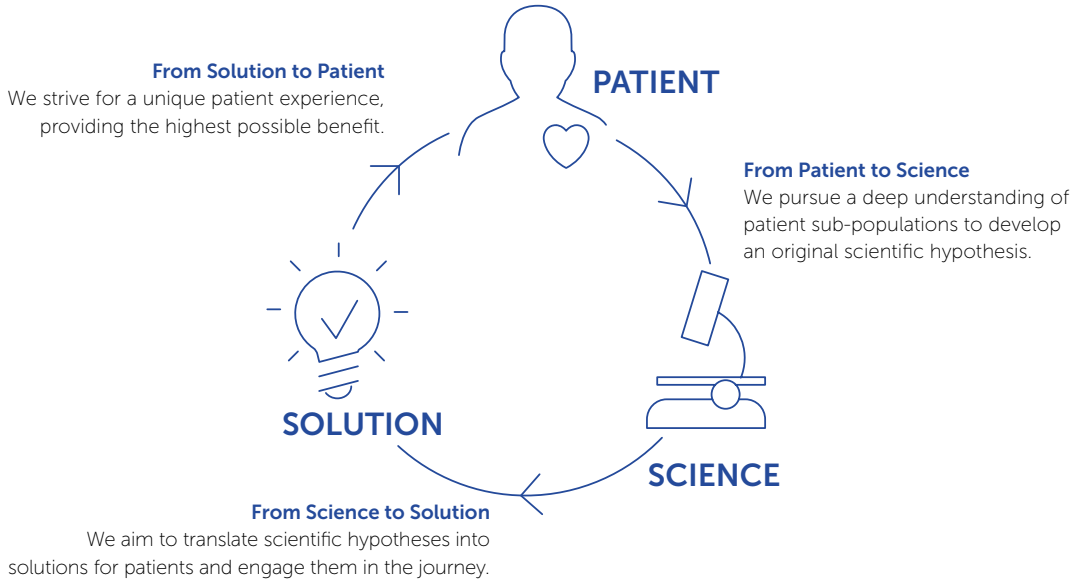
STRATEGY

UCB's integrated business model starts and ends with the patient. This evolution from the traditional pharma model is critical for us to remain competitive and sustainable for the long-term in an increasingly complex and value-focused healthcare environment.



Everything we do starts with a simple question: "How will this create value for people living with severe diseases?". Rather than commencing research from a scientific point of view, we start with the patient perspective. This means improving our ability to stratify patients; implementing a new development paradigm to improve success rates and efficiency; tailoring go to market models for specific local patient environments and implementing value-based access and pricing.

Innovation is a key component of our strategy on translating science into clinical differentiation. Because 30% of patients living with epilepsy are not seizure-free, because patients living with psoriasis expect more than treatments available so far, because the ultimate goal is a cure... So many reasons why UCB continues to invest more than 20% of its revenue in research and development, "R&D". Thanks to this commitment and the many collaborations with academia, research institutes, small and big (bio) pharma players, UCB teams have built a strong pipeline of innovative medicines.

We have integrated the patient insights with science, translating it into solutions. We now need to ensure patients have access to UCB solutions. UCB is a global player and has to adapt to specific dynamics and stakeholder influences in local patient environments.

UCB's patient value strategy aims to deliver unique outcomes and the best patient experience to as many lives as possible within specific populations where UCB can lead. UCB will only commercialize assets where we can lead, and will out-license pipeline assets in areas where UCB cannot lead or lacks bandwidth.

Our recent performance confirms our ambition. UCB continues to deliver above-industry growth, with financials that enable UCB to become the patient-preferred biotech leader with a healthy balance between short-term growth and profitability and long-term sustainability.

Victoria, living with psoriasis

We are progressing on our growth path with our three strategic phases:

GROW & PREPARE PHASE (2015)

- We build up on Cimzia®, Vimpat®, Keppra®, Briviact® and Neupro®;
- We carefully prepare bringing Evenity™ *(romosozumab)* to people at high risk of fracture due to osteoporosis;
- We carry on broadening our early and late-stage pipeline.

ACCELERATE & EXPAND PHASE (2019)

- We accelerate uptake of Briviact® while maximizing the potential of Cimzia®, Vimpat®, Keppra® and Neupro®;
- We invest into new growth drivers in our late-stage R&D pipeline (Evenity™, *bimekizumab*, *padsevonil*) and emphasize the innovation focus in our early pipeline - complemented by selected external opportunities.

BREAKTHROUGH & LEAD PHASE (2022)

- We mitigate the loss of exclusivity for Cimzia®, Vimpat®, and Neupro® by continuing growth from Briviact® and new growth drivers;
- We successfully launch breakthrough products and accelerate growth.

