

*** Unofficial English translation – For convenience purposes only ***

SPECIAL REPORT BY THE BOARD OF DIRECTORS TO THE SHAREHOLDERS
on the use and purpose of the authorized capital
prepared in accordance with article 7:199 of the Belgian Code of Companies and Associations
27 February 2024

I. INTRODUCTION

The Board of Directors of UCB SA/NV (the "Board") hereby presents its special report in accordance with article 7:199 of the Belgian Code of Companies and Associations (the "BCCA") in relation to the proposal to renew the powers of the Board to increase UCB SA/NV's share capital within the framework of the authorized capital. This proposal will be submitted to the extraordinary general shareholders' meeting of UCB SA/NV (the "Company") to be held on 25 April 2024 (or subsequently on 27 May 2024 if the attendance quorum would not be met at the first meeting). The Board has set out in this report the circumstances in which the Board will be able to use its powers under the authorized capital, and the purposes that it shall pursue.

II. CURRENT AUTHORIZED CAPITAL

On the date of this report, the share capital of the Company amounts to € 583 516 974, represented by 194 505 658 fully paid-up ordinary shares without nominal value.

According to article 6 of the Articles of Association, the Board is authorized, subject to the conditions set forth in the report prepared in accordance with article 7:199 of the Belgian Code of Companies and Associations on 23 February 2022 and submitted to the extraordinary general shareholders' meeting of 28 April 2022, to increase the share capital in one or more times, amongst others by the issuance of shares, convertible bonds or warrants:

- i. with up to 5 % of the share capital at the time of the decision of the Board to make use of this authorization, in the event of a capital increase with cancellation or limitation of the preferential subscription rights of the shareholders (whether or not for the benefit of one or more specific persons who are not employees of the company or of its subsidiaries),
- ii. with up to 10% of the share capital at the time of the decision of the Board to make use of this authorization, in the event of a capital increase without cancellation or limitation of the preferential subscription rights of the existing shareholders.

The specific circumstances and the purposes for which the authorized capital may be used, were set out in the special report established by the Board on 23 February 2022 in accordance with article 7:199 of the Belgian Code of Companies and Associations.

This authorization was granted for a period of two (2) years as from the date of the publication in the appendices to the Belgian Official Gazette of the resolution of the extraordinary shareholders meeting held on 28 April 2022, i.e. until 23 May 2024.

III. PROPOSAL TO RENEW THE AUTHORIZED CAPITAL

The Board now proposes the shareholders of UCB SA/NV to renew the powers of the Board under the authorized capital, to increase UCB SA/NV's share capital, amongst others by the issuance of shares, convertible bonds or subscription rights, in one or more transactions, within the limits of article 7:198 BCCA:

- i. with up to 5% of the share capital at the time of the decision of the Board to make use of the authorization, in the event of a capital increase with cancellation or limitation of the preferential subscription rights of the existing shareholders (whether or not for the benefit of one or more specific persons who are not part of the personnel of UCB SA/NV or of its subsidiaries, as defined in the Belgian Code of Companies and Associations),
- ii. with up to 10% of the share capital at the time of the decision of the Board to make use of the authorization, in the event of a capital increase without cancellation or limitation of the preferential subscription rights of the existing shareholders,

for a period of two (2) years as of the publication in the appendices to the Belgian Official Gazette of the decision of the extraordinary shareholders' meeting granting such renewal.

For example, if at the time the Board resolves to make use of the authorized capital, UCB SA/NV's share capital amounts to € 600 million, the Board may increase UCB's share capital (including by way of the issuance of convertible bonds or subscription rights) with up to € 30 million (i.e. 5% of the then existing share capital) if it resolves to cancel or limit the preferential subscription rights of the existing shareholders (whether or not for the benefit of one or more specific persons who are not part of the personnel of UCB SA/NV or of its subsidiaries, as defined in the Belgian Code of Companies and Associations). However, if the Board does not resolve to cancel or limit the preferential subscription rights of the existing shareholders (whether or not for the benefit of one or more specific persons who are not part of the personnel of UCB SA/NV or of its subsidiaries, as defined in the Belgian Code of Companies and Associations), it can increase UCB SA/NV's share capital with up to € 60 million (i.e. 10% of the then existing share capital).

