

# Financière de Tubize

## Annual Financial report

### 31 December 2019

---

<b>GOVERNANCE AND STATEMENT OF THE BOARD OF DIRECTORS</b>	<b>2</b>
<b>REPORT OF THE BOARD OF DIRECTORS</b>	<b>3</b>
<b>ANNUAL ACCOUNTS</b>	<b>20</b>
<b>STATUTORY AUDITOR'S REPORT ON THE ANNUAL ACCOUNTS</b>	<b>56</b>
<b>EU-IFRS FINANCIAL STATEMENTS</b>	<b>61</b>
<b>STATUTORY AUDITOR'S REPORT ON THE EU-IFRS FINANCIAL STATEMENTS</b>	<b>81</b>

FINANCIÈRE DE TUBIZE SA  
ALLÉE DE LA RECHERCHE 60, 1070 BRUSSELS (BELGIUM)  
COMPANY NUMBER: BE 0403 216 429  
[WWW.FINANCIERE-TUBIZE.BE](http://WWW.FINANCIERE-TUBIZE.BE)  
CONTACT : [ASPIICKE@ICLOUD.COM](mailto:ASPIICKE@ICLOUD.COM)

**Financière de Tubize SA**  
**Allée de la Recherche 60**  
**1070 Brussels**  
**BE 0403.216.429**

## **GOVERNANCE AND STATEMENT OF THE BOARD OF DIRECTORS**

### **Governance**

#### **Board of Directors**

François Tesch	Chairman
Vauban NV represented by Gaëtan Hannecart	Member
Cyril Janssen	Member
Marc Speeckaert	Member
Charles-Antoine Janssen	Member
Nicolas Janssen	Member
Evelyn du Monceau	Member
Fiona de Hemptinne	Member
Cédric van Rijckevorsel	Member
Cynthia Favre d'Echallens	Member
AVO Mgmt BVBA represented by Annick van Overstraeten	Member

#### **Honorary chairman**

Daniel Janssen

#### **Statutory auditor**

Mazars Réviseurs d'Entreprises SCRL  
represented by Xavier Doyen

#### **Dayly managment**

Anne Sophie Pijcke

### **Statement of the Board of Directors**

We confirm that, to the best of our knowledge:

- The annual accounts and the EU-IFRS financial statements, prepared in accordance with the applicable financial reporting standards, give a true and fair view of the net assets, the financial position and the results of Financière de Tubize.
- The management report includes a fair review of the development of the business, the financial position and the results of Financière de Tubize, together with a description of the principal risks and uncertainties the Company faces.

Brussels, 19<sup>th</sup> February 2020

The Board of Directors

François Tesch  
Chairman of the Board of Directors

Evelyn du Monceau  
Member of the Board of Directors

## **REPORT OF THE BOARD OF DIRECTORS**

1.	Briefing on the evolution of the business, the results and the financial position of the Company, as well as a description of main risks and uncertainties it is facing	4
1.1.	Activities and mission of the Company	4
1.2.	Significant events that occurred during the financial year 2019	4
1.3.	Results	5
1.4.	Financial position	5
1.5.	Own shares	6
1.6.	Dividend	6
1.7.	EU-IFRS Financial statements	7
1.8.	Key figures for 5 year	8
1.9.	Main risks and uncertainties	9
2.	Post balance sheet events	9
3.	Circumstances that might have a notable influence on the development of the Company	10
4.	Research and development	10
5.	Branches	10
6.	Justification of the application of the valuation rules in going concern	10
7.	Other information by virtue of the Company Code	10
8.	Financial instruments	10
9.	Independence and competence with respect to accounting and auditing of at least one member of the audit committee	10
10.	Corporate governance statement	10
10.1.	reference Code	10
10.2.	Departures from the Code	11
10.3.	Main characteristics of the internal control and risk management systems	11
10.4.	Transparency information	13
	The following information is required by the aforementioned Royal Decree insofar as it may, where applicable, have an impact on the Company in the event of the launch of disclosure of major shareholdings.	13
10.5.	Composition and functioning	16
10.6.	Gender diversity	18
10.7.	Remuneration report	18

Ladies and Gentlemen,

In accordance with the legal and statutory requirements, we are honoured to report to you on the financial year 2019 and to give an overview of our management of Financière de Tubize (the 'Company' or 'Tubize').

## **1. Briefing on the evolution of the business, the results and the financial position of the Company, as well as a description of main risks and uncertainties it is facing**

### **1.1. Activities and mission of the Company**

**Tubize is the reference shareholder of UCB** - Tubize is a mono-holding company whose securities are traded on Euronext Brussels' regulated stock market. The Company holds and manages a 35% participating interest in UCB consisting of 68,076,981 shares issued by UCB, a biopharmaceutical company whose securities are also traded on the regulated stock market.

**Creating long-term value** – The mission of Tubize is to create long-term value for its shareholders, by supporting, as a stable reference shareholder, the maximisation of UCB's potential and the sustainable growth of its industrial project. This long-term approach is particularly important to support research, development and commercialisation of products in a sector with very long cycles. Tubize is a committed investor. Its board of directors monitors, evaluates and influences, through its representatives in the board of directors of UCB, the significant strategic decisions, the performance and the risk profile of UCB. This strategy of primacy to the long term and to stability has been beneficial to the shareholders. The table set out below compares the evolution of the share price of Financière de Tubize during the periods of 1 and 5 years preceding 31 December 2019 with the variance under the BEL-20® and the Euro Stoxx 50.

Evolution of the share price

	Periods preceding 31 December 2019	
	1 year	5 years
Financière de Tubize	+4,6%	+18.9%
BEL 20	+21,9%	+20.7%
Euro Stoxx 50	+24,7%	+19.0%

### **1.2. Significant events that occurred during the financial year 2019**

**Dividends** – Tubize has received the dividend from UCB in relation to financial year 2018 (€ 82,37 million) and has paid to its shareholders its own dividend in relation to financial year 2018 (€ 24,92 million).

**Debt** – Bank debt exposure has moved from € 142.5 million at 31 December 2018 to €86.5 million at 31 December 2019, thus a decrease of €56,0 million.