Thierry and Michael, UCB

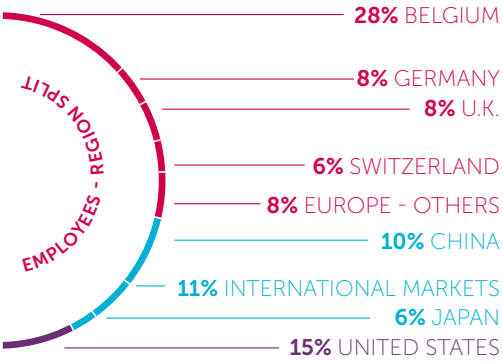
UCB PEOPLE

Creating patient value is what inspires us, drives our actions and allows us to be more agile in an ever-challenging world. Integrating the patient at every level of our operating model is our way to create unique and sustainable value and we believe every one of us can have an impact, wherever in the world, whatever our role.

Ensuring a diverse and inclusive environment at UCB is important for our patient value culture. Given the span of our activities and our global footprint, diversity is a given at UCB. Mentioning diversity immediately triggers the gender topic. At UCB, we have a 50/50 representation of women and men companywide, and a 31/69 ratio of women to men at the Board level. However, diversity is much more than gender, race or age (innate characteristics); it is about education, beliefs and experience (acquired characteristics).

Collaborating with colleagues from different horizons is a gift and also has its challenges: working easily across nations, cultures and education sometimes is not a given. In 2017, we continued to raise awareness around conscious and unconscious bias by organizing several initiatives in multiple sites. UCB is determined to accelerate diversity and inclusion, anchoring it in our company culture.

Almost every aspect of our activities is regulated: beginning with drug discovery and acquisition, and continuing on through testing, development, product registration, manufacturing, pricing, shipment, advertising, sale and use. The UCB values and code of conduct provide a framework which helps us navigate



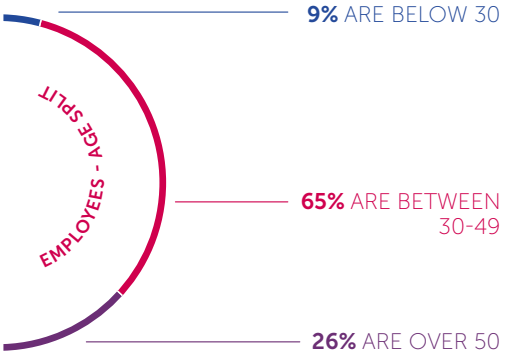
Lydie, UCB

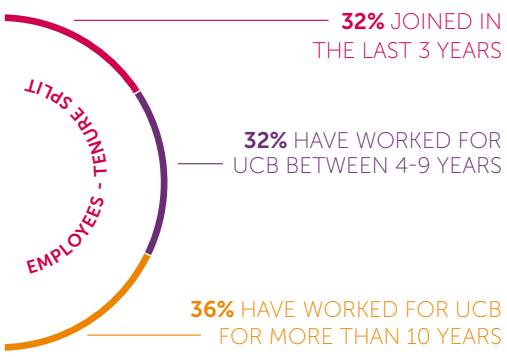
through the challenging and evolving business and legal environments.

The code of conduct outlines general principles of business conduct and ethics that help guide every UCB colleague and UCB's partners throughout the world when making decisions. It covers UCB employees' rights (equal treatment, data privacy, freedom of association, HS&E, etc.), obligations (pharmacovigilance, business ethics, insider information, antitrust, corruption, social media and IT security) as well as whistle blower procedures.

For more information, refer to:

- 2017 sustainability report
- UCB code of conduct: https://www.ucb.com/_up/ucb_com_ir/documents/UCB_Code_v21_January_2015.pdf
- https://www.ucb.com/careers/your-career





MANAGING RISK
TO ADD VALUE AT UCB

Achieving effective risk management is not just about identifying and responding to risks. It is about creating a solid foundation of both understanding the risk environment and embedding a framework that facilitates action on the uncertainties that may impact us most.

In our journey to elevate risk management at UCB, Risk2Value continues to advance the integration of risk principles into the organization. This enables the support of our strategic priorities while upholding our patient value principles.

Framework and Governance

In 2017, UCB continued to build upon the Risk2Value framework. Utilizing the key representatives from all business areas, we have worked to strengthen the importance of managing the right risks. Our process of risk management initiates within each business area and its leadership team, is aggregated, refined and communicated via the Risk2Value table and its members.

To ensure we are prioritizing risks that have impact to our values and obligations, risks may be measured on one or more of three scales:

- Impact on financial assumptions that comprise UCB's near-term and long-term forecasts (Financial Impact Scale)
- Impact on the trust of those that regulate or rely on us; and the welfare of our employees and communities (Reputation & Welfare Impact Scale)
- Impact on the value we provide our patients with (Patient Value Impact Scale)

Top risks are connected to the strategic priorities and an understanding of how the risk is trending is communicated to both our Executive Committee and our Board of Directors.

