

UCB

Société Anonyme / Naamloze Vennootschap

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RPM/RPR Brussels, 0403.053.608

Annual report of the Board of Directors for the financial year ended 31 December 2024

Dear Madam, Dear Sir,

In accordance with the legal requirements and those laid down in UCB SA/NV's Articles of Association, we are pleased to present to you our report on the activities of the Company during the last financial year and submit, for your approval, the statutory annual accounts of UCB SA/NV for the financial year ended 31 December 2024.

UCB SA/NV is the parent company of the UCB Group and serves as a holding company that manages the activities of its subsidiaries worldwide.

The UCB Group Integrated Annual Report 2024 provides an overview of the activities and consolidated results of the Group.



1. Major events during the financial year 2024

1.1 Issuance of a new bond

On 20 March 2024, UCB SA/NV completed the issuance of a € 500 million institutional Eurobond with a fixed interest rate of 4.25%. The bond will mature in March 2030.

1.2 Various financing operations

On 28 February 2024, UCB SA/NV entered into a credit agreement with the Bank of China for an amount of \$ 80 million and with a maturity date in January 2029. The loan was fully drawn on 10 July 2024.

Consistent with UCB's prudent financial strategy, the net proceeds of the bond (please refer to section 1.1) have been used for general corporate purposes, including the voluntary prepayment, in April 2024, of the \$ 605 million balance which remained outstanding under the term loan debt incurred in April 2020 in connection with the acquisition of Ra Pharmaceuticals, Inc.

Additionally, UCB SA/NV has voluntarily prepaid \$ 200 million of the Zogenix loan, which was originally incurred in March 2022 to finance the acquisition of the Zogenix Group, resulting in a remaining balance of \$ 600 million at the end of December 2024.

1.3 Capital increases in the affiliates

During 2024, UCB SA/NV participated in a capital increase of its subsidiary UCB Pharma (Taiwan) Ltd for a total of TW\$ 70 million or € 2 million equivalent.

Additionally, UCB SA/NV participated in a capital increase of its subsidiary UCB Ventures SA/NV for an amount of € 115 million.

1.4 Transactions in UCB securities

During 2024, UCB SA/NV acquired 1 300 000 UCB shares and disposed of 1 565 838 UCB shares in order to execute the exercise of share options and share awards granted to the members of the Executive Committee and certain categories of employees.

As a result, on 31 December 2024, UCB SA/NV holds a total of 4 463 251 UCB shares representing 2.29% of its' capital. The value reported in the balance sheet under the section "own shares" is € 429 million

1.5 Risk of impairment of the shares held by UCB SA/NV – Impairment test on participations

On 31 December 2024, an impairment test has been performed on the shareholdings of UCB SA/NV.

This test resulted in the recording of impairment charges of € 4 million on the value of the shares held in UCB Holding Do Brasil Ltda of € 3 million and in UCB Pharma logistics LLC of € 1 million.

The impairment testing also revealed that an impairment charge of € 26 million recorded in the previous exercises on the shares of UCB Ventures SA/NV can be reduced to € 22 million. This impairment charge has been decreased by € 4 million.



The new impairment charge and the reversal of the impairment charge have been recorded in the section “financial results” in the income statement of 2024.

2. Changes in accounting policies

There were no changes in the accounting policies in 2024.

3. Internal controls in place regarding the establishment of the annual accounts

The Audit Committee, on behalf of the Board of Directors of UCB SA/NV assessed the adequacy and effectiveness of the internal control system in detecting fraud, irregularities or infringement of laws, rules and regulations or material control failures on a regular basis. These internal control mechanisms are further described in the UCB Group Integrated Annual Report 2024.

4. Major events after the balance sheet date

No major events occurred after the balance sheet date.

5. Conflicts of interest during the financial year

There were no transactions or contractual relationships in 2024 between UCB SA/NV or its affiliates and a member of the Board of Directors that gave rise to a conflict of interest (in accordance with article 7:96 of the Belgian Code of Companies and Associations), except as reported in the Corporate Governance Statement included in the UCB Group Integrated Annual Report 2024.

6. Financial information

Results on 31 December 2024

In 2024 the operations of UCB SA/NV generated a net profit of € 390 million after tax compared to € 274 million in 2023.

The increase of the net profit (by € 116 million) is mainly due to:

- the increase in “other operating income” by € 34 million is mainly due to the increase of recognition of the deferred premiums of the UCB Long Term Incentive plan by € 24 million in combination with an increase of the service agreement recharges to the other affiliates by € 4 million;
- the increase of expenditures for services by € 5 million;



- the increase of the remuneration, social security and pension costs by € 9 million mainly due to the attribution of a higher corporate bonus in 2024;
- the increase in the provision covering the risk of share price changes in relation to the long-term incentives granted to the Executive Committee and certain categories of employees by € 23 million; and
- the increase in the net financial result by € 119 million as a result of the increase of the dividend distribution from affiliates by € 104 million mainly driven by the increase of the dividend distribution from UCB Pharma SA/NV by € 50 million and from UCB Pharma France by € 28 million.