**Cash flow risk management** – A portion of the participation in UCB is financed by bank borrowings (€86,5 million at 31 December 2019). The entirety of these borrowings are short term floating rate drawings under a roll-over credit facility. This has allowed the Company to benefit from a low borrowing cost. To face the risk of possible future increases of interest rates, the Company hedges since October 2017 its entire floating rate debt. To that objective, the Company has concluded, in March 2016, two deferred start interest rate swaps which are effective since 2 October 2017, for notional amounts as of 31 December 2019, of € 54,5 million and € 36,5 million respectively, which will be completely amortised by mid-May 2021. Both swaps have been designated as hedging instruments against the cash flow risk embedded in the underlying borrowings. Hedge effectiveness has been documented. Note 4.2.7. of the EU-IFRS 31 December 2019 financial statements provides further details about the hedge accounting.

### 1.3. Results

The profit moves from € 76,977k in 2018 to € 79,984k in 2019, thus an increase of € 3,007k or 3.9%.

The condensed profit or loss account looks as follows:

€000	2019	2018
Dividend from UCB	82.373	80.331
Financial income	4	-
Cost of borrowing	-1.280	-2.401
Other financial expenses	7	-2
General expenses	-1.120	-951
<b>Profit before taxes</b>	<b>79.984</b>	<b>76.977</b>
Income taxes	-	-
<b>Tax</b>	<b>79.984</b>	<b>76.977</b>

The dividend received from UCB in 2019 in relation to financial year 2018 amounts to € 82.37million (gross dividend of € 1.21 per share) against € 80,331k (€ 1.18 per share) for the prior year.

The cost of bank borrowings has moved from € 2,401k in 2018 to € 1,280k in 2019, thus a decrease of €1,121k. This decrease is linked to the reduction of the average outstanding debt of € 157 million in 2018 to € 100.5 million in 2019. The average borrowing cost which remained stable between 2017 (2.18%) and 2018 (1.51%) thanks to favourable market conditions and active management of the debt. This downward trend continues in 2019 (1.12%). The Company has supported more important commitment fees on the unused part of confirmed credit lines.

Other financial expenses of 2019 include a reversal of the variation of the part of the ineffectiveness of hedge accounting ( a credit balance of € 11k ) according to the Belgian accounting rules . This is a result of the decrease of the debt.

General expenses move from € 951k in 2018 to € 1.120k in 2019. These general overheads include the directors' remuneration, the fees for the recruitment of a new director and lawyers' fees for the adoption of a new governance charter and the amendments to the current articles of association in accordance with the new Companies and Associations Code.

Following the application of the system of tax credits for dividends received, no corporate income taxes are due. Indeed, the firm benefits from a 100% tax exemption in accordance with the law of December 25<sup>th</sup> 2017.

### 1.4. Financial position

The condensed balance sheet at 31 December 2019 looks as follows:

€000	2019	2018
Participation in UCB	1.717.992	1.717.992
Current investments and cash at bank and in hand	462	3.653
Other assets	64	133
<b>Total assets</b>	<b>1.718.518</b>	<b>1.721.778</b>
Equity	1.603.714	1.553.451
Bank borrowings	86.500	142.500
Other liabilities	28.304	25.827
<b>Total equity and liabilities</b>	<b>1.718.518</b>	<b>1.721.778</b>

### Participation in UCB

The participation in the capital of UCB is recorded at its acquisition value for an amount of € 1,717,992k, unchanged from 31 December 2018 (against an average acquisition value of € 25.24). The share price of UCB quoted € 70.90 at 31 December 2019 (€ 71.30 at 31 December 2018) .

### Equity

Equity moves from € 1,553,451k at 31 December 2018 to € 1,603,714k at 31 December 2019. This increase of € 50,263k stems from the profit of the year (€ 79,984k), partially compensated by the dividend payable in relation to the financial year 2019 (€ 27,598k).

The market capitalization of Tubize amounts to € 2,826,550k at 31 December 2019 (44,512,598 shares at € 63.50) against € 2,704,100k at 31 December 2018 (44,548,598 shares at € 60.70 prior to the cancellation of own shares which took place in January 2019).

The solvency ratio (equity as a percentage of total assets) has increased from 90.22% at 31 Decembre 2018, to 93.32% at 31 December 2019. This ratio remains very strong and largely exceeds the minimum threshold of 70% that the Company has agreed with its banks.

### Bank borrowings

The outstanding bank debt has decreased from € 142.5k at 31 December 2018, to € 86.5 at 31 December 2019. The changes during the year 2019 in the confirmed lines and their utilisation are described in note 4.2.6 of the EU-IFRS financial statements.

The indebtedness ratio (outstanding bank debt as a percentage of the market value of the participation in UCB) has decreased from 2.94% at 31 December 2018, to 1.79% at 31 December 2019. This ratio is still very low and largely under the maximum threshold of 30% agreed with the banks.

## **1.5. Own shares**

Within the framework of the authorization from the extraordinary general meeting (held on April 25<sup>th</sup> 2018), the Board of Directors of Financière de Tubize has acquired, on the 26<sup>th</sup> of November 2018, 36.000 own shares at a price of €59 per share, adding up to 0.081% of shares representing the firm's capital. The Board of Directors has deemed the acquisition of such shares, transaction that occurred outside of the regulated market, to be an interesting opportunity considering the offered price. The Board of Directors then decided, on the 14<sup>th</sup> of December 2018, to proceed to the cancellation of the 36.000 own shares the firm owned. The shares have been cancelled on January 30<sup>th</sup> 2019. Consequently, as of December 31<sup>st</sup> 2019, the firm's capital is represented by 44,512,598 shares.

## **1.6. Dividend**

In may 2018, the Company has received the dividend from UCB related to financial year 2018 (€ 82.373k) and paid its own dividend related to financial year 2018 (€ 24.927k).

Each year, when submitting the annual result appropriation for approval by the general meeting, the Board of Directors takes several elements into consideration. Key considerations impacting the amount of the dividend are the primacy of the long term, the dependency of the dividend of UCB, compliance with contractual debt reimbursements, compliance with bank covenants, and the desire of shareholders to benefit from a recurring remuneration. The Board of Directors proposes, for the financial year 2019, to distribute a gross dividend of € 0.62 per share, thus an increase of 11% compared to the previous year. For this purpose, a total amount of € 27.598k has been recorded as a liability in the annual accounts as at 31 December 2019.