Oversight

The management and review, and advisement on risks and decision making is an active and dynamic process. Our Executive Committee reviews these risks on a regular basis in collaboration with the Risk2Value table. We maintain strong connectivity to our Board of Directors/Audit Committee and bring feedback into the organization.

UCB demonstrates its commitment to managing risk by creating accountability at the top. All key risks are owned by a member of the Executive Committee, and that member is accountable for understanding its nature and driving actions to manage the risk. The Global Internal Audit function is responsible for independently and regularly reviewing and validating the risk management process in UCB and jointly agreeing with the business functions on actions to respond to enterprise-level risks.

As the risks we face are dynamic and changing in nature, our approach to management of these risks is also dynamic. We continue to learn and grow to integrate risk thinking into the organization. The risks illustrated represent the top items for 2017/2018.

Top risks for 2017 and beyond	UCB's response
COMPETITION FROM BIOSIMILARS	
Biosimilars entrants, adoption and market impact are increasing globally, with a complex interplay of 1) payer and regulatory frameworks 2) stakeholder attitudes 3) manufacturer and commercialization capabilities and 4) competitor responses. UCB supports increasing access of biologics to patients who may benefit from them, and to providing a superior overall value proposition in specific patient populations.	**UCB focuses on offering solutions meeting the unique needs of specific patient subpopulations. We continue to pursue a strategy of differentiation as an innovator company with a value-focused pipeline and brands which offer demonstrable superior patient outcome at a competitive total unit cost of care.**
PRICING & ACCESS PRESSURES AND CHANGES	
Managing pharmaceutical expenditure continues to be a priority for healthcare providers globally, and manufacturers continue to look for new ways to offer their solutions at sustainable and equitable prices. In the U.S., pharmaceutical pricing continues to be a major focus at both the federal and state level. Payers are now increasing their use of value assessment frameworks to inform their formulary decisions.	**By establishing a patient-centered view of value, alongside a commitment to affordable access for patients, UCB continues to engage with stakeholders globally to meet the needs of all our patients. UCB has also established an executive and leadership team-level committee to increase our ability to monitor and engage with the U.S. policy ecosystem, including federal and state governments and agencies, to continue to deliver on our vision of making a difference for people living with severe diseases.**
CYBER SECURITY	
In an increasingly complex and evolving IT landscape, Cybersecurity incidents like data breaches could lead to reputational or financial impact, as well as operational disruption.	**UCB has a security strategy and a comprehensive security program in place that assures the proper prevention, detection and response controls are in place. The program includes, for example, continuous monitoring and analytics, intrusion incident detection and response, security testing and user awareness training and campaigns.**
INTELLECTUAL PROPERTY	
Intellectual Property rights (IP) are essential to foster innovation in rapidly evolving R&D paradigms and a politically challenging environment. UCB must protect its intellectual property rights, be proactively aware of the competitive landscape and engage in external policy debates around IP and access.	**UCB enhanced the focus of its IP strategies on core innovation and global patient-focused solutions. We continue to efficiently defend our IP with litigation wins on Vimpat® (U.K.) and Neupro® (U.S.). With our recently recruited IP policy experts, we have taken our engagement on external policy to the next level.**
BIOLOGICS SUPPLY	
In the hyper competitive market to deliver new biologic drug products, there is limited capacity both internally and with external suppliers. This presents the potential for real challenges in securing supply to meet both UCB's develoment needs and supporting our future patients.	**UCB has developed a biologics supply strategy to expand internal capacity as well as secure external supply partners. This strategy will maximize flexibility to assure we can deliver on the needs of patients for UCB's future biologic portfolio.**

R&D

We start - and end - with the patient. Integrating the reality of patients living with neurological and immunological disorders into our daily life enables us to develop a better understanding of the various expressions of a disease and to embed the real needs of specific patient groups in our science and innovation process.

Patients play a more active role in their healthcare, the use of artificial intelligence continues to rise and will impact treating patients as well as drug discovery. UCB increasingly employs digital solutions throughout the value chain:

- applying analytics for discovery research;
- improving study design, efficiency and patient experience in clinical trials;
- using digital solutions to enhance or complement marketed drugs to improve patient outcomes and experience and, thus, increase value for patients.

After connecting patients' insight with science, we translate scientific hypotheses into differentiated solutions for patients and engage them in the journey. We carefully design clinical trials, with a robust proof of concept and clear milestones that enable us to make solid data-driven decisions. Participating in clinical trials is also part of the journey for some patients. Listening to their experience, we challenge the complexity of studies to reduce the burden for patients and investigator sites, accelerate study conduct and lower costs.

Thanks to innovative data extrapolation, UCB did not have to conduct dedicated clinical studies to gain regulatory approval in the U.S. for Briviact® in monotherapy, and Vimpat® for children aged 4 and older. This approach enables patients to get faster access to new treatment options.

To leverage the power of "big data" enabling physicians to make evidence-based decisions when discussing treatment options with patients living with epilepsy, UCB has partnered with Georgia Tech (U.S.) for a new predictive analytic platform.

