



ABB Finance B.V.
Rotterdam, The Netherlands

Annual Report

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Report of the Board of Management

General information

ABB Finance B.V. (“the Company”) is a wholly-owned subsidiary of ABB Asea Brown Boveri Ltd., Zurich, Switzerland and a member of the worldwide group of related companies of ABB Ltd, Zurich, Switzerland. The Company provides a range of treasury management services to the ABB Group.

The Company is committed to provide transparent and accurate financial information to the respective stakeholders. The financial statements are prepared in accordance with applicable accounting standards and regulations, ensuring that they give a true and fair view of the Company’s assets, liabilities, financial position, and profit or loss. The board of management report accompanying the financial statements provides a comprehensive overview of the company’s performance and position. It includes detailed information on the development, results, and key activities of the Company, offering stakeholders a clear understanding of the operations.

The Company acts as a financial intermediary for the ABB Group in the capital markets and manages, through its investment activities, certain excess liquidity of the ABB Group. The Company has the benefit of a Keep-Well Agreement entered into with ABB Ltd, Switzerland, the holding company of the ABB Group. The agreement assures a minimum tangible net worth of USD 1 million, the maintenance of 100% direct or indirect ownership by ABB Ltd and, if required, the provision of sufficient funds to enable the Company to meet its financial obligations not guaranteed by ABB Ltd. Furthermore, outstanding notes and commercial paper issued by the Company are guaranteed by ABB Ltd, Switzerland.

The Company is a designated issuer under the ABB Group’s Euro Medium Term Note (EMTN) program that allows the issuance of up to the equivalent of USD 8 billion in certain debt instruments. The terms of the program do not obligate any third party to extend credit to the Company and the terms and possibility of issuing any debt under the program are determined with respect

to, and as of the date of issuance of, each debt instrument. The notes are listed on the Luxembourg Euro MTF which is a non-regulated market. As such, the Company is not required to appoint a supervisory board. In January 2024, the Company issued EUR 500 million of 3.125% fixed rate notes due 2029 and EUR 750 million of 3.375% fixed rate notes due 2034. Total proceeds, after discount on issuance and fees, amounted to EUR 1,242.7 million (equivalent to USD 1,359.9 million on date of issuance). Furthermore, the Company entered into interest rate swaps to economically convert EUR 250 million of the EUR 500 million notes and EUR 250 million of the EUR 750 million notes into floating rate obligations.

The Company signed in November 2023 a EUR 500 million financing agreement with the European Investment Bank (EIB). At December 31, 2023, no amounts were drawn by the Company under this agreement. In November 2024, the Company borrowed the full amount available under the EIB facility and obtained a USD 538.6 million (equivalent to EUR 500 million) floating rate loan due 2031, that will be used to finance research and development (R&D) within the Electrification operating segment.

The Company has a USD 2 billion Euro Commercial Paper program for the issuance of commercial paper in a variety of currencies. At December 31, 2025 and 2024, no commercial paper was outstanding.

The Company is one of the ABB Group’s designated borrowers under a USD 2 billion multicurrency revolving credit facility, guaranteed by ABB Ltd (see note 7 to the financial statements for further details). In June 2025, the revolving credit facility maturing in 2026 was replaced with a new facility maturing in 2030, with the option in 2026 and 2027 to extend the maturity to 2031 and 2032, respectively. No amounts were drawn at December 31, 2025 and 2024, under either the new or old revolving credit facility.

Risk management

The Company recognizes the importance of identifying and addressing material risks and uncertainties that may impact the business. Below is a description of these risks and uncertainties, along with the measures we have implemented to mitigate them.

The Company has the benefit of the Keep-Well Agreement mentioned above and the notes issued under the EMTN program and Euro Commercial Paper program, as well as the EIB loan, are guaranteed by ABB Ltd, which mitigates the Company's financial risks. Furthermore, exposure to market risks is substantially transferred to ABB Capital AG, through the interest compensation arrangement described in note 1 to the financial statements. More specific risk management measures are described below.

To minimize the financial risks from its financing, investing and liquidity management activities (see note 9 to the financial statements), the Company generally funds itself in the same currency and on similar terms as its investments. However, where this is not possible, the Company uses derivative transactions with ABB Capital AG to reduce its risks. The exposures from the Company's financing, investing and liquidity management activities are regulated by financial policies containing strict rules for the monitoring of all financial risks of the Company. Real time and end-of-day monitoring of market risks is performed by a separate risk control department to ensure that the policies are adhered to at all times. These financial policies are reviewed and updated regularly to take into consideration current market conditions and measurement practices.

Result for the year

The Company's net result for 2025 was a profit of USD 6.8 million (2024: profit of USD 0.9 million). The Company's net result from financial transactions increased by USD 7.8 million to a net gain of USD 8.8 million compared to a net gain of USD 1.0 million in 2024 that was mainly due to hedge ineffectiveness from interest rate and cross-currency interest swaps (all swaps were designated as fair value hedges and the changes in their fair value, as well as the changes in the fair value of the risk component of the underlying debt being hedged, were recorded as offsetting gains and losses in "Interest expense"). Income from service fees (in respect of services provided to related companies) increased to USD 4.8

The Company has sufficient access to funding sources to repay any of its external borrowings, as it is a designated issuer under the ABB Group's EMTN program, the designated issuer under the Euro Commercial Paper program and also a designated borrower under the ABB Group's USD 2 billion revolving credit facility (see notes 1 and 7 to the financial statements for further details).

The Management of the Company reviews compliance and regulation risks on an ongoing basis. Anti-fraud process level controls are in place including segregation of duties while entity level controls including an ABB group-wide Code of Conduct and various ABB reporting channels (e.g. country-specific telephone helplines, a web submission portal, and direct contact to a number of internal Integrity officers) allow whistleblowers an easily accessible way of reporting concerns which are followed up by a robust case investigation and resolution process. All mentioned risks and uncertainties have a low risk level and are in line with the preferred risk profile of the Company. Consequently, no changes have been implemented in the actual risk management systems and none of the risks had an impact during the financial years presented in these statements. The Company is not significantly exposed to operational and/or strategic risks.

Services which are not provided by its employees are provided by a related company and covered by a service agreement that can be adjusted at any point in time to cover the Company's operational demand.

million in 2025, compared to USD 4.4 million in 2024, while operating expenses increased to USD 4.6 million in 2025, compared to USD 4.2 million in 2024, as a result of increased personnel expenses (see note 15 & 16).

At December 31, 2025, the Company's total assets amounted to USD 5.6 billion compared to USD 4.7 billion at December 31, 2024. This increase resulted from additional cash amounts deposited by a related company to the Company that was invested in marketable securities and an increased value of loans granted by the Company to a related company due to foreign currency impacts.