If the general meeting of the 22<sup>th</sup> April 2020 approves the 2019 annual accounts and the proposed results appropriation, the dividend will be paid as from 8<sup>th</sup> of May 2020 onwards at the offices, seats and branches of BNP Paribas Fortis, in exchange of coupon n° 15.

<b>Coupon n°15</b>	<b>Dates</b>
Ex-coupon	6 May 2020
Record	7 May 2020
Payment	8 May 2020

## 1.7. EU-IFRS Financial statements

To provide a useful and complete set of information to the market, the Company prepares, in addition to the annual accounts in accordance with the Company Code and Belgian accounting law (BE GAAP), financial statements in accordance with international financial reporting standards as adopted by the European Union (EU-IFRS), with equity accounting of UCB.

The table below compares the BE GAAP net result to the EU-IFRS net result and other changes in equity.

€000	2019	2018
<b>Profit BE GAAP</b>	<b>79.984</b>	<b>76.977</b>
Elimination of received dividend from UCB	-82.373	-80.331
Share of the profit of UCB	286.072	288.251
Ineffectiveness hedge accounting	-46	8
Reclassification adjustments related to derivatives	-	-586
Re-measurement of fair value of derivatives	67	837
<b>Profit EU-IFRS</b>	<b>283.704</b>	<b>285.156</b>
Cash flow hedge	360	152
Reclassification adjustments, after tax effect, related to derivatives	-	586
Share of other comprehensive income of UCB	69.312	-35.702
<b>Comprehensive income EU-IFRS</b>	<b>353.376</b>	<b>250.192</b>
Paid dividend	-24.927	-24.056
Repurchase of own shares	-	-2.124
Share of the other changes of net assets of UCB	-10.341	7.639
Impact of changes in the percentage of the participation in UCB	6.629	-7.763
<b>Changes in EU-IFRS equity</b>	<b>324.737</b>	<b>223.888</b>
EU-IFRS equity beginning of the period	2.339.563	2.115.675
EU-IFRS equity end of the period	2.664.300	2.339.564
<b>Changes in EU-IFRS equity</b>	<b>324.737</b>	<b>223.888</b>

### 1.8. Key figures for 5 year

	2019	2018	2017	2016	2015
<b>Participation in UCB at 31/12</b>					
Number of UCB shares held by Tubize	68.076.981	68.076.981	68.076.981	68.076.981	68.076.981
% of total shares issued by UCB	35	35	35	35	35
Acquisition value (€ 000)	1.717.992	1.717.992	1.717.992	1.717.992	1.717.992
Equity method value (€ 000)	2.751.238	2.481.939	2.309.844	2.222.130	2.258.543
Fair value (€ 000)	4.826.658	4.853.889	4.505.335	4.146.569	5.666.047
<b>Total assets at 31/12 (€ 000)</b>					
BE GAAP	1.718.518	1.721.778	1.719.477	1.718.681	1.718.604
EU-IFRS	2.751.764	2.483.601	2.311.329	2.222.819	2.259.155
<b>Equity at 31/12 (€ 000)</b>					
BE GAAP	1.603.714	1.553.431	1.501.402	1.452.770	1.406.892
EU-IFRS	2.664.300	2.339.563	2.115.676	1.957.555	1.947.314
<b>Bank borrowings at 31/12 (€ 000)</b>	86.500	142.500	192.000	241.000	286.328
<b>Balance sheet structure at 31/12 (%)</b>					
Solvency	93,32	90,22	87,32	84,53	81,86
Indebtedness	1,79	2,94	4,26	5,81	5,05
<b>Profit (€ 000)</b>					
BE GAAP	79.984	76.977	72.688	69.044	63.116
EU-IFRS	283.704	285.156	285.934	181.186	212.526
<b>Gross dividend per share (€)</b>	0,62	0,56	0,54	0,52	0,5
<b>Share price(€)</b>					
Minimum	55,1	58,20	55,43	50,58	49
Maximum	68	69,9	71,35	68	70,7
As at 31/12	63,5	60,7	63,88	59,32	68,03
<b>Number of shares</b>	44.512.598	44.548.598	44.548.598	44.548.598	44.548.598
<b>Market capitalisation at 31/12 (€ 000)</b>	2.826.550	2.704.100	2.845.764	2.642.623	3.030.641
<b>Daily average volume at Euronext Brussels (number of shares)</b>	5.862	6.925	7.121	7.625	12.231

## **1.9. Main risks and uncertainties**

**Concentration risk** - Tubize's sole asset consisting of a participation in UCB, the main risk factors and uncertainties the Company is facing are similar to those of UCB. The board of Tubize is informed about these risks and the management thereof via its representatives in the board of directors and the audit committee of UCB.

**Price risk** - Tubize is exposed to the market risk related to the evolution of the UCB share price. Even though elements of market imperfection might affect the share price, the board is confident that the evolution of the share price over a sufficiently long time horizon is a reliable indicator of the performance of the UCB group and its long-term development.

**Cash flow risk** - Tubize is exposed to cash flow risk from floating rate bank borrowings. The Company can make use of interest rate swaps (including deferred start interest rate swaps) to cover (part of) its exposure to this risk, if such hedging would be appropriate in light of the results of the periodic reviews of the developments on the interest rate markets.

**Liquidity risk** - Tubize is exposed to liquidity risk, in particular the risk that the Company might have difficulties in satisfying its obligations under the bank debt agreements. The board considers that the expected flux of dividends from UCB will allow the Company to satisfy the committed reimbursements on the existing borrowings.

**Refinancing risk** - This risk occurs when Tubize would not be able to ensure the necessary funding at reasonable conditions to reimburse existing debt. The solvency and indebtedness ratios are calculated twice a year; they are well within the limits agreed with the banks. The financial conditions of the bank borrowings depend on the interest rate markets and on the assessment of the credit risk of UCB (the Company has pledged UCB shares in favour of the banks). The Company closely monitors these two variables.

**Counterparty risk** - This risk occurs when a bank-counterparty to cash at bank amounts or to interest rate swaps would not meet its obligations and Tubize, as a result thereof, would incur a financial loss. The bank-counterparties are Belgian banks with a rating of 'upper medium grade'.

