failure of Credit Suisse and thus damage to the Swiss financial centre and to global financial stability. The acquisition was effected through a merger of Credit Suisse Group AG with and into UBS Group AG, with UBS Group AG succeeding to all assets and all liabilities of Credit Suisse Group AG, becoming the direct or indirect shareholder of the former Credit Suisse Group AG's direct and indirect subsidiaries. Therefore, on a consolidated basis, all assets, risks and liabilities of the Credit Suisse Group became a part of UBS. This includes all ongoing and future litigation, regulatory and similar matters arising out of the business of the Credit Suisse Group, thereby materially increasing UBS's exposure to litigation and investigation risks.

The UBS AG Group has incurred and will continue to incur, substantial integration and restructuring costs as it combines the operations of UBS and Credit Suisse. In addition, the UBS AG Group may not realize all of the expected cost reductions and other benefits of the transaction. The UBS AG Group may not be able to successfully execute its strategic plans or to achieve the expected benefits of the acquisition of the Credit Suisse Group. The success of the transaction, including anticipated benefits and cost savings, will depend, in part, on the ability to successfully complete the integration of the operations of both firms rapidly and effectively, while maintaining stability of operations and high levels of service to customers of the combined franchise.

The ability of the UBS AG Group to complete the integration of Credit Suisse will depend on a number of factors, some of which are outside of its control, including its ability to:

- combine the operations of the two firms in a manner that preserves client service, simplifies infrastructure and results in operating cost savings, including the successful transfer of clients from legacy Credit Suisse platforms to UBS platforms in Switzerland, its largest booking centre;
 - maintain deposits and client invested assets in its Global Wealth Management division and in Switzerland, and to attract additional deposits and invested assets to the combined firm;
 - achieve cost reductions at the levels and in the timeframe it plans;
 - enhance, integrate and, where necessary, remediate risk management and financial control and other systems and frameworks, including to remediate the material weakness in Credit Suisse's internal controls over financial reporting;
 - complete the simplification of the legal structure of the combined firm in an expedited manner, including obtaining regulatory approvals and licenses required to implement the changes;
 - retain staff and reverse attrition of staff in certain of Credit Suisse's business areas;
 - successfully execute the wind-down of the assets and liabilities in its Non-core and Legacy division and release capital and resources for other purposes;
 - decommission the information technology and other legacy Credit Suisse operational infrastructure to simplify its infrastructure, reduce operational complexity and lower its operating expenses; and
 - resolve outstanding litigation, regulatory and similar matters, including matters relating to Credit Suisse, on terms that are not significantly adverse to the UBS AG Group, as well as to successfully remediate outstanding regulatory and supervisory matters and meet other regulatory commitments.
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The level of success in the absorption of Credit Suisse, in the integration of the two groups and their businesses, particularly in the area of the Swiss domestic bank, as well as the domestic and international wealth management businesses, the execution of the planned strategy regarding cost reductions and divestment of any non-core assets, and the level of resulting impairments and write-downs, may impact the operational results, share price and the credit rating of UBS entities. The combined Group will be required to devote significant management attention and resources to integrating its business practices and support functions. The diversion of management's attention and any delays or difficulties encountered in connection with the transaction and the coordination of the two companies' operations could have an adverse effect on the business, financial results, financial condition or the share price of the combined Group following the transaction. The coordination process may also result in additional and unforeseen expenses.

Substantial changes in regulation may adversely affect the UBS AG Group's businesses and UBS AG's ability to execute its strategic plans

Since the financial crisis of 2008, the UBS AG Group has been subject to significant regulatory requirements, including recovery and resolution planning, changes in capital and prudential standards, changes in taxation regimes as a result of changes in governmental administrations, new and revised market standards and fiduciary duties, as well as new and developing environmental, social and governance (ESG) standards and requirements. Notwithstanding attempts by regulators to align their efforts, the measures adopted or proposed for banking regulation differ significantly across the major jurisdictions, making it increasingly difficult to manage a global institution. Regulatory reviews of the events leading to the failures of US banks and the acquisition of Credit Suisse by UBS Group in 2023, as well as regulatory measures to complete the implementation of the Basel 3 standards, may increase capital, liquidity and other requirements applicable to banks, including UBS AG. Swiss regulatory changes with regard to such matters as capital and liquidity have often proceeded more quickly than those in other major jurisdictions, and Switzerland's requirements for major international banks are among the strictest of the major financial centres. Switzerland has implemented the final Basel 3 requirements effective 1 January 2025, at least a year ahead of the EU and the UK and likely several years ahead of the United States. In addition, Switzerland is expected to introduce in 2025 proposals for changes in regulation following the failure of Credit Suisse that will likely include changes to capital and liquidity requirements for UBS, the remaining Swiss G-SIB, as well as changes to the supervisory regime. Increased capital or liquidity requirements would put UBS AG at a disadvantage when competing with peer financial institutions subject to lower capital or liquidity requirements or more lenient regulation and increase its competitive disadvantage in some areas with unregulated non-bank competitors.

The UBS AG Group's implementation of additional regulatory requirements and changes in supervisory standards, as well as its compliance with existing laws and regulations, continue to receive heightened scrutiny from supervisors. If the UBS AG Group does not meet supervisory expectations in relation to these or other matters, or if additional supervisory or regulatory issues arise, it would likely be subject to further regulatory scrutiny, as well as measures that may further constrain its strategic flexibility.

Resolvability and resolution and recovery planning: The UBS AG Group has moved significant operations into subsidiaries to improve resolvability and meet other regulatory requirements, and this has resulted in substantial implementation costs, increased its capital and funding costs and reduced operational flexibility. For example, the UBS AG Group has transferred all of its US subsidiaries under a US intermediate holding company to meet US regulatory requirements and has transferred substantially all the operations of Personal & Corporate Banking and Global Wealth Management booked in Switzerland to UBS Switzerland AG to improve resolvability.

These changes create operational, capital, liquidity, funding and tax inefficiencies. The operations of the UBS AG Group in subsidiaries are subject to local capital, liquidity, stable funding, capital planning and stress testing requirements. These requirements have resulted in increased capital and liquidity requirements in affected subsidiaries, which limit the operational flexibility of UBS AG and negatively affect its ability to benefit from synergies between business units and to distribute earnings to the Group.

Under the Swiss too-big-to-fail ("TBTF") framework, the UBS AG Group is required to put in place viable emergency plans to preserve the operation of systemically important functions in the event of a failure. Moreover,

under this framework and similar regulations in the US, the UK, the EU and other jurisdictions in which it operates, UBS AG is required to prepare credible recovery and resolution plans detailing the measures that would be taken to recover in a significant adverse event or in the event of winding down the Group, UBS AG or the operations in a host country through resolution or insolvency proceedings. If a recovery or resolution plan that UBS AG produces is determined by the relevant authority to be inadequate or not credible, relevant regulation may permit the authority to place limitations on the scope or size of its business in that jurisdiction, or oblige it to hold higher amounts of capital or liquidity or to change its legal structure or business in order to remove the relevant impediments to resolution.

The authorities in Switzerland and internationally have published lessons learned from the Credit Suisse and the US regional bank failures, which are expected to result in additional requirements regarding resolution planning and early intervention tools for authorities. In connection with these reviews, FINMA has announced that it would not provide an assessment of the UBS resolution plans in 2024 as it expects to make adjustments to its resolution plan requirements based on lessons learned reviews as well as potential changes in its recovery and resolution authority under amendments that are expected to be proposed to Swiss law. UBS AG expects to make adjustments to its resolution plans to reflect additional guidance from FINMA and may be required to make further adjustment to reflect any changes to law that are enacted.

Capital and prudential standards: As an internationally active Swiss systemically relevant bank, the UBS AG Group is subject to capital and total loss-absorbing capacity (“**TLAC**”) requirements that are among the most stringent in the world. Moreover, many of its subsidiaries must comply with minimum capital, liquidity and similar requirements and, as a result, UBS Group AG and UBS AG have contributed a significant portion of their capital and provide substantial liquidity to these subsidiaries. These funds are available to meet funding and collateral needs in the relevant entities, but are generally not readily available for use by the Group as a whole.

The UBS AG Group’s risk-weighted assets (“**RWA**”) and leverage ratio denominator (“**LRD**”) are affected as Switzerland has implemented the final standards promulgated by the Basel Committee on Banking Supervision (“**the BCBS**”) and may be further affected as provisions of the standards are phased in. Although these final Basel 3 standards have now been implemented in Switzerland, other major banking centres have delayed implementation or have not yet enacted the final standards into regulation. Extended delay in implementation by other jurisdictions may lead to higher capital requirements for the UBS AG Group relative to peers.

In connection with the acquisition of the Credit Suisse Group, FINMA has permitted Credit Suisse entities to continue to apply certain prior interpretations and has provided supervisory rulings on the treatment of certain items for RWA or capital purposes. In general, these interpretations require that UBS phase out the treatment over the next several years. In addition, FINMA has agreed that the additional capital requirement applicable to Swiss systemically relevant banks, which is based on market share in Switzerland and LRD, will not increase as a result of the acquisition of the Credit Suisse Group before the end of 2025. The phase-out or end of these periods will likely increase the UBS AG Group’s overall capital requirements.

The report of the Swiss Federal Council on the failure of Credit Suisse recommends changes to Swiss capital regulation that, if adopted, may have the effect of substantially increasing UBS AG’s capital requirements. The Swiss Federal Council has indicated that it will publish proposed amendments to law and revisions to banking ordinances to implement the recommendations for public comment in May 2025. Certain of the measures recommended in the Federal Council report could require additional capital at UBS AG.

Increases in capital and changes in liquidity requirements may, in the aggregate require the UBS AG Group to maintain significantly higher levels of capital. Higher capital or liquidity requirements applied to UBS Group or UBS AG relative to competitors in Switzerland or abroad may affect the UBS AG Group’s ability to compete with firms subject to less stringent capital requirements and increase UBS AG Group’s costs to serve customers.

Market regulation and fiduciary standards: The UBS AG Group’s wealth and asset management businesses operate in an environment of increasing regulatory scrutiny and changing standards with respect to fiduciary and other standards of care and the focus on mitigating or eliminating conflicts of interest between a manager or advisor and the client, which require effective implementation across the global systems and processes of investment managers

and other industry participants. For example, the UBS AG Group has made material changes to its business processes, policies and the terms on which it interacts with these clients in order to comply with US Securities and Exchange Commission (“SEC”) Regulation Best Interest, which is intended to enhance and clarify the duties of brokers and investment advisers to retail customers, and the Volcker Rule, which limits its ability to engage in proprietary trading, as well as changes in European and Swiss market conduct regulation. Future changes in the regulation of the UBS AG Group’s duties to customers may require it to make further changes to its businesses, which would result in additional expense and may adversely affect its business. The UBS AG Group may also become subject to other similar regulations substantively limiting the types of activities in which it may engage or the way it conducts its operations.

In many instances, the UBS AG Group provides services on a cross-border basis, and it is therefore sensitive to barriers restricting market access for third-country firms. In particular, efforts in the EU to harmonize the regime for third-country firms to access the European market may have the effect of creating new barriers that adversely affect the UBS AG Group’s ability to conduct business in these jurisdictions from Switzerland. In addition, a number of jurisdictions are increasingly regulating cross-border activities based on determinations of equivalence of home country regulation, substituted compliance or similar principles of comity. A negative determination with respect to Swiss equivalence could limit the UBS AG Group’s access to the market in those jurisdictions and may negatively influence its ability to act as a global firm. For example, the EU declined to extend its equivalence determination for Swiss exchanges, which lapsed as of 30 June 2019.

The UBS AG Group has experienced cross-border outflows over a number of years as a result of heightened focus by fiscal authorities on cross-border investment and fiscal amnesty programs, in anticipation of the implementation in Switzerland of the global automatic exchange of tax information, and as a result of the measures the UBS AG Group has implemented in response to these changes. Further changes in local tax laws or regulations and their enforcement, additional cross-border tax information exchange regimes, national tax amnesty or enforcement programs or similar actions may affect its clients’ ability or willingness to do business with the UBS AG Group and could result in additional cross-border outflows.

The reputation of the UBS AG Group is critical to its success

The reputation of the UBS AG Group is critical to the success of its strategic plans, business and prospects. Reputational damage is difficult to reverse, and improvements tend to be slow and difficult to measure. In the past, the reputation of the UBS AG Group has been adversely affected by its losses during the 2008 financial crisis, investigations into its cross-border private banking services, criminal resolutions of London Interbank Offered Rates (LIBOR)-related and foreign exchange matters, as well as other matters. UBS AG believes that reputational damage as a result of these events was an important factor in its loss of clients and client assets across its asset-gathering businesses. The Credit Suisse Group was more recently subject to significant litigation and regulatory matters and to financial losses that adversely affected its reputation and the confidence of clients, which played a significant role in the events leading to the acquisition of the Credit Suisse Group in March 2023. These events, or new events that cause reputational damage, could have a material adverse effect on the UBS AG Group’s results of operation and financial condition, as well as its ability to achieve its strategic goals and financial targets.

Operational risks affect the businesses of the UBS AG Group

The businesses of the UBS AG Group depend on its ability to process a large number of transactions, many of which are complex, across multiple and diverse markets in different currencies, to comply with requirements of many different legal and regulatory regimes to which it is subject and to prevent, or promptly detect and stop, unauthorized, fictitious or fraudulent transactions. The UBS AG Group also relies on access to, and on the functioning of, systems maintained by third parties, including clearing systems, exchanges, information processors and central counterparties. Any failure of its or third-party systems could have an adverse effect on the UBS AG Group. These risks may be greater as the UBS AG Group deploys newer technologies, such as blockchain, or processes, platforms or products that rely on these technologies. UBS AG Group’s operational risk management and control systems and processes are designed to help ensure that the risks associated with its activities – including those arising from process error, failed execution, misconduct, unauthorized trading, fraud, system failures, financial crime, cyberattacks, breaches of

information security, inadequate or ineffective access controls and failure of security and physical protection – are appropriately controlled. If its internal controls fail or prove ineffective in identifying and remedying these risks, The UBS AG Group could suffer operational failures that might result in material losses. The acquisition of the Credit Suisse Group may elevate these risks, particularly during the first phases of integration, as the firms have historically operated under different procedures, IT systems, risk policies and structures of governance.

As a meaningful proportion of its staff have been and will continue working from outside the office, UBS AG Group has faced, and will continue to face, new challenges and operational risks, including maintenance of supervisory and surveillance controls, as well as increased fraud and data security risks. While the UBS AG Group has taken measures to manage these risks, these measures could prove not to be effective.

The UBS AG Group uses automation as part of its efforts to improve efficiency, reduce the risk of error and improve its client experience. The UBS AG Group intends to expand the use of robotic processing, machine learning and artificial intelligence (AI) to further these goals. Use of these tools presents their own risks, including the need for effective design and testing; the quality of the data used for development and operation of machine learning and AI tools may adversely affect their functioning and result in errors and other operational risks.

Financial services firms have increasingly been subject to breaches of security and to cyber- and other forms of attack, some of which are sophisticated and targeted attacks intended to gain access to confidential information or systems, disrupt service or steal or destroy data, which may result in business disruption or the corruption or loss of data at the UBS AG Group's locations or those of third parties. Cyberattacks by hackers, terrorists, criminal organizations, nation states and extremists have also increased in frequency and sophistication. Current geopolitical tensions have also led to increased risk of cyberattack from foreign state actors. In particular, the Russia–Ukraine war and the imposition of significant sanctions on Russia by Switzerland, the US, the EU, the UK and others has resulted and may continue to result in an increase in the risk of cyberattacks. Such attacks may occur on the UBS AG Group's own systems or on the systems that are operated by external service providers, may be attempted through the introduction of ransomware, viruses or malware, phishing and other forms of social engineering, distributed denial of service attacks and other means. These attempts may occur directly or using equipment or security passwords of the UBS AG Group's employees, third-party service providers or other users. Cybersecurity risks also have increased due to the widespread use of digital technologies, cloud computing and mobile devices to conduct financial business and transactions, as well as due to generative AI, which increases the capabilities of adversaries to mount sophisticated phishing attacks, for example, through the use of deepfake technologies, and presents new challenges to the protection of the UBS AG Group's systems and networks and the confidentiality and integrity of its data. During the first quarter of 2023, a third-party vendor, ION XTP, suffered a ransomware attack, which resulted in some disruption to the UBS AG Group's exchange-traded derivatives clearing activities, although it restored its services within 36 hours, using an available alternative solution. In addition to external attacks, the UBS AG Group has experienced loss of client data from failure by employees and others to follow internal policies and procedures and from misappropriation of its data by employees and others.

The UBS AG Group may not be able to anticipate, detect or recognize threats to its systems or data and its preventative measures may not be effective to prevent an attack or a security breach. In the event of a security breach, notwithstanding its preventative measures, the UBS AG Group may not immediately detect a particular breach or attack. The acquisition of the Credit Suisse Group may elevate and intensify these risks, as would-be attackers have a larger potential target in the combined bank and differences in systems, policies, and platforms could make threat detection more difficult. In addition, the implementation of the large-scale technological change program that is necessary to integrate the combined bank's systems at pace may also result in increased risks. Once a particular attack is detected, time may be required to investigate and assess the nature and extent of the attack, and to restore and test systems and data. If a successful attack occurs at a service provider, as the UBS AG Group has recently experienced, the UBS AG Group may be dependent on the service provider's ability to detect the attack, investigate and assess the attack and successfully restore the relevant systems and data. A successful breach or circumvention of security of the UBS AG Group's or a service provider's systems or data could have significant negative consequences for the UBS AG Group, including disruption of its operations, misappropriation of confidential information concerning it or its clients, damage to its systems, financial losses for the UBS AG Group's or its clients, violations of data privacy and

similar laws, litigation exposure, and damage to its reputation. The UBS AG Group may be subject to enforcement actions as regulatory focus on cybersecurity increases and regulators have announced new rules, guidance and initiatives on ransomware and other cybersecurity-related issues.

The UBS AG Group is subject to complex and frequently changing laws and regulations governing the protection of client and personal data, such as the EU General Data Protection Regulation. Ensuring that the UBS AG Group complies with applicable laws and regulations when it collects, uses and transfers personal information requires substantial resources and may affect the ways in which the UBS AG Group conducts its business. In the event that the UBS AG Group fails to comply with applicable laws, it may be exposed to regulatory fines and penalties and other sanctions. The UBS AG Group may also incur such penalties if its vendors or other service providers or clients or counterparties fail to comply with these laws or to maintain appropriate controls over protected data. In addition, any loss or exposure of client or other data may adversely damage the UBS AG Group's reputation and adversely affect its business.

A major focus of US and other countries' governmental policies relating to financial institutions in recent years has been on fighting money laundering and terrorist financing. The UBS AG Group is required to maintain effective policies, procedures and controls to detect, prevent and report money laundering and terrorist financing, and to verify the identity of its clients under the laws of many of the countries in which it operates. The UBS AG Group is also subject to laws and regulations related to corrupt and illegal payments to government officials by others, such as the US Foreign Corrupt Practices Act and the UK Bribery Act. The UBS AG Group has implemented policies, procedures and internal controls that are designed to comply with such laws and regulations. Notwithstanding this, regulators have found deficiencies in the design and operation of anti-money-laundering programs in the UBS AG Group's US operations. The UBS AG Group has undertaken a significant program to address these regulatory findings with the objective of fully meeting regulatory expectations for its programs. Failure to maintain and implement adequate programs to combat money laundering, terrorist financing or corruption, or any failure of the UBS AG Group's programs in these areas, could have serious consequences both from legal enforcement action and from damage to its reputation. Frequent changes in sanctions imposed and increasingly complex sanctions imposed on countries, entities and individuals, as exemplified by the breadth and scope of the sanctions imposed in relation to the war in Ukraine, increase the cost of the UBS AG Group monitoring and complying with sanctions requirements and increase the risk that it will not identify in a timely manner client activity that is subject to a sanction.

As a result of new and changed regulatory requirements and the changes the UBS AG Group has made in its legal structure, the volume, frequency and complexity of its regulatory and other reporting has remained elevated. Regulators have also significantly increased expectations regarding the UBS AG Group's internal reporting and data aggregation, as well as management reporting. The UBS AG Group has incurred, and continues to incur, significant costs to implement infrastructure to meet these requirements. Failure to meet external reporting requirements accurately and in a timely manner or failure to meet regulatory expectations of internal reporting, data aggregation and management reporting could result in enforcement action or other adverse consequences for the UBS AG Group.

In addition, despite the contingency plans that the UBS AG Group has in place, its ability to conduct business may be adversely affected by a disruption in the infrastructure that supports its businesses and the communities in which it operates. This may include a disruption due to natural disasters, pandemics, civil unrest, war or terrorism and involve electrical, communications, transportation or other services that the UBS AG Group uses or that are used by third parties with whom it conducts business.

The UBS AG Group depends on its risk management and control processes to avoid or limit potential losses in its businesses

Controlled risk-taking is a major part of the business of a financial services firm. Some losses from risk-taking activities are inevitable, but, to be successful over time, the UBS AG Group must balance the risks it takes against the returns generated. Therefore, it must diligently identify, assess, manage and control its risks, not only in normal market conditions but also as they might develop under more extreme, stressed conditions, when concentrations of exposures can lead to severe losses.

The UBS AG Group has not always been able to prevent serious losses arising from risk management failures and extreme or sudden market events. It recorded substantial losses on fixed-income trading positions in the 2008 financial crisis, in the unauthorized trading incident in 2011 and, more recently, positions resulting from the default of a US prime brokerage client. Credit Suisse has suffered very significant losses from the default of the US prime brokerage client and losses in supply chain finance funds managed by it, as well as other matters. As a result of these, Credit Suisse is subject to significant regulatory remediation obligations to address deficiencies in its risk management and control systems, that continue following the merger.

The UBS AG Group regularly revises and strengthens its risk management and control frameworks to seek to address identified shortcomings. Nonetheless, it could suffer further losses in the future if, for example:

- it does not fully identify the risks in its portfolio, in particular risk concentrations and correlated risks;
- its assessment of the risks identified, or its response to negative trends, proves to be untimely, inadequate, insufficient or incorrect;
- its risk models prove insufficient to predict the scale of financial risks the bank faces;
- markets move in ways that it does not expect – in terms of their speed, direction, severity or correlation – and its ability to manage risks in the resulting environment is, therefore, affected;
- third parties to whom it has credit exposure or whose securities it holds are severely affected by events and it suffers defaults and impairments beyond the level implied by its risk assessment; or
- collateral or other security provided by its counterparties and clients proves inadequate to cover their obligations at the time of default.

The UBS AG Group also holds legacy risk positions, primarily in Non-core and Legacy, that, in many cases, are illiquid and may deteriorate in value. The acquisition of the Credit Suisse Group and the integration of UBS AG with Credit Suisse AG has increased, materially, the portfolio of business that is outside of the UBS AG Group's risk appetite and subject to exit that will be managed in the Non-core and Legacy segment.

The UBS AG Group also manages risk on behalf of its clients. The performance of assets it holds for its clients may be adversely affected by the same aforementioned factors. If clients suffer losses or the performance of their assets held with the UBS AG Group is not in line with relevant benchmarks against which clients assess investment performance, the UBS AG Group may suffer reduced fee income and a decline in assets under management, or withdrawal of mandates.

Investment positions, such as equity investments made as part of strategic initiatives and seed investments made at the inception of funds that the UBS AG Group manages, may also be affected by market risk factors. These investments are often not liquid and generally are intended or required to be held beyond a normal trading horizon. Deteriorations in the fair value of these positions would have a negative effect on the UBS AG Group's earnings.

The UBS AG Group may be unable to identify or capture revenue or competitive opportunities, or retain and attract qualified employees

The financial services industry is characterized by intense competition, continuous innovation, restrictive, detailed and sometimes fragmented regulation and ongoing consolidation. The UBS AG Group faces competition at the level of local markets and individual business lines and from global financial institutions that are comparable to it in their size and breadth, as well as competition from new technology-based market entrants, which may not be subject to the same level of regulation. Barriers to entry in individual markets and pricing levels are being eroded by new technology. The UBS AG Group expects these trends to continue and competition to increase. Its competitive strength and market position could be eroded if the UBS AG Group is unable to identify market trends and developments, does not respond to such trends and developments by devising and implementing adequate business strategies, does not adequately develop or update its technology, including its digital channels and tools, or is unable to attract or retain the qualified people needed.

The amount and structure of the UBS AG Group's employee compensation is affected not only by its business results but also by competitive factors and regulatory considerations.

In response to the demands of various stakeholders, including regulatory authorities and shareholders, and in order to better align the interests of its staff with other stakeholders, the UBS AG Group has increased average deferral periods for stock awards, expanded forfeiture provisions and, to a more limited extent, introduced clawback provisions for certain awards linked to business performance. UBS AG has also introduced individual caps on the proportion of fixed to variable pay for the members of the Executive Board (“**EB**”), as well as certain other employees. UBS is also required to maintain and enforce provisions requiring it to recover from EB members and certain other executives a portion of performance-based incentive compensation in the event that the UBS Group and UBS AG, or another entity with securities listed on a US national securities exchange, is required to restate its financial statements as a result of a material error.

Constraints on the amount or structure of employee compensation, higher levels of deferral, performance conditions and other circumstances triggering the forfeiture of unvested awards may adversely affect the ability of the UBS AG Group to retain and attract key employees, particularly where it competes with companies that are not subject to these constraints. The loss of key staff and the inability to attract qualified replacements could seriously compromise the ability of the UBS AG Group to execute its strategy and to successfully improve its operating and control environment, and could affect its business performance. This risk is intensified by elevated levels of attrition among Credit Suisse employees. Swiss law requires that shareholders approve the compensation of the UBS Group AG Board of Directors (“**the Group Board**”) and the UBS Group AG Group Executive Board (“**GEB**”) each year. If UBS Group AG’s shareholders fail to approve the compensation for the GEB or the Group Board, this could have an adverse effect on UBS AG’s ability to retain experienced directors and its senior management.