UCB is successfully deploying solutions "beyond the pill": new devices such as the autoclick® or ava® for Cimzia® to facilitate administration and help patients managing their disease, support programs to assist patients navigate through the insurance/ reimbursement hurdles, etc.

Innovation will be critical to deliver differentiation. It might arise from the expertise within the organization, as well as from collaboration with the external world through developing networks and the ability to connect with science, academic biotech start-ups, everywhere they are. Over the years, UCB has built up a strong network; further enhanced by the UCB Venture Fund which gives us the opportunity to invest in innovative life science and healthcare companies at a very early stage. This openness to the external world is not limited to science, it is also developed with all stakeholders involved in delivering value for the patient.

UCB's R&D strategy is very clear:

- Strengthen current research technology platforms and add new ones;
- Strengthen areas where UCB can lead through new assets;
- Progress molecules in-house if we can be a category leader delivering value for patients, for example in our core therapeutic areas: immunology and neurology. In other cases, we use other routes to reach patients: partnering, out-licensing, spin-off or divesting.

Rosanne, mother of child living with epilepsy

	Phase 1	Phase 2	Phase 3	Filing
Evenity™ (*romosozumab*)				
osteoporosis				
***bimekizumab* (IL17 A/F)**				
psoriasis				Phase 3 results: end 2019
psoriatic arthritis				Phase 3 start: H2 2018
ankylosing spondylitis				Phase 3 start: H2 2018
***dapirolizumab pegol* (CD40L antibody)**				
systemic lupus erythematosus				Phase 2b results: Q4 2018 (Partner: Biogen)
***padsevonil* (PPSI)**				
highly drug-resistant epilepsy				Phase 2b results: H1 2020
***seletalisib* (PI3K δ inhibitor)**				
Sjögren's syndrome + APDS[1] (Phase 1b)				Phase 2a results: Q3 2018
***rozanolixizumab* (FcRn)**				
immune thrombocytopenia + MG[2]				Phase 2a results: H2 2018
UCB4144 / VR942 - asthma				(Partner: Vectura)
UCB6673; UCB7858; UCB0159				
UCB3491; UCB0599				

[1] APDS - Activated PI3K Delta Syndrome
[2] MG – myasthenia gravis

bone immunology neurology

IMMUNOLOGY

UCB started its endeavor into immunology in 2004 with the acquisition of Celltech, a leading British biotech company.

Building on core expertise in biologics, Cimzia® (*certolizumab pegol*) was developed and first made available to patients living with Crohn's disease (2008), followed by rheumatoid arthritis (2009), psoriatic arthritis and ankylosing spondylitis (2013). All of these inflammatory diseases have one thing in common: the immune system mistakenly attacks the tissues it is supposed to protect - the gut (Crohn's), the joints (rheumatoid arthritis), the joints and skin (psoriatic arthritis) and the spine (ankylosing spondylitis). Recognizing an unmet need for female patients of child bearing age and the unique structure of Cimzia®, UCB now offers an additional and unique solution: Cimzia® is the first anti-TNF treatment option in Europe that could be considered for women living with a chronic rheumatic disease in both pregnancy and breastfeeding.

The latest development for patients targets psoriasis, a common skin condition affecting 125 million people worldwide, 2-3% of the world's population[1]. When spending time with patients living with psoriasis and psoriatic arthritis, the Immunology team learned that their journey is one of duality, layering physical impact with emotional experience. Pending approval from the U.S. and European health authorities, Cimzia® might become available to people living with psoriasis in those regions by the summer of 2018.

The next innovative discovery in the execution of our patient value strategy - connecting the unmet needs of patients with innovative science - is *bimekizumab*, a dual cytokine inhibitor targeting both IL-17A and IL-17F, currently in clinical development. Within UCB's core antibody discovery platform, *bimekizumab* was designed *via* a rational, structure-based approach to build dual specificity and high affinity for both IL-17A and IL-17F. We are now clinically testing the novel hypothesis that neutralizing IL-17F in addition to IL-17A can deliver superior outcomes for psoriasis and spondyloarthritis patients.

Based on the Phase 2b results in psoriasis, psoriatic arthirtis and ankylosing spondylitis, *bimekizumab* shows potential to bring significant, differentiated value to patients. We are committed to rapidly advancing our Phase 3 clinical programs across the different indications, and to progressing our portfolio of future innovative solutions for patients with autoimmune diseases and unmet needs.