Diversity

In accordance with the guidelines of the European Commission and the best practice provisions of the Dutch Corporate Governance Code, the Company is committed to promote diversity and inclusion at all levels of the organization. The

Company believes that a diverse and inclusive board of management enhances decision-making, fosters innovations, and contributes to the overall success of the Company.

Outlook

The existing activities of the Company are expected to continue unchanged in 2026 and the workforce is expected to remain consistent with 2025.

The Company serves as a financial intermediary for the ABB Group in the capital markets and manages a portion of the Group's excess liquidity through its investment activities. In light of the ABB Group's planned partial divestment of its robotics business and the associated anticipated cash inflows, no additional debt issuances are expected in 2026. Depending on the ABB Group's

liquidity management strategy, part of the resulting cash proceeds may be allocated to the Company to invest in marketable securities. The existing interest compensation agreement ensures that the Company earns a minimum margin for its role as a service provider in intercompany lending and borrowing activities.

Management is confident that the organizational and financial measures currently in place are appropriate and sufficient to ensure uninterrupted operations and to meet all contractual and financial obligations.

Rotterdam, April 2, 2026

Board of Management

J. Relander

M. Wolodzko

B. Verbruggen

Balance Sheet

(Before profit appropriation)

December 31 (USD in thousands)	Note	2025	2024
Financial fixed assets			
Loans - related companies	4,9	4,429,070	4,096,810
Derivatives - related companies	8	1,539	7,348
Deferred taxes		3,886	4,909
Total non-current assets		4,434,495	4,109,067
Loans – related companies			
Loans – related companies	4,9	11,730	11,000
Marketable securities	5,9	1,094,402	562,758
Interest receivable	10	48,174	33,124
Tax Receivable		309	—
Cash and cash equivalents	3	999	914
Total current assets		1,155,614	607,796
Total assets		5,590,109	4,716,863
Share capital			
Share capital	6	24	21
Share premium	6	10,998	10,998
Retained earnings	6	4,899	4,002
Other reserves	6	3	6
Net result	6	6,821	897
Total shareholder's equity		22,745	15,924
Debt – third parties			
Debt – third parties	7,9	4,293,813	3,857,210
Derivative liabilities – related companies	8	146,573	255,665
Total non-current liabilities		4,440,386	4,112,875
Debt – related companies			
Debt – related companies	7,9	1,016,988	485,736
Interest payable	11	108,244	100,409
Tax accrual		—	893
Accrued liabilities		1,746	1,026
Total current liabilities		1,126,978	588,064
Total liabilities		5,567,364	4,700,939
Total shareholder's equity and liabilities		5,590,109	4,716,863

See accompanying notes.

Profit and Loss Account

Year ended December 31 (USD in thousands)	Note	2025	2024
Interest income	13	184,663	192,872
Interest expense	13	(221,867)	(238,836)
Foreign exchange gains (losses), net		(243)	437
Net interest result		(37,447)	(45,527)
Net gains (losses) on marketable securities	14	46,294	46,535
Result from financial transactions		8,847	1,008
Income from service fees	12	4,826	4,412
Operating expenses	15	(4,596)	(4,202)
Result before taxes		9,077	1,218
Income tax	17	(2,256)	(321)
Net result		6,821	897

See accompanying notes.

Notes to Financial Statements

Note 1 General

The Company, registered in Rotterdam with registry number 33232125 at the Dutch Chamber of Commerce, is a wholly-owned subsidiary of ABB Asea Brown Boveri Ltd., Zurich, Switzerland and a member of the worldwide group of related companies of ABB Ltd, Zurich, Switzerland. The Company is engaged primarily in funding and investment activities on behalf of the ABB Group. All transactions with related companies are made on an arm's-length basis and have been disclosed in these financial statements.

The consolidated financial statements of the ultimate parent, ABB Ltd, Zurich, are available on the ABB Group's website (www.abb.com) and include the Consolidated Statements of Cash Flows. Consequently, the Company has not presented a cash flow statement in these financial statements.

The Company has the benefit of a "Keep-Well Agreement" with ABB Ltd, dated March 2012. Under the Keep-Well Agreement, ABB Ltd will (i) ensure that the Company has a net worth of at least USD 1 million, (ii) retain ownership (direct or indirect) of the Company as long as the Company has obligations from financial transactions which are not guaranteed by ABB Ltd, and (iii) upon request of the Company, provide the Company with sufficient funds to meet obligations from financial obligations not guaranteed by ABB Ltd. The Keep-Well Agreement is not a guarantee by ABB Ltd of the payment of any indebtedness, liability or obligation of the Company. Holders of notes or other debt are not parties to the Keep-Well Agreement; the only parties to the Keep-Well Agreement are the Company and ABB Ltd. Consequently, the Keep-Well Agreement does not confer to any noteholders or holders of other debt any rights or claims against ABB Ltd. The Keep-Well Agreement will not be enforceable against ABB Ltd by anyone other than the Company (and/or its trustee, receiver, liquidator or administrator in the event of a bankruptcy or, as the case may be, moratorium).

Notes issued by the Company under the ABB Group's EMTN program for the issuance of up to USD 8 billion debt instruments and notes issued by the Company under the ABB Group's USD 2 billion Euro Commercial Paper program are guaranteed by ABB Ltd, whereby ABB Ltd guarantees to the holders of the notes the punctual payment of principal and interest.

In 2023, the Company entered into an agreement with ABB Capital AG, whereby, the Company receives a remuneration for its service provider function related to its intercompany lending/borrowing activities. As of January 2024, the minimum margin remuneration is incorporated in the interest charged to ABB Capital AG.

These financial statements are as at and for the year ended December 31, 2025.

Note 2

Summary of significant accounting policies

Basis of presentation:

The financial statements have been prepared in accordance with Part 9 of Book 2 of the Civil Code of the Netherlands.

The accounting policies applied to the measurement of assets and liabilities and the determination of results are based on the historical cost convention, unless otherwise stated in this summary of significant accounting policies.

An asset is recognized in the balance sheet when it is probable that the expected future economic benefits attributable to the asset will flow to the Company and the asset has a cost price or a value which can be measured reliably.

A liability is recognized in the balance sheet when it is expected that the settlement of an existing obligation will result in an outflow of resources and the amount necessary to settle the obligation can be measured reliably. Provisions are included in the liabilities of the Company.

Assets and liabilities that are not recognized in the balance sheet are considered as off-balance sheet assets and liabilities.

An asset or liability is derecognized when a transaction results in all (or substantially all) of the rights to economic benefits and all (or substantially all) of the risks related to the asset or liability being transferred to a third party. In such cases, the results of the transaction are directly recognized in the profit and loss account, taking into account any provisions related to the transaction.