UBS AG’s operating results, financial condition and ability to pay its obligations in the future may be affected by funding, dividends and other distributions received directly or indirectly from its subsidiaries, which may be subject to restrictions

UBS AG’s ability to pay its obligations in the future will depend on the level of funding, dividends and other distributions, if any, received from UBS Switzerland AG and other subsidiaries. The ability of such subsidiaries to make loans or distributions, directly or indirectly, to UBS AG may be restricted as a result of several factors, including restrictions in financing agreements and the requirements of applicable law and regulatory, fiscal or other restrictions. In particular, UBS AG’s direct and indirect subsidiaries, including UBS Switzerland AG, UBS Americas Holding LLC, Credit Suisse Holdings (USA) Inc., UBS Europe SE and Credit Suisse International, are subject to laws and regulations that require the entities to maintain minimum levels of capital and liquidity, that restrict dividend payments, that authorize regulatory bodies to block or reduce the flow of funds from those subsidiaries to UBS Group AG, or that could affect their ability to repay any loans made to, or other investments in, such subsidiary by UBS AG or another member of the UBS AG Group. For example, in the early stages of the COVID-19 pandemic, the European Central Bank ordered all banks under its supervision to cease dividend distributions, and the Board of Governors of the Federal Reserve System limited capital distributions by bank holding companies and intermediate holding companies. Restrictions and regulatory actions could impede access to funds that UBS AG may need to meet its obligations. In addition, UBS AG’s right to participate in a distribution of assets upon a subsidiary’s liquidation or reorganization is subject to all prior claims of the subsidiary’s creditors.

Furthermore, UBS AG may guarantee some of the payment obligations of certain of the Group’s subsidiaries from time to time. These guarantees may require UBS AG to provide substantial funds or assets to subsidiaries or their creditors or counterparties at a time when UBS AG is in need of liquidity to fund its own obligations.

Market, credit and macroeconomic risks

Performance in the financial services industry is affected by market conditions and the macroeconomic climate

The UBS AG Group’s businesses are materially affected by market and macroeconomic conditions. A market downturn and weak macroeconomic conditions can be precipitated by a number of factors, including geopolitical events, such as international armed conflicts, war, or acts of terrorism, the imposition of sanctions, global trade or global supply chain disruptions, including energy shortages and food insecurity, changes in monetary or fiscal policy, changes in trade policies or international trade disputes, significant inflationary or deflationary price changes,

disruptions in one or more concentrated economic sectors, natural disasters, pandemics or local and regional civil unrest. Such developments can have unpredictable and destabilizing effects.

Adverse changes in interest rates, credit spreads, securities prices, market volatility and liquidity, foreign exchange rates, commodity prices, and other market fluctuations, as well as changes in investor sentiment, can affect the UBS AG Group's earnings and ultimately its financial and capital positions. As financial markets are global and highly interconnected, local and regional events can have widespread effects well beyond the countries in which they occur. Any of these developments may adversely affect the UBS AG Group's business or financial results.

As a result of significant volatility in the market, the UBS AG Group's businesses may experience a decrease in client activity levels and market volumes, which would adversely affect its ability to generate transaction fees, commissions and margins, particularly in Global Wealth Management and the Investment Bank. A market downturn would likely reduce the volume and valuation of assets that the UBS AG Group manages on behalf of clients, which would reduce recurring fee income that is charged based on invested assets, primarily in Global Wealth Management and Asset Management, and performance-based fees in Asset Management. Such a downturn could also cause a decline in the value of assets that the UBS AG Group owns and accounts for as investments or trading positions. In addition, reduced market liquidity or volatility may limit trading opportunities and therefore may reduce transaction-based income and may also impede the UBS AG Group's ability to manage risks.

Health emergencies, including pandemics and measures taken by governmental authorities to manage them, may have effects such as labour market displacements, supply chain disruptions, and inflationary pressures, and adversely affect global and regional economic conditions, resulting in contraction in the global economy, substantial volatility in the financial markets, crises in markets for goods and services, disruptions in real estate markets, increased unemployment, increased credit and counterparty risk, and operational challenges, as was seen with the COVID-19 pandemic. Such economic or market disruptions, including inflationary pressures, may lead to reduced levels of client activity and demand for the UBS AG Group's products and services, increased utilization of lending commitments, significantly increased client defaults, continued and increasing credit and valuation losses in its loan portfolios, loan commitments and other assets, and impairments of other financial assets. A fall in equity markets and a consequent decline in invested assets would also reduce recurring fee income in the UBS AG Group's Global Wealth Management and Asset Management businesses, as it experienced in the second quarter of 2022. These factors and other consequences of a health emergency may negatively affect the financial condition of the UBS AG Group, including possible constraints on capital and liquidity, as well as resulting in a higher cost of capital, and possible downgrades to its credit ratings.

Geopolitical events: Terrorist activity and armed conflict in the Middle East, as well as the continuing Russia–Ukraine war, may have significant impacts on global markets, exacerbate global inflationary pressures and slow global growth. In addition, the ongoing conflicts may continue to cause significant population displacement, and lead to shortages of vital commodities, including energy shortages and food insecurity outside the areas immediately involved in armed conflict. Governmental responses to the armed conflicts, including, with respect to the Russia–Ukraine war, coordinated successive sets of sanctions on Russia and Belarus, and Russian and Belarusian entities and nationals, and the uncertainty as to whether the ongoing conflicts will widen and intensify, may continue to have significant adverse effects on the market and macroeconomic conditions, including in ways that cannot be anticipated. If individual countries impose restrictions on cross-border payments or trade, or other exchange or capital controls, or change their currency (for example, if one or more countries should leave the Eurozone, as a result of the imposition of sanctions on individuals, entities or countries, or escalation of trade restrictions and other actions between the US, or other countries, and China), the UBS AG Group could suffer adverse effects on its business, losses from enforced default by counterparties, be unable to access its own assets or be unable to effectively manage its risks.

The UBS AG Group could be materially affected if a crisis develops, regionally or globally, as a result of disruptions in markets due to macroeconomic or political developments, trade restrictions, or the failure of a major market participant. Over time, the UBS AG Group's strategic plans have become more heavily dependent on its ability to generate growth and revenue in emerging markets, including China, causing it to be more exposed to the risks associated with such markets.

Global Wealth Management derives revenues from all the principal regions but has a greater concentration in Asia than many peers and a substantial presence in the US, unlike many European peers. The Investment Bank's business is more heavily weighted to Europe and Asia than the UBS AG Group's peers, while its derivatives business is more heavily weighted to structured products for wealth management clients, in particular with European and Asian underlyings. The UBS AG Group's performance may therefore be more affected by political, economic and market developments in these regions and businesses than some other financial service providers.

The extent to which ongoing conflicts, current inflationary pressures and related adverse economic conditions affect the UBS AG Group's businesses, results of operations and financial condition, as well as its regulatory capital and liquidity ratios, will depend on future developments, including the effects of the current conditions on its clients, counterparties, employees and third-party service providers.

The UBS AG Group's credit risk exposure to clients, trading counterparties and other financial institutions would increase under adverse or other economic conditions

Credit risk is an integral part of many of the UBS AG Group's activities, including lending, underwriting and derivatives activities. Adverse economic or market conditions, or the imposition of sanctions or other restrictions on clients, counterparties or financial institutions, may lead to impairments and defaults on these credit exposures. Losses may be exacerbated by declines in the value of collateral securing loans and other exposures. In the UBS AG Group's prime brokerage, securities finance and Lombard lending businesses, it extends substantial amounts of credit against securities collateral the value or liquidity of which may decline rapidly. Market closures and the imposition of exchange controls, sanctions or other measures may limit the ability of the UBS AG Group to settle existing transactions or to realize on collateral, which may result in unexpected increases in exposures. The UBS AG Group's Swiss mortgage and corporate lending portfolios, which have increased substantially as a result of the Credit Suisse acquisition, are a large part of its overall lending. The UBS AG Group is therefore exposed to the risk of adverse economic developments in Switzerland, including property valuations in the housing market, the strength of the Swiss franc and its effect on Swiss exports, a return to negative interest rates applied by the Swiss National Bank, economic conditions within the Eurozone or the EU, and the evolution of agreements between Switzerland and the EU or European Economic Area, which represent Switzerland's largest export market. The UBS AG Group has exposures related to real estate in various countries, including a substantial Swiss mortgage portfolio. Although the UBS AG Group believes this portfolio is prudently managed, it could nevertheless be exposed to losses if a substantial deterioration in the Swiss real estate market were to occur.

As the UBS AG Group experienced in 2020, under the IFRS 9 expected credit loss ("ECL") regime, credit loss expenses may increase rapidly at the onset of an economic downturn as a result of higher levels of credit impairments (stage 3), as well as higher ECL from stages 1 and 2. Substantial increases in ECL could exceed expected loss for regulatory capital purposes and adversely affect the UBS AG Group's common equity tier 1 ("CET1") capital and regulatory capital ratios.

Interest rate trends and changes could negatively affect the UBS AG Group's financial results

The UBS AG Group's businesses are sensitive to changes in interest rate trends. A prolonged period of low or negative interest rates, particularly in Switzerland and the Eurozone, adversely affected the net interest income generated by UBS's Personal & Corporate Banking and Global Wealth Management businesses prior to 2022. Actions that the UBS AG Group took to mitigate adverse effects on income, such as the introduction of selective deposit fees or minimum lending rates, contributed to outflows of customer deposits (a key source of funding for the UBS AG Group), net new money outflows and a declining market share in its Swiss lending business.

During 2022, interest rates increased sharply in the US and most other markets, including a shift from negative to positive central bank policy rates in the Eurozone and Switzerland, as central banks responded to higher inflation. Higher interest rates generally benefit the UBS AG Group's net interest income. However, as returns on alternatives to deposits increase with rising interest rates, such as returns on money market funds, the UBS AG Group experienced outflows from customer deposits and shifts of deposits from lower-interest account types to accounts bearing higher interest rates, such as savings and certificates of deposit, starting with effects in the US, where rates had rapidly

increased. In addition, higher-for-longer interest rates, such as those experienced in 2023, have led to similar shifts in euro and Swiss franc deposits. Sustained higher interest rates also may adversely affect the UBS AG Group's credit counterparties. Customer deposit outflows could require the UBS AG Group to obtain alternative funding, which would likely be more costly than customer deposits.

Currency fluctuation may have an adverse effect on the UBS AG Group's profits, balance sheet and regulatory capital

The UBS AG Group is subject to currency fluctuation risks as a substantial portion of its assets and liabilities are denominated in currencies other than the UBS AG Group's presentation currency, the US dollar. In order to hedge its CET1 capital ratio, the UBS AG Group's CET1 capital must have foreign currency exposure, which leads to currency sensitivity. As a consequence, it is not possible to simultaneously fully hedge both CET1 capital and the CET1 capital ratio. Accordingly, changes in foreign exchange rates may adversely affect the UBS AG Group's profits, balance sheet, and capital, leverage and liquidity coverage ratios.

Regulatory and legal risks

Material legal and regulatory risks arise in the conduct of the UBS AG Group's business

As a global financial services firm operating in more than 50 countries, the UBS AG Group is subject to many different legal, tax and regulatory regimes, including extensive regulatory oversight, and are exposed to significant liability risk. The UBS AG Group is subject to a large number of claims, disputes, legal proceedings and government investigations, and it expects that its ongoing business activities will continue to give rise to such matters in the future. In addition, UBS AG inherited claims against Credit Suisse entities as part of the acquisition, including matters that may be material to the operating results of the combined group. The extent of its financial exposure to these and other matters is material and could substantially exceed the level of provisions that the UBS AG Group has established. the UBS AG Group is not able to predict the financial and non-financial consequences these matters may have when resolved.

The UBS AG Group may be subject to adverse preliminary determinations or court decisions that may negatively affect public perception and its reputation, result in prudential actions from regulators, and cause it to record additional provisions for such matters even when it believes it has substantial defences and expects to ultimately achieve a more favourable outcome. This risk is illustrated by the award of aggregate penalties and damages of EUR 4.5bn against UBS by the court of first instance in France. This award was reduced to an aggregate of EUR 1.8bn against by the Court of Appeal, and, in a further appeal, the French Supreme Court referred the case back to the Paris Court of Appeal to reconsider the amount after a new trial.

Litigation, regulatory and similar matters may also result in non-monetary penalties and consequences. Among other things, a guilty plea to, or conviction of, a crime (including as a result of termination of the Deferred Prosecution Agreement Credit Suisse entered into with the US Department of Justice in 2021 to resolve its Mozambique matter) could have material consequences for UBS AG.

Resolution of regulatory proceedings has required the UBS AG Group to obtain waivers of regulatory disqualifications to maintain certain operations, may entitle regulatory authorities to limit, suspend or terminate licenses and regulatory authorizations, and may permit financial market utilities to limit, suspend or terminate the UBS AG Group's participation in them. The UBS AG Group and Credit Suisse have each required waivers or exemptions in order to continue to act as investment manager to pension plans and registered investment companies in the US, among other things; failure to obtain such waivers, or any limitation, suspension or termination of licenses, authorizations or participations arising from a disqualifying event, could have material adverse consequences for the UBS AG Group.

The UBS AG Group's settlements with governmental authorities in connection with foreign exchange, LIBOR and other benchmark interest rates starkly illustrate the significantly increased level of financial and reputational risk now associated with regulatory matters in major jurisdictions. In connection with investigations related to LIBOR and other benchmark rates, and to foreign exchange and precious metals, very large fines and disgorgement amounts were

assessed against the UBS AG Group, and it was required to enter guilty pleas despite its full cooperation with the authorities in the investigations and despite its receipt of conditional leniency or conditional immunity from anti-trust authorities in a number of jurisdictions, including the US and Switzerland.

For a number of years, the UBS AG Group has been, and it continues to be, subject to a very high level of regulatory scrutiny and to certain regulatory measures that constrain its strategic flexibility. The UBS AG Group believes it has remediated the deficiencies that led to significant losses in the past and made substantial changes in its controls and conduct risk frameworks to address the issues highlighted by past regulatory resolutions. The UBS AG Group has also undertaken extensive efforts to implement new regulatory requirements and meet heightened supervisory expectations. Prior to its acquisition by UBS, Credit Suisse was also subject to a high level of regulatory scrutiny and had significant regulatory and other remediation programs to address identified issues, including as a result of the Archegos, Mozambique, supply chain finance and cross-border tax matters. As part of the integration of Credit Suisse, UBS AG is addressing these matters and will likely remain under additional regulatory scrutiny until the integration is substantially completed.

The UBS AG Group continues to be in active dialogue with regulators concerning the actions it is taking to improve its operational risk management, risk control, anti-money-laundering, data management and other frameworks, and otherwise seek to meet supervisory expectations, but there can be no assurance that its efforts will have the desired effects. As a result of this history, UBS AG's level of risk with respect to regulatory enforcement may be greater than that of some of its peers.

If UBS AG experiences financial difficulties, FINMA has the power to open restructuring or liquidation proceedings or impose protective measures in relation to UBS AG or UBS Switzerland AG, and such proceedings or measures may have a material adverse effect on UBS AG's creditors

Under the Swiss Banking Act, FINMA is able to exercise broad statutory powers with respect to Swiss banks and Swiss parent companies of financial groups, such as UBS Group AG, UBS AG and UBS Switzerland AG, if there is justified concern that an entity is over-indebted, has serious liquidity problems or, after the expiration of any relevant deadline, no longer fulfils capital adequacy requirements. Such powers include ordering protective measures, instituting restructuring proceedings (and exercising any Swiss resolution powers in connection therewith), and instituting liquidation proceedings, all of which may have a material adverse effect on shareholders and creditors or may prevent UBS AG or UBS Switzerland AG from paying dividends or making payments on debt obligations.

The UBS AG Group would have limited ability to challenge any such protective measures, and creditors and shareholders would also have limited ability under Swiss law or in Swiss courts to reject them, seek their suspension, or challenge their imposition, including measures that require or result in the deferment of payments.

If restructuring proceedings are opened with respect to UBS AG or UBS Switzerland AG the resolution powers that FINMA may exercise include the power to: (i) transfer all or some of the assets, debt and other liabilities, and contracts of the entity subject to proceedings to another entity; (ii) stay for a maximum of two business days (a) the termination of, or the exercise of rights to terminate, netting rights, (b) rights to enforce or dispose of certain types of collateral or (c) rights to transfer claims, liabilities or certain collateral, under contracts to which the entity subject to proceedings is a party; and (iii) partially or fully write down the equity capital and regulatory capital instruments and, if such regulatory capital is fully written down, write down or convert into equity the other debt instruments of the entity subject to proceedings. Creditors would have no right to reject, or to seek the suspension of, any restructuring plan pursuant to which such resolution powers are exercised. They would have only limited rights to challenge any decision to exercise resolution powers or to have that decision reviewed by a judicial or administrative process or otherwise.

Upon full or partial write-down of the equity and regulatory capital instruments of the entity subject to restructuring proceedings, the relevant shareholders and creditors would receive no payment in respect of debt that is written down, the write-down would be permanent, and the investors would likely not, at such time or at any time thereafter, receive any shares or other participation rights, or be entitled to any write-up or any other compensation in the event of a potential subsequent recovery of the debtor. If FINMA orders the conversion of debt of the entity subject to

restructuring proceedings into equity, the securities received by the investors may be worth significantly less than the original debt and may have a significantly different risk profile. In addition, creditors receiving equity would be effectively subordinated to all creditors of the restructured entity in the event of a subsequent winding up, liquidation or dissolution of the restructured entity, which would increase the risk that investors would lose all or some of their investment.

FINMA has significant discretion in the exercise of its powers in connection with restructuring proceedings. Furthermore, certain categories of debt obligations, such as certain types of deposits, are subject to preferential treatment. As a result, holders of obligations of an entity subject to a Swiss restructuring proceeding may have their obligations written down or converted into equity even though obligations ranking on par with such obligations are not written down or converted.

Developments in sustainability, climate, environmental and social standards and regulations may affect the UBS AG Group's business and impact its ability to fully realize its goals

The UBS AG Group is subject to separate, and sometimes conflicting, ESG regulations and regulator expectations in the various jurisdictions in which it operates. For example, in certain jurisdictions, the UBS AG Group is required to set diversity targets or other ESG-related goals that are considered illegal or contrary to regulatory expectations in other jurisdictions. In addition, with respect to decarbonization mandates, there is substantial uncertainty as to the scope of actions that may be required of the UBS AG Group, governments and others to achieve the goals the UBS AG Group has set, and many of its goals and objectives are only achievable with a combination of government and private action. National and international standards and expectations, industry and scientific practices, regulatory taxonomies, and disclosure obligations addressing these matters are relatively immature and are rapidly evolving. In addition, there are significant limitations in the data available to measure the UBS AG Group's climate and other goals. Although the UBS AG Group has defined and disclosed its goals based on the standards existing at the time of disclosure, there can be no assurance (i) that the various ESG regulatory and disclosure regimes under which it operates will not come into further conflict with one another, (ii) that the current standards will not be interpreted differently than the UBS AG Group's understanding or change in a manner that substantially increases the cost or effort for it to achieve such goals or (iii) that additional data or methods, whether voluntary or required by regulation, may substantially change the UBS AG Group's calculation of its goals and ambitions. It is possible that such goals may prove to be considerably more difficult or even impossible to achieve. The evolving standards may also require the UBS AG Group to substantially change the stated goals and ambitions. If the UBS AG Group is not able to achieve the goals it has set, or can only do so at significant expense to its business, it may fail to meet regulatory expectations, incur damage to its reputation or be exposed to an increased risk of litigation or other adverse action.

While ESG regulatory regimes and international standards are being developed, including to require consideration of ESG risks in investment decisions, some jurisdictions, notably in the US, have developed rules restricting the consideration of ESG factors in investment and business decisions. Under these anti-ESG rules, companies that are perceived as boycotting or discriminating against certain industries may be restricted from doing business with certain governmental entities. The UBS AG Group's businesses may be adversely affected if it is considered as discriminating against companies based on ESG considerations, or if further anti-ESG rules are developed or broadened.

Material weaknesses of Credit Suisse controls over financial reporting

In March 2023, prior to the acquisition by UBS Group AG, the Credit Suisse Group and Credit Suisse AG disclosed that their management had identified material weaknesses in internal control over financial reporting as a result of which, the Credit Suisse Group and Credit Suisse AG had concluded that, as of 31 December 2022, their internal controls over financial reporting were not effective, and for the same reasons, reached the same conclusion regarding 31 December 2021. A material weakness is a deficiency or a combination of deficiencies in internal controls over financial reporting such that there is a reasonable possibility that a material misstatement of a registrant's financial statements will not be prevented or detected on a timely basis. The material weaknesses result in a risk that a material error may not be detected by internal controls that could result in a material misstatement to the company's reported financial results. Following the acquisition and merger of Credit Suisse Group AG into UBS Group AG in June 2023,

Credit Suisse AG concluded that as of 31 December 2023 its internal control over financial reporting continued to be ineffective. For the year ended 31 December 2023, UBS concluded that its internal control over financial reporting was effective.

In June 2024 Credit Suisse AG and UBS AG merged with UBS AG as the surviving entity. Although Credit Suisse is no longer a separate legal entity, numerous of its booking, accounting and risk management systems remain in use for activities that have not yet been exited or migrated to UBS AG's systems.

The material weaknesses that were identified by Credit Suisse related to the failure to design and maintain an effective risk assessment process to identify and analyse the risk of material misstatements in its financial statements and the failure to design and maintain effective monitoring activities relating to (i) providing sufficient management oversight over the internal control evaluation process to support Credit Suisse internal control objectives; (ii) involving appropriate and sufficient management resources to support the risk assessment and monitoring objectives; and (iii) assessing and communicating the severity of deficiencies in a timely manner to those parties responsible for taking corrective action. These material weaknesses contributed to an additional material weakness, as the Credit Suisse Group management did not design and maintain effective controls over the classification and presentation of the consolidated statement of cash flows under US GAAP.

Since the Credit Suisse acquisition, UBS has executed a remediation program to address the identified material weaknesses and have implemented additional controls and procedures. As of 31 December 2024, management has assessed that the changes to internal controls made to address the material weakness relating to the classification and presentation of the consolidated statement of cash flows as well as assessment and communication of the severity of deficiencies are designed and operating effectively.

The remaining material weakness relates to the risk assessment of internal controls. UBS has implemented an enhanced severity assessment framework and additional management oversight of severity assessments and have integrated the Credit Suisse control frameworks into the UBS's internal control framework and risk assessment and evaluation processes in 2024. In addition, UBS has reviewed the processes, systems and internal control processes in connection with the integration of the financial accounting and controls environment of Credit Suisse into UBS AG, and implementation of updated or additional processes and controls to reflect the increase in complexity of the accounting and financial control environment following the acquisition.

Management has assessed that the risk assessment process was designed effectively. However, in light of the increased complexity of the internal accounting and control environment, the remaining migration efforts still underway and the limited time to demonstrate operating effectiveness and sustainability of the post-merger integrated control environment, management has concluded that additional evidence of effective operation of the remediated controls is required to conclude that the risk assessment processes is operating effectively on a sustainable basis. In light of the above, management has concluded that there is a material weakness in internal control over financial reporting at 31 December 2024 and, as a result, that UBS AG's disclosure controls and procedures were also not effective as of that date.

The UBS AG Group's financial results may be negatively affected by changes to assumptions and valuations, as well as changes to accounting standards

UBS AG prepares its consolidated financial statements in accordance with IFRS Accounting Standards. The application of these accounting standards requires the use of judgment based on estimates and assumptions that may involve significant uncertainty at the time they are made. This is the case, for example, with respect to the measurement of fair value of financial instruments, the recognition of deferred tax assets (DTAs), the assessment of the impairment of goodwill, expected credit losses and estimation of provisions for litigation, regulatory and similar matters. Such judgments, including the underlying estimates and assumptions, which encompass historical experience, expectations of the future and other factors, are regularly evaluated to determine their continuing relevance based on current conditions. Using different assumptions could cause the reported results to differ. Changes in assumptions, or failure to make the changes necessary to reflect evolving market conditions, may have a significant effect on the financial statements in the periods when changes occur. Estimates of provisions may be subject to a

wide range of potential outcomes and significant uncertainty. For example, the broad range of potential outcomes in the UBS AG Group's legal proceedings in France and in a number of Credit Suisse's legal proceedings increase the uncertainty associated with assessing the appropriate provision. If the estimates and assumptions in future periods deviate from the current outlook, the UBS AG Group's financial results may also be negatively affected.

Changes to IFRS Accounting Standards or interpretations thereof may cause future reported results and financial positions to differ from current expectations, or historical results to differ from those previously reported due to the adoption of accounting standards on a retrospective basis. Such changes may also affect the UBS AG Group's regulatory capital and ratios. For example, the introduction of the ECL regime under IFRS 9 in 2018 fundamentally changed how credit risk arising from loans, loan commitments, guarantees and certain revocable facilities is accounted for. Under the ECL regime, credit loss expenses may increase rapidly at the onset of an economic downturn as a result of higher levels of credit impairments (stage 3), as well as higher ECL from stages 1 and 2, only gradually diminishing once the economic outlook improves. As was observed in 2020, this effect may be more pronounced in a deteriorating economic environment. Substantial increases in ECL could exceed expected loss for regulatory capital purposes and adversely affect the UBS AG Group's CET1 capital and regulatory capital ratios.

The UBS AG Group may be unable to maintain its capital strength

Capital strength enables the UBS AG Group to grow its businesses and absorb increases in regulatory and capital requirements. The ability of the UBS AG Group to maintain its capital ratios is subject to numerous risks, including the financial results of its businesses, the effect of changes to capital standards, methodologies and interpretations that may adversely affect the calculation of its capital ratios, the imposition of risk add-ons or capital buffers, and the application of additional capital, liquidity and similar requirements to subsidiaries. The UBS AG Group's capital and leverage ratios are driven primarily by RWA, LRD and eligible capital, all of which may fluctuate based on a number of factors, some of which are outside of UBS AG's control. The results of the UBS AG Group's businesses may be adversely affected by events arising from other risk factors described herein. In some cases, such as litigation and regulatory risk and operational risk events, losses may be sudden and large.

