Financials

Reaching our financial ambitions goes hand-in-hand with sustainability as our business approach. In 2022, we achieved another year of solid business results for UCB.

1. Business performance review

1.1 Key highlights

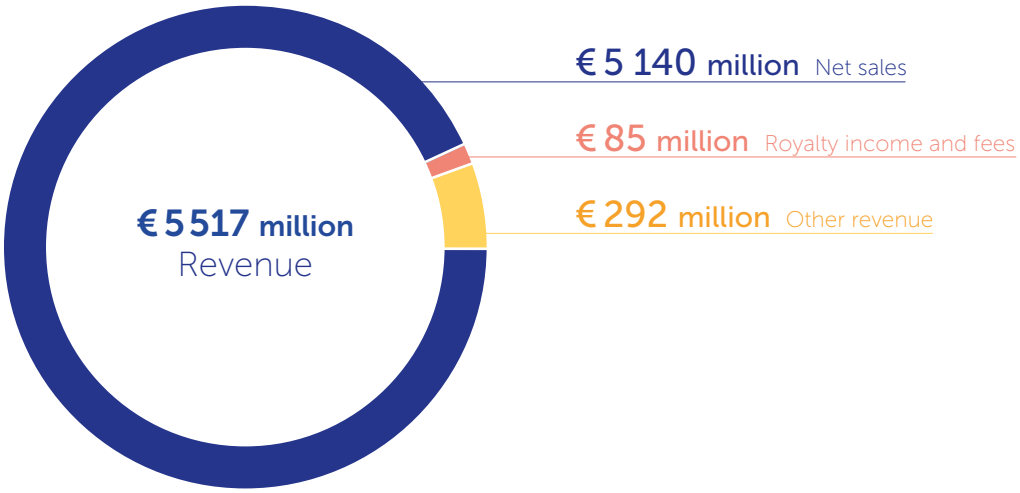
	Actual[1]		Variance	
€ million	**2022**	2021	Actual rates	CER[2]
Revenue	**5 517**	**5 777**	**- 4%**	**- 7%**
Net sales	5 140	5 471	- 6%	- 8%
Royalty income and fees	85	79	8%	- 3%
Other revenue	292	227	28%	24%
Adjusted Gross Profit	**4 239**	**4 489**	**- 6%**	**- 7%**
Gross Profit	**3 843**	**4 339**	**- 11%**	**- 13%**
Marketing and selling expenses	- 1 489	- 1 346	11%	3%
Research and development expenses	- 1 670	- 1 629	3%	0%
General and administrative expenses	- 225	- 208	9%	6%
Other operating income/expenses (-)	216	162	33%	20%
Adjusted EBIT	**675**	**1 318**	**- 49%**	**- 44%**
Impairment, restructuring and other income/expenses (-)	- 90	- 34	>100%	>100%
EBIT (operating profit)	**585**	**1 284**	**- 54%**	**- 52%**
Net financial expenses	- 74	- 58	26%	26%
Profit before income taxes	**511**	**1 226**	**- 58%**	**- 53%**
Income tax expenses	- 91	- 170	- 46%	- 42%
Profit from continuing operations	**420**	**1 056**	**- 60%**	**- 55%**
Profit/loss (-) from discontinued operations	- 2	3	>-100%	>-100%
Profit	**418**	**1 058**	**- 61%**	**- 55%**
Attributable to UCB shareholders	418	1 058	- 61%	- 55%
Adjusted EBITDA	**1 260**	**1 641**	**- 23%**	**- 21%**
Capital expenditure (including intangible assets)	371	493	- 25%	
Net debt (-)	- 2 000	- 860	>100%	
Operating cash flow from continuing operations	1 119	1 553	- 28%	
Weighted average number of shares – non diluted (million)	**190**	**189**	**1%**	
EPS (€ per weighted average number of shares – non diluted)	**2.20**	**5.60**	**- 61%**	**- 55%**
Core EPS (€ per weighted average number of shares – non diluted)	**4.37**	**6.49**	**- 33%**	**- 28%**

1 Due to rounding, some financial data may not add up in the tables included in this management report

2 CER: constant exchange rates and excluding hedging

* BIMZELX® has been approved in Australia, Canada, EU, Great Britain, Saudi Arabia, Switzerland and the United Arab Emirates for the treatment of moderate to severe plaque psoriasis in adults who are candidates for systemic therapy (or phototherapy, for Canada and Australia). In Japan, for the treatment of plaque psoriasis, generalized pustular psoriasis and psoriatic erythroderma in patients who are not sufficiently responding to existing treatments.

** Prescribing information varies depending on regulatory approval in each country.



- In 2022 **Revenue** reached € 5 517 million down by - 4% (-7% at constant exchange rates (CER)). Net sales reached € 5 140 million, down by - 6% (- 8% CER). Net sales before "designated hedges reclassified to net sales" – reflecting UCB's realized cash flow hedging activities – were down by - 2% (- 8% CER). UCB's product portfolio showed continuous solid growth and was extended by newly launched BIMZELX®* and the addition of FINTEPLA®**. This positive performance was more than offset by the effects of the loss of exclusivity for VIMPAT®** in the U.S. and Europe and for E KEPPRA®** in Japan. Royalty income and fees were € 85 million, other revenue € 292 million.
- **Adjusted EBITDA** reached € 1 260 million (- 23%; - 21%CER), driven by lower revenue due to the losses of exclusivity and higher expenses due to the integration of Zogenix, Inc., strong marketing and selling expenses – due to ongoing and upcoming launches, slightly higher research and development expenses – thanks to the pipeline progress, and higher general & administrative costs. The cost increase is partly offset by higher other operating income. Strong cost discipline allowed to absorb inflation costs.
- **Profit** reached € 418 million from € 1 058 million, down by - 61% (- 55% CER).
- **Core earnings per share** reached € 4.37 after € 6.49 in 2021 based on an average of 190 million shares outstanding.

Revenue
€ 5 517 million

Net Sales
€ 5 140 million

Adjusted EBITDA
€ 1 260 million

Profit
€ 418 million

This Business Performance Review is based on the consolidated financial statements for the UCB Group of companies prepared in accordance with IFRS. The separate statutory financial statements of UCB SA prepared in accordance with Belgian Generally Accepted Accounting Principles, together with the report of the Board of Directors to the General Assembly of Shareholders, as well as the auditors' report, will be filed at the National Bank of Belgium within the statutory periods, and be available on request or on our website.

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

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

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

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

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

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

1.2 Key events[1]

Macroeconomic

UCB operates in and is impacted by global or regional macroeconomic (see Note 2.4) and political environments which include the COVID-19 pandemic and the war against Ukraine as well as the potential implications from major healthcare reforms. During 2022 – and expected to continue into 2023 – potential energy and supply chain disruptions needed to be taken into account as well as inflation, especially leading to inflation indexation of salaries of the Belgian workforce.

Already during the COVID-19 pandemic, UCB's energy and supply chain network proved to be robust and anticipatory. UCB is working hard to ensure continued and consistent supply to be able to serve the needs of people living with severe immunological and neurological diseases. The inflation of salaries and costs is impacting UCB like many other companies. Strong cost discipline enabled UCB to mitigate these effects in 2022.

Impact of COVID-19 pandemic

The global pandemic of COVID-19 has eased during the course of 2022, and many aspects of life have gone back to pre-pandemic times. However, new variants may return, and UCB will remain vigilant to protect the health of its employees and stakeholders worldwide, especially its patients.

The direct impact of the COVID-19 pandemic on UCB's financial position, performance and cash-flows has been limited. (see Note 2.1) and 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 Integrated Annual 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 is 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 2.2 of this Integrated Annual 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, Inc.

