Inspired by **patients.**
Driven by **science.**

2023 Half-Year Financial Report

Brussels, 27 July 2023

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1. Business performance review[1]

1.1. Key highlights

In the first six months of 2023, **revenue** reached € 2 589 million and declined by -11% (-13% at constant exchange rates (CER)). **Net sales** reflect the generic erosion of VIMPAT® in the U.S. and Europe and of E KEPPRA® in Japan - compensated by positive CIMZIA® growth and strong launches of FINTEPLA®, EVENITY® and BIMZELX®. Hence, net sales went down to € 2 378 million by -12% (-14% CER). Net sales before "designated hedges reclassified to net sales" were down by -15% (-14% CER). Royalty income and fees were € 42 million, other revenue reached € 169 million.

- **Adjusted EBITDA** reached € 801 million (-2%; -9% CER), reflecting lower revenue and lower operating expenses – also supported by a one-time income from a product sale.
- **Profit** decreased to € 311 million from € 399 million (-22%; -33% CER).
- **Core earnings per share** reached € 2.63 from € 3.15 in the first half of 2022.

For the six months ended 30 June	Actual		Variance	
€ million	2023	2022	Actual rates	CER
Revenue	**2 589**	**2 925**	**-11%**	**-13%**
Net sales	2 378	2 705	-12%	-14%
Royalty income and fees	42	45	-7%	-8%
Other revenue	169	175	-3%	-3%
Adjusted Gross Profit	**2 004**	**2 250**	**-11%**	**-13%**
Gross Profit	**1 787**	**2 080**	**-14%**	**-16%**
Marketing and selling expenses	- 753	- 730	3%	4%
Research and development expenses	- 759	- 798	-5%	-4%
General and administrative expenses	- 104	- 115	-9%	-9%
Other operating income/expenses (-)	315	114	>100%	>100%
Adjusted EBIT	**486**	**551**	**-12%**	**-21%**
Impairment, restructuring and other income/expenses (-)	- 6	- 61	-91%	-91%
EBIT (operating profit)	**480**	**490**	**-2%**	**-13%**
Net financial expenses (-)	- 79	- 9	>100%	>100%
Profit before income taxes	**401**	**481**	**-17%**	**-27%**
Income tax expenses (-)	- 90	- 82	10%	8%
Profit from continuing operations	**311**	**399**	**-22%**	**-33%**
Profit/loss (-) from discontinued operations	0	0	N/A	N/A
Profit	**311**	**399**	**-22%**	**-33%**
Attributable to UCB shareholders	311	399	-22%	-33%
Adjusted EBITDA	**801**	**814**	**-2%**	**-9%**
Capital expenditure (including intangible assets)	158	174	-9%	N/A
Net debt (-)[2]	-2 439	-2 000	22%	N/A
Operating cash flow from continuing operations	249	393	-37%	N/A
Weighted average number of shares – non diluted (million)	**189**	**190**	**0%**	**N/A**
EPS (€ per weighted average number of shares – non diluted)	**1.64**	**2.10**	**-22%**	**-23%**
Core EPS (€ per weighted average number of shares – non diluted)	**2.63**	**3.15**	**-16%**	**-27%**

[1] Due to rounding, some financial data may not add up in the tables included in this management report
[2] For the net financial debt, the reporting date for comparative period is 31 December 2022

The financial information included in this management report should be read in conjunction with the condensed consolidated interim financial information and the consolidated financial statements as of 31 December 2022. This condensed consolidated interim financial information has been reviewed, not audited.

Scope change: As a result of the divestment of non-Biopharma activities in the past, UCB reports the results from those activities as a part of profit from discontinued operations.

Adjusted gross profit is the gross profit without the amortization of intangible assets linked to sales.

Restructuring, impairment and other income/expenses (-): Transactions and decisions of a one-time nature that affect UCB's results are shown

separately ("restructuring, impairment and other income/expenses" items).

Besides EBIT (earnings before interest and taxes or operating profit), a line for "**adjusted EBIT**" (underlying operating profit), reflecting the ongoing profitability of the company's biopharmaceutical activities, is included. The adjusted EBIT is equal to the line "operating profit before impairment, restructuring and other income and expenses" reported in the consolidated financial statements.

Adjusted EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization charges) is the operating profit adjusted for amortization, depreciation, impairment charges, restructuring expenses and other income and expenses.

Core EPS is the core profit, or the profit attributable to the UCB shareholders, adjusted for the after-tax impact of restructuring, impairment, other income/expense items, the financial one-offs, the after-tax contribution from discontinued operations and the after-tax amortization of intangibles linked to sales, per non-dilutive weighted average number of shares.

1.2. Key events

There were several key events that have affected or will affect UCB financially:

Macroeconomic

UCB operates in and is impacted by global or regional macroeconomic and political environments which include the war against Ukraine as well as the potential implications from major healthcare reforms.

During 2023 there was a rapid raise in interest rates and further rise in inflation. UCB, like many other companies, is experiencing the effect of rising inflation and interest rates which touch many aspects of UCB's business including increasing costs such as raw materials and wages. Strong cost discipline enabled UCB to mitigate these effects in 2023.

War Against Ukraine

UCB is guided by its purpose of creating value for patients, now and into the future and its focus on contributing to a more inclusive and sustainable world. That's why UCB is driven to limit the impact of this war on its employees, patients, and their respective communities. Please read the full statement of UCB's stand on www.ucb.com/UCBs-response-to-the-conflict-in-Ukraine. For the current impact on the financial performance, financial position and cash-flows, we refer to Note 3.3 of this financial report.

Important agreements / initiatives

In January 2023, UCB sold an established brands portfolio of five prescription medicines, commercialized in Europe. The portfolio is comprised of pharmaceutical products in a variety of non-core therapeutic categories.

In February 2023, UCB announced FINTEPLA® (fenfluramine) oral solution has been approved in the European Union (EU) for the treatment of seizures associated with Lennox-Gastaut syndrome (LGS) as an add-on therapy to other anti-epileptic medicines for patients two years of age and older. This approval and the simultaneous maintenance of the FINTEPLA® orphan drug designation triggered the payment to holders of the CVR ($ 2 per Zogenix, Inc. share (gross)) which was agreed to at the time of the Zogenix, Inc. acquisition.

Regulatory update and pipeline progress

The updated timelines for UCB's clinical development program, also reflecting regulatory updates and pipeline progress from January 1, 2023 up to the publication date of this report, are shown below. In the first six months of 2023, the timelines for UCB's clinical development program have not experienced any material delays. The regulatory review for bimekizumab in the U.S. is still ongoing with an expected action by the U.S. authority now in Q3 2023. UCB continues to monitor macro-economic factors on all ongoing clinical trials and will implement changes as necessary.

Regulatory Updates

In January 2023, the regulatory agency in Japan accepted for review the supplemental Biologics License Applications (sBLA) for bimekizumab for the treatment of adult patients with active psoriatic arthritis (PsA), adult patients with active ankylosing spondylitis (AS) and adult patients with active non-radiographic axial spondyloarthritis (nr-axSpA).

Also in January 2023, UCB announced that the U.S. Food and Drug Administration (FDA) accepted for review the filing of a BLA for the investigational treatment rozanolixizumab and that the FDA granted Priority Review.

In February 2023, UCB announced the European marketing authorization for FINTEPLA® (fenfluramine) in Lennox-Gastaut syndrome (LGS). Additionally, the European Commission also adopted the European Medicines Agency (EMA) Committee for Orphan Medicinal Products (COMP) recommendation that the orphan drug designation for FINTEPLA® be maintained.

Also in February 2023, the regulatory agency in Japan accepted for review the filing of rozanolixizumab for the treatment of adults with generalized myasthenia gravis (gMG).

In June 2023, the European Commission granted marketing authorization for BIMZELX® (bimekizumab) for the treatment of adult patients with active psoriatic arthritis (PsA), and adult patients with active axial spondyloarthritis (axSpA). In April 2023, UCB received positive Committee for Medicinal Products for Human Use (CHMP) opinions for bimekizumab for the treatment of adults with psoriatic arthritis and axial spondyloarthritis from the European Medicines Agency.

Also in June 2023, fenfluramine for the treatment of patients with Lennox-Gastaut syndrome (LGS) was filed with the Japanese regulatory authority, after orphan drug designation was granted in May 2023.

Also in June 2023, the FDA granted marketing authorization for RYSTIGGO® (rozanolixizumab-noli) for the treatment of gMG. Rozanolixizumab is a subcutaneous (SC) monoclonal antibody targeting the neonatal Fc receptor (FcRn) for the treatment of adults with generalized myasthenia gravis (gMG) who are anti-acetylcholine receptor (AChR) or anti-muscle-specific tyrosine kinase (MuSK) antibody positive.

Also in June 2023, E Keppra® was approved in Japan for the treatment of partial-onset epileptic seizures in young patients (1m-<4years of age).

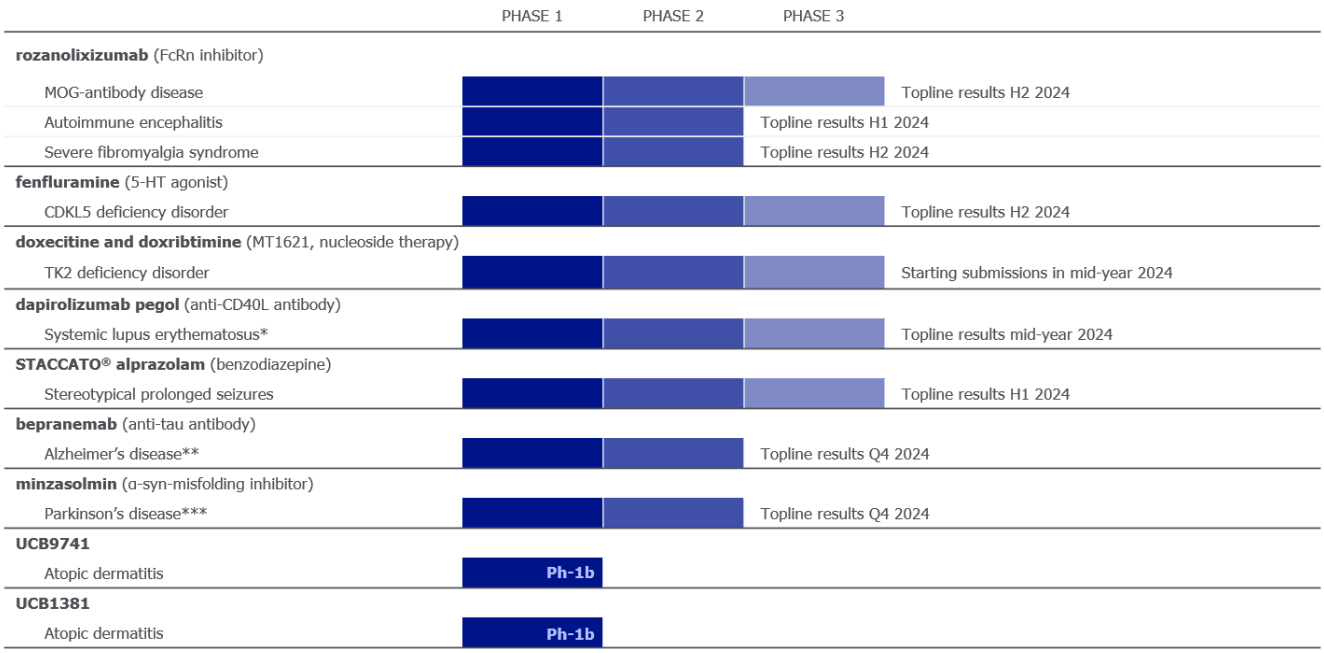
In July 2023, the EMA has accepted for review the marketing authorization application of bimekizumab for the treatment of adults with moderate to severe hidradenitis suppurativa (HS).

The regulatory review for bimekizumab in the U.S. is still ongoing with an expected action by the U.S. authority now in Q3 2023.

Pipeline progress

In March 2023, UCB published results from two Phase 3 studies, BE HEARD I and BE HEARD II, evaluating the efficacy and safety of **bimekizumab** in adults with moderate to severe **hidradenitis suppurativa (HS)**. HS is a chronic, recurring, painful, and debilitating inflammatory skin disease. People with HS experience flare-ups of the disease as well as severe pain, which can have a major impact on quality of life. The two Phase 3 studies met their primary and key secondary endpoints with statistical significance and consistent clinical relevance. The positive results from these two studies form the basis of global regulatory license application submissions for bimekizumab in hidradenitis suppurativa which started in Q3 2023.

All other clinical development programs are continuing as planned.



*in partnership with Biogen; 1st phase 3 study; **in partnership with Roche / Genentech; ***in partnership with Novartis; 5-HT - 5-hydroxytryptamin or serotonin; α-syn – alpha-synuclein; CD40L – CD40 ligand; C5 – complement component 5; CDKL5 - cyclin-dependent kinase-like 5; H – half-year; IL – interleukin; FcRn - Neonatal fragment crystallizable receptor; MOG - myelin oligodendrocyte glycoprotein; Q – quarter; TK2d - thymidine kinase 2 deficiency. Assets not currently approved by any regulatory authority.