**Operational risk** - This risk stems from inadequate or failing internal processes and systems, human errors, or external events. The Company has established detailed accounting and IT controls for each significant process. The Company has no personnel. The responsibility of directors and officers is covered by insurance.

**Legal risk** - This type of risk is linked to the evolution of the law, which may result in some legal uncertainty or interpretation difficulties. The board relies regularly on legal advice from an external law firm.

**Compliance risk** - This risk stems from non-compliance with applicable laws and regulations. The board relies regularly on external expert advice related to legal, tax and financial matters. The Company has adopted a Dealing Code that establishes detailed conduct of business rules to avoid insider trading; these rules impose certain prohibitions as well as preventive measures. The Company has established a conflict of interest policy based on strict ethical rules and a rigorous compliance of all legal and regulatory requirements applicable to the subject.

**Reputational risk** - To avoid damage to its image or reputation, the Company has established a corporate governance system based on proactive risk management, listening to all stakeholders, and transparent communication of significant issues.

## **2. Post balance sheet events**

There are no significant events, specific to Tubize, that have occurred after the close of the financial year.

From a legal point of view, it should be noted that the Company Code has been replaced by the of Companies and Associations Code ("CAC"), which has entered into force for the Company since 1 January 2020.

The new 2020 Corporate Governance Code also applies to the Company as of January 1, 2020. In this context, the Company has adopted a new Corporate Governance Charter which came into force on January 1, 2020 and which is available on its website. Its purpose is to adapt the text to the provisions of the 2020 Code. The new charter does not include any significant changes in the Company's governance compared to the previous charter.

### **3. Circumstances that might have a notable influence on the development of the Company**

Future results of the Company will depend on (i) the dividend per share distributed by UCB, (ii) the number of UCB shares held, and (iii) the cost of the bank borrowings. The EU-IFRS results will, given the equity accounting of UCB, depend on the UCB outlook, which is commented in the UCB annual report.

### **4. Research and development**

The Company has not pursued any activities in the field of research and development.

The activities of UCB are described in its own board report.

### **5. Branches**

The Company has no branches.

### **6. Justification of the application of the valuation rules in going concern**

This clause solely applies when the balance sheet shows losses carried forward or the income statement shows a loss for the year during two consecutive years. The Company is not in such position.

### **7. Other information by virtue of the Company Code**

**Article 523, §1 and §3 (now Article 7:96, §1 and §3, CAC)** – During the accounting year 2019, no instances have occurred whereby a director or the general manager had a patrimonial interest opposite to a decision or transaction within the authority of the board of directors or the general manager.

**Article 524, §1, 2, 3 and 5 (now Article 7:97, §1,2,3 and 5, CAC)** - During the accounting year 2019, no decisions or transactions have taken place that are in scope of this article that deals with conflicts of interest in the relationship with certain affiliated entities.

**Article 608 (now Article 7:203, CAC)** - This clause about the utilisation of authorised capital does not apply, as the Company has no authorised capital.

**Article 630 (now Article 7:226, CAC)** – The Company has not pledged its own shares.

### **8. Financial instruments**

The main financial instruments to which the Company is a party, are bank borrowings and interest rate swaps, including swaps with deferred start. All the relevant information concerning these instruments is included in the notes 4.2.6 et 4.2.7 of the EU-IFRS financial statements.

The Company's exposure to financial risks and its objectives and policies to manage these risks are described in section 1.9. of this report and in note 4.2.2 of the EU-IFRS financial statements.

### **9. Independence and competence with respect to accounting and auditing of at least one member of the audit committee**

Based on the exemption set out in article 526bis §3 of the Company Code (now article 7:99 §3, CAC), the functions assigned to the audit committee are exercised by the board of directors in its entirety. The chairman of the board of directors, François Tesch, is an independent director as defined in article 526ter of the Company Code (now Article 7:87, §1, CAC) and Principle 3.5 of the 2020 Corporate Governance Code. He is competent with respect to accounting and auditing matters.

### **10. Corporate governance statement**

#### **10.1. reference Code**

Tubize adopts the 2020 Corporate Governance Code (the 'Code') as reference Code. This Code can be consulted on the website [www.corporategovernancecommittee.be](http://www.corporategovernancecommittee.be). The Company does not apply corporate governance practices other than those required by the Code and the law.

The new Corporate Governance Charter of Tubize, which took effect on January 1<sup>st</sup> 2020, has been published on the website [www.financiere-tubize.be](http://www.financiere-tubize.be). It presents the implementation by Tubize of the recommendations of the Code, taking into account the specificities of the Company, and according to the 'comply or explain' principle.

## 10.2. Departures from the Code

Given the simplicity of its operating structure and the fact that the Company has only one asset, namely its 35% participation in UCB, certain rules of the Code do not appear to be appropriate. It concerns the following items:

- The Code stipulates that minimum three members of the board of directors are independent according to the criteria set out in Appendix A to the Code. At present, the board of Tubize has two independent directors, and the appointment of an additional independent director will be proposed at the general meeting held on April 24<sup>th</sup> 2019.
- The Board has not established any specialised committees (audit committee, appointment or remuneration committee). Under articles 526bis, §3 and 526quater, §4 of the Companies code, now Articles 7:99, §3 and 7:100, §3 of the CAC, respectively, the Company is exempt from the obligation to establish an audit committee and a remuneration committee. The functions assigned to those committees are exercised by the board in its entirety. For the same reasons of size, structure and simplicity of operations, the board is of opinion that the same practice can also be applied with respect to the appointment committee. The derogation from principles 4.1, 4.3, 4.10, 4.17 and 4.19 of the Code is justified in view of the activity of the Company (essentially a shareholding in UCB SA), the simplicity of its mode of operation (it has no executive director, no staff and its directors are remunerated solely by fixed emoluments) as well as the structure of its shareholding.
- The directors' remuneration does not include any variable element linked to results or other performance criteria. Directors also do not benefit from compensation in the form of shares, stock options or an extra-legal pension scheme. The derogation from principle 7.6 of the Code is justified in view of the specificities of the Company and in particular the absence of executive directors.
- By derogation from principle 7.9 of the Code, the director in charge of the day-to-day management of the Company, does not receive variable remuneration, pension or other benefits and does not benefit from shares, stock options or any other right to acquire shares of the Company.

