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

2022 Half-Year Financial Report

Brussels, 28 July 2022

CONTENTS

1. Business performance review[1]

1.1. Key highlights

In the first six months of 2022, **revenue** reached € 2 925 million up by 5% (+3% at constant exchange rates (CER)). **Net sales** showed a continued good growth profile, partly impacted by generic erosion to VIMPAT® in the U.S. and E KEPPRA® in Japan. Newly added was FINTEPLA® since March 2022 following the closing of the acquisition of Zogenix, Inc. as well as BIMZELX®, being launched now in Europe, the UK, Japan and Canada. Hence, net sales went up to € 2 705 million by 2% (0% CER). Net sales before "designated hedges reclassified to net sales" were up by 6% (0% CER). Royalty income and fees were € 45 million, other revenue increased to € 175 million.

- **Adjusted EBITDA** reached € 814 million (-3%; -2% CER), reflecting higher revenue and higher operating expenses driven by the Zogenix acquisition and the ongoing and coming launches – partly compensated by a strong increase in Other Operating Income in connection with EVENITY® (*romosozumab*).
- **Profit** decreased to € 399 million from € 571 million (-30%; -25% CER) also due to the higher amortization charges and fees in connection with the Zogenix acquisition.
- **Core earnings per share** reached € 3.15 from € 3.40 in the first half of 2021.

For the six months ended 30 June	ACTUAL		VARIANCE	
€ million	2022	2021	ACTUAL RATES	CER
Revenue	**2 925**	**2 778**	**5%**	**3%**
Net sales	2 705	2 651	2%	0%
Royalty income and fees	45	40	12%	1%
Other revenue	175	87	>100%	97%
Gross Profit	**2 080**	**2 089**	**0%**	**-2%**
Adjusted Gross Profit	**2 250**	**2 167**	**4%**	**2%**
Marketing and selling expenses	- 730	- 606	21%	14%
Research and development expenses	- 798	- 753	6%	3%
General and administrative expenses	- 115	- 98	18%	15%
Other operating income/expenses (-)	114	50	>100%	>100%
Adjusted EBIT	**551**	**682**	**-19%**	**-16%**
Restructuring, Impairment and Other income/expenses (-)	- 61	- 4	>100%	>100%
EBIT (operating profit)	**490**	**678**	**-28%**	**-24%**
Net financial expenses (-)	- 9	- 35	-74%	-75%
Share of profit/ loss (-) of associates	0	0	N/A	N/A
Profit before income taxes	**481**	**643**	**-25%**	**-21%**
Income tax expense (-)	- 82	- 76	7%	3%
Profit from continuing operations	**399**	**567**	**-30%**	**-25%**
Profit/loss (-) from discontinued operations	0	4	-99%	-99%
Profit	**399**	**571**	**-30%**	**-25%**
Attributable to UCB shareholders	399	571	-30%	-25%
Attributable to non-controlling interests	0	0	N/A	N/A
Adjusted EBITDA	**814**	**843**	**-3%**	**-2%**
Capital expenditure (including intangible assets)	174	187	-7%	N/A
Net financial cash / debt[2] (-)	- 2 502	- 860	>100%	N/A
Operating cash flow from continuing operations	393	484	-19%	N/A
Weighted average number of shares – non diluted (million)	**190**	**189**	**0%**	**N/A**
EPS (€ per weighted average number of shares – non diluted)	**2.10**	**3.02**	**-30%**	**-32%**
Core EPS (€ per weighted average number of shares – non diluted)	**3.15**	**3.40**	**-7%**	**-4%**

[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 2021

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 2021. This condensed consolidated interim financial information has been reviewed, not audited.

UCB reports the remaining activities resulting from the divestment of the activities Films (2004) and Surface Specialties (2005), 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.

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:

Impact of the COVID-19 pandemic

The global pandemic of COVID-19 has eased, and many aspects of life seemed to have gone back to pre-pandemic times. However, the pandemic is not over, new variants may return, and many countries are already preparing for new waves during the second half of 2022 and early 2023. Hence, UCB will continue to put measures in place to protect the health of its employees and stakeholders worldwide, especially its patients, while remaining focused on ensuring business critical activities are properly maintained.

For the current impact on financial performance, financial position and cash-flows (liquidity position and liquidity risk management strategy), and the impact on revenues, we refer to Note 3.4 of this financial report.

As the expected future impact of the COVID-19 pandemic on UCB's financial performance, financial position and cash-flows is assessed as being low, no special or additional contingency measures are planned to mitigate the expected future impact of this pandemic.

UCB's existing risk management processes are comprehensive and therefore no material unaddressed risks or uncertainties were identified compared to the ones mentioned in the Risk Management section of this Half-Year Report.

War Against Ukraine

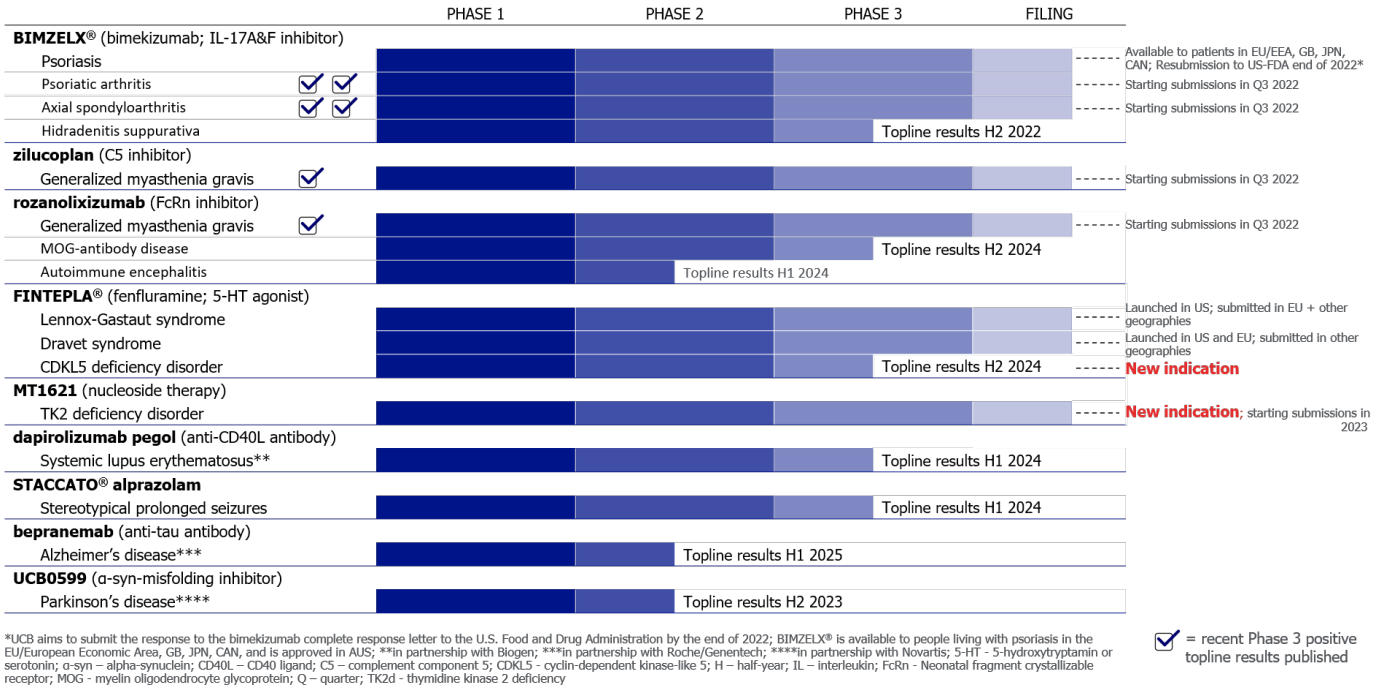
What is happening in Ukraine goes against everything UCB believes in. UCB cherishes and demonstrates an unwavering respect for human life and dignity and firmly stands behind the international condemnation of the aggression and violence since the beginning of the conflict. As Russia's invasion of Ukraine continues and intensifies, UCB's despairs about the violence and the devastating consequences increase. At the same time, UCB is reminded of past and current wars that receive less coverage but also have devastating effects and also go against UCB's values. In these difficult times, 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 2022, UCB and Zogenix, Inc. announced that the companies have entered into a definitive agreement under which UCB would acquire Zogenix. **On March 07, 2022**, UCB announced the successful completion of the transaction to acquire Zogenix for USD 26.00 per share plus a milestone-based contingent value right for a potential cash payment of USD 2.00 per share. The total transaction is valued at up to approximately USD 1.9 billion / € 1.7 billion (total transaction value fully diluted). The rare epilepsies drug FINTEPLA® (*fenfluramine*) complements UCB's existing treatment offerings and will bring value to patients and their families suffering from Dravet syndrome, from seizures associated with Lennox-Gastaut syndrome & potentially CDKL5 (see pipeline progress below). FINTEPLA® has been approved in the U.S. and Europe

and is under regulatory review in Japan for the treatment of seizures associated with Dravet syndrome in patients two years of age and older. In March, it was also approved in Lennox-Gastaut syndrome in the U.S. with review in Europe ongoing (see also regulatory updates below).

In March 2022, UCB announced it will build an innovative and environmentally sustainable gene therapy process development and clinical manufacturing facility on its high-tech campus in Braine-l'Alleud, Wallonia, Belgium. The new facility, representing an investment of more than € 200 million over the coming years, is expected to be operational in 2024. Construction started in the second quarter of 2022.



Regulatory update and pipeline progress

The updated timelines for UCB's clinical development program, also reflecting regulatory updates and pipeline progress from January 1, 2022 up to the publication date of this report, are shown above. In the first six months of 2022, the timelines for UCB's clinical development program have not experienced any material delays due to COVID-19 nor other geopolitical challenges. UCB continues to monitor the impact of COVID-19, the Ukraine war, and other macro-economic factors on all ongoing clinical trials and will implement changes as necessary.

Regulatory Update

In January 2022, the Japanese Ministry of Health, Labor and Welfare granted marketing authorization for BIMZELX® (*bimekizumab*) for the treatment of plaque psoriasis, generalized pustular psoriasis and psoriatic erythroderma in patients who are not sufficiently responding to existing treatments.

In February 2022, Health Canada granted approval for BIMZELX® for the treatment of moderate to severe plaque psoriasis in adults who are candidates for systemic therapy or phototherapy.

