

SPTS TECHNOLOGIES UK LIMITED

Annual Report

30 June 2022

Company Number 09098431



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SPTS TECHNOLOGIES UK LIMITED

DIRECTORS AND ADVISORS

Directors

Kieron Singleton
Bren Douglas Higgins
Virendra Arvind Kirloskar

Company Secretary

Ian Hughes

Registered Office

Ringland Way
Newport
United Kingdom
NP18 2TA

Independent Auditors

PricewaterhouseCoopers LLP
One Kingsway
Cardiff
CF10 3PW

Solicitors

Osborne Clarke
2 Temple Back East
Temple Quay
Bristol
BS1 6EG

STRATEGIC REPORT

The Directors present their strategic report for the year ended 30 June 2022.

Principal activities

The principal activity of the company is that of an investment and financing holding company.

Business review

The results for the period ending 30 June 2022 are set out in the income statement. Operating loss amounted to \$0.00m (2021: \$0.01m) and profit before taxation was \$392.5m (2021: loss before taxation \$407.3m).

During the year ended 30 June 2022 as part of group restructuring within the KLA Corporation, intercompany amounts payable to the trading entity SPTS Technologies Limited of \$392.2m were written off.

The net assets of the business were \$21.6m as at 30 June 2022 (2021: net liabilities \$370.9m).

There are no KPIs associated with this company.

Operational risk management

The directors have identified that Covid-19 is a potential operational risk factor for the SPTS Technologies group. In order to mitigate possible risk to the Company caused by Covid-19 the directors have put in place the following measures:

- Implemented a prolonged working from home arrangement for all employees who are able to work from home and are non-essential to the manufacturing process.
- Significantly enhanced safety and hygiene measures to safeguard our employees have been put in place. Communication and training for any on-site employees has been provided to prioritise the safety and hygiene procedures of the Company operations whilst ensuring that appropriate physical distancing is maintained.
- Travel restrictions have been in operation since Covid-19 was declared a pandemic with all non-essential travel stopped. Any essential travel is required to have director approval prior to travel being undertaken.

Principal risks and uncertainties and financial risk management

The principal activity of the company is that of an investment holding company and as such relies upon support from group. The associated financial risks are liquidity within the group structure required to repay intra group debt and interest rates. Principal risks and uncertainties, and financial risk management of the group can be found within the annual report for Orbotech Limited.

STRATEGIC REPORT (continued)

Section 172 Statement

In accordance with section 172 of the Companies Act 2006 the directors present the following statement on the company's engagement with employees and other stakeholders. The directors at all times endeavour to act in a way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard to a range of matters when making long term strategic decisions.

As the principal activity of the company is that of an investment and financing holding company, with no trading activities. The Directors consider our primary key stakeholders to be the customers, employees and suppliers of the main trading entity within the group, SPTS Technologies Limited.

Within the financial statements of SPTS Technologies Limited the section 172 statement details how activities with these key stakeholders are conducted in a which would be most likely to promote the success of SPTS Technologies Limited and the SPTS Group, for the benefit of its members as a whole.

Signed on behalf of the Board of Directors



Virendra Arvind Kirloskar
Director

14 December 2022

DIRECTORS' REPORT

The directors submit their Annual Report on the affairs of the company, together with the audited financial statements and independent auditors' report, for the period ended 30 June 2022.

Directors

The directors who held office during the period ended 30 June 2022 and up to the date of signing are as shown on page 1.

Directors' indemnity

The company has granted to some of its directors an indemnity (to the extent permitted by the Companies Act 2006) in respect of liabilities relating to proceedings brought by third parties and incurred as a result of their office. This qualifying third party indemnity remains in force as at the date of approving the directors' report. This indemnity does not provide cover in the event that the director is proved to have acted dishonestly or fraudulently.

Dividends

The directors do not recommend the payment of a dividend (2021: Nil).

Going concern and future developments

The company acts as an intermediate holding company for the trading entities of the SPTS Technologies group.

