UCB News

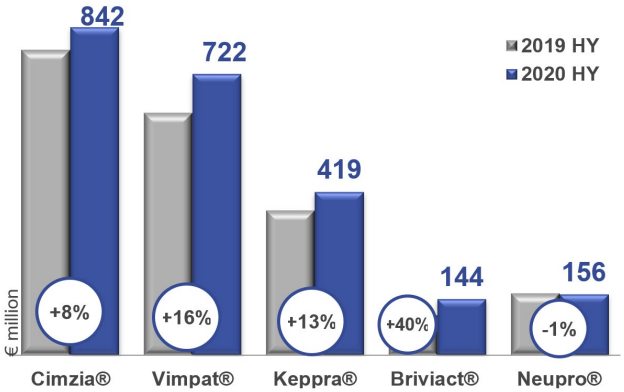
Brussels (Belgium), 27 July 2020 – 7:00 (CEST) – regulated information –
UCB Half Year Report 2020:

UCB's resilient product portfolio drives continued company growth

- Revenue increased to € 2.6 billion and net sales to € 2.5 billion, both +12%, +9% CER[1] or +10% at CER and adjusted for divestitures respectively
- Underlying profitability (adj. EBITDA[2]) was € 783 million (+8%, 0% CER) or a ratio of 30%
- Ra Pharma acquisition closed early April, Engage Therapeutics acquired in June, co-promotion agreement for Cimzia® with Ferring in July
- R&D update: *bimekizumab* in psoriasis with positive Phase 3b results; *padsevonil* in drug-resistant focal epilepsy terminated; Phase 3 with *dapirolizumab pegol* in SLE to start
- Financial outlook for 2020 confirmed: Revenue expected to reach € 5.05 – 5.15 billion, adjusted EBITDA[2] should reach 26 - 27% of revenue, Core EPS[3] of € 4.40 - 4.80 expected

"Our good business performance so far is also linked to our ability to support our partners in society during COVID-19. We were able to continue serving our patients and taking the best possible care of our people during the crisis," said Jean-Christophe Tellier, CEO UCB "and with UCB scientific expertise and experience we are joining forces on global response to COVID-19. We are concerned about the impact of the pandemic on our communities and have set up local financial support and the global UCB Community Health Fund."

Core product net sales



Revenue for the first six months of 2020 increased to € 2.6 billion and **net sales** went up to € 2.5 billion, both +12%, +9% CER or +10% at CER and adjusted for divestitures respectively and driven by the continued growth of UCB's core products.

Underlying profitability (adjusted EBITDA[2]) reached € 783 million (+8%; +0% CER) reflecting continued top line growth and the investments into the future of UCB, namely into product launches and product development.

Driven by "other expenses" **Profit of the Group** was to € 388 million of which € 363 million (-12%; -6%% CER) were attributable to UCB shareholders.

Core earnings per share[3] were € 2.77 after € 2.42.

UCB's financial results HY 2020

€ million	2020 HY	2019 HY	Act	CER
Revenue	**2 608**	**2 323**	12%	9%
Net sales	**2 491**	**2 219**	12%	9%
adj. EBITDA[2]	**783**	**724**	8%	0%
Number of shares (m)	**189**	**187**	1%	
Core EPS[3] (€)	**2.77**	**2.42**	15%	6%

[1] CER = constant exchange rates
[2] adj. EBITDA = underlying profitability, adjusted (recurring) Earnings Before Interest, Taxes, Depreciation and Amortization charges
[3] Core EPS = core earnings per share