## 10.3. Main characteristics of the internal control and risk management systems

The board of directors has implemented a process and a set of procedures, designed to provide reasonable assurance regarding the achievement of strategic objectives (Strategic), effectiveness and efficiency of operations (Operations), compliance with laws and regulations (Compliance), and the integrity and reliability of financial information (Reporting). Once a year the board, in its capacity of audit committee, evaluates this system of internal control.

The system of internal control is tailored to the limited activities of the Company and its simple operating structure. The internal control measures are selected on the basis of the pertinent legal requirements, the principles of the 2009 Belgian Code on corporate governance, the guidelines of the Corporate Governance Commission and the five internal control components developed within the international reference framework COSO (2013).

### *Five components of internal control*

Control environment	Integrity and ethical values; tone at the top supporting internal control; a transparent organisational structure with a clear assignment of authority and responsibility
Risk assessment	Identifying and assessing risks to the achievement of the Company's SOCR objectives
Control activities	Establishing policies and procedures to mitigate these risks
Information and communication	Implementation of information and communication systems to support and monitor the achievement of the objectives
Monitoring	Monitoring and regular evaluation of the implemented measures

In the description of its procedures of internal control and risk management, the Company distinguishes general procedures, specific procedures regarding risk management and specific procedures regarding the process of financial reporting.

## General procedures

Integrity and ethical values are fundamental in conducting business. They are embedded in the organisation through several standards and procedures (corporate governance, remuneration policy, dealing code, conflict of interests, social responsibility, gender diversity, ...).

The mission, the objectives and the strategy of the Company are clearly defined.

A clear governance structure, based on the requirements of the of the CAC and the principles of the Corporate Governance Code relevant to the Company, has been implemented and described in the articles of association and the corporate governance charter. The effective and efficient functioning of the board of directors is supported by (i) a set of internal regulations specifying the responsibilities of the board and the directors, the composition of the board, the nomination of the directors, the remuneration of the directors, and the general principles of the organisation and functioning of the board, (ii) an annual cycle of agenda items for the board meetings, (iii) a dedicated procedure for the training of the directors, and (iv) detailed profiles for the functions of (independent) director and general manager. The general manager is responsible for the day-to-day management, the secretariat of the board of directors and the general meeting, and the function of compliance officer.

Responsibilities are clearly defined based on a segregation between the responsibilities of the board of directors and those of the general manager, and detailed rules with respect to signature authorities, special authorities and representation of the Company.

A set of internal procedures ensures compliance with legal and regulatory requirements and best practices.

In the annual budget approved by the board of directors, the cost of the resources to deploy a system of internal control are taken into account as an essential component of the run cost of the Company.

Security measures are implemented to ensure the continuity and the reliability of electronic information systems; the data bases of the day-to-day management are backed up on an hourly basis. The data is encrypted locally during the transfer to the server (SSL-1024) and can not be read without a decrypting key (AES-256). The data is stored-encrypt on the server (AES-256). Moreover, the physical protection of datacenters is ensured according to the standards state of art against fire, intrusions and water damage...

External information flows via the website and internal information flows via the portal of the board of directors, are, with the support of specialised external organisations, set up in conformity with international standards of security and confidentiality (strictly coded access to the production environment, secured hosting sites and systems, ...). Compliance with these standards is confirmed by external audits and by vulnerability analyses and intrusion tests by external organisations.

Concerning the follow up of its participation in UCB – its sole asset – Tubize positions itself as a committed investor. Its board of directors monitors, evaluates and influences, via its representatives on the board of directors of UCB, the significant strategic decisions, the performance and the risk profile of UCB.

The parameters for managing own funds and debt as well as compliance with financial covenants are strictly adhered to.

## Specific procedures regarding risk management

The section 1.9. of the present report shows the risks to which the Company may be exposed and the way to manage these risks.

## Specific procedures regarding the financial reporting process

The content of the financial information is clearly defined. The annual financial report consists of (i) the annual accounts prepared in accordance with the legal and regulatory requirements applicable in Belgium (BE GAAP), (ii) the accounts prepared in accordance with the international financial reporting standards adopted by the European Union (EU-IFRS), (iii) the report of the board of directors, and (iv) a statement of the board of directors on the true and fair view of the annual accounts and the EU-IFRS accounts and on the fair review of the board report. The half-year financial report consists of (i) the condensed interim BE GAAP accounts, (ii) the condensed interim accounts in accordance with IAS 34 on interim financial reporting, (iii) the interim report of the board of directors, and (iv) a statement of the board of directors on the true and fair view of the condensed interim accounts.

The bookkeeping is held by an external accountant accredited by the IEC, who uses a detailed procedures manual to ensure ongoing compliance with the legal and regulatory requirements related to bookkeeping of enterprises (Economic Code, Book III, Title 3, Chapter 2 and its implementing royal decrees as well as the related advices of the *Commission des normes comptables*). The accounting software used is Exact

Online. The bookkeeping data processed in this software are safeguarded on professional certified servers. Moreover, most of the documents in possession of the accountant are digitalized and are safeguarded on certified servers of a professional host of which the reliability of its internal control system has been confirmed by an audit. A rigorous system has been put in place to back-up the data on the server.

The BE GAAP annual accounts are prepared by an accountant mandated by the general manager on the basis of the model made available by the Central Balance Sheet Office. The annual accounts are prepared on the basis of the balance of accounts and based on non-accounting information necessary to complete the notes to the annual accounts. After their approval by the shareholders during the annual general meeting, the annual accounts are filed in XBRL format via the application FIRST at the Central Balance Sheet Office. This application contains consistency checks.

In accordance with standard equity accounting practiced by UCB, the EU-IFRS accounts are established by an accountant mandated by the general manager. Concerning the notes, the accountant relies on disclosure checklists of audit firms. The EU-IFRS accounts are influenced by the results of UCB. The latter has adopted a formal procedure of internal control over the process of financial reporting, called the “Transparency Directive Procedure” (for more information on this procedure, see the board report of UCB). The board of Tubize monitors this procedure via its representatives in the board of directors and the audit committee of UCB.

Apart from the organizational measures, there are specific procedures such as analytical review by the general manager/accountant of the account balance, the preparation of a closing file with detailed justification of balances, the reconciliation of accounts with external counterparties, the use of disclosure checklists to ensure compliance with accounting standards, the follow-up if the Commissioner’s recommendations, etc.