The Directors therefore have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they have adopted the going concern basis of accounting in preparing the annual financial statements.

Disclosure of information to auditors

In the case of each of the persons who are directors of the company at the date when this report is approved:

- so far as each of the directors is aware, there is no relevant audit information of which the company's auditors are unaware; and
- each of the directors has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

PricewaterhouseCoopers LLP have indicated their willingness to continue in office and a resolution for their reappointment will be proposed at the forthcoming Annual General Meeting.

Functional currency

The company's financial statements are presented in US dollar functional currency. The respective average and closing US dollar to UK sterling rate used during the financial period was 0.7479 and 0.7916 (2021 0.7226 and 0.7572).

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Signed on behalf of the Board of Directors



Virendra Arvind Kirloskar
Director

14 December 2022

Independent auditors' report to the members of SPTS Technologies UK Limited

Report on the audit of the financial statements

Opinion

In our opinion, SPTS Technologies UK Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2022 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the Balance sheet as at 30 June 2022; the Income statement, Statement of changes in equity and Statement of cash flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

SPTS TECHNOLOGIES UK LIMITED

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 30 June 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 ISAs (UK) 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK tax law and the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of fraudulent transactions designed to overstate the performance and/or position of the company. Audit procedures performed by the engagement team included:

- Holding discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations or fraud;
- Reviewing Board minutes and reports that set out the company's compliance matters; and
- Reviewing and testing journal entries posted during the period.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

SPTS TECHNOLOGIES UK LIMITED

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

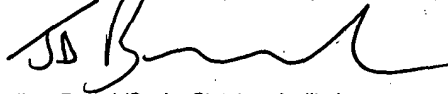
Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Jonathan Bound (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cardiff

15 December 2022

SPTS TECHNOLOGIES UK LIMITED

INCOME STATEMENT For the year ended 30 June 2022

| | Note | 30 June 2022 \$'000 | Period 1 January 2020 to 30 June 2021 \$'000 |
|--|------|---------------------------|--|
| Administrative expenses | | - | (1) |
| OPERATING LOSS | 2 | - | (1) |
| Income from shares in group undertakings | 3 | 268 | 766 |
| Interest payable and similar expenses | 4 | - | (3,471) |
| Exceptional impairment of investment in subsidiaries | | - | (194,229) |
| Exceptional liabilities assumed on the liquidation of subsidiaries | | - | (210,351) |
| Exceptional intercompany liability write off | 10 | 392,201 | - |
| PROFIT/(LOSS) BEFORE TAXATION AND EXCEPTIONAL ITEMS | | 268 | (2,706) |
| Exceptional impairment of investment in subsidiaries | 8 | - | (194,229) |
| Exceptional liabilities assumed on the liquidation of subsidiaries | 10 | - | (210,351) |
| Exceptional intercompany liability write off | 10 | 392,201 | - |
| PROFIT/(LOSS) BEFORE TAXATION | | 392,469 | (407,286) |
| Tax on loss | 7 | - | - |
| PROFIT/(LOSS) FOR THE FINANCIAL PERIOD | | 392,469 | (407,286) |

All of the activities derive from continuing operations.

There have been no recognised gains and losses for the financial period other than as stated in the income statement and, accordingly, no separate statement of comprehensive income is presented.

The notes on pages 13 to 19 are an integral part of these financial statements.

SPTS TECHNOLOGIES UK LIMITED

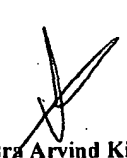
BALANCE SHEET
As at 30 June 2022

| | Note | As at 30 June 2022 | | As at 30 June 2021 | |
|---|------|--------------------|----------|--------------------|-----------|
| | | \$'000 | \$'000 | \$'000 | \$'000 |
| FIXED ASSETS | | | | | |
| Investments | 8 | | 21,306 | | 21,306 |
| CURRENT ASSETS | | | | | |
| Debtors: amounts falling due within one period | 9 | 268 | | 368 | |
| | | 268 | | 368 | |
| CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR | 10 | | | (392,569) | |
| NET CURRENT ASSETS/(LIABILITIES) | | | 268 | | (392,201) |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | 21,574 | | (370,895) |
| NET ASSETS/(LIABILITIES) | | | 21,574 | | (370,895) |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | 12 | | 11 | | 11 |
| Share premium account | | | 74,212 | | 74,212 |
| Accumulated losses | | | (52,649) | | (445,118) |
| TOTAL SHAREHOLDERS' FUNDS/(DEFICIT) | | | 21,574 | | (370,895) |