On March 07, 2022, UCB announced the successful completion of the transaction to acquire Zogenix, Inc. for US$ 26.00 per share plus a milestone-based contingent value right (CVR) for a potential cash payment of US$ 2.00 per share (gross) upon EU approval by December 31, 2023, of FINTEPLA®** as an orphan medicine for treatment of Lennox-Gastaut syndrome (LGS). The total transaction was valued at up to approximately US$ 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 and potentially CDKL5 (see pipeline progress 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.

In December 2022, UCB announced a strategic collaboration with Praxis Precision Medicines, Inc., a clinical-stage biopharmaceutical company, based upon Praxis' PRAX-020 program, for the discovery of small molecule therapeutics as potential treatments of KCNT1-related epilepsies. This collaboration underlines UCB's dedication and global leadership in developing treatments for epilepsy, including rare and genetic epilepsies, with an ambition to create solutions that move from symptomatic relief to those that could address the root causes of disease including genetics-driven approaches. Under the terms of the collaboration, UCB retains an exclusive option to in-license global development and commercialization rights to any resulting KCNT1 small molecule development candidate.

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

In February 2023, UCB announced FINTEPLA®** (*fenfluramine*) oral solution has been approved in the European Union (EU) for the treatment of seizures associated with Lennox-Gastaut syndrome (LGS) as an add-on therapy to other anti-epileptic medicines for patients two years of age and older. FINTEPLA®** was added to UCB's product portfolio via the acquisition of Zogenix, Inc. (see above). In making such approval, the European Commission also adopted the EMA Committee for Orphan Medicinal Products (COMP) recommendation that the orphan designation for *fenfluramine* be maintained. As per the merger agreement, this approval milestone triggers the payment to holders of the CVR (US$ 2.00 per Zogenix, Inc. share (gross)) which was agreed to at the time of the Zogenix, Inc. acquisition.

1 From January 1, 2021 up to the publication of date of this report

* BIMZELX® has been approved in Australia, Canada, EU, Great Britain, Saudi Arabia, Switzerland and the United Arab Emirates for the treatment of moderate to severe plaque psoriasis in adults who are candidates for systemic therapy (or phototherapy, for Canada and Australia). In Japan, for the treatment of plaque psoriasis, generalized pustular psoriasis and psoriatic erythroderma in patients who are not sufficiently responding to existing treatments.

** Prescribing information varies depending on regulatory approval in each country.

Regulatory updates and pipeline progress

Regulatory updates

Regulatory Updates – *bimekizumab*†

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.

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 U.K.'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.

In May 2022, UCB announced that the U.S. Food and Drug Administration (FDA) 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 indicated 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*. In November 2022, UCB announced that it had resubmitted the BLA to the FDA for *bimekizumab* for the treatment of adults with moderate to severe plaque psoriasis. In December 2022, the FDA accepted the BLA resubmission for review. The FDA validated the resubmission as 'Class 2' with a six-month review period. UCB expects the FDA action in Q2 2023.

In September 2022, EMA accepted for regulatory review the two marketing authorization applications (MAA) for *bimekizumab*† for the treatment of adult patients with active psoriatic arthritis (PsA), and adult patients with active axial spondyloarthritis (axSpA).

Regulatory Updates – *fenfluramine*

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 U.K.

In September 2022, UCB, announced that FINTEPLA®** (*fenfluramine*) oral solution was approved by the Japanese Ministry of Health, Labour and Welfare (MHLW) for the treatment of seizures associated with Dravet syndrome as an add-on therapy to other anti-epileptic medicines for patients 2 years of age and older. *Fenfluramine* will be marketed by Nippon Shinyaku Co., Ltd. based on the exclusive sales agreement signed in 2019 between Zogenix, Inc., (acquired by UCB in 2022) and Nippon Shinyaku Co., Ltd. UCB is now the Marketing Authorization holder.

In December 2022, UCB announced that FINTEPLA®** (*fenfluramine*) oral solution was recommended by the Committee for Medicinal Products for Human Use (CHMP) for marketing authorization in the European Union (EU) for the treatment of seizures associated with Lennox-Gastaut syndrome (LGS) as an add-on therapy to other anti-epileptic medicines for patients 2 years of age and older.

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

Regulatory Updates – *zilucoplan*†† & *rozanolixizumab*††
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.

In November 2022, UCB announced that the U.S. Food and Drug Administration (FDA) accepted for review the New Drug Application (NDA) for its investigational treatment, *zilucoplan*†† seeking approval for the treatment of generalized myasthenia gravis (gMG) in adult patients who are acetylcholine receptor antibody positive (AChR-Ab+). Acceptance by the FDA followed the EMA validation of Marketing Authorization Application (MAA) for treatment of adult patients with AChR-Ab+ gMG and who require treatment in addition to steroids or non-steroidal immunosuppressants. UCB expects to receive feedback from the agencies in Q4 2023.

In January 2023, UCB announced that the FDA accepted the filing to review a BLA for the investigational treatment *rozanolixizumab*†† and that the FDA granted Priority Review. *Rozanolixizumab*†† is a subcutaneous (SC) monoclonal antibody targeting the neonatal Fc receptor (FcRn) for the treatment of adults with generalized myasthenia gravis (gMG) who are anti-acetylcholine receptor (AChR) or anti-muscle-specific tyrosine kinase (MuSK) antibody positive. UCB expects to receive feedback from the FDA in Q2 2023. In 2019, the U.S. FDA granted orphan drug designation to *rozanolixizumab*†† for the treatment of gMG.

The FDA Priority Review designation follows the **December 2022** EMA validation of the MAA for *rozanolixizumab*†† for the treatment of adults with AChR or MuSK antibody positive gMG who require treatment in addition to steroids or non-steroidal immunosuppressants. Orphan designation was granted by the European Commission in April 2020 to *rozanolixizumab*†† for the treatment of myasthenia gravis. UCB expects to receive initial feedback for Europe in Q1 2024.

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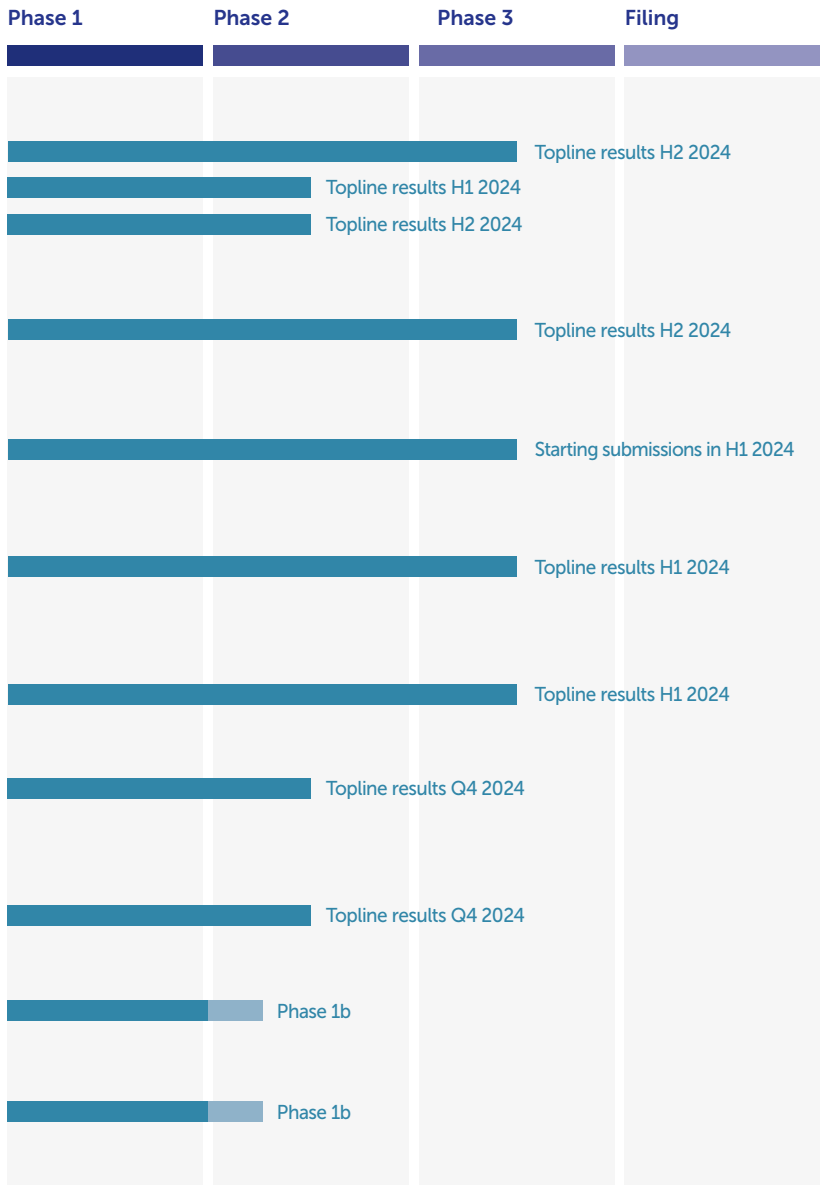
** Prescribing information varies depending on regulatory approval in each country.