Please note that the total amount by which the Board would be authorized to increase UCB's share capital by a combination of the authorizations set forth in (i) and (ii) above, is limited to 10% of the share capital at the time the Board makes use of this authorization.

For example, if the Board were to first decide to make a capital increase of 5% with a limitation or cancellation of the preferential subscription right of the existing shareholders and thereafter to make a second capital increase without limitation or cancellation of the preferential rights of the existing shareholders, such second capital increase could only be made for no more than 5% - i.e. 10% in total.

Any such capital increase may take any form including, but not limited to, contributions in cash or in kind, with or without share premium, with issuance of shares below, above or at par value, and the incorporation of reserves and/or share premiums and/or profits carried forward, to the maximum extent permitted by the law.

Any decision to use the authorized capital by the Board will require a 75% majority within the Board.

The Board will be entitled to limit or cancel the preferential subscription rights of the existing shareholders (including for the benefit of one or more specific persons who are not part of the personnel of UCB SA/NV or of its subsidiaries, as defined in the Belgian Code of Companies and Associations), within the limits as set out above and as allowed under the BCCA.

If the Board resolves to limit or cancel the preferential subscription rights of the existing shareholders, it will prepare a special report setting out the justification of its decision and of the issue price, as well as the consequences of such transaction on the membership and patrimonial interests of the shareholders. If applicable, it will also provide the identity of any specific persons benefiting from the limitation or cancellation. The statutory auditor will also prepare a report in that respect.

Should the general shareholders' meeting of UCB SA/NV approve this proposal of the Board, then article 6 of UCB SA/NV's Articles of Association will be amended as follows to reflect the proposed renewal of two (2) years:

"Article 6

The capital can be increased one or more times by a decision of a General Meeting of shareholders constituted under the conditions required to modify the Articles of Association.

The Board of Directors is authorized to increase the share capital amongst other by way of the issuance of shares, convertible bonds or subscription rights, in one or more transactions, within the limits set by law,

- i. with up to 5% of the share capital at the time of the decision of the Board of Directors to make use of this authorization, in the event of a capital increase with cancellation or limitation of the preferential subscription rights of the shareholders (whether or not for the benefit of one or more specific persons who are not part of the personnel of the Company or of its subsidiaries, as defined in the Belgian Code of Companies and Associations),*
- ii. with up to 10% of the share capital at the time of the decision of the Board of Directors to make use of this authorization, in the event of a capital increase without cancellation or limitation of the preferential subscription rights of the existing shareholders.*

In any event, the total amount by which the Board of Directors may increase the share capital by a combination of the authorizations set forth in (i) and (ii) above, is limited to 10% of the share capital at the time of the decision of the Board of Directors to make use of this authorization.

The Board of Directors is moreover expressly authorized to make use of this authorization, within the limits as set out under (i) and (ii) of the second paragraph above, for the following operations:

- 1. a capital increase or the issuance of convertible bonds or subscription rights with cancellation or limitation of the preferential subscription rights of the existing shareholders,*
- 2. a capital increase or the issuance of convertible bonds with cancellation or limitation of the preferential subscription rights of the existing shareholders for the benefit of one or more specific persons who are not part of the personnel of the Company or of its subsidiaries, as defined in the Belgian Code of Companies and Associations, and*
- 3. a capital increase by incorporation of reserves.*

Any such capital increase may take any and all forms, including, but not limited to, contributions in cash or in kind, with or without share premium, with issuance of shares below, above or at par value, the incorporation of reserves and/or share premiums and/or profits carried forward, to the maximum extent permitted by the law.

Any decision of the Board of Directors to use this authorization requires a 75% majority within the Board of Directors.



This authorization is granted for a period of two (2) years as from the date of the publication in the appendices to the Belgian Official Gazette of the resolution of the Extraordinary Shareholders Meeting held on 25 April 2024.

The Board of Directors is empowered, with full power of substitution, to amend the Articles of Association to reflect the capital increases resulting from the exercise of its powers pursuant to this article."

IV. CIRCUMSTANCES AND PURPOSES FOR WHICH THE AUTHORIZED CAPITAL MAY BE USED

The authorized capital offers the Board the possibility to preserve the interests of the Company and to react in an adequate manner, amongst other in circumstances which may require flexibility and/or speed of action.