The financial statements on pages 9 to 19 of SPTS Technologies UK Limited, registered number 09098431, were approved by the Board of Directors on 14 December 2022 and signed on its behalf by Virendra Arvind Kirloskar.

The notes on pages 13 to 19 are an integral part of these financial statements.

Signed on behalf of the Board of Directors


Virendra Arvind Kirloskar
Director

14 December 2022

SPTS TECHNOLOGIES UK LIMITED

**STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2022**

| | Called up share capital \$'000 | Share premium account \$'000 | Accumulated losses \$'000 | Total shareholders' funds/(deficit) \$'000 |
|---|---|---------------------------------------|---------------------------------|---|
| At 1 January 2020 | 11 | 74,212 | (37,832) | 36,391 |
| Loss for the financial period and total comprehensive expense | - | - | (407,286) | (407,286) |
| At 30 June 2021 | 11 | 74,212 | (445,118) | (370,895) |
| At 1 July 2021 | 11 | 74,212 | (445,118) | (370,895) |
| Profit for the financial period and total comprehensive income | - | - | 392,469 | 392,469 |
| At 30 June 2022 | 11 | 74,212 | (52,649) | 21,574 |

The notes on pages 13 to 19 are an integral part of these financial statements.

SPTS TECHNOLOGIES UK LIMITED

STATEMENT OF CASH FLOWS
For the year ended 30 June 2022

| | Year Ended 30 June 2022 | Period 1 January 2020 to 30 June 2021 |
|---|--|--|
| | \$'000 | \$'000 |
| Net cash from operating activities | - | - |
| Taxation paid | - | - |
| NET CASH GENERATED FROM OPERATING ACTIVITIES | - | - |
| Cash flow from investing activities | | |
| Repayment of Group Creditors | - | (47) |
| NET CASH USED IN INVESTING ACTIVITIES | - | (47) |
| Cash flow from financing activities | | |
| Interest paid | - | - |
| Bank Fees | - | - |
| NET CASH USED IN FINANCING ACTIVITIES | - | - |
| (DECREASE) IN CASH AND CASH EQUIVALENTS | - | (47) |
| Cash and cash equivalents at the beginning of the period | - | 47 |
| Cash and cash equivalents at the end of the period | - | - |
| Cash and cash equivalents consists of: | | |
| Cash at bank and in hand | - | - |

The notes on pages 13 to 19 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

1. ACCOUNTING POLICIES

General Information

SPTS Technologies UK Limited (the "Company") is a private company, limited by shares and is incorporated and registered in England and Wales, United Kingdom. The address of its registered office is: Ringland Way, Newport, United Kingdom, NP18 2TA.

The financial statements have been prepared for the year period ended 30 June 2022. The company's financial statements are presented as an individual undertaking and not on a group basis. Consolidated financial statements of the group can be found within the annual report for KLA Corporation.

Statement of Compliance

The individual financial statements of SPTS Technologies UK Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

Summary of significant accounting policies

The principal accounting policies applied in preparation of these financial statements are set out below. These policies have been consistently applied to all the period presented, unless otherwise stated:

Basis of accounting

These financial statements are prepared on a going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

The company has taken advantage of the exemption in section 400 of Companies Act 2006 not to prepare consolidated financial statements, on the grounds that its results are included in the consolidated financial statements of another group company.

Going concern

The company acts as an intermediate holding company for the trading entities of the SPTS Technologies group.