#### **10.4. Transparency information**

The following information is required by the aforementioned Royal Decree insofar as it may, where applicable, have an impact on the Company in the event of the launch of disclosure of major shareholdings.

##### **10.4.1. Shareholder structure**

The shareholders structure of Tubize as it results from (i) the annual notification sent in accordance with article 74, §8 of the law of 1 April 2007 concerning the publication of significant participations (ii) notifications received by the Company in accordance with the law of 2 May 2007 concerning the publication of significant participations, and (iii) notifications executed in accordance with the market abuse regulation by the leaders of the Company or by persons closely related to them, and taken into account the breakdown of the voting rights between those held in concert and those held outside concert, can be presented as follows at 31 December 2019:

	<b>In concert</b>		<b>Outside concert</b>		<b>Total</b>	
	<b>Number</b>	<b>%</b>	<b>Number</b>	<b>%</b>	<b>Number</b>	<b>%</b>
FEJ LLC	8.525.014	19,15%	1.988.800	4,47%	10.513.814	23,62%
Daniel Janssen	5.881.677	13,21%	0	0	5.881.677	13,21%
Altaï Invest SA	4.969.795	11,16%	26.468	0,06%	4.996.263	11,22%
Barnfin SA	3.903.835	8,77%	0	0	3.903.835	8,77%
Jean van Rijckevorsel	11.744	0,03%	0	0	11.744	0,03%
<b>Total voting rights held by the concert</b>	<b>23.292.065</b>	<b>52,33%</b>	<b>2.015.268</b>	<b>4,53%</b>	<b>25.307.333</b>	<b>56,85%</b>
Other shareholders			19.205.265	43,15%	19.205.265	43,15%
<b>Total voting rights</b>	<b>23.292.065</b>	<b>52,33%</b>	<b>21.220.533</b>	<b>47,67%</b>	<b>44.512.598</b>	<b>100,00%</b>

The SRL FEJ, Daniel Janssen, the SA Altaï Invest (controlled by Evelyn du Monceau), Barnfin (controlled by Bridget van Rijckevorsel) and Jean van Rijckevorsel act in concert. For a description of the terms of the concert, see section 10.4.7. here after.

#### 10.4.2. Structure of the capital

Since the cancellation of the 36.000 own shares observed by notary deed the 30<sup>th</sup> of January 2019, the capital is represented by 44,512,598 ordinary shares. Each share gives the same rights to dividends and entitlement to one vote at the general shareholders meeting.

#### 10.4.3. Restrictions to the transfer of shares

No restrictions apply to the transfer of shares other than those imposed by law or those that might result from shareholders agreements (see section 10.4.7.).

#### 10.4.4. Special control rights

There are no instruments with special control rights.

#### 10.4.5. Control mechanisms in a system of shareholdings by the personnel

No system of shareholdings by the personnel is in place.

#### 10.4.6. Restrictions to the exercise of voting rights

There are no restrictions, other than legal, to the exercise of voting rights.

To attend or be represented at the general meeting and exercise her/his voting right, a shareholder must have carried out the accounting registration of his/her shares no later than the fourteenth day before the general meeting at midnight Belgian time (either for the ordinary and extraordinary general meetings to be held on the 22<sup>nd</sup> April 2020; or Wednesday 8<sup>th</sup> April 2020, the "Registration Date"), either by registering them in the Company's register of nominative shares, or by registering them in the accounts of a licensed account holder or a settlement institution, the number of shares held on the day of the meeting being disregarded.

The shareholder must also inform the Company of her/his desire to attend the general meeting. A holder of nominative shares should send to the Company the signed original of the attendance notice, this form being appended to the convening notice. A holder of dematerialized shares should send to the Company an attestation, issued by the licensed account holder or by the settlement institution, certifying the number of shares that are registered in the accounts of the account holder or settlement institution on the name of the shareholder at the Registration Date and for which the shareholder has declared he/she wants to participate in the general meeting. The attendance notice or the attestation should reach the Company, at its registered seat, no later than six days before the date of the general meeting (being Thursday 16 April 2020 for the ordinary and extraordinary general meeting of 2020).

#### 10.4.7. Agreements between shareholders

The shareholders identified in section 10.4.1. above, act in concert. The terms of the concert are laid down in a shareholders agreement. The key elements of this agreement can be summarised as follows:

- The objective of the concert is to ensure, through Financière de Tubize, the stability of the shareholder structure of UCB in view of the long-term industrial development of the latter. In this perspective, it aims at preserving the predominance of the family shareholder structure of Financière de Tubize.
- The parties to the concert consult with each other about the decisions to be taken at the general meeting of Tubize, and try, to the extent possible, to reach a consensus. They ensure that they are properly represented in the board of directors of Financière de Tubize. Within this board and through their representatives at the board of directors of UCB, they consult with each other about the significant strategic decisions concerning UCB, and try, to the extent possible, to reach a consensus.
- The parties inform each other prior to any project of significant acquisition or sale of shares of Financière de Tubize; pre-emption rights and tag along are also in place within the family.

#### 10.4.8. Rules applicable to the appointment and replacement of members of the board of directors

The board of directors submits to the general shareholders meeting the appointments or renewals of directorships that it proposes. The shareholders may also propose candidates.

Proposals for appointment shall specify the term proposed for the mandate and indicate the useful information on the professional qualifications of the candidate, as well as a list of functions that the proposed director already exercises.

The general shareholders meeting decides on the proposals by a majority of the votes cast.

Directors are appointed by the general shareholders meeting for a term of 4 years. They are re-eligible. The expiring mandates come to an end after the ordinary general shareholders meeting, which has not renewed them.

In the event of a vacancy on the board, the directors may fill the vacancy temporarily. The general shareholders meeting will at its next meeting conduct a definitive election.

An age limit has been set at the date of the ordinary general meeting following the seventy-fifth anniversary of a member. In such a case, the person concerned resigns from his/her mandate.

#### 10.4.9. Rules applicable to the modification of the articles of association

Only the general meeting of shareholders can amend the articles of association.