† *bimekizumab* is an investigational drug product that has not been approved for any use by any authority in the world for PsA, axSpA and HS.

†† This is an investigational drug product and its safety and efficacy has not yet been established. It has not been approved for any use by any authority in the world.

UCB clinical development pipeline



1 In partnership with Biogen
2 In partnership with Roche/Genentech
3 In partnership with Novartis

Clinical Development 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 below. In 2022 and thanks to the pro-active measures taken by UCB, 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 macro-economic factors on all ongoing clinical trials and will implement changes as necessary.

Bimekizumab†

Hidradenitis Suppurativa – In December 2022, UCB announced positive top-line results from two Phase 3 studies, BE HEARD I and BE HEARD II, evaluating the efficacy and safety of *bimekizumab*† in adults with moderate to severe hidradenitis suppurativa (HS). HS is a chronic, recurring, painful, and debilitating inflammatory skin disease. People with HS experience flare-ups of the disease as well as severe pain, which can have a major impact on quality of life. The two Phase 3 studies met their primary and key secondary endpoints with statistical significance and consistent clinical relevance. The positive results from these two studies will form the basis of global regulatory license application submissions for *bimekizumab*† in hidradenitis suppurativa starting in Q3 2023.

Rozanolixizumab††

Immune thrombocytopenia (ITP) – In the first six months of 2022, 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.

Severe Fibromyalgia Syndrome – UCB initiated a Phase 2a proof-of-concept study to evaluate the efficacy and safety of *rozanolixizumab*†† to treat adult study participants with severe fibromyalgia syndrome. First topline results are expected in H2 2024. Fibromyalgia (FM) is a common, severe and debilitating disorder of unknown etiology characterized by widespread musculoskeletal pain, fatigue, sleep disturbances, and mood disorders. Recent insights indicate that pathogenic IgG antibodies drive severe FM.

UCB9741 and UCB1381

Atopic Dermatitis – UCB initiated Phase 1b studies in atopic dermatitis addressing two different targeted immune pathways with UCB9741 and UCB1381. These early studies evaluate the safety, pharmacokinetics and efficacy in people with moderate-to-severe atopic dermatitis. Atopic dermatitis is a chronic condition that causes dry, itchy and inflamed skin and can affect people at all ages.

fenfluramine

CDKL5 deficiency disorder (CDD) – Following the acquisition of Zogenix, Inc., 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. Although rare, CDD is one of the most common forms of genetic epilepsy. In June 2022, the FDA granted orphan drug designation to FINTEPLA®** to treat CDD.

Doxecitine and Doxribtimine (MT1621; nucleoside therapy)

Thymidine Kinase 2 deficiency – Following the acquisition of Zogenix, Inc., UCB sees a high unmet medical need to continue with the development of doxecitine and doxribtimine (doxTM††), a dual substrate pyrimidine nucleoside enhancement therapy being developed for the treatment of patients with 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. The clinical development program is complete. Following in-depth evaluation and alignment meetings with key regulatory agencies on the filing strategy for doxTM††, regulatory submissions are now planned for H1 2024.

BRIVIACT®** (*brivaracetam*)

Epilepsy – In October 2022, UCB announced positive top-line results from the latest Phase 3 study of *brivaracetam*. The study was designed to evaluate the efficacy and safety of adjunctive *brivaracetam* in participants from Asia (≥16 to 80 years of age) with partial seizures with or without secondary generalization. The study met the primary and all secondary endpoints. UCB plans regulatory submissions in Japan in Q3 2023.

Bepranemab (UCB0107)

Alzheimer's disease – *Bepranemab* is a recombinant, humanized, full-length immunoglobulin G4 monoclonal anti-tau antibody currently under clinical investigation for the treatment of patients with Alzheimer's disease (AD) in partnership with Roche/Genentech. The efficacy, safety and tolerability of *bepranemab* in patients with early AD are investigated in a Phase 2 study, which started in Q2 2021. Recruitment for this study was completed ahead of time and topline results are now expected earlier, in Q4 2024.

UCB0599

Parkinson's disease – UCB0599 is an orally bioavailable and brain-barrier-penetrant small molecule that prevents the pathological misfolding and accumulation of alpha-synuclein, a protein which plays a key role in Parkinson's disease (PD) pathology. By inhibiting the disease-causing biology of alpha-synuclein misfolding, it is believed that the progression of PD can be slowed or halted. Under a global co-development and co-commercialization agreement with Novartis, UCB is conducting a phase 2a study with UCB0599 for study participants with early-stage PD. In 2022, an additional dosing arm was introduced into the study. Recruitment is complete and topline results are now expected in Q4 2024.

All other clinical development programs are continuing as planned.

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†† This is an investigational drug product and its safety and efficacy has not yet been established. It has not been approved for any use by any authority in the world.

1.3 Net sales by product

	Actual		Variance	
€ million	**2022**	2021	Actual rates	CER
CIMZIA®**	2 085	1 841	13%	5%
VIMPAT®**	1 124	1 549	-27%	-33%
KEPPRA®** (including KEPPRA®** XR / E KEPPRA®**)	729	970	-25%	-26%
BRIVIACT®**	485	355	37%	24%
NEUPRO®**	305	307	0%	- 4%
FINTEPLA®**	116	0	N/A	N/A
NAYZILAM®**	78	57	36%	21%
BIMZELX®*	35	4	>100%	>100%
EVENITY®**	25	10	>100%	>100%
Established brands	325	321	1%	2%
Net sales before hedging	**5 307**	**5 414**	**- 2%**	**- 8%**
Designated hedges reclassified to net sales	- 167	57	>-100%	
Total net sales	**5 140**	**5 471**	**- 6%**	**- 8%**

Total net sales in 2022 reached € 5 140 million, - 6% lower than last year or - 8% at constant exchange rates. Net sales before "designated hedges reclassified to net sales" were down by - 2% (- 8%CER). The designated hedges reflect UCB's realized transactional hedging activities.

This net sales performance in 2022 was driven by the continued growth of UCB's product portfolio – namely CIMZIA®**, BRIVIACT®**, NAYZILAM®** and EVENITY®** as well as newly launched BIMZELX®* – and the addition of FINTEPLA®**. This performance was slightly over-compensated by the effects of the loss of exclusivity for VIMPAT®** in the U.S. and Europe and E KEPPRA®** in Japan.

Core products

CIMZIA® (*certolizumab pegol*)**, reached 180 000 people (+6%) living with inflammatory TNF mediated diseases and increased net sales to € 2 085 million (+13%; +5% CER). CIMZIA®** is showing a stronger growth than the anti-TNF market – based on differentiation and driven by continued double-digit growth in the U.S. and Japan. Hence, CIMZIA®** has reached UCB's projected peak sales target of € 2 000 million ahead of time.