In preparing these financial statements, the Company presents its assets and liabilities at amortized cost, except securities (other than held-to-maturity) and derivatives which are stated at fair value with changes in fair value through the profit and loss account. Debt that is subject to a fair value hedge is held at amortized cost adjusted to fair value through the profit and loss account.

Income and expenses are recognized when they are probable and can be measured reliably. Income and expenses are reported in the periods to which they relate.

The Company's accounting records are maintained in U.S. dollars, the functional currency of the Company's operations.

Related companies refer to group companies of ABB Ltd.

In connection with the preparation of the 2024 financial statements, the Company reconsidered the presentation of loans made to related companies. Previously, the Company classified these loans as current based on the underlying terms. The Company presented these loans based on the intended and expected repayment dates, which are aligned with the business activities of the Company.

Going concern:

The financial statements have been prepared on a going concern basis.

Use of estimates:

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the accounting principles and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

The fair value measurement accounting policy is, in the opinion of management, the most critical in preparing these financial statements and requires judgements, estimates and assumptions.

Translation of foreign currencies:

Monetary assets, share capital and monetary liabilities denominated in foreign currencies are translated at the balance sheet date into U.S. dollars using year-end exchange rates. Transactions in foreign currencies are recorded at rates applicable at the transaction date. Exchange gains and losses resulting from translating monetary assets and liabilities denominated in foreign currencies are recognized in the profit and loss account. The exchange differences on the euro-denominated share capital are included in the "Other reserves" account in shareholder's equity.

Financial Instruments:**a) General:**

These financial statements include the following financial instruments: loans, cash and cash equivalents, marketable securities, derivatives and debt.

Financial assets and liabilities are recognized in the balance sheet when the contractual risks or rewards with respect to the financial instrument(s) arise.

Financial instruments are derecognized if a transaction results in substantially all of the contractual risks or rewards with respect to the financial instrument(s) being transferred to a third party.

Financial instruments (and individual components of financial instruments) are presented in the financial statements in accordance with the economic substance of the contractual terms, that is, as a financial asset, financial liability or equity instrument.

Financial instruments are initially recognized at fair value, including discount or premium and directly attributable transaction costs. However, if financial instruments are subsequently measured at fair value through profit and loss, then directly attributable transaction costs are directly recognized in the profit and loss account at the initial recognition.

After initial recognition, financial instruments are valued in the manner described below.

b) Loans:

In preparing its financial statements, the Company states all loans on an amortized cost basis.

c) Cash and cash equivalents:

Cash and cash equivalents are readily available and measured at nominal value.

d) Marketable securities:

Management determines the appropriate classification of securities at the time of purchase. Debt securities are classified as held-to-maturity when the Company has the positive intent and ability to hold the securities to maturity. Held-to-maturity securities are stated at amortized cost, adjusted for accretion of discounts to maturity and, where not denominated in U.S. dollars, are translated into U.S. dollars at year-end exchange rates. Accretion of discount is included in "Interest income" in the profit and loss account.

Marketable securities not classified as held-to-maturity are reported at fair value. Unrealized gains and losses on such securities are included in the profit and loss account as part of "Net gains (losses) on marketable securities". Realized gains and losses on such securities are computed based upon the cost of those securities using the specific identification method.

e) Derivatives:

The Company uses derivative financial instruments to manage certain interest rate exposures arising from its financing activities and to manage foreign exchange exposures in its balance sheet arising

from its liquidity management or long-term financing activities. Derivative assets and liabilities have been presented on a gross basis (see note 8).

The Company recognizes all derivatives at fair value in the balance sheet, with the corresponding gains and losses on interest rate swaps and cross-currency interest rate swaps reported in the “Hedge ineffectiveness” component of “Interest expense” (see notes 8 and 13), and gains and losses on forward foreign exchange contracts reported in “Foreign exchange gains (losses), net”.

The Company applies fair value hedge accounting to interest rate and cross-currency interest rate swaps hedging long-term debt and documents the relationship between the hedging instruments and hedged items at the inception of the hedging transaction. The Company tests, both at hedge inception and on an ongoing basis, whether the derivatives designated as hedging transactions are highly effective in offsetting changes in fair values of the hedged items. This is done by comparing the cumulative change in the fair value of the hedging instrument (interest rate and cross-currency interest rate swaps) with the cumulative change in fair value of the hedged position (long-term debt). Changes in the fair value of the interest rate and cross-currency interest rate swaps for the period are recorded in the “Hedge ineffectiveness” component of “Interest expense” in the profit and loss account, as are changes in fair value of the hedged item attributable to the risk being hedged and consequently ineffectiveness is recognized in the profit and loss account.

f) Debt:

Debt is stated at amortized cost or at amortized cost adjusted to fair value when it is the hedged item in a fair value hedge relationship.

If notes are issued at a discount or a premium, the Company uses the effective interest rate method to accrete or amortize such amounts to par over the period to maturity. Such accretion or amortization is included in “Interest expense” in the profit and loss account. Capitalized upfront costs in relation to notes issued are amortized over the period to maturity using the effective interest rate method and are shown together with the respective notes in the balance sheet.

Commercial papers issued at a discount or premium are accreted or amortized to the nominal amount (par) over the remaining period to maturity of the commercial paper, with the accretion or amortization amounts recorded in the profit and loss account in “Interest expense” or in “Interest income”, respectively.

Fair value measurement:

The Company uses fair value measurement principles to record certain financial assets and liabilities on a recurring basis and to determine fair value disclosures for certain financial instruments carried at amortized cost in the financial statements. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm’s-length transaction. If no fair value can be readily and reliably established, fair value is approximated by deriving it from the fair value of components or the fair value of a comparable financial instrument, or by approximating fair value using valuation models and valuation techniques. Valuation techniques include using recent arm’s-length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, or discounted cash flow analysis.

In determining fair value, the Company uses observable market data for identical or similar assets (e.g. when valuing marketable securities or third-party debt), while it uses discounted cashflow models to determine the fair value of other financial assets/liabilities (e.g. derivatives or intercompany lendings/borrowings).

Financial assets and liabilities recorded at fair value on a recurring basis include interest rate and foreign exchange derivatives, debt that is hedged, as well as marketable securities (other than held-to-maturity securities).

Offsetting:

A financial asset and a financial liability may be offset when the entity has a legally enforceable right to set off the financial asset and financial liability and the Company has the firm intention to settle the balance on a net basis, or to settle the asset and the liability simultaneously. No offset has been made in these financial statements.