Acquisitions and Agreements

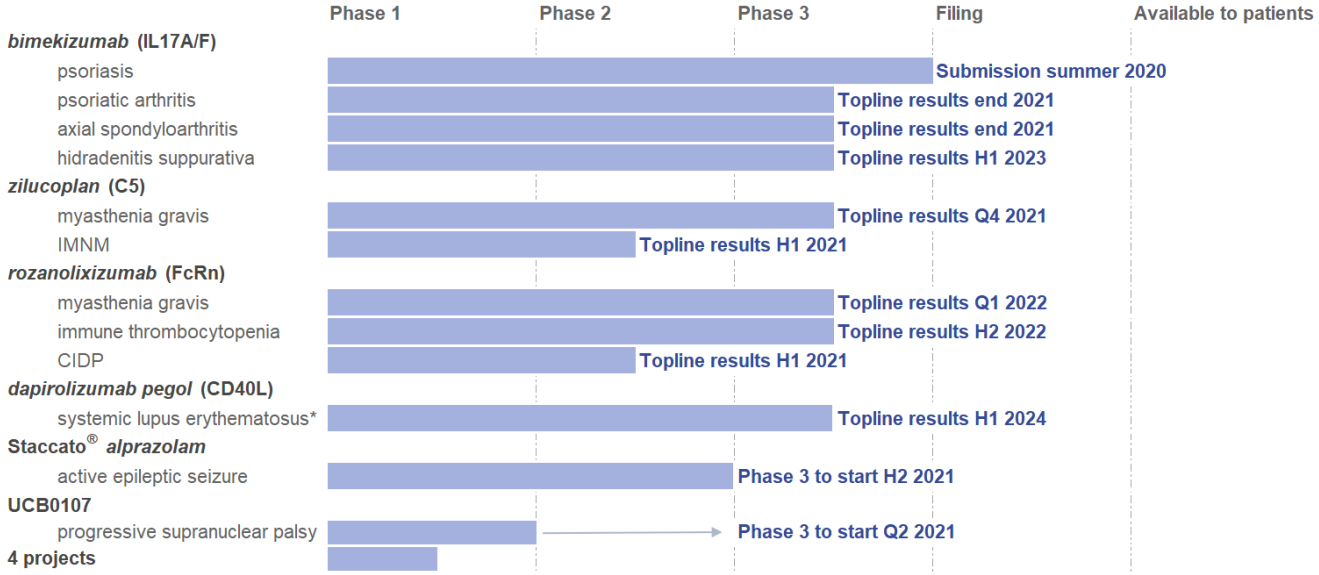
April 2020 – Closing of Ra Pharma acquisition - the acquisition of Ra Pharmaceuticals, Inc. has been successfully completed and Ra Pharma is now a wholly-owned subsidiary of UCB. This acquisition should enhance UCB's leadership potential in myasthenia gravis by adding *zilucoplan*, a peptide inhibitor of complement component 5 (C5) currently in Phase 3, to the UCB pipeline alongside to UCB's *rozanolixizumab*, an FcRn targeting antibody also in Phase 3. *Zilucoplan* is a novel investigational molecule also being evaluated in other complement-mediated diseases including amyotrophic lateral sclerosis (ALS) and immune-mediated necrotizing myopathy (IMNM).

June 2020 - UCB acquires Engage Therapeutics, a clinical-stage pharmaceutical company developing Staccato® *Alprazolam* for the rapid termination of an active epileptic seizure. Staccato® *Alprazolam* is an investigational drug (Phase 2b) designed to be used as a single-use epileptic seizure rescue therapy that combines the Staccato® delivery technology with *alprazolam*, a benzodiazepine.

July 2020 – UCB and Ferring Pharmaceuticals Inc. have entered into a co-promotion agreement to commercialize the prefilled syringe formulation of Cimzia® (*certolizumab pegol*) in the United States for the treatment of Crohn's disease (CD). UCB will continue to be responsible for all product-related activities, including revenue recognition. UCB will continue to promote and to commercialize the lyophilized formulation of Cimzia® for all indications as well as the prefilled syringe formulation for the rheumatology and dermatology indications.

R&D update

In March, the evolving COVID-19 pandemic led UCB to pause new patient recruitment into ongoing clinical studies and to postpone all new study starts. This has led to some delays of UCB's clinical studies. As from end-May 2020, UCB began to restart clinical study recruitment, including new study starts, at clinical trials sites that meet the restart criteria. The latest timelines for UCB's clinical development programs are shown below. UCB will continue to monitor the impact of COVID-19 on all ongoing clinical trials and will implement changes as necessary.



* In partnership with Biogen
Zilucoplan in COVID-associated ARDS by University of Ghent (Belgium) & Medical Research Council (U.K.)
Zilucoplan in amyotrophic lateral sclerosis (ALS) by HEALEY ALS Platform Trial

In January 2020, **Cimzia®** (*certolizumab pegol*) was approved by the Japanese health authorities for the treatment plaque psoriasis, psoriatic arthritis, pustular psoriasis and psoriatic erythroderma for which existing treatment methods are not sufficiently effective. The approval makes Cimzia® the first Fc-free, PEGylated anti-TNF treatment option now available for these patients in Japan.