VIMPAT® (*lacosamide*)** was accessed by over 600 000 (-25%) people living with epilepsy and is experiencing generic competition since end of March 2022 in the U.S. and since September in Europe due to loss of exclusivity in these two regions. In Japan and international markets, the net sales show continued solid growth. All in all, net sales went down to € 1 124 million (-27%; -33% CER).

KEPPRA® (*levetiracetam*)**, reached more than 1.8 million people living with epilepsy and reported lower net sales of € 729 million (-25%; -26% CER). The generic erosion due to loss of exclusivity in Japan started early January 2022 and was stronger than expected due to multiple generics and governmental support for generics. Also in the U.S. and Europe the performance is reflecting generic competition, in these regions loss of exclusivity occured more than 10 years ago.

BRIVIACT® (*brivaracetam*)** was used by 190 000 people (+36%) living with epilepsy, increased net sales to € 485 million, a plus of 37% (+24% CER). This is driven by continued, significant growth in all regions 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, used by over 340 000 people (-12%), recorded stable net sales of € 305 million (0%; - 4% CER), in a competitive market environment. A slight decline in net sales in Europe was compensated by a slight increase in international markets.

FINTEPLA® (*fenfluramine*)**, an addition to UCB's portfolio due the acquisition of Zogenix, Inc. in March 2022, reached over 1 000 patients and their families living with seizures associated with rare epileptic syndromes (Dravet Syndrome and Lennox-Gastaut Syndrome). Net sales (March – December) were € 116 million. The integration of Zogenix, Inc. was successfully completed end of 2022.

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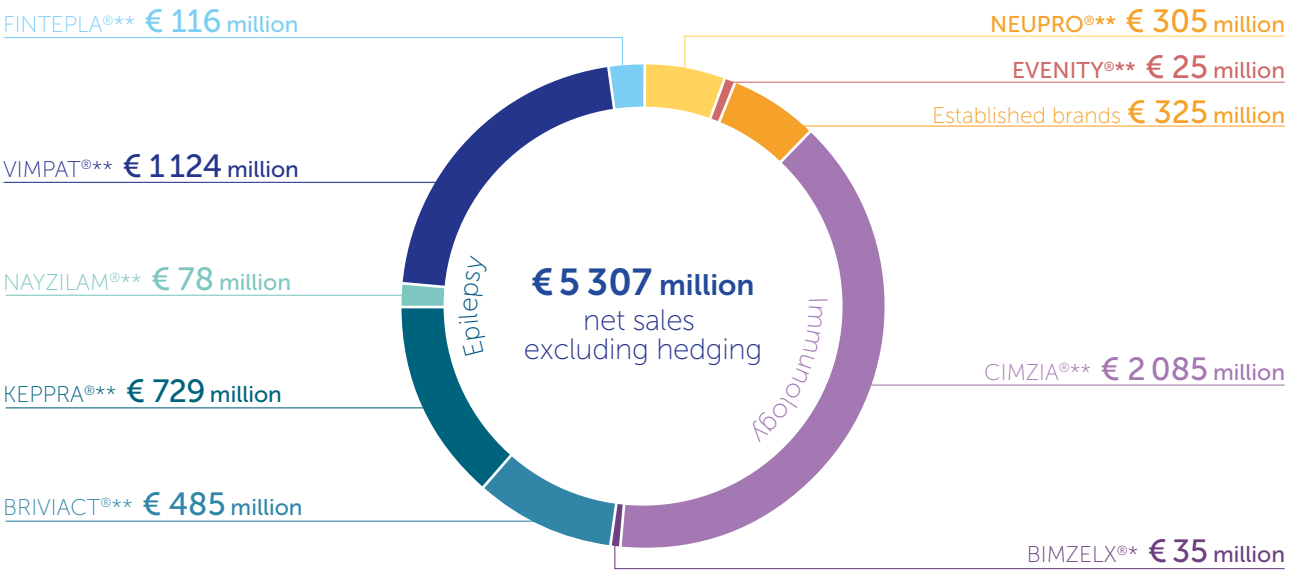


NAYZILAM® (*midazolam*) Nasal Spray**[CIV], the nasal rescue treatment for epilepsy seizure clusters in the U.S. reached over 90 000 patients (+80%) and net sales of € 78 million after € 57 million, a plus by 36% (+21% CER).

BIMZELX®* (*bimekizumab*) is available for people living with psoriasis in Europe, the U.K., Japan, Australia, Canada and further countries. In 2022, more than 4 000 people living with psoriasis had access to the product. Reported net sales were € 35 million after € 4 million in 2021. For the U.S., the regulatory review is ongoing with an expected decision by the U.S. authority in Q2 2023. Following a so called "complete response letter" received in May 2022 and addressing certain pre-approval site inspection observations, UCB re-submitted the dossier to the U.S. FDA in November which was validated and classified as class 2 (6 months review) by the U.S. FDA in December 2022.

EVENITY® (*romosozumab*)** since its global launch reached world-wide more than 400 000 (2021: 200 000) women living with severe postmenopausal osteoporosis at high risk of fracture. It had its first European launch in March 2020 and reported for this region net sales of € 25 million (after € 10 million), impacted by the pandemic which impeded outreach to new patient populations. EVENITY®** is being launched successfully globally by Amgen, Astellas and UCB since 2019, with net sales outside Europe reported by the partners.

Product		€ million	% in total
Immunology	CIMZIA®**	2 085	39%
	BIMZELX®*	35	1%
Epilepsy	VIMPAT®**	1 124	21%
	KEPPRA®**	729	14%
	BRIVIACT®**	485	9%
	NAYZILAM®**	78	1%
	FINTEPLA®**	116	2%
NEUPRO®**		305	6%
EVENITY®**		25	0%
Established Brands		325	6%
Net sales excluding hedging		**5 307**	

Established brands

The performance of the net sales of established brands were slightly positive with +1% reaching € 325 million (+2% CER), reflecting the maturity of the portfolio. The portfolio includes UCB's allergy products **ZYRTEC®** (*cetirizine*, including ZYRTEC®**-D / CIRRUS®****) and **XYZAL®** (*levocetirizine*)**, both reflecting a stronger allergy season.

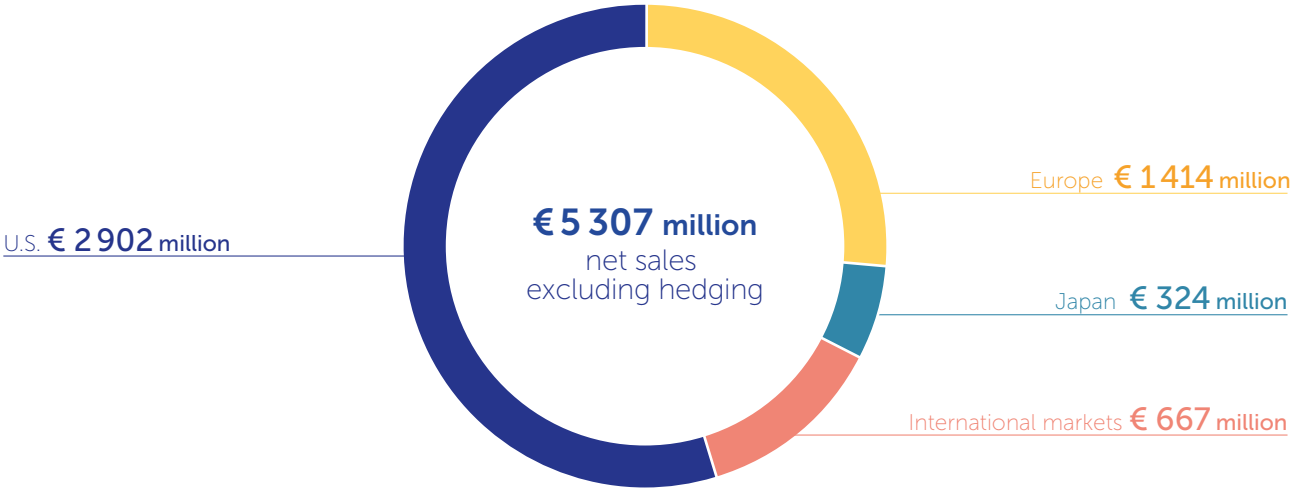
Designated hedges reclassified to net sales were € - 167 million after € +57 million in 2021. As part of its currency hedging strategy, UCB hedged the forecasted 2022 foreign currency cash flows during 2021. The hedge result results primarily from the appreciation of U.S. Dollar (next to the Japanese Yen, the British Pound and the Swiss Franc) and has been reclassified into net sales.

