UCB News

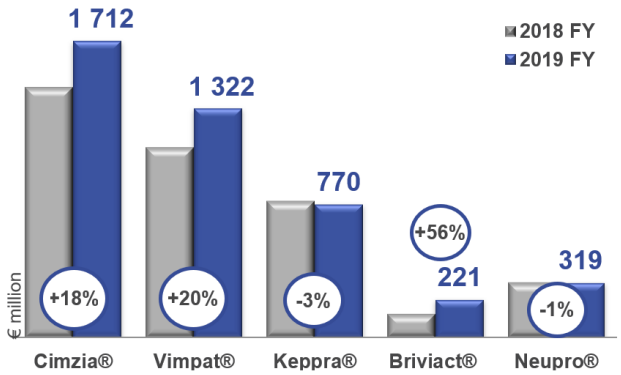
Brussels (Belgium), 20 February 2020 – 7:00 (CET) – regulated information –
UCB Full Year Report 2019:

UCB shows strong performance in 2019 and increases the mid-term guidance for two core products

- Revenue reached € 4.9 billion (+6%, +7% CER[1]) net sales increased to € 4.7 billion (+6%)
- Underlying profitability (rEBITDA[2]) was € 1.4 billion (+2%, +11% CER) or 29.1% of revenue
- R&D update: *bimekizumab* with three positive Phase 3 results in psoriasis and a new Phase 3 program in hidradenitis suppurativa started; Cimzia® with approvals in China and Japan
- Financial outlook for 2020: Revenue expected to reach € 5.05 – 5.15 billion, rEBITDA[2] 28 - 29% of revenue, Core EPS[3] of € 4.80 – 5.20 expected
- New peak sales guidance for Cimzia® € 2.0 bn by 2024 and for Vimpat® € 1.5 bn by 2022
- New Composition of UCB's Executive Committee in 2020

"2019 was a year of strong delivery and growth. Hence, we have updated the peak sales guidance for Cimzia® and Vimpat® and we continue to accelerate our investments into future growth drivers," said Jean-Christophe Tellier, CEO UCB. "Based on our promising late-stage pipeline and the pending Ra Pharma acquisition, we could potentially launch up to 7 products by 2025 to create patient value for specific populations now and into the future. Also, we focus on four sustainability areas that are critical to our long-term success and our contribution to society."

Core product net sales



Revenue for 2019 reached € 4.9 billion (+6%; +7% at CER). **Net sales** went up by 6% to € 4.7 billion (+7% CER), driven by the strong double-digit growth of UCB's key franchises: immunology and epilepsy.

Underlying profitability (rEBITDA[2]) reached € 1.4 billion (+2%; +11% CER) with higher net sales overcompensating increased expenses for product launches and product development.

Profit was to € 817 million of which € 792 million (-1%; +15% CER) is attributable to the UCB shareholders.
Core EPS[3] were € 5.20 after € 4.78 in 2018.

The Board of Directors of UCB proposes a dividend of € 1.24 per share (gross), +2%.

UCB's 2019 financial results

€ million	2019 FY	2018 FY	Act	CER[1]
Revenue	4 913	4 632	6%	7%
Net sales	4 680	4 412	6%	7%
rEBITDA[2]	1 431	1 398	2%	11%
Number of shares (m)	187	188	-1%	N/A
Core EPS[3] (€)	5.20	4.78	9%	24%
Dividend per share (€)	1.24	1.21	2%	N/A

[1] CER = constant exchange rates
[2] rEBITDA = recurring **E**arnings **B**efore **I**nterest, **T**axes, **D**epreciation and **A**mortization charges
[3] Core EPS = core earnings per share

R&D update

Neurology

In June, the Phase 3 study started in patients with myasthenia gravis with ***rozanolixizumab***. First headline results are expected in H1 2021. In January 2020, the Phase 3 study in patients with immune thrombocytopenia (ITP) started, first headline results are expected in H 2 2022.

In September, new data from a Phase 1 study indicated that **UCB0107 anti-Tau** was well tolerated with an acceptable safety profile. UCB aims to initiate an adequate and well controlled study in Q2 2020. UCB0107 is currently being investigated as a potential treatment for patients with tauopathies, initially focusing on progressive supranuclear palsy.

In October, **Keppra® (*levetiracetam*)** was approved, in the U.S., for monotherapy in partial onset seizures. The new indication is intended for the use of Keppra® as mono-therapy in treatment of partial-onset seizures in patients one month of age and older and with an updated labeling to comply with the Pregnancy and Lactation Labeling Rule. An important driver for this submission was adding patient value, especially for pregnant women or women of childbearing age.