During the first quarter 2020, **Vimpat® (*lacosamide*)** for the adjunctive treatment of primary generalized tonic-clonic seizures (PGTCS) in study participants 4 years of age and older was filed with the U.S., EU and Japanese regulatory agencies.

In March, UCB reported that the Phase 2b study with ***padsevonil*** in drug-resistant focal epilepsy patients did not reach statistical significance for either of the primary endpoints. Padsevonil was generally well-tolerated and its safety profile was consistent with that seen in earlier studies. Further analysis of the data led UCB to the decision to terminate the padsevonil program as it did not offer sufficient benefit for people living with epilepsy over existing anti-epileptic treatment options.

In July, the Phase 3b study BE RADIANT, comparing ***bimekizumab*** to *secukinumab* for the treatment of adults with moderate-to-severe plaque psoriasis, met all primary and ranked secondary endpoints, achieving significantly greater efficacy than *secukinumab*.

In Q3, UCB and its partner Biogen will include the first patients into the Phase 3 program with ***dapirolizumab pegol*** in patients with active systemic lupus erythematosus (SLE) despite standard-of-care treatment. First headline results are expected in H1 2024.

Net sales break-down by core product[4]

€ million	2020 HY	2019 HY	Act	CER
U.S.	533	480	11%	8%
Europe	210	208	1%	1%
International markets	99	94	5%	11%
Total Cimzia®	842	782	8%	7%

Cimzia® (*certolizumab pegol*) for patients living with autoimmune and inflammatory TNF mediated diseases, net sales went up to € 842 million, driven by new indication launches in the U.S. and product launches in international markets. In Europe, Cimzia® is holding up well in an enlarging market.

€ million	2020 HY	2019 HY	Act	CER
U.S.	534	472	13%	10%
Europe	127	111	15%	15%
International markets	61	39	57%	56%
Total Vimpat®	722	622	16%	14%

Vimpat® (*lacosamide*), with net sales of € 722 million, shows continued strong double-digit growth in all regions reaching more and more people living with epilepsy.

€ million	2020 HY	2019 HY	Act	CER
U.S.	98	103	-5%	-7%
Europe	115	84	36%	36%
International markets	207	184	12%	13%
Total Keppra®	419	371	13%	12%

Keppra® (*levetiracetam*) for epilepsy, reported net sales of € 419 million, driven mainly by international markets/Japan. In the U.S. net sales reflect generic competition while in Europe net sales recovered from a local one-time rebate adjustment in HY 2019, now reaching the level of HY 2018 again.

€ million	2020 HY	2019 HY	Act	CER
U.S.	111	81	38%	35%
Europe	29	19	47%	47%
International markets	4	3	36%	39%
Total Briviact®	144	103	40%	37%

Briviact® (*brivaracetam*), reached net sales of € 144 million. This is driven by strong, double-digit growth in all regions where Briviact® is available to patients.

€ million	2020 HY	2019 HY	Act	CER
U.S.	48	46	3%	1%
Europe	84	83	2%	2%
International markets	24	29	-18%	-20%
Total Neupro®	156	158	-1%	-2%

Neupro® (*rotigotine*), the patch for Parkinson's disease, reached net sales of € 156 million, almost stable in a competitive market environment. International markets impacted by order patterns for Japan.

In December 2019, UCB launched **Nayzilam® (*midazolam*)** Nasal Spray[CIV], the first and only nasal rescue treatment for epilepsy seizure clusters in the U.S. Net sales in the first six months 2020 were € 11 million.

Evenity® (*romosozumab*) for the treatment of severe osteoporosis in postmenopausal women at high risk of fracture had its first European launch in March 2020 and reported net sales of € 1 million.

