

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).

**6,000,000 European Style Cash Settled Long Certificates relating to
the ordinary shares of Sembcorp Industries Ltd
with a Daily Leverage of 5x**

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

Issue Price: S\$0.38 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 2025 (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 a 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 9 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 6 May 2026.

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 AA-.

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.

5 May 2026

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 fallen 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 Strategy (as described below) including the Funding Cost (as defined below) and the Rebalancing Cost (as defined below);
- (p) investors should note that there are leveraged risks because the Certificates integrate a 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;
- (q) 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 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;

- (r) 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);
- (s) investors should note that the Air Bag Mechanism reduces the impact on the Leverage Strategy if the Underlying Stock falls further, but will also maintain a reduced exposure to the Underlying Stock in the event the Underlying Stock starts to rise after the Air Bag Mechanism is triggered, thereby reducing its ability to recoup losses;
- (t) 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 fall 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 fall 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 40 to 41 of this document for more information;
- (u) 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 27 to 28 of this document for more information;
- (v) 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;
- (w) 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;
- (x) 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;

- (y) 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;
- (z) 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;

- (aa) 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;

- (bb) the value of the Certificates depends on the Leverage Strategy performance built in the Certificate. The Calculation Agent will make the Leverage Strategy last closing level and a calculation tool available to the investors on a website;
- (cc) 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;
- (dd) 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;
- (ee) 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.

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:	6,000,000 European Style Cash Settled Long Certificates relating to the ordinary shares of Sembcorp Industries Ltd (the “ Underlying Stock ” or the “ Underlying ”)
ISIN:	CH1465034366
Company:	Sembcorp Industries Ltd (RIC: SCIL.SI)
Underlying Price ³ and Source:	S\$6.69 (Bloomberg)
Calculation Agent:	UBS AG acting through its London Branch
Strike Level:	Zero
Daily Leverage:	5x (within the Leverage Strategy as described below)
Notional Amount per Certificate:	SGD 0.38
Management Fee (p.a.) ⁴ :	0.40%
Gap Premium (p.a.) ⁵ :	15.00%, is a hedging cost against extreme market movements overnight.
Funding Cost ⁶ :	The annualised costs of funding, referencing a publically published reference rate plus spread.
Rebalancing Cost ⁶ :	The transaction costs (if applicable), computed as a function of leverage and daily performance of the Underlying Stock.
Launch Date:	27 April 2026
Closing Date:	5 May 2026
Expected Listing Date:	6 May 2026

³ These figures are calculated as at, and based on information available to the Issuer on or about 5 May 2026. 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 5 May 2026.

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 Strategy.

Last Trading Date:	The date falling 5 Business Days immediately preceding the Expiry Date, currently being 24 July 2028
Expiry Date:	31 July 2028 (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:	28 July 2028 or if such day is not an Exchange Business Day, the immediately preceding Exchange Business Day.
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 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.
Cash Settlement Amount:	In respect of each Certificate, shall be an amount (if positive) payable in the Settlement Currency equal to: Closing Level multiplied by the Notional Amount per Certificate Please refer to the “Information relating to the European Style Cash Settled Long Certificates on Single Equities” section on pages 32 to 46 of this document for examples and illustrations of the calculation of the Cash Settlement Amount.
Hedging Fee Factor:	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: “$t$” refers to “Observation Date” which means each Exchange Business Day (subject to Market Disruption Event) from (and including) the Exchange 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 Exchange Business Day immediately preceding the Observation Date (which is “t-1”) (included) and the Observation Date (which is “t”) (excluded).

Please refer to the “Information relating to the European Style Cash Settled Long Certificates on Single Equities” section on pages 32 to 46 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 Strategy (as described below) on the Valuation Date

The calculation of the closing level of the Leverage Strategy is set out in the “Specific Definitions relating to the Leverage Strategy” section on pages 14 to 18 below.

Initial Exchange Rate: 1

Final Exchange Rate: 1

Air Bag Mechanism: The “**Air Bag Mechanism**” refers to the mechanism built in the Leverage Strategy and which is designed to reduce the Leverage Strategy exposure to the Underlying Stock during extreme market conditions. If the Underlying Stock falls by 15% or more (“**Air Bag Trigger Price**”) during the trading day (which represents approximately 75% loss after a 5 times leverage), the Air Bag Mechanism is triggered and the Leverage Strategy is adjusted intra-day. The Air Bag Mechanism reduces the impact on the Leverage Strategy if the Underlying Stock falls further, but will also maintain a reduced exposure to the Underlying Stock in the event the Underlying Stock starts to rise 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 Strategy is floored at 0 and the Certificates cannot be valued below zero.

Please refer to the “Air Bag Mechanism” section on page 18 below and the “Description of Air Bag Mechanism” section on pages 38 to 39 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:	Singapore Dollar (“ SGD ”)
Settlement Currency:	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:	The SGX-ST
Business Day, Settlement Business Day and Exchange Business Day:	A “ Business Day ”, a “ Settlement Business Day ” or an “ Exchange 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.
Warrant Agent:	The Central Depository (Pte) Limited (“ CDP ”)
Clearing System:	CDP
Fees and Charges:	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. 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 Strategy including the Funding 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.

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 Strategy

Description of the Leverage Strategy

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

At the end of each trading day of the Underlying Stock, the exposure of the Leverage Strategy to the Underlying Stock is reset within the Leverage Strategy in order to retain a daily leverage of 5 times the 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 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 Strategy Formula

LSL_t means, the Leverage Strategy Level as at 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):

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

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:

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

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

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

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

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:

0.04%

“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 lowest 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,

$$\text{Rfactor}_t = 1 - \frac{\text{Div}_t}{S_{r(t)}}$$

Otherwise,

$$\text{Rfactor}_t = 1$$

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 net of any applicable withholding taxes.

Rate_t means, in respect of the Observation Date of Leverage Reset Time (t), a rate calculated as of such day in accordance with the following formula:

$$\text{Rate}_t = \text{CashRate}_t + \% \text{SpreadLevel}_t$$

CashRate_t means, in respect of each Observation Date of Leverage Reset Time (t), the daily Singapore Overnight Rate Average (SORA) provided by the Monetary Authority of Singapore as administrator of the benchmark (or a successor administrator), as published on Refinitiv Screen (SORA=MAST) or any successor page, being the rate as of day (t) at 09:00 Singapore time, provided that if such rate is not available, then such rate shall be determined by reference to the last available rate that was published on the relevant Refinitiv page.

%SpreadLevel_t means, in respect of the Observation Date of the Leverage Reset Time (t), a rate which shall be determined with respect to such Valuation Date(t) by the Calculation Agent as the difference between (1) the 12-month CME Term SOFR Reference Rate, as published on Refinitiv RIC .SR1Y and (2) the US SOFR Secured Overnight Financing Rate, as published on Reuters RIC USDSOFR= or any successor page, each being the rate as of the calendar day immediately preceding the Leverage Reset Time (t), provided that if any of such rates is not available, then that rate shall be determined by reference to the latest available rate that was published on the relevant Refinitiv 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.

Provided that if such difference is negative, %**SpreadLevelt** should be 0%.

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 decrease 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 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 2025, 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:	Sembcorp Industries Ltd
The Certificates:	European Style Cash Settled Long Certificates relating to the Underlying Stock
Number:	6,000,000 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 2025 (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 6 May 2026.
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 LONG CERTIFICATES ON SINGLE EQUITIES

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

European style cash settled long 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 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 increase and are seeking short-term leveraged 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 Strategy including the Funding 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	=	Daily Management Fee Adjustment	
		1 – Management Fee x ACT (t-1;t) / 360	
		x	
		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 border="1"> <tr><td>t⁷=0</td></tr> <tr><td>Notional Amount</td></tr> </table>	t ⁷ =0	Notional Amount	x	<table border="1"> <tr><td>t=1</td></tr> <tr> <td>Leverage Strategy daily performance⁸</td> <td>x</td> <td>Daily Fees</td> </tr> </table>	t=1	Leverage Strategy daily performance ⁸	x	Daily Fees	x	<table border="1"> <tr><td>t=2</td></tr> <tr> <td>Leverage Strategy daily performance</td> <td>x</td> <td>Daily Fees</td> </tr> </table>	t=2	Leverage Strategy daily performance	x	Daily Fees	x ...	<table border="1"> <tr><td>t=i</td></tr> <tr> <td>Leverage Strategy Daily performance</td> <td>x</td> <td>Daily Fees</td> </tr> </table>	t=i	Leverage Strategy Daily performance	x	Daily Fees
			t ⁷ =0																			
Notional Amount																						
t=1																						
Leverage Strategy daily performance ⁸	x	Daily Fees																				
t=2																						
Leverage Strategy daily performance	x	Daily Fees																				
t=i																						
Leverage Strategy Daily performance	x	Daily Fees																				

Value of Certificates	=	<table border="1"> <tr><td>t=0</td></tr> <tr><td>Notional Amount</td></tr> </table>	t=0	Notional Amount	x	<table border="1"> <tr><td colspan="2">Product of the daily Leverage Strategy Performance</td></tr> <tr> <td>Leverage Strategy daily performance</td> <td>x</td> <td>Leverage Strategy daily performance</td> </tr> </table>	Product of the daily Leverage Strategy Performance		Leverage Strategy daily performance	x	Leverage Strategy daily performance	x	<table border="1"> <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															
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Leverage Strategy daily performance	x	Leverage Strategy daily performance																
Product of the Daily Fees (Hedging Fee Factor)																		
Daily Fees	x	Daily Fees																

Final Value of Certificates	=	<table border="1"> <tr><td>t=0</td></tr> <tr><td>Notional Amount</td></tr> </table>	t=0	Notional Amount	x	<table border="1"> <tr> <td colspan="2">Final Reference Level x Final Exchange Rate</td> <td rowspan="2">÷</td> <td colspan="2">Initial Reference Level x Initial Exchange Rate</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> </tr> </table>	Final Reference Level x Final Exchange Rate		÷	Initial Reference Level x Initial Exchange Rate						x	<table border="1"> <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 Exchange Business Day (subject to Market Disruption Event) from (and including) the Exchange Business Day immediately preceding the Expected Listing Date to the Valuation Date.

⁸ Leverage Strategy daily performance is computed as the Leverage Strategy Level on Business Day (t) divided by the Leverage 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 Sembcorp Industries Ltd
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:	0.38 SGD
Notional Amount per Certificate:	0.38 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} Exchange Business Day after issuance of Certificate ("HFF (n)") is calculated as follows:

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

On Next Calendar Day (assuming it is an Exchange 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 Exchange Business Day falls 3 Calendar Days after 1st Exchange 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 Exchange 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:

$$\text{Closing Level} = [(\text{Final Reference Level} \times \text{Final Exchange Rate}) / (\text{Initial Reference Level} \times \text{Initial Exchange Rate}) - \text{Strike Level}] \times \text{Hedging Fee Factor}$$

$$= [(1200 \times 1) / (1000 \times 1) - 0] \times 99.3602\%$$

$$= 119.23\%$$

$$\text{Cash Settlement Amount} = \text{Closing Level} \times \text{Notional Amount per Certificate}$$

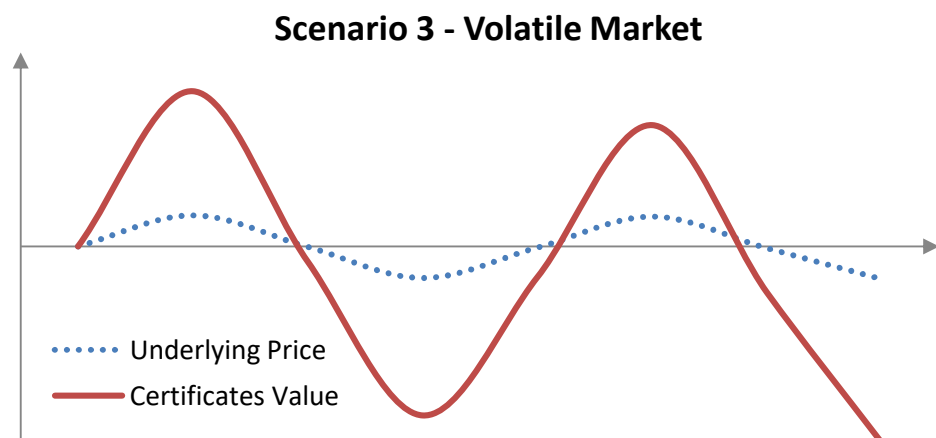
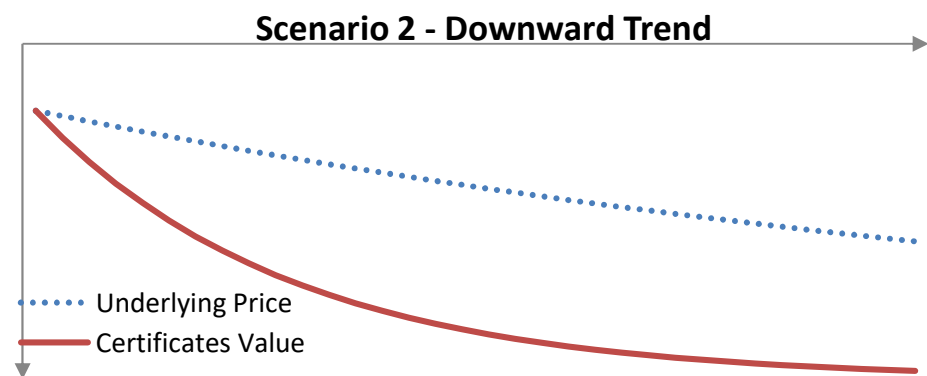
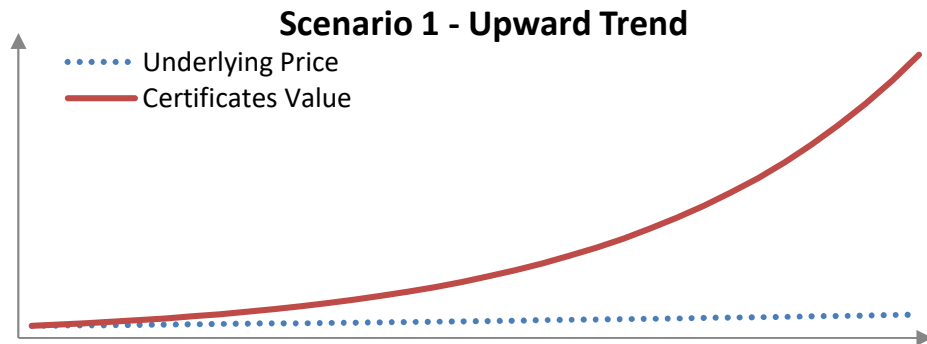
$$= 119.23\% \times 0.38 \text{ SGD}$$

$$= \mathbf{0.453 \text{ SGD}}$$

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



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	0.38	0.42	0.46	0.51	0.56	0.61
Accumulated Return		10.00%	21.00%	33.10%	46.41%	61.05%

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	0.38	0.34	0.31	0.28	0.25	0.22
Accumulated Return		-10.00%	-19.00%	-27.10%	-34.39%	-40.95%

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	0.38	0.42	0.38	0.34	0.37	0.41
Accumulated Return		10.00%	-1.00%	-10.90%	-1.99%	7.81%

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 minimum 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 Strategy is reset using the minimum 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 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.

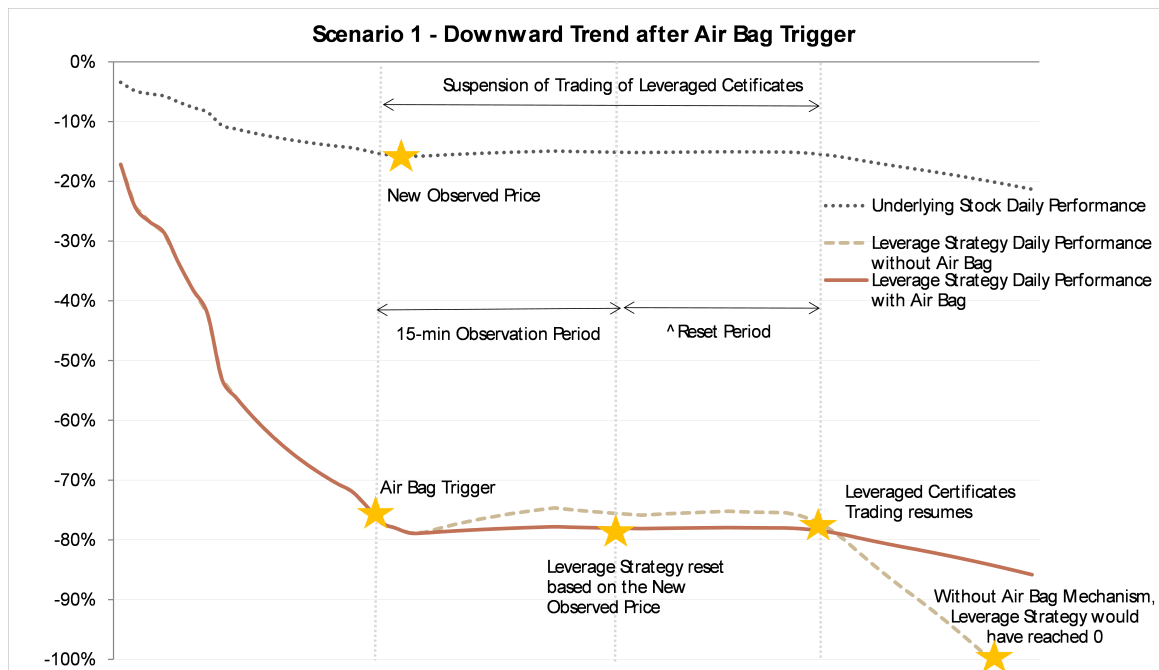
For the avoidance of doubt, if the Air Bag Mechanism was triggered with more than 60 minutes of continuous trading before Market Close, trading of Certificates will resume the same trading day after the Reset Period has elapsed, subject to the SGX-ST's approval to resume trading. If the Air Bag Mechanism 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.

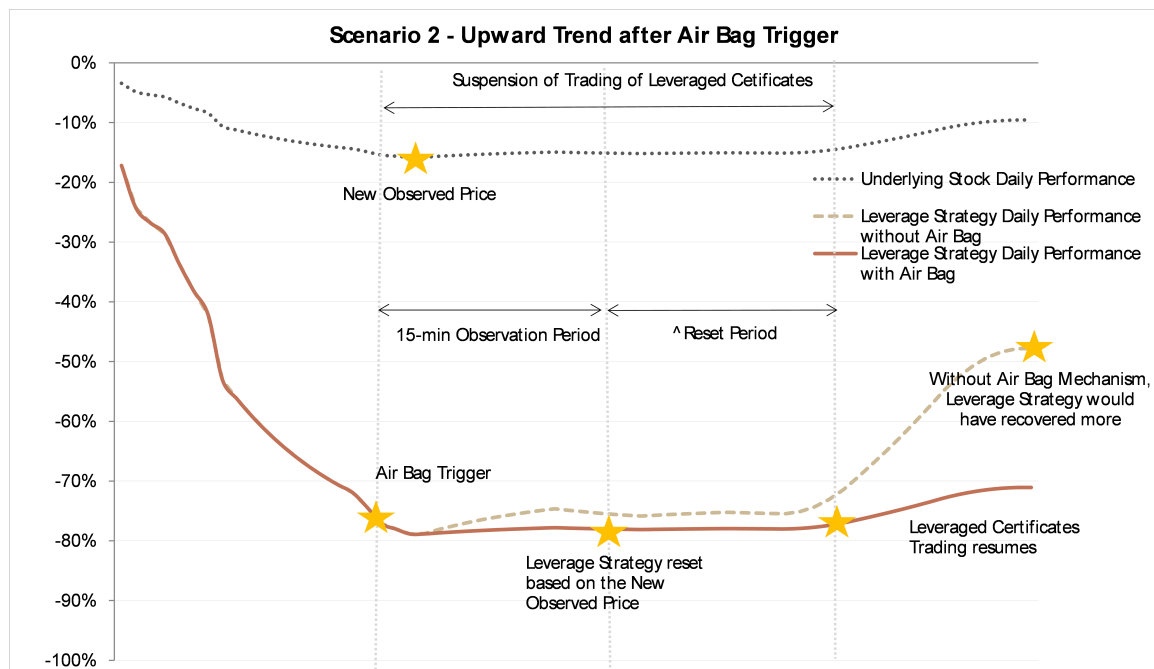
With **Market Close** defined as:

- 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.

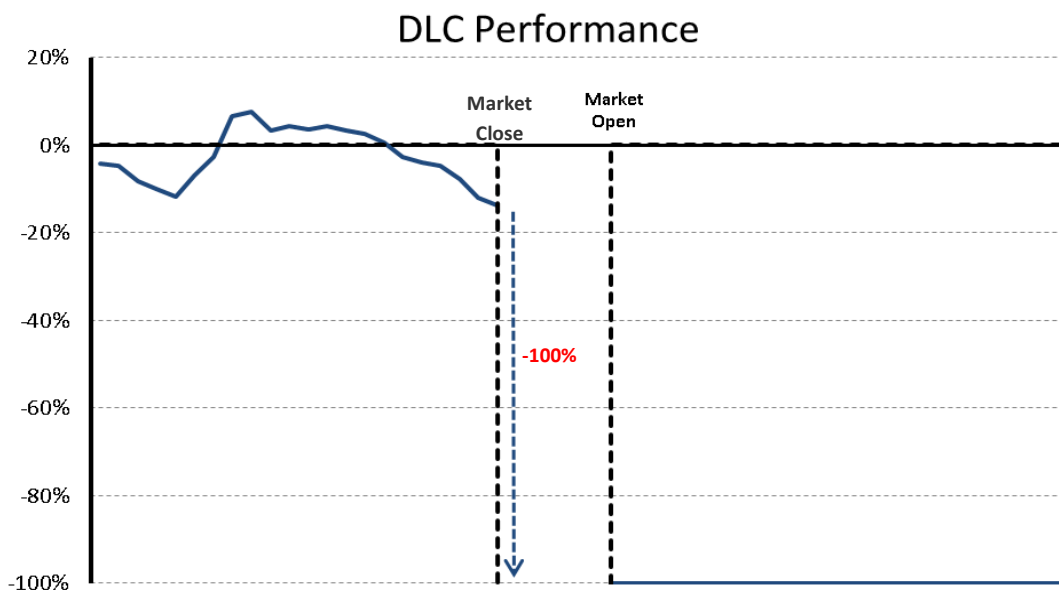
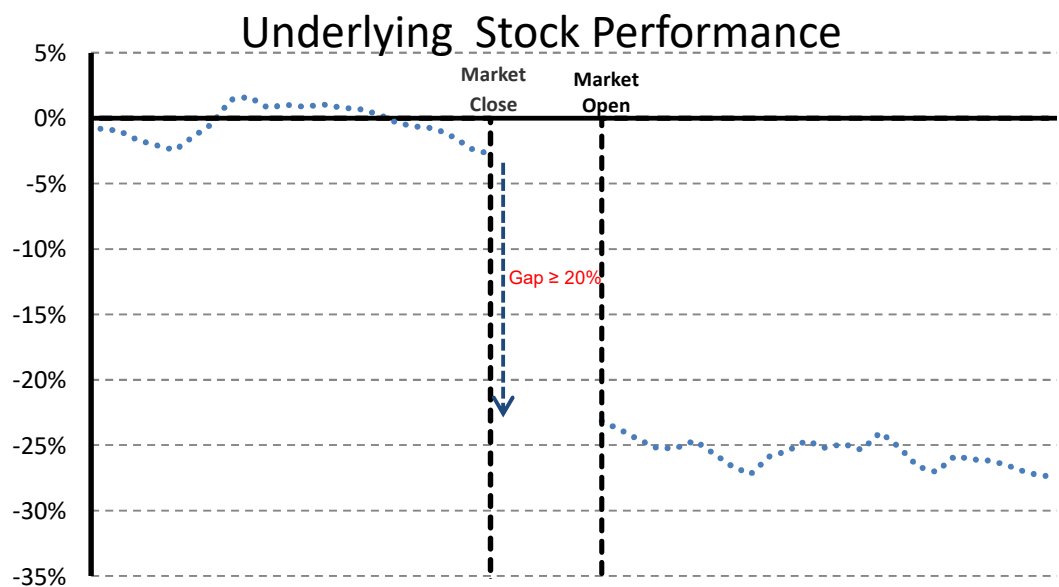
⁹ The illustrative examples are not exhaustive.

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.

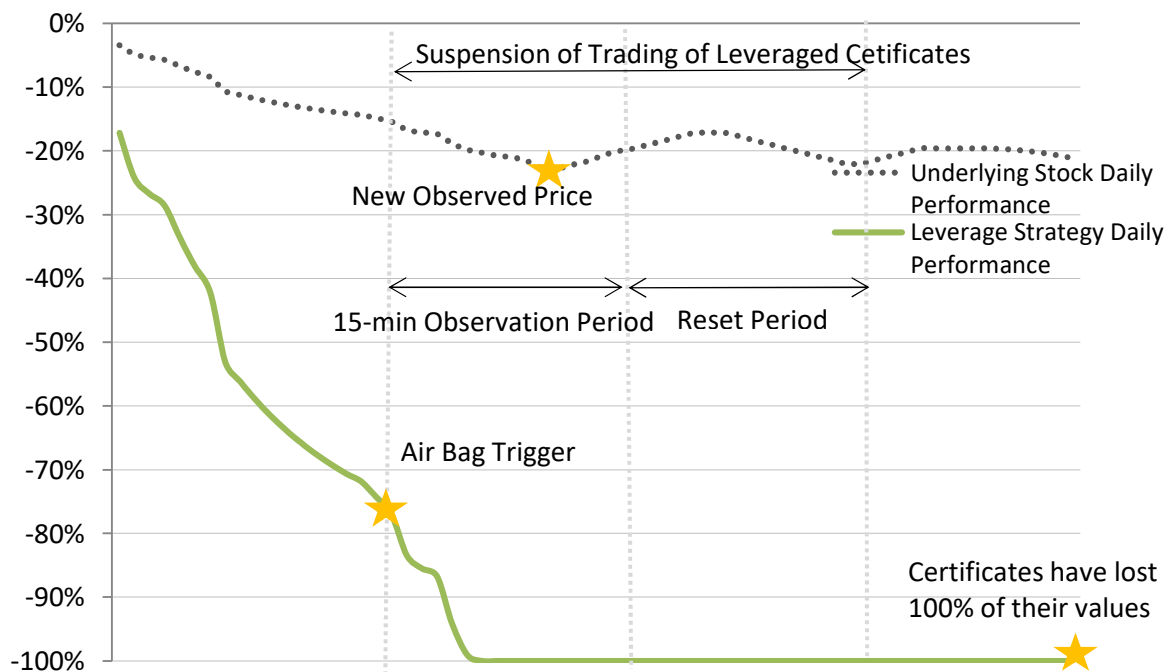
Scenario 1 – Overnight fall of the Underlying Stock

On any 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 below 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 fall 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 falls 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 falls 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)
0.38	0.418	10%

In such case an Intraday Restrike Event would occur if the Underlying Stock price falls to \$42.5, which is 15% below \$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)
0.38	0.399	5%

In such case an Intraday Restrike Event would occur if the Underlying Stock price falls to \$170, which is 15% below \$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.

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

$$S_t = \$84$$

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

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

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

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

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

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)
0.38	0.475	25%

In such case an Intraday Restrike Event would occur if the Underlying Stock price falls to \$68, which is 15% below \$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:

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

$S_{r(t)}$	$S_{t(t)} \times Rfactor_t$	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)
0.38	0.418	10%

In such case an Intraday Restrike Event would occur if the Underlying Stock price falls to \$70.83, which is 15% below \$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)
0.38	0.475	25%

In such case an Intraday Restrike Event would occur if the Underlying Stock price falls to \$68, which is 15% below \$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 the SGX-ST at <http://www.sgx.com>. The Issuer has not independently verified any of such information.

Sembcorp Industries Ltd (“**Sembcorp**” or the “**Company**”) is a leading energy and urban solutions provider, driven by its purpose to do good and play its part in building a sustainable future. Headquartered in Singapore, Sembcorp leverages its sector expertise and global track record to deliver innovative solutions that support the energy transition and sustainable development. By focusing on growing its Renewables and Integrated Urban Solutions businesses, it aims to transform its portfolio towards a greener future and be a leading provider of sustainable solutions. Sembcorp has an energy portfolio which includes renewables comprising solar, wind and energy storage globally. The company also has a proven track record of transforming raw land into sustainable urban development across Asia.

The information set out in Appendix I of this document relates to the audited consolidated financial statements of the Company and its subsidiaries for the financial year ended 31 December 2025 and has been extracted and reproduced from an announcement by the Company released on 14 April 2026 in relation to the same. Further information relating to the Company may be located on the web-site of the SGX-ST at <http://www.sgx.com>.

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 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) where the Certificates are suspended from trading for any reason;
- (iv) 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;
- (v) where the Issuer or the DMM faces technical problems affecting the ability of the DMM to provide bids and offer quotations;
- (vi) 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;
- (vii) 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;
- (viii) if the stock market experiences exceptional price movement and volatility;
- (ix) when it is a public holiday in Singapore and the SGX-ST is not open for dealings; and
- (x) 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 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 2026.

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 269 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 Jeffrey Tan Teck Khim, 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 2026.
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 AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 OF
SEMBCORP INDUSTRIES LTD AND ITS SUBSIDIARIES**

Consolidated Financial Statements



Sembcorp and SDIC's wind energy assets in Yunnan, China

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Directors’ Statement

Year ended December 31, 2025

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended December 31, 2025.

In our opinion:

- a. the financial statements set out on pages 124 to 251 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at December 31, 2025 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date are in accordance with the provisions of the Companies Act 1967, Singapore Financial Reporting Standards (International) and International Financial Reporting Standards; and
- b. at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has on the date of this statement, authorised these financial statements for issue.

Directors

The directors in office at the date of this statement are as follows:

Tow Heng Tan
Lim Ming Yan
Yap Chee Keong
Dr Josephine Kwa Lay Keng
Kunnasagaran Chinniah
Marina Chin Li Yuen
Ong Chao Choon
Manu Bhaskaran
Prof Uwe Krueger
Wong Kim Yin

Directors’ Interests

According to the register kept by the Company for the purposes of Section 164 of the Companies Act 1967 (the Act), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and children) in shares, debentures, warrants and share options in the Company and in related corporations are as follows:

Name of director and corporation in which interests held	Direct interest			Deemed interest		
	At beginning of the year	At end of the year	At 21/01/2026	At beginning of the year	At end of the year	At 21/01/2026
Ordinary shares of the Company						
Tow Heng Tan ¹	55,600	89,800	89,800	22,715	22,715	22,715
Lim Ming Yan	48,900	61,200	61,200	–	–	–
Yap Chee Keong ²	143,600	153,500	153,500	–	–	–
Dr Josephine Kwa Lay Keng	78,100	86,800	86,800	–	–	–
Kunnasagaran Chinniah	3,500	14,100	14,100	–	–	–
Marina Chin Li Yuen	1,600	10,300	10,300	–	–	–
Ong Chao Choon	1,600	11,500	11,500	–	–	–
Manu Bhaskaran	–	2,600	2,600	–	–	–
Wong Kim Yin	6,387,697	7,729,197	7,729,197	–	–	–

¹ Deemed interest in the shares registered in the name of his wife

² All shares are registered in the name of DBS Nominees Pte Ltd

Name of director and corporation in which interests held	Direct interest			Deemed interest		
	At beginning of the year	At end of the year	At 21/01/2026	At beginning of the year	At end of the year	At 21/01/2026
S\$300,000,000 3.735 per cent. sustainability-linked notes due 2029 comprising Series 003, issued under the S\$3,000,000,000 Multicurrency Debt Issuance Programme						
Kunnasagaran Chinniah	S\$250,000	S\$250,000	S\$250,000	–	–	–
S\$350,000,000 4.6 per cent. notes due 2030 comprising Series 004 (“Series 004 Notes”), issued under the S\$3,000,000,000 Multicurrency Debt Issuance Programme						
Yap Chee Keong ³	S\$250,000	S\$250,000	S\$250,000	–	–	–
S\$350,000,000 3.65 per cent. fixed rate guaranteed notes due 2036 comprising Series 001 (“Series 001 Notes”), issued under the S\$5,000,000,000 Euro Medium Term Note Programme						
Yap Chee Keong ³	S\$250,000	S\$250,000	S\$250,000	–	–	–

³ The Series 004 Notes and Series 001 Notes are registered in the name of DBS Nominees Pte Ltd

	Direct interest		Deemed interest	
	At beginning of the year	At end of the year	At beginning of the year	At end of the year
Conditional share award				
Wong Kim Yin				
PSP 2022-2024 (Note 1a)	521,300	–	–	–
PSP 2023-2025 (Note 1b)	335,900	335,900	–	–
PSP 2024-2026 (Note 1c)	254,600	254,600	–	–
PSP 2025-2027 (Note 1d)	–	334,400	–	–
PSP-TI 2021-2025 (Note 1e)	852,700	729,600	–	–
PSP-TI 2022-2025 (Note 1f)	525,000	–	–	–
PSP-TI 2023-2025 (Note 1g)	740,850	666,765	–	–
RSP 2022 (Note 2a)	357,400	–	–	–
RSP 2023 (Note 2b)	215,800	107,900	–	–
RSP 2024 (Note 2c)	–	181,000	–	–

Directors’ Statement

Year ended December 31, 2025

Directors’ Interests *(cont’d)*

Note 1: In accordance with the rules of the Sembcorp Industries Performance Share Plan 2020 (the PSP), the actual number of SCI shares delivered will depend on, inter alia, the achievement of set targets over the performance period as indicated below. No performance shares will be delivered if achievement of targets is below threshold level. Based on the achievement of performance targets:

- a. Period from 2022 to 2024 (PSP 2022-2024)
In FY2025, 1,042,600 SCI shares were vested on April 1, 2025 (out of which payment in cash* in lieu of shares equivalent to the value of 729,800 SCI shares was made)
- b. Period from 2023 to 2025 (PSP 2023-2025)
For this period, 0% to 200% of the conditional performance shares awarded may be delivered
- c. Period from 2024 to 2026 (PSP 2024-2026)
For this period, 0% to 200% of the conditional performance shares awarded may be delivered
- d. Period from 2025 to 2027 (PSP 2025-2027)
For this period, 0% to 200% of the conditional performance shares awarded may be delivered
- e. Period from 2021 to 2025 (PSP-TI 2021-2025)
In FY2025, 68,400 SCI shares were vested on June 23, 2025 and 654,700 SCI shares were vested on December 30, 2025 (out of which payment in cash* in lieu of shares equivalent to the value of 327,400 SCI shares was made). The remaining conditional performance shares awarded may vest in 2026, subject to the achievement of performance targets and vesting conditions
- f. Period from 2022 to 2025 (PSP-TI 2022-2025)
In FY2025, 525,000 SCI shares were vested on December 30, 2025 (out of which payment in cash* in lieu of shares equivalent to the value of 262,500 SCI shares was made)
- g. Period from 2023 to 2025 (PSP-TI 2023-2025)
In FY2025, 55,600 SCI shares were vested on June 23, 2025 and 18,500 SCI shares were vested on December 30, 2025 (out of which payment in cash* in lieu of shares equivalent to the value of 9,200 SCI shares was made). The remaining conditional performance shares awarded may vest in 2026, subject to the achievement of performance targets and vesting conditions

Note 2: With effect from FY2019, restricted shares were granted based on the financial performance and corporate objectives achieved in the preceding year. The vesting of share awards under the Sembcorp Industries Restricted Share Plan 2020 (the RSP) is subject to fulfilment of service conditions at vesting and may be settled in accordance with the rules of the RSP.

- a. RSP 2022
In FY2025, 357,400 SCI shares were vested on April 1, 2025 (out of which payment in cash* in lieu of shares equivalent to the value of 250,200 SCI shares was made).
- b. RSP 2023
In FY2025, 107,900 SCI shares were vested on April 1, 2025. The remaining shares will be vested in Year 2026.
- c. RSP 2024
In FY2025, 90,500 SCI shares were vested on April 1, 2025. The remaining shares will be vested in Year 2026 and 2027.

* Vested share awards under the PSP and RSP can be settled by the Company in shares or cash or a combination of both, in accordance with the PSP and RSP plan rules and subject to the discretion and approval of the Executive Resource & Compensation Committee of the Company (ERCC).

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company, or of related corporations, either at the beginning of the financial year or at the end of the financial year.

Except as disclosed under the “Share-based Incentive Plans” section of this statement, neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Except as disclosed in Notes B4(a) and G4(d) to the financial statements, since the end of the last financial year, no director has received or become entitled to receive, a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which he / she is a member, or with a company in which he / she has a substantial financial interest.

Share-based Incentive Plans

The Company’s PSP and RSP (collectively, the 2020 Share Plans) were approved and adopted by the shareholders at an Annual General Meeting of the Company held on May 21, 2020.

The ERCC has been designated by the Board as the Committee responsible for the administration of the 2020 Share Plans. The ERCC comprises the following members, all of whom are directors:

Lim Ming Yan *(Chairman)*
Tow Heng Tan
Kunnasagaran Chinniah

The 2020 Share Plans aim to strengthen the Company’s competitiveness in attracting, retaining and motivating talented key senior management and senior executives, to incentivise superior performance and sustainable growth, and to align the interests of participants and shareholders. Under the 2020 Share Plans, the Group CEO and top management are required to hold shares equivalent to a multiple of the individual participant’s annual base salaries.

Details of 2020 Share Plans are disclosed in Note B6 to the financial statements.

a. Performance Share Plan (PSP)

The details of the performance shares of Sembcorp Industries Ltd awarded during the financial year since commencement of the PSP (aggregate) are as follows:

Performance shares participants	Movements during the year					At December 31
	At January 1	Conditional performance shares awarded	Conditional performance shares lapsed	Performance shares awarded due to achievement of targets	Conditional performance shares released	
2025						
Key executives of the Group ¹	12,082,650	1,031,900	(596,000)	3,788,365	(8,444,450)	7,862,465

¹ Includes PSP for Group CEO of Sembcorp Industries Ltd

The total number of performance shares granted conditionally but not released as at December 31, 2025, was 7,862,465 (2024: 12,082,650). Based on the achievement factor, the actual release of the awards could range from zero to a maximum of 15,724,930 (2024: 24,165,300) performance shares.

Directors’ Statement

Year ended December 31, 2025

Share-based Incentive Plans *(cont’d)*

b. Restricted Share Plan (RSP)

The details of the restricted shares of Sembcorp Industries Ltd awarded during the year are as follows:

	Movements during the year				
	At January 1	Conditional restricted shares awarded	Conditional restricted shares released	Conditional restricted shares lapsed	At December 31
Restricted shares participants					
2025					
Non-executive directors of the Company:					
Tow Heng Tan	–	34,200	(34,200)	–	–
Lim Ming Yan	–	12,300	(12,300)	–	–
Yap Chee Keong	–	9,900	(9,900)	–	–
Dr Josephine Kwa Lay Keng	–	8,700	(8,700)	–	–
Kunnasagaran Chinniah	–	10,600	(10,600)	–	–
Marina Chin Li Yuen	–	8,700	(8,700)	–	–
Ong Chao Choon	–	9,900	(9,900)	–	–
Manu Bhaskaran	–	2,600	(2,600)	–	–
Prof Uwe Krueger	–	–	–	–	–
Employees of the Group ¹	2,007,400	1,499,900	(2,041,900)	(70,600)	1,394,800
	2,007,400	1,596,800	(2,138,800)	(70,600)	1,394,800

¹ Includes RSP for Group CEO of Sembcorp Industries Ltd

The total number of restricted shares outstanding, including award(s) achieved but not released, as at end 2025, was 1,394,800 (2024: 2,007,400). With the change in the remuneration structure, with effect from 2019 award, the RSP balances represent 100% of targets achieved, but not released subject to fulfilment of service conditions at vesting. The actual release of the awards is a maximum of 1,394,800 (2024: 2,007,400) restricted shares.

c. Maximum Number of Shares Issuable

The maximum number of performance shares and restricted shares which could be delivered, when aggregated with the number of new shares issued and issuable in respect of all options granted, is within the 15% limit of the share capital of the Company on the day preceding the relevant date of the grant.

Audit Committee

The members of the Audit Committee during the year and at the date of this statement are:

Yap Chee Keong *(Chairman)*
Dr Josephine Kwa Lay Keng
Marina Chin Li Yuen
Ong Chao Choon

The Audit Committee held four meetings since the last directors’ statement. In performing its functions, the Audit Committee met with the Company’s external and internal auditors to discuss the scope of their work, and the results of their examination and evaluation of the Company’s internal accounting control system.

The Audit Committee performed the functions specified in Section 201B of the Companies Act 1967, the Listing Manual of the SGX, and the Code of Corporate Governance.

The Audit Committee also reviewed the following:

- assistance provided by the Company’s officers to the external and internal auditors;
- interim financial information and annual financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption; and
- interested person transactions (as defined in Chapter 9 of the SGX Listing Manual).

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit Committee also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees.

The Audit Committee is satisfied with the independence and objectivity of the external auditors and has recommended to the Board of Directors that the auditors, KPMG LLP, be nominated for re-appointment as auditors at the forthcoming AGM of the Company.

In appointing our auditors for the Company, subsidiaries and significant associated companies, we have complied with Rules 712 and 715 of the SGX Listing Manual.

Auditors

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

Tow Heng Tan
Chairman

Singapore
February 24, 2026

Wong Kim Yin
Director

Independent Auditors’ Report

Members of the Company
Sembcorp Industries Ltd

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Sembcorp Industries Ltd (the Company) and its subsidiaries (the Group), which comprise the consolidated balance sheet of the Group and the balance sheet of the Company as at December 31, 2025, the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including material accounting policy information as set out on pages 124 to 251.

In our opinion, the accompanying consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the Act), Singapore Financial Reporting Standards (International) (SFRS(I)s) and International Financial Reporting Standards (IFRSs) as issued by International Accounting Standards Board (IFRS Accounting Standards) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at December 31, 2025 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the *Auditors’ responsibilities for the audit of the financial statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in Singapore. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

Impairment assessment of property, plant and equipment, intangible assets and interests in associates and joint ventures (collectively, the Group’s non-financial assets)

(Refer to Note D1, D3 and G3 to the financial statements: Property, plant and equipment of S\$8,714,000,000, intangible assets of S\$952,000,000 and associates and joint ventures of S\$3,027,000,000)

Each Cash Generating Unit (CGU) was tested for presence of indicators of impairment. When impairment indicators exist, management determines the recoverable amount of the relevant CGU, being the higher of the fair value less cost of disposal and value in use.

Management performs annual impairment assessment for material CGUs with goodwill in Singapore, India and China for impairment as well as CGUs in China and United Kingdom. In particular, certain CGUs in India and China were identified for further assessment due to challenging business and regulatory environment.

The determination of the recoverable amounts involves significant estimation uncertainties as small changes in these key assumptions applied can have a material impact on the recoverable amount, particularly relating to:

- Gross margin forecasts which depend on customer demand and tariff rates that are subject to political and regulatory developments; and
- Discount rates which reflect the risks specific to each CGU and current market assessments of the time value of money.

Our response:

Our procedures included evaluating the Group’s process for identifying CGUs subject to impairment testing.

We assessed the key significant assumptions used in the impairment model as follows:

- Compared gross margin forecasts against historical performance, contracted power price agreements (PPAs), approved generation capacity and, where relevant, reports prepared by management’s experts; and
- Compared the discount rates used with market observable data of peer companies and applicable risk premiums.

We evaluated the independence, objectivity and competency of management’s expert engaged to support the development of key assumptions. We also assessed the methodology applied by the expert and reasonableness of the assumptions used.

We performed sensitivity analysis on key assumptions to determine whether a reasonable possible change would result in impairment.

We also assessed the adequacy of Group’s disclosures relating to impairment, including the description of estimation uncertainties and key assumptions in the financial statements.

Our findings:

We found that the Group has an established process for identifying the CGUs requiring impairment testing. The key assumptions used in determining recoverable amounts were reasonable and within supportable range. The disclosures relating to impairment and the estimation uncertainties were appropriate.

Valuation of trade and service concession receivables

(Refer to Note E1 to the financial statements: Trade and other receivables of S\$2,229,000,000)

Risk:

Management estimates loss allowance based on ageing of overdue balances, repayment histories of individual debtors, existing customer-specific, market conditions and forward-looking information. This assessment of expected credit losses is inherently subjective and involves estimation uncertainty.

In particular, determination of expected credit losses of certain overseas subsidiaries involves significant estimation uncertainties as (1) these subsidiaries may be operating in jurisdiction facing political instability; or (2) the receivables are subject to regulatory review and approval.

Our response:

We evaluated the Group’s process for estimation the loss allowance on these receivables.

We assessed the collection history of trade and other receivables to evaluate the identification of credit-impaired balances and reviewed the expected credit loss (ECL) methodology applied to non-credit-impaired balances.

We reviewed credit ratings reports issued by rating agencies, which incorporated macro-economic conditions, to assess the appropriateness of the probabilities of default rate to be applied.

We evaluated adjustments made for forward-looking information, including current economic conditions, forecasts of future economic developments and relevant government policies and regulations available as at the reporting date, to determine whether such adjustments were reasonable and supportable.

We also assessed the adequacy of disclosures in the financial statements related to management’s evaluation of recoverability of these receivables.

Our findings:

The Group has an established process for assessing credit risk and determining loss allowance for trade and service concession receivables.

Management incorporated both qualitative and quantitative factors, including reasonable forward-looking information, in determining the appropriate loss allowance.

The disclosures relating to credit risk assessment and estimation uncertainty were found to be adequate.

Independent Auditors’ Report

Report on the audit of the financial statements *(cont’d)*

Key audit matters *(cont’d)*

Fair valuation of Deferred Payment Note (DPN) receivable

(Refer to Note H1 to the financial statements: DPN receivable of S\$1,291,000,000)

Risk:

As part of the Group’s divestment of Sembcorp Energy India Limited and its subsidiaries, now known as SEIL Energy India Limited (SEIL EIL), the Group provided vendor financing to the purchaser (Tanweer Infrastructure Pte. Ltd.) (Tanweer) through a deferred payment note (DPN). The DPN is accounted as financial asset measured at fair value through profit or loss, as it does not satisfy the solely payment of principal and interest (SPPI) criteria under SFRS(I) 9 Financial Instruments.

The fair value of DPN is determined based on expected repayments by Tanweer from distributions (including dividends) received from SEIL EIL. Any outstanding balances that remain unpaid at the end of repayment period will be waived off. Management performed a discounted cashflow valuation using the forecasted distributable reserves of SEIL EIL, which takes into account (i) secured cash flows from existing power purchase agreements (PPA) and (ii) unsecured cash flows from contract renewals and / or new contracts.

The valuation incorporates a discount rate reflecting risks associated with the underlying cash flow and the credit-default risk of the purchaser.

Determining the fair value of DPN involves significant estimation.

Our response:

We evaluated the forecast cash flows used by management by performing a retrospective review of collections during the year to assess the reasonableness of assumptions used in the valuation model.

We engaged our valuation specialist to review the valuation methodology and benchmark discount rate against market-observable data, including credit ratings of bonds issued by Indian public energy companies and other relevant market information.

We assessed the adequacy of financial statement disclosures relating to the DPN, including the key assumptions and estimation uncertainties.

Our findings:

Amounts received by the Group during the year were in line with management’s forecast and the assumptions used in the valuation model appears to be reasonable.

The discount rate applied by management appropriately reflected the risks associated with the cash flows and credit risk under prevailing market conditions. Any changes in market conditions and circumstances could impact the subsequent measurement value of DPN, affecting future periods’ profit or loss.

We found the disclosures relating to the DPN to be adequate.

Other Information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors’ report thereon.

We have obtained the following items prior to the date of this auditors’ report:

- Investor Relations
- Corporate Information
- Group FY2025 Highlights
- Chairman and CEO’s Statement
- Business Review – Performance Scorecard
- Gas and Related Services Review
- Renewables Review

- Integrated Urban Solutions Review
- Decarbonisation Solutions Review
- Directors’ Statement

The following items (the Reports) are expected to be made available to us after that date:

- Our Leadership
- Group Financial Review
- Environmental, Social and Governance Review
- Shareholding Statistics
- Additional Information on Directors Seeking Re-election

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

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

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

When we read the Reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act, SFRS(I)s and IFRS Accounting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

The directors’ responsibilities include overseeing the Group’s financial reporting process.

Auditors’ responsibilities for the audit of the financial statements

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

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Independent Auditors’ Report

Report on the audit of the financial statements *(cont’d)*

Auditors’ responsibilities for the audit of the financial statements *(cont’d)*

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors’ report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors’ report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors’ report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors’ report is Chiang Yong Tornng.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
February 24, 2026

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Balance Sheets

As at December 31, 2025

Following the revision of the Group’s accounting policy on the subsequent measurement of investment properties, the comparative figures for prior periods have been restated (see Note A2i).

		Group			Company	
			2024	Jan 1, 2024		
			Restated	Restated		
(S\$ million)	Note	2025			2025	2024
Property, plant and equipment	D1	8,714	8,304	6,465	427	389
Investment properties	D2	356	260	197	–	–
Intangible assets	D3	952	977	952	30	33
Investments in subsidiaries	G1	–	–	–	2,238	2,234
Associates and joint ventures	G3	3,027	2,789	2,444	–	–
Trade and other receivables	E1	785	802	811	*	*
DPN receivable	H1	1,291	1,581	1,816	–	–
Other investments and derivative assets	H1	133	136	132	*	*
Deferred tax assets	B3c	82	69	66	–	–
Non-current assets		15,340	14,918	12,883	2,695	2,656
Inventories	E2	130	135	135	6	6
Trade and other receivables	E1	1,689	1,813	1,675	165	133
Contract assets	B2(c)	31	37	15	–	–
Other investments and derivative assets	H1	113	114	114	3	*
Cash and cash equivalents	E4	1,109	871	767	164	201
Current assets		3,072	2,970	2,706	338	340
Assets held for sale	G6	17	392	–	–	268
Total assets		18,429	18,280	15,589	3,033	3,264
Trade and other payables	E3	1,411	1,585	1,630	144	172
Contract liabilities	B2c	161	197	171	2	2
Derivative liabilities	H1	53	36	63	*	1
Provisions	H2	62	65	77	38	39
Current tax payable		149	182	236	26	19
Lease liabilities	D1.1	59	27	18	6	5
Loans and borrowings	C5	1,057	671	1,281	–	–
Current liabilities		2,952	2,763	3,476	216	238
Liabilities held for sale	G6	2	148	–	–	–
Net current assets / (liabilities)		135	451	(770)	122	370

The accompanying notes form an integral part of these financial statements.