Result appropriation

After taking into account the profits carried forward of € 91 million, the profit available for distribution amounts to € 480 million. The Board of Directors proposes the following allocation:

- distribution to the shareholders of a gross dividend of € 1.39 per share;
- transfer of € 200 million to the available reserves; and
- to carry the balance forward.

The Board of Directors proposes to pay, against delivery of coupon no. 28, a gross dividend of € 1.39 per share (resulting in a dividend net of Belgian 30% withholding tax of € 0.973). The aggregate amount to be distributed to the shareholders may fluctuate depending on the number of UCB shares (own shares) held by UCB SA/NV on the dividend approval date which are not entitled to the dividend. On 31 December 2024, 190 042 407 UCB shares are entitled to the dividend, resulting in a total distribution of € 264 million. The Board of Directors will communicate the total number of UCB shares entitled to the 2024 dividend at the Annual General Meeting and will submit the aggregate amount to be distributed to the shareholders for approval. The annual accounts of 2024 will be adapted accordingly.

Subject to the approval of the proposed dividend distribution by the Annual Meeting, coupon no. 28 will be payable as from 29 April 2025.

In accordance with the law, we request you to grant discharge to the Directors and the Statutory Auditor for the performance of their duties during the financial year ended 31 December 2024.

Balance Sheet items on 31 December 2024

On 31 December 2024, the total assets and liabilities amount to € 13 206 million, as compared to € 13 065 million on 31 December 2023.

The variation on the balance sheet is mainly driven by:

- the increase of the value of shareholdings in affiliates by € 109 million as a result of the capital increase in UCB Ventures SA/NV of € 115 million (please refer to section 1.3);



- the decrease of the short-term receivables by € 63 million mainly due to the decrease of the positive cash pool position toward UCB Biopharma SRL/BV by € 128 million out of which € 61 million is now disclosed under the short term payables;
- the increase in the value of own shares by € 34 million attributed to the 2024 share purchase program, which involved acquiring 1 300 000 shares at a higher stock price compared to the 1 565 838 shares disposed of (please refer to section 1.4);
- the increase in other investments by € 37 million resulting from the increase of the value of the shares owned on behalf of UCB employees as a result of the increase of the UCB stock price in 2024;
- the increase in the provision covering the risk of share price fluctuations related to long-term incentives granted to the Executive Committee and certain categories of employees, by a total amount of € 23 million following the increase of the UCB stock price;
- the decrease of the “amounts payable after more than one year” by € 88 million as a consequence of the issuance of the retail bond of € 500 million (please refer to section 1.1) and the new loan with bank of China for \$ 80 million compensated by the early redemption of the so-called Ra-Pharma loan for \$ 605 million and the so-called Zogenix loan for \$ 200 million (please refer to section 1.2);
- the increase of the short-term payables by € 110 million mainly due the increase of the negative cash pool position toward UCB Biopharma SRL/BV by € 61 million and the increase of the liability towards employees by € 39 million due to the increase of the value of the UCB shares owned on behalf of employees;
- the decrease of the “accruals and deferred incomes” by € 27 million due to the decreased positions in derivative financial instruments by € 21 million and the decrease of deferred incomes from the recharge to the affiliates of the premiums of the UCB Long Term Incentive plan by € 15 million, slightly compensated by the increased “accrued interest expenses” by € 8 million.

7. Changes to the composition of the Board

Please refer to the Corporate Governance Statement in the UCB Group Integrated Annual Report 2024 for the changes to the composition of the Board in 2024 as well as the decisions for renewal in 2025.

8. Financial instruments, credit risk, liquidity risk, treasury related risk

Please refer to the UCB Group Integrated Annual Report 2024, “Notes to the Consolidated Financial Statements”, “Financial Risks Management”.

9. Change of control

Please refer to the Corporate Governance Statement included in the UCB Group Integrated Annual Report 2024 for a complete overview of all agreements including change of control provisions approved in 2024.



10. Research and development activities

The activities of UCB SA/NV are holding activities. There are no research and development activities at the level of UCB SA/NV.

11. Branches of UCB SA/NV

UCB SA/NV has no branches.

12. Corporate Governance Statement

The Corporate Governance Statement (including the Remuneration Report) is included in the UCB Group integrated Annual Report 2024.

13. Sustainability Information

The sustainability report required under article 3:32/1 et sq. of the Belgian Code of Companies and Associations, which provides an understanding of UCB's impact on sustainability issues, as well as an understanding of how sustainability issues affect the business development, results and position of UCB, is included in the UCB Group Integrated Annual Report 2024.

Brussels, 26 February 2025.

[signed]

Jean-Christophe Tellier
Director

[signed]

Jonathan Peacock
Director