R&D collaborations

At UCB, we recognize that we cannot solve the world's healthcare challenges alone, but that truly significant advancements and breakthroughs will result from the adoption of new technologies as well as collaborating across disciplines at UCB, with academia, tech companies and industry peers. That is why we work hard to find great partners, because we know that the more we collaborate, the more we can innovate. In 2023 our new collaborations will see us:

- Work together with Veeva Systems, to set a new industry standard for patient-centric digital clinical trials.
- Partner with ClearPoint Neuro and utilize their unique portfolio of navigation and drug delivery tools for UCB's gene therapy portfolio.
- Leverage Ariceum's expertise in radiopharmaceuticals and labelling technology to help aid UCB's discovery of treatments for immune-related diseases.
- Collaborate with Aitia and apply Causal AI and "Digital Twins" to discover and validate novel drug targets and drug candidates for Huntington's disease.
- Combine Cancer Research UK's translational research and clinical development capabilities with UCB's renowned antibody discovery expertise to advance two oncology antibody candidates through clinical trials.

1.3. Net sales by product

Total net sales in the first six months of 2023 reached € 2 378 million, -12% compared to last year or -14% at constant exchange rates (CER). Net sales before "designated hedges reclassified to net sales" were down by -15% (-14% CER). This was driven by the continued growth of the UCB product portfolio, namely CIMZIA®, BRIVIACT®, BIMZELX®, FINTEPLA® and EVENITY® and was compensated as expected by generic erosion of VIMPAT® in the U.S. and the EU and of E KEPPRA® in Japan.

For the six months ended 30 June	Actual		Variance	
€ million	2023	2022	Actual rates	CER
Core products	**2 049**	**2 434**	**-16%**	**-15%**
Immunology	**1 093**	**1 014**	**8%**	**8%**
CIMZIA®	**1 017**	994	2%	2%
BIMZELX®	**52**	10	>100%	>100%
EVENITY®	**24**	9	>100%	>100%
Neurology	**957**	**1 420**	**-33%**	**-32%**
KEPPRA®	**336**	380	-12%	-9%
BRIVIACT®	**273**	225	21%	20%
VIMPAT®	**204**	744	-73%	-72%
FINTEPLA®	**102**	35	>100%	>100%
NAYZILAM®	**42**	36	17%	16%
Established brands	**310**	**327**	**-5%**	**-4%**
NEUPRO®	**146**	155	-6%	-6%
ZYRTEC®	**51**	50	1%	4%
XYZAL®	**33**	32	5%	6%
Other products	**80**	90	-11%	-8%
Net sales before hedging	**2 360**	**2 761**	**-15%**	**-14%**
Designated hedges reclassified to net sales	**18**	**- 56**	**>-100%**	
Total net sales	**2 378**	**2 705**	**-12%**	**-14%**

Core products

CIMZIA® (*certolizumab pegol*), for people living with inflammatory TNF mediated diseases, increased net sales to € 1 017 million (+2%; +2% CER) and showed stronger volume growth than the anti-TNF market based on differentiation and driven by continued growth, namely +7% volume growth in the U.S. and strong growth in international markets. In Japan order patterns by partner Astellas led to lower net sales in the first half of 2023, the underlying prescription trend, however, shows that also in Japan CIMZIA® is reaching more and more patients.

KEPPRA® (*levetiracetam*), available for patients living with epilepsy, reported lower net sales of € 336 million

(-12%; -9% CER). The generic erosion in Japan started early January 2022 and was stronger than expected due to multiple generics and governmental support for generic levetiracetam. The erosion continued during the first six months of 2023, however, at a slower pace than expected. The loss of exclusivity in the U.S. and Europe occurred more than 10 years ago. KEPPRA® is an important drug for the treatment of epilepsy, touching and having touched the lives of millions of people living with epilepsy.

BRIVIACT® (*brivaracetam*), available for people living with epilepsy, reached net sales of € 273 million, a plus of 21% (+20% CER). This is driven by continued, significant growth in all regions in which BRIVIACT® is available to patients. BRIVIACT® has a different mode of action from VIMPAT® and differentiates from KEPPRA®.

VIMPAT® (*lacosamide*), for people living with epilepsy, net sales went down to € 204 million (-73%; -72% CER). The expected generic erosion in the U.S. and the EU since March and September 2022, respectively, negatively impacted the overall net sales. Net sales in Japan went up double-digit and the international markets showed good, continued growth.

FINTEPLA® (*fenfluramine*) for the treatment of seizures associated with rare epileptic syndromes (Dravet syndrome and Lennox-Gastaut syndrome) reached net sales of € 102 million in the first six months of 2023. FINTEPLA® was added by acquisition to the UCB portfolio in March 2022 and reported net sales of € 36 million from March to June 2022.

BIMZELX® (*bimekizumab*), for people living with psoriasis in Europe, Japan, Australia, Canada and other international markets, net sales were € 52 million after € 10 million in the first half of 2022. For the U.S., UCB is expecting action from the regulatory authority in Q3 2023.

NAYZILAM® (*midazolam*) Nasal Spray^{CIV}, the nasal rescue treatment for epilepsy seizure clusters reached net sales of € 42 million in the U.S., a plus of 17% (+16% CER).

EVENITY® (*romosozumab*) for the treatment of severe osteoporosis in postmenopausal women at high risk of fracture reported net sales of € 24 million after € 9 million. EVENITY® is being brought to people living with osteoporosis globally by Amgen, Astellas and UCB, with net sales outside Europe reported by the partners.

ESTABLISHED BRANDS

NEUPRO® (*rotigotine*), the patch for Parkinson's disease and restless legs syndrome, recorded net sales of € 146 million (-6%; -6% CER), with increasing net sales in the U.S. and declining net sales in Europe. In Japan, reduced shipments to UCB's partner in the first six months of 2023 compared to the same period last year caused a decline, the prescription trend in the market is in-line with expectations.

An important part of the established brands portfolio are UCB's allergy products **ZYRTEC®** (*cetirizine*, including ZYRTEC®-D/Cirrus®) and **XYZAL®** (*levocetirizine*) – which reached total net sales of € 84 million (+2%; +5% CER).

Designated and unallocated hedges reclassified to net sales were positive with € 18 million (negative with € 56 million in first half 2022) reflecting UCB's realized transactional hedging activities recognized in the "net sales" line according to IFRS.

These are mainly related to the U.S. Dollar, the Japanese Yen, the British Pound and the Swiss Franc.

Therapeutic Breakdown	Product	€ million	% in total
Immunology	CIMZIA®	1 017	43%
	BIMZELX®	52	2%
	EVENITY®	24	1%
Epilepsy	KEPPRA®	336	14%
	BRIVIACT®	273	12%
	VIMPAT®	204	9%
	FINTEPLA®	102	4%
	NAYZILAM®	42	2%
Established Brands		310	13%
Net sales excluding hedging		2 360	100%

1.4. Net sales by geographical area

U.S. net sales went down to € 1 179 million (-23%; -23% CER). The expected net sales decline of VIMPAT® due to loss of exclusivity in March 2022 dominated this evolution. Net sales growth for CIMZIA®, double-digit growth for BRIVIACT® and the successful addition of FINTEPLA® underline the plain positive growth trend in the U.S.

Net sales in Europe went down to € 688 million (-6%; -6% CER), positive CIMZIA® net sales complemented the strong growth of BRIVIACT®, FINTEPLA®, EVENITY® and BIMZELX®. VIMPAT® showed a faster than expected generic erosion after loss of exclusivity in Europe in September 2022. In the established brands portfolio, UCB sold non-core products in January 2023, adjusted net sales were at -4%.

Net sales in Japan were € 129 million after € 171 million in 2022, showing a decline by -25% (-18% CER) driven by E KEPPRA® exposed to generic competition since January 2022. CIMZIA® and NEUPRO® net sales reflect the intercompany sales with UCB's respective partner and went down due to their order patterns. VIMPAT® net sales showed continued double-digit growth. BIMZELX® is being successfully launched in Japan.
In June 2022, net sales in Japan have been reported as part of "international markets" – the net sales of international markets have been adjusted accordingly.

International markets net sales went up to € 364 million (9%; 13% CER). CIMZIA® is the biggest product in these markets and showed nice double-digit growth. BIMZELX® is being successfully launched in several markets.

Net sales in the largest market in this region, **China**, went down by -14% (-9% CER) to € 78 million.

Designated and unallocated hedges reclassified to net sales were positive with € 18 million (negative with € 56 million in the first half 2022) reflecting UCB's realized transactional hedging activities recognized in the "net sales" line according to IFRS.

These are mainly related to the U.S. Dollar, the Japanese Yen, the British Pound and the Swiss Franc.

Geographical area	€ million	% in Total
Japan	129	5%
International markets	364	15%
Europe	688	29%
U.S.	1 179	50%
Net sales excluding hedging	2 360	100%

For the six months ended 30 June	Actual		Variance actual rates		Variance CER	
€ million	2023	2022	€ million	%	€ million	%
Net sales - U.S.	**1 179**	**1 523**	**- 344**	**-23%**	**- 357**	**-23%**
CIMZIA®	655	644	12	2%	5	1%
BRIVIACT®	211	174	37	21%	35	20%
FINTEPLA®	92	33	59	>100%	58	>100%
KEPPRA®	75	71	4	6%	3	5%
VIMPAT®	53	520	- 467	-90%	- 468	-90%
NAYZILAM®	42	36	6	17%	6	16%
Established brands	51	46	5	10%	4	9%
Net sales - Europe	**688**	**732**	**- 44**	**-6%**	**- 42**	**-6%**
CIMZIA®	210	209	1	0%	2	1%
KEPPRA®	101	105	- 4	-4%	- 4	-4%
VIMPAT®	73	155	- 83	-53%	- 82	-53%
BRIVIACT®	53	43	10	23%	10	23%
BIMZELX®	43	9	34	>100%	34	>100%
EVENITY®	24	9	15	>100%	15	>100%
FINTEPLA®	8	3	6	>100%	6	>100%
Established brands	176	199	- 22	-11%	- 21	-11%
Net sales - Japan	**129**	**171**	**- 42**	**-25%**	**- 31**	**-18%**
KEPPRA®	51	86	- 35	-41%	- 31	-36%
VIMPAT®	40	32	9	27%	12	38%
CIMZIA®	15	23	- 8	-36%	- 7	-31%
BIMZELX®	6	1	5	>100%	5	>100%
Established brands	17	29	- 12	-42%	- 10	-36%
Net sales - International markets	**364**	**335**	**29**	**9%**	**44**	**13%**
CIMZIA®	137	118	18	16%	22	19%
KEPPRA®	109	118	- 9	-8%	- 3	-2%
VIMPAT®	38	36	2	5%	3	9%
BRIVIACT®	10	8	1	17%	2	19%
BIMZELX®	4	0	3	N/A	4	N/A
FINTEPLA®	2	0	1	N/A	1	N/A
Established brands	65	54	12	22%	15	28%
Net sales before hedging	**2 360**	**2 761**	**- 401**	**-15%**	**- 386**	**-14%**
Designated hedges reclassified to net sales	18	- 56	75	>-100%		
Total net sales	**2 378**	**2 705**	**- 327**	**-12%**	**- 386**	**-14%**

1.5. Royalty income and fees

For the six months ended 30 June	Actual		Variance	
€ million	2023	2022	Actual rates	CER
Biotechnology IP	29	28	3%	2%
Other	13	17	-22%	-23%
Royalty income and fees	**42**	**45**	**-7%**	**-8%**

In the first six months 2023, **royalty income and fees** were € 42 million after € 45 million.

The **biotechnology IP** income benefited from royalties on marketed products using UCB's antibody intellectual property.

Other royalties include the allergy product and the franchise royalties paid by Pfizer for the overactive bladder treatment TOVIAZ® (*fesoterodine*) – reflecting generic competition.

1.6. Other revenue

For the six months ended 30 June	Actual		Variance	
€ million	2023	2022	Actual rates	CER
Contract manufacturing sales	60	61	-1%	-1%
Other	109	114	-5%	-5%
Other revenue	**169**	**175**	**-3%**	**-3%**

Other revenue went down to € 169 million from € 175 million.

Contract manufacturing sales declined by -1% (-1% CER) to € 60 million, due to continued lower demand for contract manufacturing.

"Other" revenue reached € 109 million compared to € 114 million during first six months of 2022 and includes partnership activities in Japan (FINTEPLA®, CIMZIA® and a one-time milestone payment of € 70 million for VIMPAT®) and continued payments from R&D and licensing partners: from Biogen for *dapirolizumab pegol* in lupus (SLE), Roche for *bepranemab* in Alzheimer's disease, Novartis on the development of *minzasolmin* in Parkinson's disease. The 2022 half-year other revenue included a one time of € 70 million from sale of IP rights (olokizumab).

1.7. Gross profit

For the six months ended 30 June	Actual		Variance	
€ million	2023	2022	Actual rates	CER
Revenue	**2 589**	**2 925**	**-11%**	**-13%**
Net sales	2 378	2 705	-12%	-14%
Royalty income and fees	42	45	-7%	-8%
Other revenue	169	175	-3%	-3%
Cost of sales	**- 802**	**- 845**	**-5%**	**-5%**
Cost of sales products and services	- 536	- 536	0%	0%
Royalty expenses	- 49	- 139	-64%	-65%
Adjusted Gross Profit	**2 004**	**2 250**	**-11%**	**-13%**
Amortization of intangible assets linked to sales	- 216	- 170	27%	27%
Gross Profit	**1 787**	**2 080**	**-14%**	**-16%**

In the first six months 2023, the **adjusted gross profit** (before amortization of intangible assets linked to sales) was € 2 004 million or -11% (-13% CER) – in-line with the topline performance. The adjusted gross margin was stable at 77%.

The **gross profit** after amortization of intangible assets linked to sales reached € 1 787 million - a minus of 14% (-16% CER). The corresponding gross margin was 69% after 71% - impacted by the addition of FINTEPLA® amortization.