		Group			Company	
			2024	Jan 1, 2024		
			Restated	Restated		
(S\$ million)	Note	2025			2025	2024
Other long-term payables	E3	97	99	121	1,375	1,416
Contract liabilities	B2c	78	79	80	32	35
Derivative liabilities	H1	117	30	20	–	–
Provisions	H2	75	69	65	20	16
Deferred tax liabilities	B3c	655	639	607	23	24
Lease liabilities	D1.1	688	702	292	107	103
Loans and borrowings	C5	7,899	8,000	5,973	–	–
Non-current liabilities		9,609	9,618	7,158	1,557	1,594
Total liabilities		12,563	12,529	10,634	1,773	1,832
Net assets		5,866	5,751	4,955	1,260	1,432
Equity attributable to owners of the Company:						
Share capital	C2	566	566	566	566	566
Reserve for own shares	C3	(56)	(24)	(40)	(56)	(24)
Other reserves	C3	(934)	(651)	(665)	(62)	(32)
Revenue reserve		5,967	5,550	4,800	812	922
Total		5,543	5,441	4,661	1,260	1,432
Non-controlling interests	G2	323	310	294	–	–
Total equity		5,866	5,751	4,955	1,260	1,432

Consolidated Statement of Profit or Loss

Year ended December 31, 2025

		Group	
(\$ million)	Note	2025	2024 Restated
Continuing operations			
Turnover	B1, B2	5,799	6,417
Cost of sales		(4,501)	(4,908)
Gross profit		1,298	1,509
General and administrative expenses		(443)	(476)
Other operating income, net		105	82
Non-operating income		119	186
Non-operating expenses		(35)	(13)
Finance income	C6	28	27
Finance costs	C6	(392)	(372)
Share of results of associates and joint ventures, net of tax		496	316
Profit before tax		1,176	1,259
Tax expense	B3	(156)	(207)
Profit from continuing operations	B4	1,020	1,052
Discontinued operation			
Loss from discontinued operation, net of tax	G6	–	(9)
Profit for the year		1,020	1,043
Profit attributable to:			
Owners of the Company		984	1,016
Non-controlling interests		36	27
Profit for the year		1,020	1,043
Earnings per share (cents):			
Basic	B5	55.33	57.00
Diluted		54.71	56.10
Earnings per share (cents) – Continuing operations:			
Basic	B5	55.33	57.51
Diluted		54.71	56.60

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Comprehensive Income

Year ended December 31, 2025

(\$ million)	Note	Group	
		2025	2024 Restated
Profit for the year		1,020	1,043
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Foreign currency translation differences for foreign operations		(301)	35
Exchange differences on monetary items forming part of net investment in foreign operation		1	1
Net change in fair value of cash flow hedges		(85)	13
Net change in fair value of cash flow hedges reclassified to profit or loss		(16)	(35)
Realisation of reserves upon disposal / liquidation of investments and assets held for sale		20	(2)
Share of other comprehensive income of associates and joint ventures		(18)	18
Net change in fair value of cash flow hedges reclassified to cost of investment of / loan to a subsidiary	F2	–	5
Income tax relating to these items	B3d	15	4
		(384)	39
<i>Items that may not be reclassified subsequently to profit or loss:</i>			
Defined benefit plan actuarial gains and losses		3	(9)
Change in fair value of financial assets at fair value through other comprehensive income		5	1
Income tax relating to these items	B3d	*	2
		8	(6)
Other comprehensive income for the year, net of tax		(376)	33
Total comprehensive income for the year		644	1,076
Total comprehensive income attributable to:			
Owners of the Company		629	1,046
Non-controlling interests		15	30
Total comprehensive income for the year		644	1,076
Total comprehensive income attributable to owners of the Company:			
Continuing operations		629	1,046
Discontinued operation		–	–
		629	1,046

Consolidated Statement of Changes in Equity

Year ended December 31, 2025

	Attributable to owners of the Company											
	Share capital	Reserve for own shares	Foreign currency translation reserve	Capital reserve	Merger reserve	Share-based payments reserve	Fair value reserve	Hedging reserve	Revenue reserve	Total	Non-controlling interests	Total equity
(\$ million)												
Group												
At January 1, 2025, as previously stated	566	(24)	(634)	(97)	29	(37)	37	50	5,471	5,361	298	5,659
Impact of change in accounting policy	–	–	1	–	–	–	–	–	79	80	12	92
At January 1, 2025, as restated	566	(24)	(633)	(97)	29	(37)	37	50	5,550	5,441	310	5,751
Total comprehensive income for the year												
Profit for the year	–	–	–	–	–	–	–	–	984	984	36	1,020
Other comprehensive income												
Foreign currency translation differences for foreign operations	–	–	(284)	–	–	–	–	–	–	(284)	(17)	(301)
Exchange differences on monetary items forming part of net investment in foreign operations	–	–	1	–	–	–	–	–	–	1	–	1
Net change in fair value of cash flow hedges	–	–	–	–	–	–	–	(69)	–	(69)	(2)	(71)
Net change in fair value of cash flow hedges reclassified to profit or loss	–	–	–	–	–	–	–	(15)	–	(15)	–	(15)
Net change in fair value of financial assets at fair value through other comprehensive income	–	–	–	–	–	–	5	–	–	5	–	5
Realisation of reserves upon disposal / liquidation of investments	–	–	21	112	–	(1)	–	–	(110)	22	(2)	20
Transfer of reserves	–	–	–	(1)	–	1	–	–	*	–	–	–
Defined benefit plan actuarial gains and losses	–	–	–	–	–	–	–	–	3	3	*	3
Share of other comprehensive income of associates and joint ventures	–	–	–	*	–	–	*	(18)	–	(18)	–	(18)
Total other comprehensive income for the year	–	–	(262)	111	–	–	5	(102)	(107)	(355)	(21)	(376)
Total comprehensive income for the year	–	–	(262)	111	–	–	5	(102)	877	629	15	644
Transactions with owners of the Company, recognised directly in equity												
Share issuance	–	–	–	–	–	–	–	–	–	–	5	5
Acquisition of subsidiaries	–	–	–	–	–	–	–	–	–	–	9	9
Acquisition of non-controlling interests	–	–	*	1	–	–	–	*	2	3	(3)	–
Share-based payments	–	–	–	–	–	26	–	–	–	26	–	26
Purchase of treasury shares	–	(70)	–	–	–	–	–	–	–	(70)	–	(70)
Treasury shares transferred to employees	–	38	–	–	–	(38)	–	–	–	–	–	–
Cash settlement of PSP and RSP (Note B6) at the discretion of the Company	–	–	–	–	–	(24)	–	–	–	(24)	–	(24)
Dividend paid / payable to owners (Note C4)	–	–	–	–	–	–	–	–	(462)	(462)	–	(462)
Dividend paid / payable to non-controlling interests	–	–	–	–	–	–	–	–	–	–	(13)	(13)
Total transactions with owners	–	(32)	*	1	–	(36)	–	–	(460)	(527)	(2)	(529)
At December 31, 2025	566	(56)	(895)	15	29	(73)	42	(52)	5,967	5,543	323	5,866

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

Year ended December 31, 2025

	Attributable to owners of the Company											
	Share capital	Reserve for own shares	Foreign currency translation reserve	Capital reserve	Merger reserve	Share-based payments reserve	Fair value reserve	Hedging reserve	Revenue reserve	Total	Non-controlling interests	Total equity
(\$ million)												
Group												
At January 1, 2024, as previously stated	566	(40)	(672)	(93)	29	(9)	36	45	4,726	4,588	284	4,872
Impact of change in accounting policy	–	–	(1)	–	–	–	–	–	74	73	10	83
At January 1, 2024, as restated	566	(40)	(673)	(93)	29	(9)	36	45	4,800	4,661	294	4,955
Total comprehensive income for the year												
Profit for the year, restated	–	–	–	–	–	–	–	–	1,016	1,016	27	1,043
Other comprehensive income												
Foreign currency translation differences for foreign operations	–	–	32	–	–	–	–	–	–	32	3	35
Exchange differences on monetary items forming part of net investment in foreign operations	–	–	1	–	–	–	–	–	–	1	–	1
Net change in fair value of cash flow hedges	–	–	–	–	–	–	–	12	–	12	*	12
Net change in fair value of cash flow hedges reclassified to profit or loss	–	–	–	–	–	–	–	(30)	–	(30)	–	(30)
Net change in fair value of financial assets at fair value through other comprehensive income	–	–	–	–	–	–	1	–	–	1	–	1
Realisation of reserves upon disposal of associates	–	–	7	(1)	–	–	–	–	(8)	(2)	–	(2)
Transfer of reserves	–	–	–	(1)	–	–	–	–	1	–	–	–
Net change in fair value of cash flow hedges reclassified to cost of investment of / loan to a subsidiary	–	–	–	–	–	–	–	5	–	5	–	5
Defined benefit plan actuarial gains and losses	–	–	–	–	–	–	–	–	(7)	(7)	–	(7)
Share of other comprehensive income of associates and joint ventures	–	–	–	*	–	–	*	18	–	18	–	18
Total other comprehensive income for the year	–	–	40	(2)	–	–	1	5	(14)	30	3	33
Total comprehensive income for the year, restated	–	–	40	(2)	–	–	1	5	1,002	1,046	30	1,076
Transactions with owners of the Company, recognised directly in equity												
Share issuance	–	–	–	–	–	–	–	–	–	–	9	9
Share-based payments	–	–	–	–	–	24	–	–	–	24	–	24
Purchase of treasury shares	–	(19)	–	–	–	–	–	–	–	(19)	–	(19)
Treasury shares transferred to employees	–	35	–	–	–	(35)	–	–	–	–	–	–
Cash settlement of PSP and RSP (Note B6) at the discretion of the Company	–	–	–	–	–	(17)	–	–	–	(17)	–	(17)
Acquisition of non-controlling interests	–	–	–	(2)	–	–	–	–	(2)	(4)	(6)	(10)
Dividend paid / payable to owners (Note C4)	–	–	–	–	–	–	–	–	(250)	(250)	–	(250)
Dividend paid / payable to non-controlling interests	–	–	–	–	–	–	–	–	–	–	(17)	(17)
Total transactions with owners	–	16	–	(2)	–	(28)	–	–	(252)	(266)	(14)	(280)
At December 31, 2024, as restated	566	(24)	(633)	(97)	29	(37)	37	50	5,550	5,441	310	5,751

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows

Year ended December 31, 2025

(\$ million)	Group	
	2025	2024
Cash flows from operating activities		
Profit for the year:		
– Continuing operations	1,020	1,052
– Discontinued operation	–	(9)
Adjustments for:		
Dividend income	(1)	(1)
Finance income	(28)	(27)
Finance costs	392	372
DPN expense / (income)	35	(169)
Depreciation and amortisation	476	446
Share of results of associates and joint ventures, net of tax	(496)	(316)
Gain on disposal of:		
– property, plant and equipment, intangible assets and other financial assets	(5)	(5)
– subsidiaries, associate and joint ventures	(143)	(1)
– assets held for sale	(1)	–
Loss / (Gain) on liquidation of subsidiaries and joint venture	19	(2)
Changes in fair value of investment properties	(5)	(5)
Equity settled share-based compensation expenses	26	24
Allowance for inventory obsolescence, net	5	2
Impairment and write-off of assets	25	7
Gain on bargain purchase	(2)	(8)
Write-down of other investments	11	2
Impairment of joint ventures	2	4
Tax expense	156	207
Operating profit before working capital changes	1,486	1,573
Changes in:		
– Inventories	(12)	(7)
– Receivables	77	(97)
– Payables	(185)	140
– Contract assets	5	(22)
– Contract liabilities	(36)	25
	1,335	1,612
Tax paid	(165)	(200)
Net cash from operating activities	1,170	1,412

The accompanying notes form an integral part of these financial statements.

(\$ million)	Group	
	2025	2024
Cash flows from investing activities		
Dividend received	307	173
Interest received	29	29
Proceeds from:		
– capital repatriation / disposal of joint ventures and associates [#]	86	39
– disposal group held for sale	383	–
– disposal of interest in subsidiaries	23	(6)
– sale of property, plant and equipment	6	17
– sale of intangible assets	*	*
– disposal of other financial assets and business	728	660
Proceeds from deferred payment note	255	404
Repayment of loans by joint venture	61	–
Acquisition of subsidiaries, net of cash acquired	(116)	(244)
Acquisition of investments in joint ventures and associates [#]	(207)	(229)
Acquisition of other financial assets	(750)	(673)
Acquisition of long-term assets	(29)	–
Purchase of property, plant and equipment and investment properties	(956)	(1,592)
Purchase of intangible assets	(6)	(16)
Net cash used in investing activities	(186)	(1,438)
Cash flows from financing activities		
Proceeds from share issued to non-controlling interests of subsidiaries	5	9
Purchase of treasury shares	(70)	(19)
Repayment of lease liabilities	(58)	(25)
Proceeds from borrowings	2,640	5,259
Repayment of borrowings	(2,318)	(4,310)
Dividends paid to owners of the Company	(462)	(250)
Dividends paid to non-controlling interests of subsidiaries	(13)	(17)
Receipts in restricted cash held as collateral	3	14
Payment on deferred and contingent considerations	(54)	(152)
Acquisition of non-controlling interest	–	(10)
Interest paid	(402)	(345)
Net cash (used in) / from financing activities	(729)	154

[#] The acquisition of investments in joint ventures and associates includes the additional interest acquired in Senoko, amounting to S\$72 million, before deducting the S\$3 million capital repatriation, which is presented under “Proceeds from capital repatriation” in the Statement of Cash Flows (Note G3).

Consolidated Statement of Cash Flows

Year ended December 31, 2025

(S\$ million)	Note	Group	
		2025	2024
Net increase in cash and cash equivalents		255	128
Cash and cash equivalents at beginning of the year		850	732
Cash balance transferred from held for sale at beginning of the period		24	–
Effect of exchange rate changes on balances held in foreign currency		(38)	14
Cash and cash equivalents at end of the year, including held for sale (less pledge for security)		1,091	874
Cash balance transferred to held for sale		–	(24)
Cash and cash equivalents at end of the year	E4	1,091	850

Significant non-cash transactions

During the year, the Group entered new lease arrangements recognising right-of-use assets of S\$77 million (Note D1.1), with a corresponding increase in lease liabilities.

During the year, the Group acquired an associate and a joint venture. The unpaid portion of the purchase consideration, amounting to S\$19 million, was recognised as trade and other payables.

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements

A. About These Financial Statements

Sembcorp Industries Ltd (the Company) is domiciled and incorporated in Singapore and is listed on the Singapore Exchange Securities Trading Limited. The address of its registered office is at 30 Hill Street, #05-04, Singapore 179360.

The Company’s immediate and ultimate holding company is Temasek Holdings (Private) Limited, a company incorporated in Singapore which holds a 49.61% ownership stake in the Company.

The financial statements of the Group as at and for the year ended December 31, 2025 comprise the Company and its subsidiaries (together referred to as the Group and individually as Group entities) and the Group’s interests in associates and joint ventures.

The financial statements were authorised for issue by the Board of Directors on February 24, 2026.

A1. Basis of Preparation

The financial statements have been prepared in accordance with the provisions of the Companies Act 1967, Singapore Financial Reporting Standards (International) (SFRS(I)) and International Financial Reporting Standards (IFRS). SFRS(I) comprises standards and interpretations that are equivalent to IFRS. All references to SFRS(I) and IFRS are subsequently referred to as SFRS(I) in these financial statements unless otherwise specified.

The financial statements have been prepared on a historical cost basis except as otherwise described in the accounting policies.

The preparation of the financial statements in conformity with SFRS(I) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions, which are based on historical experience and various other factors believed to be reasonable under the circumstances, form the basis of judgement about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about key management judgements and estimates that are considered material to the financial statements is incorporated in respective notes to the financial statements.

The financial statements are presented in Singapore dollar which is the Company’s functional currency. All financial information presented in Singapore dollars has been rounded to the nearest million unless otherwise stated. ‘**’ denotes financial value that is less than S\$1 million.

Information is only being included in the financial report to the extent it is considered material and relevant to the understanding of the financial statements. A disclosure is considered material and relevant if:

- dollar amount is significant in value
- dollar amount is significant by nature
- financial results cannot be understood without specific disclosure
- critical to allow user to understand significant changes in group businesses

A2. Change in Accounting Policy

(i) Accounting for investment properties

In June 2025, the Group changed its accounting policy relating to the subsequent measurement of investment properties from the cost model to the fair value model, with changes in fair value recognised in profit or loss. The Group believes that subsequent measurement using the fair value model provides more relevant information about the financial performance of these assets, assists users to better understand the risks associated with these assets and is consistent with industry practice in relation to these types of assets. This change in accounting policy was applied retrospectively.

The Group has restated the balance sheets as at January 1, 2024, and December 31, 2024, along with the comparative figures for the statements of profit or loss, changes in equity, and cash flows for the year ended December 31, 2024.

Notes to the Financial Statements

A. About These Financial Statements *(cont'd)*

A2. Change in Accounting Policy *(cont'd)*

(i) Accounting for investment properties *(cont'd)*

Summary of quantitative impact

The tables summarise the material impacts on the Group's financial statements, primarily from the Integrated Urban Solutions segment. There is no material impact on the Group's basic or diluted earnings per share, net assets value and no impact on the total operating, investing, or financing cash flows for the year ended December 31, 2025, and December 31, 2024.

Balance Sheets As at January 1, 2024			
<i>(S\$ million)</i>			
	Impact of change in accounting policy		
	As previously reported	Adjustments	As restated
Investment properties	153	44	197
Associates and joint ventures*	2,396	48	2,444
Other assets	12,948	–	12,948
Total assets	15,497	92	15,589
Deferred tax liabilities	598	9	607
Other liabilities	10,027	–	10,027
Total liabilities	10,625	9	10,634
Share capital	566	–	566
Other reserves	(704)	(1)	(705)
Revenue reserve	4,726	74	4,800
Non-controlling interests	284	10	294
Total equity	4,872	83	4,955
Balance Sheets As at December 31, 2024			
<i>(S\$ million)</i>			
	Impact of change in accounting policy		
	As previously reported	Adjustments	As restated
Investment properties	207	53	260
Associates and joint ventures*	2,740	49	2,789
Other assets	15,231	–	15,231
Total assets	18,178	102	18,280
Deferred tax liabilities	629	10	639
Other liabilities	11,890	–	11,890
Total liabilities	12,519	10	12,529
Share capital	566	–	566
Other reserves	(676)	1	(675)
Revenue reserve	5,471	79	5,550
Non-controlling interests	298	12	310
Total equity	5,659	92	5,751

* Includes the share of fair value changes in the investment properties of the associates and joint ventures

Balance Sheets As at December 31, 2025		Impact of change in accounting policy
<i>(S\$ million)</i>		
Investment properties	61	
Associates and joint ventures*	77	
Other assets	–	
Total assets	138	
Deferred tax liabilities	11	
Other liabilities	–	
Total liabilities	11	
Share capital	–	
Other reserves	(3)	
Revenue reserve	116	
Non-controlling interests	14	
Total equity	127	

* Includes the share of fair value changes in the investment properties of the associates and joint ventures

Consolidated Statement of Profit or Loss Year ended December 31, 2024			
<i>(S\$ million)</i>			
	Impact of change in accounting policy		
	As previously reported	Adjustments	As restated
Cost of sales	(4,912)	4	(4,908)
Other operating income, net	77	5	82
Share of results of associates and joint ventures, net of tax	317	(1)	316
Tax expense	(206)	(1)	(207)
Others	5,760	–	5,760
Profit for the period	1,036	7	1,043
Profit attributable to:			
– Owners of the Company	1,011	5	1,016
– Non-controlling interests	25	2	27
Profit for the period	1,036	7	1,043

Consolidated Statement of Profit or Loss Year ended December 31, 2025		Impact of change in accounting policy
<i>(S\$ million)</i>		
Decrease in cost of sales	4	
Increase in other operating income, net	5	
Increase in share of results of associates and joint ventures, net of tax	31	
Increase in tax expense	(1)	
Increase in profit for the period	39	
Increase in profit attributable to owners of the Company	36	

Notes to the Financial Statements

A. About These Financial Statements *(cont'd)*

A3. Material Accounting Policy Information

In addition to the accounting policies described below, other material accounting policies are included in the respective notes to the financial statements.

(i) Foreign currencies

Foreign currency transactions and balances

Transactions in foreign currencies are translated into the respective functional currencies of Group entities using exchange rates at the dates of the transactions. At each balance sheet date, foreign currency monetary assets and liabilities are translated to the functional currency using foreign exchange rates at that date.

Non-monetary assets and liabilities in a foreign currency that are measured in terms of historical cost are translated using exchange rates at the date of the transaction while those measured at fair value are translated to the functional currency using exchange rates at the date the fair value was determined.

Foreign currency differences are recognised in profit or loss, except when arising from the translation of the following items, in which case the differences are recognised in other comprehensive income:

- Equity instruments designated as fair value through other comprehensive income (FVOCI). (However, upon impairment, the foreign currency differences that have been recognised in other comprehensive income are reclassified to profit or loss);
- A financial liability designated as a hedge of a net investment in a foreign operation to the extent that the hedge is effective; or
- Qualifying cash flow hedges to the extent the hedge is effective.

Foreign operations

For the purpose of presenting consolidated financial statements, the assets and liabilities of entities with a functional currency other than Singapore dollar are expressed in Singapore dollar using exchange rates prevailing at the balance sheet date. Income and expense items and cash flows are translated at the average exchange rates for each month and exchange differences arising are recognised directly in other comprehensive income.

On disposal of a foreign entity, the cumulative amount previously recognised in the consolidated statement of comprehensive income relating to that particular foreign operation is recognised in profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated accordingly.

Net investment in a foreign operation

Exchange differences arising from monetary items that in substance form part of the Company's net investment in a foreign operation are recognised in the Company's profit or loss. Such exchange differences are reclassified to the foreign currency translation reserve in the consolidated statement of comprehensive income and are released to the consolidated statement of profit or loss upon disposal of the investment as part of the gain or loss on disposal.

(ii) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries.

The financial statements of subsidiaries acquired or disposed during the financial year are included or excluded from the consolidated financial statements from their respective dates of obtaining control or ceasing control. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group. All intercompany transactions, balances and unrealised gains on transactions between Group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred asset.

Acquisition of subsidiaries is accounted for using the acquisition method. The cost of an acquisition includes fair values of any contingent or deferred consideration arrangement and any pre-existing equity interest in the subsidiary. Subsequent changes to the fair value of the contingent consideration are recognised in profit or loss. From January 1, 2017, acquisition related costs are recognised in the profit or loss as incurred whereas prior to this date, acquisition related costs formed part of the cost of acquisition. The unwinding of any interest element of deferred consideration is recognised in profit or loss.

Any excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill. Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognised in the profit or loss as gain on bargain purchase on the date of acquisition.

Business combinations that involve entities under common control are excluded from the scope of SFRS(I) 3. Such combinations are accounted at historical costs in a manner similar to the pooling-of-interest method, in the preparation of the consolidated financial statements. Under this method of accounting, the difference between the value of the share capital issued and the value of shares received is taken to the merger reserve.

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interest and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or financial assets at FVOCI depending on the level of influence retained.

From January 1, 2010, changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners and therefore no adjustments are made to goodwill and no gain or loss is recognised in profit or loss. The difference between the change in the carrying amounts of the non-controlling interests (NCI) and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company. Prior to January 1, 2010, any excess of the cost of acquisition of NCI over the carrying amount of the interest in the net assets acquired at the date of acquisition was recognised as goodwill.

On a transaction-by-transaction basis, the measurement of NCI is either at fair value or at the NCI's share of the fair value of the identifiable net assets of the acquiree.

Notes to the Financial Statements

A. About These Financial Statements *(cont'd)*

A3. Material Accounting Policy Information *(cont'd)*

(ii) Basis of consolidation *(cont'd)*

Non-controlling interest

NCI comprise the portion of a subsidiary’s net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the owners of the Company. They are shown separately in the consolidated statements of comprehensive income, statement of changes in equity and balance sheet. Total comprehensive income is attributed to the NCI based on their respective interest in a subsidiary, even if this results in the NCI having a deficit balance.

Adjustments to NCI arising from transactions that do not involve the loss of control are based on a proportionate amount of net assets of the subsidiary.

Associates and joint ventures

Associates and joint ventures are accounted for using the equity method of accounting from the date that significant influence commences until the date that significant influence ceases and are recognised initially at cost. The cost of investments includes transaction costs. When the Group’s share of losses exceeds its interest in the associate or joint venture, the carrying amount of the investment (including any other unsecured receivables, that in substance, form part of the Group’s net investment) is reduced to zero, and the recognition of further losses is discontinued unless it has legal or constructive obligations to make, or has made, payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The excess of the Group’s interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is credited to profit or loss in the period of the acquisition. Where the audited financial statements are not yet available for the purpose of statutory filing, the share of results is arrived at from management financial statements.

Impairment for associates and joint ventures

An impairment loss in respect of an associate or joint venture shall be recognised if, and only if, the recoverable amount of the investment is less than the carrying amount. An impairment loss is recognised in the profit or loss. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

New standards and amendments

The Group has applied Amendments to SFRS(I) 1-21 *Lack of Exchangeability* for the first time for the annual period beginning on January 1, 2025. The adoption of these amendments to accounting standards and interpretations does not have a material effect on the financial statements.

B. OUR PERFORMANCE

B1. Segments Information

The Group has categorised its business segments based on the internal reports that are reviewed and used by the executive management team in determining the allocation of resources and in assessing performance of the operating segments. The Group’s businesses are categorised into the five main segments, namely Gas and Related Services, Renewables, Integrated Urban Solutions, Decarbonisation Solutions, and Other Businesses and Corporate.

The principal activities of key subsidiaries under the five main segments are as follows:

i. Gas and Related Services

The Gas and Related Services segment’s principal activities include the sale of energy molecules (including natural gas, steam and electricity from a diversity of fossil fuels such as natural gas). This segment also includes sale of water products from its integrated assets.

ii. Renewables

The Renewables segment’s principal activities are the provision of self-generated electricity from solar and wind resources, energy storage, as well as provision of system services that support integration of renewables into grid. This segment also includes the development and provision of installation, operation and maintenance of solar, wind and energy storage assets.

iii. Integrated Urban Solutions

The Integrated Urban Solutions segment supports sustainable development through its suite of urban, water as well as waste and waste-to-resource solutions. The segment’s businesses comprise the development of large-scale integrated urban developments and integrated townships such as industrial parks, business, commercial and residential spaces, production and reclamation of water and industrial wastewater treatment as well as solid waste management and waste-to-resource solutions.

iv. Decarbonisation Solutions

The Decarbonisation Solutions segment includes the trading of Environmental Attributes, low-carbon feedstock (green hydrogen and ammonia), power imports and carbon capture, utilisation and storage (CCUS) business.

v. Other Businesses and Corporate

The Other Businesses and Corporate segment comprise businesses mainly relating to specialised construction, minting, the Group’s captive insurance and financial services, as well as corporate costs.

Notes to the Financial Statements

B. Our Performance *(cont'd)*

B1. Segments Information *(cont'd)*

a. Operating Segments

Information regarding the continuing operations' results of each reportable segment is included below.

<i>(\$ million)</i>	Continuing operations						Total
	Gas and Related Services	Renewables	Integrated Urban Solutions	Decarbonisation Solutions	Other Businesses and Corporate	Elimination	
2025							
Turnover							
External sales	4,088	856	242	42	571	–	5,799
Inter-segment sales	13	76	7	26	15	(137)	–
Total	4,101	932	249	68	586	(137)	5,799
Results							
Earnings before interest, taxes, depreciation and amortisation ¹ (EBITDA)	719	673	88	(25)	73	(8)	1,520
Share of results of associates and joint ventures, net of tax	287	50	159	*	–	–	496
Adjusted EBITDA	1,006	723	247	(25)	73	(8)	2,016
Depreciation and amortisation	(133)	(303)	(27)	*	(13)	–	(476)
Finance income	24	13	11	*	47	(67)	28
Finance costs	(60)	(204)	(11)	*	(184)	67	(392)
Profit / (Loss) before tax	837	229	220	(25)	(77)	(8)	1,176
Tax (expense) / credit	(86)	(46)	(21)	2	(5)	–	(156)
Non-controlling interests	(13)	(9)	(14)	–	*	–	(36)
Profit / (Loss) attributable to owners of the Company	738	174	185	(23)	(82)	(8)	984
Assets							
Segment assets	4,946	8,502	1,374	89	3,664	(3,331)	15,244
Associates and joint ventures	744	1,167	1,115	1	–	–	3,027
Tax assets	22	74	17	*	28	–	141
	5,712	9,743	2,506	90	3,692	(3,331)	18,412
Assets held for sale	–	17	–	–	–	–	17
Total assets	5,712	9,760	2,506	90	3,692	(3,331)	18,429
Liabilities							
Segment liabilities	2,480	6,466	506	72	5,556	(3,323)	11,757
Tax liabilities	321	398	14	*	71	–	804
	2,801	6,864	520	72	5,627	(3,323)	12,561
Liabilities held for sale	–	2	–	–	–	–	2
Total liabilities	2,801	6,866	520	72	5,627	(3,323)	12,563
Capital expenditure²	373	466	14	8	8	–	869

¹ EBITDA refers to earnings before net interest expense, tax, depreciation and amortisation.

² Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, and intangible assets other than goodwill and carbon allowances.

The EBITDA elimination amount relates to unrealised profits on the sale of Environmental Attributes across the segments with corresponding adjustment in segment assets.

Other Businesses and Corporate's segment assets include DPN receivable (Note H1).

Notes to the Financial Statements

B. Our Performance *(cont'd)*

B1. Segments Information *(cont'd)*

a. Operating Segments *(cont'd)*

			Continuing operations				
	Gas and Related Services	Renewables	Integrated Urban Solutions	Decarbonisation Solutions	Other Businesses and Corporate	Elimination	Total
(S\$ million)							
2024 (Restated)							
Turnover							
External sales	4,637	746	431	53	550	–	6,417
Inter-segment sales	57	18	44	8	12	(139)	–
Total	4,694	764	475	61	562	(139)	6,417
Results							
EBITDA	911	568	143	(19)	136	(5)	1,734
Share of results of associates and joint ventures, net of tax	132	58	126	*	*	–	316
Adjusted EBITDA	1,043	626	269	(19)	136	(5)	2,050
Depreciation and amortisation	(142)	(235)	(57)	*	(12)	–	(446)
Finance income	39	9	17	1	53	(92)	27
Finance costs	(73)	(174)	(11)	*	(206)	92	(372)
Profit / (Loss) before tax	867	226	218	(18)	(29)	(5)	1,259
Tax (expense) / credit	(127)	(36)	(31)	2	(15)	–	(207)
Non-controlling interests	(12)	(4)	(11)	–	*	–	(27)
Profit / (Loss) from continuing operations attributable to owners of the Company	728	186	176	(16)	(44)	(5)	1,025
Loss from discontinued operation, net of tax							(9)
Profit attributable to owners of the Company							1,016
Assets							
Segment assets	4,549	8,237	1,405	48	3,908	(3,188)	14,959
Associates and joint ventures	648	1,160	981	*	–	–	2,789
Tax assets	33	67	19	*	21	–	140
	5,230	9,464	2,405	48	3,929	(3,188)	17,888
Assets held for sale	–	3	389	–	–	–	392
Total assets	5,230	9,467	2,794	48	3,929	(3,188)	18,280
Liabilities							
Segment liabilities	2,495	6,614	372	18	5,244	(3,183)	11,560
Tax liabilities	343	367	18	*	93	–	821
	2,838	6,981	390	18	5,337	(3,183)	12,381
Liabilities held for sale	–	–	148	–	–	–	148
Total liabilities	2,838	6,981	538	18	5,337	(3,183)	12,529
Capital expenditure							
	384	1,072	21	3	11	–	1,491

Notes to the Financial Statements

B. Our Performance *(cont'd)*

B1. Segments Information *(cont'd)*

b. Geographical Segments

The Group's geographical segments comprise eight principal areas: Singapore, China, India, Vietnam, United Kingdom (UK), Oman, Rest of Middle East and Rest of Asia. In presenting these segments, segment revenue is based on the geographical location of customers, while segment assets and total assets are based on the geographical location of the assets.

Continuing operations

<i>(S\$ million)</i>	Turnover		Capital Expenditure	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Singapore	4,122	4,754	511	533
UK	496	561	47	82
India	391	366	243	586
China ¹	377	383	17	18
Vietnam	60	44	2	*
Oman	67	34	45	266
Rest of Middle East	15	14	–	–
Rest of Asia	262	243	4	6
Other Countries	9	18	–	–
Total	5,799	6,417	869	1,491

<i>(S\$ million)</i>	Non-current Assets		Total Assets	
	December 31, 2025	December 31, 2024 Restated	December 31, 2025	December 31, 2024 Restated
Singapore	4,824	4,523	5,868	6,043
China ¹	3,728	3,709	4,632	4,609
India	3,181	3,143	3,531	3,397
Vietnam	1,239	1,124	1,359	1,219
UK	836	833	1,023	988
Oman	703	696	745	729
Rest of Middle East	123	127	133	136
Rest of Asia	688	744	1,059	1,137
Other Countries	18	19	79	22
Total	15,340	14,918	18,429	18,280

¹ The China businesses within the Renewables and Integrated Urban Solutions segments consist of associates and joint ventures accounted for under the equity method.

Majority of the Group's revenue from continuing operations is from Singapore and UK which contributed to 71% (2024: 74%) and 9% (2024: 9%) respectively.

B2. Turnover

This note explains how the Group's revenue from contracts with customers are measured and recognised.

Accounting policies

Revenue is measured based on consideration specified in a contract with customer. The Group recognises revenue when it transfers control over a good or service to a customer.

For all revenue contracts with customers, the Group accounts for modifications to the scope or price (or both) of a contract, as separate contracts, if the modifications add distinct goods or services at their stand-alone selling prices. For contract modifications that add distinct goods or services but not at their stand-alone selling prices, the Group applies a new transaction price, combining the remaining consideration with the consideration promised on the modification, to all remaining performance obligations. For contract modifications that do not add distinct goods or services, the Group accounts for the modification as continuation of the original contract and recognises a cumulative adjustment to revenue at the date of the modification.

Revenue from Contracts with Customers

a. Sale of Electricity, Utilities and Gas and Related Services

The sale of electricity, utilities and gas and related services are determined to be a series of distinct goods satisfied over time. This is because the customers simultaneously receive and consume the benefits provided by the Group. Invoices are generated monthly based on the output delivered to the customers. No significant element of financing is deemed present as the sales are typically made with a credit term of 30 days, consistent with market practice.

Revenue from these sales is recognised based on price (including variable considerations) specified in the contracts. Variable considerations such as off specification delivery are reviewed and estimated monthly. A refund liability is recognised in provisions for off specification delivery and outage, if any.

When the period between the satisfaction of a performance obligation and payment by the customer exceeds one year, the Group adjusts the consideration for time value of money and recognises a financing component.

b. Service Concession Revenue

The Group has entered into service concession contracts with local governments or governing agencies (the grantor) to design, build and operate (including maintenance) water treatment plants or power generation plants over an agreed period ranging from 22 to 30 years. At the end of the concession period, these assets are to be transferred to the grantor and any extension will be based on mutual agreements. These contractual arrangements fall within the scope of SFRS(I) INT 12.

The Group recognises and measures revenue for building (construction services) and operating these assets as specified in the contracts in accordance with SFRS(I) 15 for the services performed. Revenue relating to construction services under a service concession arrangement is recognised over time when the performance obligations are satisfied.

Operation or service revenue is recognised in the period in which the services are provided by the Group, consistent with the Group's accounting policy on recognising revenue on sale of electricity, utilities and gas and related services (see Note B2(a) above). When the Group provides more than one service in a service concession arrangement, the consideration received is allocated with reference to the relative stand-alone selling prices of the services delivered.

Notes to the Financial Statements

B. Our Performance *(cont'd)*

B2. Turnover *(cont'd)*

Accounting policies *(cont'd)*

Revenue from Contracts with Customers *(cont'd)*

c. Construction of Infrastructure and Related Engineering Services

The Group builds specialised assets for customers for which the Group does not have an alternative use. Revenue is recognised when control over the specialised asset has been transferred to customers.

Contracts with Enforceable Right to Payment

For contracts where the Group has contractual enforceable rights to payment, revenue is recognised over time with reference to the Group’s progress towards completing the construction of the specialised asset. The stage of completion is typically assessed either by surveys of work performed (output method), or the cost incurred to date relative to total estimated cost (input method), depending on which method commensurate with the pattern of transfer of control to customers. Costs incurred that are not related to the contract or that do not contribute towards satisfying a performance obligation are excluded from the measure of progress and instead are expensed as incurred.

The Group recognises a financing component using discount rates at contract inception if the delivery of goods and payment by customers exceed one year. If the period between the delivery and payment is one year or less, the Group applies the practical expedient not to adjust for significant financing component.

For contracts with standard warranty terms on the performance of the asset, a warranty provision is estimated based on historical data, from known and expected warranty work as well as contractual obligations to be performed after completion. The warranty expense incurred could be higher or lower than the provision made.

d. Sales of Development Properties

The Group develops and sells residential projects to customers through fixed price contracts. For such contracts, the Group does not have enforceable rights to payment in accordance with the contractual terms. Revenue is recognised at a point in time when the control over the residential project has been transferred to customers and customers’ acceptance has been obtained, which is also when the rights to payment become enforceable.

e. Sales of Other Goods

Revenue is recognised at a point in time when the goods are transferred to customers and the criteria for acceptance have been satisfied.

Rental Income

Rental income receivable under operating lease is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of total rental income, over the term of the lease.

Contingent rentals are recognised as income in the accounting period in which they are earned.

Key estimates and judgements

The Group has applied judgement and estimates in recognising revenue from long-term contracts. Any increases or decreases in estimated revenue or costs due to change in circumstances are reflected in the profit or loss in the period in which the changes become known to management. The key estimates and judgements applied are:

Performance Obligation

Significant judgement is required in determining whether the performance obligations are distinct. The Group’s assessment includes considerations of whether customers can benefit from the good or service either on its own or together with other resources that are readily available to the customers and whether the Group’s promise to transfer the good or service to the customers is separately identifiable from other promises in the contracts. The Group has assessed that long-term contracts with customers have a single performance obligation in view that the services in the contracts are not distinct.

Variable Considerations

For contracts with variable considerations (i.e. liquidated damages, or where customers can contractually rescind the delivery of utilities and gas which do not meet the specifications), the Group has applied judgement in determining the transaction price, based on evaluation of any potential risks and factors which may affect the completion or delivery of the contracts, in accordance with the contractual obligations.

Percentage of Completion

For revenue recognised over time, the percentage of completion for certain contracts is assessed by reference to the contract costs incurred to date in proportion to the total estimated contract costs for each contract. In making these estimates, the Group has relied on the expertise of surveying engineers and management’s past experiences from completed projects. The estimated total costs are reviewed every reporting period and adjusted where necessary, with the corresponding effect of change being recognised prospectively from the date of change.

Onerous Contracts

The Group conducts critical review of all its long-term construction contracts regularly. Allowance is made to account for onerous contracts. The Group monitors and reviews the progress of all long-term land development and construction contracts, taking into consideration inputs from internal project managers and external customers in estimating the total contract costs to complete as well as evaluating any potential risks and factors which may affect contract prices, costs and timely completion of these contracts. The review also encompasses the cost analysis process whereby both actual costs incurred and future costs to complete are critically examined.

Cost Allocation Method on Long-term Land Development Contracts

Land development costs incurred are capitalised as work-in-progress and allocated to the respective parcels of land based on the relative sales method.

Fulfilment Costs

Significant judgement is required to determine if the contract costs recognised are expected to be recovered. Such judgement includes assessment of any potential risks and factors which may affect customers’ ability to take delivery of the construction. The assessment also encompasses the analysis of the industry outlook and customers’ financial health.

Information regarding the turnover for continuing operations is included below:

<i>(S\$ million)</i>	Note	2025	2024
Revenue from contracts with customers	a	5,789	6,408
Rental income		10	9
		5,799	6,417

There was no revenue from performance obligations satisfied or partially satisfied in previous periods due to change in estimate of the transaction price in 2025 and 2024.

Notes to the Financial Statements

B. Our Performance *(cont'd)*

B2. Turnover *(cont'd)*

Revenue from Contracts with Customers

a. Disaggregation of Revenue from Contracts with Customers

The table below disaggregates revenue from contracts with customers by primary geographical markets, major product / service lines, and timing of revenue recognition. It also provides a reconciliation of the disaggregated revenue with the Group's reportable segments.

	Reportable segments					
	Gas and Related Services	Renewables	Integrated Urban Solutions	Decarbon- isation Solutions	Other Businesses and Corporate	Total
(\$ million)						
2025						
Primary geographical markets						
Singapore	3,355	170	47	5	545	4,122
UK	448	17	–	31	*	496
China	–	190	184	*	*	374
India	–	389	–	*	2	391
Vietnam	–	53	–	*	–	53
Oman	31	36	–	–	–	67
Rest of Middle East	15	–	–	–	–	15
Rest of Asia	239	1	1	1	20	262
Other countries	–	–	–	5	4	9
Total	4,088	856	232	42	571	5,789
Major product / service lines						
Provision of energy products and related services (including electricity, gas and steam)	3,605	833	–	–	*	4,438
Provision of water products, reclamation of water and industrial wastewater treatment	133	1	175	–	–	309
Solid waste management	8	–	33	–	–	41
Service concession revenue	239	–	10	–	–	249
Construction and engineering related activities	–	–	2	–	505	507
Sale of environmental attributes	–	22	–	42	–	64
Others	103	*	12	–	66	181
Total	4,088	856	232	42	571	5,789
Timing of revenue recognition						
Over time	4,088	834	229	–	507	5,658
At a point in time	–	22	3	42	64	131
Total	4,088	856	232	42	571	5,789

	Reportable segments					
	Gas and Related Services	Renewables	Integrated Urban Solutions	Decarbonisation Solutions	Other Businesses and Corporate	Total
(\$ million)						
2024						
Primary geographical markets						
Singapore	3,842	148	225	6	533	4,754
UK	518	15	–	28	*	561
China	–	183	196	–	*	379
India	–	359	–	*	7	366
Vietnam	–	38	1	*	*	39
Oman	31	3	–	–	–	34
Rest of Middle East	14	–	–	–	–	14
Rest of Asia	232	*	*	3	8	243
Other countries	–	–	–	16	2	18
Total	4,637	746	422	53	550	6,408
Major product / service lines						
Provision of energy products and related services (including electricity, gas and steam)	4,150	740	–	–	*	4,890
Provision of water products, reclamation of water and industrial wastewater treatment	136	–	182	–	–	318
Solid waste management	5	–	211	–	–	216
Service concession revenue	232	–	10	–	–	242
Construction and engineering related activities	–	–	–	–	511	511
Sale of environmental attributes	–	5	–	53	–	58
Others	114	1	19	–	39	173
Total	4,637	746	422	53	550	6,408
Timing of revenue recognition						
Over time	4,634	741	409	–	518	6,302
At a point in time	3	5	13	53	32	106
Total	4,637	746	422	53	550	6,408

- Service concession revenue included interest revenue of S\$50 million (2024: S\$56 million).
- The lower turnover in FY2025 was mainly attributed to lower contributions from the Gas and Related Services segment due to lower offtake of electricity, lower gas price and pool price in Singapore, as well as lower availability due to major outage in UK. Lower revenue was recognised in Integrated Urban Solutions due to the absence of contribution from Sembcorp Environment and its subsidiaries (SembEnviro) following its divestment. The decline in turnover was partially offset by higher revenue, driven mainly by new capacity additions in the Renewables segment in Singapore and India, as well as a full-year contribution from the Oman plant and the acquisition completed in Vietnam in 2024.

Notes to the Financial Statements

B. Our Performance *(cont'd)*

B2. Turnover *(cont'd)*

Revenue from Contracts with Customers *(cont'd)*

b. Transaction Price Allocated to Remaining Performance Obligations



Accounting policies

The Group has elected to apply the practical expedient, in paragraph 121 of SFRS(I) 15, and does not disclose information about its remaining performance obligations if:

- the performance obligation is part of a contract that has an original expected duration of one year or less; or
- the Group has a right to invoice a customer in an amount that corresponds directly with its performance to date, then it recognises revenue in that amount.

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at balance sheet date. This is estimated based on the expected progress of the projects or expected energy output. Estimated amounts of considerations which are variable in nature are not included in the table below.

<i>(\$ million)</i>	Note	Within the next 1 year	Between 1 to 5 years	More than 5 years	Total
2025					
Segment					
Gas and Related Services		1,007	1,305	768	3,080
Renewables	i	–	–	–	–
Integrated Urban Solutions		48	146	74	268
Decarbonisation Solutions		1	–	–	1
Other Businesses and Corporate		650	819	150	1,619
Total		1,706	2,270	992	4,968
2024					
Segment					
Gas and Related Services		915	1,802	768	3,485
Renewables	i	–	–	–	–
Integrated Urban Solutions		88	167	92	347
Decarbonisation Solutions		–	–	–	–
Other Businesses and Corporate		653	1,153	182	1,988
Total		1,656	3,122	1,042	5,820

- i. The Group does not disclose information about its remaining performance obligations as the Renewables' energy output is variable in nature, and the Group has a right to invoice the customers amounts that corresponds directly with its actual energy output.

c. Assets and Liabilities Related to Contracts with Customers

Contract Assets and Contract Liabilities

The Group and the Company have recognised the following assets and liabilities related to contracts with customers:

<i>(\$ million)</i>	Group		Company	
	2025	2024	2025	2024
Contract assets	31	37	–	–
Contract liabilities				
Current	161	197	2	2
Non-current	78	79	32	35
Total	239	276	34	37

Contract Assets



Accounting policies

Contract asset is recognised when the value of goods transferred, or services rendered for the contract exceeds payments received from customers. The contract assets are transferred to trade receivables when the rights become unconditional.

The contract assets relate to the Group's conditional rights to consideration in the sale of the renewable obligation certificates.

Changes in the Group's contract assets balances during the period are as follows:

<i>(\$ million)</i>	Note	2025	2024
Transfer of contract assets recognised at the beginning of the year to trade receivables		(32)	(9)
Recognition of revenue, net of transfer to trade receivables during the year		25	31
Loss allowance on contract assets	F4	(1)	–
Currency translation changes		*	*
Cumulative catch-up adjustments arising from:			
– Changes in measurement of progress		*	*
– Contract modifications		2	*

There are no movements in the Company's contract assets balances in 2024 and 2025.

Notes to the Financial Statements

B. Our Performance *(cont'd)*

B2. Turnover *(cont'd)*

Revenue from Contracts with Customers *(cont'd)*

c. Assets and Liabilities Related to Contracts with Customers *(cont'd)*

Contract Assets and Contract Liabilities *(cont'd)*

Contract Liabilities



Accounting policies

Contract liability is recognised when payments received or receivable from customers exceed the revenue recognised. Contract liabilities are recognised as revenues, either over time or at a point in time, when services are provided to customers. For revenue recognised over time, the balance at year end will be recognised over the remaining period stipulated in the contracts.

Contract liabilities for the Group include advance received for connection and capacity charges used for delivery of utilities. The changes in the contract liabilities balances during the year are:

<i>(S\$ million)</i>	Group		Company	
	2025	2024	2025	2024
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	(183)	(142)	(3)	(3)
Increases due to cash received, excluding amounts recognised as revenue during the year	160	171	–	–
Currency translation changes	(1)	*	–	–
Cumulative catch-up adjustments arising from:				
– Changes in measurement of progress	(6)	(2)	–	–
– Contract modifications	(7)	(2)	–	–

B3. Taxation

This note explains how the Group’s tax charge arises. The deferred tax section of the note also provides information on expected future tax charges recognised as tax liabilities and sets out the tax assets held across the Group whether they are expected to be recoverable in future.

a. Tax Expenses



Accounting policies

Tax expense comprises current and deferred tax, using tax rates enacted or substantively enacted at the balance sheet date. Tax expense is recognised in profit or loss except if it relates to (i) business combinations and is recognised in equity or (ii) other items recognised directly in equity or in other comprehensive income.

Current tax is the expected taxable income (payable) or tax loss (recoverable) for the year and includes adjustments to tax payable in respect of previous years. Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for accounting purposes and for taxation purposes.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each balance sheet date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is not recognised for the following temporary differences:

- (i) the initial recognition of goodwill.
- (ii) the initial recognition of assets or liabilities in a transaction that is not a business combination and at the time of the transaction (a) affects neither accounting nor taxable profit or loss; and (b) does not give rise to equal taxable and deductible temporary differences; and
- (iii) differences relating to investments in subsidiaries, joint ventures and associates to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax liabilities and assets on a net basis.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under SFRS(I) 1-37 Provisions, Contingent Liabilities and Contingent Assets.

The Group recognises separately deferred tax asset and deferred tax liability, for the deductible and taxable temporary differences on its lease liabilities and right-of-use assets respectively, see Note B3(c).

The Group is subject to the global minimum top-up tax under the Pillar Two tax legislation and has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and will account for it as a current tax when it is incurred.



Key estimates and judgements

The Group is subjected to taxes in numerous jurisdictions. Significant judgement is involved in determining the group-wide provision for taxes. In determining the amount of current and deferred taxes, the Group considers current understanding and interpretations of existing tax laws and applies judgement as to whether the tax balances will be utilised and / or reversed in foreseeable future. The eventual taxes paid or received may vary, for which the differences will be charged to profit or loss in the period when determination is made.

Notes to the Financial Statements

B. Our Performance *(cont'd)*

B3. Taxation *(cont'd)*

a. Tax Expenses *(cont'd)*

(S\$ million)	Note	Group	
		2025	2024 Restated
Current tax expense			
Current year		164	170
Over provided in prior years	i	(35)	(28)
Foreign withholding tax		2	3
		131	145
Deferred tax expense			
Movements in temporary differences		(4)	35
Under provided in prior years	i	24	21
		20	56
Land appreciation tax expense			
Current year		–	6
Global minimum tax expense			
Pillar Two tax expense – Qualified IIR	b	4	–
Pillar Two tax expense – Qualified QDMTT	b	1	–
		5	–
Tax expense on continuing operations		156	207
Reconciliation of effective tax rate			
Profit from continuing operations		1,020	1,052
Tax expense		156	207
Share of results of associates and joint ventures, net of tax		(496)	(316)
Profit before tax and share of results of associates and joint ventures from continuing operations		680	943
Tax using Singapore tax rate of 17% (2024: 17%)		116	160
Effect of changes in tax rates		*	*
Effect of different tax rates in foreign jurisdictions		21	16
Current tax expense related to global minimum top-up tax		5	–
Tax incentives and income not subject to tax		(29)	(63)
Expenses not deductible for tax purposes		67	85
Utilisation of deferred tax benefits not previously recognised		*	(4)
Over provided in prior years		(11)	(7)
Deferred tax benefits not recognised		2	5
Foreign withholding tax		2	3
Others		(17)	12
Tax expense on continuing operations		156	207

- i.
- The overprovision of current tax was mainly attributable to the utilisation of Group Tax Relief, as well as the write-back of tax provisions including those that were time-barred.

b. International Tax Reform – Pillar Two

The Group is within scope of the OECD Pillar Two (“Pillar Two”) tax legislation.