Also in March 2022, the Australian Therapeutic Goods Administration (TGA) granted approval for BIMZELX® for the treatment of moderate to severe plaque psoriasis in adults who are candidates for systemic therapy or phototherapy.

In May 2022, the European Medicines Agency (EMA) and the UK's Medicines and Healthcare products Regulatory Agency approved a label update for BIMZELX® to include data from the Phase 3b BE RADIANT study. The BE RADIANT study compared the efficacy and safety of an IL-17A and IL-17F inhibitor, *bimekizumab*, to an IL-17A inhibitor, *secukinumab*. Full results of this study were previously published in The New England Journal of Medicine. This update reinforces UCB's commitment to provide clinically meaningful information for healthcare professionals that may help to support informed treatment decisions.

In May 2022, UCB announced that the U.S. Food and Drug Administration (FDA) has issued a Complete Response Letter (CRL) regarding the Biologics License

Application (BLA) for bimekizumab for the treatment of adults with moderate to severe plaque psoriasis. The letter indicates that the FDA could not approve the application in its current form and that certain pre-approval inspection observations of UCB's manufacturing site in Belgium must be resolved before approval of the application. The CRL is not related to efficacy nor to safety of bimekizumab. UCB is working with the U.S. FDA to address and resolve the pre-approval inspection observations and bring this potential treatment option for moderate to severe plaque psoriasis to patients in the U.S. UCB aims to submit the response to the bimekizumab CRL to the U.S. FDA by the end of 2022.

In March 2022, UCB announced that **FINTEPLA® (*fenfluramine*)** oral solution was approved in the United States by the U.S. FDA for the treatment of seizures associated with Lennox-Gastaut syndrome (LGS) in patients two years of age and older. Additionally, the U.S. FDA has granted pediatric exclusivity for the product. It is already approved for the treatment of seizures associated with Dravet syndrome in patients two years of age and older in the U.S. and EU. FINTEPLA® for LGS is available in the U.S. through a restricted distribution program, called the Risk Evaluation and Mitigation Strategy (REMS) Program.

In May 2022, the National Institute for Health and Care Excellence (NICE) issued a Final Appraisal Determination (FAD), recommending FINTEPLA® as an option for the treatment of seizures associated with Dravet syndrome as an add-on therapy to other anti-epileptic medicines for patients two years of age and older in the UK.

In June 2022, the EMA's Committee for Orphan Medicinal Products (COMP) adopted a positive opinion on the European orphan drug designation application for ***zilucoplan*** in myasthenia gravis.

Pipeline progress

After an unprecedented string of events, UCB announced positive topline results of six Phase 3 readouts towards the end of 2021 and early 2022:

1. Positive results for *bimekizumab* in psoriatic arthritis (biologic disease-modifying anti-rheumatic drug naïve patients; BE OPTIMAL),
2. Positive results for *rozanolixizumab* in generalized myasthenia gravis (MycarinG),
3. Positive results for *bimekizumab* in radiographic axial spondyloarthritis (also known as ankylosing spondylitis; BE MOBILE 2),
4. Positive results for *bimekizumab* in non-radiographic axial spondyloarthritis (BE MOBILE 1),
5. Positive results for *bimekizumab* in psoriatic arthritis (inadequate responders or intolerant to anti-TNF treatment; BE COMPLETE),
6. Positive results for *zilucoplan* in generalized myasthenia gravis (RAISE).

Rozanolixizumab

Immune thrombocytopenia (ITP)

UCB decided to de-prioritize the development of *rozanolixizumab* in immune thrombocytopenia (ITP). Since UCB took the decision to progress the *rozanolixizumab* ITP development program to Phase 3 in 2019, the treatment landscape for people living with ITP has significantly evolved. New targeted therapies, offering multiple opportunities to transform the care and management of ITP, are now available or in late-stage development. This evolution looks set to address many of the significant unmet needs faced by the ITP patient community. Taking these factors into account, UCB will not progress with the *rozanolixizumab* ITP development program. This allows UCB to reallocate resources to areas with higher unmet medical needs. All other *rozanolixizumab* programs will continue as previously communicated and announced.

FINTEPLA® (*fenfluramine*)

CDKL5 deficiency disorder (CDD)

Following the acquisition of Zogenix, UCB decided to continue with the development of the Phase 3 clinical trial program of *fenfluramine* in CDKL5 deficiency disorder, or CDD. The Phase 3 program evaluates efficacy and safety as an adjunctive therapy in patients 1 to 35 years of age with CDD and uncontrolled seizures. First topline results are expected in H2 2024. CDD is a rare developmental epileptic encephalopathy caused by mutations in the CDKL5 gene. The hallmarks of the disease are early-onset, intractable epilepsy and neurodevelopmental delay impacting cognitive, motor, speech, and visual function. Although rare, CDD is one of the most common forms of genetic epilepsy. It occurs in approximately 1 in every 40,000 to 75,000 live births, the majority of those affected are girls. **In June 2022**, the FDA granted orphan drug designation to FINTEPLA® to treat CDD.

MT1621 (nucleoside therapy)

Thymidine Kinase 2 deficiency

Following the acquisition of Zogenix, UCB sees a high unmet medical need to continue with the development of deoxycytidine and deoxythymidine (doxTM) in Thymidine Kinase 2 deficiency (TK2d). TK2d is an ultra-rare debilitating and life-threatening (often fatal) genetic mitochondrial disorder and causes progressive and severe muscle weakness. Many patients lose the ability to walk, eat, and breathe independently. Given the high

unmet need, no approved therapies, and doxTM considered to change the disease trajectory, UCB has an opportunity to create pivotal patient value. The clinical development program is complete. UCB is currently engaged in discussions with regulatory agencies to validate UCB's global submission strategy. The target submission projections are aimed for 2023.

All other clinical development programs are continuing as planned.

1.3. Net sales by product

Total net sales in the first six months of 2022 reached € 2 705 million, 2% higher than last year or +0% at constant exchange rates (CER). Net sales before "designated hedges reclassified to net sales" were up by 6% (+0% CER). This growth was driven by the continued growth of the UCB product portfolio, namely CIMZIA® and BRIVIACT®, the newly launched BIMZELX® and the addition of FINTEPLA®, partly compensated by generic erosion of VIMPAT® in the U.S. and E KEPPRA® in Japan.

For the six months ended 30 June	ACTUAL		VARIANCE	
€ million	2022	2021	ACTUAL RATES	CER
Core products	**2 589**	**2 443**	**6%**	**0%**
Immunology				
CIMZIA®	**994**	873	14%	7%
EVENITY®	**9**	4	>100%	>100%
BIMZELX®	**10**	0	N/A	N/A
Neurology				
VIMPAT®	**744**	735	1%	-6%
KEPPRA®	**380**	485	-22%	-23%
NEUPRO®	**155**	158	-1%	-5%
BRIVIACT®	**225**	166	35%	25%
NAYZILAM®	**36**	21	68%	52%
FINTEPLA®	**35**	0	N/A	N/A
Established brands	**172**	**168**	**3%**	**3%**
ZYRTEC®	**50**	45	12%	12%
XYZAL®	**32**	33	-2%	-6%
Other products	**90**	90	0%	2%
Net sales before hedging	**2 761**	**2 611**	**6%**	**0%**
Designated hedges reclassified to net sales	**- 56**	**40**	**>-100%**	
Total net sales	**2 705**	**2 651**	**2%**	**0%**

Core products

CIMZIA® (*certolizumab pegol*), for people living with inflammatory TNF mediated diseases, net sales increased to € 994 million (+14%; +7% CER), outperforming the anti-TNF market based on differentiation and driven by continued growth in all markets, namely +11% volume growth in the U.S. and strong growth in international markets reaching more patients.

VIMPAT® (*lacosamide*), for people living with epilepsy, net sales reached € 744 million, (+1%; -6% CER). After strong growth in the U.S. in the beginning of the year, the expected generic erosion in the U.S. since end of March impacted the performance in the U.S., compensated by continued good growth in Europe and international markets.

KEPPRA® (*levetiracetam*), available for patients living with epilepsy, reported lower net sales of € 380 million (-22%; -23% CER). The generic erosion in Japan started early January this year and was stronger than expected due to multiple generics and governmental support for generic levetiracetam.

BRIVIACT® (*brivaracetam*) available for people living with epilepsy, reached net sales of € 225 million, a plus of 35% (+25% 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®.

NEUPRO® (*rotigotine*), the patch for Parkinson's disease and restless legs syndrome, recorded net sales of € 155 million (-1%; -5% CER), with declining net sales in the U.S. and international markets, namely Japan, and stable net sales in Europe – in a competitive market environment.

NAYZILAM® (*midazolam*) Nasal Spray[CIV], the nasal rescue treatment for epilepsy seizure clusters in the U.S. reached net sales of € 36 million after € 21 million, a plus of 68% (+52% CER).

FINTEPLA® (*fenfluramine*) is now part of the UCB epilepsy portfolio thanks to the completed acquisition of Zogenix in early March. FINTEPLA® is approved for seizures associated with rare epileptic syndromes, Dravet (since mid-2020) and Lennox-Gastaut syndrome (since late March 2022), providing new treatment options for patients and families living with these rare syndromes that are particularly challenging to treat. Net sales (March - June) were € 35 million. The integration of Zogenix is ongoing and expected to be completed as planned by the end of 2022.

BIMZELX® (*bimekizumab*), for people living with psoriasis, is being launched in Europe and the UK since autumn last year and in Japan and Canada most recently this year. Reported net sales were € 10 million after € 4 million in the second half of 2021. For the U.S., UCB received a so-called "complete response letter" (CRL) from the U.S. Food and Drug Administration (FDA). The letter indicates that the FDA cannot approve the application in its current form. The CRL states that certain pre-approval inspection observations must be resolved before approval of the application. UCB will address all observations and questions noted in the CRL and is fully confident in the quality of its manufacturing process. UCB aims to submit the response to the CRL to the FDA by the end of 2022.

EVENITY® (*romosozumab*) for the treatment of severe osteoporosis in postmenopausal women at high risk of fracture is being successfully launched in Europe since March 2020 and reported net sales of € 9 million after € 4 million. EVENITY® is being launched successfully globally by Amgen, Astellas and UCB since 2019, with net sales outside Europe reported by the partners.

ESTABLISHED BRANDS

Net sales of established brands went up by 3% (+3% CER) to € 172 million, reflecting the allergy season. Part of the portfolio are UCB's allergy products **ZYRTEC®** (*cetirizine*, including ZYRTEC®-D/Cirrus®) and **XYZAL®** (*levocetirizine*) – which reached total net sales of € 82 million (+6%; +5% CER).