Cost of sales have three components: the cost of sales for products and services, royalty expenses, and the amortization of intangible assets linked to sales.

The **cost of sales for products and services** was stable at € 536 million.

Royalty expenses went down to € 49 million after € 139 million due to patent expiration, namely VIMPAT® in U.S. and EU, driving lower royalty expenses.

Amortization of intangible assets linked to sales: Under IFRS 3, UCB has reflected on its statement of financial position a significant amount of intangible assets relating to the Celltech, Schwarz Pharma and the 2022 Zogenix acquisition (in-process research and development, manufacturing know-how, royalty streams, trade names, etc.). The amortization expenses of the intangible assets for which products have already been launched were € 216 million, after € 170 million. This includes the addition of FINTEPLA®.

1.8. Adjusted EBIT and adjusted EBITDA

For the six months ended 30 June	Actual		Variance	
€ million	2023	2022	Actual rates	CER
Revenue	**2 589**	**2 925**	**-11%**	**-13%**
Net sales	2 378	2 705	-12%	-14%
Royalty income and fees	42	45	-7%	-8%
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Research and development expenses	- 759	- 798	-5%	-4%
General and administrative expenses	- 104	- 115	-9%	-9%
Other operating income/expenses (-)	315	114	>100%	>100%
Total operating expenses	**-1 302**	**-1 529**	**-15%**	**-14%**
Adjusted EBIT	**486**	**551**	**-12%**	**-21%**
Add: Amortization of intangible assets	238	192	24%	24%
Add: Depreciation charges	77	71	8%	8%
Adjusted EBITDA	**801**	**814**	**-2%**	**-9%**

Operating expenses, encompassing marketing and selling expenses, research and development expenses, general and administrative expenses and other operating income/expenses, declined with 15% to € 1 302 million. This reflects slightly higher marketing and selling expenses, lower research and development expenses, lower general and administrative expenses and significantly higher other operating income. Total operating expenses in relation to revenue (operating expense ratio) improved to 50%, after 52% in the first six months of 2022 and consisted of:

3% higher **marketing and selling expenses** of € 753 million, reflecting focused resource allocation and investments behind the launches and pre-launch activities: Global FINTEPLA® launch activities, global BIMZELX® launch activities as well as preparation for the U.S. launch of BIMZELX®, and global launch preparations for RYSTIGGO® (*rozanolixizumab)* and *zilucoplan* in generalized myasthenia gravis.

-5% lower **research and development expenses** of € 759 million reflecting the continued investments in UCB's progressing late-stage pipeline encompassing five phase 3 projects, four phase 2 projects and two projects in phase 1b as well as ongoing earlier stage research activities. The R&D ratio went to 29% in the first six months of 2023 due to the lower topline (after 27% in the first six months 2022).

-9% lower **general and administrative expenses** of € 104 million, thanks to improved value-focused allocation of resources and ceasing integration costs for Zogenix as planned.

Other operating income went up to € 315 million, driven by the € 156 million net contribution from Amgen in connection with the commercialization of EVENITY® (after € 108 million) and by other operating income from the sale of a portfolio of established brands in Europe (€ 145 million).

Lower revenue due to generic erosion to VIMPAT® and lower operating expenses led to **adjusted EBIT (Earnings Before Interest and Taxes)** of € 486 million, down by 12% (-21% CER), compared to € 551 million for the first six months of 2022.

Total **amortization of intangible assets** (product related and other) amounted to € 238 million, +24%, due to the acquisition of Zogenix.

Depreciation charges reached € 77 million.

Adjusted EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization charges) reached € 801 million after € 814 million (-2%; -9% CER), reflecting lower revenue and lower operating expenses. The adjusted EBITDA ratio for the first six months of 2023 (in % of revenue) reached 31%, compared to the first six months 2022 with 28%.

1.9. Net profit

Total other income/expenses (-) amounted to € 6 million pre-tax expenses in the first six months of 2023. In the first six months of 2022, the pre-tax expenses were € 61 million and included mainly fees related to the acquisition of Zogenix and restructuring expenses.

For the six months ended 30 June	Actual		Variance	
€ million	2023	2022	Actual rates	CER
Adjusted EBIT	**486**	**551**	**-12%**	**-21%**
Impairment charges	0	0	N/A	N/A
Restructuring expenses	-3	-9	-66%	-67%
Gain/loss (-) on disposals	0	0	N/A	N/A
Other income/expenses (-)	-3	-52	-95%	-95%
Total impairment, restructuring and other income/expenses (-)	**-6**	**-61**	**-91%**	**-91%**
EBIT (operating profit)	**480**	**490**	**-2%**	**-13%**
Net financial expenses (-)	-79	-9	>100%	>100%
Profit before income taxes	**401**	**481**	**-17%**	**-27%**
Income tax expenses	-90	-82	10%	8%
Profit from continuing operations	**311**	**399**	**-22%**	**-33%**
Profit/loss (-) from discontinued operations	0	0	N/A	N/A
Profit	**311**	**399**	**-22%**	**-33%**
Attributable to UCB shareholders	311	399	-22%	-33%
Profit attributable to UCB shareholders	**311**	**399**	**-22%**	**-33%**

Net financial expenses went up to € 79 million from € 9 million, stemming from higher net debt after the acquisition of Zogenix in March 2022, higher interest rates, as well as positive currency results in 2022, not reoccurring in 2023 (€ -9 million expenses in June 2023 compared to € 25 million income in June 2022).

Income tax expense were € 90 million compared to € 82 million in June 2022. The average effective tax rate was 22% compared to 17% in June 2022. The tax rate is impacted by the continued and sustainable use of R&D incentives, additional recognition of deferred tax assets on losses and investments in the second half of the year.

Profit from discontinued operations was € 0 million.

The **profit of the Group** amounted to € 311 million after € 399 million (-22%, -33% CER), driven by lower revenue, lower operating expenses, lower other expenses, higher financial expenses and higher taxes. The full amount is attributable to UCB shareholders.

1.10. Core EPS

For the six months ended 30 June	Actual		Variance	
€ million	2023	2022	Actual rates	CER
Profit	**311**	**399**	**-22%**	**-33%**
Attributable to UCB shareholders	311	399	-22%	-33%
Profit attributable to UCB shareholders	**311**	**399**	**-22%**	**-33%**
Total impairment, restructuring and other income (-) /expenses	6	61	-91%	-91%
Income tax on impairment, restructuring and other expenses (-)/ credit	- 2	- 7	-70%	-70%
Profit (-)/loss from discontinued operations	0	0	N/A	N/A
Amortization of intangibles linked to sales	216	170	27%	27%
Income tax on amortization of intangibles linked to sales	- 33	- 25	30%	29%
Core profit attributable to UCB shareholders	**498**	**597**	**-17%**	**-27%**
Weighted average number of shares (million)	189	190	0%	
Core EPS attributable to UCB shareholders (€)	**2.63**	**3.15**	**-16%**	**-27%**

The profit attributable to UCB shareholders, adjusted for the after-tax impact of other items, the after-tax contribution from discontinued operations and the net amortization of intangibles linked to sales, amounted to a **core profit attributable to the UCB shareholders** of € 498 million (-17%; -27% CER). In the first six months of 2023, mainly amortization of intangible assets linked to sales driven by the acquisition of Zogenix and significantly less other expenses than in 2022 needed to be adjusted. This is leading to **core earnings per share** (Core EPS) of € 2.63, compared to € 3.15 in the first six months of 2022 per non-dilutive weighted average number of shares of 189 million after 190 million shares in the first six months 2022.

1.11. Statement of financial position

The **intangible assets** decreased by € 280 million from € 4 816 million on 31 December 2022 to € 4 536 million on 30 June 2023 mainly due to ongoing amortization of intangible assets (€ 238 million) and the impact from translation of foreign currencies.

Goodwill at € 5 296 million, down € - 44 million mainly related to currency rate changes.

Other non-current assets increased by € 141 million, driven by:

- an increase in deferred tax assets of € 51 million due to higher R&D tax credits and additional recognition of tax losses, which is compensated by a decrease of the DTA on inventory positions;
- an increase in property, plant and equipment of € 85 million due to new acquisitions including right-of-use assets (€ 171 million), mainly related to the biological production site in Belgium and new campus site in the UK, revamping of office environment and acquisition of laboratory and other equipment, offset with the ongoing depreciation of the property, plant and equipment (€ -77 million);
- an increase in financial and other assets of € 5 million mainly driven by higher outstanding derivatives.

The **current assets** decreased from € 3 304 million as of 31 December 2022 to € 3 001 million as of 30 June 2023 and mainly relate to lower cash, lower outstanding derivatives partially offset with higher receivables due to sales patterns.

UCB's shareholders' equity is at € 9 042 million, a decrease of € 22 million between 31 December 2022 and 30 June 2023. The important changes stem from the net profit (€ 311 million) offset by dividend payments (€ - 252 million), the U.S. dollar, Japanese yen and British pound currency translation (€ - 69 million) and the acquisition of own shares (€ - 57 million).

The **non-current liabilities** amount to € 3 692 million and remained stable compared to 31 December 2022.

The **current liabilities** amount to € 2 648 million, down € 464 million. This decrease is mainly due to the decrease in trade and other liabilities due to lower trade payables and the payment of Conditional Value Rights to the former shareholders and bondholders of Zogenix, Inc. (see Note 3.11 Business combinations).

The **net debt** at € 2 439 million, compared to € 2 000 million as of end December 2022, is mainly the result of the lower cash. The net debt to adjusted EBITDA ratio is 2.0x as per 30 June 2023.

1.12. Cash flow statement

The evolution of cash flow generated by biopharmaceuticals activities is affected by the following:

- **Cash flow from operating activities** amounted to € 249 million, compared to € 393 million end of June 2022 and stemming from underlying net profitability, offset with higher working capital mainly due to a decrease in trade and other payables.
- **Cash flow from investing activities** showed an outflow of € 273 million, compared to an outflow of € 1 374 million in June 2022 and includes mainly the acquisition of intangible assets, property, plant and equipment as well as the payment of the Contingent Value Rights to the former shareholders of Zogenix, Inc (see Note 3.11 Business combinations). In June 2022 the cash flow from investing activities stemmed mainly from the acquisition of Zogenix.
- **Cash flow from financing activities** has an outflow of € 367 million, which includes the dividend paid to UCB shareholders (€ -252 million) and the interests paid (€ -101 million).

1.13. Financial Guidance 2023 confirmed

The first half of 2023 is marked by a solid positive performance of the existing product portfolio plus several ongoing launches, the loss of exclusivity and generic erosion of VIMPAT®, and the delay of *bimekizumab* in the U.S.

For 2023, UCB is aiming for **revenues in the range of € 5.15 - 5.35 billion**. UCB continues to invest in research and development to advance its late-stage development pipeline, invest in ongoing launches and prepare for upcoming launches to offer potential new solutions for patients. At the same time, UCB will continue to be cost disciplined and to divest non-core assets. Zogenix is becoming earnings accretive in 2023. Underlying profitability, **adjusted EBITDA, is expected in the range of 22.5 - 23.5% of revenue**, also reflecting the continued research and development and marketing & selling investment levels. Core earnings per share are therefore expected in the range of € 3.40 - 3.80 per share – based on an average of 190 million shares outstanding.

The figures for the financial guidance 2023 as mentioned above are calculated on the same basis as the actual figures for 2022.

2. Condensed Consolidated financial statements

2.1. Condensed Consolidated income statement

For the six months ended 30 June € million	Note	2023 Reviewed	2022 Reviewed
Continuing operations			
Net Sales	8	2 378	2 705
Royalty income and fees		42	45
Other revenue		169	175
Revenue	10	**2 589**	**2 925**
Cost of sales		- 802	- 845
Gross profit		**1 787**	**2 080**
Marketing and selling expenses		- 753	- 730
Research and development expenses		- 759	- 798
General and administrative expenses		- 104	- 115
Other operating income/expenses (-)	13	315	114
Operating profit before impairment, restructuring and other income and expenses		**486**	**551**
Impairment of non-financial assets	14	0	0
Restructuring expenses	15	- 3	- 9
Other income/expenses (-)	16	- 3	- 52
Operating profit		**480**	**490**
Financial income	17	16	39
Financial expenses	17	- 95	- 48
Net financial expenses (-)	17	- 79	- 9
Profit before income taxes		**401**	**481**
Income tax expense	18	- 90	- 82
Profit from continuing operations		**311**	**399**
Discontinued operations			
Profit/loss (-) from discontinued operations	12	**0**	**0**
Profit		**311**	**399**
Attributable to:			
Equity holders of UCB SA		311	399
Non-controlling interests		0	0
Basic earnings per share (€)[1]			
from continuing operations		1.64	2.10
from discontinued operations		0.00	0.00
Total basic earnings per share		**1.64**	**2.10**
Diluted earnings per share (€)[2]			
from continuing operations		1.60	2.05
from discontinued operations		0.00	0.00
Total diluted earnings per share		**1.60**	**2.05**

[1] The weighted average number of shares in issue during the interim period, for the purposes of the basic earnings per share calculation, is 189 255 095 (2022: 189 800 756).

[2] The weighted average number of shares during the interim period, for the purposes of the diluted earnings per share calculation, is 194 745 492 (2022: 194 962 411).