The UBS AG Group's eligible capital may be reduced by losses recognized within net profit or other comprehensive income. Eligible capital may also be reduced for other reasons, including acquisitions that change the level of goodwill, changes in temporary differences related to DTAs included in capital, adverse currency movements affecting the value of equity, prudential adjustments that may be required due to the valuation uncertainty associated with certain types of positions, changes in regulatory interpretations on the inclusion or exclusion of items contributing to the equity of UBS AG's shareholders in regulatory capital, and changes in the value of certain pension fund assets and liabilities or in the interest rate and other assumptions used to calculate the changes in UBS AG's net defined benefit obligation recognized in other comprehensive income.

RWA are driven by the UBS AG Group's business activities, by changes in the risk profile of its exposures, by changes in its foreign currency exposures and foreign exchange rates, and by regulation. For instance, substantial market volatility, a widening of credit spreads, adverse currency movements, increased counterparty risk, deterioration in the economic environment or increased operational risk could result in an increase in RWA. Changes in the calculation of RWA, the imposition of additional supplemental RWA charges or multipliers applied to certain exposures and other methodology changes, as well as the finalization of the Basel III framework and Fundamental Review of the Trading Book promulgated by the BCBS, which are expected to affect the UBS AG Group's RWA.

The leverage ratio is a balance sheet-driven measure and therefore limits balance sheet-intensive activities, such as lending, more than activities that are less balance sheet intensive, and it may constrain the UBS AG Group's business even if UBS AG satisfies other risk-based capital requirements. Its LRD is driven by, among other things, the level of client activity, including deposits and loans, foreign exchange rates, interest rates, other market factors and changes in required liquidity. Many of these factors are wholly or partly outside of its control.

The effect of taxes on the financial results of the UBS AG Group is significantly influenced by tax law changes and reassessments of its deferred tax assets and, also, operating losses of certain entities with no associated tax benefit

The UBS AG Group's effective tax rate is highly sensitive to its performance, its expectation of future profitability and any potential increases or decreases in statutory tax rates, such as any potential increase or decrease in the US federal corporate tax rate. Furthermore, based on prior years' tax losses and deductible temporary differences, the UBS AG Group has recognized DTAs reflecting the probable recoverable level based on future taxable profit as informed by its business plans. If UBS AG Group's performance is expected to produce diminished taxable profit in future years, particularly in the US, it may be required to write down all or a portion of the currently recognized DTAs through the income statement in excess of anticipated amortization. This would have the effect of increasing the effective tax rate in the year in which any write-downs are taken. Conversely, if the UBS AG Group expects the performance of entities in which it has unrecognized tax losses to improve, particularly in the US or the UK, it could potentially recognize additional DTAs. The effect of doing so would be to reduce the effective tax rate in years in which additional DTAs are recognized and to increase the effective tax rate in future years. UBS AG's effective tax rate is also sensitive to any future reductions in statutory tax rates, particularly in the US, which would cause the expected future tax benefit from items such as tax loss carry-forwards in the affected locations to diminish in value. This, in turn, would cause a write-down of the associated DTAs. Conversely, an increase in US corporate tax rates would result in an increase in the Group's DTAs.

The UBS AG Group generally revalues its DTAs in the fourth quarter of the financial year based on a reassessment of future profitability taking into account its updated business plans. It considers the performance of its businesses and the accuracy of historical forecasts, tax rates and other factors in evaluating the recoverability of its DTAs, including the remaining tax loss carry-forward period and its assessment of expected future taxable profits over the life of DTAs. Estimating future profitability is inherently subjective and is particularly sensitive to future economic, market and other conditions, which are difficult to predict.

The UBS AG Group's results in past years have demonstrated that changes in the recognition of DTAs can have a very significant effect on its reported results. Any future change in the manner in which UBS AG remeasures DTAs could affect UBS AG's effective tax rate, particularly in the year in which the change is made.

The UBS AG Group's full-year effective tax rate would be impacted if aggregate tax expenses in respect of profits from branches and subsidiaries without loss coverage differ from what is expected or if certain branches and subsidiaries incur operating losses that the UBS AG Group cannot benefit from through the income statement. In particular, operating losses at entities or branches that cannot offset for tax purposes taxable profits in other Group entities, and which do not result in additional DTA recognition, would increase its effective tax rate. In addition, tax laws or the tax authorities in countries where the UBS AG Group has undertaken legal structure changes may cause entities to be subject to taxation as permanent establishments or may prevent the transfer of tax losses incurred in one legal entity to newly organized or reorganized subsidiaries or affiliates, or may impose limitations on the utilization of tax losses that relate to businesses formerly conducted by the transferor. Were this to occur in situations where there were also limited planning opportunities to utilize the tax losses in the originating entity, the DTAs associated with such tax losses may be required to be written down through the income statement.

Changes in tax law may materially affect the UBS AG Group's effective tax rate and, in some cases, may substantially affect the profitability of certain activities. In addition, statutory and regulatory changes, as well as changes to the way in which courts and tax authorities interpret tax laws, including assertions that the UBS AG Group is required to pay taxes in a jurisdiction as a result of activities connected to that jurisdiction constituting a permanent establishment or similar theory, and changes in its assessment of uncertain tax positions, could cause the amount of taxes the UBS AG Group ultimately pays to materially differ from the amount accrued.

The UBS AG Group may incur material future tax liabilities in connection with the combination with Credit Suisse

In the past, the Credit Suisse Group has recorded significant impairments of the tax value of its participations in subsidiaries below their tax acquisition costs. Following the acquisition of the Credit Suisse Group and the subsequent combination of Credit Suisse AG with UBS AG, tax acquisition costs of certain participations held by Credit Suisse Group AG and its subsidiaries have been transferred to the UBS AG Group. The UBS Group AG and its subsidiaries may become subject to additional Swiss tax on future reversals of such impairments for Swiss tax purposes. Reversals

of prior impairments may occur to the extent that the net asset value of the previously impaired subsidiary increases, e.g., as a result of an increase in retained earnings. Although it is difficult to quantify this additional future tax exposure, as various potential mitigants (e.g., transfers of assets and liabilities, business activities, subsidiary investments, as well as other restructuring measures within the combined Group in the course of the integration) exist, it may be material.

Liquidity and funding risk

Liquidity and funding management are critical to UBS AG's ongoing performance

The viability of the UBS AG Group's business depends on the availability of funding sources, and its success depends on its ability to obtain funding at times, in amounts, for tenors and at rates that enable it to efficiently support its asset base in all market conditions. The UBS AG Group's funding sources have generally been stable, but could change in the future because of, among other things, general market disruptions or widening credit spreads, which could also influence the cost of funding. A substantial part of the UBS AG Group's liquidity and funding requirements are met using short-term unsecured funding sources, including retail and wholesale deposits and the regular issuance of money market securities. A change in the availability of short-term funding could occur quickly.

The addition of loss-absorbing debt as a component of capital requirements, the regulatory requirements to maintain minimum TLAC at UBS AG and at certain of its subsidiaries, as well as the power of resolution authorities to bail in TLAC instruments and other debt obligations, and uncertainty as to how such powers will be exercised, caused and may still cause a further increase in UBS's cost of funding, and could potentially increase the total amount of funding required, in the absence of other changes in its business.

Reductions in UBS AG's credit ratings may adversely affect the market value of the securities and other obligations and increase its funding costs, in particular with regard to funding from wholesale unsecured sources, and could affect the availability of certain kinds of funding. In addition, as experienced in connection with the Moody's Investors Service Ltd. downgrade of UBS AG's long-term debt rating in June 2012, rating downgrades can require UBS AG to post additional collateral or make additional cash payments under trading agreements. UBS AG's credit ratings, together with its capital strength and reputation, also contribute to maintaining client and counterparty confidence, and it is possible that rating changes could influence the performance of some of UBS AG's businesses. The acquisition of the Credit Suisse Group has elevated these risks and may cause these risks to intensify. Upon the close of the acquisition in June 2023, Fitch Ratings Ireland Limited downgraded the Long-Term Issuer Default Ratings (IDRs) of UBS AG to "A+" from "AA-". Fitch Ratings Ltd. also upgraded Credit Suisse AG's Long-Term IDR to "A+" from "BBB+".

The requirement to maintain a liquidity coverage ratio of high-quality liquid assets to estimated stressed short-term net cash outflows, and other similar liquidity and funding requirements, oblige the UBS AG Group to maintain high levels of overall liquidity, limit its ability to optimize interest income and expense, make certain lines of business less attractive and reduce its overall ability to generate profits. The liquidity coverage ratio and net stable funding ratio requirements are intended to ensure that the UBS AG Group is not overly reliant on short-term funding and that it has sufficient long-term funding for illiquid assets. The relevant calculations make assumptions about the relative likelihood and amount of outflows of funding and available sources of additional funding in market-wide and firm-specific stress situations. In an actual stress situation, however, the UBS AG Group's funding outflows could exceed the assumed amounts. Further, UBS AG is subject to increased liquidity requirements related TBTF measures under the direction of FINMA, which became effective on 1 January 2024.

APPENDIX III

RECENT DEVELOPMENTS IN THE ISSUER'S BUSINESS

This section supersedes in its entirety the section in the Base Listing Document entitled "Information Relating to UBS AG".

1. Overview

UBS AG ("**Issuer**") with its subsidiaries (together, "**UBS AG consolidated**", or "**UBS AG Group**"; and UBS Group AG (which is the holding company of the Issuer) and its subsidiaries (including the Issuer and its subsidiaries) is referred to herein as "**UBS**", the "**UBS Group**" or the "**Group**") is a regulated bank in Switzerland providing a full range of financial services activities in Switzerland and abroad. The UBS AG Group operates through five business divisions: Global Wealth Management, Personal & Corporate Banking, Asset Management, the Investment Bank and Non-core and Legacy. Group functions are support and control functions that provide services to the UBS AG Group.

On 31 March 2025, the UBS AG consolidated CET1 capital ratio was 14.7%, the CET1 leverage ratio was 4.5%, and the total loss-absorbing capacity ratio was 38.0%.¹ On the same date, invested assets stood at USD 6,153 billion and equity attributable to UBS AG shareholders was USD 96,553 million. As of 31 March 2025, UBS AG Group employed 67,373 people.²

The rating agencies S&P Global Ratings Europe Limited ("**S&P**"), Moody's Investors Service Ltd. ("**Moody's**"), and Fitch Ratings Ireland Limited ("**Fitch**") have published solicited credit ratings reflecting their assessment of the creditworthiness of UBS AG, i.e. its ability to fulfil in a timely manner payment obligations, such as principal or interest payments on long-term loans, also known as debt servicing. The ratings from Fitch and S&P may be attributed a plus or minus sign, and those from Moody's a number. These supplementary attributes indicate the relative position within the respective rating class. UBS AG has a long-term counterparty credit rating of A+ from S&P, long-term senior debt rating of Aa2 from Moody's, and long-term issuer default rating of A+ from Fitch.

An explanation of the significance of ratings may be obtained from the rating agencies. Generally, rating agencies base their ratings on such material and information, and such of their own investigations, studies and assumptions, as they deem appropriate. The ratings of UBS AG should be evaluated independently from similar ratings of other entities, and from the rating, if any, of its securities. A credit rating is not a recommendation to buy, sell or hold securities issued or guaranteed by the rated entity and may be subject to review, revision, suspension, reduction or withdrawal at any time by the assigning rating agency. Moody's is established in the UK and registered under Regulation (EU) No 1060/2009 as it forms part of domestic law of the UK by virtue of the EUWA (the "**UK CRA Regulation**") and currently appears on the list of credit rating agencies registered or certified with the Financial Conduct Authority published on its website www.fca.org.uk/firms/credit-rating-agencies. Ratings given by Moody's are endorsed by Moody's Deutschland GmbH, which is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the "**EU CRA Regulation**") and currently appears on the list of credit ratings agencies published by ESMA on its website www.esma.europa.eu in accordance with the EU CRA Regulation. S&P and Fitch are established in the European Union and registered under the EU CRA Regulation and currently appear on the list of credit ratings agencies published by ESMA on its website in accordance with the EU CRA Regulation. Ratings given by S&P and Fitch are endorsed by Standard & Poor's Global Ratings UK Limited and Fitch Ratings Ltd, respectively, which are established in the UK and registered under

¹ All figures based on the Swiss systemically relevant bank framework. Refer to the "Capital management" section of the Annual Report 2024 and the First Quarter 2025 Report for more information.

² Full-time equivalents.

the UK CRA Regulation and currently appear on the list of credit rating agencies registered or certified with the FCA published on its website.

No profit forecasts or estimates are included in this document.

No recent events particular to the Issuer have occurred which are to a material extent relevant to the evaluation of the Issuer's solvency.

2. Information about the Issuer

2.1 Corporate Information

The legal and commercial name of the Issuer is UBS AG.

The Issuer was incorporated under the name SBC AG on 28 February 1978 for an unlimited duration and entered in the Commercial Register of Canton Basel-City on that day. The Issuer in its present form was created on 29 June 1998 by the merger of Union Bank of Switzerland (founded 1862) and Swiss Bank Corporation (founded 1872). UBS AG is entered in the Commercial Registers of Canton Zurich and Canton Basel-City. The registration number is CHE-101.329.561. On 31 May 2024, Credit Suisse AG merged with and into UBS AG.

UBS AG is incorporated and domiciled in Switzerland and operates under the Swiss Code of Obligations as an Aktiengesellschaft, a corporation limited by shares. UBS AG's Legal Entity Identifier (LEI) code is BFM8T61CT2L1QCEMIK50.

According to article 2 of the articles of association of UBS AG dated as of 23 April 2024 ("**Articles of Association**"), the purpose of UBS AG is the operation of a bank. Its scope of operations extends to all types of banking, financial, advisory, trading and service activities in Switzerland and abroad. UBS AG may establish branches and representative offices as well as banks, finance companies and other enterprises of any kind in Switzerland and abroad, hold equity interests in these companies, and conduct their management. UBS AG is authorized to acquire, mortgage and sell real estate and building rights in Switzerland and abroad. UBS AG may borrow and invest money on the capital markets. UBS AG is part of the group of companies controlled by the group parent company UBS Group AG. It may promote the interests of the group parent company or other group companies. It may provide loans, guarantees and other kinds of financing and security for group companies.

The addresses and telephone numbers of UBS AG's two registered offices and principal places of business are: Bahnhofstrasse 45, 8001 Zurich, Switzerland, telephone +41 44 234 1111; and Aeschenvorstadt 1, 4051 Basel, Switzerland, telephone +41 61 288 2020.

2.2 UBS's borrowing and funding structure and financing of UBS's activities

For information on UBS's expected financing of its business activities, please refer to "*Liquidity and funding management*" in the "*Risk, capital, liquidity and funding, and balance sheet*" section of the UBS AG Annual Report 2024 published on 17 March 2025 (the "**Annual Report**").

3. Business Overview

3.1 Organisational Structure of the Issuer

UBS AG is a Swiss bank and the parent company of the UBS AG Group. It is 100% owned by UBS Group AG, which is the holding company of the UBS Group. UBS AG operates as a group with five business divisions, and in addition, UBS AG has Group functions as support and control functions that provide services to UBS.

In 2014, UBS began adapting its legal entity structure in response to too-big-to-fail requirements and other regulatory initiatives. First, UBS Group AG was established as the ultimate parent holding

company for the Group. In 2015, UBS AG transferred its personal & corporate banking and Swiss-booked wealth management businesses to the newly established UBS Switzerland AG, a banking subsidiary of UBS AG in Switzerland. That same year, UBS Business Solutions AG, a wholly owned subsidiary of UBS Group AG, was established and acts as the Group service company. In 2016, UBS Americas Holding LLC became the intermediate holding company for UBS's US subsidiaries and UBS's wealth management subsidiaries across Europe were merged into UBS Europe SE, UBS's German-headquartered European subsidiary. In 2019, UBS Limited, UBS's UK headquartered subsidiary, was merged into UBS Europe SE.

On 12 June 2023, Credit Suisse Group AG merged with and into UBS Group AG (*Absorptionsfusion*), with UBS Group AG becoming the holding company of Credit Suisse AG. UBS merged UBS AG with Credit Suisse AG on 31 May 2024, transitioned to a single US intermediate holding company on 7 June 2024, and merged UBS Switzerland AG with Credit Suisse (Schweiz) AG on 1 July 2024.

UBS AG is the parent company of, and conducts a significant portion of its operations through, its subsidiaries. UBS AG has contributed a significant portion of its capital and provides substantial liquidity to subsidiaries. In addition, UBS Business Solutions AG provides substantial services to group companies including UBS AG and its subsidiaries. To this extent, UBS AG is dependent on certain of the entities of the UBS AG Group and of the UBS Group.

UBS AG's interests in subsidiaries and other entities as of 31 December 2024, including interests in significant subsidiaries, are discussed in "Note 28 Interests in subsidiaries and other entities" to UBS AG's consolidated financial statements included in the Annual Report 2024. As a result of the merger of UBS AG with Credit Suisse AG on 31 May 2024, the subsidiaries of Credit Suisse AG have become subsidiaries of UBS AG.

3.2 Principal activities

UBS AG businesses are organised globally into five business divisions: Global Wealth Management, Personal & Corporate Banking, Asset Management, the Investment Bank, and Non-core and Legacy. All five business divisions are supported by Group functions and qualify as reportable segments for the purpose of segment reporting. Each of the business divisions and Group functions are described below. A description of their businesses, organisational structures, products and services and targeted markets can be found under "*Our businesses*" in the "*Our business model and environment*" section of the Annual Report 2024 and "*Our businesses*" in the "UBS business divisions and Group Items" section of the First Quarter 2025 Report.

- *Global Wealth Management* provides financial services, advice and solutions to private wealth clients. Its offering ranges from investment management to estate planning and corporate finance advice, in addition to specific wealth management and banking products and services.
- *Personal & Corporate Banking* serves its private, corporate, and institutional clients' needs, from banking to retirement, financing, investments and strategic transactions, in Switzerland, through its branch network and digital channels.
- *Asset Management* is a global, large-scale and diversified asset manager. It offers investment capabilities and styles across all major traditional and alternative asset classes, as well as advisory support to institutions, wholesale intermediaries and wealth management clients.
- *The Investment Bank* provides a range of services to institutional, corporate and wealth management clients globally, to help them raise capital, grow their businesses, invest and manage risks. Its offering includes research, advisory services, facilitating clients raising debt and equity from the public and private markets and capital markets, cash and derivatives trading across equities and fixed income, and financing.

- *Non-core and Legacy* includes positions and businesses not aligned with UBS's long-term strategy and risk appetite. It consists of selected assets and liabilities from the Credit Suisse business divisions, as well as residual assets and liabilities from UBS's former Non-core and Legacy Portfolio that preceded the acquisition of the Credit Suisse Group and smaller amounts of assets and liabilities of UBS's business divisions that have been assessed as not strategic in light of that acquisition.
- *Group functions* are support and control functions that provide services to the Group. Virtually all costs incurred by the Group functions are allocated to the business divisions, leaving a residual amount that UBS refers to as Group Items in its segment reporting. Group functions includes the following major areas: Group Services (which consists of the Group Operations and Technology Office, Group Compliance, Regulatory & Governance, Group Finance, Group Risk Control, Group Human Resources and Corporate Services, Communications & Branding, Group Legal, the Group Integration Office, Group Sustainability and Impact, and the Chief Strategy Office) and Group Treasury.

3.3 Competition

The financial services industry is characterised by intense competition, continuous innovation, restrictive, detailed, and sometimes fragmented regulation and ongoing consolidation. UBS AG faces competition at the level of local markets and individual business lines, and from global financial institutions that are comparable to UBS AG in their size and breadth, as well as competition from new technology-based market entrants, which may not be subject to the same level of regulation. Barriers to entry in individual markets and pricing levels are being eroded by new technology. UBS expects these trends to continue and competition to increase.

Any statements regarding the competitive position of UBS AG, UBS AG Group or the Group contained in this document are made on the basis of the opinion of UBS AG or the Group.

3.4 Recent Developments

3.4.1 UBS AG consolidated key figures

UBS AG derived the selected consolidated financial information included in the table below for the years ended 31 December 2024 and 31 December 2023 from the Annual Report 2024. The selected consolidated financial information included in the table below for the quarters ended 31 March 2025 and 31 March 2024 was derived from the UBS AG First Quarter 2025 Report.

The consolidated financial statements were prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). Information for the years ended 31 December 2024 and 2023 which is indicated as being unaudited in the table below was included in the Annual Report 2024 but has not been audited on the basis that the respective disclosures are not required under IFRS Accounting Standards, and therefore are not part of the audited financial statements. Prospective investors should read the whole of this document, the Annual Report 2024 and the UBS AG First Quarter 2025 Report and should not rely solely on the summarized information set out below.

	As of or for the quarter ended		As of or for the year ended	
<i>USD million, except where indicated</i>	31.3.25	31.3.24	31.12.24	31.12.23
	<i>unaudited</i>		<i>audited, except where indicated</i>	

Results				
Income Statement*				
Total revenues	12,163	9,108	42,323	33,675
Net interest income	1,328	806	4,678	4,566
Other net income from financial instruments measured at fair value through profit or loss	3,924	2,945	12,959	9,934
Net fee and commission income	6,630	5,148	23,438	18,610
Other income	281	209	1,248	566
Credit loss expense / (release)	124	52	544	143
Operating expenses	10,701	7,677	39,346	29,011
Operating profit / (loss) before tax	1,339	1,379	2,433	4,521
Net profit / (loss) attributable to shareholders	1,028	1,006	1,481	3,290
Balance sheet*				
Total assets	1,547,489		1,568,060	1,156,016
of which: Loans and advances to customers	603,233		587,347	405,633
Total financial liabilities measured at amortized cost	1,051,412		1,054,796	762,840
of which: customer deposits	747,452		749,476	555,673
of which: debt issued measured at amortized cost	98,259		101,104	69,784
of which: subordinated debt	676		689	3,008
Total financial liabilities measured at fair value through profit or loss	385,436		401,555	328,401
of which: debt issued designated at fair value	107,393		102,567	86,341
Total liabilities	1,450,367		1,473,394	1,100,448
Total equity	97,123		94,666	55,569
of which: Equity attributable to shareholders	96,553		94,003	55,234
Profitability and growth*				
Return on equity (%) ¹	4.3	7.3	1.9**	6.0**
Return on tangible equity (%) ²	4.6	8.2	2.0**	6.7**
Return on common equity tier 1 capital (%) ³	5.7	9.1	2.2**	7.6**
Return on leverage ratio denominator, gross (%) ⁴	3.1	3.3	3.0**	3.2**
Cost / income ratio (%) ⁵	88.0	84.3	93.0**	86.2**
Net profit growth (%) ⁶	2.2	0.2	(55.0)**	(53.6)**
Resources*				
Common equity tier 1 capital ⁷	70,756	43,863	73,792	44,130

Risk-weighted assets ⁷	481,539	328,732	495,110**	333,979**
Common equity tier 1 capital ratio (%) ⁷	14.7	13.3	14.9**	13.2**
Going concern capital ratio (%) ⁷	18.5	17.7	18.1**	17.0**
Total loss-absorbing capacity ratio (%) ⁷	38.0	34.3	36.7**	33.3**
Leverage ratio denominator ⁷	1,565,845	1,078,591	1,523,277**	1,104,408**
Common equity tier 1 leverage ratio (%) ⁷	4.5	4.1	4.8**	4.0**
Liquidity coverage ratio (%) ⁸	180.3	191.4	186.1**	189.7**
Net stable funding ratio (%)	122.8	121.6	124.1**	119.6**
Other*				
Invested assets (USD billion) ⁹	6,153	4,672	6,087	4,505
Personnel (full-time equivalents)	67,373	47,635	68,982**	47,590**

* Comparability: comparative information in this table is presented as follows. Profit and loss information and other flow-based information for the first quarter of 2025 and the fourth quarter of 2024 is based entirely on consolidated data following the merger of UBS AG and Credit Suisse AG. Profit and loss information and other flow-based information for the first quarter of 2024 includes pre-merger UBS AG data only. Balance sheet information as at 31 March 2025 and 31 December 2024 includes post-merger consolidated information. Balance sheet dates prior to 30 June 2024 reflect pre-merger UBS AG information only.

** unaudited

¹ Calculated as annualized net profit attributable to shareholders divided by average equity attributable to shareholders. This measure provides information about the profitability of the business in relation to equity.

² Calculated as annualized net profit attributable to shareholders divided by average equity attributable to shareholders less average goodwill and intangible assets. This measure provides information about the profitability of the business in relation to tangible equity.

³ Calculated as annualized net profit attributable to shareholders divided by average common equity tier 1 capital. This measure provides information about the profitability of the business in relation to common equity tier 1 capital.

⁴ Calculated as annualized total revenues divided by average leverage ratio denominator. This measure provides information about the revenues of the business in relation to the leverage ratio denominator.

⁵ Calculated as operating expenses divided by total revenues. This measure provides information about the efficiency of the business by comparing operating expenses with gross income.

⁶ Calculated as the change in net profit attributable to shareholders from continuing operations between current and comparison periods divided by net profit attributable to shareholders from continuing operations of the comparison period. This measure provides information about profit growth since the comparison period.

⁷ Based on the Swiss systemically relevant bank framework. Refer to the "Capital management" section of the First Quarter 2025 Report for more information.

⁸ The disclosed ratios represent averages for the fourth quarter of each year presented, which were calculated based on an average of 62 data points for the first quarter of 2025, 64 data points in the fourth quarter of 2024 and 61 data points for the first quarter of 2024. Refer to the "Liquidity and funding management" section of the First Quarter 2025 Report for more information.

⁹ Consists of invested assets for Global Wealth Management, Asset Management (including invested assets from associates) and Personal & Corporate Banking. Refer to "Note 31 Invested assets and net new money" in the "Consolidated financial statements" section of the Annual Report 2024 report for more information.

3.4.2 Regulatory, legal and other developments

Refer to “Recent Developments” in the First Quarter 2025 Report, as well as to “Our environment” and “Regulatory and legal developments” in the Annual Report 2024, for information on key regulatory, legal and other developments.