Singapore, where the Company’s ultimate holding company is incorporated, will implement the Qualifying Domestic Minimum Top-Up Tax (QDMTT) and Income Inclusion Rule (IIR) under Pillar Two model rules with effect from January 1, 2025.

As at December 31, 2025, the Group has recognised an estimated current tax expense related to Pillar Two amounting to S\$5 million (2024: S\$3 million from a joint venture) arising from jurisdictions that the Group operates in. As provided under SFRS(I) 1-12 Income Taxes, the Group has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

The Group continues to monitor legislative developments and refine its calculations as more definitive guidance becomes available.

c. Deferred Tax Assets and Liabilities

As at December 31, 2025, after applying the legal right to offset, deferred tax assets were S\$82 million (2024: S\$69 million) and deferred tax liabilities were S\$655 million (2024: S\$639 million).

Movements in deferred tax assets and liabilities (prior to offsetting of balances) during the year are as follows:

<i>(S\$ million)</i>	Group					
	At January 1 Restated	Recognised in profit or loss – continuing operations (Note a)	Recognised in equity (Note d)	Acquisition of subsidiaries (Note G5)	Translation adjustments	At December 31
2025						
Deferred tax liabilities						
Property, plant and equipment	703	66	–	12	(41)	740
Right-of-use assets	105	15	–	–	(2)	118
Other financial assets	34	(2)	(2)	–	*	30
Trade and other receivables	25	(12)	–	–	–	13
Intangible assets	135	(6)	–	4	(2)	131
Retirement benefit obligations	6	1	*	–	*	7
Investment properties	10	1	–	–	*	11
Other items	*	(3)	–	–	*	(3)
Total	1,018	60	(2)	16	(45)	1,047
Deferred tax assets						
Property, plant and equipment	(91)	(5)	–	–	*	(96)
Inventories	*	*	–	–	*	*
Trade receivables	(7)	(10)	–	–	*	(17)
Trade and other payables	(16)	*	–	–	1	(15)
Tax losses	(131)	(27)	–	–	21	(137)
Provisions	(52)	(1)	–	–	2	(51)
Lease liabilities	(111)	3	–	–	1	(107)
Other financial liabilities	(24)	*	(13)	–	*	(37)
Other items	(16)	*	*	–	2	(14)
Total	(448)	(40)	(13)	–	27	(474)

Notes to the Financial Statements

B. Our Performance *(cont'd)*

B3. Taxation *(cont'd)*

c. Deferred Tax Assets and Liabilities *(cont'd)*

	Group						
	At January 1 Restated	Recognised in profit or loss – continuing operations (Note a) Restated	Recognised in equity (Note d)	Acquisition of subsidiaries (Note G5)	Transfer to held for sale (Note G6)	Translation adjustments	At December 31
<i>(\$ million)</i>							
2024							
Deferred tax liabilities							
Property, plant and equipment	584	131	–	20	(34)	2	703
Right-of-use assets	40	75	–	–	(10)	*	105
Other financial assets	40	(3)	(3)	–	–	*	34
Trade and other receivables	23	2	–	–	–	–	25
Intangible assets	170	(44)	–	8	–	1	135
Retirement benefit obligations	6	*	*	*	*	*	6
Investment properties	9	1	–	–	–	*	10
Other items	8	(5)	(2)	*	(1)	*	*
Total	880	157	(5)	28	(45)	3	1,018
Deferred tax assets							
Property, plant and equipment	(79)	(12)	–	–	–	*	(91)
Right-of-use assets	(2)	2	–	–	–	*	–
Inventories	*	*	–	–	–	*	*
Trade receivables	(7)	1	–	(1)	*	*	(7)
Trade and other payables	(16)	*	–	–	–	*	(16)
Tax losses	(110)	(5)	–	(16)	–	*	(131)
Provisions	(49)	(2)	–	(1)	1	(1)	(52)
Lease liabilities	(37)	(85)	–	*	11	*	(111)
Other financial liabilities	(24)	1	(1)	–	–	*	(24)
Other items	(15)	(1)	–	–	–	*	(16)
Total	(339)	(101)	(1)	(18)	12	(1)	(448)
	Company						
	At January 1, 2024	Recognised in profit or loss	Recognised in equity	At December 31, 2024	Recognised in profit or loss	Recognised in equity	At December 31, 2025
<i>(\$ million)</i>							
Deferred tax liabilities							
Property, plant and equipment	32	4	–	36	(2)	–	34
Right-of-use assets	14	*	–	14	1	–	15
Other financial assets	*	–	*	*	–	1	1
Other items	*	*	–	–	–	–	–
Total	46	4	*	50	(1)	1	50
Deferred tax assets							
Lease liabilities	(18)	*	–	(18)	(1)	–	(19)
Provisions	(8)	*	–	(8)	–	–	(8)
Total	(26)	*	–	(26)	(1)	–	(27)

The deferred tax liabilities and assets amounts determined after appropriate offsetting included in the balance sheet are as follows:

	Group		Company	
	December 31, 2025	December 31, 2024 Restated	December 31, 2025	December 31, 2024
<i>(\$ million)</i>				
Deferred tax liabilities	655	639	23	24
Deferred tax assets	(82)	(69)	–	–
	573	570	23	24

Unrecognised deferred tax liabilities

As at December 31, 2025, a deferred tax liability of S\$2 million (2024: S\$2 million) for potential taxable temporary differences arising from undistributed retained earnings related to investment in subsidiaries and joint ventures was not recognised.

Unrecognised deferred tax assets

Deferred tax assets have not been recognised where:

- they qualify for offset against the tax liabilities of member companies within the Group under the loss transfer system of group relief, but the terms of the transfer have not been ascertained as at year end; or
- it is uncertain that future taxable profit will be available against which the Group entities can utilise the benefits.

The deferred tax assets that have not been recognised, which are available to be set off against future taxable income subject to the tax provisions and agreement by the relevant tax authorities of the various jurisdictions, are disclosed below:

	Group	
	December 31, 2025	December 31, 2024
<i>(\$ million)</i>		
Deductible temporary differences	40	38
Tax losses	74	66
Capital allowances	31	29
	145	133

Tax losses of the Group amounting to S\$70 million (2024: S\$58 million) will predominantly expire between 2026 and 2030 (2024: 2025 and 2033). The remaining tax losses, capital allowances and deductible temporary differences do not expire under current tax legislation.

The unrecognised tax losses are reported to the extent that the taxable temporary differences arising from deferred tax liabilities have been set off against the unused tax losses. There were no unrecognised tax losses for 2024 and 2025.

d. Other Comprehensive Income

There are no income tax relating to each component of other comprehensive income, except as tabled below:

	Group			Group		
	Before tax	2025 Tax expense	Net of tax	Before tax	2024 Tax expense	Net of tax
<i>(\$ million)</i>						
Cash flow hedges:						
net movement in hedging reserves	(101)	15	(86)	(17)	4	(13)
Defined benefit plan actuarial gains and losses	3	*	3	(9)	2	(7)
	(98)	15	(83)	(26)	6	(20)

Notes to the Financial Statements

B. Our Performance *(cont'd)*

B4. Profit for the Year

Accounting policies

Dividend Income

Dividend income is recognised in profit or loss on the date the Group’s right to receive payment is established, when it is probable that the economic benefits associated with the dividend will flow to the Group, and when the amount of the dividend can be reliably measured.

Grant Income

Government grants relating to asset are credited to a deferred asset grant account at fair value when there is reasonable assurance that the grants will be received and the Group will comply with the conditions attached. These grants are then recognised in profit or loss as other operating income on a straight-line basis over the estimated useful lives of the relevant assets.

Non-monetary government grants and assets received are valued at fair value or nominal amounts.

Grants that compensate the Group for expenses already incurred are recognised in profit or loss as other operating income on a systematic basis in the same periods in which the expenses are recognised.

The following items have been included in arriving at profit for the year:

		Group	
		2025	2024 Restated
(\$ million)	Note		
a. Expenses			
Materials	i	3,003	3,309
Staff costs:			
– salaries, bonuses and other personnel related costs		447	507
– contributions to defined contribution plan		39	36
– equity-settled share-based payments	B6	26	24
– contributions to defined benefit plan		*	*
Depreciation of property, plant and equipment	D1	428	399
Sub-contract cost		413	465
Repair and maintenance		71	84
Carbon tax allowance	ii	87	85
Write-back of provision for remediation of legacy sites	H2	–	(7)
Amortisation of intangible assets	D3	48	47
Allowance for impairment losses (net):			
– receivables and contract assets	F4	4	7
– property, plant and equipment	D1	13	1
– assets held for sale	G6a	3	–
Write-off of:			
– receivables and contract assets		1	*
– property, plant and equipment	D1, iii	8	6
– intangible assets	D3	*	*
Allowance for / (Write-back of) inventory obsolescence, net	E2	5	(2)
Audit fees paid / payable to:			
– auditors of the Company		2	2
– other member firms of KPMG International		2	2
– other auditors		1	1

		Group	
		2025	2024 Restated
(\$ million)	Note		
Non-audit fees paid / payable to:			
– auditors of the Company		*	*
– other member firms of KPMG International		*	*
– other auditors		*	1
b. Other operating income			
Contractor-related liquidated damages		33	19
Insurance compensation		16	5
Changes in fair value of investment properties	D2	5	5
Foreign exchange loss, net		(10)	(16)
Net change in fair value of financial instruments at FVTPL (mandatorily measured)	iv	(4)	19
Grants received		8	3
Other income	v	57	47
c. Non-operating income / (expenses)			
DPN (expense) / income	vi	(35)	169
(Loss) / Gain on liquidation of subsidiaries and joint venture		(19)	2
Gain on disposal of subsidiaries, joint venture and associate		143	1
Gain on disposal of assets held for sale		1	–
Gain on disposal of other financial assets		5	5
Gross dividend income from financial assets at FVOCI		1	1
Gain on bargain purchase	G5	2	8
Net change in fair value of financial assets at FVTPL (designated on initial recognition)		(1)	(3)
Change in fair value of contingent consideration	vii	*	(4)
Impairment of joint ventures		(2)	(4)
Write-down of other investments	viii	(11)	(2)

- i. Materials cost decreased mainly due to lower generation within the Gas and Related Services segment in the UK and Singapore, as well as lower gas and power costs in Singapore.
- ii. The amount relates to the cost of compliance under Singapore’s carbon tax, UK Emissions Trading Scheme (UK ETS) and UK Carbon Price Support (CPS) mechanism.
- iii. Write-off of property, plant and equipment includes S\$5 million relating to assets in India and the UK that were damaged by extreme weather events.
- iv. Changes in the fair value of financial instruments were mainly from forward foreign exchange contracts and non-deliverable forwards used for managing the Group’s foreign currency exposures. The corresponding net effects from the revaluation of assets and liabilities in foreign currencies were recorded under foreign exchange gain / (loss), net.
- v. Other income in 2025 primarily comprised one-off settlements and compensation receipts. These included settlement proceeds from customers, and dispute resolutions amounting to S\$41 million from the Gas and Related Services, Renewables and Corporate segment. Other income also included rental income. In 2024, other income mainly included a one-off settlement with vendors, corporate guarantee fee and rental income totaling S\$36 million.

Notes to the Financial Statements

B. Our Performance *(cont'd)*

B4. Profit for the Year *(cont'd)*

- vi. DPN expense (2024: income) represents the change in fair value of the DPN which included income of S\$119 million (2024: S\$159 million), and a foreign exchange loss of S\$154 million (2024: gain of S\$10 million).
- vii. Change in the fair value of contingent consideration for past acquisitions in China and India arising from certain higher costs and the collection of certain receivables.
- viii. The 2025 amount related to the write down of an investment in a company in Vietnam undertaking renewable energy projects. The carrying amount of the investment has been reduced to its net recoverable amount.

B5. Earnings Per Share

	Group	
	2025	2024 Restated
<i>(S\$ million)</i>		
a. Profit attributable to owners of the Company:		
Continuing operations:		
Profit attributable to equity holders of the Company	984	1,025
Discontinued operation:		
Loss from discontinued operation, net of tax attributable to owners of the Company	–	(9)
Profit for the year attributable to owners of the Company	984	1,016
b. Weighted average number of ordinary shares (in millions)		
Issued ordinary shares at January 1	1,783	1,779
Effect of performance shares and restricted shares released	3	4
Effect of own shares held	(8)	(1)
Weighted average number of ordinary shares	1,778	1,782
Adjustment for dilutive potential ordinary shares		
– performance shares	19	27
– restricted shares	2	2
Weighted average number of ordinary shares adjusted for all dilutive potential shares	1,799	1,811
c. Earnings per ordinary share (cents)		
– basic ¹	55.33	57.00
– diluted ²	54.71	56.10
Earnings per ordinary share (cents) – Continuing operations		
– basic ¹	55.33	57.51
– diluted ²	54.71	56.60

¹ Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held.

² Diluted earnings per ordinary share is calculated by dividing the weighted average number of ordinary shares outstanding adjusted for the effects of all dilutive potential ordinary shares. The Company has two categories of dilutive potential ordinary shares: performance shares and restricted shares.

B6. Share-based Incentive Plans

This section sets out details of the Group’s share-based remuneration arrangements, including details of the Company’s PSP and RSP, collectively known as Share Plans. The Company’s 2020 Share Plans was approved and adopted by the shareholders at an Annual General Meeting of the Company held on May 21, 2020.

Accounting policies

Equity settled share-based incentive plan

The fair value of the compensation cost is charged to the profit or loss with a corresponding increase directly in equity. The fair value is measured at grant date and amortised over the service period to which the performance criteria relates and during which the employees become unconditionally entitled to the shares.

For awards granted with market-based performance conditions, market-based performance conditions are considered in estimating the fair value. For awards granted with non-market-based performance conditions, the compensation cost is estimated on a basis that the amount fairly reflects the way the benefits will accrue to the employee over the service period to which the performance period relates.

At the balance sheet date, the Group revises its estimates of the number of performance-based shares that the employees are expected to receive based on the achievement of non-market performance conditions and the number of shares ultimately given. It recognises the impact of the revision of the original estimates in employee expense, with a corresponding adjustment to equity over the remaining vesting period.

The share-based payments reserve relating to the performance shares released is transferred to share capital when new shares are issued. When treasury shares are issued, the cost of treasury shares is transferred to share-based payments reserve.

In the Company’s separate financial statements, the fair value of performance shares and restricted shares granted to employees of its subsidiaries is recognised as an increase in the cost of the Company’s investment in subsidiaries, with a corresponding increase in equity over the vesting period.

The settlement of these shares can be in the form of shares or cash or a mixture of both cash and shares at the discretion of the Company.

Cash settled share-based incentive plan

The Group recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the share price of the Company. The Group recognises a provision when contractually obliged to pay or where there is a past practice that has created a constructive obligation to pay. The liability considers the performance achieved for the year and the probability of achieving the performance conditions in the future.

Until the liability is settled, the Group will re-measure the fair value of the liability at each balance sheet date and at the date of settlement with any changes in fair value recognised in profit or loss for the period.

Key estimates and judgements

The fair value of equity-related compensation is measured using the Monte Carlo simulation method as at the date of the grant. The method involves projecting future outcomes using statistical distributions of key random variables including the share prices and volatility of returns. This model considers the probability of achieving the performance conditions in the future.

In 2025, equity-settled share-based expense of S\$26 million (2024: S\$24 million) was recognised.

Notes to the Financial Statements

B. Our Performance *(cont'd)*

B6. Share-based Incentive Plans *(cont'd)*

a. Equity-settled share-based incentive

Performance Share Plan (PSP)

One of the primary objectives of the SCI PSP 2020 is to further motivate key senior management, who has the responsibility and can drive the growth of the Company, to strive for superior performance and to deliver long-term shareholder value.

Awards granted under the SCI PSP 2020 are performance-based. Performance targets set under the SCI PSP 2020 are intended to be based on medium-term corporate objectives covering market competitiveness, quality of returns, business growth and productivity growth. The performance targets are stretched targets aimed at sustaining long-term growth.

The ERCC grants an initial number of shares (initial award) which are conditional on targets set for a performance period. A specified number of shares will only be released by the ERCC to the participants at the end of the qualifying performance period, provided the threshold targets are achieved. The final number of shares to be released will depend on the achievement of pre-determined targets over the performance period. No share will be released if the threshold targets are not met at the end of the performance period. On the other hand, if superior targets are met, more shares than the baseline award could be delivered. The ERCC has the discretion to adjust the number of shares released taking into consideration other relevant quantitative and qualitative factors.

For grants made in 2025, the performance conditions and number of shares to be released subject to the achievement of performance targets are as follows:

3-Year PSP Performance Conditions	Final Number of Shares to be Released
1. Absolute Total Shareholders' Return (ATSR)	0% to 200% of initial grant
2. Relative Total Shareholders' Return (RTSR)	
3. Average Return on Equity (ROE)	

Restricted Share Plan (RSP)

The number of the restricted share awards granted was based on the achievement of stretched financial and non-financial targets for the preceding financial year, with emphasis on organisational transformation to meet future challenges and adherence to environment, health and safety standards.

For the grant awarded in 2025, a third of the SCI RSP awards granted will vest immediately with the remaining two-thirds of the awards vesting over the following two years in equal tranches.

To align the interests of the non-executive directors with the interests of shareholders, up to 30% of the aggregate directors' fees approved by shareholders for a particular financial year may be paid out in the form of restricted share awards under the SCI RSP 2020. Non-executive directors were not awarded any shares except as part of their directors' fees (except for Wong Kim Yin, who is the Group CEO, and who does not receive any directors' fees). The awards granted comprised fully paid shares outright with no performance and vesting conditions attached, but with a selling moratorium. Non-executive directors are required to hold shares (including shares obtained by other means) worth the value of their annual base retainer; any excess may be sold as desired, subject to SGX-ST listing rules. A non-executive director may only dispose of all his shares one year after leaving the board.

The actual number of shares awarded to each non-executive director will be calculated based on the volume-weighted average price of a share on SGX-ST over 14 trading days. This period begins from (and includes) the day the shares are first quoted ex-dividend after the Annual General Meeting (AGM) or, if the final dividend resolution is not passed, over the 14 trading days immediately following the date of the AGM. The number of shares to be awarded will be rounded down to the nearest hundred and any residual balance will be settled in cash. A non-executive director who steps down before the payment of the share component will receive all his director's fees for the year (calculated on a pro-rated basis, where applicable) in cash.

Movement in the number of shares under the Company's PSP and RSP are as follows:

	2025		2024	
	PSP	RSP	PSP	RSP
At January 1	12,082,650	2,007,400	16,407,846	3,063,689
Shares awarded	1,031,900	1,596,800	782,200	1,504,643
Performance shares adjusted due to outperformance of targets	3,788,365	–	4,290,354	–
Shares released	(8,444,450)	(2,138,800)	(8,558,150)	(2,465,166)
Shares lapsed	(596,000)	(70,600)	(839,600)	(95,766)
At December 31	7,862,465	1,394,800	12,082,650	2,007,400

SCI PSP

PSP awards granted have both market-based and non-market-based performance conditions. The Committee reviews achievement of the performance targets annually. In 2025, 3,788,365 (2024: 4,290,354) performance shares were awarded due to outperformance of targets for the performance period 2021 to 2025 (2024: 2021 to 2024).

The total number of performance shares in awards granted conditionally but not released as at December 31, 2025, was 7,862,465 (2024: 12,082,650). Based on the achievement factor, the actual release of the awards could range from zero to a maximum of 15,724,930 (2024: 24,165,300) performance shares.

SCI RSP

The total number of restricted shares outstanding, including award(s) achieved but not released, as at December 31, 2025, was 1,394,800 (2024: 2,007,400). The RSP balances represent 100% of targets achieved, but not released subject to fulfilment of service conditions at vesting. The actual release of the awards is a maximum of 1,394,800 (2024: 2,007,400) restricted shares.

Awards for the performance and corporate objectives achieved in 2025 will be granted in 2026 (2024: achieved in 2024 will be granted in 2025).

Notes to the Financial Statements

B. Our Performance *(cont'd)*

B6. Share-based Incentive Plans *(cont'd)*

a. Equity-settled share-based incentive *(cont'd)*

The fair values of the performance and restricted shares are estimated using a Monte Carlo simulation methodology at the grant dates.

	PSP Date of Grant	
	May 30, 2025	May 24, 2024
Fair value at measurement date	S\$6.04	S\$5.27
Assumptions under the Monte Carlo model		
Share price	S\$6.62	S\$5.07
Expected volatility	26.6%	27.0%
Risk-free interest rate	2.1%	3.3%
Expected dividend	4.8%	2.6%

	RSP Date of Grant	
	April 1, 2025	April 2, 2024
Fair value at measurement date	S\$6.12	S\$5.26
Assumptions under the Monte Carlo model		
Share price	S\$6.42	S\$5.40
Expected volatility	26.7%	27.2%
Risk-free interest rate	2.4%	3.3%
Expected dividend	4.9%	2.6%

C. Our Funding

In July 2025, the Group issued a 20.5-year S\$300 million bond at 3.55% maturing in 2046, thereby improving the Group Debt Weighted Average Debt Maturity while keeping cost of debt stable.

As at December 31, 2025, the Group’s total credit facilities, including its Multicurrency Debt Issuance Programmes and EMTN Programme, amounted to S\$18.9 billion (2024: S\$18.6 billion). This comprised borrowing facilities of S\$17.1 billion (2024: S\$16.8 billion) and trade-related facilities of S\$1.8 billion (2024: S\$1.8 billion), including but not limited to bank guarantees, letters of credit, bid bonds and performance bonds. Please refer to Note C5 for further details.

C1. Capital Structure

Capital management

The Group maintains a disciplined approach to capital management. The Group seeks to optimise the overall portfolio, maintain investor, creditor and market confidence, fund future developments and growth, while at the same time maintain an appropriate dividend policy.

The Group’s policy is to borrow centrally using a mixture of long-term and short-term capital market issues and borrowing facilities to meet anticipated funding requirements. These borrowings, together with cash generated from operations, are loaned internally or contributed as equity to certain Group entities.

Capital is defined as equity attributable to the equity holders.

The Group’s net debt-to-capitalisation ratio as at the balance sheet date was as follows:

		Group	
(S\$ million)	Note	2025	2024 Restated
Net debt		7,847	7,800
Cash and cash equivalents	E4	1,109	871
Gross debt	C5, i	8,956	8,671
Total equity		5,866	5,751
Total gross debt and equity		14,822	14,422
Net debt-to-capitalisation ratio		0.53	0.54

i. There were no changes in the Group’s approach to capital management during the year.

Some of the Group entities are required to maintain a certain ratio of net borrowings to net assets and level of leverage under their respective loan arrangements with banks. These externally imposed capital requirements have been complied with as at the respective balance sheet dates.

C2. Share Capital and Treasury Shares



Accounting policies

Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issuance of new ordinary shares and share options are deducted against the share capital account, net of any tax effects.

Repurchase, disposal and re-issue of share capital (treasury shares)

When the ordinary shares are reacquired by the Company, the consideration paid is recognised as deduction from equity, presented as reserve for own shares (Note C3). Reacquired shares are classified as treasury shares.

When the treasury shares are subsequently sold or re-issued, the cost of the treasury shares is reversed from reserve for own shares account and the realised gain or loss on the transaction is presented as a change in equity of the Company. No gain or loss is recognised in profit or loss.

	Number of shares	
	Issued Share Capital	Treasury Shares
At January 1, 2024	1,787,547,732	8,289,983
Treasury shares purchased	—	3,820,000
Treasury shares transferred pursuant to performance share plan	—	(5,919,550)
Treasury shares transferred pursuant to restricted share plan	—	(1,387,009)
At December 31, 2024	1,787,547,732	4,803,424
Treasury shares purchased	—	11,480,300
Treasury shares transferred pursuant to performance share plan	—	(5,196,350)
Treasury shares transferred pursuant to restricted share plan	—	(1,539,700)
At December 31, 2025	1,787,547,732	9,547,674

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally regarding the Company’s residual assets.

Notes to the Financial Statements

C. Our Funding *(cont'd)*

C2. Share Capital and Treasury Shares *(cont'd)*

Issued and paid-up capital

As at December 31, 2025, the Company's issued and paid-up capital excluding treasury shares comprised 1,778,000,058 (2024: 1,782,744,308) ordinary shares.

Treasury shares

During the year, the Company acquired 11,480,300 (2024: 3,820,000) ordinary shares in the Company by way of on-market purchases. A total of 6,736,050 (2024: 7,306,559) treasury shares were re-issued pursuant to the Performance Share Plan (PSP) and Restricted Share Plan (RSP).

As at December 31, 2025, the Company held 9,547,674 (2024: 4,803,424) of its own uncanceled shares as treasury shares that may be re-issued upon the vesting of performance shares and restricted shares under the PSP and RSP respectively.

C3. Other Reserves

		Group		Company		
		December 31, 2025	December 31, 2024 Restated	December 31, 2025	December 31, 2024	
(\$ million)		Note				
Distributable						
Reserve for own shares			(56)	(24)	(56)	(24)
Non-distributable						
Foreign currency translation reserve (FCTR)	a	(895)	(633)	–	–	
Capital reserve	b	15	(97)	–	–	
Merger reserve	c	29	29	–	–	
Share-based payments reserve	d	(73)	(37)	(65)	(32)	
Fair value reserve	e	42	37	–	–	
Hedging reserve	f	(52)	50	3	*	
		(934)	(651)	(62)	(32)	
Total		(990)	(675)	(118)	(56)	

In 2025, a decrease in currency translation reserve resulting from the depreciation of USD and INR against SGD. In addition, the hedging reserve also declined during the year, mainly due to fair value losses on derivatives used to hedge foreign currency and interest rate risk, as well as commodity risk.

Following the disposal of SembEnviro during the year, the Group transferred a capital reserve (net of goodwill) of S\$97 million to the revenue reserve.

Type of other reserve	Nature
a. Foreign currency translation reserve (FCTR)	Comprises: i. foreign exchange differences arising from translation of the financial statements of foreign entities, ii. effective portion of the hedging instrument which is used to hedge against the Group's net investment in foreign entities, and iii. translation of foreign currency loan used to hedge or form part of the Group's net investments in foreign entities.

b. Capital reserve	Comprises: i. acquisitions and disposals with non-controlling interests that do not result in a change of control, capitalisation of accumulated profits for the issue of bonus shares, capital reserve (net of goodwill) on consolidation and equity accounting, ii. asset revaluation reserve, capital redemption reserve, convertible loan stock reserve, iii. transfer from revenue reserve in accordance with the regulations of the foreign jurisdiction in which the Group's subsidiaries, associates and joint ventures operate, and treasury shares of a subsidiary, and iv. recognition of call options issued to non-controlling interests of subsidiaries.
c. Merger reserve	The difference between the values of shares issued by the Company in exchange for the value of shares acquired in respect of the acquisition of subsidiaries accounted for under the pooling-of-interest method.
d. Share-based payments reserve	Represents the cumulative value of services received from employees recorded on grant of equity-settled share options, performance shares and performance-based restricted shares.
e. Fair value reserve	Includes the cumulative net change in the fair value of equity investments designated at FVOCI until the investments are derecognised. This does not include impairment losses recognised in profit or loss prior to January 1, 2018.
f. Hedging reserve	The effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

C4. Dividends

Accounting policies

Dividends

Dividends on ordinary shares are recognised when they are approved for payments. Dividends on ordinary shares and redeemable preference shares classified as equity are accounted for as movements in revenue reserve.

A liability to distribute non-cash assets as dividend to its owners is measured at the fair value of the assets to be distributed. The differences between the carrying amount of the assets distributed and the carrying amount of the dividend payable is recognised in profit or loss.

Dividend Paid / Payable

	Group and Company	
	2025	2024
<i>(\$ million)</i>		
Interim one-tier tax-exempt dividend of 9 cents per share in respect of year 2025 (2024: 6 cents per share in respect of year 2024)	160	107
Final one-tier tax-exempt dividend of 17 cents per share in respect of year 2024 (2024: 8 cents per share in respect of year 2023)	302	143
	462	250

Subject to the approval by the shareholders at the next Annual General Meeting, the directors have proposed a final ordinary one-tier tax-exempt dividend of 16 cents per share (2024: 17 cents per share). This amounts to an estimated net dividend of S\$284 million (2024: S\$303 million) in respect of the year ended December 31, 2025, based on the number of issued shares as at December 31, 2025.

The total proposed dividend of 16 cents per share (2024: 17 cents per share) has not been included as a liability in the financial statements.

Notes to the Financial Statements

C. Our Funding *(cont'd)*

C5. Loans and Borrowings

The total loans and borrowings increased from S\$8,671 million to S\$8,956 million. The increase in borrowing was mainly for financing of the acquisitions made, capital expenditures incurred during the year and the consolidation of underlying borrowings from the acquired subsidiaries.

(S\$ million)	Note	Group	
		December 31, 2025	December 31, 2024
Current liabilities			
Secured term loans	a	283	214
Unsecured term loans	b	774	457
Bank overdraft		*	—
Total		1,057	671
Non-current liabilities			
Secured term loans	a	1,890	2,038
Unsecured term loans	b	6,009	5,962
Total		7,899	8,000
Total loans and borrowings (measured at amortised cost)		8,956	8,671

Included in loans and borrowings were S\$585 million (2024: S\$616 million) of loans taken with a related corporation.

Effective Interest Rates and Maturity of Liabilities

	Group	
	Effective interest rate % 2025	2024
Floating rate loans	1.76 – 10.00	1.60 – 10.65
Fixed rate loans	1.50 – 10.00	1.92 – 10.10
Bonds and notes	2.45 – 4.60	2.45 – 4.60

<i>(S\$ million)</i>	Group	
	2025	2024
In one year or less, or on demand	1,057	671
Between one to five years	4,100	4,073
After five years	3,799	3,927
Total loans and borrowings (measured at amortised cost)	8,956	8,671

a. Secured Term Loans

The secured term loans are collateralised by the following assets:

<i>(S\$ million)</i>	Note	Group Net Book Value	
		December 31, 2025	December 31, 2024 Restated
Property, plant and equipment (PPE)	D1i	1,491	952
Investment properties	D2	177	49
Intangible assets	D3	*	1
Trade and other receivables	E1	250	263
Inventories	E2	18	30
Cash and cash equivalents	E4	139	99
Mutual funds	H1ii	11	14
Equity shares of a subsidiary		592	597
Underlying PPE in a service concession arrangement		294	325

b. Unsecured Term Loans

Included in the unsecured term loans of the Group are bonds which the Company has jointly established with Sembcorp Financial Services Pte Ltd (SFS), a wholly-owned subsidiary of the Company, issued under Multicurrency Debt Issuance Programmes and the Euro Medium Term Note (EMTN) Programme (collectively the Programmes). Under the Programmes, the Company, together with SFS and certain other Group entities (the Issuing Subsidiaries), may from time-to-time issue bonds under the Programmes subject to availability of funds from the market. The obligations of the Issuing Subsidiaries under the Programme are fully guaranteed by the Company.

As at December 31, 2025 and December 31, 2024, the Group has the following outstanding bonds issued under the Programme:

(\$ million)	Nominal interest rate	Year of issue	Year of maturity	Principal amount	
				December 31, 2025	December 31, 2024
SGD issuance					
Fixed Rate	4.25%	2010	2025	–	100
Fixed Rate	3.59%	2014	2026	150	150
Fixed Rate	3.55%	2025	2046	300	–
Green bonds					
Fixed Rate	2.45%	2021	2031	400	400
Fixed Rate	4.60%	2023	2030	350	350
Fixed Rate	3.65%	2024	2036	350	350
Sustainability-linked bonds					
Fixed Rate	2.66%	2021	2032	675	675
Fixed Rate	3.74%	2022	2029	300	300
				2,525	2,325

In 2025, the Group issued a 20.5-year S\$300 million bond under the EMTN Programme.

As at December 31, 2025, S\$1,100 million, representing 100% of the total S\$1,100 million green bonds issued, has been deployed to eligible green projects under the Sembcorp Green Financing Frameworks (2021) and Sembcorp Green Financing Framework (2024).

Notes to the Financial Statements

C. Our Funding *(cont'd)*

C5. Loans and Borrowings *(cont'd)*

b. Unsecured Term Loans *(cont'd)*

The Group expects its interest cost for the sustainability-linked bonds to maintain as disclosed. As at December 31, 2025, the Group's gross installed renewable energy capacity was 15GW (2025 target – 10GW) and GHG emissions intensity was 0.21 tCO₂e/MWh (2025 target – 0.40 tCO₂e/MWh). Both our targets have been met in 2025.

As at December 31, 2025, an amount of S\$465 million (2024: S\$474 million) bonds were held by a related corporation.

The Group through its wholly-owned subsidiary, Sembcorp Energy (Shanghai) Holding Co. Ltd (SESH), secured a dual currency denominated revolving credit facility (RCF) of CNH400 million or an equivalent amount in Hong Kong Dollars (approximately S\$74 million) and as at December 31, 2025, CNH305 million (2024: CNH305 million) has been drawn down. This facility will provide SESH with access to offshore funding for an initial tenure of three years with a two-year extension option. This RCF is guaranteed by its parent, Sembcorp Utilities Pte Ltd.

(\$ million)	Nominal interest rate	Year of issue	Year of maturity	Principal amount	
				December 31, 2025	December 31, 2024
Dual Currency denominated Revolving Credit Facility (RCF)					
RCF	2.39%	2024	2027	74	74

c. Financial Guarantees



Accounting policies

Financial guarantees are financial instruments issued by the Group and Company that require the issuer to make specified payments to reimburse the holder for the loss it incurs in accordance with the original or modified terms of a debt instrument. These financial guarantee contracts are accounted for as insurance contracts. With the transition of SFRS(I) 4 on Insurance Contract to SFRS(I) 17, the Group has elected to apply SFRS(I) 9, on a contract-by-contract basis, to account for its financial guarantees issued.

At inception, the Group and Company recognise the financial guarantee at its fair value. Subsequently, it is measured at the higher of (i) amount initially recognised less the cumulative amount of income recognised in accordance with SFRS(I) 15; and (ii) the amount of expected loss allowance in accordance with SFRS(I) 9. Where there are any premium receivables at inception, the Group adopts a net approach, recognising a single net amount, to account for its financial guarantee contracts and premium receivables.

Liabilities arising from financial guarantees contracts are included within “loans and borrowings”.



Key estimates and judgements

ECLs are a probability-weighted estimate of credit losses. ECLs are measured for financial guarantees issued as the expected payments to reimburse the holder less any amounts that the Group expects to recover.

Significant judgements are used in estimating the loss allowance of the Group's and Company's obligations under the financial guaranteed contracts which may be affected by future events that cannot be predicted with certainty. These assumptions made may vary from actual experience and consequently the actual liability may also vary considerably from the best estimates.

Group

The Group has provided guarantees to banks to secure banking facilities provided to joint ventures. There are no terms and conditions attached to the guaranteed contracts that would have a material effect on the amount, timing and uncertainty of the Group's and Company's future cash flows.

The Group, prior to the disposal of its subsidiary, Sembcorp Energy India Limited (SEIL) in FY2023, now known as SEIL Energy India Limited (SEIL EIL), had extended corporate guarantees in favour of some of its lenders. To facilitate SEIL EIL in obtaining its lenders' consent for the change in its shareholders, these corporate guarantees, amounting to S\$2,175 million per letters to shareholders for the approval of the disposal of SEIL, are extended at a fee pegged to market, post divestment. The fair value of the financial guarantee contract is determined using the interest rate differential approach. As such, the guarantee fees receivable approximate the financial guarantee liability. The guarantee fees are payable quarterly in arrears. Applying the net approach, the fair value of the financial guarantee contract is negligible.

For other financial guarantees given, the Group determines the fair value of those financial guarantees using the discounted cash flow approach. The Group believes the joint venture has sufficient resources to fulfil its obligations and the Group does not consider it probable that a claim will be made against the Group under the guarantee. As such, the fair values of these financial guarantee contracts are negligible.

The details of the financial guarantees given at balance sheet date were:

(S\$ million)	Note	Group	
		December 31, 2025	December 31, 2024
Guarantees given to banks to secure banking facilities provided to:			
– Joint ventures		41	47
– SEIL EIL	i	624	1,187
		665	1,234

- i. The decrease was due to the depreciation of INR against SGD as at year end, as well as regular repayments and refinancing of the underlying facilities.

The periods in which the financial guarantees expire are as follows:

<i>(S\$ million)</i>	Group	
	December 31, 2025	December 31, 2024
Less than 1 year	–	348
Between 1 to 5 years	132	492
More than 5 years	533	394
	665	1,234

Notes to the Financial Statements

C. Our Funding *(cont'd)*

C5. Loans and Borrowings *(cont'd)*

c. Financial Guarantees *(cont'd)*

Company

The Company has provided guarantees to banks to secure banking facilities provided to a wholly-owned subsidiary, Sembcorp Financial Services Pte Ltd. The intra-group financial guarantees granted by the Company amount to S\$11,987 million (2024: S\$11,830 million), with S\$4,639 million (2024: S\$4,326 million) drawn down as at balance sheet date. The amount represents the maximum payment which the guarantees could be called upon within the next financial year. The Company uses the interest rate differential approach to determine the fair value of these financial guarantees and has deemed them to be not significant. The periods in which the financial guarantees expire are as follows:

	Company	
	December 31, 2025	December 31, 2024
<i>(S\$ million)</i>		
Less than 1 year	250	281
Between 1 to 5 years	3,634	1,948
More than 5 years	8,103	9,601
	11,987	11,830

Reconciliation of movements of liabilities to cash flows arising from financing activities:

	2025				2024			
	Accrued interest payable (Note E3)	Loans and borrowings (Note C5)	Lease liabilities (Note D1.1)	Total	Accrued interest payable (Note E3)	Loans and borrowings (Note C5)	Lease liabilities (Note D1.1)	Total
<i>(S\$ million)</i>								
At January 1	32	8,671	729	9,432	32	7,254	310	7,596
Cash flows								
Cash payments	–	(2,318)	(58)	(2,376)	–	(4,310)	(25)	(4,335)
Cash proceeds	–	2,640	–	2,640	–	5,259	–	5,259
Interest paid	(359)	–	(26)	(385)	(341)	–	(15)	(356)
Non-cash items								
Acquisition of subsidiaries	7	260	5	272	2	435	–	437
Disposal of subsidiaries	–	–	(2)	(2)	–	–	–	–
Transfer to liabilities held for sale	–	–	(4)	(4)	–	–	(62)	(62)
Interest expenses, including amortisation of capitalised transaction costs	352	10	24	386	339	12	13	364
Interest capitalised	–	–	4	4	–	–	14	14
New leases	–	–	77	77	–	–	494	494
Write-off of lease liabilities	–	–	(1)	(1)	–	–	(6)	(6)
Remeasurement of lease liabilities / Adjustment to upfront fees	–	–	4	4	–	–	2	2
Foreign exchange movement	–	(307)	(5)	(312)	–	21	4	25
	359	(37)	102	424	341	468	459	1,268
At December 31	32	8,956	747	9,735	32	8,671	729	9,432

Notes to the Financial Statements

C. Our Funding (cont'd)

C6. Finance Income and Finance Costs

Accounting policies

Finance income is recognised in profit or loss as it accrues, using the effective interest method. It includes interest income from non-current receivables.

Finance costs include interest expense on borrowings and lease liabilities, unwinding of discounts on provision, amortisation of capitalised transaction costs, transaction costs written off and termination of interest rate swaps. Finance costs are expensed in profit or loss using the effective interest method, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of a qualifying asset.

In calculating the interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired after initial recognition, interest income is calculated by applying the effective interest rate to the impaired financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to gross basis.

(\$\$ million)	Note	Group		
		2025	2024	
Finance income				
Finance income from financial assets measured at amortised cost				
– associates and joint ventures		5	6	
– banks and others		23	21	
Significant financing component from contracts with customers		*	*	
		28	27	
Finance costs				
Interest paid and payable to, measured at amortised cost				
– banks and others		360	348	
Amortisation of capitalised transaction costs		10	9	
Unwind of accretion on restoration costs		H2	2	3
Significant financing component from contracts with customers		4	4	
Interest rate swaps				
– reclassified from OCI		(8)	(5)	
– changes in fair value through profit or loss		*	*	
Interest expense on amortisation of lease liabilities		D1.1	24	13
		392	372	

The higher interest expenses in 2025 were driven by a higher average principal arising from funding growth, albeit at a lower average cost of borrowing.

The Group used interest rate swaps and cross-currency swaps for managing the Group's interest costs.

C7. Contingent Liabilities



Key estimates and judgements

A contingent liability is:

- i. a potential obligation arising from past events, which will only be confirmed by the occurrence (or non-occurrence) of one or more uncertain future events that are not completely within the Group's control, or
- ii. a present obligation arising from past events that is not recognised in the financial statements because an outflow of resources representing economic benefits is unlikely to be necessary to extinguish the obligation, or because the amount of the obligation cannot be measured reliably.

Group

In 2025, the Group's subsidiaries are involved in certain tax disputes, where the amount of potential exposure is estimated to be S\$5 million (2024: S\$3 million).

C8. Commitments

A commitment is a contractual obligation to make a payment in the future. These amounts are not recorded in the consolidated balance sheet since the Group has not yet received the goods or services from the supplier. The amounts below are the minimum amounts that the Group is committed to pay.

Commitments not provided for in the financial statements are as follows:

(S\$ million)	Note	Group	
		2025	2024
Commitments in respect of contracts placed for property, plant and equipment	a	613	948
Uncalled commitments to subscribe for additional shares in joint ventures and other investments		20	3
Commitments in respect of purchase of investment properties		116	48
		749	999

- a. The amounts in 2025 and 2024 are mainly for the fulfilment of solar projects in Singapore, various wind-solar hybrid power projects secured in India, as well as for the construction of a new multi-utilities centre on Jurong Island.

Notes to the Financial Statements

D. Our Assets

In line with the Group’s strategic plan on energy transition and sustainable development, the Group has continued to invest in renewable power equipment to enhance its energy sustainability portfolio.

D1. Property, Plant and Equipment



Accounting policies

Property, plant and equipment (PPE) are measured at cost less accumulated depreciation and impairment losses. The cost initially recognised includes acquisition costs, costs directly attributable to bringing the assets to the location and working condition for their intended use and capitalised borrowing costs. Costs also include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of PPE and estimated costs to be incurred for restoring the asset upon expiry of the lease agreement.

i. Subsequent Expenditure

Subsequent expenditure is recognised in the carrying amount of the asset when it is probable that future economic benefits will flow to the Group and its costs can be measured reliably. The costs of day-to-day servicing of PPE are expensed to profit or loss when incurred. For items subject to regular overhauls, the overhaul costs incurred are capitalised and the carrying amounts of replaced components are written off to profit or loss.

ii. Depreciation

Depreciation is based on the cost of an asset less its residual value (i.e. the estimated net amount to be obtained from disposal). Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each major component of an item of PPE as follows:

Leasehold land	Lease period of 5 to 60 years
Buildings	3 to 50 years
Quays and dry docks	9 to 28 years
Plant and machinery	3 to 56 years
Tools and workshop equipment	3 to 10 years
Furniture, fittings, and office equipment	1 to 10 years
Motor vehicles	2 to 10 years

No depreciation is provided on freehold land and capital work-in-progress.

Fully depreciated assets are retained in the financial statements until they are no longer in use.

iii. Impairment

At the end of each reporting period, assessment is performed to identify whether there is any indication that an asset may be impaired. Impairment occurs when the carrying value of assets or its smallest identifiable, independent asset group that generates cash flows (cash-generating unit (CGU)) is greater than their recoverable amount. The recoverable amount is the higher of the assets’ fair value less cost to sell and their value-in-use (VIU) (i.e. present value of the net cash flows they are expected to generate). The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

iv. Reversals of impairment

Impairment losses recognised in prior periods are assessed at each balance sheet date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if, and only if, there has been a change in the estimates used to determine the asset’s recoverable amount. An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. A reversal of impairment loss for an asset is recognised in profit or loss.

v. Disposals

Gains or losses arising from the retirement or disposal of PPE are determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss on the date of retirement or disposal.



Key estimates and judgements

Judgements are used in estimating the recoverable amount of an asset, i.e. in determining an asset’s fair value and in assessing its VIU (the future cash flows expected to be generated by the asset and the pre-tax discount rate in bringing them to present value). In making these estimates, the Group considers the market value of the asset, changes to the technological, market, economic or legal environment in which the Group operates, market interest rates, evidence of obsolescence or physical damage to the PPE and changes to the expected usage of the asset.

The Group also applies judgement in determining an asset’s depreciation methods, estimated useful lives and residual values. These are reviewed annually, taking into consideration factors such as changes in the expected level of usage and technological developments, and adjusted prospectively where appropriate.

Notes to the Financial Statements

D. Our Assets (cont'd)

D1. Property, Plant and Equipment (cont'd)

(\$ million)	Note	Leasehold and freehold land and buildings	Quays and dry docks	Plant and machinery	Furniture, fittings and office equipment	Motor vehicles	Capital work- in-progress	Right-of-use assets (Note D1.1)	Total
Group									
Carrying amounts									
At January 1, 2025		329	2	5,351	15	9	1,873	725	8,304
Translation adjustments		(12)	–	(260)	(1)	(1)	(77)	(8)	(359)
Additions		12	–	49	5	1	796	83	946
Acquisition of subsidiaries	iii	31	–	181	*	*	118	5	335
Disposal of subsidiaries		*	–	(3)	*	*	*	(2)	(5)
Disposals		*	–	(6)	*	*	*	*	(6)
Write-offs	iv	*	–	(8)	*	*	–	–	(8)
Depreciation for the year	B4a	(16)	(1)	(362)	(7)	(2)	*	(45)	(433)
Reclassification		44	–	1,334	3	*	(1,381)	*	–
Transfer from / (to) other asset categories		–	–	8	–	–	(36)	*	(28)
Transfer to assets held for sale		*	–	(5)	*	*	(11)	(7)	(23)
Remeasurement adjustments for right-of-use assets		–	–	–	–	–	–	5	5
Termination of contract		–	–	–	–	–	–	(1)	(1)
Impairment losses	B4a, v	–	–	(8)	–	–	(4)	(1)	(13)
At December 31, 2025		388	1	6,271	15	7	1,278	754	8,714
Cost / Valuation at December 31, 2025		529	12	9,649	62	15	1,282	939	12,488
Accumulated depreciation and impairment losses at December 31, 2025		(141)	(11)	(3,378)	(47)	(8)	(4)	(185)	(3,774)
Carrying amounts at December 31, 2025		388	1	6,271	15	7	1,278	754	8,714
Carrying amounts									
At January 1, 2024		314	2	4,870	15	37	906	321	6,465
Translation adjustments		1	–	16	1	*	10	1	29
Additions		12	*	34	4	3	1,422	514	1,989
Acquisition of subsidiaries	iii	22	–	393	*	6	160	12	593
Disposals		(4)	–	(1)	–	(2)	(10)	–	(17)
Write-offs		*	–	(5)	–	–	(1)	–	(6)
Depreciation for the year	B4a	(12)	*	(344)	(8)	(7)	–	(47)	(418)
Reclassification		3	–	601	4	–	(608)	–	–
Transfer to intangible assets	D3	–	–	–	–	–	(2)	–	(2)
Transfer to assets held for sale		(11)	–	(212)	(1)	(28)	(4)	(71)	(327)
Remeasurement adjustments for right-of-use assets		–	–	–	–	–	–	1	1
Termination of contract		–	–	–	–	–	–	(6)	(6)
Impairment losses	B4a	4	–	(1)	*	–	–	–	3
At December 31, 2024		329	2	5,351	15	9	1,873	725	8,304
Cost / Valuation at December 31, 2024		461	12	8,507	60	15	1,878	875	11,808
Accumulated depreciation and impairment losses at December 31, 2024		(132)	(10)	(3,156)	(45)	(6)	(5)	(150)	(3,504)
Carrying amounts at December 31, 2024		329	2	5,351	15	9	1,873	725	8,304

Notes to the Financial Statements

D. Our Assets (cont'd)

D1. Property, Plant and Equipment (cont'd)

(\$ million)	Leasehold land and building	Quays and dry docks	Plant and machinery	Furniture, fittings and office equipment	Motor vehicles	Capital work- in-progress	Right-of-use assets (Note D1.1)	Total
Company								
Carrying amounts								
At January 1, 2025	3	2	224	1	1	70	88	389
Additions	*	–	11	*	*	50	11	72
Disposals / Write-offs	1	–	–	–	–	–	*	1
Depreciation for the year	(2)	(1)	(25)	(1)	*	–	(6)	(35)
Reclassification	*	–	31	–	–	(31)	–	–
Remeasurement adjustments for right-of-use assets	–	–	–	–	–	–	*	*
At December 31, 2025	2	1	241	*	1	89	93	427
Cost at December 31, 2025	26	8	783	18	2	89	165	1,091
Less: Accumulated depreciation and impairment losses at December 31, 2025	(24)	(7)	(542)	(18)	(1)	–	(72)	(664)
Net carrying amounts at December 31, 2025	2	1	241	*	1	89	93	427
Carrying amounts								
At January 1, 2024	4	2	209	2	1	37	95	350
Additions	–	*	11	*	*	68	4	83
Disposals / Write-offs	*	*	(2)	*	*	–	–	(2)
Depreciation for the year	(1)	*	(29)	(1)	*	–	(7)	(38)
Reclassification	*	–	35	*	–	(35)	–	–
Remeasurement adjustments for right-of-use assets	–	–	–	–	–	–	*	*
Termination of contract	–	–	–	–	–	–	(4)	(4)
At December 31, 2024	3	2	224	1	1	70	88	389
Cost at December 31, 2024	26	8	754	19	2	70	154	1,033
Accumulated depreciation and impairment losses at December 31, 2024	(23)	(6)	(530)	(18)	(1)	–	(66)	(644)
Net carrying amounts at December 31, 2024	3	2	224	1	1	70	88	389

Notes to the Financial Statements

D. Our Assets *(cont'd)*

D1. Property, Plant and Equipment *(cont'd)*

Group

- i. PPE with the following net book values have been pledged to secure loan facilities granted to subsidiaries. The PPE of the disposal group and the corresponding amount pledged are presented under assets held for sale (Note G6).

<i>(S\$ million)</i>	Note	Group	
		December 31, 2025	December 31, 2024
Freehold land and buildings		4	4
Leasehold land and buildings including right-of-use assets		19	21
Plant and machinery		1,347	925
Capital work-in-progress		119	*
Other assets		2	2
	C5a	1,491	952

- ii. During the year, interest and direct staff costs amounting to S\$35 million (2024: S\$28 million) and S\$6 million (2024: S\$5 million), respectively were capitalised as capital work-in-progress. The capitalised interest costs are calculated using a rate from 1.82% to 8.70% (2024: 2.60% to 10.10%).
- iii. PPE arising from the acquisition of subsidiaries were stated at fair value at the acquisition date (Note G5).
- iv. The amount written off in 2025 includes approximately S\$5 million relating to damaged assets in India and UK from extreme weather events.
- v. In connection with the Group’s decision to exit the C&I RTS business in Southeast Asia, certain rooftop solar assets were written down to their net recoverable amount. Consequently, an impairment loss totalling S\$11 million was recognised predominantly within cost of sales.
- vi. In 2025, the provision for restoration costs capitalised in PPE amounted to S\$15 million (2024: S\$15 million) (Note H2).