1.4 Net sales by geographical area

	Actual		Variance actual rates		Variance CER	
€ million	**2022**	2021	€ million	%	€ million	%
Net sales – U.S.	**2 902**	**2 888**	**14**	**0%**	**- 307**	**-11%**
CIMZIA®**	1 381	1 183	198	17%	45	4%
VIMPAT®**	706	1 130	- 424	-38%	- 502	-44%
BRIVIACT®**	380	267	114	43%	71	27%
KEPPRA®**	156	156	0	0%	- 17	-11%
FINTEPLA®**	107	0	107	N/A	95	N/A
NEUPRO®**	94	95	0	0%	- 11	-11%
NAYZILAM®**	78	57	21	36%	12	21%
Net sales – Europe	**1 414**	**1 396**	**18**	**1%**	**14**	**1%**
CIMZIA®**	416	420	- 3	- 1%	- 5	-1%
VIMPAT®**	272	294	- 22	- 8%	- 23	- 8%
KEPPRA®**	206	218	- 12	- 5%	- 13	- 6%
NEUPRO®**	163	167	- 4	- 2%	- 4	- 3%
BRIVIACT®**	88	77	10	13%	10	13%
BIMZELX®*	29	4	24	>100%	24	>100%
EVENITY®**	25	10	15	>100%	15	>100%
FINTEPLA®**	8	0	8	N/A	8	N/A
Established brands	207	206	2	1%	2	1%
Net sales – Japan	**324**	**562**	**- 237**	**-42%**	**- 218**	**-39%**
KEPPRA®**	149	404	- 254	-63%	- 245	-61%
VIMPAT®**	68	62	6	10%	11	17%
CIMZIA®**	51	44	7	15%	10	22%
NEUPRO®**	27	26	0	1%	2	6%
BIMZELX®*	4	0	4	N/A	4	N/A
FINTEPLA®**	1	0	1	N/A	1	N/A
Established brands	24	25	- 1	- 5%	0	2%
Net sales – International markets	**667**	**568**	**98**	**17%**	**81**	**14%**
CIMZIA®**	237	193	44	23%	34	18%
KEPPRA®**	217	193	24	13%	22	11%
VIMPAT®**	77	62	15	25%	10	17%
NEUPRO®**	22	19	3	14%	1	6%
BRIVIACT®**	17	11	6	55%	5	43%
BIMZELX®*	2	0	2	N/A	2	N/A
Established brands	94	90	4	5%	7	8%
Net sales before hedging	**5 307**	**5 414**	**- 107**	**- 2%**	**- 430**	**- 8%**
Designated hedges reclassified to net sales	- 167	57	- 224	>-100%		
Total net sales	**5 140**	**5 471**	**- 332**	**- 6%**	**- 430**	**- 8%**

U.S. net sales reached € 2 902 million (+0%; -11% CER). The continued solid growth of CIMZIA®**, BRIVIACT®** and NAYZILAM®** as well as the new addition of FINTEPLA®** is being compensated by VIMPAT®** declining due to generic competition since end of March 2022.

Net sales in Europe reached € 1 414 million (+1%; +1% CER) – thanks to BRIVIACT®**, EVENITY®**, BIMZELX®* and FINTEPLA®** more than compensating the effect of generic competition to VIMPAT®** since September 2022 as well as the ongoing generic erosion to KEPPRA®**.



Net sales in Japan were € 324 million after € 562 million in 2021 (-42%; -39% CER). The decline is due to the generic erosion since early January to E KEPPRA®** after loss of exclusivity. This decline was stronger than expected due to multiple generics in the market and governmental support for generics. The other products of UCB's portfolio in Japan are showing continued, solid growth. The net sales shown for E KEPPRA®** and BIMZELX®* reflect the in-market sales booked by UCB. For the other products, net sales reported are mainly intercompany sales with the respective partner in Japan. In 2021, net sales in Japan have been reported as part of "international markets" – the net sales of international markets have been adjusted accordingly.

International markets net sales amounted to € 667 million reflecting a strong growth contribution from all products (+17%; +14% CER). Net sales in the largest market in this region, **China**, were € 159 million (+14%; +6% CER).

Designated hedges reclassified to net sales were € - 167 million (€ +57 million in 2021) reflecting UCB's realized transactional hedging activities. These are mainly related to the U.S. Dollar, the Japanese Yen, the British Pound and the Swiss Franc.

	€ million	% in total
Europe	1 414	27%
Japan	324	6%
International markets	667	13%
U.S.	2 902	55%
Net sales excluding hedging	5 307	

1.5 Royalty income and fees

	Actual		Variance	
€ million	**2022**	2021	Actual rates	CER
Biotechnology IP	56	46	21%	7%
Other	29	33	- 14%	- 20%
Royalty income and fees	**85**	**79**	**8%**	**- 3%**

In 2022, **royalty income and fees** increased to € 85 million after € 79 million.

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

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

* BIMZELX® has been approved in Australia, Canada, EU, Great Britain, Saudi Arabia, Switzerland and the United Arab Emirates for the treatment of moderate to severe plaque psoriasis in adults who are candidates for systemic therapy (or phototherapy, for Canada and Australia). In Japan, for the treatment of plaque psoriasis, generalized pustular psoriasis and psoriatic erythroderma in patients who are not sufficiently responding to existing treatments.

** Prescribing information varies depending on regulatory approval in each country.

1.6 Other revenue

	Actual		Variance	
€ million	**2022**	2021	Actual rates	CER
Contract manufacturing sales	103	128	-20%	-22%
Other	189	99	91%	83%
Other revenue	**292**	**227**	**28%**	**24%**

Other revenue went up to € 292 million or by +28%.

Contract manufacturing sales decreased to € 103 million from € 128 million, due to continued lower demand and end of a contract from an UCB partner.

"Other" revenue reached € 189 million (after € 99 million) and includes partnership activities in Japan (for FINTEPLA®** as well as VIMPAT®** and CIMZIA®**), milestones and other payments from R&D partners and licensing partners, including Biogen for *dapirolizumab pegol* in lupus (SLE), Roche for *bepranemab* in Alzheimer's disease and Novartis on the development of UCB0599 in Parkinson's disease. It also includes a one-time amount of € 70 million from the sale of IP rights (*olokizumab*).

1.7 Gross profit

	Actual		Variance	
€ million	**2022**	2021	Actual rates	CER
Revenue	**5 517**	**5 777**	**- 4%**	**- 7%**
Net sales	5 140	5 471	- 6%	- 8%
Royalty income and fees	85	79	8%	- 3%
Other revenue	292	227	28%	24%
Cost of sales	**- 1 674**	**- 1 438**	**16%**	**11%**
Cost of sales products and services	- 1 067	- 962	11%	7%
Royalty expenses	- 212	- 327	- 35%	- 40%
Adjusted Gross Profit	**4 239**	**4 489**	**- 6%**	**- 7%**
Amortization of intangible assets linked to sales	- 396	- 149	>100%	>100%
Gross Profit	**3 843**	**4 339**	**- 11%**	**- 13%**

In 2022, the gross profit before "amortization of intangible assets linked to sales" was € 4 239 million (- 6%; - 7% CER) and in-line with the net sales performance. The adjusted gross margin is 77% after 78% in 2021.