Designated and unallocated hedges reclassified to net sales were negative with € 56 million (positive with € 40 million in first half 2021) 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®	994	36%
	EVENITY®	9	0%
	BIMZELX®	10	0%
Epilepsy	VIMPAT®	744	27%
	NEUPRO®	155	6%
	KEPPRA®	380	14%
	BRIVIACT®	225	8%
	NAYZILAM®	36	1%
	FINTEPLA®	35	1%
Established Brands		172	6%
Net sales excluding hedging		**2 761**	

1.4. Net sales by geographical area

U.S. net sales went up to € 1 523 million (+12%; +1% CER). This was driven by the strong growth of CIMZIA® and BRIVIACT® supported by the addition of FINTEPLA®. This was partly compensated by the net sales decline for VIMPAT® and KEPPRA® due the generic competition following the patent expiration for the U.S. in late March 2022 and destocking effects respectively.

Net sales in Europe went up to € 732 million (+6%; +5% CER), due to the strong growth of the epilepsy products VIMPAT® and BRIVIACT®. EVENITY® showed a very strong growth - more than doubling the sales contribution from the first half 2021. CIMZIA® continued its consistent growth profile thanks to good volume growth.

International markets net sales amounted to € 506 million (-9%; -9% CER).

With € 171 million, **Japan** represents the largest market within the international markets segment and showed a decline by -40% (-38% CER) driven by E KEPPRA® exposed to generic competition since January 2022 and reporting net sales of € 86 million (-57%; -56% CER). CIMZIA® went up by 16% (+20% CER) to € 23 million, VIMPAT® showed continued good growth of 9% (+13% CER) to € 32 million and NEUPRO® net sales were € 16 million (-14%; -13% CER). BIMZELX® is now being successfully launched in Japan (€ 1 million).

Net sales in the second largest market in this region, **China**, went up by 50% (+36% CER) to € 90 million.

Designated and unallocated hedges reclassified to net sales were negative with € 56 million (positive with € 40 million in the first half 2021) 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
Europe	732	27%
International market	506	18%
U.S.	1 523	55%
Net sales excluding hedging	2 761	

For the six months ended 30 June	ACTUAL		VARIANCE ACTUAL RATES		VARIANCE CER	
€ million	**2022**	2021	**€ million**	**%**	**€ million**	**%**
Net sales U.S.	**1 523**	**1 364**	**159**	**12%**	**17**	**1%**
CIMZIA®	644	553	90	16%	30	5%
VIMPAT®	520	534	- 13	-3%	- 62	-12%
KEPPRA® (incl. KEPPRA® XR)	71	84	- 12	-15%	- 19	-23%
BRIVIACT®	174	124	50	40%	34	27%
NEUPRO®	46	48	- 2	-4%	- 6	-13%
NAYZILAM®	36	21	14	68%	11	52%
BIMZELX®	0	0	0	N/A	0	N/A
FINTEPLA®	33	0	33	N/A	30	N/A
Net sales Europe	**732**	**694**	**39**	**6%**	**35**	**5%**
CIMZIA®	209	208	2	1%	0	0%
VIMPAT®	155	141	14	10%	13	10%
KEPPRA®	105	110	- 5	-4%	- 5	-5%
NEUPRO®	83	82	0	0%	0	0%
BRIVIACT®	43	38	5	14%	5	13%
EVENITY®	9	4	5	>100%	5	>100%
BIMZELX®	9	0	9	N/A	9	N/A
FINTEPLA®	3	0	3	N/A	3	N/A
Established brands	116	111	6	5%	8	7%
Net sales international markets	**506**	**553**	**- 48**	**-9%**	**- 51**	**-9%**
KEPPRA®	204	291	- 87	-30%	- 87	-30%
CIMZIA®	141	112	29	26%	27	24%
VIMPAT®	68	60	8	14%	7	11%
NEUPRO®	27	28	- 1	-2%	- 1	-4%
BRIVIACT®	8	5	3	53%	2	42%
BIMZELX®	1	0	1	N/A	1	N/A
FINTEPLA®	0	0	0	N/A	0	N/A
Established brands	56	57	- 1	-2%	0	0%
Net sales before hedging	**2 761**	**2 611**	**150**	**6%**	**2**	**0%**
Designated hedges reclassified to net sales	- 56	40	- 96	>-100%		
Total net sales	**2 705**	**2 651**	**54**	**2%**	**2**	**0%**

1.5. Royalty income and fees

For the six months ended 30 June	ACTUAL		VARIANCE	
€ million	**2022**	2021	**ACTUAL RATES**	**CER**
Biotechnology IP	28	23	23%	11%
Other	17	17	2%	-6%
Royalty income and fees	**45**	**40**	**12%**	**1%**

In the first six months 2022, **royalty income and fees** increased from € 40 million to € 45 million.

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

Other royalties include the allergy product ZYRTEC® (*cetirizine*) and the franchise royalties paid by Pfizer for the overactive bladder treatment Toviaz® (*fesoterodine*).

1.6. Other revenue

For the six months ended 30 June	ACTUAL		VARIANCE	
€ million	**2022**	2021	**ACTUAL RATES**	**CER**
Contract manufacturing sales	61	64	-5%	-9%
Other	114	23	>100%	>100%
Other revenue	**175**	**87**	**>100%**	**97%**

Other revenue went up to € 175 million from € 87 million.

Contract manufacturing sales declined by 5% (-9% CER) to € 61 million, due to continued lower demand for contract manufacturing.

"Other" revenue reached € 114 million after € 23 million and reflects 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 UCB0599 in Parkinson's disease. It also includes a one-time amount of € 70 million from sale of IP rights (olokizumab)

1.7. Gross profit

For the six months ended 30 June	ACTUAL		VARIANCE	
€ million	**2022**	2021	**ACTUAL RATES**	**CER**
Revenue	**2 925**	**2 778**	**5%**	**3%**
Net sales	2 705	2 651	2%	0%
Royalty income and fees	45	40	12%	1%
Other revenue	175	87	>100%	97%
Cost of sales	**- 845**	**- 689**	**23%**	**19%**
Cost of sales products and services	- 536	- 456	18%	17%
Royalty expenses	- 139	- 155	-10%	-19%
Amortization of intangible assets linked to sales	- 170	- 78	>100%	>100%
Gross Profit	**2 080**	**2 089**	**0%**	**-2%**
Adjusted Gross Profit	**2 250**	**2 167**	**4%**	**2%**

In the first six months 2022, **gross profit** reached € 2 080 million. The gross margin was 71%, after 75% in the first six months of 2021 - impacted by the addition of FINTEPLA® amortization. If adjusted for "amortization of intangible assets linked to sales" the adjusted gross margin is 77%, after 78% in the first six months of 2021.

Cost of sales has 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** increased to € 536 million, driven by higher net sales and mainly due to the write-off of certain commercial *bimekizumab* inventory after not being able to launch in the U.S. market.

Royalty expenses went down to € 139 million after € 155 million due to patent expiration 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 new) 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 € 170 million, after € 78 million. This includes the addition of FINTEPLA® leading to additional amortization of € 99 million.

1.8. Adjusted EBIT and adjusted EBITDA

For the six months ended 30 June	ACTUAL		VARIANCE	
€ million	2022	2021	ACTUAL RATES	CER
Revenue	**2 925**	**2 778**	**5%**	**3%**
Net sales	2 705	2 651	2%	0%
Royalty income and fees	45	40	12%	1%
Other revenue	175	87	>100%	97%
Gross Profit	**2 080**	**2 089**	**0%**	**-2%**
Marketing and selling expenses	- 730	- 606	21%	14%
Research and development expenses	- 798	- 753	6%	3%
General and administrative expenses	- 115	- 98	18%	15%
Other operating income/expenses (-)	114	50	>100%	>100%
Total operating expenses	**-1 529**	**-1 407**	**9%**	**5%**
Adjusted EBIT	**551**	**682**	**-19%**	**-16%**
Add: Amortization of intangible assets	192	96	99%	89%
Add: Depreciation charges	71	65	11%	7%
Adjusted EBITDA	**814**	**843**	**-3%**	**-2%**

Operating expenses, encompassing marketing and selling expenses, research and development expenses, general and administrative expenses and other operating income/expenses, reached € 1 529 million reflecting higher marketing and selling as well as higher research and development expenses. Total operating expenses in relation to revenue (operating expense ratio) were 52%, consisting of:

21% higher **marketing and selling expenses** to € 730 million, driven by launches and pre-launch activities: FINTEPLA® launch activities, BIMZELX® launch activities throughout Europe, GB, Japan, Canada and Australia as well as for the U.S., EVENITY® ongoing launch activities throughout Europe and GB and global launch preparations for *zilucoplan* and *rozanolixizumab* in generalized myasthenia gravis.

6% higher **research and development expenses** to € 798 million reflecting the investments in UCB's progressing pipeline encompassing six late-stage assets and ongoing earlier stage research activities. This also includes activities to ensure patient safety and recruitment managing the effects of the pandemic. The strategic decision to terminate the development in ITP led to termination costs of € 29 million. The R&D ratio remained stable at 27% in the first six months of 2022 (after 27% in the first six months 2021);

18% higher **general and administrative expenses** to € 115 million, due to implementation expenses for improved value-focused allocation of resources and the integration of Zogenix.

other operating income of € 114 million, driven by € 108 million net contribution from Amgen in connection with the commercialization of EVENITY®.

Hence, **adjusted EBIT (Earnings Before Interest and Taxes)** went down by 19% to € 551 million, compared to € 682 million for the first six months of 2021.

Total **amortization of intangible assets** (product related and other) amounted to € 192 million, of which € 99 million related to Zogenix.

Depreciation charges reached € 71 million.

Adjusted EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization charges) reached € 814 million after € 843 million (-3%; -2% CER), reflecting higher revenue and higher operating expenses driven by the Zogenix acquisition and the ongoing and coming launches – despite a strong increase in other operating income in connection with EVENITY®. The adjusted EBITDA ratio for the first six months of 2022 (in % of revenue) reached 27.8%, compared to the first six months 2021 with 30.3%.

1.9. Net profit

Total other income/expenses (-) amounted to € 61 million pre-tax expenses. The first six months of 2022 included mainly fees related to the acquisition of Zogenix and restructuring expenses. In the first six months of 2021, the pre-tax expenses were € 4 million and included mainly restructuring expenses offset with the unwinding of cumulative currency translation adjustments.