The procedures applicable to a listed company for convening and holding an extraordinary shareholders' meeting are relatively lengthy, complex and time-consuming. In certain circumstances, complying with such procedures could be incompatible with the need for the Company to react swiftly to fluctuations on the capital markets, to seize opportunities or to face adverse events which could cause prejudice to its interests (with the exception of a public takeover bid - see below). Market conditions could indeed rapidly and significantly evolve during the period of more than one month that is required to convene an extraordinary shareholders' meeting to the prejudice of the interests of the Company.

Also, and in certain circumstances, the need to convene an extraordinary shareholders' meeting could lead to a premature announcement of a transaction which could jeopardize the favorable outcome of the negotiations relating to such transaction and therefore the execution thereof. This could be the case, for example, if the Company wished to admit one or more institutional, strategic or other shareholders to its capital structure or wished to finance, pay (e.g. as consideration for any public takeover bid) or support (e.g. by way of "equity kicker") any transaction (e.g. an acquisition - whether private or public - of securities or assets in one or more companies), or to make any capital expenditure, investment, or to enter into any partnership or strategic alliance, by way of issuing securities (either partially or entirely).

The Board may also use the authorized capital in the framework of the remuneration policy of the Company, including for the issuance of shares, stock options or subscription rights to personnel (i.e. employees, members of the Executive Committee or directors of the Company and its subsidiaries, as defined in the BCCA).

Finally, the Board may consider using the authorized capital to remunerate shareholders in a particular manner, such as by paying a stock dividend.

It is to be noted that, according to the BCCA, the Board cannot, within the framework of the authorized capital, decide to:

- issue subscription rights that are mainly reserved for one or more specific persons, other than members of the personnel of the Company or one or more of its subsidiaries (article 7:201, 1° BCCA);
- issue shares with multiple voting rights or securities granting the right to issue or the right to convert into shares with multiple voting rights (article 7:201, 2° BCCA);
- increase the capital mainly by way of contribution in kind exclusively reserved for a shareholder of the Company holding securities of this company representing more than 10% of the voting rights¹ (article 7:201, 3° BCCA); or

¹ Taking into account (i) the voting rights held by such a person on its own behalf; (ii) the voting rights held by an agent in his own name, but for the account of such a person; (iii) the securities carrying voting rights held by persons affiliated with such a person (this includes all persons and legal entities which are part of the same horizontal or vertical group); and (iv) the voting rights held by persons acting in concert with such a person.

- issue a new category of securities (article 7:201, 4° BCCA).

Furthermore, and again according to the BCCA, from the receipt of the notification by the Belgian Financial Services and Markets Authority (FSMA) that it has been informed of a public takeover bid on the Company's financial instruments and until the end of such takeover bid, the Board cannot use its power under the authorized capital: (i) to increase the capital through contributions in kind or in cash with cancellation or limitation of the preferential subscription rights of the shareholders, or (ii) to issue securities granting voting rights (whether or not representing the share capital), or securities giving right to subscribe to or acquire such securities, if they are not offered by preference to the existing shareholders in proportion of their shareholding (article 7:202 paragraph 1 BCCA)².

Even though the general shareholders' meeting may expressly authorize the Board to increase the share capital in such circumstances, under certain conditions determined by law and for a maximum period of 3 years, such authorization is not being requested by the Board to the next shareholders meeting, so that it, in any event, it will not be able to make use of the authorized capital within the framework of a takeover bid from the receipt of the notification by the Belgian Financial Services and Markets Authority that it has been informed of a public takeover bid on the Company's financial instruments.

The Board is of the opinion that the differentiated approach depending on the preferential subscription rights of the existing shareholders and the requirement for a qualified majority within the Board for any decision relating thereto, are providing for an appropriate balance in the use of the authorized capital.

The above-mentioned terms and conditions governing the use of the authorized capital and the above-mentioned purposes for the use of the authorized capital, all should be interpreted in the most extensive possible way.

Brussels, 27 February 2024.

On behalf of the Board,

[signed]

Jean-Christophe Tellier
Director

[signed]

Fiona du Monceau
Director

² However, the undertakings which have been validly entered into before the receipt of a takeover bid, can in principle be further executed (art. 7:202, section 2, 1° BCCA).