D1.1 Right-of-use Assets and Leases

This note provides information for leases where the Group is a lessee. For leases where the Group is a lessor, please refer to Note D2 Investment Properties and Note B2 under Rental Income.

 Accounting policies

The Group determines whether an arrangement is or contains a lease at inception. Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Leases are recognised as a right-of-use asset and a corresponding liability at the date which the leased asset is available for use by the Group.

Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets. These right-of-use assets are subsequently depreciated over the shorter of the asset’s useful life and the lease term on a straight-line basis. The policy on impairment and reversal of impairment is consistent with property, plant and equipment as disclosed in Note D1.

Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate, initially used at the commencement date
- the extension option if the Group is reasonably certain to exercise that option
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option
- amounts expected to be payable by the Group under residual value guarantees, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Notes to the Financial Statements

D. Our Assets (cont'd)

D1.1 Right-of-use Assets and Leases (cont'd)



Accounting policies (cont'd)

These lease payments are discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the lessee's incremental borrowing rate. The resulting finance cost is charged to profit or loss over the lease period.

Lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments, with a corresponding adjustment to the right-of-use asset or in profit or loss if the carrying amount of the asset has been reduced to zero.

Payment associated with short-term leases (i.e. leases with a lease term of 12 months or less) and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.



Key estimates and judgements

The Group considers all facts and circumstances that create an economic incentive to exercise an extension option. Extension options are only included in the lease term if the lease is reasonably certain to be extended. If the Group should exercise the extension option, the potential future lease payments would result in an increase in lease liability.

a. Amounts recognised in the balance sheets

(S\$ million)	Group	
	December 31, 2025	December 31, 2024
Right-of-use assets		
Leasehold land and buildings	748	719
Plant and machinery	5	6
Motor vehicles	1	*
Furniture, fittings and office equipment	*	*
Total	754	725
Lease liabilities		
Current	59	27
Non-current	688	702
Total	747	729
Maturity analysis		
Within 1 year	59	27
After 1 year but within 5 years	44	119
After 5 years	644	583
Total	747	729

In 2025, the addition to the right-of-use assets amounted to S\$83 million (2024: S\$514 million), primarily arising from the leasing of land, including reservoir component, at the Pandan Reservoir, with a lease term of 29 years for solar deployment in Singapore, as well as land leases for renewable projects in India with a lease term of 29 years. This amount also included land lease payments for India's hydrogen business.

(S\$ million)	Company	
	December 31, 2025	December 31, 2024
Right-of-use assets		
Leasehold land and buildings	74	67
Plant and machinery	19	21
Total	93	88
Lease liabilities		
Current	6	5
Non-current	107	103
Total	113	108
Maturity analysis		
Within 1 year	6	5
After 1 year but within 5 years	23	20
After 5 years	84	83
Total	113	108

b. Amounts recognised in profit or loss

(S\$ million)	Note	Group	
		2025	2024
Depreciation charge of right-of-use assets:			
– Leasehold land and buildings		44	41
– Plant and machinery		1	1
– Motor vehicles		*	5
– Furniture, fittings and office equipment		*	*
		45	47
Interest expense on lease liabilities (included in finance cost)	C6	24	13
Expense relating to short-term leases (included in cost of goods sold and administrative expenses)		1	*
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in cost of goods sold and administrative expenses)		7	10
Expense relating to variable lease payments not included in lease liabilities (included in cost of goods sold and administrative expenses)		*	*

- i. The total cash outflow for leases in 2025 was S\$84 million (2024: S\$40 million).
- ii. During the year, depreciation amount of S\$5 million (2024: S\$19 million) was capitalised as capital work-in-progress.

Notes to the Financial Statements

D. Our Assets (cont'd)

D2. Investment Properties

The Group holds certain properties to earn rental income and for capital appreciation.

Accounting policies

Investment properties are initially recognised at cost, including transaction costs and directly attributable expenditure on preparing the asset for its intended use. After initial recognition, all investment properties are measured at fair value, with any gain or loss arising from changes in fair value being recognised in profit or loss in the period in which it arises.

The cost of self-constructed investment properties includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

The fair value is determined based on internal valuation or independent external valuation.

Transfer to, or from investment properties are made where there is a change in intent and use of the investment properties.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss.

Key estimates and judgements

The Group applies critical accounting judgements in valuing its investment properties. In determining fair value, the valuers have used valuation techniques which involve certain estimates. The key assumptions used to determine the fair value of investment properties may also include unobservable input on market-corroborated capitalisation rate, terminal yield rate, discount rate and comparable market price.

	Group	
	2025	2024 Restated
<i>(\$ million)</i>		
At January 1	260	197
Additions	107	59
Disposal of subsidiaries	(3)	–
Net change in fair value	5	5
Transfer to assets held for sale	–	(1)
Translation adjustments	(13)	*
At December 31	356	260

At December 31, 2025, investment properties of the Group with carrying amount of S\$177 million (2024: S\$49 million) are pledged as security to secure a bank loan (Note C5a).

Amounts recognised in profit or loss

	Group	
	2025	2024
<i>(\$ million)</i>		
Rental income	13	22
Operating expenses incurred	8	11

The Group leases out its investment properties. The lease agreement provides for additional lease payments annually based on changes to a price index. Non-cancellable operating lease rentals receivable are as follows:

	Group	
	2025	2024
<i>(\$ million)</i>		
Lease receivable:		
Within 1 year	10	10
1 to 2 years	7	7
2 to 3 years	4	4
3 to 4 years	2	2
4 to 5 years	1	1
More than 5 years	2	2
	26	26

Fair Value Measurements

The fair values are based on a combination of investment income method and direct or market comparison techniques, including adjustments to reflect the specific use of the investment properties. Such valuation is derived from observable market data from an active and transparent market.

Valuation techniques and key unobservable inputs

The following table presents the valuation techniques and key unobservable inputs that were used to determine the fair value of investment properties categorised under Level 3 of the fair value hierarchy:

Geographical region	Property segment	Valuation techniques	Key unobservable inputs
Vietnam	Industrial and Logistics	Income capitalisation	Capitalisation rate 2025: 8.00% to 8.50% (2024: 8.00% to 8.50%)
		Discounted cash flow	Pre-tax discount rate 2025: 12.00% to 12.50% (2024: 12.00% to 12.50%)
			Terminal yield rate 2025: 8.25% to 8.75% (2024: 8.25% to 8.75%)
		Direct comparison	Adjusted price per square metre 2025: VND 1,812,485 to VND 4,465,542 (2024: VND 1,776,903 to VND 4,188,414)
Vietnam	Construction Work-in-progress	Depreciated replacement cost	Gross replacement cost per square metre 2025: VND 6,698,313 to VND 11,820,552 (2024: VND 6,473,004 to VND 7,615,299)
		Income capitalisation	Capitalisation rate 2025: 8.00% to 8.25% (2024: 8.00%)
		Discounted cash flow	Pre-tax discount rate 2025: 12.00% to 15.00% (2024: 12.00% to 15.00%)
			Terminal yield rate 2025: 8.25% to 8.50% (2024: 8.25%)
		Direct comparison	Adjusted price per square metre 2025: VND 2,626,789 to VND 4,675,685 (2024: VND 2,614,586 to VND 4,442,257)
		Depreciated replacement cost	Gross replacement cost per square metre 2025: VND 6,698,313 to VND 8,116,779 (2024: VND 6,473,004 to VND 11,422,948)

Notes to the Financial Statements

D. Our Assets (cont'd)

D2. Investment Properties (cont'd)

Valuation techniques and key unobservable inputs (cont'd)

Geographical region	Property segment	Valuation techniques	Key unobservable inputs
China	Retail and Commercial	Discounted cash flow	Pre-tax discount rate 2025: 6.00% (2024: 6.00%)
			Terminal yield rate 2025: 2.00% to 3.00% (2024: 2.00%)
UK	Freehold Land	Direct comparison	Adjusted price per square metre 2025: GBP 1.22 to GBP 24.64 (2024: GBP 1.22 to GBP 23.62)

D3. Intangible Assets

The balance sheet contains significant intangible assets, mainly in relation to goodwill, intellectual property rights and long-term contracts.

Accounting policies

a. Goodwill

Goodwill is measured at cost less accumulated impairment losses. The goodwill cost represents the excess of:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree; less
- the net amount recognised (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the fair value of the net assets acquired exceeds the consideration paid for the acquisition, a bargain purchase gain is recognised immediately in profit or loss.

Goodwill is not amortised but is tested for impairment on an annual basis. An impairment loss on goodwill is recognised as an expense in profit or loss and is not reversed in a subsequent period.

Goodwill that has previously been taken to reserves is not taken to profit or loss when (i) the business is disposed of or discontinued or (ii) the goodwill is impaired. Similarly, gain on bargain purchase that has previously been taken to reserves is not taken to profit or loss when the business is disposed of or discontinued.

b. Service Concession Arrangements

The Group recognises an intangible asset arising from a service concession arrangement when it has a right to charge for usage of the concession infrastructure. This intangible asset is measured at fair value upon initial recognition by reference to the fair value of the services provided. After initial recognition, the intangible asset is measured at cost, which includes capitalised borrowing costs, less accumulated amortisation and accumulated impairment losses.

The estimated useful life of an intangible asset in a service concession arrangement is the period when the Group has a right to charge the public for the usage of the infrastructure to the end of the concession period.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of 25 to 30 years.

c. Long-term Contracts

Long-term revenue and supplier contracts are fair valued using cash flow projections over the contractual period of 1 to 30 years. Amortisation is recognised in profit or loss on a straight-line basis over the contractual period.

d. Power Generation Permits

Power generation permits are fair valued using cash flow projections over the tenure of the permits, ranging from 20 to 25 years. Amortisation is recognised in profit or loss on a straight-line basis over the tenure of the permits.

e. Carbon Allowances

Carbon allowances received are accounted for using the ‘net liability’ method. Any quantities of allowances above those forecast to be required for the Group’s own use are accounted for as an intangible asset together with a related deferred income balance in the balance sheet at their estimated recoverable value. A liability would only crystallise when emissions are greater than the allowances granted.

f. Other Intangible Assets

Other intangible assets comprise software, development rights and golf club membership.

Other intangible assets with a finite life are measured at cost less accumulated amortisation and accumulated impairment losses. Expenditure on internally generated goodwill is recognised in profit or loss as an expense as incurred. Other intangible assets are amortised on a straight-line basis from the date the asset is available for use and over its estimated useful lives ranging from 3 to 30 years.

Subsequent Expenditure

Subsequent expenditure on intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates and its costs can be measured reliably. All other expenditures are expensed as incurred.

Impairment (except for Goodwill, separately disclosed in (a))

Intangible assets that have indefinite useful lives or that are not yet available for use are tested for impairment annually. For intangible assets with finite useful lives, the policy on impairment is consistent with property, plant and equipment as disclosed in Note D1.

Reversal of Impairment (except for Goodwill, separately disclosed in (a))

The policy on reversal of impairment is consistent with property, plant and equipment as disclosed in Note D1.

Key estimates and judgements

The determination of the recoverable amounts of goodwill and other intangible assets involves judgement and is subject to significant estimation uncertainties, principally, the discount rates, gross margin forecasts and plant load factors. The gross margin forecasts and plant load factors consider expected customer demand, forecasted tariff rates and future carbon taxes for the non-renewable investments. These are inherently subject to estimation uncertainties as well as political and regulatory developments.

Notes to the Financial Statements

D. Our Assets (cont'd)

D3. Intangible Assets (cont'd)

		Group						
(\$ million)	Note	Goodwill	Service concession arrangements	Long-term contracts	Power generation permits	Carbon allowances	Others	Total
Carrying amounts								
At January 1, 2025		226	20	200	480	22	29	977
Translation adjustments		(14)	(1)	(16)	(9)	1	1	(38)
Additions	i	–	–	–	–	15	6	21
Acquisition of subsidiaries	G5, a,iv	48	–	15	(2)	–	–	61
Disposal of subsidiaries		*	–	–	*	–	*	*
Disposals	i	–	*	–	–	(22)	*	(22)
Amortisation charge for the year	B4a	–	(3)	(14)	(22)	–	(9)	(48)
Transfer from property, plant and equipment		–	–	–	–	–	1	1
Write-off	B4a	–	*	–	–	–	*	*
At December 31, 2025		260	16	185	447	16	28	952
Cost at December 31, 2025		376	48	338	515	16	98	1,391
Accumulated amortisation and impairment losses at December 31, 2025		(116)	(32)	(153)	(68)	*	(70)	(439)
Net carrying amounts at December 31, 2025		260	16	185	447	16	28	952

During the provisional one-year period from the date of acquisition of a subsidiary in December 2024, the consideration has decreased, and a reduction in power generation permits by S\$2 million was recognised.

					Group			
(\$ million)	Note	Goodwill	Service concession arrangements	Long-term contracts	Power generation permits	Carbon allowances	Others	Total
Carrying amounts								
At January 1, 2024		216	23	212	441	41	19	952
Translation adjustments		–	*	2	*	1	*	3
Additions	i	–	*	–	*	15	16	31
Acquisition of subsidiaries	G5, a,iv	10	–	1	60	–	*	71
Disposal of subsidiaries		*	–	–	–	–	*	*
Disposals	i	–	*	–	*	(35)	*	(35)
Amortisation charge for the year	B4a	–	(3)	(15)	(21)	–	(8)	(47)
Transfer from property, plant and equipment	D1	–	–	–	–	–	2	2
Transfer to assets held for sale		–	–	*	*	–	*	*
Write-off	B4a	–	*	–	–	–	*	*
At December 31, 2024		226	20	200	480	22	29	977
Cost at December 31, 2024		341	49	342	526	22	91	1,371
Accumulated amortisation and impairment losses at December 31, 2024		(115)	(29)	(142)	(46)	–	(62)	(394)
Net carrying amounts at December 31, 2024		226	20	200	480	22	29	977

- i. The additions during the year mainly related to the increase in carbon allowances and the disposal was for the settling of the Group’s carbon obligation.
- ii. Intangible assets of less than S\$1 million (2024: less than S\$1 million) have been pledged to secure loan facilities.
- iii. The amortisation of intangible assets is analysed as follows:

(\$ million)	Group	
	2025	2024
Cost of sales	41	41
Administrative expenses	7	6
Total	48	47

Notes to the Financial Statements

D. Our Assets (cont'd)

D3. Intangible Assets (cont'd)

a. Goodwill

Impairment Testing

Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination. Subject to an operating segment ceiling test, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes.

The aggregate carrying amounts of goodwill allocated to each unit are as follows:

(\$ million)	Note	Group	
		December 31, 2025	December 31, 2024
Cash-generating Unit (CGU)			
SUT Division		19	19
Sembcorp Gas Pte Ltd / Sembcorp Fuels (Singapore) Pte Ltd	i	43	43
Sembcorp Green Infra Private Limited and its subsidiaries (SGIPL)	ii	161	127
Sembcorp Huiyang New Energy (Nanjing) Co., Ltd and its subsidiaries (HYNE)	iii	26	26
GELEX Group Joint Stock Company and its subsidiaries (Gelex)	iv	10	10
Multiple units with insignificant goodwill		1	1
		260	226

- i.

Sembcorp Gas Pte Ltd and Sembcorp Fuels (Singapore) Pte Ltd are considered a single CGU as both have the same customer bases for natural gas, pricing is set by the same management team and cash inflows are not generated largely independently.
- ii.

In December 2025, SGIPL has acquired 100% interest in Renew Sun Bright Private Limited (Renew Sun Bright), which owns solar wind assets. The increase in goodwill predominantly arose from this acquisition. The identified assets acquired, and liabilities are measured at their fair value determined on provisional basis as at December 31, 2025 (see Note G5).
- iii.

Sembcorp Huiyang New Energy (Shenzhen) Co., Ltd was renamed to Sembcorp Huiyang New Energy (Nanjing) Co., Ltd (HYNE) in 2025.
- iv.

In May and June 2024, the Group completed the acquisitions of majority interests in three out of four subsidiaries of Gelex in Vietnam, which consists of a portfolio of solar and wind assets. The increase in goodwill predominantly arose from this acquisition. The identified assets acquired, and liabilities assumed for the CGU are measured at their fair values and there has been no change to the goodwill determined on provisional basis as at December 31, 2024.

In December 2025, the Group completed the acquisition of 73.16% interest in the last remaining Gelex subsidiary, which owns a hydropower asset (see Note G5).

The recoverable amounts for CGUs with goodwill were determined using value-in-use calculations. Cash flow projections used in the value-in-use calculations were prepared based on management’s experience in operating the business and forward market outlook over the long-term nature of the utilities and power business. Pre-tax discount rates between 5.00% and 9.60% (2024: 5.71% and 9.76%) had been used.

At the balance sheet date, based on the key assumptions below, the recoverable amounts of the respective CGUs exceeded their carrying amounts.

Key assumptions on recoverable amounts of respective CGUs					
	SUT Division	Sembcorp Gas Pte Ltd / Sembcorp Fuels (Singapore) Pte Ltd	Sembcorp Green Infra Private Limited and its subsidiaries (SGIPL)	Sembcorp Huiyang New Energy (Nanjing) Co., Ltd and its subsidiaries (HYNE)	GELEX Group Joint Stock Company and its subsidiaries (Gelex)
Cash flow projections period	Remaining useful life of plants assumed 16 years (2024: 17 years)	Remaining contractual period of existing contracts	Remaining useful life of plants assumed 30 years from Commercial Operations Date (COD)	Remaining useful life of plants assumed 19 to 22 years	Remaining useful life of plants assumed 2 to 19 years
Revenue and margins	Based on contracts secured along with likely renewals and forecasted demand for industrial utilities and services; as well as forecasted margins	Based on estimated sales and purchases of gas quantities derived from the contractual period of existing contracts	Based on long-term contracts secured at contracted tariffs. New contracts and contract renewals are assumed based on estimated demand and supply as well as margin	Based on mechanism tariff, mid-long term annual contract tariff and expected market-traded tariff	Based on long-term contracts secured at contracted tariffs
Carbon tax / Costs	Carbon taxes will be borne by customers	Carbon taxes will be borne by customers	NA	NA	NA
Expected capital expenditure	In accordance with plant maintenance programme	In accordance with plant maintenance programme and pipeline servicing	In accordance with plant maintenance programme	In accordance with plant maintenance programme	In accordance with plant maintenance programme
Terminal value	Nil (2024: Nil)	Nil (2024: Nil)	Nil (2024: Nil)	5% of original cost	Nil
Inflation rate assumptions used to project overheads and other general expenses	1.5% – 2.0% (2024: 2.0% – 2.5%)	1.5% – 2.0% (2024: 2.0% – 2.5%)	3.0% – 5.0% (2024: 3.0% – 5.0%)	0% (2024: 0%)	4.0%
Others	NA	Forward USD / SGD exchange rate and High Sulphur Fuel Oil (HSFO) prices with reference to forward quotes were assumed in the forecast performance	NA	NA	NA

No sensitivity analysis was disclosed for the CGUs as the Group believes that any reasonable possible change in the key assumptions is unlikely to result in any material impairment to the CGUs.

Notes to the Financial Statements

D. Our Assets (cont'd)

D3. Intangible Assets (cont'd)

b. Service Concession Arrangements

The subsidiaries in Fuzhou and Yanjiao in People’s Republic of China have service concession agreements with the local municipalities to supply drinking water to the local communities.

Under these arrangements, the charges for use of these assets are adjusted regularly according to agreed cost reference and escalation formula in the concession agreement as approved by respective local authorities.

c. Long-term Contracts

India

The subsidiaries in the renewables sector in India have long-term contracts with India’s State Electricity Boards in Rajasthan, Gujarat, Karnataka, Maharashtra, Madhya Pradesh, Punjab, and Telangana with tenures ranging from 20 to 30 years. These subsidiaries also sell electricity to commercial customers with tenures ranging from 10 to 25 years.

United Kingdom (UK)

The subsidiaries in the UK acquired in 2018, have contracted with the National Grid of the UK to generate electricity through a portfolio of diesel and gas generators in multiple sites across the UK and supplier contracts with tenures ranging from 1 to 15 years. The majority of these contracts provide fixed rate cash flows relating to plant availability (Capacity Market contracts).

d. Power Generation Permits

The subsidiaries in China own power generation permits to operate solar and wind power plants in various locations of China, with tenures ranging from 20 to 25 years.

e. Carbon Allowances

These are allowances, received from the UK government and purchased from the carbon market, to settle the emission obligation from its gas-fired power plants in UK.

f. Other Intangible Assets

Other intangible assets comprise water rights, software, development rights and golf club membership.

(S\$ million)	Company		
	Goodwill	Others	Total
Carrying Amounts			
At January 1, 2025	19	14	33
Additions	–	2	2
Amortisation charge for the year	–	(5)	(5)
At December 31, 2025	19	11	30
Cost at December 31, 2025	19	49	68
Accumulated amortisation and impairment losses at December 31, 2025	–	(38)	(38)
Net carrying amounts at December 31, 2025	19	11	30
Carrying Amounts			
At January 1, 2024	19	10	29
Additions	–	8	8
Amortisation charge for the year	–	(4)	(4)
Transfer from property, plant and equipment	–	*	*
At December 31, 2024	19	14	33
Cost at December 31, 2024	19	47	66
Accumulated amortisation and impairment losses at December 31, 2024	–	(33)	(33)
Net carrying amounts at December 31, 2024	19	14	33

The Company’s goodwill relates to goodwill on the acquisition of the SUT Division in 2008.

E. Our Working Capital

E1. Trade and Other Receivables

Trade and other receivables mainly consist of amounts owed to the Group by customers and amounts paid to the Group’s suppliers in advance.

 Accounting policies

Trade and other receivables are initially recognised at the amount of consideration receivable that is unconditional, unless they contain significant financing components, whereby they will be recognised at fair value.

Subsequently, trade and other receivables are measured at amortised cost only if (i) the asset is held within a business model whose objective is to collect the contractual cash flows and (ii) the contractual terms give rise to cash flows that are solely payments of principal and interest. The carrying value of trade and other receivables is reduced by appropriate allowances for estimated irrecoverable amounts. The estimated irrecoverable amounts and calculation of loss allowances are based on policies set out in Note F4. Interest income, foreign exchange gains or losses, impairment losses and gains or losses on derecognition relating to these receivables are recognised in profit or loss.

In the service concession arrangements, the Group recognises a financial asset arising from its construction services when it has an unconditional contractual right to receive fixed and determinable amounts of payments irrespective of the output produced. The consideration receivable is initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

Notes to the Financial Statements

E. Our Working Capital *(cont'd)*

E1. Trade and Other Receivables *(cont'd)*

		December 31, 2025			December 31, 2024		
<i>(\$ million)</i>	Note	Non-current	Current	Total	Non-current	Current	Total
Group							
Trade receivables	i	*	896	896	*	902	902
Unbilled receivables	ii	–	302	302	–	324	324
Service concession receivables	iii	704	32	736	778	49	827
Amounts due from related parties	G4	7	136	143	5	232	237
Sundry receivables	iv	5	72	77	5	88	93
Indirect tax receivable		–	81	81	–	71	71
Contingent receivable	v	12	–	12	12	–	12
Deposits	vi	4	35	39	4	32	36
Recoverables		2	18	20	2	26	28
Interest receivables		–	4	4	–	4	4
Grant receivables		–	–	–	–	4	4
Finance lease receivables		4	–	4	4	–	4
		738	1,576	2,314	810	1,732	2,542
Loss allowance	F4	(127)	(74)	(201)	(136)	(71)	(207)
Financial assets at amortised cost	F4, vii	611	1,502	2,113	674	1,661	2,335
Prepayments	viii	115	49	164	65	33	98
Employee defined benefit asset		8	*	8	4	*	4
Advances to suppliers	ix	–	130	130	–	108	108
Tax recoverable		51	8	59	59	11	70
		785	1,689	2,474	802	1,813	2,615

- i.

Trade receivables include subsidies on energy production received by renewables companies in China. As at December 31, 2025, certain receipts of these receivables are still pending final verification results from the regulators and the loss allowance for these receivables was S\$43 million (2024: S\$23 million) (see Note F4(iv)).
- ii.

Unbilled receivables represent revenue accrued for sale of utilities commodities and services.
- iii.

The Group has service concession agreements with the local governments and governing agencies through its subsidiaries. The arrangements in Singapore relate to the supply of treated water, while the arrangements in Myanmar and Bangladesh relate to the supply of electricity.

The guaranteed sum receivables from the grantors for the construction of the underlying assets are discounted at interest rates ranging from 3.6% to 8.5% (2024: 3.6% to 8.5%).
- iv.

Sundry receivables represent mainly loan receivables and miscellaneous receivables.
- v.

Contingent receivable of S\$12 million recognised on acquisition of Gelex in 2024 (see Note G5(ii)).
- vi.

Deposits include cash collateral placed on deposits in margin accounts.
- vii.

Trade and other receivables of S\$250 million (2024: S\$263 million) have been pledged to secure loan facilities.

- viii.

Prepayments are charged to profit or loss on a straight-line basis over the service period. They relate primarily to:
 - Connection fees prepaid under the Generation Connection and Use of System Agreement for the use of the transmission lines to a related corporation amounted to S\$56 million (2024: S\$30 million).
 - Service fees prepaid under the Gasoil Supply and Storage Agreement for the usage of tank; and
 - Capacity charges prepaid for the use of gas delivery pipelines, prepaid insurance premium, transport tariff recoverable and maintenance of plant.
- ix.

Advance to suppliers in 2025 includes an amount of S\$37 million (2024: Nil) paid in relation to import power.

		December 31, 2025			December 31, 2024		
<i>(\$ million)</i>	Note	Non-current	Current	Total	Non-current	Current	Total
Company							
Trade receivables		–	21	21	–	22	22
Amounts due from related parties	G4	–	90	90	–	47	47
Deposits		–	*	*	–	*	*
Unbilled receivables	i	–	52	52	–	48	48
Recoverables		–	1	1	–	–	–
Sundry receivables		–	3	3	–	10	10
Grant receivables		–	–	–	–	4	4
		–	167	167	–	131	131
Loss allowance	F4	–	(3)	(3)	–	(1)	(1)
Financial assets at amortised cost	F4	–	164	164	–	130	130
Prepayments	ii	*	1	1	*	1	1
Advance to suppliers		–	*	*	–	2	2
		*	165	165	*	133	133

- i.

Included in the Company's unbilled receivables are amounts of S\$28 million (2024: S\$24 million) due from related companies.
- ii.

Connection and capacity charges prepaid for the use of pipelines and pipe racks.

E2. Inventories

Accounting policies

a. Inventories

Finished goods, consumable materials, spares, and environmental attributes are stated at the lower of cost and net realisable value. Costs are assigned to individual items of inventory on the basis of weighted average costs. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses.

Environmental attributes (EA) include renewable energy certificates and renewable obligation certificates. They are held for sale in the ordinary course of business and / or are self-generated. The recognition of the self-generated EA as inventory will be only at the completion of the certification process when these certificates become a resource controlled by the generating entity.

b. Development Properties

Properties held for sale are stated at the lower of cost and net realisable value. Cost includes land and construction costs, related expenditure and financing charges incurred during the period of development. Net realisable value represents the estimated selling price less costs to be incurred in selling the property.

Notes to the Financial Statements

E. Our Working Capital *(cont'd)*

E2. Inventories *(cont'd)*



Key estimates and judgements

The Group applies critical accounting judgements in classifying development properties. In assessing the classification of development properties, management considers its intention with regards to the use of the properties (i.e. held with the intention of development and sale in the ordinary course of business or for rental and capital appreciation). Where there is a change in intended use, a change in classification may be required.

	Group		Company	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
<i>(\$ million)</i>				
Raw materials and consumables	115	125	2	2
Finished goods	32	28	5	5
Environmental attributes	3	*	–	–
	150	153	7	7
Allowance for inventory obsolescence	(21)	(19)	(1)	(1)
	129	134	6	6
Properties under development	1	1	–	–
	130	135	6	6

S\$18 million (2024: S\$30 million) of the Group’s inventories were pledged to secure loan facilities.

Amounts recognised in profit or loss

(\$ million)	Note	Group	
		2025	2024
Inventories recognised as an expense in cost of sales		321	298
Allowance (written down to lower realisable value)	B4a	5	–
Write-back of allowance for inventory obsolescence	B4a	(1)	(2)
Write-off of inventory	B4a	1	*

E3. Trade and Other Payables

Trade and other payables mainly consist of amounts the Group owes to its suppliers. They also include taxes and social security amounts payable relating to the Group’s workforce.



Accounting policies

Trade and other payables (excluding advance payments from customers, deferred grants, deferred income and retirement benefit obligations) are classified as financial liabilities measured at amortised cost using the effective interest method. Trade payables are not interest-bearing and are stated at their nominal value.

(\$ million)	Note	Group		Company	
		December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Current liabilities					
Trade payables		266	303	18	3
Accrued capital and operating expenditure	i	637	742	115	156
Advance payments from customers		22	28	1	*
Amounts due to related parties	G4	28	20	8	6
Deposits		21	20	*	*
Accrued interest payable		32	32	–	–
Other creditors	ii	308	297	2	7
Deferred grants		1	1	–	–
Deferred consideration		16	45	–	–
Contingent consideration		80	97	–	–
		1,411	1,585	144	172
Non-current liabilities					
Deferred grants	iii	2	2	–	–
Amounts due to related parties	G4	–	–	1,353	1,393
Other long-term payables	iv	43	41	21	21
Deferred income		44	49	1	2
Retirement benefit obligation		8	7	–	–
		97	99	1,375	1,416

- i. Included in the Group’s and Company’s accrued operating expenses are amounts of S\$42 million and S\$37 million (2024: S\$9 million and S\$60 million) due to related companies respectively.
- ii. Included in the Group’s other creditors is an amount owing in the margin account as a result of withdrawal against net unrealised gain, driven by the high oil commodity forward price.
- iii. Non-current deferred grants related to government grants for capital assets.
- iv. Other long-term payables included retention monies of subsidiaries, long-term employee benefits and accrued operating and maintenance services which will be billed only after the initial payment-free period, which is more than one year.

Notes to the Financial Statements

E. Our Working Capital (cont'd)

E4. Cash and Cash Equivalents

Accounting policies

Cash and cash equivalents which comprise cash balances and bank deposits are classified as financial assets measured at amortised cost. For the purpose of the consolidated statement of cash flows, cash and cash equivalents are presented net of bank overdrafts which are repayable on demand. Bank overdrafts are shown within loans and borrowings in current liabilities on the balance sheet.

The majority of the Group's cash is held in bank deposits or money market funds which have a maturity of three months or less to enable short-term liquidity requirements to be met.

	Group		Company	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
<i>(S\$ million)</i>				
Fixed deposits with banks	569	298	–	–
Cash and bank balances	540	573	164	201
Cash and cash equivalents in the balance sheets	1,109	871	164	201
Restricted bank balances	(18)	(21)	–	–
Cash and cash equivalents in the consolidated statement of cash flows	1,091	850	164	201
Cash and cash equivalents placed with				
– A subsidiary	–	–	162	199
– A related corporation	124	32	2	2

Fixed deposits with banks of the Group earn interest at rates ranging from 0.20% to 5.30% (2024: 1.30% to 7.10%) per annum.

Included in the Group's cash and cash equivalents is an amount of S\$139 million (2024: S\$99 million) over which banks have a first charge in the event that the respective subsidiaries do not meet the debt servicing requirements.

F. Our Financial Instruments and Risks Management

This note details the Group's exposure to treasury and financial risks including credit, liquidity, interest and foreign exchange risks, and the objectives and policies in place to monitor and manage these risks.

The Group has implemented the Integrated Assurance Framework (IAF) which is based on a multi-level lines of defense (LOD) model. Through the IAF structure, the respective LODs work together to ensure that key financial, operational, compliance and IT risks are reviewed and tested using a robust assurance process. Under the IAF, a pragmatic and collaborative approach to risk and controls assessment has been established, with common and consistent criteria applied to assess the risks and adequacy and effectiveness of internal controls.

Under the IAF, the Group's key markets, being the first LOD, are required to work with the second LOD comprising business lines, subject matter experts and corporate functions, to perform a thorough review and assessment of their risks and internal controls.

Clear escalation procedures and key risk indicators have been established and aligned with the Group's risk appetite.

The proactive management of key risks and controls strengthens not only the Group's reporting and monitoring capabilities, but also cultivates a risk culture of accountability and ownership.

Key themes of the IAF include cyber security, plant availability and reliability, health and safety, regulatory and compliance, people and talent management, fraud risk management and governance.

Financial Risk Management Objectives and Policies

The Group's day-to-day operations, new investment opportunities and funding activities introduce financial risks, which are actively managed by management with Board oversight. These risks are grouped into the following categories:

- **Market:** The risk that fluctuations in commodity prices, foreign exchange and interest rates adversely impact the Group's results.
- **Liquidity:** The risk that the Group will not be able to meet the financial obligations as they fall due.
- **Credit:** The risk that a counterparty will not fulfil its financial obligations under a contract or other arrangement.

The Board has adopted the Group Treasury policies and financial authority limits to manage these risks. The Group Treasury policies set out the parameters for financing structure, liquidity, counterparty risk management, foreign exchange risk management and use of derivative transactions. Derivative transactions are permitted only if it involves underlying assets or liabilities.

F1. Market Risk

Market risk is the possibility that changes in interest rates, foreign exchange rates, equity securities and commodities will adversely affect the value of the Group's assets, liabilities or expected future cash flows. The objective of market risk management is to manage and reduce the above exposures within acceptable parameters.

a. Interest Rate Risk

The Group's interest rate exposure is primarily in relation to its fixed rate borrowings (fair value risk), variable-rate borrowings and cash and cash equivalents (cash flow risk).

The Group's policy is to target at least 50% of its debt portfolio with fixed interest rate. This is achieved partly by entering into fixed-rate instruments and partly by borrowing at variable rates while using interest rate swaps and cross currency swaps to hedge the variability in cash flows attributable to floating interest rates.

Based on the variable rate net debt position (both issued and hedged) at balance sheet date, assuming other factors (principally foreign exchange rates and commodity prices) remained constant and that no further interest rate management action was taken, an increase in interest rate of 1% would have decreased the Group's profit before tax (PBT) by S\$18 million (2024: decreased by S\$13 million) with no impact to equity (2024: increased by S\$3 million). At Company level, PBT would have decreased by S\$9 million (2024: decreased by S\$12 million) without any impact to equity (2024: no impact). A 1% decrease in interest rates would have the opposite effect for both Group and Company.

b. Foreign Currency Risk

The Group is exposed to currency risk on foreign currency denominated borrowings, investments and commercial transactions.

The Group limits its exposure to changes in foreign exchange rates through forward foreign exchange contracts and cross currency interest rate swaps. In certain circumstances, borrowings are left in a foreign currency, or swapped from one foreign currency to another, to hedge expected future business cash flows in that currency. Significant foreign currency denominated transactions undertaken in the normal course of operations are managed on a case-by-case basis.

Notes to the Financial Statements

F. Our Financial Instruments and Risks Management *(cont'd)*

F1. Market Risk *(cont'd)*

b. Foreign Currency Risk *(cont'd)*

The Group's exposure to foreign currency risk (excluding the Group's net investment hedges in its subsidiaries in China (2024: China) based on its risk management policy is summarised as follows:

<i>(\$ million)</i>	Group							
	SGD	USD	EURO	GBP	RMB	INR	BDT	Others
2025								
Financial assets								
Cash and cash equivalents	85	102	3	1	*	–	10	12
Loan to an associate	–	–	–	48	–	–	–	–
Trade and other receivables	7	180	1	1	8	6	93	20
DPN receivable	–	–	–	–	–	1,291	–	–
Other financial assets	*	26	–	–	–	–	–	*
	92	308	4	50	8	1,297	103	32
Financial liabilities								
Trade and other payables	15	37	4	*	*	6	85	2
Loans and borrowings	–	1,103	106	–	–	–	–	100
Lease liabilities	4	–	–	–	–	–	*	–
	19	1,140	110	*	*	6	85	102
Net financial assets / (liabilities)	73	(832)	(106)	50	8	1,291	18	(70)
Add: Firm commitments and highly probable forecast transactions in foreign currencies	–	(373)	–	–	86	(14)	(1)	(45)
Less: Cross currency swap / Foreign exchange forward contracts	–	1,069	106	238	–	–	–	138
Net currency exposure	73	(136)	*	288	94	1,277	17	23

<i>(\$ million)</i>	SGD	USD	EURO	GBP	RMB	INR	BDT	Others
2024								
Financial assets								
Cash and cash equivalents	29	124	2	1	1	–	25	4
Loan to an associate	–	–	–	53	–	–	–	–
Trade and other receivables	10	205	1	54	20	1	117	15
DPN receivable	–	–	–	–	–	1,581	–	–
Other financial assets	*	25	–	–	–	–	–	*
	39	354	3	108	21	1,582	142	19
Financial liabilities								
Trade and other payables	17	76	3	*	1	*	99	2
Loans and borrowings	–	1,230	99	–	–	–	–	–
Lease liabilities	4	–	–	–	–	–	*	–
	21	1,306	102	*	1	*	99	2
Net financial assets / (liabilities)	18	(952)	(99)	108	20	1,582	43	17
Add: Firm commitments and highly probable forecast transactions in foreign currencies	(28)	(340)	(6)	–	–	–	–	(194)
Less: Cross currency swap / Foreign exchange forward contracts	28	1,127	105	211	–	–	–	194
Net currency exposure	18	(165)	–	319	20	1,582	43	17

The Company's gross exposure to foreign currencies is as follows:

<i>(\$ million)</i>	Company USD
2025	
Financial assets	
Cash and cash equivalents	6
Trade and other receivables	63
	69
Financial liabilities	
Trade and other payables	16
Net financial liabilities	53
Less: Foreign exchange forward contracts	(51)
Net currency exposure	2
2024	
Financial assets	
Cash and cash equivalents	6
Trade and other receivables	15
	21
Financial liabilities	
Trade and other payables	22
Net financial (liabilities)	(1)
Net currency exposure	(1)

Notes to the Financial Statements

F. Our Financial Instruments and Risks Management *(cont'd)*

F1. Market Risk *(cont'd)*

b. Foreign Currency Risk *(cont'd)*

Sensitivity Analysis

A 10% strengthening of the following currencies against the functional currencies of the Group and Company at balance sheet date would have increased / (decreased) equity and PBT by the amounts shown below. The analysis assumed that all other variables, in particular interest rates, remain constant, ignoring any impact of firm commitments in foreign currencies and with no further foreign exchange risk management action taken.

<i>(S\$ million)</i>	Group				Company	
	Equity		Profit before tax		Profit before tax	
	2025	2024	2025	2024	2025	2024
SGD	–	2	7	2	–	–
USD	19	28	1	(16)	*	*
EURO	–	1	*	*	*	*
GBP	4	4	24	26	*	*
RMB	–	–	1	2	*	*
INR	–	–	129	158	*	–
BDT	–	–	2	4	–	–
Others	3	16	3	2	*	–

A 10% weakening of the above currencies against the functional currencies of the Group and Company at the balance sheet date would have had an equal but opposite effect to the amounts shown above.

c. Price Risk

Mutual Funds and Equity Securities Price Risk

The Group is exposed to price risk from mutual funds and equity securities designated as FVTPL or FVOCI respectively.

If prices for mutual funds and equity securities increased by 10% with all other variables held constant, equity and PBT would have increased by S\$5 million and S\$12 million, respectively (2024: increased by S\$5 million and S\$11 million, respectively). Conversely, if prices decreased by 10%, equity and PBT would have had an equal but opposite effect.

Commodity Risk

The Group hedges against fluctuations in commodity prices that affect revenue and cost. Exposures are managed via swaps and contracts for differences (CFDs).

CFDs are entered into with counterparties at a strike price, with or without fixing the quantity upfront, to hedge against adverse price movements from sale of electricity. Exposure to price fluctuations from purchases of fuel is managed via fuel oil swaps where fuel price is indexed to a benchmark index, for example Singapore High Sulphur Fuel Oil 180 CST fuel oil and Dated Brent.

The Group designates fuel oil swaps and electricity futures in their entirety in cash flow hedges to hedge its commodity risk and applies a hedge ratio of 1:1.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the reference index of Singapore High Sulphur Fuel Oil 180 CST fuel oil and Dated Brent, tenors, repricing dates and maturities. The Group assesses whether the derivative designated in each hedging relationship is expected to be and has been effective in offsetting changes in cash flows of the hedged item by looking at the critical terms.

The Group did not identify any significant sources of ineffectiveness in these hedges.

Sensitivity Analysis

If prices for commodities increased by 10% with all other variables held constant, the increase in equity as a result of fair value changes on cash flow hedges would be:

<i>(S\$ million)</i>	Group	
	2025	2024
Equity	25	17

A 10% decrease in the prices for commodities would have had an equal but opposite effect to the equity. The analysis assumed that all other variables remain constant.

F2. Hedges

The Group uses derivative instruments (derivatives) (as disclosed in Note H1) to hedge financial risks as described above. Derivatives are contracts whose value is derived from an underlying price index (or other variable) that require little or no initial net investment and are settled at a future date.

The Group designates certain derivatives as either:

- i. Hedges of fair value of recognised assets, liabilities or firm commitments (fair value hedge)
- ii. Hedges of a particular cash flow risk associated with a recognised asset, liability or highly probable forecast transaction (cash flow hedge)
- iii. Hedges of a net investment in a foreign operation (net investment hedge)

Accounting policies

Derivatives are carried on balance sheet at fair value. Movements in price of the underlying variables, which causes the value of contract to fluctuate, are reflected in the fair value of derivative. The method of recognising changes in fair value depends on whether the derivative is designated in an accounting hedge relationship. Derivatives not designated as accounting hedges are referred to as economic hedges subject to fair value through profit or loss.

Fair value gains and losses attributable to economic hedges are recognised in statement of profit or loss while recognition of fair value gains and losses of those attributable to accounting hedges depends on the nature of item being hedged.

The effective portion of changes in fair value of derivatives designated as fair value hedge are recognised in profit or loss at the same time when all changes in fair value of the underlying item relating to the hedged risks are recognised in profit or loss. The effective portion of changes in fair value of derivatives designated as cash flow hedges are recognised in hedging reserve (in equity).

Certain determinants of fair value included in derivatives or mismatches between the timing of the instrument and the underlying item in any hedge relationship can cause hedge ineffectiveness. Any ineffectiveness is recognised immediately in profit or loss as change in fair value of derivatives.

When the underlying hedged item is sold or repaid, the unamortised fair value adjustments of a fair value hedge or the amounts accumulated in hedging reserve for a cash flow hedge, is recognised immediately in profit or loss.

When the hedging instrument expires or is sold, terminated or no longer qualifies for hedge accounting, the unamortised fair value adjustments of a fair value hedge or the amounts accumulated in hedging reserve for a cash flow hedge, is recognised in profit or loss when the hedged item is recognised in profit or loss, which may occur over time.

Notes to the Financial Statements

F. Our Financial Instruments and Risks Management *(cont'd)*

F2. Hedges *(cont'd)*



Key estimates and judgements

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the reference interest rates, tenors, repricing dates and maturities. The Group considers the critical terms in assessing if each designated derivative is expected to be and has been effective in offsetting changes in cash flows of the hedged item.

In these hedge relationships, the main sources of ineffectiveness are due to:

- effects of the counterparties’ and the Group’s own credit risk on fair value of the swaps, which is not reflected in the change in fair value of the hedged cash flows attributable to change in interest rates; and
- changes in timing of hedged transactions.

The Group designates only the change in fair value of the spot element of forward exchange contract for funding purposes as the hedging instrument in a cash flow hedging relationship. The change in fair value of the forward element of the forward exchange contracts (forward points) is separately accounted for as a cost of hedging and recognised in hedging reserve within equity.

Cash Flow Hedges

The Group designates certain forward foreign exchange contracts, interest rate swaps, cross currency interest rate swaps and fuel oil swaps in various cash flow hedges.

At December 31, 2025, the Group held the following instruments to hedge exposures to fluctuations in foreign currencies, interest rates and commodity prices:

				Maturity		
	Rate (\$)	Interest rate (%)	Within 1 year	Between 1 and 5 years	More than 5 years	
(\$ million)						
2025						
Foreign currency risk						
Forward foreign exchange contracts (Buy / Sell)						
– SGD / USD	0.77 – 0.78	–	64	–	–	
– USD / SGD	1.17 – 1.36	–	556	163	17	
– JPY / SGD	0.0101 – 0.0110	–	34	5	–	
– MYR / SGD	0.30 – 0.32	–	29	–	–	
Forex swap contracts (Buy / Sell)						
– USD / VND	25,354 – 26,268	–	8	30	23	
Interest rate risk						
Interest rate swap (IRS)						
– Float-to-fixed	–	2.17 – 4.80	122	1,254	361	
Foreign currency and interest rate risk						
Cross currency swaps						
– USD / SGD	1.34 – 1.36	2.84 – 3.78	52	–	703	
– EUR / SGD	1.41	3.49	–	99	–	
Commodity risk						
Fuel oil swaps						
– Fuel oil swap (\$ per MT)	346.00 – 464.50	–	337	28	–	
– Fuel oil swap (\$ per BBL)	59.33 – 74.87	–	288	128	16	

Notes to the Financial Statements

F. Our Financial Instruments and Risks Management *(cont'd)*

F2. Hedges *(cont'd)*

Cash Flow Hedges <i>(cont'd)</i>					
<i>(S\$ million)</i>	Rate (\$)	Interest rate (%)	Within 1 year	Maturity Between 1 and 5 years	More than 5 years
2024					
Foreign currency risk					
Forward foreign exchange contracts (Buy / Sell)					
– USD / SGD	1.26 – 1.42	–	316	92	–
– EUR / SGD	1.42	–	6	–	–
– USD / INR	84.44 – 86.94	–	117	–	–
– JPY / SGD	0.0101 – 0.0109	–	64	38	–
– MYR / SGD	0.30	–	100	10	–
– USD / VND	24,118 – 26,527	–	3	13	16
Forex swap contracts (Buy / Sell)					
– USD / VND	25,350 – 26,175	–	32	19	17
Interest rate risk					
Interest rate swap (IRS)					
– Float-to-fixed	–	1.05 – 5.54	560	1,935	307
Foreign currency and interest rate risk					
Cross currency swaps					
– USD / SGD	1.35 – 1.36	3.55 – 3.78	–	703	–
– EUR / SGD	1.41	3.49	–	99	–
Commodity risk					
Fuel oil swaps					
– Fuel oil swap (\$ per MT)	385.25 – 492.75	–	514	107	–
– Fuel oil swap (\$ per BBL)	69.19 – 82.85	–	623	49	22
– Fuel oil swap (\$ per MMBTU)	13.30 – 13.35	–	22	–	–

The amounts at the balance sheet date relating to items designated as hedged items are as follows:

<i>(S\$ million)</i>	Cash flow hedge reserve for continuing hedges	
	2025	2024
Foreign currency risk		
Highly probable purchases	(7)	(8)
Highly probable equity injection	–	(1)
Highly probable capital expenditures	(2)	–
Payments	–	2
Interest rate risk		
Variable rate borrowings	1	18
Other financial assets	(59)	(23)
Commodity risk		
Highly probable purchases	(26)	5
Highly probable sales	(1)	–
Fuel oil price	–	*

Notes to the Financial Statements

F. Our Financial Instruments and Risks Management *(cont'd)*

F2. Hedges *(cont'd)*

Cash Flow Hedges *(cont'd)*

The amounts related to items designated as hedging instruments and hedge ineffectiveness are as follows:

	Foreign currency risk	Interest rate risk	Foreign currency risk and interest rate risk	Commodity risk	
	Forward foreign exchange contracts / Forex swap contracts	Interest rate swaps	Cross currency swaps	Fuel oil swaps	Total
2025					
Nominal amount – S\$ million	929	1,737	854	797	4,317
Quantity	–	–	–	728,813 MT, 5,159,194 BBL	728,813 MT, 5,159,194 BBL
Carrying amount – S\$ million					
Other financial assets	–	9	5	16	30
Other financial liabilities	–	30	75	43	148
Fair value increase / (decrease) – S\$ million					
Hedging instruments	(7)	(31)	(23)	(24)	(85)
Hedged items	7	31	23	24	85
Hedge ineffectiveness	–	–	–	–	–
Reconciliation of hedging reserve – S\$ million					
Changes in fair value	(7)	(31)	(23)	(24)	(85)
Amounts reclassified to profit or loss:					
– Cost of goods sold	(1)	–	–	(7)	(8)
– Finance costs	–	(8)	–	–	(8)
	(8)	(39)	(23)	(31)	(101)
Tax on above items					15
Change in hedging reserve					(86)
Share of other comprehensive income of associates and joint ventures					(18)
Movement during the year					(104)

	Foreign currency risk	Interest rate risk	Foreign currency risk and interest rate risk	Commodity risk	
	Forward foreign exchange contracts / Forex swap contracts	Interest rate swaps	Cross currency swaps	Fuel oil swaps	Total
2024					
Nominal amount – S\$ million	843	2,802	802	1,337	5,784
Quantity	–	–	–	1,063,867 MT, 6,725,654 BBL and 1,230,000 MMBTU	1,063,867 MT, 6,725,654 BBL and 1,230,000 MMBTU
Carrying amount – S\$ million					
Other financial assets	2	27	–	28	57
Other financial liabilities	–	8	13	27	48
Fair value increase / (decrease) – S\$ million					
Hedging instruments	7	(14)	(14)	34	13
Hedged items	(7)	14	14	(34)	(13)
Hedge ineffectiveness	*	–	–	–	*
Reconciliation of hedging reserve – S\$ million					
Changes in fair value	7	(14)	(14)	34	13
Amounts reclassified to profit or loss:					
– Cost of goods sold	(1)	*	–	(29)	(30)
– Finance costs	–	(5)	–	–	(5)
Amount reclassified to cost of investment in a subsidiary	5	–	–	–	5
	11	(19)	(14)	5	(17)
Tax on above items					4
Change in hedging reserve					(13)
Share of other comprehensive income of associates and joint ventures					18
Movement during the year					5

Notes to the Financial Statements

F. Our Financial Instruments and Risks Management *(cont'd)*

F2. Hedges *(cont'd)*

The following table provides a reconciliation by risk category of components of equity and analysis of OCI items, net of tax, resulting from cash flow hedge accounting:

<i>(S\$ million)</i>	Cash flow hedge reserve	
	2025	2024
At January 1	50	45
Movement during the year		
Changes in fair value:		
– Foreign currency risk	(7)	7
– Interest rate risk	(31)	(14)
– Foreign currency and interest rate risk	(23)	(14)
– Commodity risk	(24)	34
Amount reclassified to profit or loss:		
– Foreign currency risk	(1)	(1)
– Commodity risk	(7)	(29)
– Interest rate risk	(8)	(5)
Amount reclassified to cost of investment in a subsidiary	–	5
Tax on movements on reserves during the year	15	4
Share of other comprehensive income of associates and joint ventures	(18)	18
	(104)	5
Share of non-controlling interests	2	–
At December 31	(52)	50

Net Investment Hedges

The Group’s investments in its China (2024: China) subsidiaries are hedged by CNH / SGD (2024: CNH / SGD) forward foreign exchange contracts (hedging instrument) respectively, which mitigate the currency risks arising from the subsidiaries’ net assets. The carrying amounts of the hedging instruments of S\$3 million (2024: S\$1 million) are included in other financial assets.