For the six months ended 30 June	ACTUAL		VARIANCE	
€ million	2022	2021	ACTUAL RATES	CER
Adjusted EBIT	**551**	**682**	**-19%**	**-16%**
Impairment charges	0	0	N/A	N/A
Restructuring expenses	-9	-10	-16%	-17%
Gain on disposals	0	-1	-100%	-100%
Other income / expenses (-)	-52	7	>-100%	>-100%
Total other income / expenses (-)	**-61**	**-4**	**>100%**	**>100%**
EBIT (operating profit)	**490**	**678**	**-28%**	**-24%**
Net financial expenses (-)	-9	-35	-74%	-75%
Result from associates	0	0	N/A	N/A
Profit before income taxes	**481**	**643**	**-25%**	**-21%**
Income tax expense (-)	-82	-76	7%	3%
Profit from continuing operations	**399**	**567**	**-30%**	**-25%**
Profit/loss (-) from discontinued operations	0	4	-99%	-99%
Profit	**399**	**571**	**-30%**	**-25%**
Attributable to UCB shareholders	399	571	-30%	-25%
Attributable to non-controlling interests	0	0	N/A	N/A
Profit attributable to UCB shareholders	**399**	**571**	**-30%**	**-25%**

Net financial expenses went down to € 9 million from € 35 million, mainly due to one-time positive currency impact of € 25 million.

Income tax expense were € 82 million compared to € 76 million in June 2021. The average effective tax rate was 17% compared to 12% in June 2021. This is driven by the continued and sustainable use of R&D incentives in line with UCB's business activities compensated by the delay in launching *bimekizumab* in the U.S. in 2022.

Profit from discontinued operations was € 0 million.

The **profit of the Group** amounted to € 399 million also due to the higher amortization charges and fees in connection with the Zogenix acquisition. The full amount is attributable to UCB shareholders.

1.10. Core EPS

For the six months ended 30 June	ACTUAL		VARIANCE	
€ million	2022	2021	ACTUAL RATES	CER
Profit	**399**	**571**	**-30%**	**-25%**
Attributable to UCB shareholders	399	571	-30%	-25%
Profit attributable to UCB shareholders	**399**	**571**	**-30%**	**-25%**
Total other income (-) / expenses	61	4	>100%	>100%
Income tax on other expenses (-) / credit	- 7	- 2	>100%	>100%
Profit (-) / loss from discontinued operations	0	- 4	-99%	-99%
Amortization of intangibles linked to sales	170	78	>100%	>100%
Income tax on amortization of intangibles linked to sales	- 25	- 5	>100%	>100%
Core profit attributable to UCB shareholders	**597**	**642**	**-7%**	**-4%**
Weighted average number of shares (million)	190	189	0%	
Core EPS attributable to UCB shareholders (€)	**3.15**	**3.40**	**-7%**	**-4%**

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 € 597 million. In the first six months of 2022, mainly amortization of intangible assets linked to sales and expenses in connection with the acquisition of Zogenix needed to be adjusted. This is leading to **core earnings per share** (Core EPS) of € 3.15, compared to € 3.40 in the first six months of 2021 per non-dilutive weighted average number of shares of 190 million after 189 million shares in the first six months 2021.

1.11. Statement of financial position

The **intangible assets** increased by € 1 980 million from € 3 159 million on 31 December 2021 to € 5 139 million on 30 June 2022. The increase is due to the acquisition of Zogenix (€ 1 846 million), to the capitalization of fees linked to in-licensing deals, and to the impact from translation of foreign currencies (€ 282 million), partially offset with the ongoing amortization of the intangible assets (€ -192 million).

Goodwill at € 5 534 million, up € 361 million, including the Zogenix acquisition of € 134 million and the stronger U.S. dollar compared to December 2021.

Other non-current assets increased by € 208 million, driven by:

- an increase in deferred tax assets of € 39 million due to increased timing differences on commercial inventory, higher R&D tax credits offset with utilization of losses;
- an increase in property, plant and equipment of € 110 million due to new acquisitions including right-of-use assets (€ 159 million), mainly related to the new biological production site, revamping of office environment and acquisition of laboratory and other equipment, offset with the ongoing depreciation of the property, plant and equipment (€ -71 million);
- an increase in financial and other assets of € 59 million mainly driven by higher outstanding derivatives as well as an increase in long term receivables due to sale of IP rights.

The **current assets** decreased from € 3 710 million as of 31 December 2021 to € 3 259 million as of 30 June 2022 and relate to lower cash, partially offset with higher receivables due to sales pattern and higher outstanding derivatives.

UCB's shareholders' equity, at € 8 917 million, an increase of € 531 million between 31 December 2021 and 30 June 2022. The important changes stem from the net profit (€ 399 million), the U.S. dollar, Swiss franc and British pound currency translation (€ 383 million), offset with the dividend payments (€ -247 million), the cash-flow hedges (€ -22 million) and the acquisition of own shares (€ -23 million).

The **non-current liabilities** amount to € 4 495 million, increase by € 1 495 million. The increase mainly relates to the USD 800 million bullet term loan facility agreement that the Group has entered into in 2022 for the Zogenix acquisition. There is also an increase relating to deferred tax liabilities recorded on the acquired Zogenix assets.

The **current liabilities** amount to € 2 896 million, down € 72 million.

The **net debt** at € 2 502 million compared to € 860 million as of end December 2021 is mainly the result of the underlying net profitability, the acquisition of Zogenix and the dividend payment on the 2021 results. The net debt to adjusted EBITDA ratio is 1.55 as per 30 June 2022.

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 € 393 million, compared to € 484 million end June 2021 and stemming from underlying net profitability, offset with higher working capital due to a decrease in trade and other payables and acquisition of negative working capital Zogenix.
- **Cash flow from investing activities** showed an outflow of € 1 374 million, compared to an outflow of € 174 million in June 2021 which is mainly due to the acquisition of Zogenix.
- **Cash flow from financing activities** has an inflow of € 216 million, which includes the proceeds of the USD 800 million bullet term loan facility offset by the dividend paid to UCB shareholders (€ - 247 million), the repayment of the convertible senior notes issued by Zogenix (€ - 261 million)

1.13. Financial Guidance 2022 confirmed

UCB updated its financial guidance 2022 on 24 June 2022. The updated guidance is confirmed:

UCB is aiming for revenues in the range of € 5.30 - 5.40 billion based on continued core product growth and taking into account impacts from the loss of exclusivity for VIMPAT® in the U.S. (since March) and Europe (from September) and the strong generic competition to E KEPPRA® in Japan since January.

UCB continues to invest in research and development to advance its late-stage development pipeline and prepare for upcoming launches to offer potential new solutions for patients. Underlying profitability, adjusted EBITDA, is now expected in the range of 21 - 22% 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 € 3.70 - 4.00 per share – based on an average of 189 million shares outstanding.

The figures for the updated financial guidance 2022 as mentioned above are calculated on the same basis as the actual figures for 2021; they have been extended by the consolidation of the acquisition of Zogenix.

2. Condensed Consolidated financial statements

2.1. Condensed Consolidated income statement

For the six months ended 30 June € million	Note	2022 Reviewed	2021 Reviewed
CONTINUING OPERATIONS			
Net Sales	3.8	2 705	2 651
Royalty income and fees		45	40
Other revenue		175	87
Revenue	**3.10**	**2 925**	**2 778**
Cost of sales		- 845	- 689
Gross profit		**2 080**	**2 089**
Marketing and selling expenses		- 730	- 606
Research and development expenses		- 798	- 753
General and administrative expenses		- 115	- 98
Other operating income/expenses (-)	3.13	114	50
Operating profit before impairment, restructuring and other income and expenses		**551**	**682**
Impairment of non-financial assets	3.14	0	0
Restructuring expenses	3.15	- 9	- 10
Other income/expenses (-)	3.16	- 52	6
Operating profit		**490**	**678**
Financial income	3.17	39	55
Financial expenses	3.17	- 48	- 90
Net financial expenses (-)	3.17	- 9	- 35
Share of loss of associates		0	0
Profit before income taxes		**481**	**643**
Income tax expense	3.18	- 82	- 76
Profit from continuing operations		**399**	**567**
DISCONTINUED OPERATIONS			
Profit/loss (-) from discontinued operations	**3.12**	**0**	**4**
PROFIT		**399**	**571**
Attributable to:			
Equity holders of UCB S.A.		399	571
Non-controlling interests		0	0
BASIC EARNINGS PER SHARE (€)[1]			
from continuing operations		2.10	3.00
from discontinued operations		0	0.02
Total basic earnings per share		**2.10**	**3.02**
DILUTED EARNINGS PER SHARE (€)[2]			
from continuing operations		2.05	2.92
from discontinued operations		0	0.02
Total diluted earnings per share		**2.05**	**2.94**

[1] The weighted average number of shares in issue during the interim period, for the purposes of the basic earnings per share calculation, is 189 800 756 (2021: 188 862 757).

[2] The weighted average number of shares during the interim period, for the purposes of the diluted earnings per share calculation, is 194 962 411 (2021: 194 427 822).