Impairment of financial assets:

Financial assets measured at amortized cost are assessed at each reporting date to determine whether there is any evidence of impairment. Impairment occurs when, after initial recognition of the asset, there is objective evidence that one or more events have occurred that will negatively impact the estimated future cash flows of the asset and these cash flows can be reliably estimated.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

Impairment losses are recognized in the profit and loss account and reflected in the balance sheet in an allowance account against the respective asset.

Accrued liabilities:

Accrued liabilities are carried at face value.

Employee benefits/pensions:

Wages, salaries and social security charges are recognized in the income statement according to the terms of employment to the extent they are due to either employees or the tax authorities.

The Company recognizes an obligation if it has demonstrably committed paying a termination benefit or transition payment. If the termination is part of a reorganization, the group includes the costs of a termination benefit or transition payment in a provision for reorganization costs.

Dutch pension plans:

The employees of the Company are covered by the pension scheme insured with Zwitterleven PPI. This pension scheme qualifies as a defined contribution plan.

The basic principle is that the pension charge recognized in the profit and loss account for the reporting period equals the pension contributions payable to the pension fund for that period. Insofar as contributions due have not yet been paid as of the balance sheet date, a liability is recognized.

The Company has no further legal or constructive obligations beyond the payment of the agreed pension contributions.

Interest:

Interest income and expense are recognized in the profit and loss account on an accruals basis for all financial instruments, using the effective interest rate method.

Taxation:

Corporate income tax is calculated in accordance with Dutch income tax regulations and provided based on income earned during the year. The corresponding liability is shown in "Tax accrual" in the balance sheet.

The Company uses the asset and liability method to account for deferred taxes. Under this method, deferred tax assets and liabilities are determined based on temporary differences between the financial reporting and the tax bases of assets and liabilities. Deferred tax assets and liabilities are measured using enacted tax rates and laws that are expected to be in effect when the differences are expected to reverse. For financial statement purposes, the Company recognizes a deferred tax asset when it determines that it is more likely than not that the deduction will be sustained based upon the deduction's technical merit. A valuation allowance is recognized to reduce deferred tax assets to the amount that is more likely than not to be realized. The Company has no accruals for uncertain tax positions as of December 31, 2025 and 2024.

The Company is within the scope of the OECD Pillar Two model rules and applies the exception to recognize and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendment.

Based on the ABB Group's analysis of the safe harbour rules, the ABB entities incorporated in the Netherlands are expected to satisfy the 'Simplified ETR' safe harbour test, as the effective tax rates in the jurisdiction are above 15%. Based on the safe harbour analysis, management does not expect (material) exposure to Pillar Two top-up taxes and is not aware of any circumstances under which this might change.

From time to time the Company is liable to withholding taxes arising on financing activities with third parties outside the Netherlands. Such charges are included in "Income tax" in the profit and loss account.

Subsequent events:

Subsequent events occur after the balance sheet date but prior to the issuance of the financial statements. When such events provide additional information on the actual situation at the balance sheet date, they are recognized in the financial statements. However, if the events do not provide information on the situation at the balance sheet date but are relevant to users of the financial statements, the nature and estimated financial effects of the events are disclosed but not recognized in the financial statements.

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Note 3

Cash and cash equivalents

Cash represented balances with various banks and was free from liens, pledges or other restrictions.

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Note 4

Loans – related companies

At December 31, 2025 and 2024, the Company's total loans granted consisted of the following:

- short-term loans of USD 11.7 million (2024: USD 3,569.2 million) bore interest at rates ranging from 0% to 3.72% (2024: 3.24% to 5.23%) and were denominated in CHF, EUR and USD. The maturity dates of these loans are up to 3 months.

- long-term loans of USD 4,429.1 million (2024: USD 538.6 million) bore interest at rates ranging from 2.76% to 4.77% (2024: 5.32%) and were denominated in EUR and USD. The maturity dates of these loans are up to 8 years.

Since the loans are designated to serve the business activities of the company on a long-term basis and it is intended and expected that the loans will not be redeemed within 12 months after the balance sheet date, the part of the loans which relates to the long-term debt is presented as fixed assets (based on the maturity dates of the debt).

Changes in loans granted for the years ended December 31, 2025 and 2024 were:

(USD in thousands)	2025	2024
Balance at January 1	4,107,810	4,506,682
Loans granted	2,104,049	2,329,905
Loans repaid	(2,162,401)	(2,550,615)
Foreign exchange movements	391,342	(178,161)
Balance at December 31	4,440,800	4,107,810
Presented as non-current assets	4,429,070	4,096,810
Presented as current assets	11,730	11,000

Note 5

Marketable securities

At December 31, 2025 and 2024, the Company had no held-to-maturity securities. Marketable securities consisted of the following:

December 31, 2025 (USD in thousands)	Cost basis	Gross unrealized gains	Gross unrealized losses	Fair value
Current assets:				
Equity securities:				
Money market funds	1,041,520	52,882	—	1,094,402
	1,041,520	52,882	—	1,094,402

December 31, 2024 (USD in thousands)	Cost basis	Gross unrealized gains	Gross unrealized losses	Fair value
Current assets:				
Equity securities:				
Money market funds	541,520	21,238	—	562,758
	541,520	21,238	—	562,758

Note 6

Shareholder's equity

At December 31, 2025 and 2024, 20,103 ordinary shares of the authorized capital of 100,000 ordinary shares (each of EUR 1 par value), were issued.

Changes in shareholder's equity for the year ended December 31, 2025 were:

(EUR and USD in thousands)	Issued capital		Share premium	Retained earnings	Other reserves	Unappropriated result	Total 2025	Total 2024
	EUR	USD	USD	USD	USD	USD	USD	USD
Balance at January 1	20	21	10,998	4,002	6	897	15,924	15,027
Appropriation of result	—	—	—	897	—	(897)	—	—
Translation differences	—	3	—	—	(3)	—	—	—
Net result for the year	—	—	—	—	—	6,821	6,821	897
Balance at December 31	20	24	10,998	4,899	3	6,821	22,745	15,924

The valuation of the share capital is in accordance with Article 2:373.5 of the Dutch Civil Code. This Article requires share capital to be stated at year-end exchange rates (2025: EUR 1 = USD 1.17440; 2024: EUR 1 = USD 1.04065) and the corresponding translation adjustment to be recorded as "Other reserves".

The Board of Management proposes to distribute USD 4,500 thousand and to carry forward to retained earnings the remaining 2025 net gain of USD 2,321 thousand.

Note 7

Debt

The Company's total debt, at December 31, 2025 and 2024, amounted to USD 5,311 million and USD 4,343 million, respectively.