The notional amount of the contracts is S\$143 million (2024: S\$186 million). During the financial year, net hedging loss of S\$10 million (2024: hedging gain of S\$4 million) was recognised in other comprehensive income. As at December 31, 2025, the balance of foreign currency translation reserve for continuing hedges is a loss of S\$107 million (2024: loss of S\$97 million).

F3. Liquidity Risk

The Group manages its liquidity risk with a view to maintaining healthy level of cash and cash equivalents that corresponds with its operating environment and expected cash flows. Liquidity requirements are maintained within the credit facilities established and are adequate to meet the Group’s obligations.

Maturity Profile of the Group’s and Company’s Financial Liabilities

The cash flows associated with the cash flow hedges of the Group are expected to occur within 1 year and between 1 and 5 years. Correspondingly, the cash flows related to the hedging instruments (foreign exchange contracts, fuel oil swaps, interest rate swaps, cross currency swaps and electricity futures) that are designated as cash flow hedges are expected to impact profit or loss within 1 year to 5 years and upon disposal, should it arise, of its investment in subsidiaries.

Approximately S\$1,057 million (2024: S\$700 million) of loans and borrowings are due within 12 months. The Group has at least S\$2,009 million (2024: S\$2,307 million) in committed credit facilities with final maturity dates beyond 2025 that can be drawn down.

The table below analyses the maturity profile of the Group’s and the Company’s financial assets and liabilities (including derivative financial assets and liabilities) based on contractual undiscounted cash inflows / (outflows), including estimated interest payments and excluding the impact of netting agreements:

<i>(S\$ million)</i>	Carrying amount	Contractual cash flow	Cash flows		
			Less than 1 year	Between 1 and 5 years	Over 5 years
Group					
2025					
Derivatives					
Derivative financial liabilities	170				
– inflow		607	518	73	16
– outflow		(777)	(573)	(91)	(113)
Derivative financial assets	(43)				
– inflow		654	554	100	–
– outflow		(612)	(520)	(92)	–
Non-derivative financial liabilities					
Trade and other payables ¹	1,384	(1,384)	(1,341)	(43)	*
Lease liabilities	747	(1,099)	(86)	(226)	(787)
Loans and borrowings	8,956	(10,620)	(2,091)	(4,452)	(4,077)
	11,214	(13,231)	(3,539)	(4,731)	(4,961)
2024					
Derivatives					
Derivative financial liabilities	66				
– inflow		4,045	391	3,654	–
– outflow		(4,110)	(427)	(3,683)	–
Derivative financial assets	(72)				
– inflow		798	710	84	4
– outflow		(730)	(654)	(76)	–
Non-derivative financial liabilities					
Trade and other payables ¹	1,551	(1,586)	(1,545)	(41)	–
Lease liabilities	729	(1,067)	(53)	(215)	(799)
Loans and borrowings	8,671	(9,754)	(947)	(4,603)	(4,204)
	10,945	(12,404)	(2,525)	(4,880)	(4,999)

¹ Excludes advance payments, deferred income, Goods and Services Tax and employee benefits

Notes to the Financial Statements

F. Our Financial Instruments and Risks Management *(cont'd)*

F3. Liquidity Risk *(cont'd)*

Maturity Profile of the Group's and Company's Financial Liabilities *(cont'd)*

<i>(S\$ million)</i>	Carrying amount	Contractual cash flow	Cash flows		
			Less than 1 year	Between 1 and 5 years	Over 5 years
Company					
2025					
Non-derivative financial liabilities					
Trade and other payables ¹	1,516	(1,816)	(179)	(1,167)	(470)
Lease liabilities	113	(177)	(10)	(38)	(129)
	1,629	(1,993)	(189)	(1,205)	(599)
2024					
Non-derivative financial liabilities					
Trade and other payables ¹	1,588	(1,734)	(282)	(1,452)	–
Lease liabilities	108	(173)	(8)	(33)	(132)
	1,696	(1,907)	(290)	(1,485)	(132)

¹ Excludes advance payments, deferred income, Goods and Services Tax and employee benefits

The following table indicates the periods in which the cash flows associated with derivatives that are cash flow hedges are expected to impact profit or loss and fair value of the related hedging instruments:

<i>(S\$ million)</i>	Carrying amount	Contractual cash flow	Cash flows		
			Less than 1 year	Between 1 and 5 years	Over 5 years
Group					
2025					
Derivative financial liabilities	148				
– inflow		607	518	73	16
– outflow		(772)	(568)	(91)	(113)
Derivative financial assets	(30)				
– inflow		655	555	100	–
– outflow		(612)	(520)	(92)	–
	118	(122)	(15)	(10)	(97)
2024					
Derivative financial liabilities	48				
– inflow		4,045	391	3,654	–
– outflow		(4,110)	(427)	(3,683)	–
Derivative financial assets	(57)				
– inflow		794	710	82	2
– outflow		(730)	(654)	(76)	–
	(9)	(1)	20	(23)	2

F4. Credit Risk

The Group only deals with pre-approved customers and financial institutions with good credit rating. To minimise the Group’s counterparty risk, the Group enters derivative transactions only with creditworthy institutions. Cash and fixed deposits are placed in banks and financial institutions with good credit rating. For some customers, the Group may also obtain security in the form of deposits, guarantees, deeds of undertaking or letters of credit which can be called upon if the counterparty defaults.

For the Company’s amounts due from subsidiaries, the Company considers the financial assets to have a low credit risk by taking into consideration the Group’s financial ability to settle the amounts, after estimating risk of default.

Accounting policies

The Group applies the simplified approach to provide ECL on trade and unbilled receivables as well as contract assets without significant financing component. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs. To measure expected lifetime ECLs, these balances have been grouped based on common credit risk characteristics and ageing profiles.

The loss allowance for service concession receivables is measured at 12-month ECL. When credit risk has increased significantly since initial recognition, loss allowance is measured at lifetime ECL.

A receivable balance is written-off to the extent that there is no realistic prospect of recovery.

For customers with credit ratings (or equivalent), the ECL rate is calculated based on probabilities of default and loss given default obtained from Standards and Poor’s and Moody’s. The Group monitors changes in credit risk by tracking published external credit ratings.

Customers with no credit ratings (or equivalent) are group based on shared credit risk characteristics and days past due, with ECL rates calculated using historical loss rates for each category of customers, adjusted to reflect current and forward-looking macroeconomic factors affecting the ability of customers to settle the receivables.

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of financial asset have occurred. These events include probability of insolvency, significant financial difficulties of the customer and default or significant delay in payments.

When the Group determines whether the credit risk has increased significantly, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group’s historical experience and informed credit assessment, taking into account forward-looking information. Customer collectability is assessed on an ongoing basis and any resulting impairment losses are recognised in profit or loss.

The maximum exposure to credit risk is the carrying amount of each financial asset (including derivatives) in the balance sheet, before taking into account any collateral held. The Group does not hold any collateral in respect of its financial assets, except for balances with customers where guarantees or security deposits are obtained.

The Group and Company have issued financial guarantees to certain banks in respect of credit facilities on behalf of the obligors (see Note C5(c)). These guarantees are subject to the impairment assessment under SFRS(I) 9.

The Group has assessed that the obligors have strong financial capacities to meet the contractual cash flow obligation in the near future and hence, does not expect significant credit losses from their guarantees. The Group’s assessment is based on qualitative and quantitative factors that are indicative of the risk of default (including but not limited to external ratings, audited financial statements, management accounts and cash flow projections, if available, and applying experienced credit judgment).

The Company has not recognised any additional ECL provision as the Company believes the subsidiaries have sufficient resources to fulfil its obligations and the Company does not consider it probable that a claim will be made against the Company under the guarantee.

Notes to the Financial Statements

F. Our Financial Instruments and Risks Management *(cont'd)*

F4. Credit Risk *(cont'd)*

ECL assessment for customers with credit ratings (or equivalent)

The Group allocates exposure to credit risk by segmenting customers based on geographic region and industry classification.

<i>(\$ million)</i>	Equivalent to external credit rating	Credit impaired	Gross carrying amount	Loss allowance	Net carrying amount
Group					
2025					
Receivables and contract assets measured at lifetime ECL					
Trade and other receivables and contract assets					
– Industrial	AAA – B-	No	545	(4)	541
– Government	AAA – B	No	156	*	156
– Retail	AA+ – B-	No	23	*	23
– Others	A+ – B-	No	5	*	5
Service concession and related trade receivables (Note ii)	CC	No	304	(128)	176
			1,033	(132)	901
Receivables measured at 12-month ECL					
Service concession and related trade receivables	AAA – B2	No	432	(6)	426
Total			1,465	(138)	1,327
2024					
Receivables and contract assets measured at lifetime ECL					
Trade and other receivables and contract assets					
– Industrial	AAA – BBB-	No	514	(3)	511
– Government	AAA – B2	No	246	(2)	244
– Retail	BBB+ – B2	No	54	(1)	53
– Others	AAA – B+	No	16	(2)	14
Service concession and related trade receivables (Note ii)	CC	No	338	(135)	203
			1,168	(143)	1,025
Receivables measured at 12-month ECL					
Service concession and related trade receivables	AAA – B2	No	488	(7)	481
Total			1,656	(150)	1,506

<i>(\$ million)</i>	Equivalent to external credit rating	Credit impaired	Gross carrying amount	Loss allowance	Net carrying amount
Company					
2025					
Receivables measured at lifetime ECL					
Trade and other receivables					
– Industrial	AA+ – B	No	48	(2)	46
– Government	AAA	No	*	–	*
			48	(2)	46
2024					
Receivables measured at lifetime ECL					
Trade and other receivables					
– Industrial	AAA – BBB-	No	48	(1)	47
– Government	AAA	No	2	*	2
			50	(1)	49
i. As at December 31, 2025, 85% (2024: 85%) of service concession receivables relate to two major customers of the Group. ii. The lower allowance is attributable to translation losses arising from the depreciation of the USD against the SGD. iii. In 2025, there were no trade and other receivables and contract assets with significant increase in credit risk. There were also no credit impaired receivables at balance sheet date.					
ECL assessment for customers without credit ratings (or equivalent)					
The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets for customers with no credit rating or no representative credit rating or equivalent:					
<i>(\$ million)</i>	Credit impaired	Weighted average loss rate (Note iv)	Gross carrying amount	Loss allowance (Note iv)	Net carrying amount
Group					
2025					
Not past due	No	2.9%	171	(5)	166
Past due 0 to 3 months	No	2.1%	47	(1)	46
Past due 3 to 6 months	No	5.3%	38	(2)	36
Past due 6 to 12 months	No	9.4%	53	(5)	48
More than 1 year	No	14.9%	336	(50)	286
Total			645	(63)	582
2024					
Not past due	No	2.7%	111	(3)	108
Past due 0 to 3 months	No	0.5%	75	*	75
Past due 3 to 6 months	No	0.7%	47	*	47
Past due 6 to 12 months	No	2.0%	50	(1)	49
More than 1 year	No	17.1%	298	(51)	247
Total			581	(55)	526

Notes to the Financial Statements

F. Our Financial Instruments and Risks Management *(cont'd)*

F4. Credit Risk *(cont'd)*

ECL assessment for customers without credit ratings (or equivalent) *(cont'd)*

iv. In 2025, the Group made a S\$20 million (2024: S\$22 million) ECL allowance for the subsidy receivables of renewables assets in China, bringing the total allowance as at December 31, 2025 to S\$43 million (2024: S\$23 million). As certain receipts of the subsidy receivables are still pending final verification results from the regulators, the allowance reflects the present value of the outstanding subsidy receivables, based on management's best estimate of the expected timing of receipt. This loss allowance had an impact on the weighted average loss rate.

The loss allowance was partially offset by a S\$12 million write-back for the water business in China upon reaching a settlement with a customer.

For the remaining financial assets at amortised cost amounting to S\$236 million (2024: S\$304 million) which include deposits in margin accounts, long-term fixed deposits with financial institutions, convertible loan, dividends receivables and GST receivables, the Group considered the risk that a credit loss may occur, and recognised a loss allowance of S\$1 million (2024: S\$2 million).

ECL assessment for customers Movements in loss allowances

(S\$ million)	Note	2025			2024		
		12-month ECL	Lifetime ECL	Total	12-month ECL	Lifetime ECL	Total
Group							
At January 1		7	200	207	5	191	196
Currency translation difference		*	(9)	(9)	*	4	4
Impairment loss recognised		–	30	30	2	30	32
Allowance written back		(1)	(25)	(26)	–	(23)	(23)
Acquisition of subsidiaries		–	*	*	–	2	2
Transfer to assets held for sale		–	*	*	–	(2)	(2)
Disposal of subsidiary		–	*	*	–	(1)	(1)
Loss allowance utilised		–	*	*	–	(1)	(1)
At December 31	B2c, E1	6	196	202	7	200	207
Company							
At January 1		–	1	1	–	1	1
Impairment loss recognised		–	2	2	–	*	*
Allowance written back		–	*	*	–	–	–
At December 31	E1	–	3	3	–	1	1

F5. Financial Instruments

Accounting policies

SFRS(I) 13 establishes a fair value hierarchy that prioritises the inputs used to measure fair value. The three levels of the fair value input hierarchy defined by SFRS(I) 13 are as follows:

- Level 1 – Using quoted prices (unadjusted) from active markets for identical financial instruments.
- Level 2 – Using inputs, other than those used for Level 1, that are observable for the financial instruments either directly (prices) or indirectly (derived from prices).
- Level 3 – Using inputs not based on observable market data (unobservable input).

Securities

The fair value of financial assets is based on quoted market prices (bid price) in an active market at the balance sheet date without any deduction for transaction costs. If the market for a quoted financial asset is not active, and for unquoted financial assets, the Group establishes fair value by using other valuation techniques.

Derivatives

Derivatives are used by the Group for hedging. These derivatives are mainly foreign exchange contracts, foreign exchange swaps, interest rate swaps, cross currency swaps, fuel oil swaps and electricity futures.

1. The fair value of foreign exchange contracts and foreign exchange swaps are accounted for based on the difference between the contractual price and the current forward market price.
2. The fair values of interest rate swaps and cross currency swaps are the indicative amounts that the Group is expected to receive or pay to terminate the swap with the swap counterparties at the balance sheet date.
3. The fair value of fuel oil swaps and electricity futures is accounted for based on difference between the contractual strike price with the counterparty and the current forward market price.
4. CFDs are accounted for based on the difference between the contracted price entered into with the counterparty and the reference price. The fair value of the CFDs would need to be adjusted to reflect the illiquidity. However, there have been minimal trades made in the electricity future market. There is also no fixed quantity stated in the agreement. As such, the fair value of the CFDs cannot be measured reliably. Upon settlement, the gains and losses for CFDs are taken to profit or loss.

Non-derivative non-current financial assets and liabilities

Carrying amount of non-derivative non-current financial assets and liabilities on floating interest rate terms are assumed to approximate their fair value because of the short period to repricing. Fair values for the remaining non-derivative non-current financial assets and liabilities are calculated using discounted expected future principal and interest cash flows at the market rate of interest at the balance sheet date.

Other financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, and trade and other payables) are assumed to approximate their fair values because of the short period to maturity.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price, which is the fair value of the consideration given or received. When available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

For financial instruments not actively traded in the market, fair value is determined by independent third party or by various valuation techniques, with assumptions based on existing market conditions at each balance sheet date.

Notes to the Financial Statements

F. Our Financial Instruments and Risks Management *(cont'd)*

F5. Financial Instruments *(cont'd)*

a. Fair Value Hierarchy

Financial assets and financial liabilities carried at fair value

<i>(S\$ million)</i>	Fair value measurement			Total
	Level 1	Level 2	Level 3	
Group				
At December 31, 2025				
Financial assets at FVOCI	–	–	52	52
DPN receivable	–	–	1,291	1,291
Other financial assets at FVTPL	89	–	47	136
Derivative financial assets	–	43	–	43
	89	43	1,390	1,522
Financial liabilities at FVTPL	–	–	(80)	(80)
Derivative financial liabilities	–	(170)	–	(170)
	–	(170)	(80)	(250)
	89	(127)	1,310	1,272
At December 31, 2024				
Financial assets at FVOCI	–	–	47	47
DPN receivable	–	–	1,581	1,581
Other financial assets at FVTPL	77	–	46	123
Derivative financial assets	–	72	–	72
	77	72	1,674	1,823
Financial liabilities at FVTPL	–	–	(97)	(97)
Derivative financial liabilities	–	(66)	–	(66)
	–	(66)	(97)	(163)
	77	6	1,577	1,660

There have been no transfers between the different levels of the fair value hierarchy at December 31, 2025 and December 31, 2024.

Level 3 fair values

The following table shows a reconciliation from the beginning balances to the ending balances of Level 3 financial instruments measured at FVOCI and FVTPL:

<i>(S\$ million)</i>	Group			
	Financial assets at FVOCI	DPN receivable	Other financial assets at FVTPL	Financial liabilities at FVTPL
At January 1, 2025	47	1,581	46	(97)
Addition	–	–	3	–
Translation adjustment	–	–	(1)	1
Net change in fair value	5	(35)	(1)	(2)
(Receipt) / Payment	–	(255)	–	18
At December 31, 2025	52	1,291	47	(80)
At January 1, 2024	46	1,816	31	(133)
Addition	–	–	5	(4)
Acquisition of subsidiaries	–	–	12	(3)
Translation adjustment	–	–	–	*
Net change in fair value	1	169	(2)	–
(Receipt) / Payment	–	(404)	–	43
At December 31, 2024	47	1,581	46	(97)

Level 3 financial assets at FVOCI includes unquoted equity shares. The fair value of the unquoted equity shares is determined by reference to the investment's adjusted net asset values as stated in the unaudited financial statements. The estimated fair value would increase / decrease if the net asset values for unquoted equity shares were higher / lower.

The DPN receivable was recognised in January 2023 at the completion of the sale of SEIL. DPN is measured at fair value based on the contractual terms of the sale (Note H1).

Level 3 other financial assets at FVTPL includes unquoted funds. The fair value of the unquoted funds is based on the latest available unaudited net asset values of the underlying funds provided by the administrator of those funds on the basis that their net asset values approximate their fair value at balance sheet date. The key unobservable inputs include net asset value for fund investments and / or recent transaction price among investors. The estimated fair value would increase / decrease if the net asset values for fund investments were higher / lower, or if the recent transaction prices were higher / lower.

Financial liabilities at FVTPL in Level 3 relate to the contingent consideration for 2022 acquisition in China (HYNE), 2023 acquisition in India and 2024 acquisition in Vietnam.

Financial assets at FVTPL under Level 3 included contingent receivable of S\$12 million related to the 2024 acquisition in Vietnam.

Notes to the Financial Statements

F. Our Financial Instruments and Risks Management *(cont'd)*

F5. Financial Instruments *(cont'd)*

a. Fair Value Hierarchy *(cont'd)*

Assets and liabilities not carried at fair value

The following table shows assets and liabilities not carried at fair value but for which fair values are disclosed, except financial assets and financial liabilities whose carrying amounts measured at amortised cost approximate their fair values due to their short-term nature and where the effect of discounting is immaterial.

(\$ million)	Fair value measurement			
	Level 1	Level 2	Level 3	Total
Group				
At December 31, 2025				
Associate	264	–	–	264
Service concession receivables	–	1,580	–	1,580
Non-current loans and borrowings	–	(7,977)	–	(7,977)
At December 31, 2024				
Associate	135	–	–	135
Service concession receivables	–	1,573	–	1,573
Non-current loans and borrowings	–	(7,990)	–	(7,990)
Company				
At December 31, 2025				
Amounts due to related parties	–	(1,357)	–	(1,357)
At December 31, 2024				
Amounts due to related parties	–	(1,393)	–	(1,393)

b. Fair Value versus Carrying Amount

The fair value of financial assets and financial liabilities measured at amortised cost approximate their carrying amounts, except for the following:

<i>(\$ million)</i>	Financial assets at amortised cost	Other financial liabilities	Total carrying amount	Fair value
Group				
At December 31, 2025				
Service concession receivables	736	–	736	1,580
Non-current loans and borrowings	–	(7,899)	(7,899)	(7,977)
At December 31, 2024				
Service concession receivables	827	–	827	1,573
Non-current loans and borrowings	–	(8,000)	(8,000)	(7,990)
Company				
At December 31, 2025				
Amounts due to related parties	–	(1,353)	(1,353)	(1,357)
At December 31, 2024				
Amounts due to related parties	–	(1,393)	(1,393)	(1,393)

G. Our Group Structure

This section provides key information on the Group’s interests in joint arrangements, controlled entities and transactions with non-controlling interests. It also provides information on business acquisitions and disposals made during the year as well as information relating to Group’s related parties, including related party transactions.

During the year, the Group made three significant acquisitions, requiring the purchase price to be allocated to the fair value of the identifiable assets (including intangible assets) acquired and liabilities assumed.

Judgement is required in determining the classification of the acquisitions as asset acquisitions or business combinations. There is judgement and inherent uncertainty involved in the valuation of the assets and liabilities as well as settlement of any existing litigations between the parties.

The Group has used provisional amounts of purchase price allocation for the accounting of these acquisitions and has a one-year measurement period from the acquisition date to complete the accounting for the acquisitions. Fair value adjustments may arise on the completion of respective final purchase price allocations due to the estimation uncertainty involved.

G1. Subsidiaries



Accounting policies

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

In the Company’s separate financial statements, investments in subsidiaries are accounted for at cost less accumulated impairment losses.

Investment in Subsidiaries

<i>(\$ million)</i>	Company	
	December 31, 2025	December 31, 2024
At cost and carrying value:		
Unquoted equity shares	1,949	1,949
Preference shares	288	288
Share-based payments reserve	1	(3)
	2,238	2,234

Notes to the Financial Statements

G. Our Group Structure *(cont'd)*

G1. Subsidiaries *(cont'd)*

Subsidiaries

Details of key subsidiaries of the Group are as follows:

Name of key subsidiary	Country of incorporation	Effective equity held by the Group	
		2025 %	2024 %
Sembcorp Utilities Pte Ltd ¹	Singapore	100.00	100.00
Sembcorp Cogen Pte Ltd ¹	Singapore	100.00	100.00
Sembcorp Gas Pte Ltd ¹	Singapore	100.00	100.00
Sembcorp Development Ltd ¹	Singapore	100.00	100.00
Sembcorp Solar Singapore Pte Ltd ¹	Singapore	100.00	100.00
Sembcorp Energy Vietnam Pte Ltd ¹	Singapore	100.00	100.00
Sembcorp Renewable Energy Vietnam Pte Ltd ¹	Singapore	100.00	100.00
Sembcorp Energy UK Limited ²	United Kingdom	100.00	100.00
Sembcorp Utilities (UK) Limited ²	United Kingdom	100.00	100.00
UK Capacity Reserve Limited ²	United Kingdom	100.00	100.00
Sembcorp North-West Power Company Ltd. ³	Bangladesh	71.00	71.00
Sembcorp Energy (Shanghai) Holding Co., Ltd ³	China	100.00	100.00
Sembcorp Huiyang New Energy (Nanjing) Co., Ltd ³	China	100.00	100.00
Sembcorp (China) Holding Co., Ltd ³	China	100.00	100.00
Sembcorp Green Infra Private Limited ⁴	India	100.00	100.00
TWMB Holdings B.V. ⁵	Netherlands	100.00	100.00

¹ Audited by KPMG LLP, Singapore

² Audited by UNW LLP, UK

³ Audited by member firms of KPMG International

⁴ Audited by PricewaterhouseCoopers, India

⁵ No requirement for statutory audit

G2. Non-controlling Interests

There are no subsidiaries with material NCI for financial year ended December 31, 2025 and December 31, 2024.

G3. Associates and Joint Ventures



Accounting policies

Associates are those entities in which the Group has significant influence, but no control or joint control, over the financial and operating policies of these entities.

The existence and effect of potential voting rights that are presently exercisable or presently convertible are considered when assessing whether the Group has significant influence over another entity. Significant influence is presumed to exist when the Group holds 20% or more of the voting power of another entity.

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement. The existence and effect of potential voting rights that are presently exercisable or presently convertible are considered when assessing whether the Group has joint control over the entity.

<i>(S\$ million)</i>	Note	Group	
		December 31, 2025	December 31, 2024 Restated
Associates and joint ventures	i	3,064	2,821
Loan to associate	ii	48	53
		3,112	2,874
Less: Allowance for impairment		(85)	(85)
	a, b	3,027	2,789

i. In 2024, the Group acquired 30% equity stake in Senoko Energy Pte Ltd (SNK) for S\$96 million. Based on the fair value of the identifiable assets (excluding SNK’s intangibles) acquired and liabilities assumed, determined on provisional basis, the goodwill acquired was S\$44 million. During the provisional one-year period from November 2024, the goodwill has been reduced by S\$3 million.

In 2025, the Group has completed the acquisition of an additional interest in SNK of S\$72 million, increasing its effective shareholding to 50.02%. Based on the incremental share of net assets at fair value, determined on a provisional basis, a bargain purchase gain of S\$37 million was recognised within the share of results of associates and joint ventures. The gain includes the share of the fair value of the electricity licenses.

ii. The loan to an associate is unsecured, bears interest at 8.5% per annum and has no fixed terms of repayment. The settlement of the amount is neither planned nor likely to occur in the foreseeable future and hence the loan is recognised within investment in associate. Allowance for impairment on this loan is insignificant.

iii. In 2025, the Group received dividends of S\$290 million (2024: S\$186 million) from its investments in associates and joint ventures.

iv. The carrying value includes goodwill on acquisition as follows:

<i>(S\$ million)</i>	Group	
	2025	2024
At January 1	49	2
Addition	–	47
Finalisation of PPA	(3)	–
At December 31	46	49

v. The Group’s carrying value of a joint venture potentially affected by recent policy changes relating to renewable energy tariff in Vietnam was S\$33 million. The Group’s maximum additional potential exposure to this investment was assessed to be approximately S\$30 million as at December 31, 2025.

Notes to the Financial Statements

G. Our Group Structure (cont'd)

G3. Associates and Joint Ventures (cont'd)

a. Associates

Details of the Group's key associates are as follows:

Name of key associate	Nature of relationship with the Group	Country of incorporation	Effective equity held by the Group	
			2025 %	2024 %
Gas and Related Services				
Sembcorp Salalah Power and Water Company SAOG ¹	Generation of electric energy	Oman	40.00	40.00
Renewables				
SDIC New Energy Investment Co., Ltd ²	Project investment; investment management; technology development, transfer, training and promotion; technical, economic and trade consultation and services; and renewable power generation	China	35.11	35.11
Hunan Xingling New Energy Co., Ltd. ³	Renewable power generation, power transmission and distribution businesses	China	45.30	45.30
Integrated Urban Solutions				
Sino-Singapore Nanjing Eco Hi-tech Island Development Co., Ltd ⁴	First-grade land development including building infrastructure and public amenities	China	21.50	21.50

¹ Audited by Ernst & Young LLP

² Audited by BDO China Shu Lun Pan Certified Public Accountant LLP

³ Audited by Baker Tilly Certified Public Accountants Co., Ltd, China

⁴ Audited by Jiangsu Gongzheng Tianye Certified Public Accountants Co., Ltd, China

There is one (2024: one) associate that is considered to be material to the Group as at December 31, 2025. Summarised financial information of the associate is presented as follows:

	SDIC New Energy Investment Co., Ltd	
	2025	2024
<i>(S\$ million)</i>		
Revenue	366	376
Profit for the year	54	91
Other comprehensive income	*	*
Total comprehensive income	54	91
Attributable to non-controlling interests	2	4
Attributable to investee's shareholders	52	87

	SDIC New Energy Investment Co., Ltd	
	December 31, 2025	December 31, 2024
<i>(S\$ million)</i>		
Non-current assets	3,005	3,143
Current assets	619	637
Non-current liabilities	(1,623)	(1,776)
Current liabilities	(556)	(537)
Net assets	1,445	1,467
Attributable to non-controlling interests	24	26
Attributable to investee's shareholders	1,421	1,441

	SDIC New Energy Investment Co., Ltd	Individually immaterial associates	Total
<i>(S\$ million)</i>			
Group's interest in net assets of investees at January 1, 2025, as previously stated	506	792	1,298
Impact of change in accounting policy	–	3	3
At January 1, 2025 restated	506	795	1,301
Group's share of:			
Profit from continuing operations	18	54	72
Other comprehensive income	*	(1)	(1)
Total comprehensive income	18	53	71
Dividends received during the year	(19)	(14)	(33)
Translation during the year	(6)	(25)	(31)
Addition during the year, net of disposal	–	7	7
Carrying amount of interest in investees at December 31, 2025	499	816	1,315

Group's interest in net assets of investees at January 1, 2024, as previously stated	450	752	1,202
Impact of change in accounting policy	–	5	5
At January 1, 2024 restated	450	757	1,207
Group's share of:			
Profit from continuing operations	31	43	74
Other comprehensive income	*	4	4
Total comprehensive income	31	47	78
Dividends received during the year	(13)	(39)	(52)
Translation during the year	(1)	10	9
Addition during the year, net of disposal	39	20	59
Carrying amount of interest in investees at December 31, 2024	506	795	1,301

The fair value of the equity interest of a listed associate amounted to S\$264 million (2024: S\$135 million) based on the last transacted market price on the last transaction day of the year.

Notes to the Financial Statements

G. Our Group Structure (cont'd)
G3. Associates and Joint Ventures (cont'd)

b. Joint Ventures

Details of the Group’s key joint ventures are as follows:

Name of key joint venture	Nature of relationship with the Group	Country of incorporation	Effective equity held by the Group	
			2025 %	2024 %
Gas and Related Services				
Shanghai Cao Jing Co-generation Co. Ltd ¹	Production of electricity and steam, supply of steam to customers, supply of electricity to the power grid and production and sale of other relevant products	China	30.00	30.00
Emirates Sembcorp Water & Power Company P.J.S.C ²	Development, possession, operation and maintenance of production, power generation and water desalination projects	United Arab Emirates	40.00	40.00
Senoko Energy Pte. Ltd. (SNK) ³	Generation and sale of electricity	Singapore	50.02	30.00
Renewables				
Guohua AES (Huanghua) Wind Power Co., Ltd. ⁴ (HH)	Development, construction and operation of wind farms as well as provision of wind power technical consultation and services, training and research, development and engineering support services	China	49.00	49.00
Integrated Urban Solutions				
Vietnam-Singapore Industrial Park J.V. Co., Ltd. ⁵ (VSIP)	Development of industrial parks, residential areas and commercial areas for sale and lease	Vietnam	49.26	49.26

¹ Audited by PricewaterhouseCoopers Zhong Tian CPAs Limited Company
² Audited by Deloitte & Touche (M.E.)
³ Audited by Ernst & Young LLP, Singapore
⁴ Audited by Baker Tilly Certified Public Accountants Co., Ltd, China
⁵ Audited by member firms of KPMG International

The Group has three (2024: three) joint ventures that are material and a number of joint ventures that are individually immaterial to the Group. All are equity accounted. Summarised financial information of the joint ventures is presented as follows:

(\$ million)	Senoko Energy Pte. Ltd.		Vietnam-Singapore Industrial Park JV Co., Ltd.		Guohua AES (Huanghua) Wind Power Co., Ltd.	
	2025	2024 [^]	2025	2024	2025	2024
Revenue	3,070	568	756	701	109	108
Profit for the year ¹	379	70	209	173	40	39
Other comprehensive income	(20)	40	(71)	(17)	–	–
Total comprehensive income	359	110	138	156	40	39
Attributable to non-controlling interests	–	–	19	14	–	–
Attributable to investee’s shareholders	359	110	119	142	40	39
¹ Included in profit for the year:						
Depreciation and amortisation	146	136	4	13	37	38
Finance income	6	10	21	9	*	*
Finance cost	53	87	12	11	4	6
Income tax expense	79	111	52	46	13	14

[^] 2024 represents two months of post-acquisition results.

(\$ million)	Senoko Energy Pte. Ltd.		Vietnam-Singapore Industrial Park JV Co., Ltd.		Guohua AES (Huanghua) Wind Power Co., Ltd.	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Non-current assets	1,786	1,757	587	228	420	462
Current assets ¹	720	973	1,842	1,950	183	184
Non-current liabilities ²	(1,441)	(1,729)	(799)	(758)	(160)	(163)
Current liabilities ³	(483)	(574)	(510)	(440)	(48)	(46)
Net assets	582	427	1,120	980	395	437
Attributable to non-controlling interests	–	–	152	221	–	–
Attributable to investee’s shareholders	582	427	968	759	395	437
¹ Includes cash and cash equivalents						
² Includes non-current financial liabilities [#]						
³ Includes current financial liabilities [#]						
	310	385	421	475	6	10
	1,300	1,519	658	636	115	135
	123	140	198	203	37	32

[#] excludes trade and other payables and provisions

SNK’s non-current assets and net assets (including those attributable to the investee’s shareholders) include S\$335 million (2024: S\$317 million) of intangible assets, right-of-use assets net of lease liabilities, asset retirement obligations and deferred tax liabilities, which were determined on a provisional basis. During the provisional one-year measurement period for the 2024 acquisition (commencing November 2024), goodwill was reduced by S\$3 million (see G3(i)).

Notes to the Financial Statements

G. Our Group Structure (cont'd)

G3. Associates and Joint Ventures (cont'd)

b. Joint Ventures (cont'd)

(S\$ million)	Senoko Energy Pte. Ltd.	Vietnam-Singapore Industrial Park JV Co., Ltd.	Guohua AES (Huanghua) Wind Power Co., Ltd.	Individually immaterial joint ventures	Total
Group's interest in net assets of investees at January 1, 2025, as previously stated	128	381	214	719	1,442
Impact of change in accounting policy	–	46	–	–	46
At January 1, 2025 restated	128	427	214	719	1,488
Group's share of:					
Profit from continuing operations	199 [^]	95	20	110	424
Other comprehensive income	(9)	–	–	(8)	(17)
Total comprehensive income	190	95	20	102	407
Dividends received during the year	(96)	(38)	(38)	(85)	(257)
Translation during the year	–	(34)	*	(38)	(72)
Addition during the year, net of capital reduction, disposal and impairment	69 ^{^^}	38	–	39	146
Carrying amount of interest in investees at December 31, 2025	291	488	196	737	1,712

[^] include bargain purchase gain of S\$37 million recognised.

^{^^} include capital reduction of S\$3 million.

(S\$ million)	Senoko Energy Pte. Ltd.	Vietnam-Singapore Industrial Park JV Co., Ltd.	Guohua AES (Huanghua) Wind Power Co., Ltd.	Individually immaterial joint ventures	Total
Group's interest in net assets of investees at January 1, 2024, as previously stated	–	323	199	672	1,194
Impact of change in accounting policy	–	44	–	–	44
At January 1, 2024 restated	–	367	199	672	1,238
Group's share of:					
Profit from continuing operations	20	79	19	124	242
Other comprehensive income	12	–	–	2	14
Total comprehensive income	32	79	19	126	256
Dividends received during the year	–	(40)	–	(94)	(134)
Translation during the year	–	(5)	(4)	20	11
Elimination of unrealised profit	–	(3)	–	–	(3)
Addition during the year, net of disposal and impairment	96	29	–	(5)	120
Carrying amount of interest in investees at December 31, 2024	128	427	214	719	1,488

- The Group's share of the capital commitments of the joint ventures at the balance sheet date amounted to S\$61 million (2024: S\$62 million).
- The Group's interest in joint ventures with total carrying amount of S\$123 million (2024: S\$127 million) as at balance sheet date has been pledged to banks to secure credit facilities granted to the joint venture entities.

Notes to the Financial Statements

G. Our Group Structure *(cont'd)*

G4. Related Party Information

a. Amounts Due from Related Parties

(\$ million)	Note	Associates		Joint ventures		Related companies		Total	
		December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Group									
Trade		6	4	14	4	73	104	93	112
Non-trade		2	2	10	5	3	5	15	12
Dividends		–	5	34	46	–	–	34	51
Loans		*	*	1	62	–	–	1	62
	E1	8	11	59	117	76	109	143	237
Loss allowance		(1)	*	*	*	*	(1)	(1)	(1)
		7	11	59	117	76	108	142	236
Amount due within 1 year		7	11	52	112	76	108	135	231
Amount due more than 1 year		–	–	7	5	–	–	7	5
		7	11	59	117	76	108	142	236

The non-trade amounts due from related parties are unsecured, repayable on demand and interest-free.

(S\$ million)	Note	Subsidiaries	
		December 31, 2025	December 31, 2024
Company			
Current:			
– Trade		90	47
	E1	90	47

b. Amounts Due to Related Parties

		Associates		Joint ventures		Related companies		Total	
(S\$ million)	Note	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Group									
Current:									
– Trade		1	6	*	*	1	8	2	14
– Non-trade		10	*	10	*	6	6	26	6
	E3	11	6	10	*	7	14	28	20

The non-trade amounts due to related parties are unsecured, repayable on demand and interest-free.

Notes to the Financial Statements

G. Our Group Structure *(cont'd)*

G4. Related Party Information *(cont'd)*

b. Amounts Due to Related Parties *(cont'd)*

(S\$ million)	Note	Subsidiaries	
		December 31, 2025	December 31, 2024
Company			
Current:			
– Trade		*	2
– Non-trade		8	4
	E3	8	6
Non-current:			
– Loans	E3	1,353	1,393
		1,361	1,399

The non-trade amounts due to related parties are unsecured, repayable on demand and interest-free.

The loans from a related party of S\$1,353 million (2024: S\$1,393 million) bear interest rates ranging from 2.22% to 3.65% (2024: 3.70% to 4.06%) per annum and are secured.

c. Related Party Transactions

In addition to the above, the Group had the following significant outstanding balances and transactions with related parties during the year:

<i>(S\$ million)</i>	Outstanding balances		Transactions	
	December 31, 2025	December 31, 2024	2025	2024
Related Corporations				
Sales	73	104	363	577
Purchases including rental	1	8	355	352
Finance income	3	5	1	*
Finance expense	6	6	23	7
Associates and Joint Ventures				
Sales	20	8	64	32
Purchases including rental	1	6	1	*
Finance income	12	7	5	6
Payment on behalf	–	–	3	1
Loans receivable	1	61	–	–

d. Compensation of Key Management Personnel

The Group considers the Directors of the Company (including the Group CEO of the Company) and other personnel who have the authority and responsibility for planning, directing and controlling the activities of the Group to be key management personnel in accordance with SFRS(I) 1-24 Related Party Disclosures.

The compensation of the six (2024: six) key management personnel is included in the table below:

<i>(S\$ million)</i>	Group	
	2025	2024
Directors		
Directors' fees paid / payable	2	2
Key Management Personnel		
Short-term employee benefits ¹	17	18
Employer's contributions to defined contribution plans	*	*
Share-based compensation expenses	17	18

¹ Short-term employee benefits comprise of base salary, bonus and other benefits, excluding the fair value of shares vested during the year.

The Group adopts an incentive compensation plan, which is tied to the creation of Economic Value Added (EVA), as well as attainment of individual and Group performance goals for its key executives. "A bonus bank" is used to hold incentive compensation credited in any year. Typically, one-third of the available balance is paid out in cash each year, with the balance being carried forward to the following year. The balances of the bonus bank will increase or decrease by the yearly EVA performance achieved and the pay-outs made from the bonus bank.

G5. Acquisition of Subsidiaries

Acquisition of Significant Subsidiaries 2025

During the year, the Group completed the acquisition of subsidiaries in the renewable business in India, Vietnam and China.

Acquisition of subsidiary in India

On December 24, 2025, the Group completed the acquisition of a 100% interest in ReNew Sun Bright Private Limited. This subsidiary's contributions to the Group's turnover and profit for the year is not material.

Acquisition of subsidiary in Vietnam

On December 10, 2025, the Group completed the acquisition of a 73.16% interest in the last of the four subsidiaries from Gelex. This acquisition contributed turnover of S\$1.6 million and profit of S\$0.4 million to the Group's results.

Acquisition of subsidiary in China

On December 26, 2025, the Group completed the acquisition of a 100% interest in Lianzhou Yangfeng Wind Power Co., Ltd. This subsidiary's contributions to the Group's turnover and profit for the year is not material.

<i>(S\$ million)</i>	India (Note i)	Vietnam (Note ii)	China (Note iii)	Total
Purchase consideration				
Cash paid	105	22	18	145
Contingent and deferred consideration payable	–	*	10	10
Consideration transferred for the businesses	105	22	28	155
Effect on cash flows of the Group				
Cash paid	105	22	18	145
Less: Cash and cash equivalents in subsidiaries acquired	(23)	(3)	(3)	(29)
Cash outflow on acquisition	82	19	15	116

Notes to the Financial Statements

G. Our Group Structure (cont'd)

G5. Acquisition of Subsidiaries (cont'd)

Acquisition of Significant Subsidiaries (cont'd) 2025 (cont'd)

(S\$ million)	India (Note i)	Vietnam (Note ii)	China (Note iii)	Total
<i>Identifiable assets acquired and liabilities assumed</i>				
Property, plant and equipment	173	42	120	335
Intangible assets	15	–	–	15
Trade and other receivables	25	6	10	41
Cash and cash equivalents	23	3	3	29
Total assets	236	51	133	420
Trade and other payables	8	1	11	20
Provisions	1	–	–	1
Borrowings	150	16	94	260
Lease liabilities	4	1	–	5
Deferred tax liabilities	16	–	–	16
Total liabilities	179	18	105	302
Identifiable net assets acquired	57	33	28	118
Less: NCI measured on proportionate basis	–	(9)	–	(9)
Identifiable net assets acquired	57	24	28	109
Add: Goodwill acquired	48	–	–	48
Less: Gain on bargain purchase	–	(2)	–	(2)
Considerations transferred for the business	105	22	28	155

During the provisional one-year period from the date of acquisition of a subsidiary in December 2024, the consideration has decreased, and a reduction in power generation permits by S\$2 million was recognised (see Note D3).

i. Acquisition of subsidiary in India

- a. The Group has ascertained the fair value of assets and liabilities acquired and fair value adjustments have been made to such assets and liabilities as at December 31, 2025.
- b. The goodwill recognised is not expected to be deductible for tax purposes.

ii. Acquisition of subsidiary in Vietnam

- a. The Group has ascertained the fair value of assets and liabilities acquired and fair value adjustments have been made to such assets and liabilities as at December 31, 2025.
- b. The gain on bargain purchase relating to the acquisition is presented within non-operating income in the income statement in FY2025.

iii. Acquisition of subsidiary in China

- a. The Group has ascertained the fair value of assets and liabilities acquired and fair value adjustments have been made to such assets and liabilities as at December 31, 2025.

iv. Measurement of fair values

The valuation techniques used for measuring the fair value of material assets acquired were as follows:

Assets acquired	Valuation technique	Key assumptions
Property, plant and equipment	India Depreciated replacement cost method	Estimate of current cost for asset with a similar nature of asset having similar service potential, capacity and function.
	Vietnam Replacement cost method	Replacement cost could be obtained or estimated using the quote of similar assets or inflation-adjusted historical cost of subject assets.
	China Replacement cost method	The valuation model considers market prices for similar items when they are available, and depreciated replacement cost when appropriate. Depreciated replacement cost reflects adjustments for physical deterioration as well as functional and economic obsolescence.
Intangible assets	Multi-period excess earnings method	Cash flows attributed to the power purchase agreements from date of acquisition to the end of the useful life of the respective generation plants of each project.
		Discount rate India: 9.2%

2024

In 2024, the Group completed the acquisition of subsidiaries in the renewable business in India, Vietnam and China.

Acquisition of subsidiaries in India

On February 13, 2024, the Group completed the acquisition of a 100% interest in two SPVs of Leap Green. The SPVs contributed turnover of S\$22 million and loss of S\$3 million to the Group’s results.

Acquisition of subsidiaries in Vietnam

In May and June 2024, the Group completed the acquisitions of majority interests in three out of four subsidiaries of Gelex. These acquisitions contributed turnover of S\$32 million and profit of S\$9 million to the Group’s results.

Acquisition of subsidiaries in China

During December 2024, the Group completed the acquisition of a 100% interest in Hechishi Yizhouqu Xinyang New Energy Co. Ltd. and Qinzhou Fengmushan Wind Power Co., Ltd (collectively China subsidiaries) respectively. These subsidiaries’ contributions to the Group’s turnover and profit for the year are not material.

Notes to the Financial Statements

G. Our Group Structure *(cont'd)*

G5. Acquisition of Subsidiaries *(cont'd)*

Acquisition of Significant Subsidiaries *(cont'd)*

2024 *(cont'd)*

<i>(S\$ million)</i>	Note	India (Note i)	Vietnam (Note ii)	China (Note iii)	Total
<i>Purchase consideration</i>					
Cash paid		46	174	51	271
Contingent and deferred consideration payable		–	3	–	3
Contingent receivable	ii	–	(12)	–	(12)
Consideration transferred for the businesses		46	165	51	262
<i>Effect on cash flows of the Group</i>					
Cash paid		46	174	51	271
Less: Cash and cash equivalents in subsidiaries acquired		(9)	(11)	(7)	(27)
Cash outflow on acquisition		37	163	44	244
<i>Identifiable assets acquired and liabilities assumed</i>					
Property, plant and equipment		146	282	165	593
Intangible assets		1	44	16	61
Trade and other receivables		9	17	19	45
Deferred tax assets		–	*	–	*
Cash and cash equivalents		9	11	7	27
Total assets		165	354	207	726
Trade and other payables		3	1	11	15
Provisions		2	–	–	2
Borrowings		104	189	142	435
Lease liabilities		*	*	*	*
Deferred tax liabilities		2	5	3	10
Total liabilities		111	195	156	462
Identifiable net assets acquired		54	159	51	264
Less: NCI measured on proportionate basis		–	(4)	–	(4)
Identifiable net assets acquired		54	155	51	260
Add: Goodwill acquired		–	10	–	10
Less: Gain on bargain purchase		(8)	–	–	(8)
Considerations transferred for the business		46	165	51	262

i. Acquisition of subsidiaries in India

- The Group has ascertained the fair value of assets and liabilities acquired and fair value adjustments have been made to such assets and liabilities as at December 31, 2024.
- The gain on bargain purchase relating to the acquisition is presented within non-operating income in the income statement in FY2024.

ii. Acquisition of subsidiaries in Vietnam

- The Group has ascertained the fair value of assets and liabilities acquired and fair value adjustments have been made to such assets and liabilities as at December 31, 2024.
- The goodwill recognised is not expected to be deductible for tax purposes.
- Contingent consideration includes both contingent receivables and contingent consideration payable. The receivable is due when the agreed energy production level is not met within two years after the acquisition, while the payable is for the payment of a defined amount upon obtaining the necessary permits for the operation of certain projects. The receivable and payable are presented at gross amounts within trade and other receivables and trade and other payables, respectively, on the balance sheet as of December 31, 2024.

In determining the fair value of the contingent consideration, the Group has applied estimates to evaluate the probability and timing of fulfillment, considering past experiences and changes in the market, economic, or legal environment in Vietnam.

iii. Acquisition of subsidiaries in China

- Acquisition-related costs amounting to S\$1 million have been excluded from the consideration transferred and have been recognised within general & administrative expenses in profit or loss.

iv. Measurement of fair values

The valuation techniques used for measuring the fair value of material assets acquired were as follows:

Assets acquired	Valuation technique	Key assumptions
Property, plant and equipment	India Depreciated replacement cost method	Estimate of current cost for asset with a similar nature of asset having similar service potential, capacity and function.
	Vietnam Replacement cost method	Replacement cost could be obtained or estimated using the quote of similar assets or inflation-adjusted historical cost of subject assets.
	China Replacement cost method	The valuation model considers market prices for similar items when they are available, and depreciated replacement cost when appropriate. Depreciated replacement cost reflects adjustments for physical deterioration as well as functional and economic obsolescence.
Intangible assets	Multi-period excess earnings method	Cash flows attributed to the power purchase agreements from date of acquisition to the end of the useful life of the respective generation plants of each project. Discount rate India: 11.22% – 11.33% Vietnam: 9.45% – 11.14% China: 6.60%

Notes to the Financial Statements

G. Our Group Structure (cont'd)

G6. Disposal Group Held for Sale and Discontinued Operations

Accounting policies

Non-current assets or disposal groups are classified as assets held for sale and measured at the lower of carrying amount and fair value less costs to sell if they are expected to be recovered principally through a sale transaction rather than through continuing use. The assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale shall continue to be recognised.

Any impairment losses on initial classification and subsequent re-measurement are recognised in profit or loss. Subsequent increases in fair value less costs to sell are recognised in profit or loss but not exceeding the accumulated impairment loss that has been previously recognised.

A discontinued operation is a component of an entity that either has been disposed of, or that is classified as held for sale and:

- represents a separate major line of business or geographical area of operations; or
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations;

Key estimates and judgements

The assessment on whether the Group has lost control of a subsidiary takes into consideration the terms of the sales, including the transaction structure. Judgements are applied in determining if there is a loss of control or influence of the subsidiary. Factors considered in the assessment for disposal during the year are described in the note.

The Group will continue to reassess whether it has control over the entity when relevant facts and circumstances change to such an extent that there is a change in one or more of the three elements of control or the overall relationship between the Group and the entity per SFRS(I) 10.

a. Assets and Liabilities Held for Sale

As at December 31, 2025, the Group’s assets and liabilities held for sale, totaling a net of S\$15 million, comprised property, plant and equipment in India.

As at December 31, 2024, the Group’s and the Company’s disposal group held for sale mainly related to SembEnviro, which was divested on March 18, 2025. The Group’s assets held for sale also included S\$3 million of property, plant and equipment located in Vietnam, which were subsequently written down to its net recoverable amount in 2025, with S\$3 million charged to general & administrative expenses.

b. Discontinued Operations

2024

On December 19, 2024, the Group completed the sale of Chongqing Songzao Sembcorp Electric Power Co., Ltd. (CSZ). The loss on disposal of S\$9 million relates mainly to the realisation of the accumulated currency translation loss recognised in the foreign currency translation reserve.

In May 2021, SCI announced its strategy to reduce its carbon emission, and in 2022, the Group announced the divestment of SEIL, which was completed in 2023, and to exit its coal business. The exit of the coal business, being a major line of business under the Conventional Energy business segment then, was classified as discontinued operation.