2.2. Condensed Consolidated statement of comprehensive income

For the six months ended 30 June € million	**2022 Reviewed**	2021 Reviewed
PROFIT FOR THE PERIOD	**399**	**571**
Other comprehensive income		
Items to be reclassified to profit or loss in subsequent periods:		
- Net gain/loss (-) on financial assets at FVOCI	21	39
- Exchange differences on translation of foreign operations	383	107
- Effective portion of gains/losses (-) on cash flow hedges	- 36	- 69
- Income tax relating to the components of other comprehensive income to be reclassified to profit or loss in subsequent periods	17	8
Items not to be reclassified to profit or loss in subsequent periods:		
- Remeasurement of defined benefit obligation	- 29	28
- Income tax relating to the components of other comprehensive income not to be reclassified to profit or loss in subsequent periods	4	- 1
Other comprehensive income/loss (-) for the period, net of tax	360	112
Total comprehensive income for the period, net of tax	**759**	**683**
Attributable to:		
Equity holders of UCB SA	759	683
Non-controlling interests	0	0
Total comprehensive income for the period, net of tax	**759**	**683**

2.3. Condensed Consolidated statement of financial position

€ million	Note	**30 June 2022 Reviewed**	31 Dec. 2021 Audited
ASSETS			
Non-current assets			
Intangible assets	3.19	5 139	3 159
Goodwill	3.20	5 534	5 173
Property, plant and equipment	3.21	1 385	1 275
Deferred income tax assets		731	692
Financial and other assets (including derivative financial instruments)	3.22	260	201
Total non-current assets		**13 049**	**10 500**
Current assets			
Inventories	3.23	861	878
Trade and other receivables		1 324	1 239
Income tax receivables		84	51
Financial and other assets (including derivative financial instruments)	3.22	475	273
Cash and cash equivalents		515	1 263
Assets of disposal group classified as held for sale		0	6
Total current assets		**3 259**	**3 710**
Total assets		**16 308**	**14 210**
EQUITY AND LIABILITIES			
Equity			
Capital and reserves attributable to UCB shareholders	3.24	8 917	8 386
Non-controlling interests		0	0
Total equity		**8 917**	**8 386**
Non-current liabilities			
Borrowings	3.25	2 128	1 252
Bonds	3.26	761	816
Other financial liabilities (including derivative financial instruments)	3.27	84	13
Deferred income tax liabilities		539	191
Employee benefits		364	315
Provisions	3.28	218	188
Trade and other liabilities		253	86
Income tax payables		148	139
Total non-current liabilities		**4 495**	**3 000**
Current liabilities			
Borrowings	3.25	128	55
Bonds	3.26	0	0
Other financial liabilities (including derivative financial instruments)	3.27	285	100
Provisions	3.28	116	83
Trade and other liabilities		2 340	2 555
Income tax payables		27	31
Liabilities of disposal group classified as held for sale		0	0
Total current liabilities		**2 896**	**2 824**
Total liabilities		**7 391**	**5 824**
Total equity and liabilities		**16 308**	**14 210**

2.4. Condensed Consolidated statement of cash flows

For the six months ended 30 June € million	Note	2022 Reviewed	2021 Reviewed
Profit for the year attributable to UCB shareholders		**399**	**571**
Non-controlling interests		0	0
Adjustment for profit (-)/loss from associates		0	0
Adjustment for non-cash transactions	3.29	363	68
Adjustment for items to disclose separately under operating cash flow	3.29	82	77
Adjustment for items to disclose under investing and financing cash flows	3.29	19	32
Change in working capital	3.29	- 299	- 225
Working capital adjustment relating to acquisitions		- 63	0
Interest received		7	11
Cash flow generated from operations		**509**	**534**
Tax paid during the period		- 116	- 50
Net cash flow used in (-)/generated by operating activities:		**393**	**484**
From continuing operations		393	484
From discontinued operations		0	0
NET CASH FLOW GENERATED BY OPERATING ACTIVITIES		**393**	**484**
Acquisition of intangible assets	3.19	- 50	- 61
Acquisition of property, plant and equipment	3.21	- 124	- 126
Acquisition of subsidiaries, net of cash acquired		-1 212	0
Acquisition of other investments		- 7	- 12
Sub-total acquisitions		**-1 393**	**- 199**
Proceeds from sale of property, plant and equipment		0	1
Proceeds from sale of other activities, net of cash disposed		0	15
Proceeds from sale of other investments		18	9
Sub-total disposals		**18**	**25**
Net cash flow used in (-)/generated by investing activities:		**-1 374**	**- 174**
From continuing operations		-1 374	- 174
From discontinued operations		0	0
NET CASH FLOW USED IN (-)/GENERATED BY INVESTING ACTIVITIES		**-1 374**	**- 174**
Repayment of bonds / notes (-)	3.26	- 261	- 204
Proceeds from borrowings	3.25	771	0
Repayments of borrowings (-)	3.25	0	- 503
Payment of lease liabilities	3.25	- 22	- 20
Acquisition (-) of treasury shares		0	- 60
Dividend paid to UCB shareholders, net of dividend paid on own shares	3.32	- 247	- 240
Interest paid		- 25	- 42
Net cash flow used in (-)/generated by financing activities:		**216**	**-1 069**
From continuing operations		216	-1 069
From discontinued operations		0	0
NET CASH FLOW USED IN (-)/GENERATED BY FINANCING ACTIVITIES		**216**	**-1 069**
NET INCREASE/DECREASE (-) IN CASH AND CASH EQUIVALENTS		**- 765**	**- 759**
From continuing operations		- 765	- 759
From discontinued operations		0	0
NET CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE		**1 244**	**1 303**
Effect of exchange rate fluctuations		- 8	- 3
NET CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		**471**	**541**

2.5. Condensed Consolidated statement of changes in equity

2022 - € million	ATTRIBUTED TO EQUITY HOLDERS OF UCB SA									
	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 1 January 2022	**2 614**	**(395)**	**6 294**	**(56)**	**(92)**	**59**	**(38)**	**8 386**	**-**	**8 386**
Profit for the period	-	-	399	-	-	-	-	399	-	399
Other comprehensive income/(loss)	-	-	-	(25)	383	24	(22)	360	-	360
Total comprehensive income	**-**	**-**	**399**	**(25)**	**383**	**24**	**(22)**	**759**	**-**	**759**
Dividends	-	-	(247)	-	-	-	-	(247)	-	(247)
Share-based payments	-	-	42	-	-	-	-	42	-	42
Transfer between reserves	-	86	(86)	-	-	-	-	-	-	-
Treasury shares	-	(23)	-	-	-	-	-	(23)	-	(23)
Balance at 30 June 2022	**2 614**	**(332)**	**6 402**	**(81)**	**291**	**83**	**(60)**	**8 917**	**-**	**8 917**

2021 - € million	ATTRIBUTED TO EQUITY HOLDERS OF UCB SA									
	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 1 January 2021	**2 614**	**(393)**	**5 463**	**(144)**	**(372)**	**38**	**65**	**7 271**	**1**	**7 272**
Profit for the period	-	-	571	-	-	-	-	571	-	571
Other comprehensive income/(loss)	-	-	-	27	107	30	(51)	113	-	113
Total comprehensive income	**-**	**-**	**571**	**27**	**107**	**30**	**(51)**	**684**	**-**	**684**
Dividends	-	-	(240)	-	-	-	-	(240)	-	(240)
Share-based payments	-	-	40	-	-	-	-	40	-	40
Transfer between reserves	-	63	(63)	-	-	-	-	-	-	-
Treasury shares	-	(85)	-	-	-	-	-	(85)	-	(85)
Transfer between OCI and reserves	-	-	-	2	-	(2)	-	-	-	-
Movement on NCI	-	-	-	1	-	-	-	1	(1)	-
Balance at 30 June 2021	**2 614**	**(415)**	**5 771**	**(114)**	**(265)**	**66**	**14**	**7 671**	**-**	**7 671**

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 2022 (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 28 July 2022. 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 2021 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 2021, 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

Since the beginning of the invasion of Russia into Ukraine in 2022, UCB continued to bring medicines to patients with severe diseases in Ukraine and Russia. Guided by its purpose of creating value for patients, now and in the future and its focus on contributing to a more inclusive and sustainable world, UCB is driven to limit the impact of this unfortunate war on its employees, patients and their respective communities.

UCB feels responsible to bring medicines to people living in Ukraine and Russia no matter how difficult the circumstances. UCB does everything within its power to ensure patients have access to their medicines. This is extremely difficult because of disrupted supply chains. In spite of this, UCB continues to investigate short and longer-term solutions to ensure availability of its medicines in the region. So far, UCB has donated 1.6 million of doses of anti-epileptics and 35 000 daily doses of antihistamines.

To support humanitarian efforts, UCB has donated € 300 000 to the German International Rescue Committee and the Belgian International Red Cross, € 150 000 for 3 ambulances and did not claim back taxes for € 300 000. UCB is also examining how to support the communities in the region and those who have fled to safer places in the long-term, through the UCB Community Health Fund.

UCB is still bringing medicines to patients in Russia but has reviewed the way in which its business is conducted there. Profits generated in Russia will be donated to the German International Rescue Committee and the Belgian International Red Cross to help the people of Ukraine. For this donation, a provision for an amount of € 4 million (see note 3.13) has been set up in the condensed consolidated financial statements as per June 30, 2022.

UCB has already stopped enrolling new patients and is not starting up any new sites or clinical trials in Russia. UCB is no longer undertaking marketing and medical events and is exploring other steps to support the US/UK/EU sanctions. These sanctions are monitored daily by Global Trade Compliance and the necessary

restrictions are implemented timely by the different departments involved.

UCB has suspended its commercial activities in Ukraine for a while but these are expected to resume in the second half of the year.

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 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 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 has arisen.

There are no material judgements made or significant uncertainties relating to UCB's condensed consolidated financial statements as per June 30, 2022 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 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 2021 don't require a material update due to the invasion of Russia in Ukraine and related events.

Russia's invasion of Ukraine has 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. Current and expected impact of the COVID-19 situation on the financial position, performance and cash-flows of UCB.

UCB has put measures in place to protect the health and wellbeing of its employees and other key stakeholders especially its patients, while remaining focused on ensuring business critical activities are properly maintained.

The direct impact of the COVID-19 pandemic on UCB's financial position, performance and cash-flows is limited.

Revenues of UCB group for 2022 have not been materially impacted by the COVID-19 pandemic.

There have been no disruptions in supply chains and/or production. UCB's global manufacturing and distribution network has remained fully operational and in constant contact with its global network of key suppliers, manufacturing partners, and distributors to identify potential risks and take appropriate measures to avoid any disruption. No supply disruptions of UCB's products are currently anticipated. As this global situation evolves, UCB will continue to take the steps necessary to safeguard the reliable supply of its medicines.

In 2022, the timelines for UCB's clinical development program have not experienced any delays due to COVID-19. The latest pipeline and its timelines can be found in the key events section. UCB will continue to monitor the impact of COVID-19 on all ongoing clinical trials and will implement changes as necessary.

UCB has not applied for any relief or support measure issued by governments or other public institutions. The COVID-19 situation has not substantially impacted UCB's income tax expenses but UCB is continuously monitoring for potential impacts.

UCB has not benefited from any COVID-19-related lease concessions. Therefore, there is no impact on the accounting of lease agreements from the IASB's amendments to IFRS 16.

UCB has assessed that the COVID-19 situation has not at present given any indication that any asset may be impaired and therefore concluded that none of the impairment indicators in IAS 36 have been triggered. No significant risk of material adjustment to the carrying amounts of assets and liabilities has arisen as a result of the COVID-19 pandemic.

UCB uses a provision matrix in order to determine lifetime expected credit losses (ECL). However, if there is an indication or evidence of impairment for a specific receivable, this receivable will be impaired for the amount of lifetime ECL. Forward-looking information has been incorporated in the ECL estimate and assumptions used in the ECL model have not changed significantly over the period. Up till now, there is no indication that the COVID-19 pandemic will be impacting the lifetime ECL for receivables. No impairment for specific receivables as a result of the pandemic has been accounted for.