2.2. Condensed Consolidated statement of comprehensive income

For the six months ended 30 June

€ million	2023 Reviewed	2022 Reviewed
Profit for the period	**311**	**399**
Other comprehensive income		
Items to be reclassified to profit or loss in subsequent periods:		
- Net gain/loss (-) on financial assets at FVOCI	- 6	21
- Exchange differences on translation of foreign operations	- 69	383
- Effective portion of gains/losses (-) on cash flow hedges	34	- 36
- Income tax relating to the components of other comprehensive Income to be reclassified to profit or loss in subsequent periods	- 9	17
Items not to be reclassified to profit or loss in subsequent periods:		
- Remeasurement of defined benefit obligation	- 20	- 29
- Income tax relating to the components of other comprehensive Income not to be reclassified to profit or loss in subsequent periods	3	4
Other comprehensive income/loss (-) for the period, net of tax	**- 68**	**360**
Total comprehensive income for the period, net of tax	**244**	**759**
Attributable to:		
Equity holders of UCB SA	244	759
Non-controlling interests	0	0
Total comprehensive income for the period, net of tax	**244**	**759**

2.3. Condensed Consolidated statement of financial position

€ million	Note	30 June 2023 Reviewed	31 Dec. 2022 Audited
Assets			
Non-current assets			
Intangible assets	19	4 536	4 816
Goodwill	20	5 296	5 340
Property, plant and equipment	21	1 519	1 434
Deferred income tax assets		807	756
Financial and other assets (including derivative financial instruments)	22	223	218
Total non-current assets		**12 381**	**12 564**
Current assets			
Inventories	23	912	907
Trade and other receivables		1 189	1 051
Income tax receivables		112	78
Financial and other assets (including derivative financial instruments)	22	293	369
Cash and cash equivalents		457	899
Assets of disposal group classified as held for sale		38	0
Total current assets		**3 001**	**3 304**
Total assets		**15 382**	**15 868**
Equity and liabilities			
Equity			
Capital and reserves attributable to UCB shareholders	24	9 042	9 064
Non-controlling interests		0	0
Total equity		**9 042**	**9 064**
Non-current liabilities			
Borrowings	25	2 065	2 089
Bonds	26	556	549
Other financial liabilities (including derivative financial instruments)	27	92	99
Deferred income tax liabilities		355	377
Employee benefits		198	162
Provisions	28	187	171
Trade and other liabilities		110	119
Income tax payables		129	126
Total non-current liabilities		**3 692**	**3 692**
Current liabilities			
Borrowings	25	44	88
Bonds	26	231	174
Other financial liabilities (including derivative financial instruments)	27	42	117
Provisions	28	160	191
Trade and other liabilities		2 054	2 492
Income tax payables		117	50
Liabilities of disposal group classified as held for sale		0	0
Total current liabilities		**2 648**	**3 112**
Total liabilities		**6 340**	**6 804**
Total equity and liabilities		**15 382**	**15 868**

2.4. Condensed Consolidated statement of cash flows

For the six months ended 30 June
€ million

	Note	2023 Reviewed	2022 Reviewed
Profit for the year attributable to UCB shareholders		**311**	**399**
Adjustment for non-cash transactions	29	243	363
Adjustment for items to disclose separately under operating cash flow	29	89	82
Adjustment for items to disclose under investing and financing cash flows	29	53	19
Change in working capital	29	- 407	- 299
Working capital relating to acquisitions		- 20	- 63
Interest received		52	7
Cash flow generated from operations		**321**	**509**
Tax paid during the period		- 72	- 116
Net cash flow used in (-)/generated by operating activities:			
From continuing operations		249	393
From discontinued operations		0	0
Net cash flow generated by operating activities		**249**	**393**
Acquisition of property, plant and equipment	21	- 125	- 124
Acquisition of intangible assets	19	- 33	- 50
Acquisition of subsidiaries, net of cash acquired		- 113	-1 212
Acquisition of other investments		- 4	- 7
Sub-total acquisitions		**- 275**	**-1 393**
Proceeds from sale of property, plant and equipment		0	0
Proceeds from sale of other activities, net of cash disposed		0	0
Proceeds from sale of other investments		2	18
Sub-total disposals		**2**	**18**
Net cash flow used in (-)/generated by investing activities:		**- 273**	**-1 374**
From continuing operations		- 273	-1 374
From discontinued operations		0	0
Net cash flow used in (-)/generated by investing activities:		**- 273**	**-1 374**
Repayment of bonds (-)	26	56	- 261
Proceeds from borrowings	25	90	771
Repayments of borrowings (-)	25	- 98	0
Payment of lease liabilities	25	- 22	- 22
Acquisition (-) of treasury shares		- 40	0
Dividend paid to UCB shareholders, net of dividend paid on own shares	32	- 252	- 247
Interest paid		- 101	- 25
Net cash flow used in (-)/generated by financing activities:			
From continuing operations		- 367	216
From discontinued operations		0	0
Net cash flow used in (-)/generated by financing activities		**- 367**	**216**
Net increase/decrease (-) in cash and cash equivalents		**- 391**	**- 765**
From continuing operations		- 391	- 765
From discontinued operations		0	0
Net cash and cash equivalents at the beginning of the period		**859**	**1 244**
Effect of exchange rate fluctuations		- 12	- 8
Net cash and cash equivalents at the end of the period		**456**	**471**

2.5. Condensed Consolidated statement of changes in equity

2023	Attributed to equity holders of UCB SA									
€ million	Share capital and share premium	Treasury shares	Retained earnings	Other reserves	Cumulative translation adjustments	Financial assets at FVOCI	Cash flow hedges	Total	Non-controlling interests	Total stockholders' equity
Balance at January 1, 2023	**2 614**	**- 363**	**6 445**	**76**	**180**	**63**	**49**	**9 064**	**- 0**	**9 064**
Profit for the period	-	-	311	-	-	-	-	311	-	311
Other comprehensive income/loss (-)	-	-	-	- 17	- 69	- 6	25	- 68	-	- 68
Total comprehensive income	**-**	**-**	**311**	**- 17**	**- 69**	**- 6**	**25**	**244**	**-**	**244**
Dividends (Note 3.32)	-	-	- 252	-	-	-	-	- 252	-	- 252
Share-based payments	-	-	44	-	-	-	-	44	-	44
Transfer between reserves	-	62	- 62	-	-	-	-	-	-	-
Treasury shares (Note 3.24)	-	- 57	-	-	-	-	-	- 57	-	- 57
Balance at June 30, 2023	**2 614**	**- 358**	**6 486**	**59**	**111**	**57**	**74**	**9 042**	**- 0**	**9 042**

2022	Attributed to equity holders of UCB SA									
€ million	Share capital and share premium	Treasury shares	Retained earnings	Other reserves	Cumulative translation adjustments	Financial assets at FVOCI	Cash flow hedges	Total	Non-controlling interests	Total stockholders' equity
Balance at January 1, 2022	**2 614**	**- 395**	**6 294**	**- 56**	**- 92**	**59**	**- 38**	**8 386**	**- 0**	**8 386**
Profit for the period	-	-	399	-	-	-	-	399	- 0	399
Other comprehensive income/loss (-)	-	-	-	- 25	383	24	- 22	360	-	360
Total comprehensive income	**-**	**-**	**399**	**- 25**	**383**	**24**	**- 22**	**759**	**- 0**	**759**
Dividends (Note 3.32)	-	-	- 247	-	-	-	-	- 247	-	- 247
Share-based payments	-	-	42	-	-	-	-	42	-	42
Transfer between reserves	-	86	- 86	-	-	-	-	-	-	-
Treasury shares (Note 3.24)	-	- 23	-	-	-	-	-	- 23	-	- 23
Transfer between OCI and reserves	-	-	-	-	-	-	-	-	-	-
Movement on NCI	-	-	-	-	-	-	-	-	-	-
Balance at June 30, 2022	**2 614**	**- 332**	**6 402**	**- 81**	**291**	**83**	**- 60**	**8 917**	**- 0**	**8 917**

3. Notes

3.1. General information

UCB SA/NV (UCB or the Company) and its subsidiaries (together the Group) is a global biopharmaceutical company focused on severe diseases in two main therapeutic areas namely Neurology and Immunology.

This condensed consolidated interim financial information of the Company as at and for the six months ended 30 June 2023 (hereafter the “interim period”) comprises the Company and its subsidiaries. Within the Group, UCB Pharma SA, UCB Biopharma SRL, UCB S.R.O and UCB Inc., all wholly owned subsidiaries, have branches. UCB Pharma SA and UCB Biopharma SRL have branches in the U.K, UCB S.R.O. and UCB Inc. have branches respectively in Slovakia and Puerto Rico. These branches are integrated into their accounts.

UCB SA/NV, the parent company, is a limited liability company incorporated and domiciled in Belgium. The registered office is at 60, Allée de la Recherche, B-1070 Brussels, Belgium. UCB SA is listed on the Euronext Brussels Stock Exchange. The Board of Directors approved this condensed consolidated interim financial information for issue on 27 July 2023. This condensed consolidated interim financial information has been reviewed, not audited.

The consolidated financial statements of the Group as at and for the year ended 31 December 2022 are available on the UCB website.

3.2. Basis of preparation

This condensed consolidated interim financial information has been prepared in accordance with International Accounting Standard (IAS) 34, “Interim Financial Reporting” as adopted by the European Union.

This condensed consolidated interim financial information does not include all the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2022, which have been prepared in accordance with IFRSs.

This condensed consolidated interim financial information is presented in Euro (€) and all values are rounded to the nearest million except where otherwise indicated.

3.3. Implications of Russia’s invasion of Ukraine on the financial position, performance and cash flows of UCB

UCB is guided by its purpose of creating value for patients, now and into the future and its focus on contributing to a more inclusive and sustainable world. That’s why UCB is driven to limit the impact of this war on its employees, patients, and their respective communities.

A provision for an amount of € 7 million for donations to Ukraine was set up in the consolidated financial statements as per December 31, 2022. UCB started to work with NGOs for Ukraine and as per June 30, 2023, € 2 million has already been donated.

There is no material direct or indirect impact of Russia’s invasion of Ukraine and the sanctions imposed on the strategic orientation and targets, operations, financial performance, financial position and cash-flows of UCB group.

Revenues of UCB group have not been materially impacted. There have not been any major disruptions in the Group supply chains and/or uncertainties regarding production.

No additional principal risks or uncertainties have been identified at group level as a result of Russia’s invasion of Ukraine and related events.

No significant risk of material adjustment to the carrying amounts of assets and liabilities of UCB group has arisen.

There are no material judgements made or significant uncertainties relating to UCB’s condensed consolidated financial statements as per June 30, 2023 as a consequence of the situation in Ukraine and there is no going concern risk for UCB Group.

There is no significant increase in credit risk due to the effect of invasion-induced events and there is no material impact on the measurement of expected credit losses (ECL) taking into account forward-looking information. The sales are still covered by a credit insurance, and there are at this moment no concerns to collect the cash, however the cash levels are limited to a minimum at the Russian subsidiaries.

There is no significant amount of cash and cash equivalents balances that is not available for use by the Group. There is no significant exposure to liquidity and currency risk and no material impact on the related sensitivities with respect to UCB's investments affected by Russia's invasion of Ukraine. There is no impact on UCB's hedge accounting relationships.

The invasion has not had any major impact on the liquidity position of UCB group. The liquidity risk management strategy is still adequate and appropriate and has not changed.

UCB group has assessed that nor the direct nor the indirect effects of Russia's invasion of Ukraine constitute an indication that one or more assets in the scope of IAS 36 may be impaired.

Disclosures relating to the sensitivity analyses as published in the annual consolidated financial statements for the year ended 31 December 2022 don't require a material update due to the invasion of Russia in Ukraine and related events.

Russia's invasion of Ukraine and related events have impacted the interest rates and inflation trends. Consequently, the discount rate used to determine the recoverable amount has been updated to reflect these developments but has not led to significant changes compared to the last tests performed.

As a result of the invasion or the sanctions imposed, there are no changes in facts and circumstances that may significantly limit UCB's ability to exercise its rights or governance provisions with respect to its Russian or Ukrainian subsidiary.

Currently, the expected future direct and/or indirect impacts of Russia's invasion of Ukraine and the sanctions imposed on UCB's financial performance, financial position and cash-flows and related risks are assessed as not material but UCB will continuously monitor for potential impacts.

UCB has not applied for and does not consider to apply for public support measures. UCB does not intend to materially change its risk hedging strategy to address any direct or indirect impacts of Russia's invasion of Ukraine.

3.4. Impact of macroeconomic situation on the financial position, performance and cash-flows of UCB.

During 2023 there was a rapid raise in interest rates and further rise in inflation. UCB, like many other companies, is experiencing the effect of rising inflation and interest rates which touch many aspects of UCB's business including increasing costs such as raw materials and wages. Strong cost discipline enabled UCB to mitigate these effects in 2023. Because of higher interest rates, the cost of debt has increased in 2023. The macroeconomic situation has not had any major impact on negotiations of contract terms or investment or financing decisions. High inflation and interest rates affect fair value measurements, expected future cash flow estimates, discount rates used to determine present value of cash flows and impairment testing. An update of the impairment testing did not result in the recognition of impairment losses. Valuation of assets and liabilities as per June 30, 2023 has not been materially impacted by the macroeconomic situation.

3.5. Accounting policies

The accounting policies adopted in the preparation of this condensed consolidated interim financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2022.