The general meeting can only deliberate on amendments of the articles of association if the purpose of the proposed amendments is explicitly mentioned in the convening notice and if those who attend the meeting represent at least half of the capital. If the latter condition is not met, a new meeting can validly deliberate irrespective of the portion of capital represented.

An amendment requires a 3/4<sup>th</sup> majority of the votes, except in those cases where the law requires stricter majority rules.

#### 10.4.10. Powers of the board of directors

The board of directors is the management body of the Company.

It is competent to decide on all matters that the law or the articles of association do not expressly entrust to the general shareholders meeting.

It is responsible for the general strategy of the Company and the implementation thereof.

Within the context of its mission, the tasks of the board of directors include but are not limited to:

- Defining the strategic objectives and implementing structures enabling their achievement
- Convenes and proposes the agendas for the ordinary and extraordinary general meetings of shareholders
- Proposes candidates for election as directors, including independents, for approval by the general meeting of shareholders
- Establishing the accounts and proposing the appropriation of the result
- Approving investments
- Prepares and closes the financial statements
- Ensuring the timely publication of the financial statements and other significant financial or non-financial information communicated to the shareholders and to the general public
- Ensuring that all human, IT and financial resources are in place to enable the Company to achieve its objectives
- Implement a system of internal control and risk management
- Assess the performance of the general manager
- Supervise the work of the statutory auditor.
- Establishes the company's communication policy and supervises all external communication channels.
- Determines the governance structure of the company (and reassesses it every 5 years)
- Adopts the remuneration policy and submits it to the general meeting
- Ensures the proper implementation of the Company's corporate governance rules based on the principles of the Code.

The board of directors allocates adequate resources to exercise its functions.

The board is jointly responsible towards the Company for the good execution of its authorities.

The general shareholders meeting of 25 April 2018 has authorised the board of directors to acquire shares of the Company, under the conditions set out in the law, for a period of five years from the said general meeting. The par value of the purchased shares may not exceed 20% of the subscribed capital. The acquisitions can be realised at a price between € 1 and € 200. Moreover, the general shareholders meeting of 27 April 2019 has authorised the board of directors, for a period of three years from the date of the publication of the amendment of the articles of association by the before mentioned general meeting, to acquire shares of the Company in order to avoid a serious and imminent damage to the Company.

#### 10.4.11. Significant agreements that might be impacted by a takeover bid

The Company is a party to a credit agreement with KBC Bank SA. The conditions governing this agreement include a clause that confers the right to KBC Bank SA to terminate or suspend, entirely or partly, the credit facility of €

54,5 million, and all its forms of utilisation, for the utilised part as well as for the non-utilised part, without formal notice or prior judicial recourse, with immediate effect at the date of sending the letter notifying the termination or the suspension, all this in case of substantial modifications of the Company's shareholder structure which might have an impact on the composition of the management bodies or on the overall risk assessment by the bank.

The Company is a party to one credit agreement with BNP Paribas Fortis SA. The conditions governing this agreement include a clause conferring the right to BNP Paribas Fortis SA to suspend or terminate, with immediate effect and without formal notice, entirely or partly, the credit facilities of € 46, or one of its forms of utilisation, for the utilised part as well as for the non-utilised part, all this in case of substantial modifications of Tubize shareholders structure which might have an impact on the composition of the governing bodies (as well as on the persons responsible for the day-to-day management) or on the overall risk assessment by the bank.

The Company is a party to two interest rate swap transactions with KBC Bank SA. The conditions governing these transactions include a clause that confers the right to KBC Bank SA to terminate – in case of a Credit Event Upon Merger (Section 5(b)(v) of the 2002 ISDA Master Agreement) and in accordance with the requirements of Section 6(b) of the 2002 ISDA Master Agreement (Right to Terminate Following Termination Event) – the two interest rate swap transactions with outstanding notional amounts at 31 December 2019 of respectively € 54,5 million and € 36,5 million. The derivative, not designated as a hedging instrument, with a notional amount of € 5 million expired in May 2019.

#### 10.4.12. Indemnities in case of a takeover bid

There are no agreements between the Company and its directors or officers that would, as a result of a takeover bid, trigger indemnities to directors or officers resigning or being forced to quit their functions without any valid reason. The Company has no personnel.

### **10.5. Composition and functioning**

#### 10.5.1. Composition

The general shareholders meeting fixes the number of directors. According to the articles of association, the board of directors consists of at least three members.

Today the board consists of eleven members (eight representatives of the reference shareholders and three independent directors).

<b>Name</b>	<b>Fonction</b>	<b>Independent</b>	<b>Executive</b>	<b>Mandate</b>
François Tesch	Chairman	Yes	No	2016-20
NV Vauban représentée par Gaëtan Hannecart	Member	Yes	No	2017-21
BVBA AVO Management représentée par Annick van Overstraeten	Member	Yes	No	2019-23
Marc Speeckaert	Member	No	No	2018-22
Cyril Janssen	Member	No	No	2019-23
Charles-Antoine Janssen	Member	No	No	2019-23
Nicolas Janssen	Member	No	No	2018-22
Evelyn du Monceau	Member	No	No	2019-23
Fiona de Hemptinne	Member	No	No	2018-22
Cédric van Rijckevorsel	Member	No	No	2017-21
Cynthia Favre d'Echallens	Member	No	No	2018-22

The term of Mr. François Tesch's office will end at the ordinary general meeting of 22 April 2020, it will be proposed to appoint Mr. Bruno Holthof as a new director. This mandate will be for a period of 4 years and will expire at the ordinary general meeting of 2024. As from April 2020, NV Vauban represented by Mr. Gaëtan Hannecart will act as Chairman of the Board of Directors.

### 10.5.2. Functioning

The board of directors appoints a chairman from among its members. The chairman coordinates the activities of the board and ensures its proper functioning. He ensures in particular that the best practices of corporate governance apply to the relations between the shareholders, the board of directors and the general manager responsible for the day-to-day management.

The role of company secretary is entrusted to the general manager. The company secretary ensures, under the leadership of the chairman, good information flow within the board of directors. He facilitates the training of board members. Directors can individually call upon the secretary. The company secretary regularly reports to the board, under the leadership of the chairman, on how board procedures, rules and regulations are complied with.