The COVID-19 pandemic hasn't had any major impact on the liquidity position of UCB group. The liquidity risk management strategy is adequate and appropriate and has not changed. UCB also did not change its credit risk management practices because of the COVID-19 pandemic.

There are no financial risks at the end of this interim period which were in full or in part unknown or not relevant at the end of the last annual reporting period. UCB's access to financing under its existing credit facilities has not been affected as a consequence of Covid-19. There were no changes in existing terms of borrowings or other financial liabilities during the reporting period.

UCB's ability to continue as a going concern is not in any question.

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 2021.

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, 2022 because UCB has assessed the impact of the restatement as being immaterial. In accordance with UCB's accounting policies as disclosed in the 2021 Integrated Annual Report, assets and liabilities of UCB Pharma A.S. are translated at the rate as per June 30, 2022. Income and expenses are translated at the average exchange rate of June 2022.

The impact of the IFRS Interpretations Committee's March 2021 decision relating to configuration or customization costs in a cloud computing arrangement is still being analyzed by UCB. The outcome of this analysis is expected before year-end and might result in an impact on the income statement.

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 2022. 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.

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 2021.

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 2021.

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 2022 and 31 December 2021 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

€ million	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
30 June 2022				
Financial assets				
Financial assets at FVOCI				
Equity securities	193	0	0	193
Derivative financial assets				
Forward foreign exchange contracts - cash flow hedges	0	25	0	25
Forward exchange contracts - fair value through profit and loss	0	150	0	150
Foreign exchange options – net investment hedges	0	67	0	67
Interest rate derivatives - cash flow hedges	0	24	0	24
Interest rate derivatives - fair value through profit and loss	0	3	0	3

€ million	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
31 December 2021				
Financial assets				
Financial assets at FVOCI				
Equity securities	179	0	0	179
Derivative financial assets				
Forward foreign exchange contracts - cash flow hedges	0	11	0	11
Forward exchange contracts - fair value through profit and loss	0	50	0	50
Interest rate derivatives - cash flow hedges	0	1	0	1
Interest rate derivatives - fair value through profit and loss	0	8	0	8

Financial liabilities measured at fair value

€ million	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
30 June 2022				
Financial liabilities				
Derivative financial liabilities				
Forward foreign exchange contracts - cash flow hedges	0	140	0	140
Forward exchange contracts - fair value through profit and loss	0	96	0	96
Foreign Exchange Options - fair value through other comprehensive income	0	67	0	67
Interest rate derivatives - cash flow hedges	0	1	0	1
Interest rate derivatives - fair value through profit and loss	0	65	0	65

€ million	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
31 December 2021				
Financial liabilities				
Derivative financial liabilities				
Forward foreign exchange contracts - cash flow hedges	0	69	0	69
Forward exchange contracts - fair value through profit and loss	0	29	0	29
Foreign Exchange Options - fair value through other comprehensive income	0	0	0	0
Interest rate derivatives - cash flow hedges	0	0	0	0
Interest rate derivatives - fair value through profit and loss	0	12	0	12

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 2021 (see Note 5.5 of the 2021 annual report).

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	2022 Reviewed	2021 Reviewed
CIMZIA®	994	873
VIMPAT®	744	735
KEPPRA® (including KEPPRA® XR)	380	485
NEUPRO®	155	158
BRIVIACT®	225	166
XYZAL®	32	33
ZYRTEC® (including ZYRTEC-D®/CIRRUS®)	50	45
NAYZILAM®	36	21
EVENITY®	9	4
BIMZELX®	10	0
FINTEPLA®	35	0
Other products	90	90
Designated hedges reclassified to net sales	- 56	40
Total net sales	**2 705**	**2 651**

Foreign currency translation

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

	Closing rate		Average rate	
	30 June 2022	31 Dec. 2021	30 June 2022	30 June 2021
USD	1.048	1.139	1.092	1.205
JPY	142.220	130.980	134.108	129.788
GBP	0.861	0.841	0.842	0.868
CHF	1.000	1.038	1.032	1.094

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	2022 Reviewed	2021 Reviewed
U.S.	1 523	1 364
Japan	171	284
Europe – other (excluding Belgium)	176	165
Germany	167	162
Spain	113	101
France (including French territories)	90	85
Italy	85	82
China	90	60
U.K. and Ireland	78	76
Belgium	24	22
Other countries	245	210
Designated hedges reclassified to net sales	- 56	40
Total net sales	**2 705**	**2 651**

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	2022 Reviewed	2021 Audited [1]
Belgium	686	609
Switzerland	258	259
U.S.	184	184
U.K. and Ireland	171	131
Japan	21	25
China	22	23
Germany	20	21
Other countries	22	23
Total	**1 385**	**1 275**

[1] The reporting date for the comparative period is 31 December 2021.

Information about major customers

UCB has 1 customer which individually accounts for more than 18% of the total net sales at the end of June 2022.

In the U.S., sales to 3 wholesalers accounted for approximately 75% of U.S. sales (June 2021: 80%).

3.9. Seasonality of operations

The Group's revenue in the Biopharmaceutical segment includes some seasonal revenue derived from the allergy franchise and fluctuates as a result of the severity of the different pollinic seasons in the various geographic areas where it operates.

However, on a consolidated basis, the different effects show no systematic or easily predictable seasonal pattern.

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	2022 Reviewed	2021 Reviewed
Revenue from contracts with customers	2 910	2 767
Revenue from agreements whereby risks and rewards are shared	15	11
Total revenue	**2 925**	**2 778**

Disaggregation of revenue from contracts with customers:

For the six months ended 30 June € million	ACTUAL		TIMING OF REVENUE RECOGNITION			
	2022	2021	2022		2021	
			At a point in time	Over time	At a point in time	Over time
Net sales U.S.	**1 523**	**1 364**	**1 523**	**0**	**1 364**	**0**
CIMZIA®	644	553	644	0	553	0
VIMPAT®	520	534	520	0	534	0
KEPPRA®	71	84	71	0	84	0
BRIVIACT®	174	124	174	0	124	0
NEUPRO®	46	48	46	0	48	0
NAYZILAM®	36	21	36	0	21	0
BIMZELX®	0	0	0	0	0	0
FINTEPLA®	33	0	33	0	0	0
Net sales Europe	**732**	**694**	**732**	**0**	**694**	**0**
CIMZIA®	209	208	209	0	208	0
VIMPAT®	155	141	155	0	141	0
KEPPRA®	105	110	105	0	110	0
NEUPRO®	83	82	83	0	82	0
BRIVIACT®	43	37	43	0	38	0
EVENITY®	9	4	9	0	4	0
BIMZELX®	9	0	9	0	0	0
FINTEPLA®	3	0	3	0	0	0
Established brands	116	111	116	0	111	0
Net sales international markets	**506**	**553**	**506**	**0**	**553**	**0**
KEPPRA®	204	291	204	0	291	0
CIMZIA®	141	112	141	0	112	0
VIMPAT®	68	60	68	0	60	0
NEUPRO®	27	28	27	0	28	0
BRIVIACT®	8	5	8	0	5	0
BIMZELX®	1	0	1	0	0	0

FINTEPLA®	0	0	0	0	0	0
Established brands	56	57	56	0	57	0
Net sales before hedging	**2 761**	**2 611**	**2 761**	**0**	**2 611**	**0**
Designated hedges reclassified to net sales	- 56	40	- 56	0	40	0
Total net sales	**2 705**	**2 651**	**2 705**	**0**	**2 651**	**0**
Royalty income and fees	**45**	**40**	**45**	**0**	**40**	**0**
Contract manufacturing revenues	61	64	61	0	64	0
Income from licensing deals (upfront payments, development milestones, sales milestones)	97	7	80	17	3	4
Revenue resulting from services & other deliveries	2	5	2	0	2	3
Total other revenue	**160**	**76**	**143**	**17**	**69**	**7**
Total revenue from contracts with customers	**2 910**	**2 767**	**2893**	**17**	**2 760**	**7**

3.11. Business combinations

Acquisition of Zogenix, Inc.

On March 7, 2022, UCB announced the successful acquisition of Zogenix 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 for a purchase price per share of USD 26.00 in cash at closing, plus a contingent value right (CVR) for a potential cash payment of USD 2.00 upon EU approval by December 31, 2023, of FINTEPLA® as an orphan medicine for treatment of Lennox-Gastaut syndrome (LGS). As a result of the acquisition, Zogenix has become a wholly-owned subsidiary of UCB and the common stock of Zogenix will be delisted from the NASDAQ Global Market. Zogenix is a global biopharmaceutical company commercializing and developing therapies for rare diseases.

By acquiring Zogenix, 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 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, if approved, 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'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 will contribute to UCB's revenue growth as from closing and will be accretive to UCB's earnings in 2023.

The total purchase consideration represents an amount of € 1 519 million (USD 1 651 million). UCB has entered into a new 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.

Each contingent value right per share (CVR) represents a non-transferable contractual contingent right to receive a cash payment of USD 2, without interest and less any applicable withholding taxes, if, and only if, no later than December 31, 2023, the European Commission approves Zogenix's product FINTEPLA® as an orphan medicinal product for treatment of seizures associated with Lennox-Gastaut syndrome, following an opinion rendered by the Committee for Orphan Medicinal Products of the European Medicines Agency ("EMA") recommending that *fenfluramine* hydrochloride for the treatment of Lennox-Gastaut syndrome not be removed

from the Community Register of Orphan Medicinal Products.

The fair value of the contingent consideration is estimated at € 113 million (USD 123 million). This fair value takes into account the assumed likelihood and timing of achieving the arrangement's regulatory milestones. No changes were necessary to this estimate since acquisition date. The liability is presented within Other non-current payables USD 123 million.

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

€ million	Initial opening balance sheet	Adjustments due to initial purchase price allocation	Adjusted opening balance sheet
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**	**1 486**	**1 385**
Non-current assets			
Intangibles		1 846	1 846
Property, plant and equipment (incl. right-of-use assets)	16		16
Deferred income tax assets	23	60	83
Other non-current assets	2		2
Current assets			
Cash	194		194
Other current assets	50		50
Non-current liabilities			
Deferred taxes		420	420
Debt and debt like items	50		50
Current liabilities			
Short-term debt and debt like items	264		264
Payables	72		72
Goodwill	**1 620**	**-1 486**	**134**

The opening statement of financial position includes a financial liability of USD 307 million (€ 282 million) of which USD 285 million (€ 262 million) on ST and USD 22 million (€ 20 million) on LT, that corresponds to the USD 230 million principal amount of 2.75% convertible senior notes (due 2027), issued by Zogenix 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).

