



ABB Ltd, Zurich

Report of the Statutory Auditor to the
Extraordinary General Meeting

Extraordinary Dividend 2022



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Report of the Statutory Auditors to the Extraordinary General Meeting of ABB Ltd, Zurich

As statutory auditors, we have audited the accompanying appropriation of available earnings proposed by the board of directors dated July 20, 2022.

Board of Directors' Responsibility

The board of directors is responsible for complying with the legal and statutory requirements related to the appropriation of available earnings.

Auditor's Responsibility

Our responsibility is to express an opinion on the enclosed proposal for appropriation of available earnings based on our audit. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the legal and statutory requirements are complied with.

An audit involves performing procedures to obtain audit evidence about whether the legal and statutory requirements are complied with. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement related to the deviation from legal and statutory requirements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the appropriation of available earnings proposed by the board of directors complies with Swiss law and the company's articles of incorporation.

KPMG AG

Hans-Dieter Krauss
Licensed Audit Expert
Auditor in Charge

Mohammad Nafeie

Zurich, July 20, 2022

Enclosure:

- Proposed appropriation of available earnings by the board of directors dated July 20, 2022

Agenda and proposal of the Board of Directors

1. Approval of the Spin-off of Accelleron Industries Ltd by Way of a Special Dividend

Proposal

The Board of Directors proposes to distribute 1 share in Accelleron Industries Ltd (“Accelleron”) and a cash amount of approximately CHF 0.005 gross for every 20 dividend-bearing shares of ABB Ltd (“ABB”)* (the “Distribution”). The Distribution will be made at the book value of Accelleron according to the stand-alone balance sheet of ABB, amounting (immediately prior to the Distribution) to approximately CHF 300 million (estimated), and will be booked against ABB’s free reserves, currently amounting to approximately CHF 4 billion. The Board of Directors shall determine in its discretion the treatment of fractional shares, it being understood that respective Accelleron shares shall generally be sold and cash proceeds shall be delivered in lieu of fractional shares.

All dividend-bearing ABB shares (including those which customarily receive cash dividends indirectly via ABB’s dividend access facility as set forth under article 8 of its Articles of Incorporation) will receive the Distribution, i.e. a dividend in kind, in accordance with the terms set out above. Hence, the Distribution will not be processed via the aforementioned dividend access facility.

The Swiss withholding tax of 35%, corresponding to the cash component of the Distribution of approximately CHF 0.005 for every 20 dividend-bearing ABB shares, will be deducted from the gross amount of the Distribution and will be settled by ABB. As a result, the Distribution, net of Swiss withholding tax, will consist of 1 Accelleron share for every 20 dividend-bearing ABB shares only.

* No dividend will be declared on treasury shares held at the date of Distribution by ABB Ltd and its wholly-owned subsidiaries.

The Distribution is subject to the following conditions precedent:

- (i) approval of the listing and trading of the Accelleron shares on the SIX Swiss Exchange shall have been given as from the ex-dividend date (subject to certain customary conditions only);
- (ii) no order, injunction or decree issued by any governmental authority or other legal restraint or prohibition preventing the consummation of the spin-off of Accelleron shall be in effect, and no other event shall have occurred that prevents the consummation of the spin-off of Accelleron; and
- (iii) no other events or developments shall have occurred prior to the ex-dividend date of the Distribution that would result in the spin-off of Accelleron having a material adverse effect on ABB or its shareholders.

The Board of Directors shall (i) determine whether these conditions precedent are satisfied and, to the extent legally permissible, have authority to waive any conditions precedent if such waiver is, in the judgment of the Board of Directors, in the best interest of ABB and its shareholders; and (ii) set the record, ex-dividend and settlement dates of the Distribution, which shall occur as soon as practicable following the satisfaction (or waiver) of these conditions precedent.

Explanation

For further information, please refer to the brochure “Proposed spin-off of Accelleron”, which is available electronically under go.abb/egm.