UCB has a subsidiary in Turkey, UCB Pharma A.S., with functional currency being Turkish lira which is the currency of a hyper-inflationary economy. The assets, liabilities, equity items, income and expenses of UCB Pharma A.S. have not been restated in accordance with IAS 29 Hyper-inflation before being included in the condensed consolidated financial statements of UCB as per June 30, 2023 because UCB has assessed the impact of the restatement as being immaterial. In accordance with UCB's accounting policies as disclosed in the 2022 Integrated Annual Report, assets and liabilities of UCB Pharma A.S. are translated at the rate as per June 30, 2023. Income and expenses are translated at the average exchange rate of June 2023.

New and amended standards adopted by the Group

A number of amendments to standards are mandatory for the first time for the financial year beginning 1 January 2023. However, the Group does not have to change its accounting policies or make retrospective adjustments as a result of adopting these amendments to the standards.

Impact of standards issued but not yet applied by the Group

There are no standards or amendments to standards that are not yet effective and that would be expected to have a material impact on the Group's consolidated financial statements.

On 23 May 2023, the IASB issued amendments to IAS 12, 'Income taxes' on the implementation of the Pillar two model rules. These amendments aim to provide temporary relief from accounting for deferred taxes arising from the implementation of the Pillar two model rules. These amendments to IAS 12 are required to be applied immediately (subject to EU endorsement) and retrospectively in accordance with IAS 8, 'Accounting policies, changes in accounting estimates and errors'. UCB is currently assessing Pillar two impacts and has applied the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar two income taxes.

3.6. Estimates

The preparation of this condensed consolidated interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense.

In preparing this condensed consolidated interim financial information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual consolidated financial statements for the year ended 31 December 2022.

3.7. Financial risk management

Financial risk factors

The Group is exposed to various financial risks arising from its underlying operations and corporate finance activities. These financial risks mainly include market risk (including currency risk, interest risk and price risk), credit risk and liquidity risk. This condensed consolidated interim financial information does not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements as at 31 December 2022.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under normal circumstances without incurring unacceptable losses or risking damage to the Group reputation.

Compared to year end, there was no material change in the contractual undiscounted cash out flows for financial liabilities.

Fair value estimation

IFRS 7 requires disclosure of fair value measurements by level of the following hierarchy:

- Level 1 – Quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2 – Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly;
- Level 3 – Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

All fair value measurements disclosed are recurring except for the fair value of assets and liabilities acquired from Zogenix and the contingent liabilities related to the acquisition of Zogenix (see Note 3.11).

The following tables present the Groups financial assets and liabilities that are measured at fair value at 30 June 2023 and 31 December 2022 and are grouped in accordance with the fair value hierarchy. These tables only include the recurring fair value measurements. For the non-recurring fair value measurements, we refer to Note 3.11.

Financial assets measured at fair value

June 30, 2023				
€ million	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at FVOCI				
Quoted equity securities	200	0	0	200
Derivative financial assets				
Forward foreign exchange contracts - cash flow hedges	0	44	0	44
Forward exchange contracts - fair value through profit and loss	0	5	0	5
Forward exchange contracts – net investment hedges	0	6	0	6
Interest rate derivatives - cash flow hedges	0	33	0	33
Interest rate derivatives - fair value through profit and loss	0	2	0	2
Other financial assets excluding derivatives				

December 31, 2022				
€ million	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at FVOCI				
Quoted equity securities	180	0	0	180
Derivative financial assets				
Forward foreign exchange contracts - cash flow hedges	0	31	0	31
Forward exchange contracts - fair value through profit and loss	0	25	0	25
Forward exchange contracts – net investment hedges	0	54	0	54
Interest rate derivatives - cash flow hedges	0	38	0	38
Interest rate derivatives - fair value through profit and loss	0	4	0	4
Other financial assets excluding derivatives				

Financial liabilities measured at fair value

June 30, 2023				
€ million	Level 1	Level 2	Level 3	Total
Financial liabilities				
Derivative financial liabilities				
Forward foreign exchange contracts - cash flow hedges	0	16	0	16
Forward exchange contracts - fair value through profit and loss	0	4	0	4
Forward exchange contracts – net investment hedges	0	25	0	25
Interest rate derivatives - cash flow hedges	0	0	0	0
Interest rate derivatives - fair value through profit and loss	0	90	0	90
Other financial liabilities excluding derivatives				

December 31, 2022				
€ million	Level 1	Level 2	Level 3	Total
Financial liabilities				
Derivative financial liabilities				
Forward foreign exchange contracts - cash flow hedges	0	36	0	36
Forward exchange contracts - fair value through profit and loss	0	60	0	60
Forward exchange contracts – net investment hedges	0	26	0	26
Interest rate derivatives - cash flow hedges	0	2	0	2
Interest rate derivatives - fair value through profit and loss	0	93	0	93
Other financial liabilities excluding derivatives				

During the interim period, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

Fair value measurements categorized within Level 2 of the fair value hierarchy are calculated using either the "Discounted cash flow" or the "Black-Scholes" method (for FX options only) and market data publicly available. There have not been any changes in valuation techniques compared to December 2022 (see Note 5.5 of the 2022 annual report).

Foreign currency translation

The following important exchange rates were used in preparing this condensed consolidated interim financial information:

	Closing rate		Average rate	
	30 June 2023	31 Dec. 2022	30 June 2023	30 June 2022
USD	1.092	1.071	1.081	1.092
JPY	157.600	140.350	145.581	134.108
GBP	0.859	0.886	0.876	0.842
CHF	0.977	0.988	0.986	1.032

3.8. Segment reporting

The Group's activities are in one segment, Biopharmaceuticals.

There are no other significant classes of business, either singularly or in aggregate. The Chief Operating Decision Makers, that being the Executive Committee, review the operating results and operating plans, and make resource allocation decisions on a company-wide basis, therefore UCB operates as one segment.

Enterprise-wide disclosures about product sales, geographic areas and revenues from major customers are presented below.

Product sales information

For the six months ended 30 June € million	2023 Reviewed	2022 Reviewed
CIMZIA®	1 017	994
KEPPRA®	336	380
BRIVIACT®	273	225
VIMPAT®	204	744
NEUPRO®	146	155
FINTEPLA®	102	35
ZYRTEC®	51	50
BIMZELX®	52	10
XYZAL®	33	32
NAYZILAM®	42	36
EVENITY®	24	9
Other products	80	90
Designated hedges reclassified to net sales	18	- 56
Total net sales	**2 378**	**2 705**

Geographic information

The table below shows net sales in each geographic market in which customers are located:

For the six months ended 30 June € million	2023 Reviewed	2022 Reviewed
U.S.	1 179	1 523
Europe – other	187	176
Germany	149	167
Japan	129	171
Spain	104	113
France (including French territories)	82	90
Italy	78	85
China	78	90
U.K. and Ireland	65	78
Belgium	24	24
Other countries	286	245
Designated hedges reclassified to net sales	18	- 56
Total net sales	**2 378**	**2 705**

The table below illustrates the property, plant and equipment in each geographic market in which the assets are located.

For the six months ended 30 June € million	2023 Reviewed	2022 Audited[1]
Belgium	856	771
Switzerland	239	251
U.K. and Ireland	201	181
U.S.	147	151
Germany	22	20
China	18	20
Japan	17	19
Other countries	19	21
Total	**1 519**	**1 434**

1 The reporting date for the comparative period is 31 December 2022.

Information about major customers

UCB has 1 customer which individually accounts for more than 12% of the total net sales at the end of June 2023.

In the U.S., sales to 3 wholesalers accounted for approximately 62% of U.S. sales (June 2022: 75%).

3.9. Seasonality of operations

On a consolidated basis, the Group's revenue in the Biopharmaceutical segment is not impacted by seasonality.

3.10. Revenue from contracts with customers

The Group has recognized the following amounts relating to revenue in the consolidated income statement:

For the six months ended 30 June € million	2023 Reviewed	2022 Reviewed
Revenue from contracts with customers	2 574	2 910
Revenue from agreements whereby risks and rewards are shared	15	15
Total revenue	**2 589**	**2 925**

Disaggregation of revenue from contracts with customers:

For the six months ended 30 June € million	Actual		Timing of revenue recognition			
	2023	2022	2023		2022	
			At a point in time	Over time	At a point in time	Over time
Net sales - U.S.	**1 179**	**1 523**	**1 179**	**0**	**1 523**	**0**
CIMZIA®	655	644	655	0	644	0
BRIVIACT®	211	174	211	0	174	0
FINTEPLA®	92	33	92	0	33	0
KEPPRA®	75	71	75	0	71	0
VIMPAT®	53	520	53	0	520	0
NAYZILAM®	42	36	42	0	36	0
Established brands	51	46	51	0	46	0
Net sales - Europe	**688**	**732**	**688**	**0**	**732**	**0**
CIMZIA®	210	209	210	0	209	0
KEPPRA®	101	105	101	0	105	0
VIMPAT®	73	155	73	0	155	0
BRIVIACT®	53	43	53	0	43	0
BIMZELX®	43	9	43	0	9	0
EVENITY®	24	9	24	0	9	0
FINTEPLA®	8	3	8	0	3	0
Established brands	176	199	176	0	199	0
Net sales - Japan	**129**	**171**	**129**	**0**	**171**	**0**
KEPPRA®	51	86	51	0	86	0
VIMPAT®	40	32	40	0	32	0
CIMZIA®	15	23	15	0	23	0
BIMZELX®	6	1	6	0	1	0
Established brands	17	29	17	0	29	0
Net sales - International markets	**364**	**335**	**364**	**0**	**335**	**0**
CIMZIA®	137	118	137	0	118	0
KEPPRA®	109	118	109	0	118	0
VIMPAT®	38	36	38	0	36	0
BRIVIACT®	10	8	10	0	8	0
BIMZELX®	4	0	4	0	0	0
FINTEPLA®	2	0	2	0	0	0
Established brands	65	54	65	0	54	0

Net sales before hedging	**2 360**	**2 761**	**2 360**	**0**	**2 761**	**0**
Designated hedges reclassified to net sales	18	- 56	18	0	- 56	0
Total net sales	**2 378**	**2 705**	**2 378**	**0**	**2 705**	**0**
Royalty income and fees	**42**	**45**	**42**	**0**	**45**	**0**
Contract manufacturing revenues	60	61	60	0	61	0
Income from licensing deals (upfront payments, development milestones, sales milestones)	93	97	71	22	80	17
Revenue resulting from services & other deliveries	1	2	1	0	2	0
Total other revenue	**154**	**160**	**132**	**22**	**143**	**17**
Total revenue from contracts with customers	**2 574**	**2 910**	**2 552**	**22**	**2 893**	**17**

3.11. Business combinations

Acquisition of Zogenix, Inc.

On March 7, 2022, UCB announced the successful acquisition of Zogenix, Inc. for a total purchase consideration (in accordance with IFRS 3) of € 1.5 billion (excluding post-closing settlement of convertible debt in a separate transaction). UCB acquired shares of Zogenix, Inc. for a purchase price per share of $ 26 in cash at closing, plus a contingent value right (CVR) for a potential cash payment of $ 2 upon EU approval by December 31, 2023, of FINTEPLA® as an orphan medicine for treatment of Lennox-Gastaut syndrome (LGS). On 8 February 2023, FINTEPLA oral solution was approved in the EU for the treatment of seizures associated with LGS as an add-on therapy to other anti-epileptic medicines for patients two years of age and older. This approval triggered the payment of the CVR.

As a result of the acquisition, Zogenix, Inc. has become a wholly-owned subsidiary of UCB and the common stock of Zogenix, Inc. has been delisted from the NASDAQ Global Market. Zogenix, Inc. is a global biopharmaceutical company commercializing and developing therapies for rare diseases.

By acquiring Zogenix, Inc., UCB reinforces its sustainable patient value strategy and continued commitment to addressing unmet needs of people living with epilepsy with an increasing focus on those living with specific or rare forms of epilepsy, where few options exist. Complementing UCB's existing therapeutic offerings, the Zogenix, Inc. acquisition provides UCB with an approved medicine for a life-threatening, rare infant- and childhood-onset epilepsy marked by frequent and severe treatment-resistant seizures that are particularly challenging to treat. Utilizing UCB's deep expertise, experience and global capabilities, it plans to accelerate access for patients to the treatment.

The acquisition builds on UCB's continued epilepsy ambitions, as it provides medicine that complements UCB's existing symptomatic treatments, bringing significant and differentiated value to patients suffering from Dravet syndrome and from seizures associated with Lennox-Gastaut syndrome and potentially other rare epilepsies. It expands benefits for patients globally, as UCB brings an established global footprint, together with deep research and development, commercial, medical, and regulatory expertise in epilepsy, which will be utilized to rapidly advance and optimize the availability of these new treatments and reach additional patients. Last, but not least, it enhances future epilepsy pipeline and strategic priorities in rare/orphan diseases, as Zogenix, Inc.'s pipeline will add to UCB's short-term and long-term epilepsy pipeline, as well as provide critical learnings in rare/orphan disease health ecosystems and enhances UCB's top-line growth, as FINTEPLA® was launched in the U.S. and Europe in 2020 and has significant potential for usage in other seizure types. The acquisition has contributed to UCB's revenue growth in 2022 and will be accretive to UCB's earnings in 2023.

The total purchase consideration represents an amount of € 1 519 million ($ 1 651 million). UCB has entered into a borrowing agreement to partially fund the acquisition price (see Note 3.25).

The purchase consideration consists of a closing payment € 1 406 million and contingent consideration (Contingent Value Rights) for a total amount of € 113 million.

The fair value of the contingent consideration was estimated at € 113 million ($ 123 million) upon acquisition. This fair value took into account the assumed likelihood and timing of achieving the arrangement's regulatory milestones. No changes were necessary to this estimate since acquisition date. In the meantime, the liability, presented within other current liabilities in the opening statement of financial position for an amount of $ 123 million, was paid in February 2023.