3.5 Trend Information

For information on trends, refer to “Recent Developments” and to ‘Outlook’ in the First Quarter 2025 Report, as well as to “Our environment”, and “Top and emerging risks” in the “Risk management and control” section and to “Regulatory and legal developments” of the Annual Report 2024. In addition, please refer to the section “Risk factors” in the Annual Report 2024 for more information.

4. Administrative, Management and Supervisory Bodies of the Issuer

UBS AG complies with all relevant Swiss legal and regulatory corporate governance requirements. As a non-US company with debt securities listed on the New York Stock Exchange (“NYSE”), UBS AG also complies with the relevant NYSE corporate governance standards applicable to foreign private issuers.

UBS AG operates under a strict dual board structure, as mandated by Swiss banking law. The Board of Directors of UBS AG (“**BoD**”) exercises ultimate supervision over management, whereas the Executive Board of UBS AG (“**EB**”), headed by the President of the Executive Board (“**President of the EB**”), has executive management responsibility for UBS AG and its business. The functions of Chairman of the BoD and President of the EB are assigned to two different people, leading to a separation of power. This structure establishes checks and balances and preserves the institutional independence of the BoD from the executive management of UBS AG Group, for which responsibility is delegated to the EB under the leadership of the President of the EB. No member of one board may simultaneously be a member of the other.

Supervision and control of the EB remain with the BoD. The authorities and responsibilities of the two bodies are governed by the Articles of Association and the Organization Regulations of UBS AG.

4.1 Board of Directors

The BoD consists of between 5 and 12 members. All the members of the BoD are elected individually by the shareholders at the Annual General Meeting (“**AGM**”) for a term of office of one year, which expires after the completion of the next AGM. Shareholders also elect the Chairman upon proposal of the BoD.

The BoD meets as often as business requires, and at least six times a year.

4.1.1 Members of the Board of Directors

The current members of the BoD are listed below.

Member	Title	Term of office	Current principal activities outside UBS AG
Colm Kelleher	Chairman	2026	Chairman of the Board of Directors of UBS Group AG; member of the Board of Directors of the Bretton Woods Committee; member of the Board of the Swiss Finance Council; member of the Board of the International Monetary Conference; member of the Board of the Bank Policy Institute; member of the Board of Americans for Oxford; Visiting Professor of Banking and Finance, Loughborough Business School; member of the European Financial Services Round Table; member of the European Banking Group; member of the International Advisory Council of the China Securities

			Regulatory Commission; member of the Chief Executive's Advisory Council (Hong Kong).
Lukas Gähwiler	Vice Chairman	2026	Vice Chairman of the Board of Directors of UBS Group AG; Vice Chairman of the Board of Directors of Pilatus Aircraft Ltd; member of the Board of Directors of Ringier AG; member of the Board and Board Committee of economiesuisse; Chairman of the Employers Association of Banks in Switzerland; member of the Board of Directors of the Swiss Employers Association; member of the Board of Directors and the Board of Directors Committee of the Swiss Bankers Association; member of the Board of the Swiss Finance Council; member of the Board of Trustees of Avenir Suisse.
Jeremy Anderson	Member	2026	Senior Independent Director of the Board of Directors of UBS Group AG; member of the Board of Prudential plc (Chair of the Risk Committee); Chairman of Lamb's Passage Holding Ltd; member of the Board of Directors of Credit Suisse International; Trustee of the UK's Productivity Leadership Group.
William C. Dudley	Member	2026	Member of the Board of Directors of UBS Group AG; member of the Advisory Board of Suade Labs; Senior Advisor to the Griswold Center for Economic Policy Studies at Princeton University; member of the Group of Thirty; member of the Council on Foreign Relations; Chairman of the Bretton Woods Committee Board of Directors; member of the Board of the Council for Economic Education.
Patrick Firmenich	Member	2026	Member of the Board of Directors of UBS Group AG; Vice Chairman of the Board of dsm-firmenich (Chair of the Governance and Nomination Committee); member of the Board of INSEAD and INSEAD World Foundation; member of the Advisory Council of the Swiss Board Institute.
Fred Hu	Member	2026	Member of the Board of Directors of UBS Group AG; founder, Chairman and CEO of Primavera Capital Group; Non-Executive Chairman of the Board of Yum China Holdings (Chair of the Nomination and Governance Committee); member of the Board of Chubb Limited; Chairman of Primavera Capital Ltd; Trustee of the China Medical Board; Co-Chairman of the Nature Conservancy Asia Pacific Council; member of the Board of Trustees of the Institute for Advanced Study.
Mark Hughes	Member	2026	Member of the Board of Directors of UBS Group AG; Chair of the Board of Directors of the Global Risk Institute; Senior Advisor to McKinsey & Company.
Renata Jungo Brüngger	Member	2026	Member of the Board of Directors of UBS Group AG; member of the Supervisory Board of Daimler Truck Holding AG; member of the Supervisory Board of Daimler Truck AG; member of the Supervisory Board of Munich Re (Chair of Remuneration Committee); member of the Board of Trustees of Internationale Bachakademie Stuttgart; member of the Board of Trustees of Gesellschaft der Freunde von Bayreuth e. V. (Friends of Bayreuth).
Gail Kelly	Member	2026	Member of the Board of Directors of UBS Group AG; member of the Board of Singtel Communications (Chairperson of the Executive Resource and Compensation); member of the Group of Thirty; member of the Board of Directors of the Bretton Woods Committee; member of the Board of Directors of the Australia Philanthropic Services; member of the Australian American Leadership Dialogue Advisory Board; senior advisor to McKinsey & Company.

Julie G. Richardson	Member	2026	Member of the Board of Directors of UBS Group AG; member of the board of BXP; member of the board of Datadog (Chair of the Audit Committee); member of the Board of Fivetran; member of the Board of Coalition, Inc.
Lila Tretikov	Member	2026	Member of the Board of Directors of UBS Group AG; member of the Board of Volvo Car Corporation; member of the Board of Xylem Inc.; member of the Board of Zendesk Inc.; member of the Advisory Board of Affinidi; member of the Board of Backflip; member of the Advisory Board of Capgemini SE.
Jeanette Wong	Member	2026	Member of the Board of Directors of UBS Group AG; member of the Board of Prudential plc; member of the Board of Singapore Airlines Limited; member of the Board of GIC Pte Ltd; member of the Board of PSA International; member of the board of Pavilion Capital Holdings Pte Ltd; Chairman of the CareShield Life Council; member of the Securities Industry Council; member of the Board of Trustees of the National University of Singapore.

4.2 Executive Board (“EB”)

Under the leadership of the President of the EB, the EB has executive management responsibility for UBS AG and its business. All EB members (with the exception of the President of the EB) are proposed by the President of the EB. The appointments are made by the BoD.

4.2.1 Members of the Executive Board

The current members of the EB are listed below.

Member and business address	Function	Current principal activities outside UBS AG
Sergio P. Ermotti UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland	President of the Executive Board	Member of the Group Executive Board and Group Chief Executive Officer of UBS Group AG; member of the Board of Ermenegildo Zegna N.V. (Lead Non-Executive Director); member of the Board of Società Editrice del Corriere del Ticino SA; member of the Board of Innosuisse – Swiss Innovation Agency; member of Institut International D’Etudes Bancaires; member of the WEF International Business Council and Governor of the Financial Services / Banking Community; member of the MAS International Advisory Panel; member of the Board of the Institute of International Finance; member of the Board of the Swiss-American Chamber of Commerce.
George Athanasopoulos UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland	Co-President Investment Bank	Member of the Group Executive Board and Co-President Investment Bank of UBS Group AG.
Michelle Bereaux UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland	Integration Officer	Member of the Group Executive Board and Group Integration Officer of UBS Group AG.

<p>Mike Dargan</p> <p>UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland</p>	<p>Chief Operations and Technology Officer</p>	<p>Member of the Group Executive Board and Group Chief Operations and Technology Officer of UBS Group AG; President of the Executive Board and board member of UBS Business Solutions AG; member of the Board of Directors and President of the Executive Board of Credit Suisse Services AG; member of the Board of UBS Optimus Foundation; member of the Advisory Board of SCION Association.</p>
<p>Aleksandar Ivanovic</p> <p>UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland</p>	<p>President Asset Management</p>	<p>Member of the Group Executive Board and President Asset Management of UBS Group AG; Chairman of UBS Asset Management AG; Chairman of UBS Asset Management Switzerland AG.</p>
<p>Robert Karofsky</p> <p>UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland</p>	<p>President UBS Americas and Co- President Global Wealth Management</p>	<p>Member of the Group Executive Board and President UBS Americas and Co-President Global Wealth Management; member of the board of UBS Americas Holding LLC; member of the board of UBS Optimus Foundation.</p>
<p>Iqbal Khan</p> <p>UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland</p>	<p>Co-President Global Wealth Management and President UBS Asia Pacific</p>	<p>Member of the Group Executive Board and Co-President Global Wealth Management of UBS Group AG, President UBS Asia Pacific of UBS Group AG; member of the Board of UBS Optimus Foundation.</p>
<p>Barbara Levi</p> <p>UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland</p>	<p>General Counsel</p>	<p>Member of the Group Executive Board and Group General Counsel of UBS Group AG; member of the Board of Directors of the European General Counsel Association; member of the Legal Committee of the Swiss-American Chamber of Commerce.</p>
<p>Beatriz Martin Jimenez</p> <p>UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland</p>	<p>Head Non-Core and Legacy and President UBS Europe, Middle East and Africa</p>	<p>Member of the Group Executive Board, Head Non-Core and Legacy and President UBS Europe, Middle East and Africa of UBS Group AG; member of the Supervisory Board of UBS Europe SE; member of the Board of Directors of Credit Suisse International; Chair of the Board of UBS Optimus Foundation.</p>
<p>Markus Ronner</p> <p>UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland</p>	<p>Chief Compliance and Governance Officer</p>	<p>Member of the Group Executive Board and Group Chief Compliance and Governance Officer of UBS Group AG.</p>
<p>Stefan Seiler</p> <p>UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland</p>	<p>Head Human Resources & Corporate Services</p>	<p>Member of the Group Executive Board and Head Group Human Resources & Corporate Services of UBS Group AG; member of the Foundation Board of the Pension Fund of UBS; member of the UBS Optimus Foundation Board; member of the UBS Center for Economics in Society at the University of Zurich Foundation Council; chairman of the Foundation Board of the Swiss Finance Institute; member of the IMD</p>

		Foundation Board; Adjunct Professor for Leadership and Strategic Human Resource Management, Nanyang Technological University (NTU) Singapore.
Todd Tuckner UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland	Chief Financial Officer	Member of the Group Executive Board and Group Chief Financial Officer of UBS Group AG.
Marco Valla UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland	Co-President Investment Bank	Member of the Group Executive Board and Co-President Investment Bank of UBS Group AG; member of the Board of Directors of Good Shepherd Services; member of the Board of the Mount Sinai Department of Urology.
Damian Vogel UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland	Chief Risk Officer	Member of the Group Executive Board and Chief Risk Officer for UBS Group AG; member of the Board of UBS Switzerland AG; member of the Foundation Board of the International Financial Risk Institute (IFRI).

4.3 Potential Conflicts of Interest

Members of the BoD and the EB may act as directors or executive officers of other companies (for current principal positions outside UBS AG, if any, of BoD and EB members, please see sections 4.1.1 and 4.2.1 above, respectively) and may have economic or other private interests that differ from those of UBS AG. Conflicts of interest may potentially arise from these positions or interests. For example, it cannot be excluded that a member of the BoD or EB has or will have a function within a company, the shares of which are or will be traded by UBS AG or which has or will have a business relationship with UBS AG. UBS AG is confident that its internal corporate governance practices and its compliance with relevant legal and regulatory provisions reasonably ensure that any conflicts of interest of the type described above are appropriately managed, including through disclosure when appropriate.

Other than as indicated above, UBS is not aware of potential conflicts of interests between any duties to the Issuer of the members of the BoD and the EB and their private interests or other duties.

5. Auditors

Based on article 31 of the Articles of Association, UBS AG shareholders elect the auditors for a term of office of one year. At the AGMs on 23 April 2024 and 8 April 2025, Ernst & Young Ltd., Aeschengraben 27, 4051 Basel, Switzerland ("**Ernst & Young**") was elected as auditor for the consolidated and standalone financial statements of UBS AG for a one-year term.

Ernst & Young is a member of EXPERTsuisse, the Swiss Expert Association for Audit, Tax and Fiduciary. Ernst & Young is also registered with the Swiss Federal Audit Oversight Authority, which is responsible for the licensing and supervision of audit firms and individuals that provide audit services in Switzerland.

6. Major Shareholders of the Issuer

UBS Group AG owns 100% of the outstanding shares of UBS AG. UBS AG is a wholly owned subsidiary of UBS Group AG. While UBS has no specific corporate measures intended to prevent abuse of control to the detriment of minority shareholders, UBS has adopted a comprehensive and integrated governance framework which takes into account the specific requirements of each relevant jurisdiction. This governance framework includes separate articles of association and organizational

regulations for UBS Group AG and UBS AG. In addition, as UBS AG is regulated as a bank in Switzerland, it is subject to capital regulation and close supervisory oversight. This includes the general requirement under Swiss law that contracts of UBS AG with affiliates are subject to an arm's length principle of negotiation.

7. Financial Information concerning the Issuer's Assets and Liabilities, Financial Position and Profits and Losses

7.1 Historical Annual Financial Information

Detailed information about UBS AG consolidated and UBS AG assets and liabilities, financial position and profits and losses for financial years 2024 and 2023 is available in the section "*Consolidated financial statements*" of the Annual Report 2024 and in UBS AG's standalone financial statements for the year ended 31 December 2024 (the "**Standalone Financial Statements 2024**"). The consolidated and standalone financial accounts are closed on 31 December of each year.

The annual financial reports form an essential part of UBS AG's reporting. They include the audited consolidated financial statements of UBS AG, prepared in accordance with the IFRS Accounting Standards, as issued by the International Accounting Standards Board. The annual reports also include discussions and analysis of the consolidated financial and business results of UBS, its business divisions and Group Items. In addition, UBS AG prepares and publishes standalone financial statements in accordance with Swiss GAAP, as well as certain additional disclosures required under US Securities and Exchange Commission regulations.

7.2 Auditing of Historical Annual Financial Information

The consolidated financial statements and the standalone financial statements of UBS AG for the financial years 2024 and 2023 were audited by Ernst & Young. The reports of the auditors on the consolidated financial statements can be found on pages 137 and following of the Annual Report 2024. The reports of the auditors on the standalone financial statements of UBS AG can be found on pages 1-7 (inclusive) of the Standalone Financial Statements 2024.

There are no qualifications in the auditors' reports on the consolidated financial statements of UBS AG and the standalone financial statements of UBS AG for the years ended on 31 December 2023 and 31 December 2024.

7.3 Interim Financial Information

Reference is also made to the First Quarter 2025 Report, which contains information on the financial condition and results of operations, including the interim financial statements of UBS AG consolidated as of and for the quarter ended 31 March 2025. The interim consolidated financial statements of UBS AG are not audited.

7.4 Litigation, Regulatory and Similar Matters

UBS operates in a legal and regulatory environment that exposes it to significant litigation and similar risks arising from disputes and regulatory proceedings. As a result, UBS is involved in various disputes and legal proceedings, including litigation, arbitration, and regulatory and criminal investigations. Such matters are subject to many uncertainties, and the outcome and the timing of resolution are often difficult to predict, particularly in the earlier stages of a case. The uncertainties inherent in all such matters affect the amount and timing of any potential outflows for both matters with respect to which provisions have been established and other contingent liabilities. Litigation, regulatory and similar matters may also result in non-monetary penalties and consequences. A guilty plea to, or conviction of, a crime could have material consequences for UBS. Resolution of regulatory proceedings may require UBS to obtain waivers of regulatory disqualifications to maintain certain

operations, may entitle regulatory authorities to limit, suspend or terminate licenses and regulatory authorizations and may permit financial market utilities to limit, suspend or terminate UBS's participation in such utilities. Failure to obtain such waivers, or any limitation, suspension or termination of licenses, authorizations or participations, could have material consequences for UBS.

Specific litigation, regulatory and other matters, including all such matters that management considers to be material and others that management believes to be of significance due to potential financial, reputational and other effects, are described in "*Note 16 Provisions and contingent liabilities*" to the consolidated financial statements of UBS AG for the quarter ended 31 March 2025 in the First Quarter 2025 Report. The amount of damages claimed, the size of a transaction or other information is provided where available and appropriate in order to assist users in considering the magnitude of potential exposures.

7.5 Material Contracts

Except as otherwise disclosed in this document (including the documents incorporated herein by reference), no material contracts have been entered into outside of the ordinary course of UBS AG's or UBS AG Group's business which could result in any member of the UBS AG Group being under an obligation or entitlement that is material to UBS AG's ability to meet its obligations to the investors in relation to the issued securities.

7.6 Significant Changes in the Financial Position and Performance; Material Adverse Change in Prospects

Except as otherwise indicated in this document (including the documents incorporated herein by reference), no material changes have occurred in UBS AG's assets and liabilities, financial position or profits and losses since 31 March 2025.

8. Share Capital

As reflected in the Articles of Association most recently registered with the Commercial Register of the Canton of Zurich and the Commercial Register of Basel-City, UBS AG has (i) fully paid and issued share capital of USD 385,840,846.60, divided into 3,858,408,466 registered shares with a par value of USD 0.10 each (article 4); (ii) conditional capital in the amount of USD 38,000,000, comprising 380,000,000 registered shares with a par value of USD 0.10 each that can be issued upon the voluntary or mandatory exercise of conversion rights and/or warrants (article 4a); and (iii) conversion capital in the amount of USD 70,000,000 through the issuance of a maximum of 700,000,000 registered shares with a par value of USD 0.10 each, through the mandatory conversion of claims arising upon the occurrence of one or more trigger events under financial market instruments with contingent conversion features (article 4b).

9. Documents Available

The most recent Articles of Association of UBS AG are available on UBS's Corporate Governance website, at <https://www.ubs.com/global/en/our-firm/governance/ubs-ag/articles-of-association.html>. Save as otherwise indicated herein, information on or accessible through the Group's corporate website, www.ubs.com, does not form part of and is not incorporated into this document.

APPENDIX IV

**EXTRACT OF
THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF
UBS AG AND ITS SUBSIDIARIES
FOR THE FIRST QUARTER ENDED 31 MARCH 2025**

UBS AG interim consolidated financial statements (unaudited)

Income statement

USD m	Note	For the quarter ended		
		31.3.25	31.12.24	31.3.24
Interest income from financial instruments measured at amortized cost and fair value through other comprehensive income	4	6,643	7,501	6,240
Interest expense from financial instruments measured at amortized cost	4	(6,909)	(7,793)	(6,052)
Net interest income from financial instruments measured at fair value through profit or loss and other	4	1,594	1,882	618
Net interest income	4	1,328	1,590	806
Other net income from financial instruments measured at fair value through profit or loss		3,924	3,150	2,945
Fee and commission income	5	7,280	7,024	5,607
Fee and commission expense	5	(650)	(670)	(458)
Net fee and commission income	5	6,630	6,354	5,148
Other income	6	281	223	209
Total revenues		12,163	11,317	9,108
Credit loss expense / (release)	9	124	241	52
Personnel expenses	7	5,910	5,212	4,161
General and administrative expenses	8	4,077	4,964	2,985
Depreciation, amortization and impairment of non-financial assets		714	840	531
Operating expenses		10,701	11,017	7,677
Operating profit / (loss) before tax		1,339	59	1,379
Tax expense / (benefit)		303	313	366
Net profit / (loss)		1,035	(254)	1,014
Net profit / (loss) attributable to non-controlling interests		7	2	8
Net profit / (loss) attributable to shareholders		1,028	(257)	1,006

Statement of comprehensive income

USD m	For the quarter ended		
	31.3.25	31.12.24	31.3.24
Comprehensive income attributable to shareholders¹			
Net profit / (loss)	1,028	(257)	1,006
Other comprehensive income that may be reclassified to the income statement			
Foreign currency translation			
Foreign currency translation movements related to net assets of foreign operations, before tax	1,307	(3,416)	(1,565)
Effective portion of changes in fair value of hedging instruments designated as net investment hedges, before tax	(511)	1,463	807
Foreign currency translation differences on foreign operations reclassified to the income statement	0	11	0
Effective portion of changes in fair value of hedging instruments designated as net investment hedges reclassified to the income statement	0	(12)	1
Income tax relating to foreign currency translations, including the effect of net investment hedges	(2)	3	13
Subtotal foreign currency translation, net of tax	794	(1,951)	(744)
Financial assets measured at fair value through other comprehensive income			
Net unrealized gains / (losses), before tax	(3)	(1)	(1)
Net realized (gains) / losses reclassified to the income statement from equity	0	0	0
Income tax relating to net unrealized gains / (losses)	0	0	0
Subtotal financial assets measured at fair value through other comprehensive income, net of tax	(3)	(1)	(1)
Cash flow hedges of interest rate risk			
Effective portion of changes in fair value of derivative instruments designated as cash flow hedges, before tax	349	(1,367)	(1,076)
Net (gains) / losses reclassified to the income statement from equity	322	400	492
Income tax relating to cash flow hedges	(125)	181	117
Subtotal cash flow hedges, net of tax	545	(785)	(467)
Cost of hedging			
Cost of hedging, before tax	20	(53)	(6)
Income tax relating to cost of hedging	0	0	0
Subtotal cost of hedging, net of tax	20	(53)	(6)
Total other comprehensive income that may be reclassified to the income statement, net of tax	1,356	(2,790)	(1,219)
Other comprehensive income that will not be reclassified to the income statement			
Defined benefit plans			
Gains / (losses) on defined benefit plans, before tax	18	(56)	36
Income tax relating to defined benefit plans	0	20	(8)
Subtotal defined benefit plans, net of tax	19	(37)	28
Own credit on financial liabilities designated at fair value			
Gains / (losses) from own credit on financial liabilities designated at fair value, before tax	233	145	19
Income tax relating to own credit on financial liabilities designated at fair value	(1)	(2)	0
Subtotal own credit on financial liabilities designated at fair value, net of tax	233	144	19
Total other comprehensive income that will not be reclassified to the income statement, net of tax	251	107	47
Total other comprehensive income	1,607	(2,684)	(1,171)
Total comprehensive income attributable to shareholders	2,635	(2,940)	(166)
Comprehensive income attributable to non-controlling interests			
Net profit / (loss)	7	2	8
Total other comprehensive income that will not be reclassified to the income statement, net of tax	15	(37)	(12)
Total comprehensive income attributable to non-controlling interests	22	(35)	(4)
Total comprehensive income			
Net profit / (loss)	1,035	(254)	1,014
Other comprehensive income	1,622	(2,721)	(1,183)
of which: other comprehensive income that may be reclassified to the income statement	1,356	(2,790)	(1,219)
of which: other comprehensive income that will not be reclassified to the income statement	266	70	36
Total comprehensive income	2,657	(2,975)	(169)

¹ Refer to the "UBS AG consolidated performance" section of this report for more information.

Balance sheet

USD m	Note	31.3.25	31.12.24
Assets			
Cash and balances at central banks		231,370	223,329
Amounts due from banks		20,285	18,111
Receivables from securities financing transactions measured at amortized cost		101,784	118,302
Cash collateral receivables on derivative instruments	11	38,994	43,959
Loans and advances to customers	9	603,233	587,347
Other financial assets measured at amortized cost	12	66,864	59,279
Total financial assets measured at amortized cost		1,062,530	1,050,326
Financial assets at fair value held for trading	10	165,437	159,223
<i>of which: assets pledged as collateral that may be sold or repledged by counterparties</i>		<i>48,262</i>	<i>38,532</i>
Derivative financial instruments	10, 11	138,620	186,435
Brokerage receivables	10	28,747	25,858
Financial assets at fair value not held for trading	10	102,075	95,203
Total financial assets measured at fair value through profit or loss		434,879	466,719
Financial assets measured at fair value through other comprehensive income	10	3,216	2,195
Investments in associates		2,495	2,306
Property, equipment and software		12,024	12,091
Goodwill and intangible assets		6,691	6,661
Deferred tax assets		10,519	10,481
Other non-financial assets	12	15,134	17,282
Total assets		1,547,489	1,568,060
Liabilities			
Amounts due to banks		27,794	23,347
Payables from securities financing transactions measured at amortized cost		14,992	14,824
Cash collateral payables on derivative instruments	11	32,037	36,366
Customer deposits		747,452	749,476
Funding from UBS Group AG measured at amortized cost	13	111,457	107,918
Debt issued measured at amortized cost	15	98,259	101,104
Other financial liabilities measured at amortized cost	12	19,421	21,762
Total financial liabilities measured at amortized cost		1,051,412	1,054,796
Financial liabilities at fair value held for trading	10	43,099	35,247
Derivative financial instruments	10, 11	142,230	180,678
Brokerage payables designated at fair value	10	59,921	49,023
Debt issued designated at fair value	10, 14	107,393	102,567
Other financial liabilities designated at fair value	10, 12	32,792	34,041
Total financial liabilities measured at fair value through profit or loss		385,436	401,555
Provisions	16	5,495	5,131
Other non-financial liabilities	12	8,024	11,911
Total liabilities		1,450,367	1,473,394
Equity			
Share capital		386	386
Share premium		84,693	84,777
Retained earnings		9,128	7,838
Other comprehensive income recognized directly in equity, net of tax		2,346	1,002
Equity attributable to shareholders		96,553	94,003
Equity attributable to non-controlling interests		569	662
Total equity		97,123	94,666
Total liabilities and equity		1,547,489	1,568,060

Statement of changes in equity

<i>USD m</i>	Share capital and share premium	Retained earnings	OCI recognized directly in equity, net of tax ¹	<i>of which: foreign currency translation</i>	<i>of which: cash flow hedges</i>	Total equity attributable to shareholders
Balance as of 1 January 2025²	85,163	7,838	1,002	3,686	(2,585)	94,003
Premium on shares issued and warrants exercised	0					0
Tax (expense) / benefit	9					9
Translation effects recognized directly in retained earnings		12	(12)		(12)	0
Share of changes in retained earnings of associates and joint ventures		(2)				(2)
New consolidations / (deconsolidations) and other increases / (decreases)	(92)	0				(92)
Total comprehensive income for the period		1,279	1,356	794	545	2,635
<i>of which: net profit / (loss)</i>		1,028				1,028
<i>of which: OCI, net of tax</i>		251	1,356	794	545	1,607
Balance as of 31 March 2025²	85,079	9,128	2,346	4,480	(2,051)	96,553
Non-controlling interests as of 31 March 2025						569
Total equity as of 31 March 2025						97,123
Balance as of 1 January 2024²	25,024	28,235	1,974	4,947	(2,961)	55,234
Premium on shares issued and warrants exercised	0					0
Tax (expense) / benefit	5					5
Translation effects recognized directly in retained earnings		(60)	60		60	0
Share of changes in retained earnings of associates and joint ventures		(1)				(1)
New consolidations / (deconsolidations) and other increases / (decreases)	(26)					(26)
Total comprehensive income for the period		1,053	(1,219)	(744)	(467)	(166)
<i>of which: net profit / (loss)</i>		1,006				1,006
<i>of which: OCI, net of tax</i>		47	(1,219)	(744)	(467)	(1,171)
Balance as of 31 March 2024²	25,003	29,228	815	4,203	(3,368)	55,046
Non-controlling interests as of 31 March 2024						317
Total equity as of 31 March 2024						55,363

¹ Excludes other comprehensive income related to defined benefit plans and own credit that is recorded directly in Retained earnings. ² Excludes non-controlling interests.