Short-term debt

The Company's short-term debt consisted of:

December 31 (USD in thousands, except % data)	2025		2024	
	Balance	Weighted-average nominal interest rate	Balance	Weighted-average nominal interest rate
Related parties:				
Short-term debt	1,016,988	3.67%	485,736	4.24%

Short-term debt – related companies bore interest at rate 3.67% (2024: 4.24%) and was denominated in EUR and USD.

Commercial paper program

The Company has a USD 2 billion Euro Commercial Paper program for the issuance of commercial paper in a variety of currencies. Commercial Paper issued under this program is guaranteed by ABB Ltd. At December 31, 2025 and 2024, no amounts were issued or outstanding under this program.

Credit facility

The Company is one of the ABB Group's designated borrowers under a USD 2 billion multicurrency revolving credit facility guaranteed by ABB Ltd. In June 2025, the revolving credit facility maturing in 2026 was replaced with a new facility maturing in 2030, with the option in 2026 and 2027 to extend the maturity to 2031 and 2032, respectively. The facility is for general corporate purposes.

Interest costs on drawings under the facility (i) in USD are referenced to CME Term SOFR; (ii) in CHF and GBP are referenced to overnight SARON and SONIA, respectively; and (iii) in Euro are referenced to EURIBOR, plus a margin of 0.175 percent, while commitment fees (payable on the unused portion of the facility) amount to 35% of the margin, which represents commitment fees of 0.06125% per annum. Utilization fees, payable on drawings, amount to 0.075% per annum on drawings up to or equal to one-third of the facility, 0.15% per annum on drawings in excess of one-third but less than or equal to two-thirds of the facility, or 0.30% per annum on drawings over two-thirds of the facility. The facility contains cross-default clauses whereby an event of default would occur if ABB Ltd or any of its subsidiaries were to default on indebtedness, as defined in the facility, at or above a specified threshold.

As of and during the years ended December 31, 2025 and 2024, no amounts were drawn under either the new or the old facility.

Long-term debt

The Company's long-term debt consisted of:

December 31 (USD in thousands, except % data)	2025			2024		
	Balance	Weighted-average nominal interest rate	Effective rate	Balance	Weighted-average nominal interest rate	Effective rate
Third parties:						
Fixed rate	1,457,097	3.33%	3.48%	1,040,795	3.33%	3.48%
Floating rate	2,836,716	2.46%	3.93%	2,816,415	2.65%	4.53%
	4,293,813			3,857,210		

Details of outstanding bonds were as follows:

		2025		2024	
		Nominal amount out-standing	Balance sheet amount ¹ (USD)	Nominal amount out-standing	Balance sheet amount ¹ (USD)
December 31 (EUR and USD in thousands)					
3.250% EUR notes, due 2027	EUR	500,000	586,067	500,000	518,279
3.125% EUR notes, due 2029	EUR	500,000	588,182	500,000	522,516
0.000% EUR notes, due 2030	EUR	800,000	837,551	800,000	727,402
3.375% EUR notes, due 2031	EUR	750,000	871,030	750,000	770,004
Floating rate R&D EIB loan, due 2031	USD	538,600	538,600	538,600	538,600
3.375% EUR notes, due 2034	EUR	750,000	872,383	750,000	780,409
			4,293,813		3,857,210

(1) Balance sheet amount (USD) includes unamortized debt issuance costs, discounts/premiums on issuance, as well as adjustments for fair value hedge accounting where appropriate.

In November 2024, the Company obtained a USD 538.6 million loan (EUR 500 million equivalent) under the EUR 500 million finance agreement with the European Investment Bank (EIB) signed in November 2023. This floating rate loan due 2031 pays interest semi-annually in arrears at a variable rate of 6-month compound SOFR plus 0.64%. The funds received from this loan are required to be used to finance research and development (R&D) within the Group electrification operating segment.

In January 2024, the Company issued, under the EMTN program, EUR 500 million of 3.125% fixed rate notes due 2029 and EUR 750 million of 3.375% fixed rate notes due 2034. Total proceeds, after discount on issuance and fees, amounted to EUR 1,242.7 million (equivalent to USD 1,359.9 million on date of issuance). The Company entered into interest rate swaps for an aggregate nominal amount of EUR 500 million to partially convert its interest obligations under these two bonds to floating rate obligations.

The EUR 500 million notes, due in 2027, bear interest at a fixed rate of 3.250% per annum.

The EUR 750 million notes, due in 2031, bear interest at a fixed rate of 3.375% per annum.

The EUR 800 million notes, due 2030, bear interest at a fixed rate of 0.00% per annum.

The EUR 500 million floating rate notes paid interest quarterly in arrears at a variable rate of 3-month EURIBOR plus 0.70%, with an interest rate floor of 0.00% and were repaid in March 2024.

The EUR 700 million notes, due 2024 paid interest annually in arrears at a fixed rate of 0.625% per annum and were repaid in March 2024.

The EUR 750 million notes, due 2024 pay interest annually in arrears at a fixed rate of 0.75% per annum and were repaid in May 2024.

All the notes have been issued under the ABB Group's EMTN program (see note 1) and are guaranteed by ABB Ltd, whereby ABB Ltd guarantees to the noteholders the punctual payment of principal and interest.

In addition, these notes contain cross-default clauses which would allow the noteholders to demand repayment if the Company or certain other members of the ABB Group were to default on any borrowing at or above a specified threshold. The notes constitute unsecured obligations of the Company and rank pari passu with other debt obligations of the ABB Group.

At December 31, 2025, to hedge its interest rate risks, the Company had in place interest rate swaps for (i) an aggregate notional of EUR 250 million to partially hedge the 3.125% EUR notes due 2029, and (ii) an aggregate notional amount of EUR 250 million to partially hedge the 3.375% EUR notes due 2034. In addition, cross-currency interest rate swaps with an aggregate notional amount of EUR 800 million were in place to hedge the Company's foreign exchange and interest rate risks on the 0.000% EUR notes due 2030. After considering the impact of the above swaps, these note issuances are shown as floating rate debt in the table of long-term debt above.

Note 8

Derivatives – related companies

The Company enters into interest rate and foreign exchange derivatives with a related company to manage its exposures. The fair values of outstanding derivatives at December 31, were as follows:

December 31 (USD in thousands)	Fair Values			
	2025		2024	
	Asset	Liability	Asset	Liability
Non-current:				
Interest rate swaps and cross-currency interest rate swaps	1,539	146,573	7,348	255,665

At December 31, 2025 and 2024, the Company had outstanding interest rate swaps, with a gross notional amount of EUR 500 million, to manage certain interest rate exposures arising from its financing activities (see note 7). In addition, at December 31, 2025 and 2024, the Company had outstanding cross-currency interest rate swaps of an aggregate principal of EUR 800 million (receive leg) / USD 973 million (pay leg) to hedge the interest rate and foreign exchange risk on the EUR 800 million bonds issued in January 2021, (see note 7).