The table below shows the final amounts for the net assets acquired and goodwill recognized at the acquisition date:

€ million	Initial opening statement of financial position	Adjustments due to initial purchase price allocation	Adjusted opening statement of financial position
Total acquisition value	**1 519**	**0**	**1 519**
Cash consideration paid	1 406		1 406
Contingent consideration	113		113
Recognized amounts of identifiable assets acquired and liabilities assumed	**- 101**	**1 606**	**1 505**
Non-current assets			
Intangibles		1 803	1 803
Property, plant and equipment (incl. right-of-use assets)	16		16
Deferred income tax assets	23	212	235
Other non-current assets	2		2
Current assets			
Cash	194		194
Other current assets	50	2	52
Non-current liabilities			
Deferred taxes		410	410
Debt and debt like items	50	- 19	31
Current liabilities			
Debt and debt like items	264	20	284
Payables	72		72
Goodwill	**1 620**	**-1 606**	**14**

The opening statement of financial position includes a financial liability of $ 307 million (€ 282 million), that corresponds to the $ 230 million principal amount of 2.75% convertible senior notes (due 2027), issued by Zogenix, Inc. in 2020. The notes are measured at the fair value at the acquisition date, which reflects the expected settlement of the notes shortly after the acquisition date (between 7 March and 11 April 2022) as well as the additional CVRs granted to the noteholders.

The purchase accounting assessment has been finalized. The estimated fair values primarily consisting of intangible assets, deferred income tax assets, deferred tax liabilities and goodwill as noted above are therefore to be considered as final. Fair value estimates are based on a complex series of judgments about future events and uncertainties and rely heavily on estimates and assumptions. The judgments used to determine the estimated fair value assigned to each class of assets acquired and liabilities assumed, as well as asset lives, can materially impact the UCB's results of operations.

The Group identified and separately recognized intangible assets for a total amount of € 1 803 million. These intangibles are amortized on a straight line basis from acquisition till moment of loss of exclusivity.

No contingent liabilities that could meet recognition requirements under IFRS 3 have been identified.

The goodwill is attributable to expected synergies with UCB's biotech research activities as well as the assembled workforce. Goodwill is not expected to be tax deductible.

Acquisition-related costs, which includes legal and other fees for an amount of € 41 million have been recorded under Other Expenses in 2022. This payment cannot be considered as being part of the consideration transferred to the sellers in exchange for control of Zogenix, Inc. in accordance with the provisions in IFRS 3 Business combinations.

€ 143 million revenue was included in the consolidated income statement for 2022 since acquisition. Except for transaction and acquisition costs, the loss of Zogenix, Inc. included in the consolidated income statement for 2022 since acquisition was € 80 million. The amounts of revenue and loss for Zogenix, Inc. assuming the acquisition date would have been January 1, 2022 would not have been materially different from what is included in the consolidated income statement for 2022.

Post-acquisition settlement of the convertible notes of Zogenix, Inc.

Under the terms of the (original) indenture of the convertible notes, the acquisition of Zogenix, Inc. by UCB constituted a Make-Whole Fundamental Change. This has resulted in a temporary adjustment of the conversion rate applicable to the notes as follows:

- the conversion rate in effect prior to 7 March 2022 was 41.1794 shares of Zogenix, Inc. common stock per $ 1,000 principal amount of notes.
- an adjusted conversion rate is applicable for notes converted from 7 March 2022 to 11 April 2022, i.e. 47.5994 of reference property units per $ 1 000 principal amount of notes (temporary adjustment in connection with the Make-Whole Fundamental Change pursuant to § 5.07 of the (original) Indenture.
- any note that would have been converted after 11 April 2022 - 5:00 p.m. NY City time, would have been settled based on the unadjusted conversion rate, i.e. 41.1794 of reference property units per $ 1,000 principal amount of notes.

As from 7 March 2022, the reference property unit consists of $ 26 in cash plus one contingent value right.

Following the closing of the acquisition, all notes were converted at the adjusted conversion rate of 47.5994 reference property units per $ 1,000 principal amount of notes, resulting in the cash outflow of $ 285 million and additional CVRs granted to the noteholders, recognized in the opening balance sheet as a financial liability for the amount of $ 22 million and finally paid in February 2023.

3.12. Assets of disposal group classified as held for sale and discontinued operations

Assets of disposal group classified as held for sale as per 30 June 2023 mainly relate to the divestment or planned divestment of non-core established brand products. There were no assets held for sale as per 31 December 2022.

UCB still owns the stock of divested non-core established brand products in some countries as not all market authorizations have been transferred to the buyer. No write-off has been accounted for on this stock nor on the stock for non-core established products that are planned to be divested in the near future.

As per 30 June 2023 no operations have been classified as discontinued operations.

3.13. Other operating income / expenses (-)

Other operating income / expenses (-) amounted to € 315 million income in the interim period (June 2022: € 114 million income).

As per June 2023, the Group accounted for government grants (€ 7 million) and the sale of an established brands portfolio of five prescription medicines commercialized in Europe (€ 145 million). The profit resulting from the collaboration agreement with Amgen for the development and commercialization of EVENITY® amounts to € 156 million.

As per June 2022, the Group accounted for government grants (€ 5 million) and recognized a provision for to donation to Ukraine (€ -4 million). The profit resulting from the collaboration agreement with Amgen for the development and commercialization of EVENITY® amounted to € 108 million.

3.14. Impairment of non-financial assets

At the end of each reporting period, management assesses whether there is any indication that an asset may be impaired. If such an indication exists, management then estimates the recoverable amount of the asset in order to assess whether an impairment loss needs to be recognized.

For non-financial assets (including all intangible assets and goodwill), management performed an impairment review in the first half of 2023 on the basis of external and internal indicators and decided no impairment is required.

3.15. Restructuring expenses

Restructuring expenses amounting to € 3 million (June 2022: € 9 million) were attributable to severance costs and related to new organization models.

3.16. Other income and expense

Other income/expense (-) amount to € - 3 million expenses in 2023 (June 2022: € - 52 million expenses) and mainly relate to intellectual property related legal fees partially offset with the reversal of the contingent consideration liability related to previous years investment in innovative technologies to treat neurodegenerative diseases.

In the first half of 2022, other income/expense (-) mainly relate to costs related to the acquisition of Zogenix (€ -39 million) and intellectual property related legal fees.

3.17. Financial income and financial expenses

The net financial expenses for the year amounted to € -79 million expenses (2022: € -9 million expenses). It consists of the below values:

- The net interests: € -48 million (2022: € -18 million).
- The net foreign exchange value and other financial expenses: € -31 million (2022: € 9 million).

3.18. Income tax expense (-)

For the six months ended 30 June € million	**2023 Reviewed**	2022 Reviewed
Current income taxes	- 116	- 92
Deferred income taxes	26	11
Total income tax expense (-) /credit	**- 90**	**- 82**

The Group operates in an international context and is subject to income taxes in all jurisdictions where it is active and in line with the activities being deployed.

The Group's consolidated effective tax rate in respect of continuing operations for the six months is 22% (June 2022: 17%).

Income tax expenses were €- 90million compared to €- 82 million in June 2022. The average effective tax rate is 22% which is exceeding the effective tax rate of 18% for financial year 2022 and is driven by the continued and sustainable use of R&D incentives, additional recognition of deferred tax assets on losses and investments in the second half of the year.

3.19. Intangible assets

During the period, the Group added approximately € 34 million (June 2022: € 42 million) of intangible assets with the most significant being in-licensing deals and € 4 million relating to the capitalization of external development expenses for post approval studies.

Additionally, the Group capitalized € 10 million (June 2022: € 5 million) of software and eligible software development costs.

Disposals for the first six months of 2023 mainly relate to divestment of established brands portfolio of five prescription medicines, commercialized in Europe. The portfolio is comprised of pharmaceutical products in a variety of non-core therapeutic categories.

There were no impairments of intangible assets recorded by the Group for the first half of 2023.

The amortization charge for the period amounted to € 238 million (June 2022: € 192 million).

There was also a transfer of assets for € 3 million from property, plant and equipment to intangibles.

Furthermore, there was an impact from translation of foreign currencies of € 78 million for the first half of the year (June 2022: € 282 million).

3.20. Goodwill

Goodwill decreased due to an adjustment to the purchase price allocation for the acquisition of Zogenix for an amount of € - 5 million (see note 3.11) and due to movements in exchange rates for € - 39 million, mainly related to weaker USD.

In the first half of the year, the Group did not recognize any impairment charges on its goodwill.

3.21. Property, plant and equipment

During the period, the Group acquired property, plant and equipment totaling € 171 million (2022: € 159 million).

These additions include right-of-use assets for an amount of € 40 million. Other additions mainly relate to the biological production site in Belgium and new campus site in the UK, revamping of the office environment and building facilities, IT hardware, laboratory equipment and other plant and equipment.

The Group also disposed of various property, plant and equipment with a carrying amount of approximately € 8 million (2022: € 0 million).

In the first six months of the year, the Group did not recognize any impairment expenses (2022: € 0 million).

The depreciation charge for the period increased to an amount of € 77 million (2022: € 71 million).

Due to exchange rate fluctuations, the net book value of property, plant and equipment increased by € 2 million (2022: € 18 million).

There was also a transfer of assets for € 3 million from property, plant and equipment to intangibles.

3.22. Financial and other assets

Non-current financial and other assets amounted to € 223 million at 30 June 2023 compared to € 218 million as per December 2022.

The increase in the period is mainly related to higher outstanding derivatives.

The current financial and other assets decreased mainly due to a decrease in outstanding derivatives (€ -72 million) and decrease in clinical trial materials (€ -21 million) offset by an increase in vested long term incentives granted to employees that are held in custody for the account of the relevant participants on a separate securities account of UCB and for which there is a corresponding liability which is recorded in Other Payables.

For the financial assets that are valued at amortized cost amounting to € 225 million as per 30 June 2023 (December 2022 : € 255 million), the carrying amount approximates the fair value.

3.23. Write-down of inventories

Included in cost of sales for the six months ended 30 June 2023 is € 22 million of expense or write-down (June 2022: € 43 million) in respect of correctly reflecting the carrying amount of inventories to their net realizable value.

3.24. Capital and reserves

Share capital and share premium

The issued share capital of the Company amounted to € 584 million on 30 June 2023 (2022: € 584 million), represented by 194 505 658 shares (2022: 194 505 658 shares). There is no authorized, unissued share capital.

On 30 June 2023, the share premium reserves amounted to € 2 030 million (2022: € 2 030 million).

Treasury shares

The Group acquired 500 000 shares (June 2022: 103 000 shares) for a total amount of € 40 million (June 2022: € 8 million) and transferred 625 665 treasury shares (June 2022: 887 940 treasury shares) for a total amount of € 45 million (June 2022: € 72 million) in the first half of the year.

On 30 June 2023, the Group retained 4 785 095 treasury shares (December 2022: 4 910 760 shares). The treasury shares have been acquired to honor the exercise of stock options and share awards granted to the Executive Committee members and certain categories of employees.

On 30 June 2023, the Group did not hold any options on UCB shares and it did not sell or acquire any option on UCB shares.

Other reserves

Other reserves amounted to € 59 million (December 2022: € 76 million). The movement is related to the re-measurement of the defined benefit obligation for € -17 million bringing total re-measurement value at € -129 million (December 2022: € -112 million). The re-measurement loss is mainly due to the decrease in plan assets offset by increase in discount rates.

Cumulative translation adjustments

The cumulative translation adjustments reserve represents the cumulative currency translation differences relating to the consolidation of Group companies that use functional currencies other than the

euro as well as any unrealized cumulative foreign exchange gains or losses resulting from net investment hedges. Upon sale or liquidation of these entities, these cumulative translation adjustments are transferred to the income statement.

3.25. Borrowings

On 30 June 2023 the Group's weighted average interest rate (excluding leases) was 4.59% (December 2022: 4.05%) prior to hedging. The floating interest rate payments are subject to designated cash flow hedges and fixed interest rate payments are subject to designated fair value hedges, thereby fixing the weighted average interest rate for the Group at 4.14% (December 2022: 3.48%) post hedging.

Since the bank borrowings are at a floating interest rate that is reset minimally on a daily, up to on a quarterly basis, the carrying amount of the bank borrowings equates to its fair value. With respect to the current borrowings, the carrying amounts approximate their fair values as the effect of discounting is insignificant.

On March 27, 2023, the Group entered into a € 1 billion sustainability-linked revolving credit facility with maturity on March 27, 2028 (including the option to request further extensions of the maturity date by two additional years), replacing the € 1 billion facility maturing on January 9, 2025.

Additionally, the € 350 bilateral committed bullet term loan agreement, with availability period until November 2023 and with maximum tenor of 8 years as from the date of drawing, remains undrawn as per June 30, 2023.

As per June 30, 2023, $ 962 million remains outstanding under the bullet term loan facility agreement, maturing in 2025, that the Group entered into in 2019 for the acquisition of Ra Pharmaceuticals, Inc. In 2022, this agreement has been amended in order to replace references to USD-libor by references to SOFR (Secured Overnight Financing Rate). All interest rate hedges that have been entered into in connection with this loan are considered fully effective under IFRS9 cash flow hedging requirements per June 30, 2023.

Furthermore, as per June 30, 2023, $ 800 million remains outstanding under the bullet term loan facility agreement, maturing in 2027, that the Group entered into in 2022 to finance the Zogenix, Inc. acquisition.