In December, UCB launched **Nayzilam® (*midazolam*)** Nasal Spray [CIV], the first and only nasal rescue treatment for seizure clusters in the U.S. Nayzilam® nasal spray was approved in the U.S. in May 2019.

Immunology

In July, **Cimzia® (*certolizumab pegol*)** was approved in combination with methotrexate for the treatment of moderate to severe, active rheumatoid arthritis in adult patients in China. In December, Cimzia® was approved for the treatment of psoriasis and psoriatic arthritis in Japan.

During the course of the fourth quarter 2019, UCB reported positive results for three Phase 3 studies with ***bimekizumab*** in psoriasis:

- In October, the study BE VIVID, evaluating the efficacy and safety of *bimekizumab* in adults with moderate-to-severe chronic plaque psoriasis met all primary and ranked secondary endpoints, including significantly greater efficacy compared to *ustekinumab*.
- In November, the study BE READY, evaluating the efficacy and safety of *bimekizumab* versus placebo in adults with moderate-to-severe chronic plaque psoriasis, met all primary and ranked secondary endpoints.
- In December, the study BE SURE, comparing *bimekizumab* to *adalimumab* for the treatment of adults with moderate-to-severe plaque psoriasis, met all co-primary and ranked secondary endpoints, achieving significantly greater efficacy than *adalimumab*.

  UCB plans to submit applications to regulatory authorities for approval of *bimekizumab* to treat adults with moderate-to-severe plaque psoriasis in mid-2020.

  In addition, based on a positive proof-of-concept study, UCB decided to move into late stage development with ***bimekizumab*** in moderate to severe hidradenitis suppurativa (HS), a severe inflammatory skin disease, affecting predominantly women. The Phase 3 program BE HEARD starts in Q1 2020. First headline results are expected in H1 2023.

Evenity® (*romosozumab*) is now approved in Japan, the U.S., South Korea, Canada and Australia as well as in the EU.

In October, following re-examination procedure, the Committee for Medicinal Products for Human Use (CHMP) of the European Medicines Agency (EMA), has adopted a positive opinion recommending Marketing Authorization.

Evenity® was approved by the EMA in December for the treatment of severe osteoporosis in postmenopausal women at high risk of fracture.

Net sales break-down by core product[4]

Immunology

€ million	2019 FY	2018 FY	Act	CER
U.S.	1 088	896	21%	15%
Europe	429	400	7%	7%
International markets	194	150	30%	28%
Total Cimzia®	1 712	1 446	18%	14%

Cimzia® (*certolizumab pegol*) for patients living with autoimmune and inflammatory TNF mediated diseases, net sales increased to more than € 1.7 billion, driven by continued, sustainable growth in all regions. Growth is also driven by new patient populations like women of childbearing age and people living with non-radio-graphic axial spondyloarthritis and with psoriasis.

Neurology: UCB's epilepsy franchise reached net sales of € 2.3 billion, a plus of 12%.

€ million	2019 FY	2018 FY	Act	CER
U.S.	1 001	822	22%	15%
Europe	236	206	14%	14%
International markets	86	70	22%	17%
Total Vimpat®	1 322	1 099	20%	15%

Vimpat® (*lacosamide*), with net sales of more than € 1.3 billion, shows continued double-digit strong growth in all regions thanks to reaching more and more people living with epilepsy.

€ million	2019 FY	2018 FY	Act	CER
U.S.	189	221	-14%	-19%
Europe	196	216	-9%	-9%
International markets	385	352	9%	6%
Total Keppra®	770	790	-3%	-5%

Keppra® (*levetiracetam*) for epilepsy, reported net sales of € 770 million, reflecting both, the strong, trusted brand and the maturity of the product. In the U.S. net sales were impacted by generic competition. In Europe, Keppra® net sales were affected by a local, one-time rebate adjustment in the first half 2019.

€ million	2019 FY	2018 FY	Act	CER
U.S.	170	109	56%	48%
Europe	45	29	53%	53%
International markets	6	4	57%	55%
Total Briviact®	221	142	56%	49%

Briviact® (*brivaracetam*), reached net sales of € 221 million. This is driven by significant, continuous growth in all regions where Briviact® is now available to patients.

€ million	2019 FY	2018 FY	Act	CER
U.S.	97	101	-4%	-9%
Europe	170	174	-2%	-2%
International markets	52	46	12%	7%
Total Neupro®	319	321	-1%	-3%

Neupro® (*rotigotine*), the patch for Parkinson's disease, showed a slight decrease of net sales to € 319 million. Smaller declines in the U.S. - due to the generic market environment - and Europe were almost compensated by good growth in international markets.

[4] Due to rounding, some financial data may not add up in the tables.