Statement of cash flows

	Year-to-date	
USD m	31.3.25	31.3.24
Cash flow from / (used in) operating activities		
Net profit / (loss)	1,035	1,014
Non-cash items included in net profit and other adjustments		
Depreciation, amortization and impairment of non-financial assets	714	531
Credit loss expense / (release)	124	52
Share of net (profit) / loss of associates and joint ventures and impairment related to associates	(136)	(15)
Deferred tax expense / (benefit)	(128)	(72)
Net loss / (gain) from investing activities	(123)	105
Net loss / (gain) from financing activities	1,942	(2,371)
Other net adjustments ¹	(7,432)	10,212
Net change in operating assets and liabilities¹		
Amounts due from banks and amounts due to banks	4,245	17,620
Receivables from securities financing transactions measured at amortized cost	18,365	(1,242)
Payables from securities financing transactions measured at amortized cost	670	74
Cash collateral on derivative instruments	733	(6,031)
Loans and advances to customers	(4,143)	(1,380)
Customer deposits	(14,668)	(3,041)
Financial assets and liabilities at fair value held for trading and derivative financial instruments	14,468	(12,477)
Brokerage receivables and payables	7,897	2,400
Financial assets at fair value not held for trading and other financial assets and liabilities	(9,730)	(534)
Provisions and other non-financial assets and liabilities	(1,932)	(1,728)
Income taxes paid, net of refunds	(189)	(479)
Net cash flow from / (used in) operating activities	11,710²	2,638
Cash flow from / (used in) investing activities		
Disposal of subsidiaries, business, associates and intangible assets	354 ³	
Purchase of property, equipment and software	(425)	(292)
Disposal of property, equipment and software	26	0
Purchase of financial assets measured at fair value through other comprehensive income	(2,149)	(520)
Disposal and redemption of financial assets measured at fair value through other comprehensive income	1,151	1,070
Purchase of debt securities measured at amortized cost	(7,871)	(850)
Disposal and redemption of debt securities measured at amortized cost	1,883	2,002
Net cash flow from / (used in) investing activities	(7,031)	1,409
Cash flow from / (used in) financing activities		
Net issuance (repayment) of short-term debt measured at amortized cost	(507)	(4,657)
Issuance of debt designated at fair value and long-term debt measured at amortized cost ⁴	35,185	29,798
Repayment of debt designated at fair value and long-term debt measured at amortized cost ⁴	(33,063)	(28,918)
Inflows from securities financing transactions measured at amortized cost ⁵	565	1,000
Outflows from securities financing transactions measured at amortized cost ⁵	(1,285)	
Net cash flows from other financing activities	(316)	(128)
Net cash flow from / (used in) financing activities	580	(2,905)
Total cash flow		
Cash and cash equivalents at the beginning of the period	243,359	190,469
Net cash flow from / (used in) operating, investing and financing activities	5,259	1,143
Effects of exchange rate differences on cash and cash equivalents ¹	5,035	(7,708)
Cash and cash equivalents at the end of the period⁶	253,653	183,903
<i>of which: cash and balances at central banks⁶</i>	<i>231,370</i>	<i>163,378</i>
<i>of which: amounts due from banks⁶</i>	<i>18,768</i>	<i>12,836</i>
<i>of which: money market paper^{6,7}</i>	<i>3,515</i>	<i>7,689</i>

Additional information

Net cash flow from / (used in) operating activities includes:

Interest received in cash	10,820	9,596
Interest paid in cash	10,505	8,602
Dividends on equity investments, investment funds and associates received in cash	734	582

¹ Foreign currency translation and foreign exchange effects on operating assets and liabilities and on cash and cash equivalents are presented within the Other net adjustments line, with the exception of foreign currency hedge effects related to foreign exchange swaps, which are presented on the line Financial assets and liabilities at fair value held for trading and derivative financial instruments. ² Includes cash receipts from the sale of loans and loan commitments of USD 330m within Non-core and Legacy. ³ Includes cash proceeds net of cash and cash equivalents disposed from the sale of the US mortgage servicing business of Credit Suisse, Select Portfolio Servicing, which was managed in Non-core and Legacy. Refer to "Note 29 Changes in organization and acquisitions and disposals of subsidiaries and businesses" in the "Consolidated financial statements" section of the UBS AG Annual Report 2024 for more information. ⁴ Includes funding from UBS Group AG measured at amortized cost (recognized on the balance sheet in Funding from UBS Group AG measured at amortized cost) and measured at fair value (recognized on the balance sheet in Other financial liabilities designated at fair value). ⁵ Reflects cash flows from securities financing transactions measured at amortized cost that use UBS debt instruments as the underlying. ⁶ Includes only balances with an original maturity of three months or less. ⁷ Money market paper is included in the balance sheet under Financial assets at fair value not held for trading (31 March 2025: USD 2,874m; 31 March 2024: USD 6,854m), Other financial assets measured at amortized cost (31 March 2025: USD 395m; 31 March 2024: USD 170m), Financial assets measured at fair value through other comprehensive income (31 March 2025: USD 0m; 31 March 2024: USD 420m) and Financial assets at fair value held for trading (31 March 2025: USD 246m; 31 March 2024: USD 245m).

Notes to the UBS AG interim consolidated financial statements (unaudited)

Note 1 Basis of accounting

Basis of preparation

The consolidated financial statements (the financial statements) of UBS AG and its subsidiaries (together, UBS AG) are prepared in accordance with IFRS Accounting Standards, as issued by the International Accounting Standards Board (the IASB), and are presented in US dollars. These interim financial statements are prepared in accordance with IAS 34, *Interim Financial Reporting*.

In preparing these interim financial statements, the same accounting policies and methods of computation have been applied as in the UBS AG consolidated annual financial statements for the period ended 31 December 2024. These interim financial statements are unaudited and should be read in conjunction with UBS AG's audited consolidated financial statements in the UBS AG Annual Report 2024 and the "Management report" sections of this report, including the disclosures in the "Recent developments" section of this report regarding the sale of Select Portfolio Servicing, the US mortgage servicing business of Credit Suisse, and the transactions related to Swisscard. In the opinion of management, all necessary adjustments have been made for a fair presentation of UBS AG's financial position, results of operations and cash flows.

Preparation of these interim financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities. These estimates and assumptions are based on the best available information. Actual results in the future could differ from such estimates and differences may be material to the financial statements. Revisions to estimates, based on regular reviews, are recognized in the period in which they occur. For more information about areas of estimation uncertainty that are considered to require critical judgment, refer to Note 2, as well as "Note 1a Material accounting policies" in the "Consolidated financial statements" section of the UBS AG Annual Report 2024.

Currency translation rates

The following table shows the rates of the main currencies used to translate the financial information of UBS AG's operations with a functional currency other than the US dollar into US dollars.

Currency translation rates

	Closing exchange rate			Average rate ¹		
	As of			For the quarter ended		
	31.3.25	31.12.24	31.3.24	31.3.25	31.12.24	31.3.24
1 CHF	1.13	1.10	1.11	1.11	1.13	1.13
1 EUR	1.08	1.04	1.08	1.05	1.06	1.08
1 GBP	1.29	1.25	1.26	1.26	1.27	1.26
100 JPY	0.67	0.63	0.66	0.66	0.65	0.67

¹ Monthly income statement items of operations with a functional currency other than the US dollar are translated into US dollars using month-end rates. Disclosed average rates for a quarter represent an average of three month-end rates, weighted according to the income and expense volumes of all operations of UBS AG with the same functional currency for each month. Weighted average rates for individual business divisions may deviate from the weighted average rates for UBS AG.

Note 2 Accounting for the merger of UBS AG and Credit Suisse AG

Merger of UBS AG and Credit Suisse AG

The merger of UBS AG and Credit Suisse AG effected on 31 May 2024 with no consideration payable by UBS AG constituted a business combination under common control. For details of the accounting for the merger, including accounting policies applicable to business combinations under common control, refer to "Note 1a Material accounting policies" and "Note 2 Accounting for the merger of UBS AG and Credit Suisse AG" in the "Consolidated financial statements" section of the UBS AG Annual Report 2024.

Comparability

The income statement, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the first quarter of 2025 and the income statement and the statement of comprehensive income for the fourth quarter of 2024 are based entirely on consolidated data following the merger of UBS AG and Credit Suisse AG. The income statement, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the first quarter of 2024 include pre-merger UBS AG data only.

Balance sheet information as of 31 March 2025 and 31 December 2024 includes post-merger consolidated information.

Note 3 Segment reporting

UBS AG's business divisions are organized globally into five business divisions: Global Wealth Management, Personal & Corporate Banking, Asset Management, the Investment Bank and Non-core and Legacy. All five business divisions are supported by Group Items and qualify as reportable segments for the purpose of segment reporting. Together with Group Items they reflect the management structure of UBS AG.

› Refer to the "Consolidated financial statements" section of the UBS AG Annual Report 2024 for more information about UBS AG's reporting segments.

Segment reporting

USD m	Global Wealth Management	Personal & Corporate Banking	Asset Management	Investment Bank	Non-core and Legacy	Group Items	UBS AG
For the quarter ended 31 March 2025							
Net interest income	1,589	1,059	(15)	(885)	(35)	(385)	1,328
Non-interest income	4,703	946	756	3,938	155	338	10,836
Total revenues	6,293	2,005	741	3,052	119	(46)	12,163
Credit loss expense / (release)	8	58	0	49	10	(1)	124
Operating expenses	5,069	1,526	603	2,455	748	299	10,701
Operating profit / (loss) before tax	1,216	421	137	548	(639)	(344)	1,339
Tax expense / (benefit)							303
Net profit / (loss)							1,035
As of 31 March 2025							
Total assets	557,012	445,289	22,590	455,886	47,829	18,884	1,547,489
USD m	Global Wealth Management	Personal & Corporate Banking	Asset Management	Investment Bank	Non-core and Legacy	Group Functions	UBS AG
For the quarter ended 31 March 2024							
Net interest income	1,204	772	(14)	(797)	14	(374)	806
Non-interest income	3,714	606	523	3,184	7	268	8,302
Total revenues	4,918	1,378	509	2,388	21	(106)	9,108
Credit loss expense / (release)	9	10	0	32	0	1	52
Operating expenses	3,975	809	459	2,083	138	212	7,677
Operating profit / (loss) before tax	935	558	50	272	(118)	(319)	1,379
Tax expense / (benefit)							366
Net profit / (loss)							1,014
As of 31 December 2024							
Total assets	560,194	449,224	22,291	453,078	67,696	15,577	1,568,060

Note 4 Net interest income

Net interest income

	For the quarter ended		
USD m	31.3.25	31.12.24	31.3.24
Interest income from loans and deposits ¹	5,767	6,623	5,438
Interest income from securities financing transactions measured at amortized cost ²	839	822	988
Interest income from other financial instruments measured at amortized cost	360	350	323
Interest income from debt instruments measured at fair value through other comprehensive income	27	24	27
Interest income from derivative instruments designated as cash flow hedges	(351)	(318)	(537)
Total interest income from financial instruments measured at amortized cost and fair value through other comprehensive income	6,643	7,501	6,240
Interest expense on loans and deposits ³	5,558	6,697	4,836
Interest expense on securities financing transactions measured at amortized cost ⁴	418	464	407
Interest expense on debt issued	899	592	787
Interest expense on lease liabilities	35	40	22
Total interest expense from financial instruments measured at amortized cost	6,909	7,793	6,052
Total net interest income from financial instruments measured at amortized cost and fair value through other comprehensive income	(266)	(292)	188
Net interest income from financial instruments measured at fair value through profit or loss and other	1,594	1,882	618
Total net interest income	1,328	1,590	806

¹ Consists of interest income from cash and balances at central banks, amounts due from banks, and cash collateral receivables on derivative instruments, as well as negative interest on amounts due to banks, customer deposits, and cash collateral payables on derivative instruments. ² Includes interest income on receivables from securities financing transactions and negative interest, including fees, on payables from securities financing transactions. ³ Consists of interest expense on amounts due to banks, cash collateral payables on derivative instruments, customer deposits, and funding from UBS Group AG measured at amortized cost, as well as negative interest on cash and balances at central banks, amounts due from banks, and cash collateral receivables on derivative instruments. ⁴ Includes interest expense on payables from securities financing transactions and negative interest, including fees, on receivables from securities financing transactions.

Note 5 Net fee and commission income

Net fee and commission income

	For the quarter ended		
USD m	31.3.25	31.12.24	31.3.24
Underwriting fees	219	206	224
M&A and corporate finance fees	244	277	234
Brokerage fees	1,376	1,170	1,019
Investment fund fees	1,543	1,558	1,201
Portfolio management and related services	3,102	3,083	2,456
Other	796	729	472
Total fee and commission income¹	7,280	7,024	5,607
<i>of which: recurring</i>	<i>4,607</i>	<i>4,628</i>	<i>3,668</i>
<i>of which: transaction-based</i>	<i>2,639</i>	<i>2,351</i>	<i>1,915</i>
<i>of which: performance-based</i>	<i>33</i>	<i>45</i>	<i>24</i>
Fee and commission expense	650	670	458
Net fee and commission income	6,630	6,354	5,148

¹ Reflects third-party fee and commission income for the first quarter of 2025 of USD 4,429m for Global Wealth Management (fourth quarter of 2024: USD 4,193m; first quarter of 2024: USD 3,506m), USD 735m for Personal & Corporate Banking (fourth quarter of 2024: USD 749m; first quarter of 2024: USD 490m), USD 939m for Asset Management (fourth quarter of 2024: USD 977m; first quarter of 2024: USD 671m), USD 1,134m for the Investment Bank (fourth quarter of 2024: USD 1,009m; first quarter of 2024: USD 940m), USD 15m for Group Items (fourth quarter of 2024: USD 8m; first quarter of 2024: negative USD 3m) and USD 29m for Non-core and Legacy (fourth quarter of 2024: USD 88m; first quarter of 2024: USD 3m).

Note 6 Other income

Other income

	For the quarter ended		
USD m	31.3.25	31.12.24	31.3.24
Associates, joint ventures and subsidiaries			
Net gains / (losses) from acquisitions and disposals of subsidiaries ¹	(13) ²	13	(1)
Net gains / (losses) from disposals of investments in associates and joint ventures	3	2	0
Share of net profit / (loss) of associates and joint ventures	136 ³	(33)	15
Total	126	(18)	15
Income from properties ⁴	3	4	5
Net gains / (losses) from properties held for sale	8	1	0
Income from shared services provided to UBS Group AG or its subsidiaries	167	181	169
Other	(22)	54	20
Total other income	281	223	209

¹ Includes foreign exchange gains / (losses) reclassified from other comprehensive income related to the disposal or closure of foreign operations. ² Includes a loss of USD 11m recognized upon completion of the sale of Select Portfolio Servicing, the US mortgage servicing business of Credit Suisse, which was managed in Non-core and Legacy. Refer to "Note 29 Changes in organization and acquisitions and disposals of subsidiaries and businesses" in the "Consolidated financial statements" section of the UBS AG Annual Report 2024 for more information. ³ Includes a gain of USD 64m related to UBS AG's share of income recorded by Swisscard for the sale of the Credit Suisse card portfolios to UBS AG. Refer to "Note 29 Changes in organization and acquisitions and disposals of subsidiaries and businesses" in the "Consolidated financial statements" section of the UBS AG Annual Report 2024 for more information. ⁴ Includes rent received from third parties.

Note 7 Personnel expenses

Personnel expenses

	For the quarter ended		
USD m	31.3.25	31.12.24	31.3.24
Salaries and variable compensation ¹	5,129	4,473	3,621
<i>of which: variable compensation – financial advisors²</i>	1,409	1,400	1,267
Contractors	37	32	21
Social security	310	286	208
Post-employment benefit plans	257	200	186
Other personnel expenses	176	221	125
Total personnel expenses	5,910	5,212	4,161

¹ Includes role-based allowances. ² Financial advisor compensation consists of cash compensation, determined using a formulaic approach based on production, and deferred awards. It also includes expenses related to compensation commitments with financial advisors entered into at the time of recruitment that are subject to vesting requirements.

Note 8 General and administrative expenses

General and administrative expenses

	For the quarter ended		
USD m	31.3.25	31.12.24	31.3.24
Outsourcing costs	197	262	121
Technology costs	255	286	163
Consulting, legal and audit fees	257	414	202
Real estate and logistics costs	203	245	130
Market data services	152	164	106
Marketing and communication	76	130	66
Travel and entertainment	66	93	54
Litigation, regulatory and similar matters ¹	196	393	8
Other	2,676 ²	2,979	2,137
<i>of which: shared services costs charged by UBS Group AG or its subsidiaries</i>	2,231	2,502	1,933
Total general and administrative expenses	4,077	4,964	2,985

¹ Reflects the net increase / (decrease) in provisions for litigation, regulatory and similar matters recognized in the income statement. Refer to Note 16b for more information. ² Includes a USD 180m expense related to payment to Swisscard for the sale of the Credit Suisse card portfolios to UBS AG. Refer to "Note 29 Changes in organization and acquisitions and disposals of subsidiaries and businesses" in the "Consolidated financial statements" section of the UBS AG Annual Report 2024 for more information.

Note 9 Expected credit loss measurement

a) Credit loss expense / release

Total net credit loss expenses in the first quarter of 2025 were USD 124m, reflecting USD 21m net releases related to performing positions and USD 145m net expenses on credit-impaired positions.

Net expected credit loss (ECL) on performing corporate loans was flat in the first quarter of 2025. Net ECL expenses on defaulted corporate loans were USD 116m, of which USD 52m was in Personal & Corporate Banking, USD 54m in the Investment Bank and USD 10m in Non-core and Legacy.

Net ECL releases on performing real-estate-backed loans were USD 22m in the first quarter of 2025, driven by the substitution of the severe stagflation scenario, primarily by the forecasted lower interest rates curves in the new scenario mix as described below. These net ECL releases included USD 24m of releases in Switzerland and USD 3m of expenses in the US. Net expenses on defaulted real-estate-backed loans were USD 11m and related to three commercial real estate counterparties in the US.

Credit loss expense / (release)	Performing positions		Credit-impaired positions	Total
USD m	Stages 1 and 2	Stage 3		
For the quarter ended 31.3.25				
Global Wealth Management	(7)	15	8	
Personal & Corporate Banking	(8)	66	58	
Asset Management	0	0	0	
Investment Bank	(5)	54	49	
Non-core and Legacy	0	10	10	
Group Items	(1)	0	(1)	
Total	(21)	145	124	
For the quarter ended 31.12.24				
Global Wealth Management	(26)	15	(11)	
Personal & Corporate Banking	(24)	213	189	
Asset Management	0	0	0	
Investment Bank	32	30	62	
Non-core and Legacy	(2)	4	2	
Group Items	(1)	1	0	
Total	(21)	262	241	
For the quarter ended 31.3.24				
Global Wealth Management	2	7	9	
Personal & Corporate Banking	(12)	22	10	
Asset Management	0	0	0	
Investment Bank	10	22	32	
Non-core and Legacy	0	0	0	
Group Items	1	0	1	
Total	1	51	52	

Note 9 Expected credit loss measurement (continued)

b) Changes to ECL models, scenarios and scenario weights

Scenarios and scenario weights

The expected credit loss (ECL) scenarios, along with their related macroeconomic factors and market data, were reviewed in light of the economic and political conditions prevailing in the first quarter of 2025 through a series of governance meetings, with input and feedback from UBS AG Risk and Finance experts across the business divisions and regions.

As of 31 March 2025, there was a high degree of geopolitical and macroeconomic uncertainty, including uncertainty relating to tariffs that could be introduced by the US government after that date and the economic consequences thereof. The actual announcing of the tariffs in April 2025 was subsequent to the reporting date. UBS AG has assessed the situation based on the uncertainties that existed on the reporting date and has exercised judgment. The scenario suite was adjusted in the first quarter of 2025 to replace the two downside scenarios. The global crisis scenario has replaced the stagflationary geopolitical crisis scenario as the severe downside scenario. It targets risks such as sovereign defaults, low interest rates and significant emerging market stress. The severe stagflation scenario previously explored risks related to higher inflation and rising interest rates. The mild stagflation crisis scenario has replaced the mild debt crisis scenario as the mild downside scenario. In the mild stagflation scenario, interest rates are assumed to rise rather than decline, as in the previously applied mild debt crisis scenario. However, the declines in GDP and equities are similar. As a consequence of the circumstances and prevailing uncertainties at the end of the first quarter of 2025, the weight allocation between the four scenarios has been amended. The scenario weights are illustrated in the table below.

All of the scenarios, including the asset price appreciation and the baseline scenarios, have been updated based on the latest macroeconomic forecasts as of 31 March 2025. The assumptions on a calendar-year basis are included in the table below.

UBS AG is closely monitoring the current market situation, and it will carefully assess developments, potentially revisiting the narratives and weightings in the second quarter of 2025.

Comparison of shock factors

Key parameters	Baseline		
	2024	2025	2026
Real GDP growth (annual percentage change)			
US	2.8	1.5	0.7
Eurozone	0.8	0.5	0.8
Switzerland	1.3	0.7	1.6
Unemployment rate (% , annual average)			
US	4.0	4.4	5.2
Eurozone	6.4	6.5	6.6
Switzerland	2.5	2.8	2.8
Fixed income: 10-year government bonds (% , Q4)			
USD	4.6	4.2	4.3
EUR	2.4	2.8	2.9
CHF	0.3	0.7	0.8
Real estate (annual percentage change, Q4)			
US	3.8	3.5	3.7
Eurozone	2.6	5.0	3.4
Switzerland	0.9	4.0	2.5

Economic scenarios and weights applied

ECL scenario	Assigned weights in %		
	31.3.25	31.12.24	31.3.24
Asset price appreciation	5.0	–	–
Baseline	50.0	60.0	60.0
Mild debt crisis	–	15.0	15.0
Stagflationary geopolitical crisis	–	25.0	25.0
Mild stagflationary crisis	30.0	–	–
Global crisis	15.0	–	–

Note 9 Expected credit loss measurement (continued)

c) ECL-relevant balance sheet and off-balance sheet positions including ECL allowances and provisions

The following tables provide information about financial instruments and certain non-financial instruments that are subject to ECL requirements. For amortized-cost instruments, the carrying amount represents the maximum exposure to credit risk, taking into account the allowance for credit losses. Financial assets measured at fair value through other comprehensive income (FVOCI) are also subject to ECL; however, unlike amortized-cost instruments, the allowance for credit losses for FVOCI instruments does not reduce the carrying amount of these financial assets. Instead, the carrying amount of financial assets measured at FVOCI represents the maximum exposure to credit risk.

No purchased credit-impaired financial assets were recognized in the first quarter of 2025. Originated credit-impaired financial assets were not material and are not presented in the table below.

In addition to recognized financial assets, certain off-balance sheet financial instruments and other credit lines are also subject to ECL. The maximum exposure to credit risk for off-balance sheet financial instruments is calculated based on the maximum contractual amounts.