The Directors therefor have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they have adopted the going concern basis of accounting in preparing the annual financial statements.

Investments

Investments held as fixed assets are stated at cost less provision for any impairment.

Related party transactions

In accordance with the exemption within FRS 102, transactions with wholly owned group companies are not reported.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2022

1. ACCOUNTING POLICIES (continued)

Foreign exchange

Transactions denominated in foreign currencies are translated into US dollars and recorded at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date or, if appropriate, at the forward contract rate. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is dealt with in the Income Statement.

Financial Instruments

The Company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

i) Financial assets

Basic financial assets, including trade and other receivables and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the consolidated income statement.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in consolidated income statement.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions

ii) Financial liabilities

Basic financial liabilities, including trade and other payables and bank loans, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2022

1. ACCOUNTING POLICIES (CONTINUED)

Critical judgements and estimates in applying the accounting policies

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are those that relate to the company's investment in the SPTS Technologies Group and whether any impairment indicators exist. The company looks at the underlying net assets of the SPTS Technologies Group at the period end together with actual and forecast profitability and cash generation in making this assessment.

2. AUDITORS RENUMERATION

Auditors' remuneration is borne by another group company, and is not recharged back to the company.

3. DIVIDEND INCOME

| | 2022 \$'000 | 2021 \$'000 |
|--|----------------|----------------|
| Income from Shares in Group Undertakings | 268 | 766 |
| | <u>268</u> | <u>766</u> |

Dividend income of \$268k (2021: \$766k) relates to dividends declared and paid by SPP Technologies Co., Ltd. Dividends were receipted by SPTS Technologies Limited the manufacturing entity within the SPTS group via intercompany transactions with SPTS Technologies UK Limited.

4. INTEREST PAYABLE AND SIMILAR EXPENSES

| | 2022 \$'000 | 2021 \$'000 |
|-------------------------------------|----------------|----------------|
| Interest payable to group companies | - | 3,471 |
| | <u>-</u> | <u>3,471</u> |

SPTS TECHNOLOGIES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2022

5. STAFF COSTS

No staff were employed by the company throughout the period other than the directors (2021:nil).

6. DIRECTORS' REMUNERATION

None of the directors were paid emoluments specifically for their services to this company. (2021: nil)

7. TAX ON PROFIT/(LOSS)

Factors affecting the tax credit in the period

The tax assessed for the period is lower (2021: higher) than the standard rate of corporation tax in the UK. The differences are explained below:

| | 2022 \$'000 | 2021 \$'000 |
|---|----------------|----------------|
| Profit/(Loss) before tax | 392,469 | (407,286) |
| Profit/(Loss) before tax multiplied by the standard rate of corporation tax of 19% (2021:19%) | 74,569 | (77,384) |
| Effects of: | | |
| Non taxable intercompany loan write off | (74,518) | - |
| Group Relief surrendered for nil consideration | (51) | 77,384 |
| Tax for the period | - | - |

Factors that may affect future tax charges

The UK Government announced in the budget on 3 March 2021 that from 1 April 2023 an increase in the main rate of corporation tax to 25%.

SPTS TECHNOLOGIES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2022

8. INVESTMENTS

| | 2022 \$'000 | 2021 \$'000 |
|-----------------------------------|----------------|----------------|
| Shares in subsidiary undertakings | 21,306 | 21,306 |

The subsidiaries of the company at 30 June 2022 some of which are held through intermediate holding companies, are:

| Investments held by subsidiary entities | Country of incorporation / registration and operation | Registered office | Principal activity | Proportion of ordinary shares held % |
|---|---|--|--|--------------------------------------|
| SPTS Technologies Limited | United Kingdom | Ringland Way, Newport, NP18 2TA | Production site for Single Wafer Division systems | 100 |
| SPTS Technologies Overseas Holdings Limited | United Kingdom | Ringland Way, Newport, NP18 2TA | Dormant holding company for worldwide subsidiaries | 100 |
| SPTS Technologies ET Limited | United Kingdom | Ringland Way, Newport, NP18 2TA | Dormant | 100 |
| SPP Technologies Co., Ltd. Japan | | Keidanrenkaikan 15F, 1-3-2 Otemachi, Chiyoda-ku, Tokyo 100-0004, Japan | Sales, support and service | 5 |