Gross profit after "amortization of intangible assets linked to sales" reached € 3 843 million – a gross margin of 70% after 75% in 2021 and reflecting the addition of FINTEPLA®** amortization.

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 € 1 067 million – mainly due to the write-off of certain *bimekizumab* inventory after not being able to launch in the U.S. market in 2022.
- **Royalty expenses** went down to € 212 million after € 327 million due to patent expirations.
- **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 2022 Zogenix, Inc. acquisition and the previously acquired Celltech and Schwarz Pharma (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 increased to € 396 million (after € 149 million), as FINTEPLA®** was added while VIMPAT®** amortization ended after Loss of Exclusivity in U.S. and Europe.

* BIMZELX® has been approved in Australia, Canada, EU, Great Britain, Saudi Arabia, Switzerland and the United Arab Emirates for the treatment of moderate to severe plaque psoriasis in adults who are candidates for systemic therapy (or phototherapy, for Canada and Australia). In Japan, for the treatment of plaque psoriasis, generalized pustular psoriasis and psoriatic erythroderma in patients who are not sufficiently responding to existing treatments.

** Prescribing information varies depending on regulatory approval in each country.

† *bimekizumab* is an investigational drug product that has not been approved for any use by any authority in the world for PsA, axSpA and HS.

†† This is an investigational drug product and its safety and efficacy has not yet been established. It has not been approved for any use by any authority in the world.

1.8 Adjusted EBIT and Adjusted EBITDA

	Actual		Variance	
€ million	**2022**	2021	Actual rates	CER
Revenue	**5 517**	**5 777**	**- 4%**	**- 7%**
Net sales	5 140	5 471	- 6%	- 8%
Royalty income and fees	85	79	8%	- 3%
Other revenue	292	227	28%	24%
Adjusted Gross Profit	**4 239**	**4 489**	**- 6%**	**- 7%**
Gross Profit	**3 843**	**4 339**	**- 11%**	**- 13%**
Marketing and selling expenses	-1 489	-1 346	11%	3%
Research and development expenses	-1 670	-1 629	3%	0%
General and administrative expenses	- 225	- 208	9%	6%
Other operating income/expenses (-)	216	162	33%	20%
Total operating expenses	**-3 168**	**-3 021**	**5%**	**1%**
Adjusted EBIT	**675**	**1 318**	**- 49%**	**- 44%**
Add: Amortization of intangible assets	439	187	>100%	>100%
Add: Depreciation charges	146	135	9%	5%
Adjusted EBITDA	**1 260**	**1 641**	**- 23%**	**- 21%**

Operating expenses, encompassing marketing and selling expenses, research and development expenses, general and administrative expenses and other operating income/expenses, increased to € 3 168 million reflecting higher expenses due to the addition and integration of Zogenix, Inc. Strong cost discipline, and the transversal program "Focus-for-Growth" driving sustainable efficiency and allowing value-based resource allocation, allowed to more than absorb inflation costs. Total operating expenses in relation to revenue (operating expense ratio) increased to 57% following 52% in 2021, consisting of:

- **marketing and selling expenses** of € 1 489 million, 11% higher or plus 3% CER, focused reallocation and cost discipline allowed to invest behind the launches and pre-launch activities: Global FINTEPLA®** launch activities, global BIMZELX®* launch activities as well as ongoing preparations for the launch in the U.S. Global pre-launch activities for *rozanolixizumab*†† and *zilucoplan*†† for people living with generalized myasthenia gravis (gMG) and EVENITY®** ongoing launches throughout Europe.
- **research and development expenses** of € 1 670 million (+3%; 0%) reflect the continued investments in UCB's progressing pipeline which resulted in several ongoing regulatory reviews: *bimekizumab*† (several indications), *rozanolixizumab*††, *zilucoplan*†† and *fenfluramine*. In 2022, six phase 3 programs and three phase 2 programs were ongoing, as well as earlier stage clinical development. Three new programs were added to the pipeline. The strategic decision to terminate the clinical development in ITP led to € 46 million costs in 2022. The R&D ratio reached 30% in 2022 following 28% in 2021.
- **general and administrative expenses** of € 225 million (+9%; +6% CER), driven by the integration of Zogenix, Inc.
- **other operating income** increased to € 216 million, following € 162 million in 2021 – driven by an income of € 240 million reflecting the net contribution from Amgen in connection with the commercialization of EVENITY®** (after an income of € 151 million in 2021). This was partly compensated by write-offs on receivables.

Due to lower revenue driven by generic erosion and high operating expenses driven by launches and launch preparations as well as significantly higher depreciation and amortization charges due to the addition of FINTEPLA®** in March 2022, **adjusted EBIT** went down by - 49% to € 675 million, compared to 1 318 million in 2021.

- total **amortization of intangible assets** (product related and other) amounted to € 439 million after € 187 million due to the addition of FINTEPLA®**.
- **depreciation charges** reached € 146 million.

Adjusted EBITDA (Earnings before Interest, Taxes, Depreciation and Amortization charges) reached € 1 260 million after € 1 641 million (- 23%; - 21% CER), driven by decreased revenue and high operating expenses, reflecting the investments into the future growth of UCB, namely into product launches and ongoing clinical development. The adjusted EBITDA ratio for 2022 (in % of revenue) reached 22.8%, vs 28.4% in 2021.

1.9 Profit

€ million	2022	2021	Actual rates	CER
Adjusted EBIT	**675**	**1 318**	**-49%**	**-44%**
Impairment charges	0	- 6	-100%	-100%
Restructuring expenses	- 42	- 21	99%	90%
Gain/loss (-) on disposals	3	- 1	>-100%	>-100%
Other income/expenses (-)	- 51	- 6	>100%	>100%
Total impairment, restructuring and other income/expenses (-)	- 90	- 34	>100%	>100%
EBIT (operating profit)	**585**	**1 284**	**-54%**	**-49%**
Net financial expenses (-)	- 74	- 58	26%	26%
Profit before income taxes	**511**	**1 226**	**-58%**	**-53%**
Income tax expenses	- 91	- 170	-46%	-42%
Profit from continuing operations	**420**	**1 056**	**-60%**	**-55%**
Profit/loss (-) from discontinued operations	- 2	3	>-100%	>-100%
Profit	**418**	**1 058**	**-61%**	**-55%**
Attributable to UCB shareholders	418	1 058	-61%	-58%
Profit attributable to UCB shareholders	**418**	**1 058**	**-61%**	**-55%**

Total impairment, restructuring and other expenses (-) increased to € 90 million expenses (after an expense of € 34 million in 2021). This was mainly driven by fees and restructuring expenses related to the acquisition of Zogenix, Inc. in March 2022.

Net financial expenses went up to € 74 million from € 58 million in 2021, based on higher interest rates as well as higher interest cost due to higher net debt in connection with the acquisition of Zogenix, Inc.

Income tax expenses were € 91 million compared to € 170 million in 2021, with an average effective tax rate of 17.8% compared to 13.9% in 2021, related to lower earnings and earnings mix.

Profit / Loss from discontinued operations is € 2 million loss after € 3 million profit last year.

The profit of the Group amounted to € 418 million after € 1 058 million.

* BIMZELX® has been approved in Australia, Canada, EU, Great Britain, Saudi Arabia, Switzerland and the United Arab Emirates for the treatment of moderate to severe plaque psoriasis in adults who are candidates for systemic therapy (or phototherapy, for Canada and Australia). In Japan, for the treatment of plaque psoriasis, generalized pustular psoriasis and psoriatic erythroderma in patients who are not sufficiently responding to existing treatments.