For more information, refer to:

- R&D update on pages 72-73
- References on pages 195
- https://www.ucb.com/disease-areas
- https://www.ucb.com/our-products

Cimzia®

REACHING MORE THAN

110 000

patients living with rheumatoid arthritis, psoriatic arthritis, axial spondyloarthritis / ankylosing spondylitis or Crohn's disease

2018	Label update for potential use during pregnancy and breastfeeding (EU) Potential approval in psoriasis (U.S. & EU) Phase 3 results in non-radiographic axial spondyloarthritis (U.S.) Phase 3 results in psoriasis / psoriatic arthritis (Japan)
2020	Net sales to reach ≥ € 1.5 billion
2024	Loss of exclusivity (U.S. & EU)
2026	Loss of exclusivity (Japan)

bimekizumab

might be a valuable novel treatment for patients living with psoriasis, psoriatic arthritis or ankylosing spondylitis

2018	Phase 3 start in • psoriatic arthritis • ankylosing spondylitis
2019	Phase 3 results in psoriasis

Elisabeth, living with axial spondyloarthritis

NEUROLOGY

Brain diseases affect 1 in 6 people around the world[1]. The range of conditions – and the impact on patients – affecting the central nervous system is wide and unlocking the science behind them is hard. At UCB, we are committed to delivering value to patients and looking for new ways to help patients living with neurological diseases.

One area where UCB has been working in for decades is epilepsy. While it is the most common serious neurological condition – defined by recurrent seizures – it manifests itself in different ways for different patients. To date, more than 30 different types of seizures have been identified[2].

For patients, seizure types and frequency vary greatly. Some are short, like muscle jerks, while others are prolonged convulsions. Some patients may experience them rarely, while others battle seizures multiple times per day. Focal seizures start in just one part of the brain, while generalized seizures are the result of simultaneous abnormal activity of the whole brain. For patients battling epilepsy, regaining control – and getting seizures under control – is often a primary goal leading to a higher quality of life[3].

We have come a long way in treatment. Today, nearly 60% of patients newly diagnosed with epilepsy become seizure free with their first anti-epileptic drug[4]. But for 1 in 3 patients, seizures remain uncontrolled[2]. These are the great challenges we continue to tackle. Breakthrough science and technology can help unlock better ways to care for and treat patients living with epilepsy. Whether it is contributing to find a therapy that works for an individual patient faster or finding new ways to treat the root cause of disease, we are committed to continuing to unlock the science and find new ways to improve the lives of patients.

During the past 20 years, UCB has made a major contribution to improving epilepsy care by bringing different treatment options to patients and healthcare professionals: Keppra® (*levetiracetam*) in 2000, Vimpat® (*lacosamide*) in 2008 and Briviact® (*brivaracetam*) in 2016. Thanks to new indications (pediatric, monotherapy) and launches in new countries, UCB medicines enabled more and more patients to live more independently from epilepsy.

Unfortunately, there are still thousands of patients who either do not have access to treatments, or have not found the right drug… so UCB teams keep searching! Our R&D colleagues are progressing with molecules like *padsevonil* for highly refractory epilepsy and *radiprodil* for infantile spasms while others investigate external options. In partnership with the Georgia Institute of Technology, we are developing eliprio™, a program that harnesses predictive analytics and machine learning to personalize epilepsy treatment.

UCB celebrated the first decade of the launch of Neupro® (*rotigotine* transdermal patch) in Europe, addressing the needs of patients living with Parkinson's disease and restless legs syndrome.

We are committed to empower patients with neurological conditions to live the life they choose, through differentiated and meaningful solutions, ultimately advancing the standard of care. We will focus on strengthening our leadership in epilepsy through drug and complementary technology solutions and optimizing our impact in movement disorders.

For more information, refer to:

- R&D update on pages 72-73
- References on pages 195
- https://www.ucb.com/disease-areas
- https://www.ucb.com/our-products/

Epilepsy
Vimpat®, Keppra® & Briviact®

REACHING APPROXIMATELY

2.5million

patients living with epilepsy

2018	*padsevonil* Phase 2b start
2019	Vimpat® Phase 3 results in epilepsy PGTCS
2020	Vimpat® net sales to reach ≥ € 1.2 billion Briviact® Phase 3 results in epilepsy POS (Japan) Keppra® patent expiry (Japan) *padsevonil* Phase 2b results
2022	Vimpat® patent expiry (U.S. & EU)
2024	Vimpat® loss of exclusivity (Japan)
2026	Briviact® net sales to reach ≥ € 600 million Briviact® patent expiry (U.S. & EU)

Neupro®

REACHING MORE THAN

334000

patients living with Parkinson's disease or restless legs syndrome

2020	Net sales to reach ≥ € 400 million
2021	Patent expiry (U.S. & EU)
2024	Patent expiry (Japan)

Alexander, living with epilepsy

BONE

Whilst our bones grow very quickly in size, density and strength through childhood, our bodies experience a progressive loss of bone mass in adulthood, leading to brittle bones and an increased risk of fracture. This condition in which bones become more porous over time making them more likely to break has a name: osteoporosis.

Fragility fractures due to osteoporosis are a major public health concern. Almost 9 million fractures happen every year[1]. A fragility fracture can be a life-changing event, making it harder to get around and do things independently. For example, after a hip fracture:

- 10-20% of patients require a long-term nursing home;
- 40% of individuals cannot walk alone;
- 80% cannot perform basic activities such as shopping[2].