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

HY 2020 financial highlights[5]

For the six months ended 30 June	Actual		Variance	
€ million	2020	2019	Actual rates	CER
Revenue	**2 608**	**2 323**	**12%**	**9%**
Net sales	2 491	2 219	12%	9%
Royalty income and fees	38	33	14%	11%
Other revenue	79	71	12%	11%
Gross profit	**1 925**	**1 725**	12%	8%
Marketing and selling expenses	- 569	- 502	13%	12%
Research and development expenses	-689	- 568	21%	21%
General and administrative expenses	- 94	- 96	-2%	-2%
Other operating income / expenses (-)	41	12	>100%	>100%
Adjusted (recurring) EBIT	**614**	**571**	**8%**	**-2%**
Restructuring, impairment and other income/expenses (-)	- 95	27	n.a.	n.a.
EBIT (operating profit)	**519**	**598**	**-13%**	**-20%**
Net financial expenses (-)	- 61	- 53	15%	16%
Share of net profit of associates	0	- 1	n.a.	n.a.
Profit before income taxes	**458**	**544**	**-16%**	**-23%**
Income tax expense (-)	- 70	- 108	-35%	-35%
Profit from continuing operations	**388**	**436**	**-11%**	**-21%**
Profit/loss (-) from discontinued operations	0	1	n.a.	n.a.
Profit	**388**	**437**	**-11%**	**-21%**
Attributable to UCB shareholders	363	411	-12%	-22%
Attributable to non-controlling interests	25	26	-4%	-6%
Adjusted (recurring) EBITDA	**783**	**724**	**8%**	**0%**
Capital expenditure (including intangible assets)	102	194	-47%	n.a.
Net financial cash / debt[6] (-)	- 1 915	12		
Operating cash flow from continuing operations	377	353	7%	n.a.
Weighted average number of shares - non-diluted (million)	189	187	1%	n.a.
EPS (€ per weighted average number of shares - non diluted)	1.92	2.20	-13%	
Core EPS (€ per weighted average number of shares - non diluted)	**2.77**	**2.42**	**15%**	**6%**

The statutory auditor has issued an unqualified review report dated 24 July 2020 on the company's condensed consolidated interim financial statements as of and for the six month period ended 30 June 2020, and has confirmed that the accounting data reported in the press release is consistent, in all material respects, with the accounts from which it has been derived.

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

---

Revenue and net sales in the first six months of 2020 reached € 2 608 million and € 2 491 million, both +12%, +9% CER or +10% at CER and adjusted for divestitures respectively. Net sales before "designated hedging reclassified to net sales" (- € 51 million in H1 2019 / - € 9 million in HY 2020) were up by 10% (+9% CER). This growth was driven by the continued positive and resilient

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

[6] For the net financial cash / debt, the reporting date for comparative period is 31 December 2019.

performance of UCB's product portfolio. Royalty income and fees increased to € 38 million from € 33 million. Other revenue increased to € 79 million from € 71 million.

Gross profit increased to € 1 925 million in-line with topline growth and reflecting a stable gross margin of 74%.

Operating expenses reached € 1 311 million (+14%; +13% CER) driven by

- 13% higher marketing and selling expenses of € 569 million – due to launches and prelaunch activities: Cimzia® in non-radiographic axial spondyloarthritis in the U.S. and the launches in China and Japan, Nayzilam® in the U.S., Evenity® in Europe as well as launch preparations for *bimekizumab* for the treatment of psoriasis;
- 21% higher research and development expenses of € 689 million which include the first time R&D expenses for the Ra Pharma development program, the termination costs (€ 38 million) in connection with the termination of the project *padsevonil* in focal onset seizures as well as high investments in UCB's progressing clinical pipeline encompassing five late stage assets. The R&D ratio reached 26% in the first six months of 2020 after 24% in HY 2020.
- 2% lower general and administrative expenses of € 94 million, also reflecting lower costs due to Covid-19 pandemic and including a donation of € 3 million in connection with COVID-19 pandemic.
- other operating income of € 41 million driven by the collaboration with Amgen for the commercialization of Evenity®.

This resulted in a stable operating expense ratio (in relation to revenue) of 50%.

Underlying profitability – adjusted (recurring) EBITDA[7]- reached € 783 million after € 724 million (+8%; +0% CER) driven by continued revenue growth and increased operating expenses, reflecting the investments into the future of UCB, namely into product launches and clinical development. The adjusted (recurring) EBITDA ratio for the first six months of 2020 (in % of revenue) reached 30%, after 31% in 2019. In compliance with the ESMA Alternative Performance Measures guidelines, "recurring EBITDA" is renamed into "adjusted EBITDA". The calculation methodology remains unchanged.

Other expenses were € 95 million – due to restructuring expenses and fees related to the acquisition of Ra Pharma and Engage Therapeutics - after an income of € 27 million in 2019.

Net financial expenses increased to € 61 million from € 53 million, due to the debt financing of the Ra Pharma acquisition.