During the period ended 30 June 2022, SPTS Technologies Overseas Holdings Limited a subsidiary of SPTS Technologies UK Limited as part of restructuring within the KLA Corporation group via Share Sale, Transfer and Assignment agreements transferred and assigned the 100% investment which it held in subsidiary undertakings to other group companies within the KLA Corporation.

The investment in SPTS Technologies Inc. and the associated investment in Primaxx Inc. was transferred via a Stock sale to KLA Corporation. The consideration to SPTS Technologies Overseas Holdings for this Stock sales was valued at \$13,252k.

The investment in SPTS Technologies Pte. and the associated investments in SPTS Technologies PTE Ltd (Malaysia branch) and SPTS Technologies PTE Ltd (Korea branch) was transferred via a Stock sale to KLA-Tencor (Singapore) Pte. Ltd. The consideration to SPTS Technologies Overseas Holdings for this Stock sales was valued at \$3,049k.

The investment in SPTS Technologies SAS was transferred via a Stock sale to KLA-Tencor France SRL. The consideration to SPTS Technologies Overseas Holdings for this Stock sales was valued at \$6,916k.

SPTS TECHNOLOGIES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2022

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2022 \$'000 | 2021 \$'000 |
|------------------------------------|----------------|----------------|
| Amounts owed by group undertakings | 268 | 368 |

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2022 \$'000 | 2021 \$'000 |
|------------------------------------|----------------|----------------|
| Amounts owed to group undertakings | - | 392,569 |
| | - | 392,569 |

On December 31, 2021, SPTS finalised through a debt waiver a resolution that the intercompany creditor owed by SPTS Technologies UK Limited to SPTS Technologies Limited for \$392.6m was formally released with no future obligation to the company.

11. FINANCIAL INSTRUMENTS

The company has the following financial instruments:

| | Note | 2022 \$'000 | 2021 \$'000 |
|---|------|----------------|----------------|
| Financial assets that are debt instruments measured at amortised cost: | | | |
| Amounts owed by group undertakings | 10 | 268 | 368 |
| | | 268 | 368 |
| Financial liabilities measured at amortised cost: | | | |
| Amounts owed to group undertakings | 11 | - | 392,569 |
| | | - | 392,569 |

SPTS TECHNOLOGIES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

12. CALLED UP SHARE CAPITAL

| | No. | 2022 \$'000 | No. | 2021 \$'000 |
|---|--------------|----------------|--------------|----------------|
| Authorised | | | | |
| £1 ordinary shares | 6,622 | 11 | 6,622 | 11 |
| | <u>6,622</u> | <u>11</u> | <u>6,622</u> | <u>11</u> |
| Called up, allotted and fully paid | | | | |
| £1 ordinary shares | 6,622 | 11 | 6,622 | 11 |
| | <u>6,622</u> | <u>11</u> | <u>6,622</u> | <u>11</u> |

Each share has full rights in the company with respect to voting, dividends and distributions.

13. RELATED PARTY TRANSACTIONS

In accordance with the exemption within FRS 102, transactions with wholly owned group companies are not reported. There have been no transactions with related parties outside of group companies within the period.

14. IMMEDIATE AND ULTIMATE CONTROLLING PARTY

The immediate parent undertaking is Orbotech Pacific Limited, a company registered in Hong Kong.

The ultimate controlling party is KLA Corporation, a company registered in the United States of America. KLA Corporation became the ultimate controlling party with effect from 20th February 2019. Its registered address is One Technology Drive, Milpitas, California, 95035. This is the largest and smallest group within which the results of the company are consolidated.

15. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

The company had no capital commitments or contingent liabilities as at 30 June 2022 or 30 June 2021.