UCB is supporting patients, carers, healthcare professionals, policy makers and the general public to help raise the profile of this silent disease, and make fracture prevention a global health priority. Since 2004, Amgen and UCB have worked together to research and develop Evenity™ (*romosozumab*), an investigational bone-forming monoclonal antibody. It is being evaluated for its potential to reduce the risk of fractures in an extensive global Phase 3 program.

A robust clinical development program has been completed, studying over 12 000 patients in 43 countries. Four key studies evaluated the efficacy and safety of *romosozumab* for 12 months followed by an antiresorber in men and postmenopausal women at risk for fracture.

- FRAME is a placebo-controlled study that evaluated 7 180 postmenopausal women with post-menopausal osteoporosis. Results were published in The New England Journal of Medicine[3] in September 2016.
- ARCH is an active comparator study in 4 093 postmenopausal women with osteoporosis at high risk for fracture. Results were published in The New England Journal of Medicine[4] in September 2017.
- BRIDGE is placebo-controlled study of 245 men aged 55-90 years with osteoporosis. Results were presented at ACR[5] in November 2016.
- STRUCTURE is an active comparator study in 436 postmenopausal women with osteoporosis transitioning from bisphosphonate therapy. Results were published in The Lancet[6] in July 2017.

Based on this substantial data set, Evenity™ is currently under regulatory review in the U.S., Canada, Japan, Australia, Brazil, Switzerland, and the EU.

For more information, refer to:

- R&D update on pages 72-73
- references on pages 195

- https://www.ucb.com/disease-areas/Osteoporosis

Evenity™ is the trade name of *romosozumab* which has been provisionally approved by the U.S. Food & Drug Administration (FDA) and the European Medicines Agency (EMA).

Lut, living with osteoporosis

ENVIRONMENT

All our activities have an impact on the environment. At UCB, we take our responsibility to the planet very seriously.

We commit to reducing our ecological footprint with the thinking that it does not make sense to provide our patients with solutions for their diseases, on the one hand, while on the other, destroying the environment they live in.

For the past 10 years, we have made progress in this direction by improving our buildings and processes, raising awareness and encouraging greener behaviors. In 2015, UCB set ambitious targets to be reached by 2030:

- Become carbon neutral by reducing the emissions by 35% and compensating those we cannot reduce;
- Reduce water consumption by 20%;
- Reduce waste generation by 25%.

Our Green Strategy currently focuses on the activities we can directly control and sets clear, absolute milestones to measure our progress. Confirming our commitment to meeting the COP21 ambition, UCB joined the Science Based Target Initiative to fight climate change.

2018
Finetune the methodology to better capture UCB impact

Support reforestation programs in the Democratic Republic of Congo and Ethiopia

2020
Reduce emissions by 5%

2025
Reduce emissions by 20%

2030
REDUCE EMISSIONS BY
35%

2030
REDUCE WATER CONSUMPTION BY 20%

2030
REDUCE WASTE PRODUCTION BY 25%

	2013	2014	2015	2016	**2017**
Scope covered[1]	85%	85%	86%	86%	**90%**
CO_2 emissions (tons)[2]	**79 770**	**66 100**	**112 415**	**94 002**	**87 746**
Scope 1 - Direct CO_2 emissions		34 733	37 573	28 415	**26 871**
Scope 2 - Indirect CO_2 emissions		31 367	28 108	10 936	**5 888**
Scope 3 - Other indirect greenhouse gas (GHG) emissions	N.A.	N.A.	46 734	54 651	**54 987**
Water (m^3)	**810 579**	**782 633**	**804 360**	**704 310**	**663 359**
Waste (tons)	**9 146**	**9 654**	**9 746**	**8 712**	**7 090**
Waste recovered	93%	94%	95%	97%	**91%**
Energy (MegaJoules)	**1 243 344**	**1 089 739**	**1 137 502**	**854 906**	**810 771**
Electricity from renewable sources	50%	59%	59%	80%	**92%**

Beyond the scope change[1], factors which influenced consumption are:
- increased production and research activities;
- variations in climatological conditions (with an impact on the need for cooling/heating);
- implementation of saving programs.

For more information, refer to:
- 2017 sustainability report
- https://www.ucb.com/our-company/green-strategy

[1] Environment data are consolidated for all manufacturing and research sites, HQ, and affiliates from China, India, Italy, Japan, Germany, Mexico and the U.S.; 2017 data also include Brazil and Russia.
Scope changes:
- 2013: divestiture of production sites in Rochester, NY (U.S.) and Vapi (India). Production capacity increased in Seymour (U.S.) and Shannon (Ireland). Opening of a new pilot bio-plant in Braine-l'Alleud (Belgium)
- 2015: Divestiture of the Kremers Urban operation including production site in Seymour, IN (U.S.). Startup of the bioplant in Bulle (Switzerland)
- 2016: Divestiture of the production site in Shannon (Ireland)
- 2017: Acquisition of Berryllium in Boston, MA (U.S.)