Income tax expenses were € 70 million compared to € 108 million in June 2019. The average effective tax rate was 15% compared to 20% in the same period of last year, but in line with the 2019 full year effective tax rate.

Driven by "other expenses" **Profit** of the Group amounted to € 388 million (after € 437 million), of which € 363 million is attributable to UCB shareholders and € 25 million (after € 26 million) to non-controlling interests.

Core earnings per share, which reflect profit attributable to UCB shareholders, adjusted for the after-tax impact of one-time expenses, the financial one-offs, the after-tax contribution from discontinued operations and the net amortization of intangibles linked to sales, reached € 2.77 based

[7] adj. EBITDA = adjusted (recurring) Earnings Before Interest, Taxes, Depreciation and Amortization charges. In compliance with the ESMA Alternative Performance Measures guidelines, recurring EBITDA, is renamed into "adjusted EBITDA". The calculation methodology remains unchanged.

on 189 million weighted average shares outstanding after € 2.42 based on 187 million weighted average shares outstanding.

Outlook 2020 confirmed - UCB confirms its expectations for 2020 revenue to reach approximately € 5.05 – 5.15 billion, adjusted (recurring) EBITDA in the range of 26 - 27% of revenue and core earnings per share are therefore expected in the range of € 4.40 – 4.80 based on an average of 188 million shares outstanding. 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 evolving COVID-19 pandemic diligently to assess potential near- and mid-term challenges.

CFO transition in 2020 – on July 1st, UCB welcomed Sandrine Dufour as Executive Vice President and Chief Financial Officer. Sandrine is now a member of UCB's Executive Committee reporting to Jean-Christophe Tellier, UCB's CEO and Chairman of the Executive Committee. Sandrine Dufour is a senior executive with a proven track record and deep financial expertise that stems from more than 25 years leading with successful national and global organizations. From 2015 to recently she held the role of CFO at Proximus, Belgium's largest telecommunication company.

Today, UCB will host a conference call/video webcast at 08.00 (EDT) / 13.00 (BST) 14.00 (CEST).

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

For further information

Investor Relations

Antje Witte,
Investor Relations, UCB
T +32.2.559.9414,
antje.witte@ucb.com

Isabelle Ghellynck,
Investor Relations, UCB
T+32.2.559.9588,
isabelle.ghellynck@ucb.com

Global Communications

Laurent Schots,
Media Relations, UCB
T+32.2.559.9264,
laurent.schots@ucb.com

Check out our IR App on Available on the App Store **and** ANDROID APP ON Google play

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 7 500 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 UCB
This press release contains forward-looking statements based on current plans, estimates and beliefs of management. All statements, other than statements of historical fact, are statements that could be deemed forward-looking statements, including estimates of revenues, operating margins, capital expenditures, cash, other financial information, expected legal, political, regulatory or clinical results and other such estimates and results. By their nature, such forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties and assumptions which could delay, divert or change any of them this year and the next several years, that are difficult to predict, may be beyond UCB's control and could cause UCB's actual future financial results, goals, plans and objectives to differ materially from those that may be

expressed in, or implied by, such forward-looking statements contained in this press release. Important factors that could result in such differences include: the global spread and impact of COVID-19, changes in general economic, business and competitive conditions, the inability to obtain necessary regulatory approvals or to obtain them on acceptable terms, 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, product liability claims, challenges to patent protection for products or product candidates, 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.

Additionally, information contained in this document shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any offer, solicitation or sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of such jurisdiction. UCB is providing this information as of the date of this document and expressly disclaims any duty to update any information contained in this press release, either to confirm the actual results or to report a change in its expectations.

There is no guarantee that new product candidates in the pipeline will progress to product approval or that new indications for existing products will be developed and approved. Products or potential products which are the subject of partnerships, joint ventures or licensing collaborations may be subject to differences between the partners. Also, UCB or others could discover safety, side effects or manufacturing problems with its products after they are marketed.

Moreover, sales may be impacted by international and domestic trends toward managed care and health care cost containment and the reimbursement policies imposed by third-party payers as well as legislation affecting biopharmaceutical pricing and reimbursement.

The updated financial guidance above does not reflect any potential impacts from the evolving COVID-19 pandemic. The company is following the development diligently to assess the financial significance of this pandemic to UCB.