2019 FY financial highlights[5]

€ million	Actual[1] 2019	2018	Variance Actual rates	CER[2]
Revenue	**4 913**	**4 632**	**6%**	**7%**
Net sales	4 680	4 412	6%	7%
Royalty income and fees	78	92	−15%	−21%
Other revenue	155	128	22%	20%
Gross Profit	**3 645**	**3 434**	**6%**	**8%**
Marketing and selling expenses	−1 108	−964	15%	12%
Research and development expenses	−1 272	−1 161	10%	8%
General and administrative expenses	−195	−180	8%	7%
Other operating income/expenses (−)	48	−24	>100%	>100%
Recurring EBIT (rEBIT)	**1 118**	**1 105**	**1%**	**12%**
Impairment, restructuring and other income/expenses (−)	−50	4	>−100%	>−100%
EBIT (operating profit)	**1 068**	**1 109**	**−4%**	**7%**
Net financial expenses	−107	−93	15%	14%
Profit before income taxes	**960**	**1 015**	**−5%**	**6%**
Income tax expenses	−146	−200	−27%	−26%
Profit from continuing operations	**814**	**815**	**0%**	**16%**
Profit/loss (−) from discontinued operations	2	8	−71%	−73%
Profit	**817**	**823**	**−1%**	**15%**
Attributable to UCB shareholders	792	800	−1%	15%
Attributable to non-controlling interests	25	23	8%	2%
Recurring EBITDA	**1 431**	**1 398**	**2%**	**11%**
Capital expenditure (including intangible assets)	294	341	−14%	
Net financial cash/debt (−)	12	−237	>100%	
Operating cash flow from continuing operations	893	1 098	−19%	
Weighted average number of shares – non-diluted (million)	**187**	**188**	**−1%**	
EPS (€ per weighted average number of shares – non-diluted)	**4.23**	**4.24**	**0%**	**16%**
Core EPS (€ per weighted average number of shares – non-diluted)	**5.20**	**4.78**	**9%**	**24%**

"The statutory auditor has issued an unqualified report with no emphasis of matter paragraph dated 19 February 2020 on the company's consolidated accounts as of and for the year ended 31 December 2019, and has confirmed that the accounting data reported in the accompanying press release is consistent, in all material respects, with the accounts from which it has been derived."

In 2019, **revenue and net sales** increased by 6% (+7% CER) to € 4 913 million and to € 4 680 million (+6%; +7% CER) respectively. Net sales before "designated hedging reclassified to net sales" went up by 11% (+7% CER) to €4 784 million. Adjusted for divestitures in 2018, mainly "Innere Medizin"/Germany and the iron supplement Niferex® in Q1 2019, and before 'designated hedges reclassified to net sales' growth was +13% (+9% CER). This growth was driven by the continued strong positive performance of UCB's core products.
Royalty income and fees decreased to € 78 million from € 92 million. Other revenue increased to € 155 million after € 128 million.

Gross profit reached € 3 645 million, with a plus of 6% in-line with the net sales growths and reflecting a stable gross margin compared to 2018.

[5] Due to rounding, some financial data may not add up in the tables.

Operating expenses reached € 2 527 million (+9%; +6% CER) reflecting 15% higher marketing and selling expenses of € 1 108 million - driven by the launch of Cimzia® in psoriasis in the U.S. and Europe and in active non-radiographic axial spondyloarthritis (nr-axSpA) in the U.S. as well as launch preparations for Evenity® in Europe, 10% higher research and development expenses of € 1 272 million – driven by higher R&D investments and resulting in a R&D ratio of 26% in 2019 after 25% in 2018 and 8% higher general and administrative expenses of € 195 million, mainly in connection with the new organization model implemented in 2019. Other operating income was € 48 million after expenses of € 24 million in 2018. The income is composed of investment grants, gain on divestiture, release of provisions and income from the collaboration with Amgen in connection with Evenity®. This resulted in an operating expense ratio (in relation to revenue) of 51% after 50% in 2018.

Underlying operational profitability – rEBITDA[6]- reached € 1 431 million a plus of 2% (+11% CER) with higher net sales overcompensating increased expenses for product launches and product development. The rEBITDA ratio for 2019 (in % of revenue) reached 29.1%, from 30.2% in 2018.

Total impairment, restructuring and other income/expenses (formerly called "non-recurring") were expenses of € 50 million after an income of € 4 million in 2018. In 2019, this includes mainly restructuring expenses, but also legal and litigation costs, partially offset with income resulting from gain on the divestitures. In 2019, UCB strengthened its operating model to ensure maximum agility to meet the growth expectations for the years ahead, hence the restructuring expenses.