In 2024, the Group completed its divestment of CSZ, the Group’s remaining coal-fired power generation assets. Being part of the Group’s plan to exit its coal business, the loss on disposal was reported under discontinued operation.

The financial effects arising from the divestment of the discontinued operation are as follows:

	Group 2024
(\$ million)	
Net assets derecognised	–
Less: Realisation of currency translation, capital and other reserves upon disposal	9
Less: Transaction costs	*
Loss on disposal	(9)
Consideration received	*
Add: Stamp duties and tax	*
Net cash inflow	*

H. Other Disclosures

H1. DPN Receivable, Other Investments and Derivatives

Accounting policies

Classification and Measurement

On initial recognition, a financial asset is classified as measured at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Group initially recognises financial liabilities on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group classifies financial liabilities as measured at amortised cost or FVTPL.

Equity Investments at FVOCI

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment’s fair value in other comprehensive income. This election is made on an investment-by-investment basis. The Group’s equity investments are classified as FVOCI. These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless dividend clearly represents a recovery of part of the cost of investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial assets and liabilities at FVTPL

All other financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or FVOCI, as FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. A financial liability is classified as FVTPL if it is held for trading, it is a derivative or it is designated as such on initial recognition. Financial assets and financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest income and expense, are recognised in profit or loss. Directly attributable transaction costs are recognised in profit or loss as incurred.

Notes to the Financial Statements

H. Other Disclosures *(cont'd)*

H1. DPN Receivable, Other Investments and Derivatives *(cont'd)*

Accounting policies *(cont'd)*

Derecognition

The Group derecognises a financial asset when a) the contractual rights to the cash flows from the financial asset expire, or b) when it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or if the Group neither transfers nor retains substantially all of the risks and rewards of ownership, it does not retain control of the financial asset.

The Group enters transactions whereby it transfers assets recognised in its balance sheet but retains either all or substantially all of its risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled, or expired. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantively different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including non-cash transferred or liabilities assumed) is recognised in profit or loss.

Deferred Payment Note receivable (DPN)

Arising from the completion of the sale of 100% of the shares in Sembcorp Energy India Limited (SEIL) by Sembcorp Utilities Pte Ltd (SCU) to Tanweer Infrastructure SAOC (the Purchaser) on January 19, 2023, the consideration for the sale was settled through a deferred payment note receivable amounting to approximately S\$2,038 million. The DPN, measured at fair value, is classified as a financial asset at fair value through profit and loss, as it does not meet the criteria for the SPPI (Solely Payments of Principal and Interest) test based on its terms.

Key estimates and judgements

The determination of the fair value of the DPN requires significant judgements and estimates, which are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised, and in any future periods affected.

The Group has derived the fair value of DPN by performing a discounted cashflow using the forecasted distributable reserves available from SEIL Energy India Limited (SEIL EIL), considering secured cash flows from various power purchase agreements and unsecured cash flows from contract renewals and / or new contracts.

The fair value of DPN assumed that the Group will receive interest payments in accordance with a pre-agreed interest rate and principal repayment according to SEIL EIL's a cash distribution waterfall agreed in the DPN agreement.

A discount rate is applied to the DPN to reflect the cash flow risks associated with the forecasted distributable dividends from SEIL EIL and credit default risk of the Purchaser[^]. This discount rate was derived from the yields of comparable INR bonds in India in the same industry with similar credit ratings, adjusted for maturity and subordinated structure of the DPN and cross referenced with Indian company INR perps and comparable Indian company loans.

An increase in 10 basis points on the discount rate would have reduced the fair value by S\$6 million. Conversely, a 10 basis points decrease would have increased the fair value by S\$6 million (Note H1(i)).

[^] Tanweer Infrastructure SAOC

(\$ million)	Note	Assets		Liabilities	
		Current	Non-current	Current	Non-current
2025					
DPN receivable	i	–	1,291		
Other Investments and Derivatives					
At FVOCI:					
– Equity shares		–	52		
At FVTPL:					
– Mutual funds	ii	89	35	–	–
– Cross currency swaps		1	1	5	–
– Interest rate swaps		–	2	–	5
– Forward foreign exchange contracts		5	1	12	–
		95	39	17	5
Hedge of net investment in foreign operations:					
– Forward foreign exchange contracts		3	–	*	–
		3	–	*	–
Cash flow hedges:					
– Fuel oil swaps		15	1	31	12
– Interest rate swaps		–	9	3	27
– Cross currency swaps		–	5	2	73
		15	15	36	112
At amortised cost:					
– Long-term fixed deposits		–	21		
– Redeemable preference shares		–	6		
		–	27		
Total		113	133	53	117

Notes to the Financial Statements

H. Other Disclosures *(cont'd)*

H1. DPN Receivable, Other Investments and Derivatives *(cont'd)*

(\$ million)	Note	Assets		Liabilities	
		Current	Non-current	Current	Non-current
2024					
DPN receivable	i	–	1,581		
Other Investments and Derivatives					
At FVOCI:					
– Equity shares		–	47		
At FVTPL:					
– Mutual funds	ii	76	34	–	–
– Cross currency swaps		–	2	–	–
– Interest rate swaps		–	2	–	–
– Forward foreign exchange contracts		8	2	11	7
		84	40	11	7
Hedge of net investment in foreign operations:					
– Forward foreign exchange contracts		1	–	–	–
		1	–	–	–
Cash flow hedges:					
– Forward foreign exchange contracts		2	–	–	–
– Fuel oil swaps		27	1	23	4
– Interest rate swaps		–	27	2	6
– Cross currency swaps		–	–	–	13
		29	28	25	23
At amortised cost:					
– Long-term fixed deposits		–	14		
– Redeemable preference shares		–	7		
		–	21		
Total		114	136	36	30

i. DPN Receivable

The DPN was entered into by SCU, a wholly owned subsidiary of the Company, as part of the sale of SEIL in January 2023 as a means of providing financing to the Purchaser[^]. The DPN receivable is now classified as a financial asset at fair value through profit and loss, as it does not pass the SPPI (Solely Payments of Principal and Interest) test. A Technical Services Agreement (“TSA”) was also entered into by SCU to provide technical advisory services to SEIL EIL as part of transition arrangements, pursuant to which SCU is paid fees which are mutually agreed annually based on estimated man-days. Under the terms of the DPN, the TSA cannot be terminated without SCU’s consent.

The DPN receivable was initially measured at fair value as at the date of sale. Subsequent changes in fair value are recognised in profit or loss as DPN (expense) / income (Note B4).

The DPN bears interest at a rate per annum equal to 1.8% plus a benchmark rate equal to the Indian government 10-year bond yield spot rate, minus a greenhouse gas emissions intensity reduction incentive rate.

SCU has put in place a mechanism to monitor and manage the credit exposure via the rights provided in the DPN. A summary of the terms of the DPN are set out below and can also be found in Circular to Shareholders dated October 22, 2022:

- Under the DPN, SCU receives payment from the borrower (Tanweer Infrastructure SAOC);
- SCU has protective rights as a lender by way of covenants in the DPN (affirmative, negative and information) in line with common financing terms provided by project lenders;
- These covenants ensure that the borrower and the underlying project’s funding and operational activities do not negatively affect payments under the DPN and also impose obligations on the borrower to ensure that SEIL EIL continues to operate in accordance with the annual operating budget, contractual obligations and in compliance with applicable laws and standards.

The Group has continued to assess that it has no control over SEIL EIL and only retain risks as lender through the DPN provided to the Purchaser and corporate guarantee given over SEIL EIL’s borrowing facilities. The Group also assessed that the services provided as part of the TSA did not give rise to power to direct the relevant activities of SEIL EIL that result in the Group having control or any significant influence over the operating and financial decisions of SEIL EIL.

The balance as at December 31, 2025 of S\$1,291 million (2024: S\$1,581 million) included a fair value loss of S\$35 million (2024: gain of S\$169 million) for the period, net of receipts of S\$255 million (2024: S\$404 million) consisting of principal and interest repayments.

- Included in mutual funds are amounts of S\$11 million (2024: S\$14 million) pledged to secure loan facilities.

Notes to the Financial Statements

H. Other Disclosures *(cont'd)*

H2. Provisions

Accounting policies

A provision is an amount set aside based on reliable estimate to settle a probable legal or constructive obligation from a past event.

Key estimates and judgements

Estimates of the Group’s obligations arising from contracts or regulations that exist as at balance sheet date may be affected by future events, which cannot be predicted with any certainty. The assumptions and estimates are made based on management’s knowledge and experience and may vary from actual experience so that the actual liability may vary considerably from the best estimates.

Certain of the Group’s subsidiaries are involved in claims, litigations, land disputes and other regulatory matters in certain countries at year end. Due to the nature of these disputes and matters, and in view of the uncertainty of the outcome, the Group believes that the amount of exposure cannot currently be reliably determined. Therefore, no provision has been recorded for these.

Provision for restoration cost

The provision recognised represents management’s best estimate of the present value of the future costs required. Significant estimates and assumptions are made in determining the amount of restoration provisions. Those estimates and assumptions deal with uncertainties such as: changes to the relevant legal and regulatory framework; the timing, extent and costs required. These uncertainties may result in future actual expenditure differing from the amounts currently provided. The provisions recognised are periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs are recognised in the balance sheet by adjusting both the asset and provision. Such changes give rise to a change in future depreciation and interest charges.

Movements in provisions are as follows:

<i>(S\$ million)</i>	Note	Restoration costs (i)	Maintenance obligations (ii)	Claims (iii)	Others (iv)	Total
Group						
2025						
At January 1		102	15	7	10	134
Translation adjustments		(2)	(1)	*	*	(3)
Provisions made during the year		16	7	2	4	29
Provisions reversed during the year		(1)	–	(4)	(1)	(6)
Provisions utilised during the year		(5)	(9)	–	(5)	(19)
Acquisition of subsidiaries		1	–	–	–	1
Disposal of subsidiaries		(1)	–	–	–	(1)
Transfer to liabilities held for sale		*	–	–	–	*
Unwind of accretion on restoration costs	C6	2	–	–	–	2
At December 31		112	12	5	8	137
Provisions due:						
– within 1 year		47	6	5	4	62
– after 1 year but within 5 years		11	6	–	–	17
– after 5 years		54	–	–	4	58
		112	12	5	8	137
2024						
At January 1		89	23	6	24	142
Translation adjustments		*	–	*	*	*
Provisions made during the year		15	3	8	*	26
Provisions reversed during the year		–	–	*	(9)	(9)
Provisions utilised during the year		(5)	(11)	(7)	(5)	(28)
Acquisition of subsidiaries		2	–	–	–	2
Transfer to liabilities held for sale		(2)	–	–	–	(2)
Unwind of accretion on restoration costs	C6	3	–	–	–	3
At December 31		102	15	7	10	134
Provisions due:						
– within 1 year		49	3	7	6	65
– after 1 year but within 5 years		2	12	–	–	14
– after 5 years		51	–	–	4	55
		102	15	7	10	134

Notes to the Financial Statements

H. Other Disclosures *(cont'd)*

H2. Provisions *(cont'd)*

<i>(\$ million)</i>	Restoration costs (i)	Claims (iii)	Total
Company			
2025			
At January 1	54	1	55
Provisions made during the year	5	–	5
Provisions reversed during the year	(1)	–	(1)
Provisions utilised during the year	(2)	–	(2)
Unwind of accretion on restoration costs	1	–	1
At December 31	57	1	58
Provisions due:			
– within 1 year	37	1	38
– after 5 years	20	–	20
	57	1	58
2024			
At January 1	51	1	52
Provisions made during the year	6	–	6
Provisions utilised during the year	(4)	*	(4)
Unwind of accretion on restoration costs	1	–	1
At December 31	54	1	55
Provisions due:			
– within 1 year	38	1	39
– after 5 years	16	–	16
	54	1	55

- i. Restoration costs relate to cost of dismantling and removing assets and restoring the premises to its original condition as stipulated in the agreements. The liability is expected to be incurred upon fulfilment of restoration obligation or termination of the lease.
- ii. Provision for maintenance obligation based on contractual obligations to maintain the infrastructure and equipment to specified levels of serviceability under the service concession agreements. These provisions are measured at the best estimate of the expenditure required and timing of outflows, to settle the present obligation at the end of each reporting period.
- iii. Provision for claims relates to the obligations arising from contractual and commercial arrangements in the Group’s and the Company’s operations, based on the best estimate of the possible outflow considering both contractual and commercial factors.
- iv. Others for the Group include remediation obligations of certain legacy sites in the UK, which are expected to be utilised within one to three years. This provision has been determined with reference to external quotes from suppliers as well as management’s best estimate of the costs to complete the remediation works. During the year, S\$5 million (2024: S\$5 million) of the provision was utilised, resulting in a remaining provision of S\$2 million as at December 31, 2025 (2024: S\$7 million).

H3. Performance Guarantees

As at December 31, 2024, the Company has provided performance guarantees of S\$75 million on behalf of a subsidiary, Sembcorp Cogen Pte Ltd (SembCogen) for a long-term agreement entered in Year 2010 for the purchase of a total of 20 BBtud (Billion British thermal units per day) of liquefied natural gas (LNG) from Shell Gas Marketing Pte Ltd (Shell).

The agreement has a start date on September 1, 2015 and a term of 10 years. SembCogen has an option to extend the term by two successive periods of five years each, subject to fulfilment of conditions set in the agreement. The Company believes that the subsidiary has sufficient resources to fulfil its contractual obligations and does not consider it probable that a claim will be made against the Company under these guarantees, as such there were no liabilities recognised.

As at December 31, 2025, the contract was not renewed and the Company’s obligations under this contract have been discharged.

H4. Subsequent Events

On January 30, 2026, at the Company’s Extraordinary General Meeting held, the shareholders approved the proposed acquisition of certain shares in the issued share capital of Pioneer Sail Holdings Pty Limited and Latrobe Valley Power (Holdings) Pty Ltd, pursuant to a share sale agreement dated December 11, 2025. The proposed acquisition comprises a portfolio of energy businesses in Australia and New Zealand. Details of the proposed acquisition is set in the circular dated January 15, 2026. The acquisition is subject to regulatory approvals from the Australia’s Foreign Investment Review Board and the Australian Competition and Consumer Commission.

H5. New or Revised Accounting Standards and Interpretations Not Yet Effective

The following new SFRS(I)s, amendments to and interpretations of SFRS(I)s are effective for annual periods beginning after January 1, 2025.

a. SFRS(I) 18: Presentation and Disclosure in Financial Statements

SFRS(I) 18 will replace SFRS(I) 1-1 Presentation of Financial Statements and applies for annual periods beginning on or after January 1, 2027. The new accounting standard introduces the following key new requirements:

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities’ net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

The Group is still in the process of assessing the impact of the new accounting standard, particularly with respect to the structure of the Group’s statement of profit or loss, the statement of cash flows and the additional disclosure required for MPMs.

b. Other accounting standards

Applicable to 2026 financial statements

- Amendments to SFRS(I) 9 and SFRS(I) 7: Classification and Measurement of Financial Instrument*
- Annual Improvements to SFRS(I)s — Volume 11*
- Amendments to SFRS(I) 9 and SFRS(I) 7: Contracts Referencing Nature-dependent Electricity*

Applicable to 2027 financial statements

- SFRS(I) 19: Subsidiaries without Public Accountability: Disclosures*

Mandatory effective date deferred

- Amendments to SFRS(I) 10 Consolidated Financial Statements and SFRS(I) 1-28 Investments in Associates and Joint Ventures (Sale or Contribution of Assets between an Investor and its Associate or Joint Venture)*

The Group is still in the process of assessing the impact of the new SFRS(I)s, amendments to and interpretations of SFRS(I)s on the financial statements. The Group does not expect significant impact on the financial statements upon the adoption of these new SFRS(I)s.

Notes to the Financial Statements

I. Supplementary Information

11. Interested Person Transactions

(Under SGX-ST Listing Manual requirements)

For the purposes of Chapter 9 of the SGX-ST Listing Manual, shareholders' approval is required for any interested person transaction of a value equal to, or more than 5% of the Group's latest audited consolidated net tangible assets (NTA) or when aggregated with other transactions entered into with the same interested person during the same financial year, is of a value equal to, or more than 5% of the Group's latest NTA. For FY2025, the 5% Group's consolidated NTA as at December 31, 2024 was S\$217 million.

Chapter 9 however permits the Company to obtain a shareholders' mandate for recurrent transaction of a revenue or trading nature or those necessary for its day-to-day operations. At the Annual General Meeting held on April 2025, the Company obtained approval for such shareholders' mandate.

Transactions under shareholders' mandate

		Aggregate value of all interested person transactions under shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual (excluding transactions less than S\$100,000)
(\$ million)	Nature of relationship	2025
Sale of Goods and Services		
Singapore Telecommunications Ltd and its Associates	Associate of Temasek Holdings (Private) Limited, the controlling shareholder of the Company ↓	420.0
PSA International Pte Ltd and its Associates		6.1
Olam International Ltd and its Associates		5.5
Singapore Power Limited and its Associates		3.0
SMRT Corporation Ltd and its Associates		0.6
Temasek Trust Ltd		0.2
SATS Ltd and its Associates		0.1
		435.5
Purchase of Goods and Services		
Singapore Technologies Engineering Ltd and its Associates	Associate of Temasek Holdings (Private) Limited, the controlling shareholder of the Company ↓	47.0
Starhub Ltd and its Associates		7.9
Singapore Power Limited and its Associates		1.9
PSA International Pte Ltd and its Associates		1.5
Surbana-Jurong Private Limited and its Associates		1.1
SATS Ltd and its Associates		0.8
Constellar Holdings Pte Ltd		0.6
Singapore Telecommunications Ltd and its Associates		0.1
SMRT Corporation Ltd and its Associates		0.1
		61.0
Total		496.5

There are no interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920).

12. List of Properties

Urban

Description	Type	Land tenure	Gross floor area (sq m)	Group's effective interest	Status
China					
Industrial & Business Properties					
1. Global Sustainability Hub, Nanjing	Office & exhibition centre	Leasehold 50 years from 2015	36,489 ¹	100%	Completed development
2. Jiangdao Intelligent Cube, Nanjing	Office & business park	Leasehold 50 years from 2012	72,035	21.5%	Completed development
3. Jiangdao Technology Innovation Centre, Nanjing	Office & exhibition centre	Leasehold 50 years from 2012	49,340	21.5%	Completed development
4. Wuxi-Singapore Industrial Park	Ready-built factories	Leasehold 50 years from 1995	535,853	45.4%	Completed development
5. Wuxi-Singapore Industrial Park	Built-to-specs factories	Leasehold 50 years from 2011	118,202	45.4%	Completed development
6. Wuxi-Singapore Industrial Park	Office & amenities	Leasehold 50 years from 1996	11,004	45.4%	Completed development
7. Wuxi-Singapore Industrial Park	Office	Leasehold 50 years from 1999	3,910	45.4%	Completed development
8. Wuxi-Life Science Park Phase 1	Ready-built factories	Leasehold 50 years from 2022	60,655	45.4%	Completed development
9. Wuxi-Singapore Industrial Park	Built-to-specs factories	Leasehold 50 years from 1995	12,940	45.4%	Completed development
Commercial & Residential Properties					
1. Jiangdao Xin Tiandi, Nanjing	Retail	Leasehold 40 years from 2012	51,644	21.5%	Completed development
2. Jiangdao Hua Ting, Nanjing	Residential	Leasehold 70 years from 2012	3,087	21.5%	Completed development
3. Modena by Fraser, Wuxi New District	Service apartment	Leasehold 40 years from 2008	11,056	45.4%	Completed development
4. Chengdu Innovation & Technology Centre	Office & retail	Leasehold 40 years from 2022	87,501	50.0%	Completed development
Indonesia					
Industrial & Business Properties					
1. Kendal Industrial Park, Central Java	Ready-built factories	Leasehold 30 years from 2015	1,836	49.0%	Completed development

¹ Gross floor area excludes carpark and basement area

Notes to the Financial Statements

I. Supplementary Information (cont'd)

12. List of Properties (cont'd)

Urban (cont'd)

Description	Type	Land tenure	Net lettable / saleable area (sq m)	Group's effective interest	Status
Vietnam					
Industrial & Business Properties					
1. VSIP Binh Duong I	Ready-built factories	Leasehold 50 years from 1996	57,621	49.3%	Completed development
2. VSIP Binh Duong II	Ready-built factories	Leasehold 50 years from 2005	25,024	49.3%	Completed development
3. VSIP Binh Duong II-A	Ready-built factories	Leasehold 50 years from 2008	85,952	49.3%	Completed development
4. VSIP Nghe An	Ready-built factories	Leasehold 50 years from 2015	8,810	49.3%	Completed development
5. VSIP Binh Duong – Hai Phong Branch	Ready-built factories	Leasehold 50 years from 2008	35,324	49.3%	Completed development
6. VSIP Bac Ninh	Ready-built factories	Leasehold 50 years from 2007	37,826	46.5%	Completed development
7. VSIP Bac Ninh Flatted Factory	Flatted factory	Leasehold 50 years from 2007	15,583	46.5%	Completed development
8. VSIP Binh Duong III	Ready-built factories	Leasehold 43 years from 2024	215,370	49.3%	Under development
9. Sembcorp Logistics Park Hai Phong Phase I	Warehouses	Leasehold 44 years from 2014	15,000	52.5%	Completed development
10. Sembcorp Logistics Park Hai Phong Phase II	Warehouses	Leasehold 43 years from 2016	14,279	52.5%	Completed development
11. Sembcorp Logistics Park Hai Phong Phase III	Warehouses	Leasehold 40 years from 2018	13,200	52.5%	Completed development
12. Sembcorp Logistics Park Hai Duong	Warehouses	Leasehold 38 years from 2020	13,176	52.5%	Completed development
13. Sembcorp Logistics Park Quang Ngai	Warehouses	Leasehold 60 years from 2022	33,600	52.5%	Completed development
14. Sembcorp Logistics Park Nghe An	Warehouses	Leasehold 43 years from 2022	39,390	52.5%	Completed development
15. Sembcorp Logistics Park Thuy Nguyen	Warehouses	Leasehold 34 years from 2024	19,829	52.5%	Completed development
16. Sembcorp Logistics Park Dinh Vu	Warehouses	Leasehold 34 years from 2024	83,260	52.5%	Under development
17. Sembcorp Logistics Park Bac Ninh I	Warehouses	Leasehold 47 years from 2024	61,864	100%	Under development
18. Sembcorp Logistics Park Binh Duong	Warehouses	Leasehold 43 years from 2024	77,080	100%	Under development
19. Sembcorp Logistics Park Nam Dinh	Warehouses	Leasehold 35 years from 2024	87,877	100%	Under development

Description	Type	Land tenure	Net lettable / saleable area (sq m)	Group's effective interest	Status
20. Sembcorp Logistics Park Hai Duong II	Warehouses	Leasehold 46 years from 2025	37,825	100%	Under development
21. Sembcorp Logistics Park Ha Nam I	Warehouses	Leasehold 62 years from 2025	58,764	100%	Under development
22. Sembcorp Logistics Park Hung Yen I	Warehouses	Leasehold 33 years from 2025	48,941	100%	Under development
23. Sembcorp Logistics Park Bac Ninh II	Warehouses	Leasehold 46 years from 2025	71,541	100%	Under development
24. Sembcorp Logistics Park Bac Ninh IV	Warehouses	Leasehold 35 years from 2025	81,400	100%	Under development

Commercial & Residential Properties

1. VSIP Binh Duong II-A	Retail	Leasehold 50 years from 2008	1,118	49.3%	Completed development
2. VSIP Plaza, Quang Ngai	Retail	Leasehold 50 years from 2015	3,062	49.3%	Completed development
3. VSIP Hai Phong	Retail	Leasehold 50 years from 2008	233	46.5%	Completed development
4. VSIP Bac Ninh	Shophouses	Leasehold 50 years from 2007	680	46.5%	Completed development
5. Sun Casa, Binh Duong	Residential & shophouses	Leasehold 50 years from 2008	1,524	49.3%	Completed development
6. Sun Casa Central I, Binh Duong	Residential & shophouses	Leasehold 50 years from 2009	7,372	49.3%	Completed development
7. Sun Casa Central II, Binh Duong	Residential & shophouses	Leasehold 50 years from 2009	6,876	49.3%	Under development
8. Sun Square, Binh Duong	Residential & shophouses	Leasehold 50 years from 2009	10,752	49.3%	Completed development
9. The Habitat Binh Duong Phase II	Residential & retail	Leasehold 45 years from 2018	431	51.6%	Completed development
10. The Habitat Binh Duong Phase III	Residential & retail	Leasehold 44 years from 2019	12,805	51.6%	Completed development

Corporate and Others

Description	Type	Land tenure	Net lettable / saleable area (sq m)	Group's effective interest
Singapore				
30 Hill Street	Office	Freehold land and building	11,410	100%

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.

Risk factors 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 UBS AG. Within each category, the risks that UBS AG considers to be most material are presented first.

Strategy, management and operational risks

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

The UBS AG Group is subject to significant regulatory requirements, including capital and liquidity, legal structure requirements, recovery and resolution planning, new and revised market standards and fiduciary duties, as well as new and developing environmental, social and governance (ESG) standards and requirements. In addition, measures adopted or proposed for banking and other 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 AG in 2023, as well as regulatory measures to complete the implementation of the Basel III 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 III requirements effective 1 January 2025, while implementation in other jurisdictions, including the United States, the EU and the UK, remains uncertain.

In June 2025, the Swiss Federal Council published for consultation proposed amendments to the Capital Adequacy Ordinance and in September 2025, it began a second public consultation on legislative amendments to capital requirements related to foreign subsidiaries. In April 2026, the Swiss Federal Council published the revised Capital Adequacy Ordinance reflecting amendments to, among other things, the regulatory capital treatment of select assets, which amendments will become effective in January 2027 or January 2029, as applicable. At the same time as publishing the revised Capital Adequacy Ordinance, the Swiss Federal Council submitted to the Swiss Parliament its final proposal for amendments to the Banking Act governing the capital treatment of foreign participations of systemically relevant banks, which, as currently proposed, would be phased in over a period of seven years. The Swiss Federal Council is expected to publish for consultation, in the first half of 2026, the remainder of the legislative changes implementing the recommendations from the review. The capital measures proposed by the Swiss Federal Council, if adopted as proposed, would require significant additional capital at UBS AG and have the effect of requiring a higher capital ratio at the UBS Group. Increased capital or liquidity requirements would put UBS at a disadvantage when competing with peer financial institutions subject to lower capital or liquidity requirements.

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, has entailed significant implementation and ongoing costs and continues 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 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 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 a viable emergency plan 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 recovery and resolution planning as well as early intervention tools for authorities. In September 2025, FINMA published its 2025 resolution report on UBS related to the 2024 fiscal year and FINMA concluded that UBS remains resolvable under UBS's existing preferred resolution strategy. However, given the lessons learned from the Credit Suisse crisis, FINMA also determined that the Swiss emergency plan of UBS – although largely compliant with the current legal requirements – requires further development, in particular better integration into UBS's global resolution plan, to meet the objective of maintaining systemically important functions while also safeguarding financial stability at the international level. Due to the ongoing integration of Credit Suisse into UBS, FINMA has refrained from assessing UBS's recovery plan, which outlines measures that aim to restore financial strength if UBS should come under severe capital or liquidity stress. UBS AG expects to make adjustments to its resolution plans to reflect additional guidance from FINMA and may be required to make further adjustments to reflect any changes to law that are enacted.

Increases in capital and changes in liquidity requirements may, in the aggregate require the UBS AG Group to maintain significantly higher levels of capital, which may have an effect on its ability to achieve its strategic plans, to meet ambitions for return on capital, and to achieve its ambitions for capital returns to shareholders. Significantly higher capital or liquidity requirements applied to the 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 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. Future changes in the regulation of the UBS AG Group's duties to customers, including any potential changes to banking examination and oversight practices and standards as a result of interpretations of law, 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.

UBS's acquisition of Credit Suisse Group AG exposes UBS AG 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 the Credit Suisse Group, in order to avert a failure of the Credit Suisse Group 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 the UBS Group. 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 regulatory risks. The UBS Group, including UBS AG, has, and expects to continue to, incur substantial costs to manage and resolve litigation, regulatory and other issues arising from the Credit Suisse Group. In addition to the litigation and regulatory risks inherited from the Credit Suisse Group, various legal challenges to the acquisition transaction have been brought by former securityholders of Credit Suisse Group AG. Former Credit Suisse Group AG shareholders have brought claims challenging the amount of merger consideration received and seeking a valuation under the Swiss Merger Act. Former holders of Credit Suisse Group AG additional tier 1 capital instruments have brought claims seeking a determination that FINMA's order directing Credit Suisse Group AG to write down such instruments was unauthorized and unlawful. In a partial ruling, the Swiss Federal Administrative Court has ruled that FINMA's order was unlawful without addressing any potential remedy. This ruling has been appealed by FINMA and by UBS to the Swiss Federal Supreme Court. Although UBS believes these claims are without merit, a final adverse decision in any of these matters could be material to UBS AG.

The UBS AG Group has also incurred and expects to continue to incur costs to manage other issues arising from the Credit Suisse Group. This includes substantial resources in connection with UBS's voluntary review of historical records relating to the Credit Suisse Group's World War II-era conduct.

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, UBS AG may not realize all of the expected cost reductions and other benefits of the transaction. UBS AG 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 UBS AG's 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 UBS AG Group's ability 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 successful completion of the 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;
- complete the simplification of the legal structure of the combined firm in an expedited manner, including obtaining regulatory approvals and licenses required to implement these changes;
- complete 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.

The level of success in the absorption of Credit Suisse, in the integration of the two groups and their businesses, the execution of cost reductions and divestment of non-core assets, as well as 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.

UBS AG's reputation is critical to its success

UBS AG's reputation 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,

UBS AG's reputation 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 UBS AG's results of operation and financial condition, as well as its ability to achieve its strategic goals and financial targets.

Operational risks affect UBS AG's business

UBS AG's businesses 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, unauthorised, 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, unauthorised 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.

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 organisations, 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. 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 recognise 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 programme 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. Failure by the UBS AG Group to maintain and implement adequate programmes to combat money laundering, terrorist financing or corruption, or any failure of its programmes 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 UBS AG Group's cost of monitoring and complying with sanctions requirements and increase the risk that UBS AG 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 by the UBS AG Group 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 UBS AG.

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.

UBS AG 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. UBS AG recorded substantial losses on fixed-income trading positions in the 2008 financial crisis, in the unauthorised 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.

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 have increased, materially, the portfolio of business that is outside of the UBS AG Group's risk appetite and subject to exit 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 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.

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

The financial services industry is characterised 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 and deployment of artificial intelligence, 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's compensation framework includes deferral periods for stock awards, forfeiture provisions and clawback provisions for certain awards linked to business performance. UBS AG also has 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 UBS to recover from EB members 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, high 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. Swiss law requires that shareholders approve the compensation of the Board of Directors of UBS Group AG (the “**Group BoD**”) and the Group Executive Board (“**GEB**”) each year. If UBS Group AG’s shareholders fail to approve the compensation for the GEB or the Group BoD, 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 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, 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 authorise regulatory bodies to block or reduce the flow of funds from those subsidiaries to UBS 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 Group. 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 reorganisation 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 destabilising 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.

In periods of significant market volatility, 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 and commissions, 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. 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 utilisation 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.

Geopolitical events: US – China tensions, conflict in the Middle East, the continuing Russia–Ukraine war, as well as other geopolitical events may have significant impacts on global markets, exacerbate global inflationary pressures and slow global growth. In addition, the ongoing conflicts and other events may continue to cause significant population displacement, and lead to shortages of vital commodities, including energy shortages or significantly higher energy prices and food insecurity outside the areas immediately involved in armed conflict. Governmental responses to 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, 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.

UBS AG'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 realise on collateral, which may result in unexpected increases in exposures. The UBS AG Group's Swiss mortgage and corporate lending portfolios 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, low or 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. 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 UBS AG's financial results

UBS'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. The return to a zero policy rate by the Swiss National Bank in 2025 has and, UBS AG expects, will continue to adversely affect its net interest income. Actions that UBS took in the 2022 period to mitigate adverse effects on income, such as the introduction of selective deposit fees or minimum lending rates, contributed to outflows of customer deposits, net new money outflows and a declining market share in its Swiss lending business.

Higher interest rates generally benefit the UBS AG Group's net interest income. When interest rates increase substantially, returns on alternatives to deposits, such as returns on money market funds, may increase relative to deposit rates, leading to outflows of customer deposits and shifts of deposits from lower-interest account types to higher interest products, such as savings and certificates of deposit. 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 UBS AG'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. During 2025, the US dollar materially depreciated against other major currencies, including the Swiss franc and the euro. This depreciation resulted in an increase of the US dollar value of assets denominated in other currencies reflected on the UBS AG Group's balance sheet, increasing its leverage ratio denominator.

Regulatory and legal risks

Material legal and regulatory risks arise in the conduct of UBS AG'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 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 UBS AG has established. UBS AG 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 UBS AG 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 4.5 billion against UBS by the court of first instance in France. This award was reduced to an aggregate of EUR 1.8 billion 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. Ultimately, the case was resolved in September 2025 and UBS AG agreed to pay a fine of EUR 730 million and EUR 105 million in civil damages to the French State.

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 the UBS AG Group.

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 authorisations, 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, authorisations 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 continues to be, subject to a very high level of regulatory scrutiny. The UBS AG Group believes it has remediated the deficiencies that led to significant losses in the past and has 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 programmes 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 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 seeks 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 severe financial difficulties, FINMA has the power to open restructuring or liquidation proceedings or impose protective measures in relation to UBS Group AG, 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.

UBS 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 Group AG, 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, including the relevant entity's senior debt and additional tier 1 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 creditors would receive no payment in respect of the equity and 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 UBS AG's business and impact UBS AG's 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 decarbonisation 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 continue to rapidly evolve. 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.

UBS AG'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 of the UBS AG Group 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 regulatory capital and ratios of the UBS AG Group. 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 UBS AG 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 CET1 capital and regulatory capital ratios of the UBS AG Group.

UBS AG 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 recognised 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 shareholders' equity 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 recognised 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 finalisation 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 the UBS AG Group 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 UBS AG's control.

The effect of taxes on the financial results of UBS AG is significantly influenced by changes in tax law, or reinterpretations of existing laws by courts or tax authorities, reassessments of its deferred tax assets and 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, and changes in the interpretation of tax law. Furthermore, based on prior years' tax losses and deductible temporary differences, the UBS AG Group has recognised 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 recognised DTAs through the income statement in excess of anticipated amortisation. This would have the effect of increasing the effective tax rate of UBS AG 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 unrecognised tax losses to improve, particularly in the US or the UK, it could potentially recognise additional DTAs. The effect of doing so would be to reduce the effective tax rate in years in which additional DTAs are recognised and to increase its effective tax rate in future years. The effective tax rate of UBS AG 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 recognised DTAs.

Changes in tax law may materially affect the effective tax rate of UBS AG 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 UBS AG 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 the assessment of uncertain tax positions by UBS AG, could cause the amount of taxes ultimately paid by UBS AG to materially differ from the amount accrued.

UBS AG 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. 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 funding sources of UBS AG 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 liquidity and funding requirements of UBS AG 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.

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 its 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 UBS AG to maintain high levels of overall liquidity, limit its ability to optimise 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 UBS AG 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, UBS AG's funding outflows could exceed the assumed amounts.

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 2026, the UBS AG consolidated CET1 capital ratio was 14.2%, the CET1 leverage ratio was 4.3%, and the total loss-absorbing capacity ratio was 38.4%.¹ On the same date, invested assets stood at USD 6,881 billion and equity attributable to UBS AG shareholders was USD 91,404 million. As of 31 March, UBS AG Group employed 61,146 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 AA- 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 the UK CRA Regulation and currently appear on the list of credit rating agencies registered or certified with the FCA published on its website.

¹ All figures based on the Swiss systemically relevant bank framework. Refer to the "*Capital management*" section of the Annual Report 2025 and UBS AG First Quarter 2026 Report for more information.

² Full-time equivalents.

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 on 28 February 1978 for an unlimited duration, when entered in the Commercial Register of Canton Basel-City under its predecessor entity. The Issuer in its present form was established on 29 June 1998 by the merger of Union Bank of Switzerland and Swiss Bank Corporation. On 31 May 2024, Credit Suisse AG merged with and into UBS AG. UBS AG is entered in the Commercial Registers of Canton Zurich and Canton Basel-City under the registration number CHE-101.329.561.

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 ("**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 Articles of Association were last updated on 23 April 2024.

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 2025 published on 9 March 2026 (the "**Annual Report 2025**").

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. That same

year, UBS Business Solutions AG, a wholly owned subsidiary of UBS Group AG, was set up as the Group's 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 intermediate parent undertaking. 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. In 2024 and 2025, several mergers of subsidiaries and other developments in UBS's legal entity structure were effected, as the process of integrating Credit Suisse progressed further. The mergers included those of UBS AG and Credit Suisse AG, and UBS Switzerland AG and Credit Suisse (Schweiz) AG, both in 2024, and that of UBS Americas Inc. and Credit Suisse Holdings (USA), Inc. in 2025. In addition, the transition to a single US intermediate holding company was completed in 2024, and, in 2025, UBS Europe SE was established as the single EU intermediate parent undertaking.

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 2025, including interests in significant subsidiaries, are discussed in "*Note 27 Interests in subsidiaries and other entities*" to UBS AG's consolidated financial statements included in the Annual Report 2025.

3.2 Principal activities

UBS AG's 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 the Group functions and qualify as reportable segments for the purpose of segment reporting. Together with the Group functions, the five business divisions reflect the management structure of UBS AG. 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 2025.

- *Global Wealth Management* provides financial services, advice and solutions to private wealth clients, as well as select institutional 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* provides an extensive range of financial products and services, from banking to retirement, financing, investments and strategic transactions, to private, corporate and institutional clients, in Switzerland, through its branch network and digital channels.
- *Asset Management* is a global, large-scale and diversified asset manager, offering investment capabilities and strategies across all major traditional and alternative asset classes and investing styles to institutions, wholesale intermediaries and Global Wealth Management clients.
- The *Investment Bank* provides services to institutional, corporate, financial sponsor and Global Wealth Management clients, helping them raise capital, invest and manage risks. Its offering includes equities, foreign exchange, precious metals, research, advisory and capital markets, complemented by a focused rates and credit platform.

- *Non-core and Legacy* incorporates selected assets and liabilities originating from the former Credit Suisse businesses not aligned with UBS AG's long-term strategic priorities or risk appetite, including associated financial and non-financial assets, operating expenses, and funding costs. A small part of the division is made up of positions from UBS's former Non-core and Legacy Portfolio and some other legacy UBS assets and liabilities that were assessed as non-strategic in the context of the acquisition of the Credit Suisse Group.
- The *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 referred to as *Group Items* in UBS AG's segment reporting. Group functions include the following major areas: Group Services (which consists of Group Technology, Group Compliance and Operational Risk Control, Group Finance, Group Risk Control, Group Human Resources and Corporate Services, Group Corporate Communications and Group Brand & Marketing, 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 2025 from the Annual Report 2025. The selected consolidated financial information included in the table below for the quarters ended 31 March 2026 and 31 March 2025 was derived from the First Quarter 2026 Report.

The consolidated financial statements were prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board ("**IASB**"). Information for the years ended 31 December 2024 and 2025 which is indicated as being unaudited in the table below was included in the Annual Report 2025 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 2025 and the First Quarter 2026 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>	31.3.26	31.3.25	31.12.25	31.12.24
	<i>unaudited</i>		<i>audited, except where indicated</i>	

Results¹**Income Statement**

Total revenues	14,030	12,163	47,688	42,323
<i>of which: Net interest income</i>	1,993	1,328	6,354	4,678
<i>of which: Other net income from financial instruments measured at fair value through profit or loss</i>	3,956	3,924	13,952	12,959
<i>of which: Net fee and commission income</i>	7,678	6,630	27,400	23,438
<i>of which: Other income</i>	403	281	(17)	1,248
Credit loss expense / (release)	64	124	549	544
Operating expenses	10,780	10,701	43,038	39,346
Operating profit / (loss) before tax	3,186	1,339	4,101	2,433
Net profit / (loss) attributable to shareholders	2,500	1,028	3,541	1,481

Balance sheet

Total assets	1,687,883		1,617,173	1,568,060
<i>of which: Loans and advances to customers</i>	664,217		658,760	587,347
Total financial liabilities measured at amortized cost	1,121,611		1,099,169	1,054,796
<i>of which: customer deposits</i>	792,270		796,330	749,476
<i>of which: debt issued measured at amortized cost</i>	109,743		100,207	101,104
<i>of which: subordinated debt ²</i>	-		328	689
Total financial liabilities measured at fair value through profit or loss	463,161		415,001	401,555
<i>of which: debt issued designated at fair value</i>	107,652		107,544	102,567
Total liabilities	1,596,162		1,527,994	1,473,394
Total equity	91,722		89,179	94,666
<i>of which: Equity attributable to shareholders</i>	91,404		88,845	94,003

Profitability and growth

Return on equity (%) ³	11.1	4.3	3.8	1.9*
Return on tangible equity (%) ⁴	12.0	4.6	4.0	2.0*
Return on common equity tier 1 capital (%) ⁵	14.2	5.7	5.0	2.2*
Cost / income ratio (%) ⁶	76.8	88.0	90.2	93.0*
Net profit growth (%) ⁷	143.2	2.2	139.0	(55.0)*

Resources

Common equity tier 1 capital ⁸	70,867	70,756	70,394	73,792
Risk-weighted assets ⁸	497,433	481,539	489,775*	495,110*
Common equity tier 1 capital ratio (%) ⁸	14.2	14.7	14.4*	14.9*
Going concern capital ratio (%) ⁸	18.9	18.5	18.4*	18.1*
Total loss-absorbing capacity ratio (%) ⁸	38.4	38.0	36.8*	36.7*
Leverage ratio denominator ⁸	1,655,400	1,565,845	1,622,921*	1,523,277*
Common equity tier 1 leverage ratio (%) ⁸	4.3	4.5	4.3*	4.8*
Liquidity coverage ratio (%) ⁹	172.4	180.3	176.2*	186.1*
Net stable funding ratio (%)	116.1	122.8	115.7*	124.1*

Other

Invested assets (USD billion) ¹⁰	6,881	6,153	7,005	6,087
Personnel (full-time equivalents)	61,146	67,373	61,899*	68,982*

* unaudited

¹ Profit and loss information and other flow-based information for the year ended 31 December 2025 is based entirely on consolidated data following the merger of UBS AG and Credit Suisse AG. Comparative information for the year ended 31 December 2024 includes seven months of consolidated data following the merger (June to December 2024) and five months of pre-merger UBS AG data only (January to May 2024). Balance sheet information as at 31 December 2025 and 31 December 2024 includes post-merger consolidated information.

² From 2026, this information is not part of the financial information of UBS AG published for the first and third quarters.

³ Calculated as net profit attributable to shareholders (annualized for reporting periods shorter than 12 months) divided by average equity attributable to shareholders. This measure provides information about the profitability of the business in relation to equity.

⁴ Calculated as net profit attributable to shareholders (annualized for reporting periods shorter than 12 months) 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.

⁵ Calculated as net profit attributable to shareholders (annualized for reporting periods shorter than 12 months) 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.

⁶ Calculated as operating expenses divided by total revenues. This measure provides information about the efficiency of the business by comparing operating expenses with total revenues.

⁷ 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.

⁸ Based on the Swiss systemically relevant bank framework.

⁹ The disclosed ratios represent quarterly averages for each of the quarters presented and have been calculated based on an average of 62 data points in the first quarter of 2026 and 62 data points in the first quarter of 2025.

¹⁰ Consists of invested assets for Global Wealth Management, Asset Management (including invested assets from associates) and Personal & Corporate Banking. Calculated as the sum of managed fund assets, managed institutional assets, discretionary and advisory wealth management portfolios, fiduciary deposits, time deposits, savings accounts, and wealth management securities or brokerage accounts. This measure provides information about the volume of client assets managed by or deposited with UBS for investment purposes.

3.4.2 Regulatory, legal and other developments

Refer to “Recent Developments” in the UBS Group First Quarter 2026 Report, as well as to “*Our environment*” and “*Regulatory and legal developments*” in the Annual Report 2025, 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 UBS Group First Quarter 2026 Report, as well as to “*Our environment*”, “*Top and emerging risks*” in the “*Risk management and control*” section, and to “*Regulatory and legal developments*” in the Annual Report 2025. In addition, please refer to the section “*Risk factors*” included in the Annual Report 2025 for more information.

4. Administrative, Management and Supervisory Bodies of the Issuer

As a non-US company with securities listed on the New York Stock Exchange (“**NYSE**”), UBS AG complies with all relevant corporate governance standards applicable to foreign private issuers listing debt securities. In addition, it also follows the standards established in the Swiss Code of Best Practice for Corporate Governance.

UBS AG operates under a strict dual board structure, as mandated by Swiss banking law. The Board of Directors of UBS AG (“**BoD**”) decides on the strategy of UBS AG, upon recommendations by the President of the Executive Board of UBS AG (“**EB**”), and exercises ultimate supervision over

management; whereas the EB, headed by the 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 persons, leading to a separation of powers. 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. 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.

The current members of the BoD are listed below.

Member	Title	Term of office	Current principal activities outside UBS AG
Colm Kelleher	Chairman	2027	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).
Markus Ronner	Vice Chairman	2027	Vice Chairman of the Board of Directors of UBS Group AG; member of the Board and Board Committee of economiesuisse; 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	Vice Chairman	2027	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.
Agustín Carstens	Member	2027	Member of the Board of Directors of UBS Group AG;

			Member of the Group of Thirty; Member of the Board of Directors of the Bretton Woods Committee; Member of the Advisory Board of the Global Finance & Technology Network; Member of the Visa Economic Empowerment Institute Advisory Council; Co-Convenor, Cambridge Digital Innovation and Regulation Initiative, University of Cambridge.
Patrick Firmenich	Member	2027	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 Advisory Council of the Swiss Board Institute.
Fred Hu	Member	2027	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; Member of the Global Board of The Nature Conservancy and Co-Chairman of its Asia Pacific Council; member of the Board of Trustees of the Institute for Advanced Study.
Mark Hughes	Member	2027	Member of the Board of Directors of UBS Group AG; Senior Advisor to McKinsey & Company.
Renata Jungo Brüngger	Member	2027	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	2027	Member of the Board of Directors of UBS Group AG; member of the Board of Singtel Communications (Chairperson of the Executive Resource and Compensation Committee); member of the Group of Thirty; member of the Board of Directors of the Bretton Woods Committee; member of the Australian American Leadership Dialogue Advisory Board; Senior advisor to McKinsey & Company.
Luca Maestri	Member	2027	Member of the Board of Directors of UBS Group AG; member of the Board of Directors of Nestlé S.A.
Julie G. Richardson	Member	2027	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	2027	Member of the Board of Directors of UBS Group AG; Partner and Head of Artificial Intelligence Strategy, New Enterprise Associates, Inc.; member of the Board of Capgemini SE; 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 Board of Backflip AI, Inc.; member of the Board of Cusp AI Limited; member of the Board of Horizon 3 AI, Inc.

4.2 Executive Board (“EB”)

The President of the EB is appointed by the BoD upon proposal of the Chairman. All other EB members are appointed by the BoD upon proposal of the President of the EB.

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 Monetary Authority of Singapore 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	Chief Compliance and Operational Risk Control Officer	Member of the Group Executive Board and Group Chief Compliance and Operational Risk Control Officer of UBS Group AG.
Aleksandar Ivanovic	President Asset Management	Member of the Group Executive Board and President Asset Management of UBS Group AG;

UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland		Chairman of UBS Asset Management AG; Chairman of UBS Asset Management Switzerland AG; member of the Board of UBS Optimus Foundation.
Robert Karofsky UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland	Co-President Global Wealth Management and President UBS Americas	Member of the Group Executive Board and Co- President Global Wealth Management of UBS Group AG; President UBS Americas of UBS Group AG; member of the board of UBS Americas Holding LLC; Chair of the Board of UBS Optimus Foundation US; member of Board of the American Swiss Foundation.
Iqbal Khan UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland	Co-President Global Wealth Management and President UBS Asia Pacific	Member of the Group Executive Board and Co- President Global Wealth Management of UBS Group AG; President UBS Asia Pacific of UBS Group AG.
Barbara Levi UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland	General Counsel	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.
Beatriz Martin Jimenez UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland	Chief Operating Officer, Head Non-Core and Legacy and President UBS Europe, Middle East and Africa	Member of the Group Executive Board and Group Chief Operating Officer; Head Non-Core and Legacy and President UBS Europe, Middle East and Africa of UBS Group AG; member of the Board of Directors and President of the Executive Board of UBS Business Solutions AG; member of the Supervisory Board of UBS Europe SE; member of the Board of Directors of Credit Suisse International.
Stefan Seiler UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland	Head Human Resources & Corporate Services	Member of the Group Executive Board and Head Group Human Resources & Corporate Services of UBS Group AG; member of the Board of UBS Optimus Foundation; member of the Foundation Board of the Pension Fund of UBS; member of the Foundation Council of the UBS Center for Economics in Society, University of Zurich; Chairman of the Foundation Board of the Swiss Finance Institute; member of the IMD Foundation Board; Adjunct Professor for Leadership and Strategic Human Resource Management, Nanyang Technological University (NTU), Singapore.
Todd Tuckner UBS AG,	Chief Financial Officer	Member of the Group Executive Board and Group Chief Financial Officer of UBS Group AG; Member of the Financial Services Chapter of the

Bahnhofstrasse 45, 8001 Zurich, Switzerland		Swiss-American Chamber of Commerce.
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 and 4.2 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 8 April 2025 and 14 April 2026, 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 2025 and 2024 is available in the section "*Consolidated financial statements*" of the Annual Report 2025 and in UBS AG's standalone financial statements for the year ended 31 December 2025 (the "**Standalone Financial Statements 2025**"). 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 2025 and 2024 were audited by Ernst & Young, and the reports of the auditors on the abovementioned financial statements are included in the Annual Report 2025 and in the Standalone Financial Statement 2025, respectively. 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 2025 and 31 December 2024.

7.3 Interim Financial Information

Reference is also made to the UBS Group AG First Quarter 2022 Report and the UBS AG First Quarter 2026 Report, which contain information on the financial condition and results of operations, including the interim financial statements of UBS Group AG (consolidated) and interim financial information of UBS AG (consolidated), respectively, as of and for the quarter ended 31 March 2026. The interim consolidated financial statements and information 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. 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 authorisations, 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, authorisations 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 to UBS due to potential financial, reputational and other effects, are described in the "*Provisions and contingent liabilities*" section of UBS AG First Quarter 2026 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 2026.