The estimated fair values primarily consisting of intangible assets, deferred tax assets, deferred tax liabilities and goodwill noted above are preliminary and are subject to change. As UCB finalizes the fair value of assets acquired and liabilities assumed, additional purchase price adjustments will be recorded during the measurement period during financial year 2022. 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 finalization of the purchase accounting assessment will result in a change in the valuation of assets acquired and liabilities assumed, and may have a material impact on UCB's results of operations and financial position.

The Group identified and separately recognized (on a provisional basis) intangible assets for a total amount of € 1 846 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 € 39 million have been recorded under Other Expenses in the period ending 30 June 2022.This payment cannot be considered as being part of the consideration transferred to the sellers in exchange for control of Zogenix in accordance with the provisions in IFRS 3 Business combinations.

€ 37 million revenue is included in the consolidated income statement for the reporting period since acquisition. Except for transaction and acquisition costs, the loss of Zogenix included in the consolidated income statement for the reporting period since acquisition is € 47 million. The amounts of revenue and loss for Zogenix assuming the acquisition date would have been January 1, 2022 would not have been materially different from what is included now in the consolidated income statement.

Post-acquisition settlement of the convertible notes of Zogenix

Under the terms of the (original) indenture of the convertible notes, the acquisition of Zogenix 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 common stock per USD 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 USD 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 is converted after 11 April 2022 - 5:00 p.m. NY City time, will be settled based on the unadjusted conversion rate, i.e. 41.1794 of reference property units per USD 1,000 principal amount of notes.

As from 7 March 2022, the reference property unit consists of USD 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 USD 1,000 principal amount of notes, resulting in the cash outflow of USD 285 million and additional CVRs granted to the noteholders, recognized in the opening balance sheet as a financial liability for the amount of USD 22 million.

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 2022 and as per 31 December 2021 mainly relate to the divestment of non-core established brand products. As not all market authorizations have been transferred already to the buyer, UCB is still owner of the stock for these divested non-core established brand products in some countries. No write-off has been accounted for on this stock.

As per 30 June 2022 no operations have been classified as discontinued operations. The profit from discontinued operations as per 30 June 2021 relates to the reversal of the remaining provision related to the legacy films activities.

3.13. Other operating income / expenses (-)

Other operating income / expenses (-) amounted to € 114 million income in the interim period (June 2021: € 50 million income). The Group accounted for government grants (€ 5 million) and recognized a provision for donation to Ukraine (€ -4 million).

The profit resulting from the collaboration agreement with Amgen for the development and commercialization of EVENITY® amounts to € 108 million.

In 2021, the Group accounted for government grants (€ 7 million) and recognized impairment losses on intangibles due to the termination of projects (€ -6 million). Additional provisions were recognized for € 3 million which were mainly related to VAT risks. The profit resulting from the collaboration agreement with Amgen for the development and commercialization of EVENITY® amounted to € 55 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 2022 on the basis of external and internal indicators and decided no impairment is required.

3.15. Restructuring expenses

Restructuring expenses amounting to € - 9 million (June 2021: € - 10 million) were attributable to severance costs and related to new organization models.

3.16. Other income and expense

Other income/expense (-) amount to € - 52 million expenses in 2022 (June 2021: € 6 million income) and mainly relate to costs related to the acquisition of Zogenix (€ - 39 million) and intellectual property related legal fees.

In the first half of 2021, the other income mainly results from the recognition of the cumulative amount of exchange differences for a legal entity liquidated (€ 11 million) offset with expenses for legal fees linked to intellectual property.

3.17. Financial income and financial expenses

The net financial expenses for the year amounted to € - 9 million expenses (2021: € - 35 million expenses). It consists of the below values:

- The net interests: € -18 million (2021: € -20 million).
- The net foreign exchange value and other financial expenses: € 9 million (2021: € -15 million).

3.18. Income tax expense (-)

For the six months ended 30 June € million	**2022 Reviewed**	2021 Reviewed
Current income taxes	- 92	- 123
Deferred income taxes	11	47
Total income tax expense (-) /credit	**- 82**	**- 76**

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 17% (June 2021: 12%).

Income tax expenses were € - 82 million compared to € -76 million in June 2021. The average effective tax rate is 17% which is exceeding the effective tax rate of 12% for financial year 2021 and is driven by the continued and sustainable use of R&D incentives in line with UCB's business activities and the expected delay of BIMZELX' US commercialization.

3.19. Intangible assets

During the period, the most significant event in the intangible overview is the business combination with Zogenix for a value of € 1 846 million (see note 3.11). The Group also added approximately € 42 million (June 2021: € 59 million) of intangible assets with the most significant being in-licensing deals and € 5 million relating to the capitalization of external development expenses for post approval studies.

Additionally, the Group capitalized € 5 million (June 2021: € 5 million) of software and eligible software development costs.

There were no impairments of intangible assets recorded by the Group for the first half of 2022.

There were no disposals of intangible assets recognized during the first six months of 2022.

The amortization charge for the period amounted to € 192 million (June 2021: € 97 million).

There was also a transfer of assets for € 10 million from property, plant and equipment to intangibles.

Furthermore, there was an impact from translation of foreign currencies of € 282 million for the first half of the

year (June 2021: € 74 million). This is mainly due to the evolution of the rates with a stronger U.S. dollar.

3.20. Goodwill

Goodwill increased due to the acquisition of Zogenix for € 134 million (see note 3.11) and movements in exchange rates for € 227 million, mainly related to stronger 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 € 159 million (2021: € 174 million).

These additions include right-of-use assets for an amount of € 27 million. € 16 million tangible assets were recognized from business combinations, Other additions mainly relate to the new biological production site, 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 € 0 million (2021: € 1 million).

In the first six months of the year, the Group did not recognize any impairment expenses (2021: € 0 million).

The depreciation charge for the period increased to an amount of € 71 million (2021: € 66 million).

Due to exchange rate fluctuations, the net book value of property, plant and equipment increased by € 18 million (2021: € 6 million).

There was also a transfer of assets for € 11 million from property, plant and equipment to intangibles.

3.22. Financial and other assets

Non-current financial and other assets amounted to € 260 million at 30 June 2022 compared to € 201 million as per December 2021.

The increase in the period is mainly related to higher outstanding derivatives as well as an increase in long term receivables due to sale of IP rights.

The current financial and other assets increased mainly due to an increase in outstanding derivatives (€ 175 million) and increase in clinical trial materials (€ 24 million)

For the financial assets that are valued at amortized cost amounting to € 274 million as per 30 June 2022 (December 2021: € 225 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 2022 is € - 43 million of expense or write-down (June 2021: € - 12 million) in respect of correctly reflecting the carrying amount of inventories to their net realizable value and mainly relates to BIMZELX.

3.24. Capital and reserves

Share capital and share premium

The issued share capital of the Company amounted to € 584 million on 30 June 2022 (2021: € 584 million), represented by 194 505 658 shares (2021: 194 505 658 shares). There is no authorized, unissued share capital.

On 30 June 2022, the share premium reserves amounted to € 2 030 million (2021: € 2 030 million).

Treasury shares

The Group acquired 103 000 shares (June 2021: 750 000 shares) for a total amount of € 8 million (June 2021: € 60 million) (with actual cash-out in July 2022) and transferred 887 940 treasury shares (June 2021: 536 131 treasury shares) for a total amount of € 72 million (June 2021: € 38 million) in the first half of the year.

On 30 June 2022, the Group retained 4 546 841 treasury shares (December 2021: 5 331 781 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 2022, 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 € - 81 million (December 2021: € -56 million). The movement is related to the re-measurement of the defined benefit obligation for € - 25 million bringing total re-measurement value at € - 277 million (December 2021: € - 252 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 2022 the Group's weighted average interest rate (excluding leases) was 1.63% (June 2021: 1.34%) 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 1.47% (June 2021: 1.19%) 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.

The increase in the outstanding debt is mainly a result of the USD 800 million bullet term loan facility agreement, maturing in 2027, that the Group has entered into in 2022 for the acquisition of Zogenix. Per 30 June 2022 there were USD 800 million outstanding under this term facility.

In 2022, UCB entered into interest rate hedges with start dates respectively in June 2022 and July 2022 in connection with a portion of this term loan, which have been designated as cash flow hedges and are considered fully effective under IFRS9 requirements.

In addition, USD 1 315 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). Additional interest rate hedges have been entered into following the amendment in order to ensure the continued effectiveness of the existing cash flow hedges under IFRS9 requirements.

Further to the outstanding debt, capital market instruments and the syndicated revolving credit facility (undrawn per 30 June 2022), UCB has access to certain committed and non-committed bilateral credit facilities. None of UCB 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	2022 Reviewed	2021 Audited[1]
Non-current		
Bank borrowings	2 018	1 155
Other long-term loans	0	0
Leases	110	97
Total non-current borrowings	**2 128**	**1 252**
Current		
Bank overdrafts	44	19
Current portion of bank borrowings	37	- 2
Debentures and other short-term loans	0	0
Leases	47	38
Total current borrowings	**128**	**55**
Total borrowings	**2 256**	**1 307**

[1] The reporting date for comparative period is 31 December 2021.

3.26. Bonds

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

€ million	COUPON RATE	MATURITY DATE	CARRYING AMOUNT		FAIR VALUE	
			30 June 2022 Reviewed	31 Dec. 2021 Audited	30 June 2022 Reviewed	31 Dec. 2021 Audited
Institutional Eurobond	1.000%	2028	447	487	431	502
EMTN Note[1]	1.000%	2027	136	147	135	150
Retail Bond	5.125%	2023	178	182	183	191
Total bonds			**761**	**816**	**749**	**843**
Of which:						
Non-current			761	816	749	843
Current			0	0	0	0

[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.

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.

3.27. Other financial liabilities

The other financial liabilities include derivative financial instruments for € 369 million (December 2021: € 110 million).

3.28. Provisions

Environmental provisions

The environmental provisions increased from € 12 million as per end of December 2021 to € 13 million at the end of the interim period.

Restructuring provisions

The restructuring provisions decreased from € 11 million as per end of December 2021 to € 6 million at the end of the interim period. The utilization of the provision is partially offset by provisions for further optimization.