Net financial expenses increased by 15% to € 107 million.

Income tax expenses were € 146 million compared to € 200 million in 2018. The effective tax rate of 15% is driven by the higher group revenue and the increasing impact of R&D related tax deductions in key countries.

Profit amounted to € 817 million (after € 823 million), of which € 792 million (after € 800 million) is attributable to UCB shareholders and € 25 million (after € 23 million) to non-controlling interests.

Core earnings per share, which reflect profit attributable to UCB shareholders, adjusted for the after-tax impact of impairment, restructuring, other operating income/expenses, the financial one-offs, the after-tax contribution from discontinued operations and the net amortization of intangibles linked to sales, reached € 5.20 after € 4.78 based on 187 million weighted average shares outstanding.

Dividend - The Board of Directors of UCB proposes a dividend of €1.24 per share (gross), +2%.

Outlook 2020 - For 2020, UCB is aiming for revenues in the range of € 5.05 – 5.15 billion – thanks to the current core product growth and new patient populations being served. UCB will continue to advance its strong development pipeline to offer potential new solutions for patients and complement with external opportunities. Hence, the underlying profitability, rEBITDA[6], in the range of 28-29% of revenue will reflect the high R&D investment level. Core earnings per share are therefore expected in the range of € 4.80 – 5.20 based on an average of 187 million shares outstanding. The figures for the outlook 2020 as mentioned are calculated on the same basis as the actual figures for 2019. The 2020 outlook will be updated upon closing of the planned Ra Pharma acquisition.

[6] rEBITDA = recurring Earnings Before Interest, Taxes, Depreciation and Amortization charges

New Composition of UCB's Executive Committee in 2020

Six consecutive years of growth have underscored UCB's robust performance over time. UCB is poised to further accelerate and expand to deliver on its Patient Value ambition, potentially launching six or seven new products by 2025.

"To support our ambition, we evolved our organization and ways of working to ensure we become more agile and collaborate more transversally across our organization. We believe this evolved organization will increase our operational clarity and efficiency, and will set us up for truly patient-value focused launches," said Jean-Christophe Tellier, CEO of UCB

This evolution is reflected in the new composition of the UCB Executive Committee which became smaller, with more transversal roles across businesses and regions, and with more focus on the company's core activity areas.

Since 1 February 2020 the new composition of the Executive Committee of UCB is as follows:

- Jean-Christophe Tellier, Chief Executive Officer
- Emmanuel Caeymaex, Executive Vice President Immunology Solutions & Head of US
- Jean-Luc Fleurial, Executive Vice President & Chief Human Resources Officer
- Iris Löw-Friedrich, Executive Vice President & Chief Medical Officer
- Kirsten Lund-Jurgensen, Executive Vice President, Supply & Technology Solutions
- Dhaval Patel, Executive Vice President & Chief Scientific Officer
- Bill Silbey, Executive Vice-President & General Counsel
- Detlef Thielgen, Executive Vice President, Chief Financial Officer & Corporate Development
- Charl van Zyl, Executive Vice President Neurology Solutions & Head of EU/International

Alexander Moscho, Pascale Richetta, Bharat Tewarie and Jeff Wren have left the Executive Committee and UCB is very thankful for their past contributions. Bill Silbey and Kirsten Lund-Jurgensen joined the Executive Committee in 2019.
Furthermore, UCB announced in July 2019 that the company's Chief Financial Officer, Detlef Thielgen, will be transitioning out of UCB in H1 2020. A search for a successor is ongoing.

Further information about UCB's Executive Committee are available on UCB website: https://www.ucb.com/investors/UCB-Governance#book-CMP_B_55790

Find the FY financial reports on UCB website: http://www.ucb.com/investors/Download-center

Today, UCB will host a conference call/video webcast at 08.00 (EST) / 13.00 (GMT) / 14.00 (CET).

Details are available on https://www.ucb.com/investors/UCB-financials/Full-year-financial-results

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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 of the immune system or of the central nervous system. With more than 7 600 people in approximately 40 countries, the company generated revenue of € 4.9 billion in 2019. UCB is listed on Euronext Brussels (symbol: UCB). Follow us on Twitter: @UCB_news

Forward looking statements
This press release 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 guarantees of 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 differ materially from those that may be expressed or implied by such forward-looking statements contained in this press release. Important factors that could result in such differences include: 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' 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, you should not place undue reliance on any of such forward-looking statements. There can be no guarantee that the investigational or approved products described in this press release will be submitted or approved for sale or for any additional indications or labelling in any market, or at any particular time, nor can there be any guarantee that such products will be or will continue to be commercially successful in the future.

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