** Prescribing information varies depending on regulatory approval in each country.

1.10 Core EPS

	Actual		Variance	
€ million	**2022**	2021	Actual rates	CER
Profit	**418**	**1 058**	**-61%**	**- 55%**
Attributable to UCB shareholders	418	1 058	- 61%	- 58%
Profit attributable to UCB shareholders	**418**	**1 058**	**- 61%**	**- 55%**
Total impairment, restructuring and other income (-) /expenses	90	34	>100%	>100%
Income tax on impairment, restructuring and other expenses (-)/ credit	- 14	- 4	>100%	>100%
Profit (-)/loss from discontinued operations	2	- 3	> -100%	> -100%
Amortization of intangibles linked to sales	396	149	>100%	>100%
Income tax on amortization of intangibles linked to sales	- 63	- 9	>100%	>100%
Core profit attributable to UCB shareholders	**829**	**1 226**	**- 32%**	**- 28%**
Weighted average number of shares (million)	190	189	0%	
Core EPS attributable to UCB shareholders (€)	**4.37**	**6.49**	**- 33%**	**- 28%**

The profit attributable to UCB shareholders, adjusted for the after-tax impact of to-be adjusted items, the financial one-offs, the after-tax contribution from discontinued operations and the net amortization of intangibles linked to sales, amounted to **core profit attributable to the UCB shareholders** of € 829 million (-32%; - 28% CER), leading to **core earnings per share** (EPS) of € 4.37 compared to € 6.49 in 2021, per non-dilutive weighted average number of shares of 190 million.

1.11 Capital expenditure

In 2022, the tangible capital expenditure resulting from the UCB biopharmaceutical activities amounted to € 252 million (2021: € 282 million) and are mainly related to the construction of the Biotech manufacturing plant and gene therapy facility in Belgium, building facilities and IT hardware.

Acquisition of intangible assets reached € 119 million in 2022 (2021: € 211 million) and is related to software, capitalized eligible development costs and milestones, and the capitalization of external development expenses for post approval studies.

1.12 Statement of financial position

The **intangible assets** increased by € 1 657 million from € 3 159 million at December 31, 2021 to € 4 816 million at December 31, 2022. The increase includes the acquisition of Zogenix, Inc. for € 1 803 million, other additions (related to in-licensing deals, software and capitalized eligible development costs) for € 90 million. The amortization of the year is at € 442 million and is partially offset with the positive impact on the translation of foreign currencies.

Goodwill at € 5 340 million, up € 167 million. The increase is related to the acquisition of Zogenix, Inc. € 19 million and a stronger U.S. Dollar compared to December 2021.

Other non-current assets at € 2 408 million or € 240 million higher compared to last year, driven by additions for property, plant and equipment (including acquisition Zogenix, Inc.) of € 324 million offset with ongoing depreciation, and increase of deferred tax assets related to timing differences and R&D tax credits.

The **current assets** decreased from € 3 710 million as of December 31, 2021 to € 3 304 million as of December 31, 2022 include slightly higher inventory, lower outstanding trade receivables, and a decrease in cash and equivalents after the acquisition of Zogenix, Inc. in 2022.

UCB's shareholders' equity, at € 9 064 million, showed an increase of € 678 million between December 31, 2021 and December 31, 2022. The main changes stem from the net profit (€ 418 million), the US$ and GBP currency translation (€ 272 million), remeasurement of the defined benefit obligation (€ 132 million), the cash-flow hedges (€ 87 million), offset with the dividend payments (€ - 247 million) and the acquisition of own shares (€ - 58 million).

The **non-current liabilities** amounted to € 3 692 million, an increase of € 692 million, and include the US$ 800 million bullet term loan facility agreement that the Group has entered into in 2022 for the Zogenix, Inc. acquisition and an increase related to deferred tax liabilities recorded on the acquired Zogenix, Inc. assets. This is offset with a decrease of outstanding employee benefits after the increase of discount

rates, and the € 176 million bond maturing in 2023 accounted for as a current liability.

The **current liabilities** amounted to € 3 112 million, up € 288 million, and include the € 176 million bond maturing in 2023, the contingent value right for a cash payment of US$ 2.00 upon EU approval of FINTELA as an orphan medicine for the treatment of Lennox-Gaustaut syndrome stemming from the acquisition of Zogenix, Inc. (see Note 8), offset with lower outstanding trade and other payables.

Net financial debt at € 2 000 million as per end December 2022, an increase of € 1 140 million compared to € 860 million as of end December 2021. The increase is related to the acquisition of Zogenix, Inc. in March 2022, the 2021 dividend, offset with the underlying net profitability. The net debt to adjusted EBITDA ratio for 2022 is 1.6.

1.13 Cash flow statement

The evolution of cash flow generated by bio-pharmaceutical activities is affected by the following:

- **Cash flow from operating activities** amounted to € 1 119 million, all related to continuing operations, compared to € 1 553 million in 2021. The cash inflow stems from underlying net profitability, lower outstanding receivables, offset with lower payables and working capital stemming from the Zogenix, Inc. acquisition.
- **Cash flow from investing activities** showed an outflow of € 1 580 million from continuing operations, compared to € 487 million in 2021 and includes the acquisition of Zogenix, Inc. (€ 1 212 million, net of cash), tangible (€ 252 million) and intangible (€ 119 million) capital expenditures.
- Cash flow from financing activities had an inflow of € 70 million, which includes mainly the proceeds of the US$ 800 million bullet term loan facility offset by the dividend paid to UCB shareholders (€ - 247 million) and the repayment of the convertible senior notes issued by Zogenix, Inc. (€ - 262 million).

1.14 Financial Guidance 2023

The year 2023 will be marked by ongoing launches and expected several upcoming launches in the U.S. and Europe (subject to regulatory approvals). At the same time UCB is impacted by the full annualized and ongoing generic erosion to VIMPAT®**.

For 2023, UCB is aiming for revenues in the range of € 5.15 – € 5.35 billion taking into account the full annualized negative impacts from the loss of exclusivity for VIMPAT®** in the U.S. and Europe, launch contributions like the expected mid-year U.S. launch of *bimekizumab* for people living with psoriasis and continued solid contributions from the existing product portfolio.

UCB will continue to invest in preparing upcoming launches to offer potential new solutions for people living with severe diseases and remains committed to invest into research and development advancing its late-stage development pipeline. At the same time, UCB will continue to be cost disciplined, to divest non-core assets and to limit the impact of significant inflation. The integration of the Zogenix, Inc. acquisition will become earnings accretive during 2023. Underlying profitability, adjusted EBITDA, is expected in the range of 22.5% – 23.5% of revenue. Core earnings per share are therefore expected in the range of € 3.40 – 3.80 per share – based on an average of 190 million shares outstanding.

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

Based on UCB's current assessment of the COVID-19 pandemic, UCB remains confident in the fundamental underlying demand for its products and its prospects for long-term growth. UCB will continue to closely follow the evolving COVID-19 pandemic diligently to assess potential near- and mid-term challenges.

** Prescribing information varies depending on regulatory approval in each country.

2. Consolidated financial statements

2.1 Consolidated income statement

For the year ended December 31

€ million	Note	2022	2021
Continuing operations			
Net Sales	6	5 140	5 471
Royalty income and fees		85	79
Other revenue	10	292	227
Revenue		**5 517**	**5 777**
Cost of sales		- 1 674	- 1 438
Gross profit		**3 843**	**4 339**
Marketing and selling expenses		- 1 489	- 1 346
Research and development expenses		- 1 670	- 1 629
General and administrative expenses		- 225	- 208
Other operating income/expenses (-)	13	216	162
Operating profit before impairment, restructuring and other income and expenses		**675**	**1 318**
Impairment of non-financial assets	14	0	- 6
Restructuring expenses	15	- 42	- 21
Other income/expenses (-)	16	- 48	- 7
Operating profit		**585**	**1 284**
Financial income	17	38	80
Financial expenses	17	- 112	- 138
Profit before income taxes		**511**	**1 226**
Income tax expense	18	- 91	- 170
Profit from continuing operations		**420**	**1 056**
Discontinued operations			
Profit/loss (-) from discontinued operations	9	**- 2**	**3**
Profit		**418**	**1058**
Attributable to:			
Equity holders of UCB SA		418	1 058
Non-controlling interests		0	0
Basic earnings per share (€)			
from continuing operations	41	2.21	5.59
from discontinued operations	41	- 0.01	0.01
Total basic earnings per share		**2.20**	**5.60**
Diluted earnings per share (€)			
from continuing operations	41	2.15	5.44
from discontinued operations	41	- 0.01	0.01
Total diluted earnings per share		**2.14**	**5.45**