All the above swaps were designated as fair value hedges and the changes in their fair value, as well as the changes in the fair value of the risk component of the underlying debt being hedged, were recorded as offsetting gains and losses in "Interest expense". Consequently, hedge ineffectiveness in the profit and loss account represented a gain of USD 4.1 million in 2025 and a loss of USD 6.4 million in 2024:

(USD in thousands)	2025	2024
Gains (losses) recognized in the "Hedge ineffectiveness" component of "Interest expense" (see note 13):		
on derivatives designated as fair value hedges	(3,717)	52,597
on hedged items	7,771	(58,994)
Hedge ineffectiveness	4,054	(6,397)

Note 9

Financial risks, repayment terms and fair values

Financial risks are considered to be interest, credit, and foreign exchange risk. The Company does not consider itself to be exposed to liquidity risk as it has access to funding through the Euro Commercial Paper program, the EMTN program and ABB Group's credit facility (all described in note 7), borrowings under which are all guaranteed by ABB Ltd.

The Company's financial policies contain strict rules for the management of financial risks arising from its financing, investing and liquidity management activities. Real time and end-of-day monitoring of market risk is performed by a separate risk control department to ensure that the policies are adhered to at all times.

Foreign exchange and interest rate risk management:

To minimize the foreign exchange and interest rate risk from its financing, investing and liquidity management activities, the Company generally invests in the same currency and on similar terms as its funding. However, where this is not possible, the Company uses foreign exchange derivative transactions to eliminate its foreign exchange risks and mismatches between the maturities of the liability and the asset, interest rate swaps to hedge the interest rate risks on certain notes (the EUR 500 million notes maturing in 2029 and the EUR 750 million notes maturing in 2034) or cross-currency interest rate swaps to hedge the foreign exchange and interest rate risks on other notes (the EUR 800 million notes maturing in 2030).

Credit risk management:

The Company maintains tight controls over credit risk through strict credit review and credit limit setting procedures for each counterparty, as well as the daily monitoring of credit risks.

Repayment terms:

At December 31, 2025 and 2024, the repayment terms of financial assets and liabilities were as follows (in millions of USD):

December 31, 2025 (USD in millions)	<1 year	1–5 years	>5 years	Total carrying value	Total fair value
Non-current assets:					
Loans – related companies	—	2,145	2,284	4,429	4,615
Current assets:					
Loans – related companies	12	—	—	12	12
Marketable securities ⁽¹⁾	1,094	—	—	1,094	1,094
Non-current liabilities:					
Debt – third parties	—	2,012	2,282	4,294	4,348
Current liabilities:					
Debt – related companies	1,017	—	—	1,017	1,017

December 31, 2024 (USD in millions)	<1 year	1–5 years	>5 years	Total carrying value	Total fair value
Non-current assets:					
Loans – related companies	—	1,039	3,058	4,097	4,106
Current assets:					
Loans – related companies	11	—	—	11	11
Marketable securities ⁽¹⁾	563	—	—	563	563
Non-current liabilities:					
Debt – third parties	—	1,041	2,816	3,857	3,922
Current liabilities:					
Debt – related companies	486	—	—	486	486

(1) at December 31, 2025 and 2024, "Marketable Securities" classified as current assets, included USD 1,094 million and USD 563 million, respectively, invested in Money market funds that have no fixed repayment date but can be sold and settled daily.

The fair values of financial assets and liabilities, other than those listed above, reflected the carrying value of such items, given the short-term nature of those instruments.

Nominal interest rates:

The Company borrows and invests in various currencies on an arm's-length basis.

At December 31, 2025 and 2024, the nominal interest rates (excluding the impact of the interest rate swaps and cross-currency interest rate swaps) of interest-bearing financial assets and liabilities were as follows (in millions of USD):

December 31, 2025 (USD in millions)	<0% ⁽¹⁾	0–1%	>1–2%	>2–3%	>3–4%	>4%	Total
Non-current assets:							
Loans – related companies	—	—	—	587	2,330	1,512	4,429
Current assets:							
Loans – related companies	—	—	—	—	12	—	12
Marketable securities ⁽²⁾	—	1,094	—	—	—	—	1,094
Non-current liabilities:							
Debt – third parties	—	837	—	—	2,918	539	4,294
Current liabilities:							
Debt – related companies	—	7	—	—	1,010	—	1,017

December 31, 2024 (USD in millions)	<0% ⁽¹⁾	0–1%	>1–2%	>2–3%	>3–4%	>4%	Total
Non-current assets:							
Loans – related companies	—	—	—	—	2,325	1,772	4,097
Current assets:							
Loans – related companies	—	—	—	—	—	11	11
Marketable securities ⁽²⁾	—	563	—	—	—	—	563
Non-current liabilities:							
Debt – third parties	—	727	—	—	2,591	539	3,857
Current liabilities:							
Debt – related companies	—	7	—	—	—	479	486

(1) interest rates <0% represented negative interest rates in line with market conditions.

(2) At December 31, 2025 and 2024, "Marketable Securities" classified as current assets, included USD 1,094 million and USD 563 million, respectively, invested in Money market funds that have no nominal interest rates.

Note 10

Interest receivable

December 31 (USD in thousands)	2025	2024
Interest receivable:		
Related companies	48,098	33,067
Third parties	76	57
	48,174	33,124

Note 11

Interest payable

December 31 (USD in thousands)	2025	2024
Interest payable:		
Related companies	12,971	15,160
Third parties	95,273	85,249
	108,244	100,409

Note 12

Income from service fees

Income from service fees represents revenues from accounting, treasury and pension services provided to related companies.

Note 13

Interest income and expense

(USD in thousands)	2025	2024
Interest income:		
Related companies	184,619	192,806
Third parties	44	66
	184,663	192,872
Interest expense:		
Interest expense – related companies	(43,240)	(43,804)
Interest expense – third parties	(176,713)	(182,255)
Interest-related income & expense, net	—	(1,855)
Amortization of fees on note issuance	(5,967)	(4,525)
Hedge ineffectiveness (see note 8)	4,053	(6,397)
	(221,867)	(238,836)

Note 14

Net gains (losses) on marketable securities

(USD in thousands)	2025	2024
Net gains (losses) on marketable securities consisted of:		
Money market funds	46,255	46,916
European government obligations	39	(381)
	46,294	46,535

The net gains (losses) on marketable securities consisted of realized and unrealized market value effects.