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 (*bedingtes Kapital*) in the amount of USD 38,000,000, for the issuance of up to 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 (*Wandlungskapital*) in the amount of USD 70,000,000 for 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 2026**

UBS AG

First quarter 2026 report



Corporate calendar UBS AG

Information about future publication dates is generally available at
ubs.com/global/en/investor-relations/events/calendar.html

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Terms used in this report, unless the context requires otherwise

"UBS", "UBS Group", "UBS Group AG consolidated", "Group" and "the Group"	UBS Group AG and its consolidated subsidiaries
"UBS AG" and "UBS AG consolidated", "we", "us" and "our"	UBS AG and its consolidated subsidiaries
"1m"	One million, i.e. 1,000,000
"1bn"	One billion, i.e. 1,000,000,000
"1trn"	One trillion, i.e. 1,000,000,000,000

In this report, unless the context requires otherwise, references to any gender shall apply to all genders.

Alternative performance measures

An alternative performance measure (an APM) is a financial measure of historical or future financial performance, financial position or cash flows other than a financial measure defined or specified in IFRS Accounting Standards, as issued by the International Accounting Standards Board (the IASB), or in other applicable recognized accounting standards or regulations. We report a number of APMs in the discussion of the financial and operating performance of UBS AG, our business divisions and Group Items. We use APMs to provide a more complete picture of our operating performance and to reflect management's view of the fundamental drivers of our business results. A definition of each APM, the method used to calculate it and the information content are presented under "Alternative performance measures" in the appendix to this report. Each APM that qualifies as a non-GAAP measure as defined by US Securities and Exchange Commission (SEC) regulations is designated as such in the table of APMs in the appendix to this report.

› Refer to "Alternative performance measures" in the appendix to this report for additional information

Comparison between UBS AG consolidated and UBS Group AG consolidated

This report should be read in conjunction with the UBS Group first quarter 2026 report that was published on 29 April 2026 and is available under "Quarterly reporting" at ubs.com/investors. A comparison of selected financial and capital information of UBS AG consolidated and of UBS Group AG consolidated is provided in the Introduction section of this report.

Quarterly reporting change

Starting from the first quarter of 2026, UBS AG will no longer publish interim financial reports prepared in accordance with IAS 34, *Interim Financial Reporting*, for the first and third quarters. Instead, UBS AG will publish financial information that is prepared in accordance with UBS AG accounting policies, which are consistent with IFRS Accounting Standards, but does not include all notes as required under IAS 34 and therefore does not constitute an "interim financial report", as defined by IAS 34. This change is intended to improve efficiency, while maintaining a high level of transparency for investors.

As a result, the section previously titled "Consolidated financial statements" has been renamed "Consolidated financial information", and the scope of the disclosures has been amended. The income statement and the statement of comprehensive income, and related information, are presented for 31 March 2026 and 31 March 2025 on a year-to-date basis. The balance sheet and related information are presented as of 31 March 2026 and 31 December 2025.

Starting from the first half of 2026, UBS AG will publish a half-year interim financial report prepared in accordance with IAS 34 as of and for the six-month period ending 30 June.

Key figures

UBS AG consolidated key figures

UBS AG consolidated key figures

USD m, except where indicated	As of or for the quarter ended		
	31.3.26	31.12.25	31.3.25
Results			
Total revenues	14,030	11,444	12,163
Credit loss expense / (release)	64	161	124
Operating expenses	10,780	10,890	10,701
Operating profit / (loss) before tax	3,186	393	1,339
Net profit / (loss) attributable to shareholders	2,500	33	1,028
Profitability and growth			
Return on equity (%) ¹	11.1	0.1	4.3
Return on tangible equity (%) ¹	12.0	0.2	4.6
Return on common equity tier 1 capital (%) ¹	14.2	0.2	5.7
Cost / income ratio (%) ¹	76.8	95.2	88.0
Net profit growth (%) ¹	143.2	n.m.	2.2
Resources			
Total assets	1,687,883	1,617,173	1,547,489
Equity attributable to shareholders	91,404	88,845	96,553
Common equity tier 1 capital ²	70,867	70,394	70,756
Risk-weighted assets ²	497,433	489,775	481,539
Common equity tier 1 capital ratio (%) ²	14.2	14.4	14.7
Going concern capital ratio (%) ²	18.9	18.4	18.5
Total loss-absorbing capacity ratio (%) ²	38.4	36.8	38.0
Leverage ratio denominator ²	1,655,400	1,622,921	1,565,845
Common equity tier 1 leverage ratio (%) ²	4.3	4.3	4.5
Liquidity coverage ratio (%) ³	172.4	176.2	180.3
Net stable funding ratio (%)	116.1	115.7	122.8
Other			
Invested assets (USD bn) ^{1,4}	6,881	7,005	6,153
Personnel (full-time equivalents)	61,146	61,899	67,373

¹ Refer to "Alternative performance measures" in the appendix to this report for the relevant definition and calculation method. Each alternative performance measure (APM) that qualifies as a non-GAAP measure as defined by US Securities and Exchange Commission (SEC) regulations is designated as such in the table of APMs in the appendix to this report. ² Based on the Swiss systemically relevant bank framework. Refer to the "Capital management" section of this report for more information. ³ The disclosed ratios represent quarterly averages for each of the quarters presented and have been calculated based on an average of 62 data points in the first quarter of 2026, 64 data points in the fourth quarter of 2025 and 62 data points in the first quarter of 2025. Refer to the "Liquidity and funding management" section of the UBS Group first quarter 2026 report, available under "Quarterly reporting" at ubs.com/investors, for more information. ⁴ Consists of invested assets for Global Wealth Management, Asset Management (including invested assets from associates) and Personal & Corporate Banking. Refer to "Note 30 Invested assets and net new money" in the "Consolidated financial statements" section of the UBS AG Annual Report 2025, available under "Annual reporting" at ubs.com/investors, for more information.

Introduction

Overview

UBS Group AG is the holding company for the UBS Group and the parent company of UBS AG. UBS Group AG holds 100% of the issued shares in UBS AG. UBS AG and UBS Group both prepare annual consolidated financial statements in accordance with IFRS Accounting Standards and half-yearly consolidated financial statements in accordance with IAS 34.

The financial information included in this report has been prepared in accordance with UBS AG's accounting policies as described in "Note 1 Summary of material accounting policies" to the UBS AG consolidated annual financial statements for the year ended 31 December 2025.

› Refer to the **"Consolidated financial information" section of this report for more information**

UBS Group has applied acquisition accounting as defined by IFRS 3, *Business Combinations*, to the acquisition of the Credit Suisse Group in 2023. The merger of UBS AG and Credit Suisse AG on 31 May 2024 has been accounted for as a business combination under common control, as defined in IFRS 3, using the historic carrying values of the assets and liabilities of Credit Suisse AG as at the date of the transaction (31 May 2024), determined under IFRS Accounting Standards. Therefore, differences exist between the accounting treatments applied at the UBS Group and UBS AG consolidated levels. There are also certain scope and presentation differences, as noted below.

› Refer to **"Note 28 Changes in organization and acquisitions and disposals of subsidiaries and businesses" in the "Consolidated financial statements" section of the UBS AG Annual Report 2025, available under "Annual reporting" at ubs.com/investors, for more information about the accounting for the merger of UBS AG and Credit Suisse AG**

Except for the differences related to the above, financial information for UBS AG consolidated does not differ materially from that for UBS Group AG consolidated.

› Refer to the **UBS Group first quarter 2026 report, available under "Quarterly reporting" at ubs.com/investors, for more information**

Comparison between UBS AG consolidated and UBS Group AG consolidated

The table below provides a comparison of selected financial and capital information of UBS AG consolidated and of UBS Group AG consolidated.

Assets, liabilities, revenues, operating expenses and tax expenses / (benefits) relating to UBS Group AG and its directly held subsidiaries, including UBS Business Solutions AG, are reflected in the consolidated financial statements of UBS Group AG but not in those of UBS AG. UBS AG's assets, liabilities, revenues and operating expenses related to transactions with UBS Group AG and its directly held subsidiaries, including UBS Business Solutions AG and other shared services subsidiaries, are not subject to elimination in the UBS AG consolidated financial statements, but are eliminated in the UBS Group AG consolidated financial statements.

In the first quarter of 2026, UBS AG consolidated recognized a net profit of USD 2,514m, while UBS Group AG consolidated recognized a net profit of USD 3,054m. The USD 540m difference was mainly due to certain purchase price allocation (PPA) effects recognized at the UBS Group AG level upon the acquisition of the Credit Suisse Group. These resulted in net accretion income at the UBS Group AG level, net of tax effects, whereas UBS AG has not applied acquisition accounting and does not have the PPA effects or the corresponding net income. The PPA effects also resulted in lower expenses for litigation, regulatory and similar matters at the UBS Group AG consolidated level. Other differences in net profit mainly arose due to UBS Business Solutions AG and other shared services subsidiaries of UBS Group AG charging other legal entities within the UBS AG consolidation scope a markup on costs incurred for services provided.

As of 31 March 2026, the total assets of UBS AG consolidated were USD 1.4bn higher than the total assets of UBS Group AG consolidated. The difference mainly reflected PPA effects recognized at the UBS Group AG level upon the acquisition of the Credit Suisse Group, partly offset by consolidation scope differences. The total liabilities of UBS AG consolidated were USD 2.1bn higher than the total liabilities of UBS Group AG consolidated, mainly due to consolidation scope differences.

The equity of UBS AG consolidated was USD 0.8bn lower than the equity of UBS Group AG consolidated as of 31 March 2026. This difference was mainly due to consolidation scope differences of USD 2.5bn, partly offset by PPA effects of USD 1.6bn recognized at the UBS Group AG level upon the acquisition of the Credit Suisse Group that did not impact UBS AG consolidated, primarily related to loans and loan commitments measured at amortized cost and contingent liabilities recognized under IFRS 3 for litigation, partly offset by PPA effects on real estate and debt issued.

The going concern capital of UBS AG consolidated was USD 2.8bn lower than the going concern capital of UBS Group AG consolidated as of 31 March 2026, reflecting the common equity tier 1 (CET1) capital of UBS AG consolidated being lower by USD 2.4bn and going concern loss-absorbing additional tier 1 (AT1) capital being USD 0.4bn lower.

The USD 2.4bn lower CET1 capital of UBS AG consolidated was primarily due to a USD 6.4bn difference in dividend accruals between UBS AG and UBS Group AG and UBS AG consolidated equity being USD 0.8bn lower, partly offset by compensation-related regulatory capital accruals at the UBS Group AG level of USD 2.3bn and a capital reserve for expected future share repurchases of USD 2.2bn and a USD 0.4bn effect from eligible deferred tax assets on temporary differences.

The going concern loss-absorbing AT1 capital of UBS AG consolidated was USD 0.4bn lower than that of UBS Group AG consolidated as of 31 March 2026, mainly reflecting deferred contingent capital plan awards granted at the Group level to eligible employees for the 2021 to 2025 performance years.

Differences in capital between UBS AG consolidated and UBS Group AG consolidated related to employee compensation plans will reverse to the extent underlying services are performed by employees of, and are consequently charged to, UBS AG and its subsidiaries. Such reversal generally occurs over the service period of the employee compensation plan.

The leverage ratio denominator (the LRD) of UBS AG consolidated was USD 1.9bn higher than the LRD of UBS Group AG consolidated, mainly reflecting intercompany exposures in UBS AG toward Group entities, as well as PPA adjustments that apply at the Group level but not at the UBS AG level, partly offset by fixed assets held outside of the UBS AG consolidation scope.

The risk-weighted assets (RWA) of UBS AG consolidated were USD 2.9bn lower than the RWA of UBS Group AG consolidated, mainly reflecting non-counterparty-related assets held outside the UBS AG consolidation scope, partly offset by intercompany credit risk exposures in UBS AG toward Group entities outside of the UBS AG consolidation scope.

The LRD for UBS AG consolidated exceeds that of UBS Group AG consolidated, and UBS AG's RWA are lower than those of UBS Group AG consolidated. This divergence stems mainly from certain PPA adjustments that apply at the Group level but not at the UBS AG level and are subject to low risk weights.

The quarterly average liquidity coverage ratio (the LCR) of UBS AG consolidated was 5.4 percentage points lower than the quarterly average LCR of UBS Group AG consolidated. The difference mainly reflected the higher net cash outflows of UBS AG consolidated from intercompany deposits and loans that are not within the Group consolidation scope but are within the UBS AG consolidation scope.

The net stable funding ratio (the NSFR) of UBS AG consolidated was 0.8 percentage points lower than the NSFR of UBS Group AG consolidated. The difference primarily reflected lower UBS AG consolidated eligible regulatory capital as compared with UBS Group AG consolidated.

Comparison between UBS AG consolidated and UBS Group AG consolidated

	As of or for the quarter ended 31.3.26			As of or for the quarter ended 31.12.25		
	UBS AG consolidated	UBS Group AG consolidated	Difference (absolute)	UBS AG consolidated	UBS Group AG consolidated	Difference (absolute)
<i>USD m, except where indicated</i>						
Income statement						
Total revenues	14,030	14,243	(213)	11,444	12,145	(700)
Credit loss expense / (release)	64	70	(6)	161	159	3
Operating expenses	10,780	10,333	447	10,890	10,286	604
Operating profit / (loss) before tax	3,186	3,841	(655)	393	1,700	(1,307)
Net profit / (loss)	2,514	3,054	(540)	39	1,205	(1,166)
Balance sheet						
Total assets	1,687,883	1,686,521	1,362	1,617,173	1,617,427	(255)
Total liabilities	1,596,162	1,594,019	2,143	1,527,994	1,526,944	1,050
Total equity	91,722	92,502	(781)	89,179	90,484	(1,305)
Capital, liquidity and funding information						
Common equity tier 1 capital	70,867	73,313	(2,447)	70,394	71,262	(868)
Going concern capital	94,129	96,963	(2,834)	89,993	91,176	(1,183)
Risk-weighted assets	497,433	500,355	(2,922)	489,775	493,397	(3,622)
Common equity tier 1 capital ratio (%)	14.2	14.7	(0.4)	14.4	14.4	(0.1)
Going concern capital ratio (%)	18.9	19.4	(0.5)	18.4	18.5	(0.1)
Total loss-absorbing capacity ratio (%)	38.4	39.5	(1.1)	36.8	38.0	(1.2)
Leverage ratio denominator	1,655,400	1,653,460	1,940	1,622,921	1,622,438	483
Common equity tier 1 leverage ratio (%)	4.3	4.4	(0.2)	4.3	4.4	(0.1)
Liquidity coverage ratio (%) ¹	172.4	177.8	(5.4)	176.2	182.6	(6.4)
Net stable funding ratio (%)	116.1	116.9	(0.8)	115.7	116.1	(0.4)

¹ The disclosed ratios represent quarterly averages for each of the quarters presented and have been calculated based on an average of 62 data points in the first quarter of 2026 and 64 data points in the fourth quarter of 2025. Refer to the "Liquidity and funding management" section of the UBS Group first quarter 2026 report, available under "Quarterly reporting" at ubs.com/investors, for more information.

Additional information about our business divisions

Global Wealth Management

USD m	For the quarter ended 31.3.26			For the quarter ended 31.12.25		
	UBS AG consolidated	UBS Group AG consolidated	Difference (absolute)	UBS AG consolidated	UBS Group AG consolidated	Difference (absolute)
Results						
Total revenues	6,996	7,106	(110)	6,585	6,695	(110)
Credit loss expense / (release)	9	9	0	34	32	2
Operating expenses	5,349	5,305	44	5,393	5,373	19
Operating profit / (loss) before tax	1,638	1,792	(153)	1,158	1,290	(132)

Profit before tax was USD 1,638m at the UBS AG level, compared with profit before tax of USD 1,792m at the UBS Group level. The USD 153m difference was mainly due to PPA effects on total revenues recognized in Global Wealth Management at the UBS Group level.

Personal & Corporate Banking – in Swiss francs

CHF m	For the quarter ended 31.3.26			For the quarter ended 31.12.25		
	UBS AG consolidated	UBS Group AG consolidated	Difference (absolute)	UBS AG consolidated	UBS Group AG consolidated	Difference (absolute)
Results						
Total revenues	1,872	2,029	(157)	1,664	1,830	(166)
Credit loss expense / (release)	54	55	(1)	79	80	(1)
Operating expenses	1,154	1,164	(10)	1,288	1,297	(9)
Operating profit / (loss) before tax	664	809	(145)	297	452	(155)

Profit before tax was CHF 664m at the UBS AG level, compared with profit before tax of CHF 809m at the UBS Group level. The CHF 145m difference was mainly due to PPA effects on total revenues recognized in Personal & Corporate Banking at the UBS Group level.

Personal & Corporate Banking – in US dollars

USD m	For the quarter ended 31.3.26			For the quarter ended 31.12.25		
	UBS AG consolidated	UBS Group AG consolidated	Difference (absolute)	UBS AG consolidated	UBS Group AG consolidated	Difference (absolute)
Results						
Total revenues	2,400	2,601	(201)	2,079	2,286	(207)
Credit loss expense / (release)	69	70	(2)	100	101	(1)
Operating expenses	1,477	1,491	(14)	1,610	1,621	(12)
Operating profit / (loss) before tax	854	1,040	(186)	370	565	(194)

Asset Management

USD m	For the quarter ended 31.3.26			For the quarter ended 31.12.25		
	UBS AG consolidated	UBS Group AG consolidated	Difference (absolute)	UBS AG consolidated	UBS Group AG consolidated	Difference (absolute)
Results						
Total revenues	772	772	0	796	800	(4)
Credit loss expense / (release)	0	0	0	1	1	0
Operating expenses	556	555	1	593	588	5
Operating profit / (loss) before tax	215	217	(2)	203	212	(9)

Investment Bank

USD m	For the quarter ended 31.3.26			For the quarter ended 31.12.25		
	UBS AG consolidated	UBS Group AG consolidated	Difference (absolute)	UBS AG consolidated	UBS Group AG consolidated	Difference (absolute)
Results						
Total revenues	3,991	4,054	(63)	2,886	2,946	(60)
Credit loss expense / (release)	61	65	(4)	36	34	2
Operating expenses	2,817	2,784	34	2,283	2,272	11
Operating profit / (loss) before tax	1,112	1,205	(93)	567	640	(73)

Profit before tax was USD 1,112m at the UBS AG level, compared with profit before tax of USD 1,205m at the UBS Group level. The USD 93m difference was mainly due to PPA effects on total revenues recognized in the Investment Bank at the UBS Group level.

Non-core and Legacy

USD m	For the quarter ended 31.3.26			For the quarter ended 31.12.25		
	UBS AG consolidated	UBS Group AG consolidated	Difference (absolute)	UBS AG consolidated	UBS Group AG consolidated	Difference (absolute)
Results						
Total revenues	(20)	(10)	(10)	(18)	(8)	(10)
Credit loss expense / (release)	(74)	(74)	(1)	(13)	(12)	(1)
Operating expenses	319	219	100	648	459	188
Operating profit / (loss) before tax	(265)	(155)	(110)	(653)	(455)	(197)

Loss before tax was USD 265m at the UBS AG level, compared with the loss before tax of USD 155m at the UBS Group level. The USD 110m difference was mainly due to PPA effects that resulted in releases for litigation, regulatory and similar matters for UBS Group (Non-core and Legacy at the UBS AG level incurred net expenses).

Group Items

USD m	For the quarter ended 31.3.26			For the quarter ended 31.12.25		
	UBS AG consolidated	UBS Group AG consolidated	Difference (absolute)	UBS AG consolidated	UBS Group AG consolidated	Difference (absolute)
Results						
Total revenues	(109)	(279)	171	(885)	(575)	(309)
Credit loss expense / (release)	0	0	0	4	3	0
Operating expenses	260	(21)	282	365	(27)	392
Operating profit / (loss) before tax	(369)	(258)	(111)	(1,253)	(552)	(701)

Loss before tax was USD 369m at the UBS AG level, compared with the loss before tax of USD 258m at the UBS Group level. The USD 111m difference mainly arose due to UBS Business Solutions AG and other shared services subsidiaries of UBS Group AG charging other legal entities within the UBS AG consolidation scope a markup on costs incurred for services provided.

Risk and capital management

Management report

Risk management and control

This section provides information about key developments during the reporting period and should be read in conjunction with the “Risk management and control” section of the UBS AG Annual Report 2025, available under “Annual reporting” at ubs.com/investors, and the “Recent developments” section of the UBS Group first quarter 2026 report, available under “Quarterly reporting” at ubs.com/investors, for more information about the integration of Credit Suisse.

UBS AG consolidated risk profile

The risk profile of UBS AG consolidated does not differ materially from that of UBS Group AG consolidated, and the risk information provided in the UBS Group first quarter 2026 report is equally applicable to UBS AG consolidated.

The credit risk profile of UBS AG consolidated as of 31 March 2026 differed from that of UBS Group AG consolidated in relation to total banking products exposure, mainly reflecting purchase price allocation effects booked at the Group level relating to the acquisition of the Credit Suisse Group, as well as receivables of UBS AG and UBS Switzerland AG from UBS Group AG and UBS Business Solutions AG, reflecting consolidation scope differences.

The total banking products exposure of UBS AG consolidated as of 31 March 2026 was USD 1,112.5bn, i.e. USD 6.8bn, or 0.6%, higher than the exposure of UBS Group AG consolidated. As of 31 December 2025, the total banking products exposure of UBS AG consolidated was USD 1,091.9bn, i.e. USD 5.6bn, or 0.5%, higher than the exposure of UBS Group AG consolidated.

- › Refer to the “Risk management and control” section of the UBS Group first quarter 2026 report, available under “Quarterly reporting” at ubs.com/investors, for more information
- › Refer to the “Comparison between UBS AG consolidated and UBS Group AG consolidated” section of this report for more information about selected financial and capital information of UBS AG consolidated and UBS Group AG consolidated

Capital management

The disclosures in this section are provided for UBS AG on a consolidated basis and focus on information in accordance with the Basel III framework, as applicable to Swiss systemically relevant banks (SRBs). They should be read in conjunction with the “Capital management” section of the UBS AG Annual Report 2025, available under “Annual reporting” at ubs.com/investors, which provides more information about relevant capital management objectives, planning and activities, as well as the Swiss SRB total loss-absorbing capacity framework, on a UBS AG consolidated basis.

In Switzerland, the amendments to the Capital Adequacy Ordinance (the CAO) that incorporate the final Basel III standards into Swiss law, including the new ordinances containing the implementing provisions for the revised CAO, entered into force on 1 January 2025.

UBS AG contributes a significant portion of capital to, and provides substantial liquidity to, its subsidiaries. Many of these subsidiaries are subject to regulations requiring compliance with minimum capital, liquidity and similar requirements.

- › Refer to the UBS Group and significant regulated subsidiaries and sub-groups 31 March 2026 Pillar 3 Report, available under “Pillar 3 disclosures” at ubs.com/investors, for more information about additional regulatory disclosures for UBS Group AG on a consolidated basis, as well as the significant regulated subsidiaries and sub-groups of UBS Group AG

Swiss SRB going and gone concern requirements and information

As of 31.3.26	RWA		LRD	
USD m, except where indicated	in %		in %	
Required going concern capital				
Total going concern capital	15.20 ¹	75,634	5.08 ¹	84,119
Common equity tier 1 capital	10.84 ²	53,918	3.58 ³	59,288
of which: minimum capital	4.50	22,384	1.50	24,831
of which: buffer capital	5.72	28,433	2.08	34,350
of which: countercyclical buffer	0.45	2,219		
Maximum additional tier 1 capital	4.37 ²	21,716	1.50	24,831
of which: additional tier 1 capital	3.50	17,410	1.50	24,831
of which: additional tier 1 buffer capital	0.80	3,979		
Eligible going concern capital				
Total going concern capital	18.92	94,129	5.69	94,129
Common equity tier 1 capital	14.25	70,867	4.28	70,867
Total loss-absorbing additional tier 1 capital	4.68 ⁴	23,262	1.41	23,262
of which: high-trigger loss-absorbing additional tier 1 capital	4.68	23,262	1.41	23,262
Required gone concern capital				
Total gone concern loss-absorbing capacity ^{5,6,7}	10.89	54,156	3.81	63,009
of which: base requirement including add-ons for market share and LRD	10.89 ⁸	54,156	3.81 ⁸	63,009
Eligible gone concern capital				
Total gone concern loss-absorbing capacity ⁹	19.44	96,717	5.84	96,717
TLAC-eligible unsecured debt	19.44	96,707	5.84	96,707
Total loss-absorbing capacity				
Required total loss-absorbing capacity	26.09	129,790	8.89	147,127
Eligible total loss-absorbing capacity	38.37	190,846	11.53	190,846
Risk-weighted assets / leverage ratio denominator				
Risk-weighted assets		497,433		
Leverage ratio denominator				1,655,400

¹ Includes applicable add-ons of 1.90% for risk-weighted assets (RWA) and 0.58% for leverage ratio denominator (LRD), of which 2 basis points for RWA and 1 basis point for LRD reflect a Pillar 2 capital add-on of USD 107m related to the supply chain finance funds matter at Credit Suisse. An additional 22 basis points for RWA reflect a Pillar 2 capital add-on for the residual exposure (after collateral mitigation) to hedge funds, private equity and family offices, effective 1 January 2025. ² Includes the Pillar 2 add-on for the residual exposure (after collateral mitigation) to hedge funds, private equity and family offices of 0.16% for CET1 capital and 0.07% for AT1 capital, effective 1 January 2025. For AT1 capital under Pillar 1 requirements a maximum of 4.3% of AT1 capital can be used to meet going concern requirements; 4.37% includes the aforementioned Pillar 2 capital add-on. ³ Our CET1 leverage ratio requirement of 3.58% consists of a 1.5% base requirement, a 1.5% base buffer capital requirement, a 0.28% LRD add-on requirement, a 0.30% market share add-on requirement based on our Swiss credit business and a 0.01% Pillar 2 capital add-on related to the supply chain finance funds matter at Credit Suisse. ⁴ UBS fulfills its minimum going concern capital requirements with CET1 capital and AT1 capital. The actual available and eligible AT1 capital is above the AT1 capital used to meet the minimum requirements (which is capped at 4.37% as explained in footnote 2) as UBS exceeds its minimum going concern requirements. ⁵ A maximum of 25% of the gone concern requirements can be met with instruments that have a remaining maturity of between one and two years. Once at least 75% of the minimum gone concern requirement has been met with instruments that have a remaining maturity of greater than two years, all instruments that have a remaining maturity of between one and two years remain eligible to be included in the total gone concern capital. ⁶ Systemically important banks (SIBs) are subject to base gone concern capital requirements equivalent to 75% of the total going concern requirements (excluding countercyclical buffer requirements and the Pillar 2 add-ons). ⁷ FINMA has the authority to impose a surcharge of up to 25% of the total going concern capital requirements (excluding countercyclical buffer requirements and the Pillar 2 add-ons) should obstacles to an SIB's resolvability be identified in future resolvability assessments. ⁸ Includes applicable add-ons of 1.24% for RWA and 0.43% for LRD. ⁹ Includes an add-back of 45% of unrealized gains from financial assets measured at fair value through other comprehensive income. Such gains do not qualify as CET1 capital, but 45% of these gains can be recognized as gone concern capital.

UBS AG, on a consolidated basis, is subject to the going and gone concern requirements of the Swiss CAO, which include additional requirements applicable to Swiss SRBs. The table above provides the risk-weighted asset (RWA)- and leverage ratio denominator (LRD)-based requirements and information as of 31 March 2026.

UBS AG and UBS Switzerland AG are subject to going and gone concern requirements on a standalone basis.

On a standalone basis as of 31 March 2026, UBS AG's fully applied common equity tier 1 (CET1) capital ratio was 13.9%. Additional capital information for UBS AG standalone is provided in the UBS Group and significant regulated subsidiaries and sub-groups 31 March 2026 Pillar 3 Report, available under "Pillar 3 disclosures" at ubs.com/investors.

Total loss-absorbing capacity

The table below provides Swiss SRB going and gone concern information based on the Swiss SRB framework and requirements that are discussed in the "Capital management" section of the UBS AG Annual Report 2025, available under "Annual reporting" at ubs.com/investors.

Swiss SRB going and gone concern information

<i>USD m, except where indicated</i>	31.3.26	31.12.25
Eligible going concern capital		
Total going concern capital	94,129	89,993
Total tier 1 capital	94,129	89,993
Common equity tier 1 capital	70,867	70,394
Total loss-absorbing additional tier 1 capital	23,262	19,600
<i>of which: high-trigger loss-absorbing additional tier 1 capital</i>	23,262	19,600
<i>of which: low-trigger loss-absorbing additional tier 1 capital</i>		
Eligible gone concern capital		
Total gone concern loss-absorbing capacity ¹	96,717	90,164
TLAC-eligible unsecured debt	96,707	90,139
Total loss-absorbing capacity		
Total loss-absorbing capacity	190,846	180,157
Risk-weighted assets / leverage ratio denominator		
Risk-weighted assets	497,433	489,775
Leverage ratio denominator	1,655,400	1,622,921
Capital and loss-absorbing capacity ratios (%)		
Going concern capital ratio	18.9	18.4
<i>of which: common equity tier 1 capital ratio</i>	14.2	14.4
Gone concern loss-absorbing capacity ratio	19.4	18.4
Total loss-absorbing capacity ratio	38.4	36.8
Leverage ratios (%)		
Going concern leverage ratio	5.7	5.5
<i>of which: common equity tier 1 leverage ratio</i>	4.3	4.3
Gone concern leverage ratio	5.8	5.6
Total loss-absorbing capacity leverage ratio	11.5	11.1

¹ Includes an add-back of 45% of unrealized gains from financial assets measured at fair value through other comprehensive income. Such gains do not qualify as CET1 capital, but 45% of these gains can be recognized as gone concern capital.

UBS AG vs UBS Group AG consolidated loss-absorbing capacity and leverage information

Swiss SRB going and gone concern information (UBS AG vs UBS Group AG consolidated)

As of 31.3.26

<i>USD m, except where indicated</i>	UBS AG (consolidated)	UBS Group AG (consolidated)	Difference
Eligible going concern capital			
Total going concern capital	94,129	96,963	(2,834)
Total tier 1 capital	94,129	96,963	(2,834)
Common equity tier 1 capital	70,867	73,313	(2,447)
Total loss-absorbing additional tier 1 capital	23,262	23,649	(387)
<i>of which: high-trigger loss-absorbing additional tier 1 capital</i>	<i>23,262</i>	<i>23,649</i>	<i>(387)</i>
Eligible gone concern capital			
Total gone concern loss-absorbing capacity ¹	96,717	100,593	(3,876)
TLAC-eligible senior unsecured debt	96,707	100,583	(3,876)
Total loss-absorbing capacity			
Total loss-absorbing capacity	190,846	197,556	(6,710)
Risk-weighted assets / leverage ratio denominator			
Risk-weighted assets	497,433	500,355	(2,922)
Leverage ratio denominator	1,655,400	1,653,460	1,940
Capital and loss-absorbing capacity ratios (%)			
Going concern capital ratio	18.9	19.4	(0.5)
<i>of which: common equity tier 1 capital ratio</i>	<i>14.2</i>	<i>14.7</i>	<i>(0.4)</i>
Gone concern loss-absorbing capacity ratio	19.4	20.1	(0.7)
Total loss-absorbing capacity ratio	38.4	39.5	(1.1)
Leverage ratios (%)			
Going concern leverage ratio	5.7	5.9	(0.2)
<i>of which: common equity tier 1 leverage ratio</i>	<i>4.3</i>	<i>4.4</i>	<i>(0.2)</i>
Gone concern leverage ratio	5.8	6.1	(0.2)
Total loss-absorbing capacity leverage ratio	11.5	11.9	(0.4)

¹ Includes an add-back of 45% of unrealized gains from financial assets measured at fair value through other comprehensive income. Such gains do not qualify as CET1 capital but 45% of these gains can be recognized as gone concern capital.

Reconciliation of equity under IFRS Accounting Standards to Swiss SRB common equity tier 1 capital (UBS AG vs UBS Group AG consolidated)

As of 31.3.26

USD m	UBS AG (consolidated)	UBS Group AG (consolidated)	Difference
Total equity under IFRS Accounting Standards	91,722	92,502	(781)
Equity attributable to non-controlling interests	(318)	(255)	(62)
Defined benefit plans, net of tax	(937)	(949)	13
Deferred tax assets recognized for tax loss carry-forwards	(2,457)	(2,457)	0
Deferred tax assets for unused tax credits	(864)	(864)	
Deferred tax assets on temporary differences, excess over threshold	(310)	(693)	382
Goodwill, net of tax	(6,278)	(5,773)	(505)
Intangible assets, net of tax	(94)	(654)	560
Compensation-related components (not recognized in net profit)		(2,254)	2,254
Expected losses on advanced internal ratings-based portfolio less provisions	(882)	(874)	(8)
Unrealized (gains) / losses from cash flow hedges, net of tax	1,586	1,586	
Own credit related to (gains) / losses on financial liabilities measured at fair value that existed at the balance sheet date, net of tax	948	898	51
Own credit related to (gains) / losses on derivative financial instruments that existed at the balance sheet date	(80)	(80)	
Prudential valuation adjustments	(223)	(223)	
Accruals for dividends to shareholders for 2025	(9,000) ¹	(3,449)	(5,552)
Accruals for expected dividends to shareholders for 2026	(1,750)	(938)	(813)
Capital reserve for expected future share repurchases in 2026		(2,150)	2,150
Other	(196)	(59)	(137)
Total common equity tier 1 capital	70,867	73,313	(2,447)

¹ Reflects an ordinary dividend distribution of USD 4.5bn and the appropriation of USD 4.5bn to a special dividend reserve, both approved at the 2026 Annual General Meeting in April 2026. The decision on the distribution of the special dividend is intended to be made at an Extraordinary General Meeting in the second half of 2026 and is subject to UBS AG meeting its capital requirements on a standalone and consolidated level, and the outcome and timing of the implementation of the new regulatory regime in Switzerland.

- › Refer to “Comparison between UBS AG consolidated and UBS Group AG consolidated” in the “Introduction” section of this report for more information about the differences between UBS AG consolidated and UBS Group AG consolidated
- › Refer to the “Capital management” section of the UBS Group first quarter 2026 report, available under “Quarterly reporting” at ubs.com/investors, for information about the developments of loss-absorbing capacity, RWA and LRD for UBS Group AG consolidated

Consolidated financial information

Unaudited

The accompanying unaudited interim consolidated financial information in this section is presented for UBS AG and its subsidiaries on a consolidated basis, unless otherwise specified, and is presented in US dollars. This financial information has been prepared in accordance with UBS AG accounting policies as described in “Note 1 Summary of material accounting policies” to the UBS AG consolidated annual financial statements for the year ended 31 December 2025, except for changes described below. These accounting policies are consistent with IFRS Accounting Standards, as issued by the International Accounting Standards Board (the IASB). The financial information presented is unaudited and does not constitute an interim financial report prepared in accordance with IAS 34, *Interim Financial Reporting*.

Amendments to IFRS 9, Financial Instruments, and IFRS 7, Financial Instruments: Disclosures

Effective from 1 January 2026, UBS AG has adopted the *Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7* (the Amendments) related to classification of financial assets and derecognition of financial instruments, including the introduction of an accounting policy election to derecognize financial liabilities settled through electronic transfer systems before the settlement date, if certain conditions are met. The Amendments also introduced new disclosure requirements for financial instruments with contractual terms that can change the timing or amount of contractual cash flows. The impact of the Amendments on this consolidated financial information was not material.

UBS AG interim consolidated financial information (unaudited)

Income statement

	Year-to-date	
USD m	31.3.26	31.3.25
Interest income from financial instruments measured at amortized cost and fair value through other comprehensive income	6,291	6,643
Interest expense from financial instruments measured at amortized cost	(5,741)	(6,909)
Net interest income from financial instruments measured at fair value through profit or loss and other	1,443	1,594
Net interest income	1,993	1,328
Other net income from financial instruments measured at fair value through profit or loss	3,956	3,924
Fee and commission income	8,389	7,280
Fee and commission expense	(711)	(650)
Net fee and commission income	7,678	6,630
Other income	403	281
Total revenues	14,030	12,163
Credit loss expense / (release)	64	124
Personnel expenses	6,206	5,910
General and administrative expenses	3,976	4,077
Depreciation, amortization and impairment of non-financial assets	598	714
Operating expenses	10,780	10,701
Operating profit / (loss) before tax	3,186	1,339
Tax expense / (benefit)	672	303
Net profit / (loss)	2,514	1,035
Net profit / (loss) attributable to non-controlling interests	14	7
Net profit / (loss) attributable to shareholders	2,500	1,028

Statement of comprehensive income

	Year-to-date	
USD m	31.3.26	31.3.25
Comprehensive income attributable to shareholders		
Net profit / (loss)	2,500	1,028
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	(459)	1,307
Effective portion of changes in fair value of hedging instruments designated as net investment hedges, before tax	168	(511)
Foreign currency translation differences on foreign operations reclassified to the income statement	(2)	0
Effective portion of changes in fair value of hedging instruments designated as net investment hedges reclassified to the income statement	1	0
Income tax relating to foreign currency translations, including the effect of net investment hedges	(12)	(2)
Subtotal foreign currency translation, net of tax	(304)	794
Financial assets measured at fair value through other comprehensive income		
Net unrealized gains / (losses), before tax	(56)	(3)
Net realized (gains) / losses reclassified to the income statement from equity	0	0
Income tax relating to net unrealized gains / (losses)	(3)	0
Subtotal financial assets measured at fair value through other comprehensive income, net of tax	(59)	(3)
Cash flow hedges of interest rate risk		
Effective portion of changes in fair value of derivative instruments designated as cash flow hedges, before tax	(476)	349
Net (gains) / losses reclassified to the income statement from equity	174	322
Income tax relating to cash flow hedges	60	(125)
Subtotal cash flow hedges, net of tax	(242)	545
Cost of hedging		
Cost of hedging, before tax	26	20
Income tax relating to cost of hedging	(5)	0
Subtotal cost of hedging, net of tax	21	20
Total other comprehensive income that may be reclassified to the income statement, net of tax	(584)	1,356
Other comprehensive income that will not be reclassified to the income statement		
Defined benefit plans		
Gains / (losses) on defined benefit plans, before tax	(29)	18
Income tax relating to defined benefit plans	14	0
Subtotal defined benefit plans, net of tax	(14)	19
Own credit on financial liabilities designated at fair value		
Gains / (losses) from own credit on financial liabilities designated at fair value, before tax	758	233
Income tax relating to own credit on financial liabilities designated at fair value	0	(1)
Subtotal own credit on financial liabilities designated at fair value, net of tax	758	233
Total other comprehensive income that will not be reclassified to the income statement, net of tax	743	251
Total other comprehensive income	159	1,607
Total comprehensive income attributable to shareholders	2,659	2,635
Comprehensive income attributable to non-controlling interests		
Net profit / (loss)	14	7
Total other comprehensive income that will not be reclassified to the income statement, net of tax	11	15
Total comprehensive income attributable to non-controlling interests	25	22
Total comprehensive income		
Net profit / (loss)	2,514	1,035
Other comprehensive income	170	1,622
of which: other comprehensive income that may be reclassified to the income statement	(584)	1,356
of which: other comprehensive income that will not be reclassified to the income statement	754	266
Total comprehensive income	2,684	2,657

Balance sheet

USD m	31.3.26	31.12.25
Assets		
Cash and balances at central banks	225,456	209,858
Amounts due from banks	19,874	19,243
Receivables from securities financing transactions measured at amortized cost	87,566	83,656
Cash collateral receivables on derivative instruments	50,624	41,552
Loans and advances to customers	664,217	658,760
Other financial assets measured at amortized cost	73,654	72,025
Total financial assets measured at amortized cost	1,121,392	1,085,094
Financial assets at fair value held for trading	164,361	174,854
<i>of which: assets pledged as collateral that may be sold or repledged by counterparties</i>	<i>42,625</i>	<i>44,627</i>
Derivative financial instruments	182,077	148,325
Brokerage receivables	40,789	35,579
Financial assets at fair value not held for trading	113,237	107,293
Total financial assets measured at fair value through profit or loss	500,465	466,051
Financial assets measured at fair value through other comprehensive income	13,749	13,868
Investments in associates	2,257	2,331
Property, equipment and software	12,270	12,125
Goodwill and intangible assets	6,721	6,734
Deferred tax assets	10,822	11,085
Other non-financial assets	20,208	19,884
Total assets	1,687,883	1,617,173
Liabilities		
Amounts due to banks	25,770	24,434
Payables from securities financing transactions measured at amortized cost	20,203	16,225
Cash collateral payables on derivative instruments	38,052	34,742
Customer deposits	792,270	796,330
Funding from UBS Group AG measured at amortized cost	118,837	110,614
Debt issued measured at amortized cost	109,743	100,207
Other financial liabilities measured at amortized cost	16,736	16,617
Total financial liabilities measured at amortized cost	1,121,611	1,099,169
Financial liabilities at fair value held for trading	59,248	53,700
Derivative financial instruments	184,444	156,267
Brokerage payables designated at fair value	75,167	62,202
Debt issued designated at fair value	107,652	107,544
Other financial liabilities designated at fair value	36,649	35,287
Total financial liabilities measured at fair value through profit or loss	463,161	415,001
Provisions	3,713	3,564
Other non-financial liabilities	7,676	10,260
Total liabilities	1,596,162	1,527,994
Equity		
Share capital	386	386
Share premium	84,750	84,849
Retained earnings	1,100	(2,147)
Other comprehensive income recognized directly in equity, net of tax	5,167	5,757
Equity attributable to shareholders	91,404	88,845
Equity attributable to non-controlling interests	318	334
Total equity	91,722	89,179
Total liabilities and equity	1,687,883	1,617,173

Additional information

Personnel expenses

Personnel expenses		Year-to-date
USD m	31.3.26	31.3.25
Salaries and variable compensation ¹	5,461	5,129
of which: variable compensation – financial advisors ²	1,504	1,409
Contractors	25	37
Social security	314	310
Post-employment benefit plans	227	257
Other personnel expenses	179	176
Total personnel expenses	6,206	5,910

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.

General and administrative expenses

General and administrative expenses		Year-to-date
USD m	31.3.26	31.3.25
Outsourcing costs	133	197
Technology costs	198	255
Consulting, legal and audit fees	190	257
Real estate and logistics costs	184	203
Market data services	142	152
Marketing and communication	65	76
Travel and entertainment	69	66
Litigation, regulatory and similar matters ¹	145	196
Other	2,852	2,676 ²
of which: shared services costs charged by UBS Group AG or its subsidiaries	2,570	2,231
Total general and administrative expenses	3,976	4,077

¹ Reflects the net increase / (decrease) in provisions for litigation, regulatory and similar matters recognized in the income statement. Refer to "Litigation, regulatory and similar matters" in this section for more information. ² Includes a USD 180m expense related to the payment to Swisscard for the sale of the Credit Suisse card portfolios to UBS AG. Refer to "Note 28 Changes in organization and acquisitions and disposals of subsidiaries and businesses" in the "Consolidated financial statements" section of the UBS AG Annual Report 2025 for more information.

Expected credit loss measurement

a) Credit loss expense / release

Total net credit loss expenses in the first quarter of 2026 were USD 64m, reflecting USD 77m net expenses related to performing positions and USD 13m net releases on credit-impaired positions.

Net expected credit loss expenses on the performing portfolio were mainly driven by post-model adjustments of USD 43m in the corporate lending portfolio, mainly in the Investment Bank, reflecting current macroeconomic and geopolitical uncertainty.

Net credit loss releases of USD 13m were recognized for credit-impaired positions and included a USD 157m release following the repayment of a corporate lending exposure, of which USD 85m was in Non-core and Legacy and USD 72m in the Investment Bank. The effect of this release was largely offset by net credit loss expenses primarily related to a small number of corporate counterparties across Personal & Corporate Banking, the Investment Bank, and Non-core and Legacy.

Credit loss expense / (release)

	Performing positions	Credit-impaired positions	
USD m	Stages 1 and 2	Stage 3	Total
Year-to-date 31.3.26			
Global Wealth Management	(4)	13	9
Personal & Corporate Banking	23	46	69
Asset Management	0	0	0
Investment Bank	59	3	61
Non-core and Legacy	0	(74)	(74)
Group Items	0	0	0
Total	77	(13)	64
Year-to-date 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

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 2026 through a series of governance meetings, with input and feedback from UBS Risk and Finance experts across the business divisions and regions.

UBS kept the scenarios and scenario weights in line with those applied in the UBS Group fourth quarter 2025 report. 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 2026. The current scenario suite, together with the applied scenario weightings and the level of post-model adjustments, is deemed appropriate to sufficiently capture prevailing macroeconomic and geopolitical uncertainties. The assumptions on a calendar-year basis are included in the table below.

The baseline scenario was updated with the latest macroeconomic forecasts as of 31 March 2026. The scenario assumes that GDP growth in Switzerland will remain below trend, reflecting a subdued outlook driven by tariffs, a weakening labor market and negative spillovers from the Eurozone following the oil price shock. In the United States, labor market conditions will remain soft, while higher energy prices are adding to inflationary pressures and also increasing downside risks to growth.

The conflict in the Middle East has materially increased uncertainty around the global outlook. UBS is closely monitoring the current market situation, inflation and central banks' signals and will continue to carefully assess developments, potentially revisiting the narratives and shocks in the second quarter of 2026.

Comparison of shock factors

Key parameters	Baseline		
	2025	2026	2027
Real GDP growth (annual percentage change)			
US	2.1	2.2	2.1
Eurozone	1.5	0.8	1.2
Switzerland	1.3	1.1	1.1
Unemployment rate (% , annual average)			
US	4.2	4.5	4.5
Eurozone	6.3	6.3	6.3
Switzerland	2.8	3.1	3.1
Fixed income: 10-year government bonds (% , Q4)			
USD	4.2	4.4	4.5
EUR	2.9	3.1	3.2
CHF	0.3	0.4	0.5
Real estate (annual percentage change, Q4)			
US	1.3	1.6	2.8
Eurozone	3.8	4.2	4.3
Switzerland	3.8	2.5	2.0

Economic scenarios and weights applied

ECL scenario	Assigned weights in %		
	31.3.26	31.12.25	31.3.25
Asset price appreciation	5.0	5.0	5.0
Baseline	50.0	50.0	50.0
Moderate stagflationary crisis	30.0	30.0	0.0
Mild stagflationary crisis	0.0	0.0	30.0
Global crisis	0.0	0.0	15.0
Global trade war	15.0	15.0	0.0

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 2026. 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 notional amounts.

ECL-relevant balance sheet and off-balance sheet positions

USD m	31.3.26							
	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	225,456	225,434	23	0	(257)	0	(257)	0
Amounts due from banks	19,874	19,667	207	0	(11)	(3)	(7)	0
Receivables from securities financing transactions measured at amortized cost	87,566	87,566	0	0	(1)	(1)	0	0
Cash collateral receivables on derivative instruments	50,624	50,624	0	0	0	0	0	0
Loans and advances to customers	664,217	634,134	25,507	4,577	(3,138)	(362)	(283)	(2,493)
<i>of which: Private clients with mortgages</i>	288,578	276,865	10,086	1,627	(147)	(40)	(25)	(82)
<i>of which: Real estate financing</i>	93,228	86,888	6,028	311	(105)	(27)	(29)	(48)
<i>of which: Large corporate clients</i>	26,962	23,282	3,136	544	(748)	(101)	(99)	(548)
<i>of which: SME clients</i>	24,065	19,760	2,841	1,463	(1,486)	(96)	(89)	(1,301)
<i>of which: Lombard</i>	168,132	167,829	0	304	(73)	(7)	0	(67)
<i>of which: Credit cards</i>	2,436	1,874	514	48	(50)	(7)	(12)	(31)
<i>of which: Commodity trade finance</i>	6,278	5,943	332	2	(120)	(8)	0	(112)
<i>of which: Ship / aircraft financing</i>	8,930	7,861	987	82	(14)	(9)	(5)	0
<i>of which: Consumer financing</i>	2,910	2,674	128	108	(173)	(27)	(26)	(120)
Other financial assets measured at amortized cost	73,654	72,674	745	235	(121)	(33)	(9)	(79)
<i>of which: Loans to financial advisors</i>	2,801	2,643	53	105	(34)	(4)	(1)	(29)
Total financial assets measured at amortized cost	1,121,392	1,090,098	26,482	4,812	(3,528)	(400)	(555)	(2,572)
Financial assets measured at fair value through other comprehensive income	13,749	13,749	0	0	0	0	0	0
Total on-balance sheet financial assets in scope of ECL requirements	1,135,156	1,103,863	26,482	4,812	(3,528)	(400)	(555)	(2,572)
	Notional 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	45,792	43,612	2,024	157	(77)	(15)	(23)	(39)
<i>of which: Large corporate clients</i>	7,412	6,295	1,078	39	(20)	(7)	(6)	(7)
<i>of which: SME clients</i>	3,360	2,892	375	93	(41)	(4)	(15)	(22)
<i>of which: Financial intermediaries and hedge funds</i>	27,337	27,022	316	0	(1)	(1)	0	0
<i>of which: Lombard</i>	3,409	3,383	0	25	(2)	0	0	(2)
<i>of which: Commodity trade finance</i>	2,686	2,569	117	0	(1)	(1)	0	0
Irrevocable loan commitments	80,685	76,394	3,981	310	(260)	(121)	(107)	(31)
<i>of which: Large corporate clients</i>	47,180	43,587	3,383	210	(232)	(97)	(104)	(31)
Forward starting reverse repurchase and securities borrowing agreements	15,234	15,234	0	0	0	0	0	0
Committed unconditionally revocable credit lines	68,508	64,673	3,691	145	(68)	(48)	(20)	0
<i>of which: Real estate financing</i>	6,521	5,402	1,119	0	(3)	(5)	2	0
<i>of which: Large corporate clients</i>	9,871	8,852	1,018	1	(13)	(4)	(9)	0
<i>of which: SME clients</i>	11,457	10,829	497	131	(32)	(24)	(8)	0
<i>of which: Lombard</i>	12,475	12,475	0	0	0	0	0	0
<i>of which: Credit cards</i>	12,954	12,341	609	4	(9)	(7)	(2)	0
Irrevocable committed prolongation of existing loans	10,011	9,911	98	2	(4)	(4)	0	0
Total off-balance sheet financial instruments and other credit lines	220,230	209,824	9,793	613	(409)	(188)	(150)	(71)
Total allowances and provisions					(3,937)	(589)	(705)	(2,643)

¹ The carrying amount of financial assets measured at amortized cost represents the total gross exposure net of the respective ECL allowances.