2.2 Consolidated statement of comprehensive income

For the year ended December 31

€ million	Note	2022	2021
Profit for the period		**418**	**1 058**
Other comprehensive income			
Items to be reclassified to profit or loss in subsequent periods:			
- Net gain/loss (-) on financial assets at FVOCI		0	26
- Exchange differences on translation of foreign operations		272	280
- Effective portion of gains/losses (-) on cash flow hedges		104	- 140
- Income tax relating to the components of other comprehensive Income to be reclassified to profit or loss in subsequent periods		- 13	33
Items not to be reclassified to profit or loss in subsequent periods:			
- Remeasurement of defined benefit obligation	33	145	97
- Income tax relating to the components of other comprehensive Income not to be reclassified to profit or loss in subsequent periods		- 13	- 10
Other comprehensive income/loss (-) for the period, net of tax		**495**	**286**
Total comprehensive income for the period, net of tax		**913**	**1 344**
Attributable to:			
Equity holders of UCB SA		913	1 344
Non-controlling interests		0	0
Total comprehensive income for the period, net of tax		**913**	**1 344**

2.3 Consolidated statement of financial position

For the year ended December 31

€ million	Note	2022	2021
Assets			
Non-current assets			
Intangible assets	20	4 816	3 159
Goodwill	21	5 340	5 173
Property, plant and equipment	22	1 434	1 275
Deferred income tax assets	32	756	692
Financial and other assets (including derivative financial instruments)	23	218	201
Total non-current assets		**12 564**	**10 500**
Current assets			
Inventories	24	907	878
Trade and other receivables	25	1 051	1 239
Income tax receivables	36	78	51
Financial and other assets (including derivative financial instruments)	23	369	273
Cash and cash equivalents	26	899	1 263
Assets of disposal group classified as held for sale	9.2	0	6
Total current assets		**3 304**	**3 710**
Total assets		**15 868**	**14 210**
Equity and liabilities			
Equity			
Capital and reserves attributable to UCB shareholders	27	9 064	8 386
Non-controlling interests	23.6	0	0
Total equity		**9 064**	**8 386**
Non-current liabilities			
Borrowings	29	2 089	1 252
Bonds	30	549	816
Other financial liabilities (including derivative financial instruments)	31	99	13
Deferred income tax liabilities	32	377	191
Employee benefits	33	162	315
Provisions	34	171	188
Trade and other liabilities	35	119	86
Income tax payables	36	126	139
Total non-current liabilities		**3 692**	**3 000**
Current liabilities			
Borrowings	29	88	55
Bonds	30	174	0
Other financial liabilities (including derivative financial instruments)	31	117	100
Provisions	34	191	83
Trade and other liabilities	35	2 492	2 555
Income tax payables	36	50	31
Liabilities of disposal group classified as held for sale	9.2	0	0
Total current liabilities		**3 112**	**2 824**
Total liabilities		**6 804**	**5 824**
Total equity and liabilities		**15 868**	**14 210**

2.4 Consolidated statement of cash flows

For the year ended December 31

€ million	Note	2022	2021
Profit for the year attributable to UCB shareholders		**418**	**1 058**
Adjustment for non-cash transactions	37	752	239
Adjustment for items to disclose separately under operating cash flow	37	91	170
Adjustment for items to disclose under investing and financing cash flows	37	58	41
Change in working capital	37	- 56	153
Working capital adjustment relating to acquisitions	8	- 65	0
Interest received	17	28	17
Cash flow generated from operations		**1 226**	**1 679**
Tax paid during the period		- 107	- 126
Net cash flow used in (-)/generated by operating activities:			
From continuing operations		1 119	1 553
From discontinued operations		0	0
Net cash flow generated by operating activities		**1 119**	**1 553**
Acquisition of property, plant and equipment	22	- 252	- 282
Acquisition of intangible assets	20	- 119	- 211
Acquisition of subsidiaries, net of cash acquired		- 1 212	0
Acquisition of other investments		- 17	- 19
Sub-total acquisitions		**- 1 599**	**- 512**
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		19	9
Sub-total disposals		19	**25**
Net cash flow used in (-)/generated by investing activities:			
From continuing operations		- 1 580	- 487
From discontinued operations		0	0
Net cash flow used in (-)/generated by investing activities:		**- 1 580**	**- 487**
Repayment of bonds (-)	30.3	- 262	- 204
Proceeds from borrowings	29	1 025	0
Repayments of borrowings (-)	29	- 284	- 512
Payment of lease liabilities	29	- 46	- 40
Acquisition (-) of treasury shares	27	- 42	- 60
Dividend paid to UCB shareholders, net of dividend paid on own shares	27.2, 42	- 247	- 240
Interest paid	17	- 74	- 63
Net cash flow used in (-)/generated by financing activities:			
From continuing operations		70	- 1 119
From discontinued operations		0	0
Net cash flow used in (-)/generated by financing activities		**70**	**- 1 119**
Net increase/decrease (-) in cash and cash equivalents		- 391	- 53
From continuing operations		- 391	- 53
From discontinued operations		0	0
Net cash and cash equivalents at the beginning of the period		1 244	1 303
Effect of exchange rate fluctuations		6	- 7
Net cash and cash equivalents at the end of the period		**859**	**1 244**

2.5 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 January 1, 2022	**2 614**	**- 395**	**6 294**	**- 56**	**- 92**	**59**	**- 38**	**8 386**	**0**	**8 386**
Profit for the period	-	-	418	-	-	-	-	**418**	0	**418**
Other comprehensive income/loss (-)	-	-	-	132	272	4	87	**495**	-	**495**
Total comprehensive income	**-**	**-**	**418**	**132**	**272**	**4**	**87**	**913**	**0**	**913**
Dividends (Note 42)	-	-	- 247	-	-	-	-	**- 247**	-	**- 247**
Share-based payments (Note 28)	-	-	70	-	-	-	-	**70**	-	**70**
Transfer between reserves	-	90	- 90	-	-	-	-	**-**	-	**-**
Treasury shares (Note 27)	-	- 58	-	-	-	-	-	**- 58**	-	**- 58**
Balance at December 31, 2022	**2 614**	**- 363**	**6 445**	**76**	**180**	**63**	**49**	**9 064**	**0**	**9 064**

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 January 1, 2021	**2 614**	**- 393**	**5 463**	**- 144**	**- 372**	**38**	**65**	**7 271**	**1**	**7 272**
Profit for the period	-	-	1,058	-	-	-	-	**1 058**	-	**1 058**
Other comprehensive income/loss (-)	-	-	-	87	280	22	- 103	**286**	-	**286**
Total comprehensive income	**-**	**-**	**1 058**	**87**	**280**	**22**	**- 103**	**1 344**	**0**	**1 344**
Dividends (Note 42)	-	-	- 240	-	-	-	-	**- 240**	-	**- 240**
Share-based payments (Note 28)	-	-	75	-	-	-	-	**75**	-	**75**
Transfer between reserves	-	63	- 63	-	-	-	-	**-**	-	**-**
Treasury shares (Note 27)	-	- 65	-	-	-	-	-	**- 65**	-	**- 65**
Transfer between OCI and reserves	-	-	-	2	-	- 2	-	**-**	-	**-**
Movement on NCI	-	-	-	1	-	-	-	**1**	- 1	**0**
Balance at December 31, 2021	**2 614**	**- 395**	**6 294**	**- 56**	**- 92**	**59**	**- 38**	**8 386**	**0**	**8 386**