ECL-relevant balance sheet and off-balance sheet positions

USD m	31.3.25							
	Carrying amount ¹				ECL allowances			
Financial instruments measured at amortized cost	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3
Cash and balances at central banks	231,370	231,207	163	0	(240)	0	(240)	0
Amounts due from banks	20,285	20,248	37	0	(11)	(5)	(4)	(1)
Receivables from securities financing transactions measured at amortized cost	101,784	101,784	0	0	(3)	(3)	0	0
Cash collateral receivables on derivative instruments	38,994	38,994	0	0	0	0	0	0
Loans and advances to customers	603,233	576,017	22,744	4,471	(2,955)	(289)	(300)	(2,366)
of which: Private clients with mortgages	258,849	246,480	10,943	1,426	(143)	(39)	(50)	(53)
of which: Real estate financing	84,915	79,744	4,923	247	(105)	(26)	(32)	(48)
of which: Large corporate clients	25,200	22,015	2,120	1,065	(915)	(82)	(111)	(722)
of which: SME clients	22,033	18,578	2,318	1,137	(1,030)	(65)	(67)	(897)
of which: Lombard	153,007	152,909	1	97	(113)	(8)	0	(105)
of which: Credit cards	2,025	1,564	420	41	(44)	(8)	(11)	(26)
of which: Commodity trade finance	4,331	4,311	12	8	(123)	(8)	0	(115)
of which: Ship / aircraft financing	8,221	7,905	316	0	(19)	(16)	(4)	0
of which: Consumer financing	2,617	2,403	109	106	(125)	(16)	(19)	(90)
Other financial assets measured at amortized cost	66,864	66,110	560	194	(127)	(24)	(8)	(96)
of which: Loans to financial advisors	2,738	2,600	48	89	(40)	(3)	(1)	(36)
Total financial assets measured at amortized cost	1,062,530	1,034,361	23,505	4,665	(3,336)	(321)	(553)	(2,463)
Financial assets measured at fair value through other comprehensive income	3,216	3,216	0	0	0	0	0	0
Total on-balance sheet financial assets in scope of ECL requirements²	1,065,747	1,037,577	23,505	4,665	(3,336)	(321)	(553)	(2,463)

	Total exposure				ECL provisions			
Off-balance sheet (in scope of ECL)	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3
Guarantees	42,588	40,620	1,800	168	(57)	(13)	(20)	(24)
of which: Large corporate clients	7,103	6,487	530	87	(14)	(6)	(4)	(4)
of which: SME clients	2,885	2,529	316	39	(22)	(3)	(15)	(4)
of which: Financial intermediaries and hedge funds	25,139	24,249	890	0	(1)	(1)	0	0
of which: Lombard	3,591	3,561	0	30	(3)	(1)	0	(2)
of which: Commodity trade finance	2,160	2,158	1	0	(1)	(1)	0	0
Irrevocable loan commitments	79,463	75,299	3,906	257	(233)	(116)	(81)	(36)
of which: Large corporate clients	48,349	45,150	3,033	165	(161)	(84)	(59)	(18)
Forward starting reverse repurchase and securities borrowing agreements	18,178	18,178	0	0	0	0	0	0
Unconditionally revocable loan commitments	144,907	141,263	3,442	202	(55)	(41)	(14)	0
of which: Real estate financing	7,384	7,030	354	0	(3)	(4)	1	0
of which: Large corporate clients	13,497	12,751	722	23	(15)	(8)	(5)	(2)
of which: SME clients	10,902	9,952	801	149	(23)	(18)	(5)	0
of which: Lombard	72,767	72,757	8	2	0	0	0	0
of which: Credit cards	10,285	9,815	467	3	(8)	(6)	(2)	0
Irrevocable committed prolongation of existing loans	4,165	4,162	2	2	(3)	(3)	0	0
Total off-balance sheet financial instruments and other credit lines²	289,302	279,523	9,150	629	(348)	(172)	(115)	(61)
Total allowances and provisions²					(3,685)	(493)	(668)	(2,524)

¹ The carrying amount of financial assets measured at amortized cost represents the total gross exposure net of the respective ECL allowances. ² Refer to Note 2 for more information about the merger of UBS AG and Credit Suisse AG.

Note 9 Expected credit loss measurement (continued)

ECL-relevant balance sheet and off-balance sheet positions

USD m	31.12.24							
	Carrying amount ¹				ECL allowances			
	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3
Financial instruments measured at amortized cost								
Cash and balances at central banks	223,329	223,201	128	0	(186)	0	(186)	0
Amounts due from banks	18,111	17,912	198	0	(42)	(1)	(5)	(36)
Receivables from securities financing transactions measured at amortized cost	118,302	118,302	0	0	(2)	(2)	0	0
Cash collateral receivables on derivative instruments	43,959	43,959	0	0	0	0	0	0
Loans and advances to customers	587,347	560,531	22,309	4,506	(2,830)	(276)	(323)	(2,230)
<i>of which: Private clients with mortgages</i>	251,955	241,690	9,009	1,256	(166)	(46)	(70)	(50)
<i>of which: Real estate financing</i>	83,780	79,480	4,071	229	(100)	(24)	(27)	(49)
<i>of which: Large corporate clients</i>	25,599	21,073	3,493	1,033	(828)	(72)	(123)	(632)
<i>of which: SME clients</i>	21,002	17,576	2,293	1,133	(963)	(55)	(47)	(860)
<i>of which: Lombard</i>	147,714	147,326	266	122	(107)	(6)	0	(101)
<i>of which: Credit cards</i>	1,978	1,533	406	39	(41)	(6)	(11)	(25)
<i>of which: Commodity trade finance</i>	4,204	4,089	106	9	(122)	(9)	0	(113)
<i>of which: Ship / aircraft financing</i>	8,058	7,136	922	0	(31)	(14)	(16)	0
<i>of which: Consumer financing</i>	2,814	2,468	114	232	(137)	(15)	(19)	(102)
Other financial assets measured at amortized cost	59,279	58,645	439	194	(135)	(25)	(7)	(103)
<i>of which: Loans to financial advisors</i>	2,723	2,568	59	95	(41)	(4)	(1)	(37)
Total financial assets measured at amortized cost	1,050,326	1,022,550	23,074	4,701	(3,195)	(304)	(521)	(2,369)
Financial assets measured at fair value through other comprehensive income	2,195	2,195	0	0	0	0	0	0
Total on-balance sheet financial assets in scope of ECL requirements²	1,052,521	1,024,746	23,074	4,701	(3,195)	(304)	(521)	(2,369)
	Total exposure				ECL provisions			
	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3
Off-balance sheet (in scope of ECL)								
Guarantees	40,280	38,860	1,242	178	(61)	(16)	(24)	(22)
<i>of which: Large corporate clients</i>	7,818	7,098	635	85	(18)	(6)	(9)	(2)
<i>of which: SME clients</i>	2,524	2,074	393	57	(27)	(5)	(15)	(7)
<i>of which: Financial intermediaries and hedge funds</i>	21,590	21,449	141	0	(1)	(1)	0	0
<i>of which: Lombard</i>	3,709	3,652	24	33	(4)	(1)	0	(3)
<i>of which: Commodity trade finance</i>	2,678	2,676	2	0	(1)	(1)	0	0
Irrevocable loan commitments	79,579	75,158	4,178	243	(192)	(105)	(61)	(26)
<i>of which: Large corporate clients</i>	47,381	43,820	3,393	168	(155)	(91)	(54)	(10)
Forward starting reverse repurchase and securities borrowing agreements	24,896	24,896	0	0	0	0	0	0
Unconditionally revocable loan commitments	148,900	146,496	2,149	255	(75)	(59)	(17)	0
<i>of which: Real estate financing</i>	7,674	7,329	345	0	(6)	(4)	(2)	0
<i>of which: Large corporate clients</i>	14,692	14,091	584	17	(22)	(14)	(7)	(2)
<i>of which: SME clients</i>	9,812	9,289	333	190	(34)	(28)	(6)	0
<i>of which: Lombard</i>	73,267	73,181	84	1	0	0	0	0
<i>of which: Credit cards</i>	10,074	9,604	467	3	(8)	(6)	(2)	0
Irrevocable committed prolongation of existing loans	4,608	4,602	4	2	(3)	(3)	0	0
Total off-balance sheet financial instruments and other credit lines²	298,263	290,012	7,572	678	(332)	(183)	(102)	(48)
Total allowances and provisions²					(3,527)	(487)	(623)	(2,417)

¹ The carrying amount of financial assets measured at amortized cost represents the total gross exposure net of the respective ECL allowances. ² Refer to Note 2 for more information about the merger of UBS AG and Credit Suisse AG.

Note 9 Expected credit loss measurement (continued)

The table below provides information about the gross carrying amount of exposures subject to ECL and the ECL coverage ratio for UBS AG's core loan portfolios (i.e. *Loans and advances to customers* and *Loans to financial advisors*) and relevant off-balance sheet exposures. *Cash and balances at central banks, Amounts due from banks, Receivables from securities financing transactions, Cash collateral receivables on derivative instruments* and *Financial assets measured at fair value through other comprehensive income* are not included in the table below, due to their lower sensitivity to ECL.

ECL coverage ratios are calculated by dividing ECL allowances and provisions by the gross carrying amount of the related exposures.

The overall coverage ratio for performing positions was unchanged at 10 basis points. Coverage ratios for performing positions related to corporate lending (on-balance sheet) increased by 5 basis points to 72 basis points. Coverage ratios for performing positions related to real estate lending (on-balance sheet) decreased by 1 basis point to 4 basis points.

Coverage ratios for core loan portfolio

	Gross carrying amount (USD m)				ECL coverage (bps)				
	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 1&2	Stage 3
On-balance sheet									
Private clients with mortgages	258,992	246,519	10,993	1,480	6	2	45	3	361
Real estate financing	85,020	79,771	4,955	295	12	3	64	7	1,613
Total real estate lending	344,012	326,290	15,948	1,774	7	2	51	4	569
Large corporate clients	26,115	22,097	2,231	1,788	350	37	496	79	4,040
SME clients	23,062	18,643	2,385	2,034	446	35	283	63	4,409
Total corporate lending	49,177	40,739	4,616	3,822	395	36	386	72	4,236
Lombard	153,120	152,917	1	203	7	1	31	1	5,198
Credit cards	2,069	1,572	431	66	214	49	255	94	3,847
Commodity trade finance	4,454	4,319	12	123	276	18	10	18	9,376
Ship / aircraft financing	8,240	7,921	319	0	23	20	117	23	0
Consumer financing	2,743	2,418	128	196	457	65	1,500	137	4,598
Other loans and advances to customers	42,373	40,130	1,590	653	80	5	44	7	4,742
Loans to financial advisors	2,778	2,603	49	125	144	13	174	16	2,870
Total other lending	215,777	211,880	2,530	1,367	37	4	165	6	4,991
Total¹	608,966	578,909	23,094	6,963	49	5	130	10	3,450
	Gross exposure (USD m)				ECL coverage (bps)				
Off-balance sheet	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 1&2	Stage 3
Private clients with mortgages	9,352	9,083	264	6	4	3	33	4	453
Real estate financing	8,225	7,851	374	0	8	10	0	8	0
Total real estate lending	17,578	16,934	638	6	6	6	0	6	448
Large corporate clients	69,056	64,495	4,286	275	27	15	160	24	874
SME clients	15,801	14,290	1,268	243	52	19	293	41	759
Total corporate lending	84,857	78,785	5,554	518	32	16	190	27	820
Lombard	79,638	79,597	8	33	2	1	14	1	2,461
Credit cards	10,285	9,815	467	3	8	6	37	8	0
Commodity trade finance	3,019	3,001	17	0	2	2	14	2	0
Ship / aircraft financing	2,520	2,486	34	0	0	0	0	0	0
Consumer financing	377	377	0	0	3	3	0	3	0
Financial intermediaries and hedge funds	30,668	29,151	1,517	0	1	1	3	1	0
Other off-balance sheet commitments	42,182	41,199	914	69	10	5	86	7	1,434
Total other lending	168,689	165,626	2,958	105	4	2	34	3	1,707
Total²	271,124	261,345	9,150	629	13	7	126	11	964
Total on- and off-balance sheet³	880,089	840,254	32,244	7,592	38	6	129	10	3,244

¹ Includes Loans and advances to customers and Loans to financial advisors, which are presented on the balance sheet line Other financial assets measured at amortized cost. ² Excludes Forward starting reverse repurchase and securities borrowing agreements. ³ Includes on-balance sheet exposure, gross and off-balance sheet exposure (notional) and the related ECL coverage ratio (bps).

Note 9 Expected credit loss measurement (continued)

Coverage ratios for core loan portfolio

31.12.24

	Gross carrying amount (USD m)				ECL coverage (bps)				
	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 1&2	Stage 3
On-balance sheet									
Private clients with mortgages	252,121	241,736	9,079	1,306	7	2	77	5	386
Real estate financing	83,880	79,504	4,098	278	12	3	66	6	1,768
Total real estate lending	336,001	321,240	13,177	1,584	8	2	73	5	628
Large corporate clients	26,427	21,145	3,617	1,665	313	34	341	79	3,795
SME clients	21,966	17,631	2,341	1,993	439	31	203	52	4,316
Total corporate lending	48,393	38,776	5,958	3,659	370	33	287	67	4,079
Lombard	147,821	147,332	267	222	7	0	8	0	4,531
Credit cards	2,019	1,539	416	64	205	39	256	85	3,857
Commodity trade finance	4,327	4,098	106	122	283	22	40	23	9,258
Ship / aircraft financing	8,089	7,150	938	0	38	20	175	38	0
Consumer financing	2,951	2,484	134	334	464	62	1,447	133	3,057
Other loans and advances to customers	40,576	38,188	1,636	752	83	7	56	9	3,965
Loans to financial advisors	2,764	2,571	60	132	149	14	159	17	2,785
Total other lending	208,547	203,363	3,558	1,627	39	4	161	7	4,152
Total¹	592,941	563,379	22,693	6,869	48	5	143	10	3,301
Off-balance sheet									
Private clients with mortgages	8,473	8,271	176	26	4	4	22	4	81
Real estate financing	8,694	8,300	394	0	7	6	33	7	0
Total real estate lending	17,167	16,571	570	26	6	5	30	6	81
Large corporate clients	69,896	65,013	4,612	271	28	17	151	26	528
SME clients	13,944	12,788	842	315	59	30	324	48	532
Total corporate lending	83,840	77,800	5,454	586	33	19	177	30	530
Lombard	80,390	80,235	120	35	1	0	1	0	2,330
Credit cards	10,074	9,604	467	3	8	6	36	8	0
Commodity trade finance	3,487	3,464	23	0	3	3	51	3	0
Ship / aircraft financing	2,669	2,663	6	0	13	13	49	13	0
Consumer financing	134	134	0	0	6	6	0	6	0
Financial intermediaries and hedge funds	22,842	22,378	464	0	1	1	8	1	0
Other off-balance sheet commitments	52,765	52,268	468	29	4	2	28	2	2,945
Total other lending	172,360	170,745	1,549	67	3	1	23	2	2,470
Total²	273,367	265,117	7,572	678	12	7	135	10	704
Total on- and off-balance sheet³	866,308	828,495	30,265	7,547	37	6	141	10	3,067

¹ Includes Loans and advances to customers and Loans to financial advisors, which are presented on the balance sheet line Other financial assets measured at amortized cost. ² Excludes Forward starting reverse repurchase and securities borrowing agreements. ³ Includes on-balance sheet exposure, gross and off-balance sheet exposure (notional) and the related ECL coverage ratio (bps).

Note 10 Fair value measurement

a) Fair value hierarchy

The fair value hierarchy classification of financial and non-financial assets and liabilities measured at fair value is summarized in the table below.

During the first three months of 2025, assets and liabilities that were transferred from Level 2 to Level 1, or from Level 1 to Level 2, and were held for the entire reporting period were not material.

Determination of fair values from quoted market prices or valuation techniques¹

USD m	31.3.25				31.12.24			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value on a recurring basis								
Financial assets at fair value held for trading	133,803	27,969	3,665	165,437	128,428	27,687	3,108	159,223
of which: Equity instruments	117,487	320	138	117,945	116,536	430	91	117,056
of which: Government bills / bonds	8,304	3,468	46	11,817	4,443	3,261	41	7,746
of which: Investment fund units	7,180	949	149	8,279	6,537	987	151	7,675
of which: Corporate and municipal bonds	828	20,777	876	22,480	911	17,585	838	19,334
of which: Loans	0	2,254	2,292	4,545	0	5,200	1,799	6,998
of which: Asset-backed securities	4	197	162	363	1	219	153	373
Derivative financial instruments	1,372	134,789	2,459	138,620	795	182,849	2,792	186,435
of which: Foreign exchange	570	48,911	71	49,551	472	100,572	66	101,111
of which: Interest rate	0	38,135	898	39,033	0	41,193	878	42,071
of which: Equity / index	0	39,940	937	40,877	0	35,747	1,129	36,876
of which: Credit	0	2,668	517	3,185	0	2,555	581	3,136
of which: Commodities	2	4,989	35	5,026	1	2,599	17	2,617
Brokerage receivables	0	28,747	0	28,747	0	25,858	0	25,858
Financial assets at fair value not held for trading	40,762	52,129	9,185	102,075	35,910	50,545	8,747	95,203
of which: Financial assets for unit-linked investment contracts	17,398	4	0	17,403	17,101	6	0	17,106
of which: Corporate and municipal bonds	30	14,844	145	15,020	31	14,695	133	14,859
of which: Government bills / bonds	22,856	6,062	0	28,919	18,264	6,204	0	24,469
of which: Loans	0	4,972	3,589	8,561	0	4,427	3,192	7,619
of which: Securities financing transactions	0	24,995	731	25,726	0	24,026	611	24,638
of which: Asset-backed securities	0	1,041	540	1,581	0	972	597	1,569
of which: Auction rate securities	0	0	191	191	0	0	191	191
of which: Investment fund units	387	123	640	1,150	423	133	681	1,237
of which: Equity instruments	90	0	2,930	3,020	91	0	2,916	3,008
Financial assets measured at fair value through other comprehensive income on a recurring basis								
Financial assets measured at fair value through other comprehensive income	1,130	2,087	0	3,216	59	2,137	0	2,195
of which: Government bills / bonds	1,064	0	0	1,064	0	0	0	0
of which: Commercial paper and certificates of deposit	0	1,916	0	1,916	0	1,959	0	1,959
of which: Corporate and municipal bonds	66	171	0	236	59	178	0	237
Non-financial assets measured at fair value on a recurring basis								
Precious metals and other physical commodities	7,623	0	0	7,623	7,341	0	0	7,341
Non-financial assets measured at fair value on a non-recurring basis								
Other non-financial assets ²	0	0	89	89	0	0	84	84
Total assets measured at fair value	184,689	245,720	15,398	445,808	172,532	289,076	14,731	476,340

Note 10 Fair value measurement (continued)

Determination of fair values from quoted market prices or valuation techniques (continued)¹

USD m	31.3.25				31.12.24			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial liabilities measured at fair value on a recurring basis								
Financial liabilities at fair value held for trading	30,503	12,565	31	43,099	24,577	10,429	240	35,247
of which: Equity instruments	22,597	390	21	23,008	18,528	257	29	18,814
of which: Corporate and municipal bonds	2	10,768	5	10,775	5	8,771	206	8,982
of which: Government bills / bonds	6,490	1,210	0	7,699	4,336	1,174	0	5,510
of which: Investment fund units	1,414	96	3	1,512	1,708	162	3	1,873
Derivative financial instruments	1,407	136,694	4,130	142,230	829	175,788	4,060	180,678
of which: Foreign exchange	553	50,624	44	51,220	506	94,077	46	94,628
of which: Interest rate	0	33,911	337	34,248	0	36,313	324	36,636
of which: Equity / index	0	44,707	3,293	48,000	0	39,597	3,142	42,739
of which: Credit	0	3,182	374	3,556	0	3,280	414	3,694
of which: Commodities	2	4,128	25	4,155	1	2,200	15	2,216
of which: Loan commitments measured at FVTPL	0	45	29	74	0	75	62	137
Financial liabilities designated at fair value on a recurring basis								
Brokerage payables designated at fair value	0	59,921	0	59,921	0	49,023	0	49,023
Debt issued designated at fair value	0	96,189	11,204	107,393	0	90,725	11,842	102,567
Other financial liabilities designated at fair value	0	28,525	4,267	32,792	0	29,779	4,262	34,041
of which: Financial liabilities related to unit-linked investment contracts	0	17,528	0	17,528	0	17,203	0	17,203
of which: Securities financing transactions	0	3,985	108	4,094	0	5,798	0	5,798
of which: Funding from UBS Group AG	0	4,042	1,515	5,557	0	3,848	1,494	5,342
of which: Over-the-counter debt instruments and others	0	2,969	2,644	5,613	0	2,930	2,768	5,698
Total liabilities measured at fair value	31,909	333,894	19,633	385,436	25,406	355,744	20,405	401,555

¹ Bifurcated embedded derivatives are presented on the same balance sheet lines as their host contracts and are not included in this table. The fair value of these derivatives was not material for the periods presented.

² Other non-financial assets primarily consist of properties and other non-current assets held for sale, which are measured at the lower of their net carrying amount or fair value less costs to sell.

b) Valuation adjustments

The table below summarizes the changes in deferred day-1 profit or loss reserves during the relevant period.

Deferred day-1 profit or loss is generally released into *Other net income from financial instruments measured at fair value through profit or loss* when the pricing of equivalent products or the underlying parameters become observable or when the transaction is closed out.

Deferred day-1 profit or loss reserves

USD m	For the quarter ended		
	31.3.25	31.12.24	31.3.24
Reserve balance at the beginning of the period	421	418	397
Profit / (loss) deferred on new transactions	65	57	42
(Profit) / loss recognized in the income statement	(95)	(51)	(60)
Foreign currency translation	(1)	(4)	0
Reserve balance at the end of the period	391	421	379

The table below summarizes other valuation adjustment reserves recognized on the balance sheet.

Other valuation adjustment reserves on the balance sheet

USD m	As of	
	31.3.25	31.12.24
Own credit adjustments on financial liabilities designated at fair value ¹	(942)	(1,165)
of which: debt issued designated at fair value	(680)	(780)
of which: other financial liabilities designated at fair value	(262)	(385)
Credit valuation adjustments ²	(128)	(125)
Funding and debit valuation adjustments	(69)	(96)
Other valuation adjustments	(971)	(1,206)
of which: liquidity	(570)	(746)
of which: model uncertainty	(401)	(460)

¹ Own credit adjustments on financial liabilities designated at fair value includes amounts for TLAC notes. ² Amount does not include reserves against defaulted counterparties.

Note 10 Fair value measurement (continued)

c) Level 3 instruments: valuation techniques and inputs

The table below presents material Level 3 assets and liabilities, together with the valuation techniques used to measure fair value, as well as the inputs used in a given valuation technique that are considered significant as of 31 March 2025 and unobservable, and a range of values for those unobservable inputs.

The range of values represents the highest- and lowest-level inputs used in the valuation techniques. Therefore, the range does not reflect the level of uncertainty regarding a particular input or an assessment of the reasonableness of UBS AG's estimates and assumptions, but rather the different underlying characteristics of the relevant assets and liabilities held by UBS AG.

The significant unobservable inputs disclosed in the table below are consistent with those included in "Note 21 Fair value measurement" in the "Consolidated financial statements" section of the UBS AG Annual Report 2024.

Valuation techniques and inputs used in the fair value measurement of Level 3 assets and liabilities

USD bn	Fair value				Valuation technique(s)	Significant unobservable input(s) ¹	Range of inputs						unit ¹
	Assets		Liabilities				31.3.25			31.12.24			
	31.3.25	31.12.24	31.3.25	31.12.24			low	high	weighted average ²	low	high	weighted average ²	
Financial assets and liabilities at fair value held for trading and Financial assets at fair value not held for trading													
Corporate and municipal bonds	1.0	1.0	0.0	0.2	Relative value to market comparable	Bond price equivalent	23	105	89	23	114	98	points
					Discounted expected cash flows	Discount margin	917	917	917	868	868	868	basis points
Traded loans, loans designated at fair value and guarantees	6.1	5.2	0.0	0.0	Relative value to market comparable	Loan price equivalent	1	102	93	1	173	84	points
					Discounted expected cash flows	Credit spread	17	395	132	16	545	195	basis points
					Market comparable and securitization model	Credit spread	97	1,939	280	75	1,899	208	basis points
Asset-backed securities	0.7	0.7	0.0	0.0	Relative value to market comparable	Bond price equivalent	1	100	78	0	112	79	points
Investment fund units ³	0.8	0.8	0.0	0.0	Relative value to market comparable	Net asset value							
Equity instruments ³	3.1	3.0	0.0	0.0	Relative value to market comparable	Price							
Debt issued designated at fair value ⁴			11.2	11.8									
Other financial liabilities designated at fair value			4.3	4.3	Discounted expected cash flows	Funding spread	95	221		95	201		basis points
Derivative financial instruments													
Interest rate	0.9	0.9	0.3	0.3	Option model	Volatility of interest rates	51	112		50	156		basis points
						IR-to-IR correlation	67	99		60	99		%
					Discounted expected cash flows	Funding spread	5	20		5	20		basis points
Credit	0.5	0.6	0.4	0.4	Discounted expected cash flows	Credit spreads	3	1,760		2	1,789		basis points
						Credit correlation	50	66		50	66		%
						Recovery rates	0	100		0	100		%
					Option model	Credit volatility	60	79		59	127		%
						Recovery rates	0	40					%
Equity / index	0.9	1.1	3.3	3.1	Option model	Equity dividend yields	0	16		0	16		%
						Volatility of equity stocks, equity and other indices	2	111		4	126		%
						Equity-to-FX correlation	(65)	70		(65)	80		%
						Equity-to-equity correlation	15	100		0	100		%
Loan commitments measured at FVTPL			0.0	0.1	Relative value to market comparable	Loan price equivalent	82	100		60	101		points

¹ The ranges of significant unobservable inputs are represented in points, percentages and basis points. Points are a percentage of par (e.g. 100 points would be 100% of par). ² Weighted averages are provided for most non-derivative financial instruments and were calculated by weighting inputs based on the fair values of the respective instruments. Weighted averages are not provided for inputs related to Other financial liabilities designated at fair value and Derivative financial instruments, as this would not be meaningful. ³ The range of inputs is not disclosed, as there is a dispersion of values given the diverse nature of the investments. ⁴ Debt issued designated at fair value primarily consists of UBS structured notes, which include variable maturity notes with various equity and foreign exchange underlying risks, as well as rates-linked and credit-linked notes, all of which have embedded derivative parameters that are considered to be unobservable. The equivalent derivative instrument parameters for debt issued or embedded derivatives for over-the-counter debt instruments are presented in the respective derivative financial instruments lines in this table.

Note 10 Fair value measurement (continued)

d) Level 3 instruments: sensitivity to changes in unobservable input assumptions

The table below summarizes those financial assets and liabilities classified as Level 3 for which a change in one or more of the unobservable inputs to reflect reasonably possible alternative assumptions would change fair value significantly, and the estimated effect thereof.

The sensitivity data shown below presents an estimation of valuation uncertainty based on reasonably possible alternative values for Level 3 inputs at the balance sheet date and does not represent the estimated effect of stress scenarios. Typically, these financial assets and liabilities are sensitive to a combination of inputs from Levels 1–3. Although well-defined interdependencies may exist between Level 1 / 2 parameters and Level 3 parameters (e.g. between interest rates, which are generally Level 1 or Level 2, and prepayments, which are generally Level 3), these have not been incorporated in the table. Furthermore, direct interrelationships between the Level 3 parameters are not a significant element of the valuation uncertainty.