Other provisions

Other provisions increased from € 248 million as per end of December 2021 to € 315 million at the end of June 2022. It includes the strategic decision to terminate the development in ITP, the termination costs is € 29 million.

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	2022 Reviewed	2021 Reviewed
Adjustment for non-cash transactions	**363**	**68**
Depreciation and amortization	263	162
Impairment / reversal (-) charges	0	6
Equity settled share based payment expense	- 44	- 23
Other non-cash transactions in the income statement	- 44	- 51
Adjustment IFRS 9	- 34	- 50
Unrealized exchange gain (-) / losses	114	10
Change in provisions and employee benefits	75	15
Change in inventories and bad debt provisions	33	- 1
Adjustment for items to disclose separately under operating cash flow	**82**	**77**
Tax charge of the period from continuing operations	82	77
Adjustment for items to disclose under investing and financing cash flow	**19**	**32**
Gain (-) / loss on disposal of fixed assets	0	1
Dividend income (-) / expenses	0	0
Interest income (-) / expenses	19	32
Change in working capital		
Inventories movement per consolidated statement of financial position	17	- 40
Trade and other receivable and other assets movement per consolidated statement of financial position	- 133	- 139
Trade and other payable movement per consolidated statement of financial position	- 175	- 56
As it appears in the consolidated statement of financial position and corrected by:	**- 291**	**- 235**
Non-cash items[1]	76	16
Change in inventories and bad debt provisions disclosed separately under operating cash flow	- 33	1
Change in interest receivable / payable disclosed separately under operating cash flow	0	0
Change in dividend receivable disclosed separately under investing cash flow	0	0
Change in dividend payable disclosed separately under financing cash flow	0	0
Currency translation adjustments	- 51	- 7
As it appears in the consolidated cash flow statement	**- 299**	**- 225**

[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 2021 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 2022 where they exercised their mandate.

€ million	2022 Reviewed
Short-term employee benefits	9
Termination benefits	0
Post-employment benefits	1
Share-based payments	4
Total key management compensation	**14**

3.31. Shareholders and shareholder structure

Notifications received pursuant to the Law of 2 May 2007 on large shareholdings

Last update: 30 June 2022 — 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')**				
	securities carrying voting rights (shares)		69 440 861	35.70%	01 June 2022
2	**UCB SA/NV**				
	securities carrying voting rights (shares)		4 546 841	2.34%	30 June 2022
	assimilated financial instruments (options)[1]		0	0.00%	06 March 2017
	assimilated financial instruments (other)[1]		0	0.00%	18 December 2015
		TOTAL	**4 546 841**	**2.34%**	
	Free float[(2)] (securities carrying voting rights (shares))		**120 517 956**	**61.96%**	
3	**Wellington Management Group LLP**				
	securities carrying voting rights (shares)		15 166 845	7.80%	13 May 2022
4	**BlackRock Inc.**				
	securities carrying voting rights (shares)		9 412 691	4.84%	13 January 2020
5	**FMR LLC**				
	securities carrying voting rights (shares)		9 698 900	4.99%	19 May 2022

(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 € 1.30 (2021: € 1.27 per share) to the holders of the UCB shares entitled to a dividend or 190 055 546 shares has been approved on 28 April 2022. The 4 450 112 shares held by UCB SA at dividend date are not entitled to a dividend. A total dividend of € 247 million (2021: € 240 million) was distributed for the business year 2021 as approved by the UCB shareholders at their annual general meeting on 28 April 2022, and was thus reflected in the first half of 2022.

3.33. Commitments and contingencies

Events have taken place in the first half of the year 2022, leading to an update of the contingent assets or liabilities disclosed in the 2021 integrated annual report.

Capital and other commitments

At 30 June 2022, the Group has committed to spend € 150 million (end of 2021: € 131 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.

UCB has entered into long-term development agreements with various pharmaceutical enterprises, clinical trial operators 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 2022, the Group has commitments payable within the coming half year of approximately € 35 million with respect to intangible assets and R&D expenses.

UCB has concluded several agreements with Contract Manufacturing Organizations for the supply of its products. Total outstanding commitments towards these CMOs amount to € 682 million as per 30 June 2022 until 2032. If contractually agreed milestones, mainly dependent on future successful clinical development, are reached, this amount of contingent payments may increase to € 900 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 USD 23 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 material 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.

TOVIAZ®

Germany: Inventor compensation dispute whereby two former Schwarz inventors have filed complaints against UCB alleging that the assignment of rights under the TOVIAZ® formulation patents is invalid and hence royalties from Pfizer should be paid to them. Trial was scheduled for June 2021 but was cancelled. UCB'S petition for legal review with the German Supreme Court was rejected. UCB continues to work with the lower court and its independent expert on the appropriate value of the disputed invention.

VIMPAT®

Germany: Inventor compensation dispute whereby two inventors of the improved *lacosamide* manufacturing route seek compensation based on product revenue. In 2021, the lower and appellate courts accepted the inventors' argument. A hearing regarding potential compensation is expected in the second half of 2022.

NEUPRO®

United States: In 2019, UCB filed separate lawsuits against Actavis and Mylan to enforce certain NEUPRO® patents. In April 2021, the federal court in the Actavis case ruled the patent invalid. UCB appealed. At the request of the parties, the appellate court has agreed to consolidate both cases for appeal. Oral argument is expected in September 2022.

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. The appellate hearing is scheduled for October 2022.

BRIVIACT®

United States: In 2021, eight generic 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 (Microlabs) discontinued its challenge of our patent. Settlement agreements were signed with two defendants earlier this year. Trial is anticipated to take place in Q4 2022.

NAYZILAM®

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

FINTEPLA®

United States: In 2021, 2 generics companies (Apotex and Lupin) filed ANDAs challenging the validity of certain FINTEPLA® patents. Zogenix filed lawsuits against both companies. The cases are currently in discovery.

PRODUCT LIABILITY MATTERS

Distilbène product liability litigation - France:

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 2021 Annual Report).

Opioid Litigation:

UCB, Inc. ("UCB") has been named as a defendant in 14 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. UCB has 6 cases in the federal multi-district litigation (MDL) and 8 in Utah state court. In all cases, UCB is among numerous defendants. To date, only 1 UCB case in Utah has been selected for a trial to proceed (Washington County, Utah).

Additionally, UCB inherited 3 opioid cases as part of the Zogenix acquisition. UCB is contractually obligated to indemnify one of its former contract manufacturers who is currently a defendant in 4 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. On March 27, 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 November 2021, UCB informed the U.S. Department of Health and Human Services, Health Resources and Services Administration (HRSA) that, effective December 13, 2021, UCB was implementing an update 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 multiple contract pharmacies associated with covered entities whose eligibility is based on their grant status with HRSA and whose mission is consistent with serving vulnerable and underserved populations. UCB will also continue to provide products purchased at the 340B price to pharmacies that are wholly owned by covered entities and, for non-federal grantee covered entities without a pharmacy, UCB will allow the designation of a single contract pharmacy eligible to receive 340B discounted product. Also in 2021, HHS sent letters to numerous drug manufacturers stating that it had determined that those manufacturers' actions restricting contract pharmacy transactions were in violation of the 340B statute and further stating that if those manufacturers did not cease their restrictions, HHS might seek both repayment of overcharges as well as 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 HHS. Consistent with the findings of several federal district courts in the manufacturer litigations referenced above, UCB believes its policy does not violate 340B Program requirements and that its 340B policy is consistent with relevant US laws.

CONCLUDED LEGAL MATTERS

CIMZIA® California Department of Insurance (CDI) Investigation:

In Dec. 2020, UCB was contacted by CDI regarding an investigation CDI was conducting relating to the sale and promotion of CIMZIA®. In September 2021, CDI closed its investigation and withdrew its subpoena.

It is not anticipated that any other material liabilities will arise from the contingent liabilities other than those provided for (refer to Note 3.27).

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 2022

Introduction

We have reviewed the accompanying condensed consolidated interim financial information of UCB SA and its subsidiaries (the "Group") as of June 30, 2022, 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 27, 2022

MAZARS RÉVISEURS D'ENTREPRISES SRL

Statutory Auditor

Represented by

Anton NUTTENS

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 2022, 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.

ALM

Asset-liability matching

CER

Constant exchange rates

Core EPS/Core earnings per share

Profit attributable to UCB shareholders, adjusted for the aftertax 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®, NEUPRO®, NAYZILAM®, BIMZELX® and FINTEPLA®

CGU

Cash generating unit

CPM

The corporate performance multiplier is one of the two multipliers defining the bonus payout. It is based on the company's meeting corporate targets.

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.

Extra-financial

'Extra-financial' is the term used by UCB for information commonly referred to as 'non-financial'.

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

Financial assets at FVPL

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

Financial assets at FVOCI

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

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.

FRMC

Financial Risk Management Committee

Global Reporting Initiative

An international independent standards organization that helps businesses, governments and other organizations to understand and report the most important social, environmental and governance aspects raised by internal and external stakeholders

IPM

Individual performance multiplier, one of the two multipliers defining the bonus payout. It considers a combination of individual results achieved and behaviors demonstrated.

LTI

Long-term incentives aim at motivating and retaining key talent over a period of at least three years. They align employee rewards with company and patient goals, providing increased financial benefits as the company grows. At UCB, this includes Stock Awards, Stock Options and Performance Shares.

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

PBM

Pharmacy Benefit Manager

PGTCS

Primary generalized tonic-clonic seizures

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

POS

Partial onset seizures, also known as focal seizures

PSP

Performance Share Plan which awards a grant of UCB common stock to qualifying executives. The awards vest three years after grant, pending certain conditions, including meeting pre-established companywide targets.

ROU asset

Right of use asset

Seed funding

The first official equity funding stage used to start a business, fund research, or develop a product

SBTi – Science Based Targets initiative

The Science Based Targets initiative (SBTi) is a joint initiative by the United Nations, the Carbon Disclosure Project, the World Resources Institute and the World Wide Fund for Nature (WWF). It supports organizations with setting climate targets in line with the COP21 climate summit in Paris.

Sustainable Development Goals (SDGs)

Collection of 17 global goals set by the United Nations General Assembly in 2015 defined as a call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity

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 twelve months.

Financial calendar

23 February 2023 2022 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 2022, the same accounting policies and accounting estimates were used as in the 31 December 2021 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 2021, 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 € 5.8 billion in 2021. UCB is listed on Euronext Brussels (symbol: UCB). Follow us on Twitter: @UCB_news

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