[2] In the course of 2018, the UCB HS&E team will fine-tune its methodology to better capture CO_2 emissions.
- Scope 1 emissions do not yet include the emissions of UCB's car fleet;
- Scope 3 emissions due to business travel are included as of 2015

Susanne, living with ankylosing spondylitis

FINANCIALS

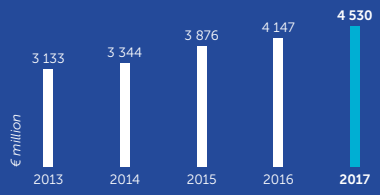
Over the recent years, UCB delivered continuous growth and built up strong financial foundations.
The growth drivers were our core products – now accounting for 86% of UCB's 2017 net sales - driving margin improvements to competitive levels - achieving the 30% ratio one year ahead of guidance -supported by continuously improved reallocation of resources as well as tight cost management.

€ million	2013	2014	2015	2016 (restated[1])	2017
Revenue	**3 133**	**3 344**	**3 876**	**4 147**	**4 530**
Net sales	2 801	2 938	3 512	3 827	**4 182**
Core products net sales	1 898	2 133	2 758	3 162	**3 579**
Operating expenses	1 871	1 912	2 142	2 150	**2 200**
Research and development expenses	886	928	1 037	1 020	**1 057**
R&D expense/revenue ratio	28%	28%	27%	24%	**23%**
Recurring EBITDA	**28%**	**609**	**821**	**1 031**	**1 375**
Recurring EBITDA/revenue ratio	17%	18%	21%	25%	**30%**
Profit attributable to UCB shareholders	160	209	623	520	**753**
Core EPS (€ per non-diluted share)	**1.24**	**1.69**	**2.17**	**3.19**	**4.82**
Net debt	1 998	1 611	921	838	**525**
Net debt/recurring EBITDA ratio	3.73	2.65	1.12	0.84	**0.38**
Cash flow from continuing operations	267	537	204	726	**896**
Capital expenditure (including intangible assets)	344	161	146	138	**209**

[1] Restated for IFRS 15 implementation

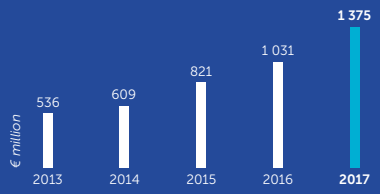
Financial targets **2017 achievements**

REVENUE



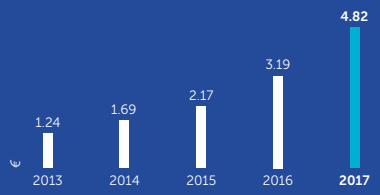
Revenue for 2017 increased to € 4.53 billion, by 9% at actual and 11% at constant exchange rates (CER), well achieving our target for 2017 of € 4.4–4.5 billion. Main drivers of the continued growth are UCB's core products, Cimzia® (immunology), Vimpat®, Keppra®, Briviact®, and Neupro® (neurology) with combined net sales of € 3.6 billion, an increase of 13%.

RECURRING EBITDA



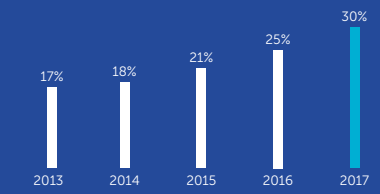
Recurring EBITDA measuring the underlying profitability grew to € 1.38 billion by 33% (+34% CER), driven by higher gross profit and a continuously improved operating expense ratio. This exceeded our target of € 1.25 – 1.35 billion for 2017.
R&D expenses of € 1 057 million increased by 4% and represent 23% of UCB's revenue - above the industry average and well reflecting UCB's strong commitment to R&D and innovation.

CORE EPS



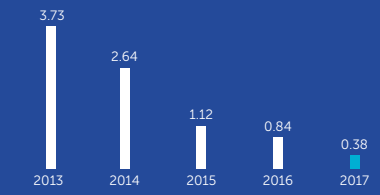
Core earnings per share reached € 4.82 after € 3.19 – both based on 188 million shares outstanding. This exceeds with our 2017 target of € 4.10 – 4.50 per share.
The Board of Directors proposes a gross dividend of € 1.18 per share after € 1.15 per share in 2016 – reflecting the sustainable growth and the continuous improvement of profitability.

RECURRING EBITDA / REVENUE RATIO OF 30% IN 2018 – ACHIEVED IN 2017



In 2012, we set a competitive profitability target of a 30% recurring EBITDA / revenue ratio for 2018.
Due to the solid revenue growth driven by our core products, efficient allocation of resources towards impact on patient value and tight cost control, this was already achieved in 2017, one year earlier than previously guided.