On July 8, 2022 the Group signed a € 90 million bullet term loan agreement, documented as a first incremental facility under the facility agreement that was entered into in connection with the acquisition of Ra Pharmaceuticals, Inc., which was drawn on October 3, 2022 and with maturity in 2029.

On November 2, 2022 the Group entered into a multi-tranche Schuldscheindarlehen (SSD) transaction for an aggregate amount of € 144 million and $ 20 million.

On January 19, 2023 the Group signed a € 90 million bullet term loan agreement, documented as a second incremental facility under the facility agreement that was entered into in connection with the acquisition of Ra Pharmaceuticals, Inc., which was drawn on January 26, 2022 and with maturity in 2028.

Further to the outstanding debt, capital market instruments, the syndicated revolving credit facility (undrawn per 30 June 2023) and bilateral term loan agreement, UCB has access to certain committed and non-committed bilateral credit facilities. None of UCB's outstanding debt or undrawn credit facilities are subject to financial covenants.

The carrying amounts and fair values of borrowings are as follows:

For the six months ended 30 June € million	2023 Reviewed	2022 Audited[1]
Non-current		
Bank borrowings	1 956	1 989
Other long-term loans	0	0
Leases	109	100
Total non-current borrowings	**2 065**	**2 089**
Current		
Bank overdrafts	0	40
Current portion of bank borrowings	- 4	- 1
Debentures and other short-term loans	0	9
Leases	48	40
Total current borrowings	**44**	**88**
Total borrowings	**2 109**	**2 177**

[1] The reporting date for comparative period is 31 December 2022.

3.26. Bonds

The carrying amounts and fair values of bonds are as follows:

			Carrying amount		Fair value	
€ million	Coupon rate	Maturity date	30 June 2023 Reviewed	31 Dec. 2022 Audited	30 June 2023 Reviewed	31 Dec. 2022 Audited
Institutional Eurobond	1.000%	2028	426	420	428	408
EMTN Note[1]	1.000%	2027	130	129	128	121
Retail bond	5.125%	2023	175	174	176	177
Commercial paper[2]	N/A	2023	56	0	56	0
Total bonds			**787**	**723**	**788**	**706**
Of which:						
Non-current			556	549	556	529
Current			231	174	232	177

[1] EMTN: Euro Medium Term Note. For reporting purposes, the carrying value is reported. The fair value of the EMTN Notes cannot be accurately determined given the limited liquidity in secondary market trading for these notes.

[2] With respect to the outstanding commercial paper, taken the short-term nature into account, the carrying amounts approximate their fair values as the effect of discounting is insignificant.

Retail bonds

Maturing in 2023

During October 2009, UCB completed a public offering of € 750 million fixed rate bonds, carrying a coupon and an effective interest rate of 5.75% per annum, and aimed at retail investors.

During September 2013, UCB launched an unconditional public exchange offer for a maximum of € 250 million out of the € 750 million retail bonds maturing in November 2014 and having a gross coupon of 5.75%. The existing bondholders had the opportunity to exchange their existing bonds against newly issued bonds maturing October 2023 in an exchange ratio of 1 to 1. These bonds carry a coupon of 5.125% per annum while their effective interest rate is 5.398% per annum.

At the end of the exchange period, 175 717 existing bonds were tendered in the exchange offer, representing a nominal amount of € 176 million.

The 175 717 new bonds were issued in October 2013 and have been listed on Euronext Brussels. The existing bonds exchanged in the exchange offer were cancelled by UCB. The outstanding 574 283 of the retail bonds matured and have been redeemed in November 2014.

Institutional Eurobonds

Maturing in 2028

In March 2021, UCB completed an offering of € 500 million senior unsecured bonds, due in 2028, issued under its EMTN program. The Bonds were issued at 99.751% in March 2021 and will be redeemed at 100% of their principal amount. These bonds carry a coupon of 1.00% per annum while their effective interest rate is 1.1231 % per annum. The bonds have been listed on Euronext Brussels.

EMTN notes

Maturing in 2027

In October 2020, UCB completed an offering of € 150 million notes, due in 2027. The notes were issued at 100% and will be redeemed at 100% of their principal amount. These notes carry a coupon of 1.00% per annum while their effective interest rate is 1.0298% per annum. The notes have been listed on Euronext Brussels.

Fair value hedges

The Group designates derivative financial instruments under fair value hedges to the Retail Bonds and Institutional Eurobonds. The change in the carrying amount of the bonds is fully attributable to the change in the fair value of the hedged portion of the bonds, and is almost fully offset by a change in fair value of the corresponding derivative financial instrument.

Commercial Paper

UCB has access to the Belgian commercial paper market. As of 30 June 2023, € 56 million of commercial paper was outstanding, with maturity dates in 2023.

3.27. Other financial liabilities

The other financial liabilities include derivative financial instruments for € 134 million (December 2022: € 216 million).

3.28. Provisions

Environmental provisions

The environmental provisions remained stable at the end of the interim period with a value of € 15 million.

Restructuring provisions

The restructuring provisions decreased from € 14 million as per end of December 2022 to € 5 million at the end of the interim period.

Other provisions

Other provisions decreased from € 332 million as per end of December 2022 to € 327 million at the end of June 2023.

An assessment is performed with respect to all risks together with the Group legal advisers and experts in the different domains and the current outstanding amount was assessed as being management's best estimate of the cost to settle the Group's obligations at statement of financial position date.

3.29. Note to the consolidated statement of cash flows

The cash flow statement identifies operating, investing and financing activities for the period.

UCB uses the indirect method for the operating cash flows. The net profit and loss are adjusted for:

- the effects of non-cash transactions such as depreciation and amortization, impairment losses, provisions, mark-to-market, etc., and the variance in working capital;
- items of income or expense associated with investing or financing cash flows.

For the six months ended 30 June € million	2023 Reviewed	2022 Reviewed
Adjustment for non-cash transactions	**243**	**363**
Depreciation and amortization	315	263
Impairment / reversal (-) charges	0	0
Equity settled share based payment expense	- 18	- 44
Other non-cash transactions in the income statement	- 48	- 44
Adjustment IFRS 9	19	- 34
(Un)realized exchange gain (-) / losses	- 14	114
Change in provisions and employee benefits	- 1	75
Change in inventories and bad debt provisions	- 10	33
Adjustment for items to disclose separately under operating cash flow	**89**	**82**
Tax charge of the period from continuing operations	89	82
Adjustment for items to disclose under investing and financing cash flow	**53**	**19**
Gain (-) / loss on disposal of fixed assets	1	0
Interest income (-) / expenses	52	19
Change in working capital		
Inventories movement per consolidated statement of financial position	- 5	17
Trade and other receivable and other assets movement per consolidated statement of financial position	- 92	- 133
Trade and other payable movement per consolidated statement of financial position	- 334	- 175
As it appears in the consolidated statement of financial position and corrected by:	**- 431**	**- 291**
Non-cash items[1]	- 13	76
Change in inventories and bad debt provisions disclosed separately under operating cash flow	10	- 33
Currency translation adjustments	27	- 51
As it appears in the consolidated cash flow statement	**- 407**	**- 299**

[1] Non-cash items are mainly linked to transfers from one heading to another, non-cash movements linked to stock rewards.

3.30. Related party transactions

Key management compensation

There were no changes with respect to the related parties identified and disclosed in the 2022 integrated annual report.

Key management compensation as disclosed below comprises compensation recognized in the income statement for members of the Board of Directors and the Executive Committee, for the six months ended 30 June 2023 where they exercised their mandate.

€ million	2023 Reviewed
Short-term employee benefits	8
Termination benefits	0
Post-employment benefits	1
Share-based payments	4
Total key management compensation	**13**

3.31. Shareholders and shareholder structure

Notifications received pursuant to the law of 2 May 2007 on disclosure of large shareholdings				
Last update:		30 June 2023		Situation as per
	Share capital (€)	**€ 583,516,974**		13 March 2014
	Total number of voting rights (= denominator)	**194,505,658**		
1	Financière de Tubize SA ('Tubize')			20 March 2023
	securities carrying voting rights (shares)	70,090,611	36.04%	
2	UCB SA/NV			
	securities carrying voting rights (shares)	4,785,095	2.46%	30 June 2023
	assimilated financial instruments (options)[1]	0	0.00%	06 March 2017
	assimilated financial instruments (other)[1]	0	0.00%	18 December 2015
	Total	4,785,095	2.46%	
	Free float[2] (securities carrying voting rights (shares))	**119,629,952**	**61.50%**	
3	Wellington Management Group LLP			13 May 2022
	securities carrying voting rights (shares)	15,166,845	7.80%	
4	BlackRock, Inc.			13 January 2020
	securities carrying voting rights (shares)	9,412,691	4.84%	
5	FMR LLC			19 May 2023
	securities carrying voting rights (shares)	8,502,358	4.37%	

(all percentages are calculated on the basis of the current total number of voting rights)

[1] Assimilated financial instruments within the meaning of article 6, §6of the Law of 2 May 2007 on the disclosure of large shareholdings.
[2] Free float being the UCB shares not held by the Reference Shareholder (Tubize), UCB SA/NV. Only securities carrying voting rights (shares) held by these entities are taken into account for this calculation, assimilated financial instruments are excluded.

3.32. Dividends

The Board of Directors' proposal to pay a gross dividend of € 1.33 (2022: € 1.30 per share) to the holders of the UCB shares entitled to a dividend or 189 713 411 shares has been approved on 27 April 2023. The 4 792 247 shares held by UCB SA at dividend date are not entitled to a dividend. A total dividend of € 252 million (2022: € 247 million) was distributed for the business year 2022 as approved by the UCB shareholders at their annual general meeting on 27 April 2023, and was thus reflected in the first half of 2023.

3.33. Commitments and contingencies

Events have taken place in the first half of the year 2023, leading to an update of the contingent assets or liabilities disclosed in the 2022 integrated annual report.

Capital and other commitments

At 30 June 2023, the Group has committed to spend € 116 million (end of 2022: € 120 million) mainly with respect to capital expenditures for the new biological production unit, the new Gene-Therapy plant, lab and other equipment and office refurbishment works.

Particularly, the UCB Group has entered into long-term development agreements with various pharmaceutical enterprises, universities and financial investors. Such collaboration agreements may include milestone payments which are dependent on successful clinical development or on meeting specified sales targets. At 30 June 2023, the maximum amount that would be paid out within the coming half year if all future milestones are achieved but excluding variable royalty payments based on unit sales, and amounts accrued for milestones already achieved but not yet due, amounted to approximately € 18 million on an undiscounted and non-risk adjusted basis.

UCB has concluded several agreements with Contract Manufacturing Organizations for the supply of its products. Total outstanding commitments towards these CMOs amount to € 943 million as per 30 June 2023 until 2032. If contractually agreed milestones, mainly dependent on future successful clinical development, are reached, this amount of contingent payments may increase to € 965 million.

As part of UCB's innovation strategy, UCB has established a corporate venture fund, UCB Ventures. Within this framework UCB has remaining investment commitments of € 25 million.

Guarantees

Guarantees arising in the normal course of business are not expected to result in any material financial loss.

Contingencies

The Group continues to be actively involved in litigations, claims and investigations. The ongoing matters could result in liabilities, civil and criminal penalties, loss of product exclusivity and other costs, fines and expenses associated with findings adverse to UCB's interests. Potential cash outflows reflected in a provision might be fully or partially off-set by insurance in certain circumstances. UCB has not established provisions for potential damage awards for certain additional legal claims against our subsidiaries if UCB currently believes that a payment is either not probable or cannot be reliably estimated.

INTELLECTUAL PROPERTY MATTERS (SELECTED MATTERS)

We vigorously protect our patent portfolio and our ability to bring medicines to patients as we deem necessary.
Consequently, UCB is involved in various litigation matters as a plaintiff in various jurisdictions in the U.S. and Europe.

NEUPRO®

United States: In 2019, UCB filed separate lawsuits against Actavis and Mylan to enforce patents covering the stabilized (reformulation) NEUPRO®. In 2021, the federal court in the Actavis case ruled the patent invalid. Shortly thereafter, the federal court in the Mylan case issued a ruling adverse to UCB. UCB appealed both rulings. At the request of the parties, the appellate court consolidated both cases for appeal. In April 2023, the Federal Circuit affirmed the ruling of the lower court invalidating the U.S. patent.

Europe: In 2018, Mylan and Luye sought to invalidate the NEUPRO® reformulation patent. The judge ruled in UCB's favor. Luye appealed. Mylan waived its right to appeal. In October 2022, the appellate court ruled in UCB's favor.

In late 2022, the European appeal board heard UCB's NEUPRO® polymorph patent case and invalidated the patent. UCB appealed the ruling.

BRIVIACT®

United States: In 2021, 8 generics companies filed Abbreviated New Drug Applications (ANDAs) related to a BRIVIACT® patent.

UCB filed complaints in Delaware federal court against all 8 companies. Subsequently, one of the companies discontinued its challenge of our patent and settlement agreements were reached with 4 defendants. The trial concerning the remaining 3 defendants took place in November 2022. A ruling is expected in 2023.

NAYZILAM®

United States: In 2021, Cipla filed an ANDA challenging the validity of certain NAYZILAM® patents. UCB filed a lawsuit against Cipla. Cipla has stipulated to infringement. A trial is anticipated in 2023.