Expected credit loss measurement (continued)

ECL-relevant balance sheet and off-balance sheet positions

USD m

31.12.25

	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	209,858	209,606	252	0	(262)	0	(262)	0
Amounts due from banks	19,243	19,119	124	0	(14)	(9)	(5)	0
Receivables from securities financing transactions measured at amortized cost	83,656	83,656	0	0	(1)	(1)	0	0
Cash collateral receivables on derivative instruments	41,552	41,552	0	0	0	0	0	0
Loans and advances to customers	658,760	628,914	25,287	4,559	(3,236)	(352)	(271)	(2,613)
<i>of which: Private clients with mortgages</i>	<i>288,259</i>	<i>277,176</i>	<i>9,635</i>	<i>1,448</i>	<i>(134)</i>	<i>(44)</i>	<i>(18)</i>	<i>(72)</i>
<i>of which: Real estate financing</i>	<i>93,076</i>	<i>87,650</i>	<i>5,307</i>	<i>119</i>	<i>(68)</i>	<i>(26)</i>	<i>(30)</i>	<i>(12)</i>
<i>of which: Large corporate clients</i>	<i>26,963</i>	<i>23,146</i>	<i>2,890</i>	<i>928</i>	<i>(1,009)</i>	<i>(117)</i>	<i>(94)</i>	<i>(798)</i>
<i>of which: SME clients</i>	<i>23,941</i>	<i>19,984</i>	<i>2,551</i>	<i>1,406</i>	<i>(1,305)</i>	<i>(80)</i>	<i>(81)</i>	<i>(1,144)</i>
<i>of which: Lombard</i>	<i>165,336</i>	<i>164,890</i>	<i>169</i>	<i>276</i>	<i>(130)</i>	<i>(6)</i>	<i>0</i>	<i>(124)</i>
<i>of which: Credit cards</i>	<i>2,408</i>	<i>1,860</i>	<i>501</i>	<i>47</i>	<i>(48)</i>	<i>(7)</i>	<i>(12)</i>	<i>(29)</i>
<i>of which: Commodity trade finance</i>	<i>4,849</i>	<i>3,570</i>	<i>1,274</i>	<i>6</i>	<i>(136)</i>	<i>(8)</i>	<i>0</i>	<i>(128)</i>
<i>of which: Ship / aircraft financing</i>	<i>8,753</i>	<i>7,609</i>	<i>1,025</i>	<i>119</i>	<i>(17)</i>	<i>(9)</i>	<i>(8)</i>	<i>0</i>
<i>of which: Consumer financing</i>	<i>2,957</i>	<i>2,699</i>	<i>130</i>	<i>129</i>	<i>(167)</i>	<i>(19)</i>	<i>(24)</i>	<i>(123)</i>
Other financial assets measured at amortized cost	72,025	70,552	1,247	225	(122)	(29)	(9)	(84)
<i>of which: Loans to financial advisors</i>	<i>2,716</i>	<i>2,567</i>	<i>53</i>	<i>95</i>	<i>(34)</i>	<i>(3)</i>	<i>(1)</i>	<i>(30)</i>
Total financial assets measured at amortized cost	1,085,094	1,053,400	26,911	4,784	(3,635)	(392)	(546)	(2,697)
Financial assets measured at fair value through other comprehensive income	13,868	13,868	0	0	0	0	0	0
Total on-balance sheet financial assets in scope of ECL requirements	1,098,962	1,067,267	26,911	4,784	(3,635)	(392)	(546)	(2,697)
	Notional 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	47,102	45,512	1,448	142	(50)	(15)	(22)	(13)
<i>of which: Large corporate clients</i>	<i>7,388</i>	<i>6,446</i>	<i>916</i>	<i>26</i>	<i>(17)</i>	<i>(7)</i>	<i>(6)</i>	<i>(4)</i>
<i>of which: SME clients</i>	<i>3,134</i>	<i>2,834</i>	<i>228</i>	<i>72</i>	<i>(24)</i>	<i>(5)</i>	<i>(15)</i>	<i>(4)</i>
<i>of which: Financial intermediaries and hedge funds</i>	<i>29,411</i>	<i>29,288</i>	<i>123</i>	<i>0</i>	<i>(1)</i>	<i>(1)</i>	<i>0</i>	<i>0</i>
<i>of which: Lombard</i>	<i>3,537</i>	<i>3,505</i>	<i>1</i>	<i>31</i>	<i>(2)</i>	<i>0</i>	<i>0</i>	<i>(1)</i>
<i>of which: Commodity trade finance</i>	<i>2,252</i>	<i>2,152</i>	<i>100</i>	<i>0</i>	<i>(1)</i>	<i>(1)</i>	<i>0</i>	<i>0</i>
Irrevocable loan commitments	82,122	77,976	3,938	208	(227)	(114)	(77)	(36)
<i>of which: Large corporate clients</i>	<i>50,000</i>	<i>46,556</i>	<i>3,292</i>	<i>153</i>	<i>(184)</i>	<i>(91)</i>	<i>(72)</i>	<i>(20)</i>
Forward starting reverse repurchase and securities borrowing agreements	10,723	10,723	0	0	0	0	0	0
Committed unconditionally revocable credit lines	123,107	119,410	3,449	248	(67)	(51)	(16)	0
<i>of which: Real estate financing</i>	<i>6,433</i>	<i>5,291</i>	<i>1,041</i>	<i>101</i>	<i>(3)</i>	<i>(5)</i>	<i>1</i>	<i>0</i>
<i>of which: Large corporate clients</i>	<i>11,393</i>	<i>10,737</i>	<i>650</i>	<i>6</i>	<i>(15)</i>	<i>(7)</i>	<i>(6)</i>	<i>(2)</i>
<i>of which: SME clients</i>	<i>11,814</i>	<i>11,278</i>	<i>418</i>	<i>118</i>	<i>(31)</i>	<i>(24)</i>	<i>(7)</i>	<i>0</i>
<i>of which: Lombard</i>	<i>60,500</i>	<i>60,435</i>	<i>63</i>	<i>1</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>of which: Credit cards</i>	<i>12,943</i>	<i>12,361</i>	<i>578</i>	<i>4</i>	<i>(9)</i>	<i>(7)</i>	<i>(2)</i>	<i>0</i>
Irrevocable committed prolongation of existing loans	8,178	8,141	32	5	(3)	(3)	0	0
Total off-balance sheet financial instruments and other credit lines	271,231	261,761	8,867	603	(347)	(184)	(115)	(49)
Total allowances and provisions					(3,982)	(575)	(661)	(2,746)

¹ The carrying amount of financial assets measured at amortized cost represents the total gross exposure net of the respective ECL allowances.

Expected credit loss measurement (continued)

The table below provides information about the 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 corresponding on-balance sheet exposures or by the notional amount of the off-balance sheet exposures.

The overall coverage ratio for performing positions increased by 1 basis point to 11 basis points as of 31 March 2026. Compared with 31 December 2025, the coverage ratio for performing positions related to real estate lending (on-balance sheet) was unchanged at 3 basis points, and the coverage ratio for performing positions related to corporate lending (on-balance sheet) increased by 2 basis points to 78 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	Stages 1&2	Stage 3
On-balance sheet									
Private clients with mortgages	288,724	276,905	10,111	1,709	5	1	24	2	480
Real estate financing	93,332	86,915	6,058	359	11	3	49	6	1,339
Total real estate lending	382,057	363,820	16,169	2,068	7	2	34	3	629
Large corporate clients	27,710	23,383	3,234	1,092	270	43	305	75	5,021
SME clients	25,551	19,856	2,931	2,764	582	48	305	81	4,707
Total corporate lending	53,261	43,239	6,165	3,856	419	46	305	78	4,796
Lombard	168,206	167,835	0	370	4	0	211	0	1,804
Credit cards	2,486	1,881	526	79	200	37	233	80	3,881
Commodity trade finance	6,398	5,952	333	114	188	14	8	14	9,786
Ship / aircraft financing	8,944	7,870	992	82	16	11	50	16	0
Consumer financing	3,084	2,702	155	227	561	101	1,700	187	6,586
Other loans and advances to customers	42,921	41,197	1,450	274	52	10	0	9	5,655
Loans to financial advisors	2,834	2,646	54	134	119	14	146	17	2,180
Total other lending	234,873	230,084	3,509	1,280	29	4	117	6	4,240
Total¹	670,190	637,143	25,843	7,205	47	6	110	10	3,501
	Notional exposure (USD m)				ECL coverage (bps)				
	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stages 1&2	Stage 3
Off-balance sheet									
Private clients with mortgages	14,794	14,577	208	9	3	3	10	3	880
Real estate financing	8,667	7,536	1,130	0	7	12	0	7	73,021
Total real estate lending	23,460	22,114	1,338	9	5	6	0	4	1,093
Large corporate clients	64,688	58,919	5,520	250	41	18	216	35	1,446
SME clients	17,510	16,227	1,009	274	50	24	270	38	788
Total corporate lending	82,199	75,145	6,529	524	43	20	225	36	1,102
Lombard	17,073	17,048	0	25	3	2	0	2	658
Credit cards	12,954	12,341	609	4	7	6	34	7	0
Commodity trade finance	3,179	3,062	117	0	3	3	11	3	0
Ship / aircraft financing	1,551	1,410	141	0	12	1	116	12	0
Consumer financing	192	192	0	0	0	0	0	0	0
Financial intermediaries and hedge funds	28,884	28,368	516	0	1	1	8	1	0
Other off-balance sheet commitments	35,503	34,909	543	52	7	4	35	5	1,596
Total other lending	99,337	97,331	1,926	80	5	3	32	4	1,230
Total²	204,996	194,590	9,793	613	20	10	153	17	1,151
Total on- and off-balance sheet³	875,187	831,733	35,636	7,818	41	7	122	11	3,318

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).

Expected credit loss measurement (continued)

Coverage ratios for core loan portfolio

31.12.25

On-balance sheet	Gross carrying amount (USD m)				ECL coverage (bps)					
	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stages 1&2	Stage 3	
Private clients with mortgages	288,393	277,220	9,653	1,520	5	2	19	2	473	
Real estate financing	93,145	87,676	5,337	132	7	3	57	6	936	
Total real estate lending	381,538	364,896	14,991	1,651	5	2	32	3	510	
Large corporate clients	27,973	23,263	2,984	1,726	361	50	315	80	4,625	
SME clients	25,246	20,064	2,632	2,550	517	40	307	71	4,487	
Total corporate lending	53,219	43,327	5,616	4,276	435	46	311	76	4,543	
Lombard	165,466	164,896	169	401	8	0	0	0	3,107	
Credit cards	2,456	1,867	513	76	197	37	234	80	3,867	
Commodity trade finance	4,986	3,593	1,274	118	273	22	2	17	10,800	
Ship / aircraft financing	8,771	7,618	1,033	119	20	12	77	20	0	
Consumer financing	3,124	2,718	154	252	533	69	1,590	151	4,884	
Other loans and advances to customers	42,437	40,351	1,809	278	52	9	17	9	6,530	
Loans to financial advisors	2,750	2,571	54	125	125	12	141	15	2,431	
Total other lending	229,989	223,614	5,006	1,370	33	4	97	6	4,504	
Total¹	664,747	631,837	25,612	7,298	49	6	106	10	3,623	
Off-balance sheet	Notional exposure (USD m)				ECL coverage (bps)					
	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stages 1&2	Stage 3	
Private clients with mortgages	13,016	12,757	245	13	3	2	16	3	0	
Real estate financing	7,743	6,591	1,051	101	7	13	0	7	0	
Total real estate lending	20,758	19,348	1,296	114	4	6	0	4	0	
Large corporate clients	68,798	63,753	4,860	184	31	17	173	28	1,403	
SME clients	16,511	15,531	732	247	46	23	386	39	468	
Total corporate lending	85,308	79,284	5,592	432	34	18	201	30	868	
Lombard	65,395	65,298	64	33	2	0	0	0	2,151	
Credit cards	12,943	12,361	578	4	7	6	34	7	0	
Commodity trade finance	5,490	5,389	101	0	2	2	6	2	0	
Ship / aircraft financing	1,968	1,770	198	0	11	2	89	11	0	
Consumer financing	153	153	0	0	0	0	0	0	0	
Financial intermediaries and hedge funds	37,709	37,307	401	0	1	1	5	1	0	
Other off-balance sheet commitments	30,782	30,127	635	20	7	5	19	6	2,053	
Total other lending	154,441	152,406	1,978	57	3	2	26	2	1,963	
Total²	260,508	251,038	8,867	603	13	7	129	11	806	
Total on- and off-balance sheet³	925,254	882,875	34,479	7,900	39	6	112	10	3,408	

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).

Provisions and contingent liabilities

a) Provisions

The table below presents an overview of total provisions.

Overview of total provisions

USD m	31.3.26	31.12.25
Provisions other than provisions for expected credit losses	3,305	3,217
Provisions for expected credit losses ¹	409	347
Total provisions	3,713	3,564

¹ Refer to "Expected credit loss measurement" in this section for more information about ECL provisions recognized for off-balance sheet financial instruments and credit lines.

Provisions and contingent liabilities (continued)

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 2025	2,109	560	229	319	3,217
Increase in provisions recognized in the income statement	161	271	3	37	473
Release of provisions recognized in the income statement	(8)	(19)	(9)	(20)	(56)
Provisions used in conformity with designated purpose	(155)	(170)	(4)	(3)	(333)
Foreign currency translation and other movements	(5)	(6)	(9)	25	5
Balance as of 31 March 2026	2,102	635	210	357	3,305

¹ Consists of provisions for losses resulting from legal, liability and compliance risks. ² Mainly includes USD 330m of personnel-related restructuring provisions as of 31 March 2026 (31 December 2025: USD 282m), USD 213m of provisions for onerous contracts related to real estate as of 31 March 2026 (31 December 2025: USD 229m) and USD 43m of restructuring provisions for onerous contracts related to technology as of 31 March 2026 (31 December 2025: USD 48m). ³ Mainly includes provisions for reinstatement costs with respect to leased properties. ⁴ Mainly includes provisions in relation to VAT, employee benefits and operational risks.

Information about provisions and contingent liabilities with respect to litigation, regulatory and similar matters, as a class, is included in part b). 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 information, 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 information 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. For additional disclosures relating to risks that may result in litigation, regulatory or similar matters disclosed in this section, refer to the "Risk factors" section of the UBS AG Annual Report 2025.

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 part a) 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 1.7bn.

Litigation, regulatory and similar matters may also result in non-monetary penalties and consequences. Certain resolutions or convictions 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.

In May 2025, Credit Suisse Services AG entered into a plea agreement with the DOJ relating to legacy Credit Suisse accounts booked in Credit Suisse's Swiss booking center and a non-prosecution agreement relating to legacy Credit Suisse accounts booked in Credit Suisse's Singapore booking center. These agreements include ongoing obligations of UBS to provide information and cooperate with the DOJ.

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 ²	Group Items	UBS AG
Balance as of 31 December 2025	317	16	0	283	1,302	191	2,109
Increase in provisions recognized in the income statement	25	3	0	4	128	1	161
Release of provisions recognized in the income statement	(8)	0	0	0	0	0	(8)
Provisions used in conformity with designated purpose	(13)	0	0	0	(142)	0	(155)
Foreign currency translation and other movements	(1)	0	0	(4)	0	0	(5)
Balance as of 31 March 2026	320	19	0	282	1,288	192	2,102

¹ Provisions, if any, for the matters described in items 1 and 7 of this disclosure are recorded in Global Wealth Management. Provisions, if any, for the matters described in items 3, 4, 5 and 6 of this disclosure are recorded in Non-core and Legacy. Provisions, if any, for the matters described in item 2 of this disclosure are allocated between the Investment Bank, Non-core and Legacy and Group Items. ² Includes a provision for the estimated costs of UBS's ongoing obligations with the US Department of Justice as described in this section.

Provisions and contingent liabilities (continued)

1. 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 were 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 served as board members.

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 decided in favor of UBS or dismissed for want of prosecution.

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 cases were remanded to the Bankruptcy Court for further proceedings.

2. Foreign exchange, LIBOR and benchmark rates, and other trading practices

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 the defendant banks. While many of these cases have concluded, UBS and Credit Suisse continue to defend against several remaining matters. In one such case, Credit Suisse and UBS have entered into agreements to settle all claims in a putative class action in Israel. Credit Suisse's settlement received court approval and is final. UBS's settlement remains subject to court approval.

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 alleged 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. The CHF and GBP LIBOR actions have concluded.

Provisions and contingent liabilities (continued)

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) relating to various transactions that referenced USD LIBOR. Following various rulings, one class action with respect to transactions in over-the-counter instruments and several actions brought by individual plaintiffs proceeded. In September 2025, the district court granted defendants' motion for summary judgment as to all remaining actions. Plaintiffs have appealed.

The Yen LIBOR/Euroyen TIBOR and EURIBOR actions have been dismissed. The plaintiffs have appealed the dismissals. In August 2025, the Second Circuit affirmed in part and reversed in part the district court's dismissal of the complaint in the EURIBOR action, returning the action to the district court.

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 appealed and, in May 2025, the Second Circuit affirmed the SDNY decision. Defendants filed a motion for judgment on the pleadings in December 2025.

With respect to additional matters and jurisdictions not encompassed by the settlements and orders referred to above, UBS's balance sheet at 31 March 2026 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.

3. Mortgage-related matters

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 four 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 trial court granted in part DLJ's motion to dismiss, dismissing with prejudice all notice-based claims. On appeal, the appellate court modified the trial court's dismissal in April 2025 to reinstate certain of plaintiff's notice-based claims and otherwise dismissed plaintiff's claims. Plaintiff has sought leave from the New York Court of Appeals to further appeal the dismissal of certain of its claims. 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 2007-2 alleges damages of not less than USD 495m. An action by CSMC Asset-Backed Trust 2007-NC1 does not allege a damages amount.

Provisions and contingent liabilities (continued)

4. 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, and in September 2025 the EDNY denied plaintiffs' motion to vacate the judgment; the matter has concluded. 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 defendants moved to dismiss plaintiffs' amended complaints. The SDNY dismissed two of these cases in April 2026; the dismissals may be appealed by plaintiffs.

5. Customer account matters

Several clients have alleged that a former relationship manager in Switzerland exceeded his investment authority, resulting in excessive concentrations of certain exposures and investment losses. Following investigations and criminal complaints, in February 2018, the former relationship manager was sentenced to five years in prison by the Geneva criminal court and ordered to pay damages of approximately USD 130m, a decision upheld on appeal.

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 now-concluded civil lawsuit, Credit Suisse Trust Limited was ordered to pay USD 461m, including interest and costs.

In Bermuda, in November 2025, the Judicial Committee of the Privy Council issued its final judgment on the appeal, denying Credit Suisse Life (Bermuda) Ltd.'s appeal on liability, but partially granting its appeal concerning the quantum of damages and directing the parties to recalculate damages.

In Switzerland, certain civil lawsuits have been commenced against Credit Suisse AG and UBS AG (as the successor of Credit Suisse AG) in the Court of First Instance of Geneva since March 2023.

6. 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.

Provisions and contingent liabilities (continued)

7. Credit Suisse anti-money laundering matters

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 Chamber of Appeals of the Swiss Federal Criminal Court (Chamber of Appeals). Following the merger of UBS AG and Credit Suisse AG, UBS AG confirmed the appeal. In November 2024, the Chamber of Appeals acquitted UBS AG and annulled the fine and compensatory claim ordered by the first instance court. Subsequently, the Office of the Attorney General has appealed the judgment to the Swiss Federal Supreme Court. UBS has also appealed, limited to the issue of whether a successor entity by merger can be criminally liable for acts of the predecessor entity. In July 2025, the Swiss Federal Supreme Court remanded the case back to the Chamber of Appeals for a full and reasoned judgment. In March 2026, the Chamber of Appeals issued a judgment again acquitting UBS AG. This judgment may be appealed by the parties to the Swiss Federal Supreme Court. Separately, in November 2025, the Swiss Office of the Attorney General filed criminal charges against UBS Group and UBS AG, as the successors to Credit Suisse Group AG and Credit Suisse AG, respectively, alleging that Credit Suisse failed to maintain appropriate controls to detect and prevent money laundering in connection with certain payments from accounts at Credit Suisse by parties associated with Mozambique state enterprises for which Credit Suisse arranged loan financing between 2013 and 2016. In April 2026, the court dismissed the proceedings, finding criminal liability could not be transferred from Credit Suisse Group AG and Credit Suisse AG to UBS Group AG and UBS AG. The Attorney General has appealed.

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		
	31.3.26	31.12.25	31.3.25	31.3.26	31.12.25	31.3.25
1 CHF	1.25	1.26	1.13	1.28	1.25	1.11
1 EUR	1.16	1.17	1.08	1.17	1.16	1.05
1 GBP	1.32	1.35	1.29	1.35	1.33	1.26
100 JPY	0.63	0.64	0.67	0.63	0.64	0.66

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.

Appendix

Alternative performance measures

An alternative performance measure (an APM) is a financial measure of historical or future financial performance, financial position or cash flows other than a financial measure defined or specified in the applicable recognized accounting standards or in other applicable regulations. A number of APMs are reported in the discussion of the financial and operating performance of the external reports (annual, quarterly and other reports). APMs are used to provide a more complete picture of operating performance and to reflect management's view of the fundamental drivers of the business results. The table below indicates where an APM also qualifies as non-GAAP measure as defined by US Securities and Exchange Commission (SEC) regulations. A definition of each APM, and non-GAAP measure as applicable, the method used to calculate it and the information content are presented in alphabetical order in the table below.

APM / non-GAAP label	Calculation	Information content / usefulness
Cost / income ratio (%)	Calculated as operating expenses divided by total revenues.	This measure provides information about the efficiency of the business by comparing operating expenses with total revenues.
Cost / income ratio (underlying) (%) (non-GAAP measure)	Calculated as operating expenses (underlying) (as defined below) divided by total revenues (underlying) (as defined below).	This measure provides information about the efficiency of the business by comparing operating expenses with total revenues, while excluding items that management believes are not representative of the underlying performance of the businesses.
Cost of credit risk (bps)	Calculated as total credit loss expense / (release) (annualized for reporting periods shorter than 12 months) divided by the average balance of lending assets for the reporting period, expressed in basis points. Lending assets include the gross amounts of Amounts due from banks and Loans and advances to customers.	This measure provides information about the total credit loss expense / (release) incurred in relation to the average balance of gross lending assets for the period.
Credit-impaired lending assets as a percentage of total lending assets, gross (%)	Calculated as credit-impaired lending assets divided by total lending assets. Lending assets includes the gross amounts of Amounts due from banks and Loans and advances to customers. Credit-impaired lending assets refers to the sum of stage 3 and purchased credit-impaired positions.	This measure provides information about the proportion of credit-impaired lending assets in the overall portfolio of gross lending assets.
Credit-impaired loan portfolio as a percentage of total loan portfolio, gross (%) – Global Wealth Management, Personal & Corporate Banking	Calculated as credit-impaired loan portfolio divided by total gross loan portfolio.	This measure provides information about the proportion of the credit-impaired loan portfolio in the total gross loan portfolio.
Customer deposit volumes (USD) – Global Wealth Management (non-GAAP measure)	Calculated as the sum of customer deposits and brokerage payables.	This measure provides information about the volume of customer deposits in Global Wealth Management.
Fee-generating assets (USD) – Global Wealth Management	Calculated as the sum of discretionary and non-discretionary wealth management portfolios (mandate volume) and assets where generated revenues are predominantly of a recurring nature, i.e. mainly investment, mutual, hedge and private-market funds where we have a distribution agreement, including client commitments into closed-ended private-market funds from the date that recurring fees are charged. Assets related to our Global Financial Intermediaries business are excluded, as are assets of sanctioned clients.	This measure provides information about the volume of invested assets that create a revenue stream, whether as a result of the nature of the contractual relationship with clients or through the fee structure of the asset. An increase in the level of fee-generating assets results in an increase in the associated revenue stream. Assets of sanctioned clients are excluded from fee-generating assets.
Gross margin on invested assets (bps) – Asset Management	Calculated as total revenues (annualized for reporting periods shorter than 12 months) divided by average invested assets.	This measure provides information about the total revenues of the business in relation to invested assets.

APM / non-GAAP label	Calculation	Information content / usefulness
Integration-related expenses (USD) (non-GAAP measure)	Generally include costs of internal staff and contractors substantially dedicated to integration activities, retention awards, redundancy costs, incremental expenses from the shortening of useful lives of property, equipment and software, and impairment charges relating to these assets. Classification as integration-related expenses does not affect the timing of recognition and measurement of those expenses or the presentation thereof in the income statement. Integration-related expenses incurred by Credit Suisse also included expenses associated with restructuring programs that existed prior to the acquisition.	This measure provides information about expenses that are temporary, incremental and directly related to the integration of Credit Suisse into UBS.
Invested assets (USD and CHF)	Calculated as the sum of managed fund assets, managed institutional assets, discretionary and advisory wealth management portfolios, fiduciary deposits, time deposits, savings accounts, and wealth management securities or brokerage accounts.	This measure provides information about the volume of client assets managed by or deposited with UBS for investment purposes.
Loan volumes (USD) – Global Wealth Management (non-GAAP measure)	Calculated as loans and advances to customers and brokerage receivables, gross of expected credit losses.	This measure provides information about the loan volumes in Global Wealth Management.
Net interest income (underlying) (USD) – Global Wealth Management, Personal & Corporate Banking (non-GAAP measure)	Calculated by adjusting net interest income as reported in accordance with IFRS Accounting Standards for items that management believes are not representative of the underlying performance of the businesses.	This measure provides information about the amount of net interest income, while excluding items that management believes are not representative of the underlying performance of the businesses.
Net interest margin (bps) – Personal & Corporate Banking	Calculated as net interest income (annualized for reporting periods shorter than 12 months) divided by average loans.	This measure provides information about the profitability of the business by calculating the difference between the interest charged for lending and the associated cost of funding, relative to loan value.
Net management fees (USD) – Asset Management (non-GAAP measure)	Calculated as the total of transaction fees, fund administration revenues (including net interest and trading income from lending activities and foreign-exchange hedging as part of the fund services offering), distribution fees, incremental fund-related expenses, gains or losses from seed money and co-investments, funding costs, the negative pass-through impact of third-party performance fees, and other items that are not Asset Management's performance fees.	This measure provides information about the amount of net management fees earned through managing client assets.
Net new assets (USD) – Global Wealth Management	Calculated as the net amount of inflows and outflows of invested assets (as defined in UBS policy) recorded during a specific period, plus interest and dividends. Excluded from the calculation are movements due to market performance, foreign exchange translation, fees, and the effects on invested assets of strategic decisions by UBS to exit markets or cease offering services in a particular location, or those resulting from new externally imposed regulations.	This measure provides information about the development of invested assets during a specific period as a result of net new asset flows, plus the effect of interest and dividends.
Net new assets growth rate (%) – Global Wealth Management	Calculated as the net amount of inflows and outflows of invested assets (as defined in UBS policy) recorded during a specific period (annualized for reporting periods shorter than 12 months), plus interest and dividends, divided by total invested assets at the beginning of the period.	This measure provides information about the growth of invested assets during a specific period as a result of net new asset flows.
Net new deposit volumes (USD) – Global Wealth Management (non-GAAP measure)	Calculated as the net amount of inflows and outflows of deposit volumes recorded during a specific period. Deposits include customer deposits and customer brokerage payables. Excluded from the calculation are movements due to fair value measurement, foreign exchange translation, accrued interest and fees, as well as the effects on customer deposits of strategic decisions by UBS to exit markets or cease offering services in a particular location, or those resulting from new externally imposed regulations.	This measure provides information about the development of deposits during a specific period as a result of net new deposit flows.

APM / non-GAAP label	Calculation	Information content / usefulness
Net new deposits (USD and CHF) – Personal & Corporate Banking	Calculated as the net amount of inflows and outflows of customer deposits recorded during a specific period. Excluded from the calculation are movements due to fair value measurement, foreign exchange translation, accrued interest and fees, as well as the effects on customer deposits of strategic decisions by UBS to exit markets or cease offering services in a particular location, or those resulting from new externally imposed regulations.	This measure provides information about the development of deposits during a specific period as a result of net new deposit flows.
Net new fee-generating assets (USD) – Global Wealth Management	Calculated as the net amount of fee-generating asset inflows and outflows, including dividend and interest inflows into mandates and outflows from mandate fees paid by clients during a specific period. Excluded from the calculation are the effects on fee-generating assets of strategic decisions by UBS to exit markets or cease offering services in a particular location, or those resulting from new externally imposed regulations.	This measure provides information about the development of fee-generating assets during a specific period as a result of net flows, excluding movements due to market performance and foreign exchange translation, as well as the effects on fee-generating assets of strategic decisions by UBS to exit markets or cease offering services in a particular location, or those resulting from new externally imposed regulations.
Net new loan volumes (USD) – Global Wealth Management (non-GAAP measure)	Calculated as the net amount of originations, drawdowns and repayments of loan volumes recorded during a specific period. Loan volumes include loans and advances to customers and customer brokerage receivables. Excluded from the calculation are allowances, movements due to fair value measurement and foreign exchange translation, as well as the effects on loans and advances to customers of strategic decisions by UBS to exit markets or cease offering services in a particular location, or those resulting from new externally imposed regulations.	This measure provides information about the development of loan volumes during a specific period as a result of net new loan volumes.
Net new loans (USD and CHF) – Personal & Corporate Banking	Calculated as the net amount of originations, drawdowns and repayments of loans and advances to customers recorded during a specific period. Excluded from the calculation are allowances, movements due to fair value measurement and foreign exchange translation, as well as the effects on loans and advances to customers of strategic decisions by UBS to exit markets or cease offering services in a particular location, or those resulting from new externally imposed regulations.	This measure provides information about the development of loans during a specific period as a result of net new loans.
Net new money (USD) – Global Wealth Management, Asset Management	Calculated as the net amount of inflows and outflows of invested assets (as defined in UBS policy) recorded during a specific period. Excluded from the calculation are movements due to market performance, foreign exchange translation, dividends, interest and fees, as well as the effects on invested assets of strategic decisions by UBS to exit markets or cease offering services in a particular location, or those resulting from new externally imposed regulations. Net new money is not measured for Personal & Corporate Banking.	This measure provides information about the development of invested assets during a specific period as a result of net new money flows.
Net profit growth (%)	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.
Operating expenses (underlying) (USD) (non-GAAP measure)	Calculated by adjusting operating expenses as reported in accordance with IFRS Accounting Standards for items that management believes are not representative of the underlying performance of the businesses.	This measure provides information about the amount of operating expenses, while excluding items that management believes are not representative of the underlying performance of the businesses.
Operating profit / (loss) before tax (underlying) (USD) (non-GAAP measure)	Calculated by adjusting operating profit / (loss) before tax as reported in accordance with IFRS Accounting Standards for items that management believes are not representative of the underlying performance of the businesses.	This measure provides information about the amount of operating profit / (loss) before tax, while excluding items that management believes are not representative of the underlying performance of the businesses.
Other revenues (USD and CHF) – Global Wealth Management, Personal & Corporate Banking (non-GAAP measure)	Calculated by including other income as reported in accordance with IFRS Accounting Standards, profit or loss related to non-client derivative instruments and profit or loss related to equity investments measured at fair value through profit or loss.	This measure provides information about residual business division revenues, after deduction of net interest income, recurring net fee income and transaction-based income.

APM / non-GAAP label	Calculation	Information content / usefulness
Other revenues (underlying) (USD and CHF) – Global Wealth Management, Personal & Corporate Banking (non-GAAP measure)	Calculated by adjusting other revenues for items that management believes are not representative of the underlying performance of the businesses.	This measure provides information about the amount of other revenues, while excluding items that management believes are not representative of the underlying performance of the businesses.
Pre-tax profit growth (%) – Global Wealth Management, Personal & Corporate Banking, Asset Management, the Investment Bank	Calculated as the change in net profit before tax attributable to shareholders from continuing operations between current and comparison periods divided by net profit before tax attributable to shareholders from continuing operations of the comparison period.	This measure provides information about pre-tax profit growth since the comparison period.
Pre-tax profit growth (underlying) (%) – Global Wealth Management, Personal & Corporate Banking, Asset Management, the Investment Bank (non-GAAP measure)	Calculated as the change in underlying net profit before tax attributable to shareholders from continuing operations between current and comparison periods divided by underlying net profit before tax attributable to shareholders from continuing operations of the comparison period. Underlying net profit before tax attributable to shareholders from continuing operations excludes items that management believes are not representative of the underlying performance of the businesses and also excludes related tax impact.	This measure provides information about pre-tax profit growth since the comparison period, while excluding items that management believes are not representative of the underlying performance of the businesses.
Recurring net fee income (USD and CHF) – Personal & Corporate Banking (non-GAAP measure)	Calculated as the total of fees for services provided on an ongoing basis, such as portfolio management fees, asset-based investment fund fees and custody fees, which are generated on client assets, and administrative fees for accounts.	This measure provides information about the amount of recurring net fee income.
Return on attributed equity (%) – Global Wealth Management, Personal & Corporate Banking, Asset Management, the Investment Bank	Calculated as business division operating profit before tax (annualized for reporting periods shorter than 12 months) divided by average attributed equity.	This measure provides information about the profitability of the business divisions in relation to attributed equity.
Return on attributed equity (underlying) (%) (non-GAAP measure)	Calculated as underlying business division operating profit before tax (annualized for reporting periods shorter than 12 months) (as defined above) divided by average attributed equity.	This measure provides information about the profitability of the business divisions in relation to attributed equity, while excluding items that management believes are not representative of the underlying performance of the businesses.
Return on common equity tier 1 capital (%)	Calculated as net profit attributable to shareholders (annualized for reporting periods shorter than 12 months) 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.
Return on common equity tier 1 capital (underlying) (%) (non-GAAP measure)	Calculated as underlying net profit attributable to shareholders (annualized for reporting periods shorter than 12 months) divided by average common equity tier 1 capital. Underlying net profit attributable to shareholders excludes items that management believes are not representative of the underlying performance of the businesses and also excludes related tax impact.	This measure provides information about the profitability of the business in relation to common equity tier 1 capital, while excluding items that management believes are not representative of the underlying performance of the businesses.
Return on equity (%)	Calculated as net profit attributable to shareholders (annualized for reporting periods shorter than 12 months) divided by average equity attributable to shareholders.	This measure provides information about the profitability of the business in relation to equity.
Return on tangible equity (%)	Calculated as net profit attributable to shareholders (annualized for reporting periods shorter than 12 months) 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.
Return on tangible equity (underlying) (%) (non-GAAP measure)	Calculated as underlying net profit attributable to shareholders (annualized for reporting periods shorter than 12 months) divided by average equity attributable to shareholders less average goodwill and intangible assets. Underlying net profit attributable to shareholders excludes items that management believes are not representative of the underlying performance of the businesses and also excludes related tax impact.	This measure provides information about the profitability of the business in relation to tangible equity, while excluding items that management believes are not representative of the underlying performance of the businesses.

APM / non-GAAP label	Calculation	Information content / usefulness
Tangible book value per share (USD)	Calculated as equity attributable to shareholders less goodwill and intangible assets divided by the number of shares outstanding.	This measure provides information about tangible net assets on a per-share basis.
Total book value per share (USD)	Calculated as equity attributable to shareholders divided by the number of shares outstanding.	This measure provides information about net assets on a per-share basis.
Total revenues (underlying) (USD) (non-GAAP measure)	Calculated by adjusting total revenues as reported in accordance with IFRS Accounting Standards for items that management believes are not representative of the underlying performance of the businesses.	This measure provides information about the amount of total revenues, while excluding items that management believes are not representative of the underlying performance of the businesses.
Transaction-based income (USD and CHF) – Global Wealth Management, Personal & Corporate Banking (non-GAAP measure)	Calculated as the total of the non-recurring portion of net fee and commission income, mainly composed of brokerage and transaction-based investment fund fees, and credit card fees, as well as fees for payment and foreign-exchange transactions, together with other net income from financial instruments measured at fair value through profit or loss.	This measure provides information about the amount of the non-recurring portion of net fee and commission income, together with other net income from financial instruments measured at fair value through profit or loss.
Transaction-based income (underlying) (USD and CHF) – Global Wealth Management, Personal & Corporate Banking (non-GAAP measure)	Calculated by adjusting transaction-based income for items that management believes are not representative of the underlying performance of the businesses.	This measure provides information about the amount of transaction-based income, while excluding items that management believes are not representative of the underlying performance of the businesses.

This is a general list of the APMs and non-GAAP measures used in our financial reporting. Not all of the above-listed measures may appear in this particular report.

Abbreviations frequently used in our financial reports

A		CRO	Chief Risk Officer	FRTB	Fundamental Review of the Trading Book
ABS	asset-backed securities	CST	combined stress test		
AG	Aktiengesellschaft	CUSIP	Committee on Uniform Security Identification Procedures	FSB	Financial Stability Board
AGM	Annual General Meeting of shareholders			FTA	Swiss Federal Tax Administration
AI	artificial intelligence	CVA	credit valuation adjustment	FVA	funding valuation adjustment
A-IRB	advanced internal ratings-based			FVOCI	fair value through other comprehensive income
ALCO	Asset and Liability Committee	DBO	defined benefit obligation	FVTPL	fair value through profit or loss
AMA	advanced measurement approach	DCCP	Deferred Contingent Capital Plan	FX	foreign exchange
AML	anti-money laundering	DFAST	Dodd–Frank Act Stress Test		
AoA	Articles of Association	DisO-FINMA	FINMA Ordinance on the Disclosure Obligations of Banks and Securities Firms	G	
APM	alternative performance measure			GAAP	generally accepted accounting principles
ARR	alternative reference rate	DM	discount margin	GBP	pound sterling
ARS	auction rate securities	DOJ	US Department of Justice	GDP	gross domestic product
ASF	available stable funding	DTA	deferred tax asset	GEB	Group Executive Board
AT1	additional tier 1	DVA	debit valuation adjustment	GHG	greenhouse gas
AuM	assets under management			GCORC	Group Compliance and Operational Risk Control
B		E			
BCBS	Basel Committee on Banking Supervision	EAD	exposure at default	GRI	Global Reporting Initiative
BIS	Bank for International Settlements	EB	Executive Board	G-SIB	global systemically important bank
BoD	Board of Directors	EC	European Commission		
C		ECB	European Central Bank	H	
CAO	Capital Adequacy Ordinance	ECL	expected credit loss	HQLA	high-quality liquid assets
CCAR	Comprehensive Capital Analysis and Review	EGM	Extraordinary General Meeting of shareholders		
CCF	credit conversion factor	EIR	effective interest rate	I	
CCP	central counterparty	EL	expected loss	IAS	International Accounting Standards
CCR	counterparty credit risk	EMEA	Europe, Middle East and Africa	IASB	International Accounting Standards Board
CCRC	Corporate Culture and Responsibility Committee	EOP	Equity Ownership Plan	IBOR	interbank offered rate
CDS	credit default swap	EPS	earnings per share	IFRIC	International Financial Reporting Interpretations Committee
CEO	Chief Executive Officer	ESG	environmental, social and governance	IFRS	accounting standards issued by the IASB
CET1	common equity tier 1	ETD	exchange-traded derivatives	Accounting Standards	
CFO	Chief Financial Officer	ETF	exchange-traded fund	IRB	internal ratings-based
CGU	cash-generating unit	EU	European Union	IRRBB	interest rate risk in the banking book
CHF	Swiss franc	EUR	euro	ISDA	International Swaps and Derivatives Association
CIO	Chief Investment Office	EURIBOR	Euro Interbank Offered Rate	ISIN	International Securities Identification Number
CORC	Compliance and Operational Risk Control	EVE	economic value of equity		
CRM	credit risk mitigation	EY	Ernst & Young Ltd		
		F			
		FCA	UK Financial Conduct Authority		
		FDIC	Federal Deposit Insurance Corporation		
		FINMA	Swiss Financial Market Supervisory Authority		
		FMIA	Swiss Financial Market Infrastructure Act		

Abbreviations frequently used in our financial reports (continued)

K		R		T	
KRT	Key Risk Taker	RBC	risk-based capital	TBTF	too big to fail
		RbM	risk-based monitoring	TCFD	Task Force on Climate-related Financial Disclosures
L		REIT	real estate investment trust		
LAS	liquidity-adjusted stress	RMBS	residential mortgage-backed securities	TIBOR	Tokyo Interbank Offered Rate
LCR	liquidity coverage ratio				
LGD	loss given default	RniV	risks not in VaR	TLAC	total loss-absorbing capacity
LIBOR	London Interbank Offered Rate	RoCET1	return on CET1 capital	TTC	through the cycle
		RoU	right-of-use		
LLC	limited liability company	rTSR	relative total shareholder return	U	
LoD	lines of defense			USD	US dollar
LRD	leverage ratio denominator	RWA	risk-weighted assets	V	
LTIP	Long-Term Incentive Plan			VaR	value-at-risk
LTV	loan-to-value	S		VAT	value-added tax
M		SA	standardized approach or société anonyme		
M&A	mergers and acquisitions	SA-CCR	standardized approach for counterparty credit risk		
MRT	Material Risk Taker	SAR	Special Administrative Region of the People's Republic of China		
N					
NII	net interest income	SDG	Sustainable Development Goal		
NSFR	net stable funding ratio				
NYSE	New York Stock Exchange	SEC	US Securities and Exchange Commission		
O		SFT	securities financing transaction		
OCA	own credit adjustment				
OCI	other comprehensive income	SIBOR	Singapore Interbank Offered Rate		
OECD	Organisation for Economic Co-operation and Development	SICR	significant increase in credit risk		
		SIX	SIX Swiss Exchange		
OTC	over-the-counter	SME	small and medium-sized entities		
P		SMF	Senior Management Function		
PCI	purchased credit impaired	SNB	Swiss National Bank		
PD	probability of default	SOR	Singapore Swap Offer Rate		
PIT	point in time	SPPI	solely payments of principal and interest		
PPA	purchase price allocation				
Q		SRB	systemically relevant bank		
QCCP	qualifying central counterparty	SVaR	stressed value-at-risk		

This is a general list of the abbreviations frequently used in our financial reporting. Not all of the listed abbreviations may appear in this particular report.

Information sources

Reporting publications

Annual publications

UBS AG Annual Report: Published in English, this report provides descriptions of: our businesses, the performance of UBS AG (consolidated); the performance of the business divisions and Group functions; risk, treasury and capital management; corporate governance; and financial information, including the financial statements.

Compensation Report: This report discusses the compensation framework and provides information about compensation for the Board of Directors and the Group Executive Board members. It is available in English and German ("*Vergütungsbericht*") and represents a component of the UBS Group Annual Report.

Sustainability Report: Published in English, the UBS Group Sustainability Report provides disclosures on environmental, social and governance (ESG) topics.

Quarterly publications

Quarterly financial report: This report provides an update on performance and strategy (where applicable) for the respective quarter. It is available in English.

The annual and quarterly publications are available in .pdf and online formats at ubs.com/investors, under "Financial information". Printed copies, in any language, of the aforementioned annual publications are no longer provided.

Other information

Website

The "Investor Relations" website at ubs.com/investors provides the following information about UBS: results-related news releases; financial information, including results-related filings with the US Securities and Exchange Commission (the SEC); information for shareholders, including UBS dividend and share repurchase program information, and for bondholders, including rating agencies reports; the corporate calendar; and presentations by management for investors and financial analysts. Information is available online in English, with some information also available in German.

Results presentations

Quarterly results presentations are webcast live. Recordings of most presentations can be downloaded from ubs.com/presentations.

Messaging service

Email alerts to news about UBS can be subscribed for under "UBS News Alert" at ubs.com/global/en/investor-relations/contact/investor-services.html. Messages are sent in English, German, French or Italian, with an option to select theme preferences for such alerts.

Form 20-F and other submissions to the US Securities and Exchange Commission

UBS files periodic reports with and submits other information to the SEC. Principal among these filings is the annual report on Form 20-F, filed pursuant to the US Securities Exchange Act of 1934. The filing of Form 20-F is structured as a wraparound document. Most sections of the filing can be satisfied by referring to the UBS AG Annual Report. However, there is a small amount of additional information in Form 20-F that is not presented elsewhere and is particularly targeted at readers in the US. Readers are encouraged to refer to this additional disclosure. Any document that is filed with the SEC is available on the SEC's website: sec.gov. Refer to ubs.com/investors for more information.

Cautionary statement regarding forward-looking statements | This report contains statements that constitute “forward-looking statements”, including but not limited to management’s outlook for UBS’s financial performance, statements relating to the anticipated effect of transactions and strategic initiatives on UBS’s business and future development and goals. While these forward-looking statements represent UBS’s judgments, expectations and objectives concerning the matters described, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from UBS’s expectations. In particular, the global economy may suffer significant adverse effects from increasing political tensions between world powers, changes to international trade policies, including those related to tariffs and trade barriers, and evolving armed conflicts. UBS’s acquisition of the Credit Suisse Group materially changed its outlook and strategic direction and introduced new operational challenges. The integration of the Credit Suisse entities into the UBS structure is expected to continue through 2026 and presents significant operational and execution risk, including the risks that UBS may be unable to achieve the cost reductions and business benefits contemplated by the transaction, that it may incur higher costs to execute the integration of Credit Suisse and that the acquired business may have greater risks or liabilities, including those related to litigation, than expected. In response to the failure of Credit Suisse, Switzerland has amended its Capital Adequacy Ordinance and is considering changes to its Banking Act, which, if enacted as proposed, would substantially increase capital requirements for UBS in relation to its foreign subsidiaries. These factors create greater uncertainty about forward-looking statements. Other factors that may affect UBS’s performance and ability to achieve its plans, outlook and other objectives also include, but are not limited to: (i) the degree to which UBS is successful in the execution of its strategic plans, including its cost reduction and efficiency initiatives and its ability to manage its levels of risk-weighted assets (RWA) and leverage ratio denominator (LRD), liquidity coverage ratio and other financial resources, including changes in RWA assets and liabilities arising from higher market volatility and the size of the combined Group; (ii) the degree to which UBS is successful in implementing changes to its businesses to meet changing market, regulatory and other conditions, including any potential changes to banking examination and oversight practices and standards as a result of executive branch orders or staff interpretations of law in the US; (iii) inflation and interest rate volatility in major markets; (iv) developments in the macroeconomic climate and in the markets in which UBS operates or to which it is exposed, including movements in securities prices or liquidity, credit spreads, currency exchange rates, residential and commercial real estate markets, general economic conditions, and changes to national trade policies on the financial position or creditworthiness of UBS’s clients and counterparties, as well as on client sentiment and levels of activity; (v) changes in the availability of capital and funding, including any adverse changes in UBS’s credit spreads and credit ratings of UBS, as well as availability and cost of funding, including as affected by the marketability of additional tier one debt instruments, to meet requirements for debt eligible for total loss-absorbing capacity (TLAC); (vi) changes in and potential divergence between central bank policies or the implementation of financial legislation and regulation in Switzerland, the US, the UK, the EU and other financial centers that have imposed, or resulted in, or may do so in the future, more stringent or entity-specific capital, TLAC, leverage ratio, net stable funding ratio, liquidity and funding requirements, heightened operational resilience requirements, incremental tax requirements, additional levies, limitations on permitted activities, constraints on remuneration, constraints on transfers of capital and liquidity and sharing of operational costs across the Group or other measures, and the effect these will or would have on UBS’s business activities; (vii) UBS’s ability to successfully implement resolvability and related regulatory requirements and the potential need to make further changes to the legal structure or booking model of UBS in response to legal and regulatory requirements including heightened requirements and expectations due to its acquisition of the Credit Suisse Group; (viii) UBS’s ability to maintain and improve its systems and controls for complying with sanctions in a timely manner and for the detection and prevention of money laundering to meet evolving regulatory requirements and expectations, in particular in the current geopolitical turmoil; (ix) the uncertainty arising from domestic stresses in certain major economies; (x) changes in UBS’s competitive position, including whether differences in regulatory capital and other requirements among the major financial centers adversely affect UBS’s ability to compete in certain lines of business; (xi) changes in the standards of conduct applicable to its businesses that may result from new regulations or new enforcement of existing standards, including measures to impose new and enhanced duties when interacting with customers and in the execution and handling of customer transactions; (xii) the liability to which UBS may be exposed, or possible constraints or sanctions that regulatory authorities might impose on UBS, due to litigation, including litigation it has inherited by virtue of the acquisition of Credit Suisse, contractual claims and regulatory investigations, including the potential for disqualification from certain businesses, potentially large fines or monetary penalties, or the loss of licenses or privileges as a result of regulatory or other governmental sanctions, as well as the effect that litigation, regulatory and similar matters have on the operational risk component of its RWA; (xiii) UBS’s ability to retain and attract the employees necessary to generate revenues and to manage, support and control its businesses, which may be affected by competitive factors; (xiv) changes in accounting or tax standards or policies, and determinations or interpretations affecting the recognition of gain or loss, the valuation of goodwill, the recognition of deferred tax assets and other matters; (xv) UBS’s ability to implement new technologies and business methods, including digital services, artificial intelligence and other technologies, and ability to successfully compete with both existing and new financial service providers, some of which may not be regulated to the same extent; (xvi) limitations on the effectiveness of UBS’s internal processes for risk management, risk control, measurement and modeling, and of financial models generally; (xvii) the occurrence of operational failures, such as fraud, misconduct, unauthorized trading, financial crime, cyberattacks, data leakage and systems failures, the risk of which is increased with persistently high levels of cyberattack threats; (xviii) restrictions on the ability of UBS Group AG, UBS AG and regulated subsidiaries of UBS AG to make payments or distributions, including due to restrictions on the ability of its subsidiaries to make loans or distributions, directly or indirectly, or, in the case of financial difficulties, due to the exercise by FINMA or the regulators of UBS’s operations in other countries of their broad statutory powers in relation to protective measures, restructuring and liquidation proceedings; (xix) the degree to which changes in regulation, capital or legal structure, financial results or other factors may affect UBS’s ability to maintain its stated capital return objective; (xx) uncertainty over the scope of actions that may be required by UBS, governments and others for UBS to achieve goals relating to climate, environmental and social matters, as well as the evolving nature of underlying science and industry and the increasing divergence among regulatory regimes; (xxi) the ability of UBS to access capital markets; (xxii) the ability of UBS to successfully recover from a disaster or other business continuity problem due to a hurricane, flood, earthquake, terrorist attack, war, conflict, pandemic, security breach, cyberattack, power loss, telecommunications failure or other natural or man-made event; and (xxiii) the effect that these or other factors or unanticipated events, including media reports and speculations, may have on its reputation and the additional consequences that this may have on its business and performance. The sequence in which the factors above are presented is not indicative of their likelihood of occurrence or the potential magnitude of their consequences. UBS’s business and financial performance could be affected by other factors identified in its past and future filings and reports, including those filed with the US Securities and Exchange Commission (the SEC). More detailed information about those factors is set forth in documents furnished by UBS and filings made by UBS with the SEC, including the UBS Group AG and UBS AG Annual Reports on Form 20-F for the year ended 31 December 2025. UBS is not under any obligation to (and expressly disclaims any obligation to) update or alter its forward-looking statements, whether as a result of new information, future events, or otherwise.

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Tables | Within tables, blank fields generally indicate non-applicability or that presentation of any content would not be meaningful, or that information is not available as of the relevant date or for the relevant period. Zero values generally indicate that the respective figure is zero on an actual or rounded basis. Values that are zero on a rounded basis can be either negative or positive on an actual basis.

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