NET DEBT / RECURRING EBITDA RATIO OF 1:1 BY 2018 – ACHIEVED IN 2016



At the end of 2016, the net debt to recurring EBITDA ratio reached 0.8, already well below the target of 1:1 which we had set by 2018. Our performance in 2017 confirms this level with a ratio of 0.38.

Daphnee, UCB

2017 **MILESTONES**

JANUARY

Cimzia®:

- Phase 3 results in psoriasis
- CRIB Phase 4 results

Briviact®:

filing in epilepsy POS - monotherapy (U.S.)

Creation of UCB Ventures:

to invest in innovative life sciences and healthcare companies

FEBRUARY

Cimzia®:

Phase 3 start in psoriasis and psoriatic arthritis (Japan)

***padsevonil*:**

Phase 2a (proof of concept) topline results

Partnership with Chattem:

approval of Xyzal® as OTC treatment (U.S.) triggering payments of USD 75 million to be paid over 10 years

MARCH

Cimzia®:

complete response letter in juvenile idiopathic arthritis (U.S.)

Vimpat®:

- U.S. Patent and Trademark Office confirmed validity of U.S. patent RE38,551
- filing in epilepsy POS pediatric (U.S.)
- Phase 3 results in epilepsy POS pediatric - adjunctive therapy

***rozanolixizumab*:**

Phase 2a start in myasthenia gravis

APRIL

Cimzia®:

CHMP positive opinion on dose dispenser cartridge for ava® electronic injection device (EU)

Partnership with Q-State Biosciences:

to develop novel therapeutics for epilepsy

Board of Directors:

- Evelyn du Monceau appointed as Chair
- Pierre Gurdjian appointed as Vice-Chair

Executive Committee:

Charl van Zyl joined as Head of Patient Value Operations

MAY

Cimzia®:
filing of CRIB and CRADLE studies (EU)
Evenity™:
ARCH Phase 3 topline results in osteoporosis in postmenopausal women

JUNE

Cimzia®:
filing of CRIB and CRADLE results (U.S.)
***bimekizumab* add-on to Cimzia®:**
Phase 2a topline results in rheumatoid arthritis
Acquisition of Beryllium LLC:
specializing in protein expression and structural biology
Partnership with Pfizer:
approval of Besponsa® (*inotuzumab ozogamicin*) in acute lymphoblastic leukemia (EU)
Partnerships with CO2Logic and WeForest:
2 sustainability organizations dedicated to re-forestation and environment protection

JULY

Vimpat®:
CHMP positive opinion in epilepsy POS pediatric (EU)
Briviact®:
- filing in epilepsy POS pediatric (U.S.)
- filing in epilepsy POS pediatric - adjunctive therapy (EU)

Evenity™:
- complete response letter in osteoporosis (U.S.)
- publication of STRUCTURE Phase 3 study in the The Lancet

***bimekizumab*:**
positive Phase 2b results in psoriasis

AUGUST

Cimzia®:
filing in psoriasis (EU)
Vimpat®:
approval in epilepsy POS - monotherapy (Japan)
Keppra®:
approval of intravenous formulation (China)
Briviact®:
Phase 3 start in epilepsy POS - adjunctive therapy (Japan)
Partnership with Pfizer:
approval of Besponsa® in acute lymphoblastic leukemia (U.S.)

SEPTEMBER

Cimzia®:
FDA approval of manufacturing site in Bulle (Switzerland)
Vimpat®:
approval in epilepsy POS pediatric (EU)
Briviact®:
approval in epilepsy POS - monotherapy (U.S.)
Evenity™:
- publication of ARCH Phase 3 study in the New England Journal of Medicine
- presentation of ARCH Phase 3 study at ASBMR congress

Executive Committee:
Jean-Luc Fleurial joined as Head of Talent & Company Reputation

OCTOBER

Cimzia®:
filing in psoriasis (U.S.)
Executive Committee:
- Dhaval Patel joined as Head of NewMedicines™
- Alexander Moscho joined as Head of Corporate Strategy & Business Development

UCB joined the **Science Based Target Initiative** to fight climate change
UCB won the '**Outstanding Intelligent Enterprise**' award, part of the Corporate IT Awards 2017

NOVEMBER

Cimzia®:
Dermira and UCB agreed to end their collaboration agreement
Vimpat®:
approval in epilepsy POS pediatric (U.S.)

DECEMBER

***bimekizumab*:**
- positive Phase 2b results in ankylosing spondylitis
- positive Phase 2b results in psoriatic arthritis
- Phase 3 start in psoriasis

***rozanolixizumab*:**
positive proof of concept in immune thrombocytopenia

For more information, refer to:
• R&D update on pages 72-73

POS: Partial onset seizures, also known as focal seizures
CHMP: European Medicines Agency's (EMA's) Committee for Medicinal Products for Human Use
Evenity™ is the trade name of *romosozumab* which has been provisionally approved by the U.S. Food & Drug Administration (FDA) and the European Medicines Agency (EMA).