Note 15

Operating expenses

(USD in thousands)	2025	2024
Personnel expenses	3,653	3,432
Other – related parties	508	456
Other – third parties	435	314
	4,596	4,202

The remuneration of the auditors, as required by section 382, sub a, Book 2 of the Netherlands Civil Code, amounted to EUR 21,000 in 2025 (2024: EUR 15,000). This related entirely to audit services performed by KPMG Accountants N.V., in respect of the financial statements. No other services were provided by KPMG Accountants N.V. to the Company in 2025 and 2024.

Note 16

Employee data

At December 31, 2025, the Company had 21 employees (2024: 23), all employed in the Netherlands.

Personnel expenses (see note 15) consisted of the following:

(USD in thousands)	2025	2024
Salaries	2,913	2,726
Social security charges	414	397
Pension expense	314	298
Other personnel expenses	12	11
	3,653	3,432

The Board of Management remuneration for 2025 and 2024, included in personnel expenses above, amounted to USD 289 thousand (2024: USD 247 thousand).

Note 17

Income tax

The income tax is based on Dutch income tax regulations and also includes non-recoverable withholding taxes. Dutch current income taxes are provided based on income earned during the year.

Income tax expense consisted of the following:

(USD in thousands)	2025	2024
Current taxes	1,232	1,798
Deferred taxes	1,024	(1,652)
Withholding taxes	—	175
	2,256	321

Tax Reconciliation

(USD in thousands, except % data)	2025	2024
Result before taxes	9,077	1,218
Dutch tax rate	25.8%	25.8%
Income tax applying Dutch tax rate	2,342	314
Non-deductible items	—	7
Prior years' income tax adjustments	(63)	—
Prior years' deferred tax adjustments	(23)	—
Total income tax	2,256	321
Overall effective tax rate	24.9%	26.4%

At December 31, 2025, the Company reported a corporate income tax receivable of USD 0.3 million, whereas at December 31, 2024, corporate income taxes due in the amount of USD 0.9 million were reported under "Tax accrual" in the balance sheet.

Note 18

Transactions with related parties

Related parties include the Company's shareholder, ABB group companies and the Company's Board of Management. All transactions with related parties are made on an arm's-length basis and have been reflected in these financial statements.

Rotterdam, April 2, 2026

Board of Management

J. Relander

M. Wolodzko

B. Verbruggen

Other information

Articles of association governing profit appropriation

In accordance with article 22 of the Articles of Association, the net result of the Company should be at the disposal of the General Meeting. The Company may distribute only if, and to the extent that, its shareholder's equity is greater than the sum of the paid and called-up part of the issued capital and the reserves which must be maintained by virtue of the law.



Independent auditor's report

To: the General Meeting ABB Finance B.V.

Report on the audit of the financial statements 2025 included in the annual report

Our opinion

In our opinion:

- the accompanying financial statements give a true and fair view of the financial position of ABB Finance B.V. as at 31 December 2025 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the financial statements 2025 of ABB Finance B.V. (the "Company") based in Rotterdam, the Netherlands.

The financial statements comprise:

- 1 the balance sheet as at 31 December 2025;
- 2 the profit and loss account for 2025; and
- 3 the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of ABB Finance B.V. in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information in respect of going concern, fraud and non-compliance with laws and regulations, and the key audit matters was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

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



Information in support of our opinion

Summary

Materiality

- Materiality of USD 53 million.
- 0.95% of total assets.

Risk of material misstatements related to Fraud, NOCLAR and Going concern

- Fraud risks: presumed risk of management override of controls.
- Non-compliance with laws and regulations (NOCLAR) risks: no reportable risk of material misstatements related to NOCLAR risks identified.
- Going concern risks: no going concern risks identified.

Key audit matters

- US GAAP to Dutch GAAP conversion and compliance with Dutch accounting standards.
- Mitigation of exposure to third party debt by guarantees provided by ABB Ltd.

Materiality

Based on our professional judgement we determined the materiality for the financial statements as a whole at USD 53 million (2024: USD 45 million).

The materiality is determined with reference to total assets (approximately 0.95%). We consider total assets as the most appropriate benchmark because the Company's third-party debt is utilized to fund the ABB group and this funding represents a significant part of the total assets in the balance sheet.

We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons, in particular those impacting shareholder's equity and net income as these accounts are relatively low in comparison with total assets.

We agreed with those charged with governance that misstatements identified during the audit in excess of USD 2.3 million would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Audit response to the risk of fraud and non-compliance with laws and regulations

As included on page 4, in the Report of the Board of Management, the Board of Management describes its procedures in respect of the risk of fraud and non-compliance with laws and regulations.

As part of our audit, we gained insights into the Company and its business environment, and its business environment and the Company's risk management in relation to fraud and non-compliance. Our procedures included, among other things, assessing the Company's code of conduct and whistleblowing procedures and its procedures to investigate indications of possible fraud and non-compliance.



Furthermore, we performed relevant inquiries with management and included correspondence with relevant supervisory authorities and regulators in our evaluation. We have also incorporated elements of unpredictability in our audit, such as selecting transactions within the operating expenses and obtaining supporting documentation, notwithstanding that these balances were not otherwise in scope based on materiality and risk assessment considerations.

As a result from our risk assessment, we did not identify laws and regulations that likely have a material effect on the financial statements in case of non-compliance.

We evaluated the fraud and non-compliance risk factors, to consider whether those factors by themselves would cause the existence of a reasonable possibility of a risk of material misstatement in the financial statements.

Further we assessed the presumed fraud risk on revenue recognition as not significant, since the Company's sole significant source of income is interest income. Such interest income is derived from loan agreements with ABB group companies. In addition, as disclosed in note 1 to the financial statements, the Company entered into agreements with ABB Capital AG that safeguard that the Company realizes an at arm's length remuneration for its activities. As a consequence, we did not identify an incentive nor pressure for the members of the Board of Management to achieve certain results or specific finance income targets and there appears to be limited perceived opportunity to commit material fraud in this area.

Based on the above and on the relevant auditing standards, we identified the following presumed fraud risk laid down in the auditing standards that are relevant to our audit and responded as follows:

Management override of controls (a presumed risk)

Risk:

- The Board of Management is in a unique position to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

Responses:

- We evaluated the design and the implementation of internal controls that mitigate fraud and non-compliance risks, such as processes related to journal entries.
- As part of the fraud risk assessment, we performed a data analysis of the journal entries population to determine if high-risk criteria for testing applies and evaluated relevant estimates and judgments for bias by the Company's Board of Management, including retrospective reviews of prior years' estimates with respect to recoverability of loans to related parties and related interest receivables from loans to related parties. Where we identified instances of unexpected journal entries or other risks through our data analytics, we performed additional audit procedures to address each identified risk, including testing of transactions back to source information.