Sensitivity of fair value measurements to changes in unobservable input assumptions¹

USD m	31.3.25		31.12.24	
	Favorable changes	Unfavorable changes	Favorable changes	Unfavorable changes
Traded loans, loans measured at fair value and guarantees	147	(115)	185	(143)
Securities financing transactions	25	(20)	30	(24)
Auction rate securities	8	(6)	8	(6)
Asset-backed securities	23	(18)	32	(28)
Equity instruments	348	(314)	333	(308)
Investment fund units	176	(178)	179	(181)
Loan commitments measured at FVTPL	15	(47)	38	(42)
Interest rate derivatives, net	77	(65)	115	(70)
Credit derivatives, net	88	(108)	112	(117)
Foreign exchange derivatives, net	4	(3)	3	(2)
Equity / index derivatives, net	619	(503)	732	(617)
Other	256	(152)	289	(161)
Total	1,785	(1,528)	2,056	(1,700)

¹ Sensitivity of issued and over-the-counter debt instruments is reported with the equivalent derivative or Other.

e) Level 3 instruments: movements during the period

The table below presents additional information about material Level 3 assets and liabilities measured at fair value on a recurring basis. Level 3 assets and liabilities may be hedged with instruments classified as Level 1 or Level 2 in the fair value hierarchy and, as a result, realized and unrealized gains and losses included in the table may not include the effect of related hedging activity. Furthermore, the realized and unrealized gains and losses presented in the table are not limited solely to those arising from Level 3 inputs, as valuations are generally derived from both observable and unobservable parameters.

Assets and liabilities transferred into or out of Level 3 are presented as if those assets or liabilities had been transferred on 1 January 2025.

Note 10 Fair value measurement (continued)

Movements of Level 3 instruments

<i>USD bn</i>	Balance at the beginning of the period	Net gains / losses included in comprehensive income ¹	of which: related to instruments held at the end of the period	Purchases	Sales	Issuances	Settlements	Transfers into Level 3	Transfers out of Level 3	Foreign currency translation	Balance at the end of the period
For the three months ended 31 March 2025²											
Financial assets at fair value held for trading	3.1	0.0	(0.0)	0.2	(0.8)	1.1	(0.3)	0.3	(0.1)	0.0	3.7
of which: Equity instruments	0.1	0.0	0.0	0.0	(0.0)	0.0	(0.0)	0.1	(0.0)	0.0	0.1
of which: Corporate and municipal bonds	0.8	0.0	0.0	0.2	(0.1)	0.0	(0.0)	0.1	(0.1)	0.0	0.9
of which: Loans	1.8	0.0	(0.0)	0.0	(0.5)	1.1	(0.3)	0.1	(0.0)	0.0	2.3
Derivative financial instruments – assets	2.8	(0.5)	(0.4)	0.0	0.0	0.7	(0.6)	0.4	(0.3)	0.0	2.5
of which: Interest rate	0.9	(0.0)	(0.0)	0.0	0.0	0.0	(0.1)	0.3	(0.1)	(0.0)	0.9
of which: Equity / index	1.1	(0.3)	(0.3)	0.0	0.0	0.4	(0.2)	0.1	(0.1)	0.0	0.9
of which: Credit	0.6	(0.0)	(0.0)	0.0	0.0	0.2	(0.2)	0.0	(0.1)	0.0	0.5
Financial assets at fair value not held for trading	8.7	0.1	0.1	0.1	(0.2)	0.6	(0.2)	0.1	(0.1)	0.1	9.2
of which: Loans	3.2	0.1	0.1	0.0	(0.0)	0.5	(0.1)	0.0	(0.1)	0.0	3.6
of which: Auction rate securities	0.2	(0.0)	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2
of which: Equity instruments	2.9	0.0	0.0	0.0	(0.1)	0.0	(0.0)	0.0	(0.0)	0.0	2.9
of which: Investment fund units	0.7	0.0	(0.0)	0.0	(0.1)	0.0	0.0	0.0	0.0	0.0	0.6
of which: Asset-backed securities	0.6	(0.0)	(0.0)	0.0	(0.0)	0.0	0.0	0.0	(0.1)	0.0	0.5
Derivative financial instruments – liabilities	4.1	0.2	0.2	0.0	(0.0)	0.7	(0.6)	0.1	(0.3)	0.0	4.1
of which: Interest rate	0.3	0.0	0.0	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0	0.3
of which: Equity / index	3.1	0.2	0.1	0.0	0.0	0.6	(0.5)	0.1	(0.3)	0.0	3.3
of which: Credit	0.4	0.0	0.0	0.0	0.0	0.1	(0.1)	0.0	(0.0)	(0.0)	0.4
of which: Loan commitments measured at FVTPL	0.1	(0.0)	(0.0)	0.0	0.0	0.0	(0.0)	0.0	(0.0)	0.0	0.0
Debt issued designated at fair value	11.8	0.2	0.2	0.0	0.0	1.7	(1.2)	0.6	(2.1)	0.2	11.2
Other financial liabilities designated at fair value	4.3	(0.0)	(0.0)	0.0	(0.0)	0.3	(0.3)	0.0	(0.0)	0.0	4.3
For the three months ended 31 March 2024											
Financial assets at fair value held for trading	1.8	(0.0)	(0.0)	0.2	(0.8)	0.4	(0.3)	0.1	(0.1)	(0.0)	1.4
of which: Equity instruments	0.1	0.0	0.0	0.0	(0.0)	0.0	(0.0)	0.1	(0.0)	(0.0)	0.2
of which: Corporate and municipal bonds	0.6	(0.0)	(0.0)	0.2	(0.2)	0.0	0.0	0.0	(0.0)	(0.0)	0.5
of which: Loans	0.9	0.0	0.0	0.0	(0.5)	0.4	(0.3)	0.1	(0.0)	(0.0)	0.6
Derivative financial instruments – assets	1.3	(0.0)	(0.1)	0.0	0.0	0.4	(0.3)	0.1	(0.1)	(0.0)	1.3
of which: Interest rate	0.3	0.1	0.1	0.0	0.0	0.0	(0.1)	0.0	(0.1)	0.0	0.3
of which: Equity / index	0.7	(0.1)	(0.1)	0.0	0.0	0.4	(0.2)	0.0	(0.0)	(0.0)	0.7
of which: Credit	0.3	(0.0)	(0.0)	0.0	0.0	0.0	(0.1)	0.1	(0.0)	(0.0)	0.3
Financial assets at fair value not held for trading	4.1	0.0	0.0	0.0	(0.0)	0.4	(0.1)	0.0	(0.0)	(0.0)	4.4
of which: Loans	1.3	0.0	0.0	0.0	0.0	0.2	(0.1)	0.0	(0.0)	(0.0)	1.3
of which: Auction rate securities	1.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.2
of which: Equity instruments	1.1	0.0	0.0	0.0	(0.0)	0.0	(0.0)	0.0	0.0	(0.0)	1.1
of which: Investment fund units	0.2	0.0	0.0	0.0	(0.0)	0.0	0.0	0.0	0.0	(0.0)	0.2
Derivative financial instruments – liabilities	3.2	0.5	0.4	0.0	0.0	1.7	(1.0)	0.2	(0.1)	(0.0)	4.5
of which: Interest rate	0.1	0.0	0.0	0.0	0.0	0.0	(0.0)	0.0	(0.0)	0.0	0.2
of which: Equity / index	2.7	0.5	0.4	0.0	0.0	1.7	(0.9)	0.2	(0.1)	(0.0)	4.0
of which: Credit	0.3	(0.0)	(0.0)	0.0	0.0	0.0	(0.1)	0.0	(0.0)	(0.0)	0.2
Debt issued designated at fair value	7.8	0.2	0.2	0.0	0.0	1.6	(0.8)	0.3	(1.6)	(0.1)	7.4
Other financial liabilities designated at fair value	2.3	(0.1)	(0.1)	0.0	0.0	0.1	(0.2)	0.0	(0.0)	(0.0)	2.1

¹ Net gains / losses included in comprehensive income are recognized in Net interest income and Other net income from financial instruments measured at fair value through profit or loss in the Income statement, and also in Gains / (losses) from own credit on financial liabilities designated at fair value, before tax in the Statement of comprehensive income. ² Total Level 3 assets as of 31 March 2025 were USD 15.4bn (31 December 2024: USD 14.7bn). Total Level 3 liabilities as of 31 March 2025 were USD 19.6bn (31 December 2024: USD 20.4bn).

Note 10 Fair value measurement (continued)

f) Financial instruments not measured at fair value

The table below reflects the estimated fair values of financial instruments not measured at fair value. Valuation principles applied when determining fair value estimates for financial instruments not measured at fair value are consistent with those described in "Note 21 Fair value measurement" in the "Consolidated financial statements" section of the UBS AG Annual Report 2024.

Financial instruments not measured at fair value

	31.3.25		31.12.24	
	Carrying amount	Fair value	Carrying amount	Fair value
<i>USD bn</i>				
Assets				
Cash and balances at central banks	231.4	231.4	223.3	223.3
Amounts due from banks	20.3	20.3	18.1	18.1
Receivables from securities financing transactions measured at amortized cost	101.8	101.8	118.3	118.3
Cash collateral receivables on derivative instruments	39.0	39.0	44.0	44.0
Loans and advances to customers	603.2	597.1	587.3	582.4
Other financial assets measured at amortized cost	66.9	65.4	59.3	57.5
Liabilities				
Amounts due to banks	27.8	27.8	23.3	23.4
Payables from securities financing transactions measured at amortized cost	15.0	15.0	14.8	14.8
Cash collateral payables on derivative instruments	32.0	32.0	36.4	36.4
Customer deposits	747.5	748.2	749.5	750.0
Funding from UBS Group AG measured at amortized cost	111.5	115.3	107.9	112.5
Debt issued measured at amortized cost	98.3	98.7	101.1	102.7
Other financial liabilities measured at amortized cost ¹	15.6	15.6	17.9	17.9

¹ Excludes lease liabilities.

Note 11 Derivative instruments

a) Derivative instruments

	Derivative financial assets	Derivative financial liabilities	Notional values related to derivative financial assets and liabilities ¹	Other notional values ²
<i>As of 31.3.25, USD bn</i>				
Derivative financial instruments				
Interest rate	39.0	34.2	3,722	18,048
Credit derivatives	3.2	3.6	173	
Foreign exchange	49.6	51.2	7,255	294
Equity / index	40.9	48.0	1,419	104
Commodities	5.0	4.2	180	19
Other ³	0.9	1.1	178	
Total derivative financial instruments, based on netting under IFRS Accounting Standards⁴	138.6	142.2	12,927	18,465
Further netting potential not recognized on the balance sheet ⁵	(123.2)	(127.9)		
<i>of which: netting of recognized financial liabilities / assets</i>	<i>(100.9)</i>	<i>(100.9)</i>		
<i>of which: netting with collateral received / pledged</i>	<i>(22.3)</i>	<i>(27.0)</i>		
Total derivative financial instruments, after consideration of further netting potential	15.4	14.4		

As of 31.12.24, USD bn

Derivative financial instruments				
Interest rate	42.1	36.6	3,650	16,844
Credit derivatives	3.1	3.7	144	
Foreign exchange	101.1	94.6	7,216	269
Equity / index	36.9	42.7	1,365	93
Commodities	2.6	2.2	155	17
Other ³	0.6	0.8	87	
Total derivative financial instruments, based on netting under IFRS Accounting Standards⁴	186.4	180.7	12,617	17,223
Further netting potential not recognized on the balance sheet ⁵	(162.6)	(166.4)		
<i>of which: netting of recognized financial liabilities / assets</i>	<i>(135.6)</i>	<i>(135.6)</i>		
<i>of which: netting with collateral received / pledged</i>	<i>(27.1)</i>	<i>(30.8)</i>		
Total derivative financial instruments, after consideration of further netting potential	23.8	14.3		

¹ In cases where derivative financial instruments are presented on a net basis on the balance sheet, the respective notional values of the netted derivative financial instruments are still presented on a gross basis. Notional amounts of client-cleared ETD and OTC transactions through central clearing counterparties are not disclosed, as they have a significantly different risk profile. ² Other notional values relate to derivatives that are cleared through either a central counterparty or an exchange and settled on a daily basis. The fair value of these derivatives is presented on the balance sheet net of the corresponding cash margin under Cash collateral receivables on derivative instruments and Cash collateral payables on derivative instruments and was not material for all periods presented. ³ Includes Loan commitments measured at FVTPL, as well as unsettled purchases and sales of non-derivative financial instruments for which the changes in the fair value between trade date and settlement date are recognized as derivative financial instruments. ⁴ Financial assets and liabilities are presented net on the balance sheet if UBS has the unconditional and legally enforceable right to offset the recognized amounts, both in the normal course of business and in the event of default, bankruptcy or insolvency of UBS or its counterparties, and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. ⁵ Reflects the netting potential in accordance with enforceable master netting and similar arrangements where not all criteria for a net presentation on the balance sheet have been met. Refer to "Note 22 Offsetting financial assets and financial liabilities" in the "Consolidated financial statements" section of the UBS AG Annual Report 2024 for more information.

b) Cash collateral on derivative instruments

	Receivables 31.3.25	Payables 31.3.25	Receivables 31.12.24	Payables 31.12.24
<i>USD bn</i>				
Cash collateral on derivative instruments, based on netting under IFRS Accounting Standards ¹	39.0	32.0	44.0	36.4
Further netting potential not recognized on the balance sheet ²	(24.3)	(17.1)	(28.3)	(22.6)
<i>of which: netting of recognized financial liabilities / assets</i>	<i>(22.2)</i>	<i>(15.0)</i>	<i>(25.9)</i>	<i>(20.2)</i>
<i>of which: netting with collateral received / pledged</i>	<i>(2.1)</i>	<i>(2.1)</i>	<i>(2.4)</i>	<i>(2.4)</i>
Cash collateral on derivative instruments, after consideration of further netting potential	14.7	14.9	15.7	13.8

¹ Financial assets and liabilities are presented net on the balance sheet if UBS has the unconditional and legally enforceable right to offset the recognized amounts, both in the normal course of business and in the event of default, bankruptcy or insolvency of UBS or its counterparties, and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. ² Reflects the netting potential in accordance with enforceable master netting and similar arrangements where not all criteria for a net presentation on the balance sheet have been met. Refer to "Note 22 Offsetting financial assets and financial liabilities" in the "Consolidated financial statements" section of the UBS AG Annual Report 2024 for more information.

Note 12 Other assets and liabilities

a) Other financial assets measured at amortized cost

USD m	31.3.25	31.12.24
Debt securities	48,095	41,583
Loans to financial advisors	2,738	2,723
Fee- and commission-related receivables	2,493	2,231
Finance lease receivables	6,104	5,934
Settlement and clearing accounts	444	430
Accrued interest income	2,127	2,196
Other ¹	4,864	4,182
Total other financial assets measured at amortized cost	66,864	59,279

¹ Predominantly includes cash collateral provided to exchanges and clearing houses to secure securities trading activity through those counterparties.

b) Other non-financial assets

USD m	31.3.25	31.12.24
Precious metals and other physical commodities	7,623	7,341
Deposits and collateral provided in connection with litigation, regulatory and similar matters ¹	2,012	1,946
Prepaid expenses	1,285	1,194
Current tax assets	1,410	1,504
VAT, withholding tax and other tax receivables	816	1,129
Properties and other non-current assets held for sale	189	195
Assets of disposal groups held for sale ²		1,823
Other	1,799	2,149
Total other non-financial assets	15,134	17,282

¹ Refer to Note 16 for more information. ² Refer to Note 6 for more information about the sale of Select Portfolio Servicing.

c) Other financial liabilities measured at amortized cost

USD m	31.3.25	31.12.24
Other accrued expenses	2,646	2,732
Accrued interest expenses	4,910	5,862
Settlement and clearing accounts	2,193	1,925
Lease liabilities	3,824	3,871
Other	5,849	7,372
Total other financial liabilities measured at amortized cost	19,421	21,762

d) Other financial liabilities designated at fair value

USD m	31.3.25	31.12.24
Financial liabilities related to unit-linked investment contracts	17,528	17,203
Securities financing transactions	4,093	5,798
Over-the-counter debt instruments and other	5,613	5,698
Funding from UBS Group AG ¹	5,557	5,342
Total other financial liabilities designated at fair value	32,792	34,041

¹ Funding from UBS Group AG consists of subordinated debt of UBS AG and its subsidiaries toward UBS Group AG. Subordinated debt consists of unsecured debt obligations that are contractually subordinated in right of payment to all other present and future non-subordinated obligations of the respective issuing entity.

e) Other non-financial liabilities

USD m	31.3.25	31.12.24
Compensation-related liabilities	4,460	6,897
<i>of which: net defined benefit liability</i>	<i>704</i>	<i>691</i>
Current tax liabilities	1,697	1,536
Deferred tax liabilities	303	283
VAT, withholding tax and other tax payables	888	1,067
Deferred income	596	614
Liabilities of disposal groups held for sale ¹		1,212
Other	80	304
Total other non-financial liabilities	8,024	11,911

¹ Refer to Note 6 for more information about the sale of Select Portfolio Servicing.

Note 13 Funding from UBS Group AG measured at amortized cost

Funding from UBS Group AG measured at amortized cost

<i>USD m</i>	31.3.25	31.12.24
Debt contributing to total loss-absorbing capacity (TLAC)	88,236	87,036
Debt eligible as high-trigger loss-absorbing additional tier 1 capital instruments ¹	18,325	14,585
Debt eligible as low-trigger loss-absorbing additional tier 1 capital instruments		1,245
Other ²	4,895	5,051
Total funding from UBS Group AG measured at amortized cost^{3,4}	111,457	107,918

¹ For 31 March 2025, includes USD 10.1bn (31 December 2024: USD 6.9bn) that is, upon the occurrence of a trigger event or a viability event, subject to conversion into ordinary UBS shares. ² Includes debt no longer eligible as TLAC having a residual maturity of less than one year and high-trigger loss-absorbing additional tier 1 capital instruments that ceased to be eligible when UBS Group AG issued notice of redemption. ³ Consists of subordinated debt of UBS AG and its subsidiaries toward UBS Group AG. Subordinated debt consists of unsecured debt obligations that are contractually subordinated in right of payment to all other present and future non-subordinated obligations of the respective issuing entity. ⁴ UBS AG has also recognized funding from UBS Group AG that is designated at fair value. Refer to Note 12d for more information.

Note 14 Debt issued designated at fair value

Debt issued designated at fair value

<i>USD m</i>	31.3.25	31.12.24
Equity-linked ¹	57,151	54,069
Rates-linked	23,778	23,641
Credit-linked	5,354	5,225
Fixed-rate	15,178	14,250
Commodity-linked	3,462	3,592
Other	2,470	1,789
Total debt issued designated at fair value²	107,393	102,567

¹ Includes investment fund unit-linked instruments issued. ² As of 31 March 2025, 100% of Total debt issued designated at fair value was unsecured (31 December 2024: 100%).

Note 15 Debt issued measured at amortized cost

Debt issued measured at amortized cost

<i>USD m</i>	31.3.25	31.12.24
Short-term debt¹	30,582	30,509
Senior unsecured debt	30,106	33,416
Covered bonds	9,089	8,814
Subordinated debt	676	689
<i>of which: eligible as non-Basel III-compliant tier 2 capital instruments</i>	<i>205</i>	<i>207</i>
Debt issued through the Swiss central mortgage institutions	27,378	27,251
Other long-term debt	429	424
Long-term debt²	67,677	70,595
Total debt issued measured at amortized cost^{3,4}	98,259	101,104

¹ Debt with an original contractual maturity of less than one year, includes mainly certificates of deposit and commercial paper. ² Debt with an original contractual maturity greater than or equal to one year. The classification of debt issued into short-term and long-term does not consider any early redemption features. ³ Net of bifurcated embedded derivatives, the fair value of which was not material for the periods presented. ⁴ Except for Covered bonds (100% secured), Debt issued through the Swiss central mortgage institutions (100% secured) and Other long-term debt (92% secured), 100% of the balance was unsecured as of 31 March 2025.

Note 16 Provisions and contingent liabilities

a) Provisions

The table below presents an overview of total provisions.

Overview of total provisions

<i>USD m</i>	31.3.25	31.12.24
Provisions other than provisions for expected credit losses	5,146	4,799
Provisions for expected credit losses ¹	348	332
Total provisions	5,495	5,131

¹ Refer to Note 9c for more information about ECL provisions recognized for off-balance sheet financial instruments and credit lines.

The table below presents additional information for provisions other than provisions for expected credit losses.

Additional information for provisions other than provisions for expected credit losses

<i>USD m</i>	Litigation, regulatory and similar matters ¹	Restructuring ²	Real estate ³	Other ⁴	Total
Balance as of 31 December 2024	3,598	699	224	278	4,799
Increase in provisions recognized in the income statement	226	247	4	37	515
Release of provisions recognized in the income statement	(12)	(28)	(1)	(15)	(57)
Provisions used in conformity with designated purpose	(30)	(149)	(12)	(12)	(204)
Foreign currency translation and other movements	65	13	9	7	93
Balance as of 31 March 2025	3,848	781	223	294	5,146

¹ Consists of provisions for losses resulting from legal, liability and compliance risks. ² Includes USD 374m of provisions for onerous contracts related to real estate as of 31 March 2025 (31 December 2024: USD 383m) and USD 342m of personnel-related restructuring provisions as of 31 March 2025 (31 December 2024: USD 262m), as well as provisions for onerous contracts related to technology. ³ Mainly includes provisions for reinstatement costs with respect to leased properties. ⁴ Mainly includes provisions related to employee benefits, VAT and operational risks.

Information about provisions and contingent liabilities in respect of litigation, regulatory and similar matters, as a class, is included in Note 16b. There are no material contingent liabilities associated with the other classes of provisions.

b) Litigation, regulatory and similar matters

UBS operates in a legal and regulatory environment that exposes it to significant litigation and similar risks arising from disputes and regulatory proceedings. As a result, UBS is involved in various disputes and legal proceedings, including litigation, arbitration, and regulatory and criminal investigations. "UBS", "we" and "our", for purposes of this Note, refer to UBS AG and / or one or more of its subsidiaries, as applicable.

Such matters are subject to many uncertainties, and the outcome and the timing of resolution are often difficult to predict, particularly in the earlier stages of a case. There are also situations where UBS may enter into a settlement agreement. This may occur in order to avoid the expense, management distraction or reputational implications of continuing to contest liability, even for those matters for which UBS believes it should be exonerated. The uncertainties inherent in all such matters affect the amount and timing of any potential outflows for both matters with respect to which provisions have been established and other contingent liabilities. UBS makes provisions for such matters brought against it when, in the opinion of management after seeking legal advice, it is more likely than not that UBS has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required, and the amount can be reliably estimated. Where these factors are otherwise satisfied, a provision may be established for claims that have not yet been asserted against UBS, but are nevertheless expected to be, based on UBS's experience with similar asserted claims. If any of those conditions is not met, such matters result in contingent liabilities. If the amount of an obligation cannot be reliably estimated, a liability exists that is not recognized even if an outflow of resources is probable. Accordingly, no provision is established even if the potential outflow of resources with respect to such matters could be significant. Developments relating to a matter that occur after the relevant reporting period, but prior to the issuance of financial statements, which affect management's assessment of the provision for such matter (because, for example, the developments provide evidence of conditions that existed at the end of the reporting period), are adjusting events after the reporting period under IAS 10 and must be recognized in the financial statements for the reporting period.

Specific litigation, regulatory and other matters are described below, including all such matters that management considers to be material and others that management believes to be of significance to UBS due to potential financial, reputational and other effects. The amount of damages claimed, the size of a transaction or other information is provided where available and appropriate in order to assist users in considering the magnitude of potential exposures.

Note 16 Provisions and contingent liabilities (continued)

In the case of certain matters below, we state that we have established a provision, and for the other matters, we make no such statement. When we make this statement and we expect disclosure of the amount of a provision to prejudice seriously our position with other parties in the matter because it would reveal what UBS believes to be the probable and reliably estimable outflow, we do not disclose that amount. In some cases we are subject to confidentiality obligations that preclude such disclosure. With respect to the matters for which we do not state whether we have established a provision, either: (a) we have not established a provision; or (b) we have established a provision but expect disclosure of that fact to prejudice seriously our position with other parties in the matter because it would reveal the fact that UBS believes an outflow of resources to be probable and reliably estimable.

With respect to certain litigation, regulatory and similar matters for which we have established provisions, we are able to estimate the expected timing of outflows. However, the aggregate amount of the expected outflows for those matters for which we are able to estimate expected timing is immaterial relative to our current and expected levels of liquidity over the relevant time periods.

The aggregate amount provisioned for litigation, regulatory and similar matters as a class is disclosed in the "Provisions" table in Note 16a above. UBS provides below an estimate of the aggregate liability for its litigation, regulatory and similar matters as a class of contingent liabilities. Estimates of contingent liabilities are inherently imprecise and uncertain as these estimates require UBS to make speculative legal assessments as to claims and proceedings that involve unique fact patterns or novel legal theories, that have not yet been initiated or are at early stages of adjudication, or as to which alleged damages have not been quantified by the claimants. Taking into account these uncertainties and the other factors described herein, UBS estimates the future losses that could arise from litigation, regulatory and similar matters disclosed below for which an estimate is possible, that are not covered by existing provisions are in the range of USD 0bn to USD 3.2bn.

Litigation, regulatory and similar matters may also result in non-monetary penalties and consequences. A guilty plea to, or conviction of, a crime could have material consequences for UBS. Resolution of regulatory proceedings may require UBS to obtain waivers of regulatory disqualifications to maintain certain operations, may entitle regulatory authorities to limit, suspend or terminate licenses and regulatory authorizations, and may permit financial market utilities to limit, suspend or terminate UBS's participation in such utilities. Failure to obtain such waivers, or any limitation, suspension or termination of licenses, authorizations or participations, could have material consequences for UBS.