FINTEPLA®

United States: In 2021, two generics companies (Apotex and Lupin) filed ANDAs challenging the validity of certain FINTEPLA® patents. Zogenix, Inc., which was acquired by UCB, filed lawsuits against both companies. The cases are currently in discovery. In parallel, UCB

filed a citizen's petition with the FDA in May 2023, with the goal of drawing FDA's attention to critical safety issues with the defendants' "skinny labels."

EVENITY®

Germany: In 2023, OssiFi-Mab LLC filed suit against UCB Pharma S.A., UCB Pharma GmbH and Amgen alleging EVENITY® infringes a European patent. UCB will defend the lawsuit.

PRODUCT LIABILITY MATTERS

Distilbène product liability litigation - France:

Entities of the UCB Group have been named as defendants in several product liability cases in France. The claimants in these actions claim their mothers took Distilbène, a former product of the UCB Group, during their pregnancy, and as a result they suffered bodily injuries. The Group has product liability insurance in place but the insurance coverage will likely not be sufficient. the Group has accounted for a provision (refer to Note 34 in the 2022 Annual Report).

Opioid Litigation:

UCB, Inc. ("UCB") has been named as a defendant in 7 lawsuits in connection with the national opioid litigation in the United States. The plaintiffs are government municipalities, health care entities, and 1 individual plaintiff claiming damages related to the promotion, sale and distribution of opioids. In all cases, UCB is among numerous defendants.

Additionally, Zogenix, Inc., now owned by UCB, is a defendant in 3 opioid cases. Also, UCB is contractually obligated to indemnify one of its former contract manufacturers who is currently a defendant in 3 cases. UCB controls the defense of these cases.

INVESTIGATIONS

CIMZIA® Investigation

In March 2019, UCB, Inc. received a Civil Investigative Demand (CID) from the U.S. Department of Justice (DOJ) and a subpoena from the Department of Health and Human Services (HHS) Office of Inspector General (OIG) both seeking information relating to the sales and marketing practices and pricing of CIMZIA® for the periods from 2011 and 2008, respectively, to date. In March 2020, UCB was informed that DOJ was suspending the inquiry initiated by its office in Georgia. The Company is cooperating fully with DOJ and OIG.

340B Drug Pricing Program

In December 2021 and July 2023, UCB implemented updates to its Section 340B contract pharmacy policy, whereby UCB no longer provides 340B discounted products to certain pharmacies that contract with covered entities participating in the 340B Drug Pricing Program. UCB strongly supports the 340B program and is committed to ensuring access to UCB's medicines for vulnerable and underserved populations. UCB has therefore elected to continue to provide products purchased at the 340B price to all covered entities and federal grantees.

For non-federal grantees without an in house pharmacy, UCB will allow the designation of a single contract pharmacy eligible to receive 340B discounted product.

In 2021 and 2022, the U.S. Department of Health and Human Services, Health Resources and Services Administration (HRSA) sent letters to numerous drug manufacturers stating it had determined those manufacturers' actions restricting contract pharmacy transactions were in violation of the 340B statute.

The letters further stated manufacturers should repay alleged overcharges, and if they did not cease their restrictions, HRSA might seek civil monetary penalties. Those manufacturers are now in litigation with the U.S. government seeking to confirm the legality of the restrictions.
In June 2022, UCB received a similar letter from HRSA. If HRSA or another agency were to commence proceedings against UCB based on the letter, a negative outcome could have a material adverse effect on UCB's business, results of operations, cash flow, prospects and financial condition. However, consistent with the rulings of several federal district courts, as well as one appellate court, in the manufacturer lawsuits referenced above, UCB believes its policy does not violate 340B Program requirements and its 340B policy is consistent with relevant U.S. laws. In order to confirm HRSA's letter is based on flawed reasoning and that UCB's policy is in compliance with the 340B statute, UCB filed a lawsuit against HRSA in September 2022. The case has been stayed pending the outcome of an appeal of a federal district court ruling addressing two other manufacturers' challenges to HRSA's letters regarding the manufacturers' 340B contract pharmacy policies.

3.34. Events after the reporting period

No material events occurred after the end of the reporting period which could have an impact on UCB's consolidated financial statements.

4. Statutory auditor's report on the review of the condensed consolidated interim financial information of UCB SA for the period ended 30 June 2023

Company number: BE0403.053.608

Introduction

We have reviewed the accompanying *condensed consolidated interim financial information* of UCB SA and its subsidiaries (the "Group") as of June 30, 2023, and for the period of six months ended on that date, which comprises the condensed consolidated interim statement of profit or loss and other comprehensive income, the condensed consolidated interim statement of financial position, the condensed consolidated interim statement of cash flows, the condensed consolidated interim statement of changes in equity, the accounting policies, and a selection of explanatory notes.

The board of directors is responsible for the preparation and fair presentation of this condensed consolidated interim financial information in accordance with the international standard IAS 34 - *Interim Financial Reporting* as adopted by the European Union. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the international standard ISRE (*International Standard on Review Engagements)* 2410 *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity"*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with the international standard IAS 34 - *Interim Financial Reporting* as adopted by the European Union.

Brussels, July 26, 2023

MAZARS RÉVISEURS D'ENTREPRISES SRL
Statutory Auditor
Represented by

Anton NUTTENS

Mazars Réviseurs d'Entreprises – Bedrijfsrevisoren SRL
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5. Responsibility statement

I hereby confirm that, to the best of my knowledge, the condensed consolidated financial information for the six-month period ended 30 June 2023, which has been prepared in accordance with IAS 34 “Interim Financial Reporting” as adopted by the European Union, gives a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation as a whole, and that the interim management report includes a fair review of the important events that have occurred during the first six months of the financial year and of the major transactions with the related parties, and their impact on the condensed consolidated financial information, together with a description of the principal risks and uncertainties for the remaining six months of the financial year.

Signed by Jean-Christophe Tellier (CEO) and Sandrine Dufour (CFO)

on behalf of the Board of Directors

6. Glossary of terms

Adjusted EBIT

(Earnings Before Interest and Taxes) Operating profit adjusted for impairment charges, restructuring expenses, and other income and expenses.

Adjusted EBITDA

(Earnings Before Interest, Taxes, Depreciation and Amortization charges) Operating profit adjusted for amortization, depreciation, impairment charges, restructuring expenses and other income and expenses.

Adjusted gross profit

Gross profit without the amortization of intangible assets linked to sales.

CER

Constant exchange rates

Core EPS/Core earnings per share

Profit attributable to UCB shareholders, adjusted for the after-tax impact of restructuring, impairment, other income/expense items, the financial one-offs, the after-tax contribution from discontinued operations and the after-tax amortization of intangibles linked to sales, per non-dilutive weighted average number of shares.

Core products

CIMZIA®, VIMPAT®, KEPPRA®, BRIVIACT®, FINTEPLA®, NAYZILAM®, BIMZELX® and EVENITY®

DTA

Deferred tax asset

EBIT/Earnings Before Interest and Taxes

Operating profit as mentioned in the consolidated financial statements

EMA/European Medicines Agency

Agency responsible for the evaluation of medicinal products designed to protect and promote human and animal health. www.emea.europa.eu

EPS

Earnings per share

Established brands

Portfolio of 150 post-patent, high-quality medicines, with proven value for patients and doctors since many years

Equity

Equity means ensuring all employees are offered fair opportunities for development, advancement, compensation and reward as per their aspirations.

FDA/U.S. Food and Drug Administration

Agency within the U.S. Department of Health and Human Services which is responsible for protecting and promoting the nation's health www.fda.gov

FVOCI

Fair value through other comprehensive income

Financial assets at FVOCI

Financial assets to be measured subsequently at fair value through other comprehensive income

Financial assets at FVPL

Financial assets to be measured subsequently at fair value through profit or loss

Financial one-off items

Gains and losses arising upon the sale of non-current financial assets (other than derivatives and reimbursement rights with respect to defined benefit plans) as well as impairment losses accounted for on these financial assets are considered as financial one-off items.

NCI

Non-controlling interest

Net dividend

The amount a shareholder of UCB will receive after principal deduction of Belgian withholding tax, which is currently 30%. Lower withholding tax rates may be applicable for certain categories of investors.

Net financial debt

Non-current and current borrowings, bonds and bank overdrafts less available for sale debt securities, restricted cash deposit with respect to financial lease agreements, cash and cash equivalents

OCI

Other comprehensive income

Orphan drug

A medicine used in rare diseases

PMDA/Pharmaceuticals and Medical Devices Agency Japanese regulatory agency in charge of protecting the public health by assuring safety,

efficacy and quality of pharmaceuticals and medical devices. www.pmda.go.jp/english

Weighted average number of ordinary shares

Number of ordinary shares outstanding at the beginning of a given period, adjusted by the number of shares bought back or issued during the period, multiplied by a time-weighting factor

Working capital

Includes inventories, trade and other receivables and trade and other payables, both due within and after 12 months.

Financial calendar

21 February 2024: 2023 full year financial results

Notes

These unaudited condensed consolidated interim financial statements were prepared in accordance with International Financial Reporting Standards as adopted by the European Union including IAS 34 – Interim Financial Reporting. In preparing this financial statement as of and for the six-month period ended 30 June 2023, the same accounting policies and accounting estimates were used as in the 31 December 2022 annual consolidated financial statements, unless indicated otherwise.

This interim report only provides an explanation of events and transactions that are significant to understand the changes in the financial position and financial performance since the last annual reporting period, and should therefore be read in conjunction with the consolidated financial statements for the financial year ended on 31 December 2022, available on the website of UCB (www.ucb.com). Other information on the website of UCB or on any other website does not form part of this half-year report.

Official report language

Pursuant to Belgian law, UCB is required to prepare its half-year report in French and in Dutch. UCB has also made this report available in English.

Forward-looking statements

This half-year report contains forward-looking statements, including, without limitation, statements containing the words “believes”, “anticipates”, “expects”, “intends”, “plans”, “seeks”, “estimates”, “may”, “will”, “continue” and similar expressions. These forward-looking statements are based on current plans, estimates and beliefs of management. All statements, other than statements of historical facts, are statements that could be deemed forward-looking statements, including estimates of revenues, operating margins, capital expenditures, cash, other financial information, expected legal, arbitration, political, regulatory or clinical results or practices and other such estimates and results. By their nature, such forward-looking statements are not guaranteeing future performance and are subject to known and unknown risks, uncertainties, and assumptions which might cause the actual results, financial condition, performance or achievements of UCB, or industry results, to be materially different from any future results, performance, or achievements expressed or implied by such forward-looking statements contained in this half-year report.

Important factors that could result in such differences include but are not limited to: global spread and impacts of wars and pandemics, including COVID-19 and other macroeconomic factors, changes in general economic, business and competitive conditions, the inability to obtain necessary regulatory approvals or to obtain them on acceptable terms or within expected timing, costs associated with research and development, changes in the prospects for products in the pipeline or under development by UCB, effects of future judicial decisions or governmental investigations, safety, quality, data integrity or manufacturing issues; potential or actual data security and data privacy breaches, or disruptions of our information technology systems, product liability claims, challenges to patent protection for products or product candidates, competition from other products including biosimilars, changes in laws or regulations, exchange rate fluctuations, changes or uncertainties in tax laws or the administration of such laws, and hiring and retention of its employees. There is no guarantee that new product candidates will be discovered or identified in the pipeline, or that new indications for existing products will be developed and approved. Movement from concept to commercial product is uncertain; preclinical results do not guarantee safety and efficacy of product candidates in humans. So far, the complexity of the human body cannot be reproduced in computer models, cell culture systems or animal models. The length of the timing to complete clinical trials and to get regulatory approval for product marketing has varied in the past and UCB expects similar unpredictability going forward. Products or potential products which are the subject of partnerships, joint ventures or licensing collaborations may be subject to disputes between the partners or may prove to be not as safe, effective or commercially successful as UCB may have believed at the start of such partnership. UCB’s efforts to acquire other products or companies and to integrate the operations of such acquired companies may not be as successful as UCB may have believed at the moment of acquisition. Also, UCB or others could discover safety, side effects or manufacturing problems with its products and/or devices after they are marketed. The discovery of significant problems with a product similar to one of UCB’s products that implicate an entire class of products may have a material adverse effect on sales of the entire class of affected products. Moreover, sales may be impacted by international and domestic trends toward managed care and health care cost containment, including pricing pressure, political and public scrutiny, customer and prescriber patterns or practices, and the reimbursement policies imposed by third-party payers as well as legislation affecting

biopharmaceutical pricing and reimbursement activities and outcomes. Finally, a breakdown, cyberattack or information security breach could compromise the confidentiality, integrity and availability of UCB's data and systems.

Given these uncertainties, the public is cautioned not to place any undue reliance on such forward-looking statements. These forward-looking statements are made only as of the date of this half-year report, and do not reflect any potential impacts from the evolving war in Ukraine, the COVID-19 pandemic and other macroeconomic factors, unless indicated otherwise. The company continues to follow the developments diligently to assess the financial significance of these impacts to UCB.

UCB expressly disclaims any obligation to update any forward-looking statements in this half-year report, either to confirm the actual results or to report or reflect any change in its forward-looking statements with regard thereto or any change in events, conditions or circumstances on which any such statement is based, unless such statement is required pursuant to applicable laws and regulations.

About UCB

UCB, Brussels, Belgium (www.ucb.com) is a global biopharmaceutical company focused on the discovery and development of innovative medicines and solutions to transform the lives of people living with severe diseases in immunology and neurology. With more than 8 600 people operating in approximately 40 countries, the company generated revenue of € 5.5 billion in 2022. UCB is listed on Euronext Brussels (symbol: UCB). Follow us on Twitter: @UCB_news

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