Our procedures to address the identified risk of fraud in respect of management override of controls did not result in a key audit matter.

- We communicated our risk assessment, audit responses and results to the Board of Management.

Our audit procedures did not reveal indications and/or reasonable suspicion of fraud and non-compliance that are considered material for our audit.



Audit response to going concern

The Board of Management performed its going concern assessment, in which amongst others the Company's high dependency of the group companies' ability to fulfill their obligations towards the Company was considered. The Board of Management did not identify any going concern risks.

To assess the Board of Management's assessment, we performed, inter alia, the following procedures:

- we considered whether the Board of Management's assessment of the going concern risks includes all relevant information of which we are aware as a result of our audit. This includes the "Keep-Well Agreement" with ABB Ltd, Zurich, as disclosed in note 1 to the financial statements; — we analyzed the Company's financial position as at year-end and compared it to the previous financial year in terms of indicators that could identify going concern risks;
- we considered whether the outcome of our audit procedures, as described in the key audit matter "Mitigation of exposure to third party debt by guarantees provided by ABB Ltd", could indicate a going concern risk.

The outcome of our risk assessment procedures did not give reason to perform additional audit procedures on the Board of Management's going concern assessment.

Our 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. The key audit matters are not a comprehensive reflection of all matters discussed.

US GAAP to Dutch GAAP conversion and compliance with Dutch accounting standards

Description

The Company's primary accounting records are maintained based on US GAAP which is used for ABB group reporting purposes. However, the statutory financial statements of the Company, filed in the Netherlands, have to be prepared in accordance with Part 9 of Book 2 of the Dutch Civil Code (Dutch GAAP). Therefore, management prepared an analysis to convert the US GAAP financial statements to Dutch GAAP financial statements. As Dutch GAAP is not embedded in the primary accounting records, this conversion, together with the application of Dutch law in preparing the financial statements, was an area of focus during our audit.

Our response

We evaluated the completeness and accuracy of the management's conversion of the US GAAP financial statements to the Dutch GAAP financial statements by assessing the different GAAP accounting treatment for the financial statement captions. Furthermore, we held regular meetings with management and with KPMG Switzerland, in order to identify events or transactions that occurred that could result in a materially different accounting treatment under Dutch GAAP compared to US GAAP. We recalculated the adjustments and reconciled them to underlying evidence and assessed the financial statements for compliance with Dutch law.



Our observation

Based on our procedures performed, we consider the conversion from the US GAAP to the Dutch GAAP financial statements, which comprise a limited number of adjustments, including the disclosure notes, to be appropriate.

Mitigation of exposure to third party debt by guarantees provided by ABB Ltd

Description

The Company issues debt instruments to investors under the EMTN programme and Commercial Paper programme and utilizes the proceeds to fund the ABB group. As the Company's shareholder's equity is low in relation to the size of third-party debt, the exposure to the issued debt is guaranteed by the Company's ultimate parent, ABB Ltd (Ultimate parent). In addition, the Company has the benefit of a Keep-well agreement with ABB Ltd.

Furthermore, under the terms of the EMTN programme and the Revolving Credit Facility (undrawn as at 31 December 2025), a default above a defined threshold by certain subsidiaries of the ABB group, as defined in these debt agreements, could trigger an event that would materially impact the Company's financial position if the guarantees provided by the Ultimate parent would not mitigate the risk to the Company in full.

We therefore consider the mitigation of the exposure to third party debt by the guarantees provided by the Ultimate parent and the ability of the Ultimate parent to fulfil its obligations to the Company to be a key audit matter.

Our response

In order to satisfy ourselves as to the extent to which the guarantees provided by the Ultimate parent mitigate the exposure to the third-party debt our audit procedures included:

- assessing the design and effectiveness of the Company's risk management controls;
- obtaining an understanding of the debt agreements, including covenants and anything that could trigger a default event;
- inspecting management's assessment of the group's compliance with the debt agreements;
- assessing whether ABB Ltd is able to meet its obligations toward the Company thereby allowing the third-party debt to be serviced by the Company in accordance with the contractual terms;
- assessing whether the guarantees given by ABB Ltd (as well as the Keep-well agreement provided by ABB Ltd) provide sufficient mitigation to ABB Finance B.V. in the event of a default event or penalty and are accurately disclosed in the financial statements;
- assessing ABB Ltd.'s credit ratings; and
- assessing the adequacy of the disclosure of the Keep Well agreement and the guarantees in note 1 of the financial statements.



Our observation

The results of our procedures performed were satisfactory and we consider the disclosures in note 1 to the financial statements to be adequate.

Compliance with Regulatory Technical Standard of SBR, including XBRL tagging, not audited

The statutory audit includes verifying that the prepared financial statements comply with the legal requirements under Title 9 of Book 2 of the Dutch Civil Code. Our audit opinion has been issued on the prepared financial statements and will be attached to the digitally filed annual report. This means that compliance with all requirements of the Regulatory Technical Standard within the SBR domain for the Trade Register (including the applied eXtensible Business Reporting Language (XBRL) tags) was not part of the statutory audit.

Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements; and
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code for the management report and other information.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the financial statements.

The Board of Management is responsible for the preparation of the other information, including the information as required by Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Engagement

We were re-engaged by the General Meeting of Shareholders as auditor of ABB Finance B.V. on 4 February 2026 for the audit for the year 2025 and have operated as statutory auditor since the financial year 2018.

Description of responsibilities regarding the financial statements

Responsibilities of the Board of Management for the financial statements

The Board of Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code.



Furthermore, the Board of Management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error. In that respect the Board of Management is responsible for the prevention and detection of fraud and non-compliance with laws and regulations, including determining measures to resolve the consequences of it and to prevent recurrence.

As part of the preparation of the financial statements, the Board of Management is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the Board of Management should prepare the financial statements using the going concern basis of accounting unless the Board of Management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so. The Board of Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

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. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A further description of our responsibilities for the audit of the financial statements is located at the website of de 'Koninklijke Nederlandse Beroepsorganisatie van Accountants' (NBA, Royal Netherlands Institute of Chartered Accountants) at www.nba.nl/eng_oob_20241203/ / www.nba.nl/eng_beursgenoteerd_20241203/. This description forms part of our auditor's report.

Rotterdam, 2 April 2026

KPMG Accountants N.V.

A.A.J. Marijnissen RA

ABB Group Reports

For a copy of the ABB Annual Report, please use the contact information below or download copies from www.abb.com.

Parts of the ABB Annual Report have been translated into German. Please note that the English-language version of the ABB Annual Report is the binding version.

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ABB Ltd
Corporate Communications
P.O. Box 8131
8050 Zurich
Switzerland

Tel: +41 (0)43 317 71 11

www.abb.com