Provisions for litigation, regulatory and similar matters, by business division and in Group Items¹

<i>USD m</i>	Global Wealth Management	Personal & Corporate Banking	Asset Management	Investment Bank	Non- core and Legacy	Group Items	UBS AG
Balance as of 31 December 2024	1,271	147	1	266	1,779	135	3,598
Increase in provisions recognized in the income statement	15	0	0	29	109	72	226
Release of provisions recognized in the income statement	(2)	0	0	(9)	0	(1)	(12)
Provisions used in conformity with designated purpose	(12)	0	0	0	(15)	(2)	(30)
Foreign currency translation and other movements	47	6	0	7	5	0	65
Balance as of 31 March 2025	1,318	153	0	293	1,878	205	3,848

¹ Provisions, if any, for the matters described in items 2 and 9 of this Note are recorded in Global Wealth Management. Provisions, if any, for the matters described in items 4, 5, 6, 7 and 8 of this Note are recorded in Non-core and Legacy. Provisions, if any, for the matters described in item 1 of this Note are allocated between Global Wealth Management, Personal & Corporate Banking and Non-core and Legacy. Provisions, if any, for the matters described in item 3 of this Note are allocated between the Investment Bank, Non-core and Legacy and Group Items. Provisions, if any, for the matters described in item 10 of this Note are allocated between the Investment Bank and Non-core and Legacy.

Note 16 Provisions and contingent liabilities (continued)

1. Inquiries regarding cross-border wealth management businesses

Tax and regulatory authorities in a number of countries have made inquiries, served requests for information or examined employees located in their respective jurisdictions relating to the cross-border wealth management services provided by UBS and other financial institutions. Credit Suisse offices in various locations, including the UK, the Netherlands, France and Belgium, have been contacted by regulatory and law enforcement authorities seeking records and information concerning investigations into Credit Suisse's historical private banking services on a cross-border basis and in part through its local branches and banks. The UK and French aspects of these issues have been closed. UBS is continuing to cooperate with the authorities.

Since 2013, UBS (France) S.A., UBS AG and certain former employees have been under investigation in France in relation to UBS's cross-border business with French clients. In connection with this investigation, the investigating judges ordered UBS AG to provide bail ("*caution*") of EUR 1.1bn.

In 2019, the court of first instance returned a verdict finding UBS AG guilty of unlawful solicitation of clients on French territory and aggravated laundering of the proceeds of tax fraud, and UBS (France) S.A. guilty of aiding and abetting unlawful solicitation and of laundering the proceeds of tax fraud. The court imposed fines aggregating EUR 3.7bn on UBS AG and UBS (France) S.A. and awarded EUR 800m of civil damages to the French state. A trial in the Paris Court of Appeal took place in March 2021. In December 2021, the Court of Appeal found UBS AG guilty of unlawful solicitation and aggravated laundering of the proceeds of tax fraud. The court ordered a fine of EUR 3.75m, the confiscation of EUR 1bn, and awarded civil damages to the French state of EUR 800m. UBS appealed the decision to the French Supreme Court. The Supreme Court rendered its judgment on 15 November 2023. It upheld the Court of Appeal's decision regarding unlawful solicitation and aggravated laundering of the proceeds of tax fraud, but overturned the confiscation of EUR 1bn, the penalty of EUR 3.75m and the EUR 800m of civil damages awarded to the French state. The case has been remanded to the Court of Appeal for a retrial regarding these overturned elements. The French state has reimbursed the EUR 800m of civil damages to UBS AG.

In May 2014, Credit Suisse AG entered into settlement agreements with the SEC, the Federal Reserve, the New York Department of Financial Services and agreed with the U.S. Department of Justice (the DOJ) to plead guilty to conspiring to aid and abet US taxpayers in filing false tax returns (the 2014 Plea Agreement). Credit Suisse continued to report to and cooperate with US authorities in accordance with its obligations under the 2014 Plea Agreement, including by conducting a review of cross-border services provided by Credit Suisse. In this connection, Credit Suisse provided information to US authorities regarding potentially undeclared US assets held by clients at Credit Suisse since the 2014 Plea Agreement. In May 2025, Credit Suisse Services AG entered into a plea agreement (the 2025 Plea Agreement) with the DOJ under which it agreed to plead guilty to one count of conspiracy to aid and assist in the preparation of false income tax returns. In addition, Credit Suisse Services AG entered into a non-prosecution agreement with the DOJ (the 2025 NPA) relating to legacy Credit Suisse accounts booked in Credit Suisse's Singapore booking center. The 2025 Plea Agreement and the 2025 NPA provide for penalties, restitution and forfeiture of USD 511m in the aggregate. The 2025 Plea Agreement and the 2025 NPA include ongoing obligations of UBS to furnish information and cooperate with DOJ's investigations of legacy Credit Suisse accounts held by US persons in its Switzerland and Singapore booking centers and related accounts in other booking centers.

Our balance sheet at 31 March 2025 reflected provisions in an amount that UBS believes to be appropriate under the applicable accounting standard. As in the case of other matters for which we have established provisions, the future outflow of resources in respect of such matters cannot be determined with certainty based on currently available information and accordingly may ultimately prove to be substantially greater (or may be less) than the provision that we have recognized.

2. Madoff

In relation to the Bernard L. Madoff Investment Securities LLC (BMIS) investment fraud, UBS AG, UBS (Luxembourg) S.A. (now UBS Europe SE, Luxembourg branch) and certain other UBS subsidiaries have been subject to inquiries by a number of regulators, including the Swiss Financial Market Supervisory Authority (FINMA) and the Luxembourg Commission de Surveillance du Secteur Financier. Those inquiries concerned two third-party funds established under Luxembourg law, substantially all assets of which were with BMIS, as well as certain funds established in offshore jurisdictions with either direct or indirect exposure to BMIS. These funds faced severe losses, and the Luxembourg funds are in liquidation. The documentation establishing both funds identifies UBS entities in various roles, including custodian, administrator, manager, distributor and promoter, and indicates that UBS employees serve as board members.

Note 16 Provisions and contingent liabilities (continued)

In 2009 and 2010, the liquidators of the two Luxembourg funds filed claims against UBS entities, non-UBS entities and certain individuals, including current and former UBS employees, seeking amounts totaling approximately EUR 2.1bn, which includes amounts that the funds may be held liable to pay the trustee for the liquidation of BMIS (BMIS Trustee).

A large number of alleged beneficiaries have filed claims against UBS entities (and non-UBS entities) for purported losses relating to the Madoff fraud. The majority of these cases have been filed in Luxembourg, where decisions that the claims in eight test cases were inadmissible have been affirmed by the Luxembourg Court of Appeal, and the Luxembourg Supreme Court has dismissed a further appeal in one of the test cases.

In the US, the BMIS Trustee filed claims against UBS entities, among others, in relation to the two Luxembourg funds and one of the offshore funds. The total amount claimed against all defendants in these actions was not less than USD 2bn. In 2014, the US Supreme Court rejected the BMIS Trustee's motion for leave to appeal decisions, dismissing all claims against UBS defendants except those for the recovery of approximately USD 125m of payments alleged to be fraudulent conveyances and preference payments. Similar claims have been filed against Credit Suisse entities seeking to recover redemption payments. In 2016, the bankruptcy court dismissed these claims against the UBS entities and most of the Credit Suisse entities. In 2019, the Court of Appeals reversed the dismissal of the BMIS Trustee's remaining claims. The case has been remanded to the Bankruptcy Court for further proceedings.

3. Foreign exchange, LIBOR and benchmark rates, and other trading practices

Foreign-exchange-related regulatory matters: Beginning in 2013, numerous authorities commenced investigations concerning possible manipulation of foreign exchange markets and precious metals prices. As a result of these investigations, UBS entered into resolutions with Swiss, US and UK regulators and the European Commission. UBS was granted conditional immunity by the Antitrust Division of the DOJ and by authorities in other jurisdictions in connection with potential competition law violations relating to foreign exchange and precious metals businesses. In December 2021, the European Commission issued a decision imposing a fine of EUR 83.3m on Credit Suisse entities based on findings of anticompetitive practices in the foreign exchange market. Credit Suisse has appealed the decision to the European General Court. UBS received leniency and accordingly no fine was assessed.

Foreign-exchange-related civil litigation: Putative class actions have been filed since 2013 in US federal courts and in other jurisdictions against UBS, Credit Suisse and other banks on behalf of persons who engaged in foreign currency transactions with any of the defendant banks. UBS and Credit Suisse have resolved US federal court class actions relating to foreign currency transactions with the defendant banks and persons who transacted in foreign exchange futures contracts and options on such futures. Certain class members have excluded themselves from that settlement and filed individual actions in US and English courts against UBS, Credit Suisse and other banks, alleging violations of US and European competition laws and unjust enrichment. UBS, Credit Suisse and the other banks have resolved those individual matters. In addition, Credit Suisse and UBS, together with other financial institutions, were named in a consolidated putative class action in Israel, which made allegations similar to those made in the actions pursued in other jurisdictions. Credit Suisse and UBS entered into agreements to settle all claims in this action in April 2022 and February 2024, respectively. Credit Suisse's settlement received court approval and will be deemed final in May 2025 if the petitioners do not further appeal. UBS's settlement remains subject to court approval.

LIBOR and other benchmark-related regulatory matters: Numerous government agencies conducted investigations regarding potential improper attempts by UBS, among others, to manipulate LIBOR and other benchmark rates at certain times. UBS and Credit Suisse reached settlements or otherwise concluded investigations relating to benchmark interest rates with the investigating authorities. UBS was granted conditional leniency or conditional immunity from authorities in certain jurisdictions, including the Antitrust Division of the DOJ and the Swiss Competition Commission (WEKO), in connection with potential antitrust or competition law violations related to certain rates. However, UBS has not reached a final settlement with WEKO, as the Secretariat of WEKO has asserted that UBS does not qualify for full immunity.

Note 16 Provisions and contingent liabilities (continued)

LIBOR and other benchmark-related civil litigation: A number of putative class actions and other actions are pending in the federal courts in New York against UBS and numerous other banks on behalf of parties who transacted in certain interest rate benchmark-based derivatives. Also pending in the US and in other jurisdictions are a number of other actions asserting losses related to various products whose interest rates were linked to LIBOR and other benchmarks, including adjustable rate mortgages, preferred and debt securities, bonds pledged as collateral, loans, depository accounts, investments and other interest-bearing instruments. The complaints allege manipulation, through various means, of certain benchmark interest rates, including USD LIBOR, Yen LIBOR, EURIBOR, CHF LIBOR, and GBP LIBOR and seek unspecified compensatory and other damages under various legal theories.

USD LIBOR class and individual actions in the US: Beginning in 2013, putative class actions were filed in US federal district courts (and subsequently consolidated in the US District Court for the Southern District of New York (SDNY)) by plaintiffs who engaged in over-the-counter instruments, exchange-traded Eurodollar futures and options, bonds or loans that referenced USD LIBOR. The complaints allege violations of antitrust law and the Commodities Exchange Act, as well breach of contract and unjust enrichment. Following various rulings by the SDNY and the Second Circuit dismissing certain of the causes of action and allowing others to proceed, one class action with respect to transactions in over-the-counter instruments and several actions brought by individual plaintiffs are proceeding in the district court. UBS and Credit Suisse have entered into settlement agreements in respect of the class actions relating to exchange-traded instruments, bonds and loans. These settlements have received final court approval and the actions have been dismissed as to UBS and Credit Suisse. In addition, an individual action was filed in federal court in California against UBS, Credit Suisse and numerous other banks alleging that the defendants conspired to fix the interest rate used as the basis for loans to consumers by jointly setting the USD ICE LIBOR rate and monopolized the market for LIBOR-based consumer loans and credit cards. The court dismissed the initial complaint and subsequently dismissed an amended complaint with prejudice; the US Court of Appeals for the Ninth Circuit affirmed the dismissal. In April 2025, plaintiffs filed a petition for a writ of certiorari with the US Supreme Court challenging the decisions of the lower courts.

Other benchmark class actions in the US: The Yen LIBOR/Euroyen TIBOR, EURIBOR and GBP LIBOR actions have been dismissed. Plaintiffs have appealed the dismissals.

In January 2023, defendants moved to dismiss the complaint in the CHF LIBOR action. In 2023, the court approved a settlement by Credit Suisse of the claims against it in this matter.

Government bonds: In 2021, the European Commission issued a decision finding that UBS and six other banks breached European Union antitrust rules between 2007 and 2011 relating to European government bonds. The European Commission fined UBS EUR 172m, which amount was confirmed on appeal on 26 March 2025.

Credit default swap auction litigation – In June 2021, Credit Suisse, along with other banks and entities, was named in a putative class action filed in federal court in New Mexico alleging manipulation of credit default swap (CDS) final auction prices. Defendants filed a motion to enforce a previous CDS class action settlement in the SDNY. In January 2024, the SDNY ruled that, to the extent claims in the New Mexico action arise from conduct prior to 30 June 2014, those claims are barred by the SDNY settlement. The plaintiffs have appealed the SDNY decision.

With respect to additional matters and jurisdictions not encompassed by the settlements and orders referred to above, UBS's balance sheet at 31 March 2025 reflected a provision in an amount that UBS believes to be appropriate under the applicable accounting standard. As in the case of other matters for which we have established provisions, the future outflow of resources in respect of such matters cannot be determined with certainty based on currently available information and accordingly may ultimately prove to be substantially greater (or may be less) than the provision that we have recognized.

Note 16 Provisions and contingent liabilities (continued)

4. Mortgage-related matters

Government and regulatory related matters: DOJ RMBS settlement – In January 2017, Credit Suisse Securities (USA) LLC (CSS LLC) and its current and former US subsidiaries and US affiliates reached a settlement with the DOJ related to its legacy Residential Mortgage-Backed Securities (RMBS) business, a business conducted through 2007. The settlement resolved potential civil claims by the DOJ related to certain of those Credit Suisse entities' packaging, marketing, structuring, arrangement, underwriting, issuance and sale of RMBS. Pursuant to the terms of the settlement a civil monetary penalty was paid to the DOJ in January 2017. The settlement also required the Credit Suisse entities to provide certain levels of consumer relief measures, including affordable housing payments and loan forgiveness, and the DOJ and Credit Suisse agreed to the appointment of an independent monitor to oversee the completion of the consumer relief requirements of the settlement. UBS continues to evaluate its approach toward satisfying the remaining consumer relief obligations. The aggregate amount of the consumer relief obligation increased after 2021 by 5% per annum of the outstanding amount due until these obligations are settled. The monitor publishes reports periodically on these consumer relief matters.

Civil litigation: Repurchase litigations – Credit Suisse affiliates are defendants in various civil litigation matters related to their roles as issuer, sponsor, depositor, underwriter and/or servicer of RMBS transactions. These cases currently include repurchase actions by RMBS trusts and/or trustees, in which plaintiffs generally allege breached representations and warranties in respect of mortgage loans and failure to repurchase such mortgage loans as required under the applicable agreements. The amounts disclosed below do not reflect actual realized plaintiff losses to date. Unless otherwise stated, these amounts reflect the original unpaid principal balance amounts as alleged in these actions.

DLJ Mortgage Capital, Inc. (DLJ) is a defendant in New York State court in five actions: An action brought by Asset Backed Securities Corporation Home Equity Loan Trust, Series 2006-HE7 alleges damages of not less than USD 374m. In December 2023, the court granted in part DLJ's motion to dismiss, dismissing with prejudice all notice-based claims; the parties have appealed. An action by Home Equity Asset Trust, Series 2006-8, alleges damages of not less than USD 436m. An action by Home Equity Asset Trust 2007-1 alleges damages of not less than USD 420m. Following a non-jury trial, the court issued a decision in December 2024 that the plaintiff had established breaches of representations and warranties relating to 209 of the 783 loans at issue. The court deferred decision as to damages, which will either be agreed upon by the parties or briefed for further decision by the court. An action by Home Equity Asset Trust 2007-2 alleges damages of not less than USD 495m. An action by CSMC Asset-Backed Trust 2007-NC1 does not allege a damages amount.

5. ATA litigation

Since November 2014, a series of lawsuits have been filed against a number of banks, including Credit Suisse, in the US District Court for the Eastern District of New York (EDNY) and the SDNY alleging claims under the United States Anti-Terrorism Act (ATA) and the Justice Against Sponsors of Terrorism Act. The plaintiffs in each of these lawsuits are, or are relatives of, victims of various terrorist attacks in Iraq and allege a conspiracy and/or aiding and abetting based on allegations that various international financial institutions, including the defendants, agreed to alter, falsify or omit information from payment messages that involved Iranian parties for the express purpose of concealing the Iranian parties' financial activities and transactions from detection by US authorities. The lawsuits allege that this conduct has made it possible for Iran to transfer funds to Hezbollah and other terrorist organizations actively engaged in harming US military personnel and civilians. In January 2023, the Second Circuit affirmed a September 2019 ruling by the EDNY granting defendants' motion to dismiss the first filed lawsuit. In October 2023, the US Supreme Court denied plaintiffs' petition for a writ of certiorari. In February 2024, plaintiffs filed a motion to vacate the judgment in the first filed lawsuit. Of the other seven cases, four are stayed, including one that was dismissed as to Credit Suisse and most of the bank defendants prior to entry of the stay, and in three cases plaintiffs have filed amended complaints.

Note 16 Provisions and contingent liabilities (continued)

6. Customer account matters

Several clients have claimed that a former relationship manager in Switzerland had exceeded his investment authority in the management of their portfolios, resulting in excessive concentrations of certain exposures and investment losses. Credit Suisse AG has investigated the claims, as well as transactions among the clients. Credit Suisse AG filed a criminal complaint against the former relationship manager with the Geneva Prosecutor's Office upon which the prosecutor initiated a criminal investigation. Several clients of the former relationship manager also filed criminal complaints with the Geneva Prosecutor's Office. In February 2018, the former relationship manager was sentenced to five years in prison by the Geneva criminal court for fraud, forgery and criminal mismanagement and ordered to pay damages of approximately USD 130m. On appeal, the Criminal Court of Appeals of Geneva and, subsequently, the Swiss Federal Supreme Court upheld the main findings of the Geneva criminal court.

Civil lawsuits have been initiated against Credit Suisse AG and / or certain affiliates in various jurisdictions, based on the findings established in the criminal proceedings against the former relationship manager.

In Singapore, in a civil lawsuit against Credit Suisse Trust Limited, the Singapore International Commercial Court issued a judgment finding for the plaintiffs and, in September 2023, the court awarded damages of USD 742.73m, excluding post-judgment interest. This figure does not exclude potential overlap with the Bermuda proceedings against Credit Suisse Life (Bermuda) Ltd., described below, and the court ordered the parties to ensure there is no double recovery in relation to this award and the Bermuda proceedings. On appeal from this judgment, in July 2024, the court ordered changes to the damages calculation and directed the parties to agree on adjustments to the award. The court ordered a revised award of USD 461m, including interest and costs, in October 2024 and the Singapore proceeding has concluded.

In Bermuda, in the civil lawsuit brought against Credit Suisse Life (Bermuda) Ltd., the Supreme Court of Bermuda issued a judgment awarding damages of USD 607.35m to the plaintiff. Credit Suisse Life (Bermuda) Ltd. appealed the decision. In June 2023, the Bermuda Court of Appeal confirmed the award and the Supreme Court of Bermuda's finding that Credit Suisse Life (Bermuda) Ltd. breached its contractual and fiduciary duties, but overturned the finding that Credit Suisse Life (Bermuda) Ltd. made fraudulent misrepresentations. In March 2024, the Bermuda Court of Appeal granted Credit Suisse Life (Bermuda) Ltd.'s motion for leave to appeal the judgment to the Judicial Committee of the Privy Council and the notice of such appeal was filed. The Bermuda Court of Appeal also ordered that the current stay continue pending determination of the appeal on the condition that the damages awarded, plus interest calculated at the Bermuda statutory rate of 3.5%, remain in the escrow account.

In Switzerland, civil lawsuits have been commenced against Credit Suisse AG in the Court of First Instance of Geneva, with statements of claim served in March 2023 and March 2024.

7. Mozambique matter

Credit Suisse was subject to investigations by regulatory and enforcement authorities, as well as civil litigation, regarding certain Credit Suisse entities' arrangement of loan financing to Mozambique state enterprises, Proindicus S.A. and Empresa Moçambicana de Atum S.A. (EMATUM), a distribution to private investors of loan participation notes (LPN) related to the EMATUM financing in September 2013, and certain Credit Suisse entities' subsequent role in arranging the exchange of those LPNs for Eurobonds issued by the Republic of Mozambique. In 2019, three former Credit Suisse employees pleaded guilty in the EDNY to accepting improper personal benefits in connection with financing transactions carried out with two Mozambique state enterprises.

In October 2021, Credit Suisse reached settlements with the DOJ, the US Securities and Exchange Commission (SEC), the UK Financial Conduct Authority (FCA) and FINMA to resolve inquiries by these agencies, including findings that Credit Suisse failed to appropriately organize and conduct its business with due skill and care, and manage risks. Credit Suisse Group AG entered into a three-year Deferred Prosecution Agreement (DPA) with the DOJ in connection with the criminal information charging Credit Suisse Group AG with conspiracy to commit wire fraud and Credit Suisse Securities (Europe) Limited (CSSEL) entered into a Plea Agreement and pleaded guilty to one count of conspiracy to violate the US federal wire fraud statute. Under the terms of the DPA, UBS Group AG (as successor to Credit Suisse Group AG) continued compliance enhancement and remediation efforts agreed by Credit Suisse, and undertake additional measures as outlined in the DPA. In January 2025, as permitted under the terms of the DPA, the DOJ elected to extend the term of the DPA by one year.

Note 16 Provisions and contingent liabilities (continued)

8. ETN-related litigation

XIV litigation: Since March 2018, three class action complaints were filed in the SDNY on behalf of a putative class of purchasers of VelocityShares Daily Inverse VIX Short-Term Exchange Traded Notes linked to the S&P 500 VIX Short-Term Futures Index (XIV ETNs). The complaints have been consolidated and asserts claims against Credit Suisse for violations of various anti-fraud and anti-manipulation provisions of US securities laws arising from a decline in the value of XIV ETNs in February 2018. On appeal from an order of the SDNY dismissing all claims, the Second Circuit issued an order that reinstated a portion of the claims. In decisions in March 2023 and February 2025, the court granted class certification for two of the three classes proposed by plaintiffs and denied class certification of the third proposed class.

9. Bulgarian former clients matter

In December 2020, the Swiss Office of the Attorney General brought charges against Credit Suisse AG and other parties concerning the diligence and controls applied to a historical relationship with Bulgarian former clients who are alleged to have laundered funds through Credit Suisse AG accounts. In June 2022, following a trial, Credit Suisse AG was convicted in the Swiss Federal Criminal Court of certain historical organizational inadequacies in its anti-money-laundering framework and ordered to pay a fine of CHF 2m. In addition, the court seized certain client assets in the amount of approximately CHF 12m and ordered Credit Suisse AG to pay a compensatory claim in the amount of approximately CHF 19m. Credit Suisse AG appealed the decision to the Swiss Federal Court of Appeals. Following the merger of UBS AG and Credit Suisse AG, UBS AG confirmed the appeal. In November 2024, the court issued a judgment that acquitted UBS AG and annulled the fine and compensatory claim ordered by the first instance court. In February 2025, the court affirmed the acquittal of UBS AG, and the Office of the Attorney General has appealed the judgment to the Swiss Federal Supreme Court. UBS has also appealed limited to the issue whether a successor entity by merger can be criminally liable for acts of the predecessor entity.

10. Archegos

Credit Suisse and UBS have received requests for documents and information in connection with inquiries, investigations and/or actions relating to their relationships with Archegos Capital Management (Archegos), including from FINMA (assisted by a third party appointed by FINMA), the DOJ, the SEC, the US Federal Reserve, the US Commodity Futures Trading Commission (CFTC), the US Senate Banking Committee, the Prudential Regulation Authority (PRA), the FCA, the WEKO, the Hong Kong Competition Commission and other regulatory and governmental agencies. UBS is cooperating with the authorities in these matters. In July 2023, CSI and CSSEL entered into a settlement agreement with the PRA providing for the resolution of the PRA's investigation. Also in July 2023, FINMA issued a decree ordering remedial measures and the Federal Reserve Board issued an Order to Cease and Desist. Under the terms of the order, Credit Suisse paid a civil money penalty and agreed to undertake certain remedial measures relating to counterparty credit risk management, liquidity risk management and non-financial risk management, as well as enhancements to board oversight and governance. UBS Group, as the legal successor to Credit Suisse Group AG, is a party to the FINMA decree and Federal Reserve Board Cease and Desist Order.

Civil actions relating to Credit Suisse's relationship with Archegos have been filed against Credit Suisse and/or certain officers and directors, including claims for breaches of fiduciary duties.

Note 17 Events after the reporting period

On 5 May 2025, Credit Suisse Services AG entered into an agreement with the U.S. Department of Justice to settle a long-running tax-related investigation into Credit Suisse's implementation of its 2014 plea agreement, relating to its legacy cross-border business with US taxpayers booked in Switzerland, which began before UBS acquired Credit Suisse. Credit Suisse Services AG pleaded guilty to one count of conspiracy to aid and assist in the preparation of false income tax returns and will pay an aggregate of USD 371.9m. Credit Suisse Services AG also contemporaneously entered into a non-prosecution agreement regarding US taxpayers booked in the legacy Credit Suisse Singapore booking center and will pay an aggregate of USD 138.7m. UBS AG has not made any post-balance sheet adjustment as the expected impact is not material.

REGISTERED OFFICE OF THE ISSUER

UBS AG, London Branch

5 Broadgate
London
EC2M 2QS
United Kingdom

ISSUER'S AUDITORS

Ernst & Young Ltd

Aeschengraben 9
P.O. Box 2149 CH-4002 Basel
Switzerland

LEGAL ADVISERS

(as to Singapore law)

Allen & Gledhill LLP

One Marina Boulevard #28-00
Singapore 018989

WARRANT AGENT

The Central Depository (Pte) Limited

4 Shenton Way
#02-01 SGX Centre 2
Singapore 068807