The board of directors meets when it is convened by the chairman or by the director replacing him, as often as the interests of the Company so require. It must in addition be convened when at least two directors so request. Convening is done by a written invitation to each of the directors, eight days before the meeting, except in case of urgency, and including the agenda. The board of directors can validly meet without convening if all directors are present or represented and have agreed on the agenda.

The board of directors meets at least three times a year. In 2018 the board has met six times. The individual attendance rates of the directors is summarized in the table hereafter:

<b>Name</b>	<b>Attendance</b>
François Tesch	100%
NV Vauban représentée par Gaëtan Hannecart	100%
BVBA AVO Management représentée par Annick van Overstraeten	100%
Marc Speeckaert	100%
Cyril Janssen	100%
Charles-Antoine Janssen	100%
Nicolas Janssen	67%
Evelyn du Monceau	100%
Fiona de Hemptinne	100%
Cédric van Rijckevorsel	100%
Cynthia Favre d'Echallens	100%

Amongst the key agenda items of the board meetings during the accounting year 2019, one could mention: the follow up on the performance of UCB, the financial reports (31 December 2018 and 30 June 2019), the preparation of both the ordinary general meeting and the extraordinary general meeting of 2019, the 2020 budget, several aspects of the functioning of the board (search of a new independent director, valuation, training) and the management of own funds and bank debt.

The chairman of the board of directors draws up the agenda of the meetings. He ensures that the directors receive, prior to the meetings and in good time, the same precise and detailed information.

The meetings of the board of directors are chaired by the chairman or by the director replacing him.

The board may validly decide only if half of the members are present or represented. The quorum of presence is calculated on the basis of the number of directors taking part in the voting, without taking into account those who should withdraw from the deliberation pursuant to the Company Code.

Each director may, by simple letter or proxy, delegate another board member the power to represent him/her. However, no director may have more than two votes, including her/his own vote.

Resolutions are adopted by a majority of votes. In the event of a tie, the chairman of the meeting has the casting vote.

In cases where it is permitted by law, which must remain exceptional and must be duly justified by urgency and the interests of the Company, decisions of the board of directors may be taken by the unanimous written consent of the directors.

The deliberations of the board of directors are documented in minutes that are kept in a special register at the seat of the Company. These minutes are signed by at least the majority of the members who have taken part in the deliberations.

During the accounting year 2019, there have been no transactions or contractual relationships between, on the one hand, the directors and/or the general manager and, on the other hand the Company, other than those in their capacity of director or of general manager of Tubize.

The board assesses regularly if its functioning is effective. An evaluation occurred in 2019. At its meeting on November 18<sup>th</sup> 2019, the Board allocated some time to discuss the evaluation of its functioning effectiveness. The Board concluded that, overall, the functioning was very efficient. One-off specific steps were taken to address a few recommendations for improvement.

## **10.6. Gender diversity**

Since the Company has a very simple structure and has no staff so it put in place a diversity policy which essentially concerns the composition of its board of directors. This policy implies that several elements be taken into account, such as the compliance with legal requirements and the Code, but also the reference shareholders representation, the complementarity of expertise and skills, the diversity of functions, the age, the transition from one generation to another, the gender, the independence, the motivation, the personal qualities, the availability, etc.

Article 518bis §1 of the Company Code, now Article 7:86 §1 of the CAC, requires minimum one third of the board members to have a gender that is different from that of the other members. The required minimum number is rounded to the nearest whole number. The composition of the board with 7 male and 3 female members complied with the legal requirements.

Furthermore, since July 2017, as part of the implementation of its diversity policy, Mrs. Anne Sophie Pijcke as the manager of the company Other Look SPRL whose head office is Chaussée de Tervuren 111 at 1160 Auderghem, works as a director of the company.

Finally, Tubize company holding a stable stake in UCB participates in the Diversity Policy of UCB's Board of Directors.

## **10.7. Remuneration report**

### **10.7.1. Responsibilities**

In accordance with article 526quater, §4 of the Company Code, now Article 7:100 §4 of the CAC, Tubize is exempt from the obligation to establish a remuneration committee. The functions assigned to the remuneration committee are exercised by the board of directors in its entirety. The board determines the remuneration policy for the directors and for the executive responsible for the day-to-day management ('general manager'), as well as their individual remuneration.

### **10.7.2. Policy**

The ordinary general meeting of 26 April 2017 has fixed from the accounting year 2017 onwards the remuneration to € 30,000 per year and per director and has also granted an attendance fee of € 1,000 per meeting (general meeting included) for each director. The fixed fee of the chairman of the board of directors is twice the fee of a director. He receives the same attendance fee as a director.

These amounts are exclusive of possible VAT and employer social security contributions, which will be borne by Tubize.

The services agreement between the Company and the general manager provides for a remuneration based on the number of hours performed.

### **10.7.3. Remuneration and other benefits granted to the directors**

In accordance with the decision taken by the ordinary general meeting of 2017, the fixed remuneration for the directors amounts to €30.000 per person for the accounting year 2019. The fixed remuneration of the chairman of the board amounts to €60.000.

The following attendance fees have been paid to each director during accounting year 2019:

<b>Name</b>	<b>Attendance</b>
François Tesch	7.000
NV Vauban représentée par Gaëtan Hannecart	7.000
BVBA AVO Management représentée par Annick van Overstraeten**	7.000
Marc Speeckaert	7.000
Cyril Janssen	7.000
Charles-Antoine Janssen	4.000
Nicolas Janssen	7.000
Evelyn du Monceau	6.000
Fiona de Hemptinne*	6.000
Cédric van Rijckevorsel*	7.000
Cynthia Favre d'Echallens	6.000

\* Fiona de Hemptinne and Cedric van Rijckevorsel are paid once a year in June. An additional meeting of the Board of Directors having taken place subsequently, it will be counted in 2020.

\*\* BVBA AVO Management represented by Annick van Overstraeten joined the Board of Directors after the ordinary general meeting of 2019.

#### 10.7.4. Remuneration and other benefits granted to the general manager

The mandate of general manager is exercised by the company Other Look SPRL (OI2EF) whose head office is Chaussée de Tervuren, 111 in 1160 Auderghem, represented by its manager Anne Sophie Pijcke (ASP) since the 1<sup>st</sup> of July 2017.

The management fees granted to ASP for accounting year 2019 amounted to € 92.325 (exclusive VAT).

The general manager does not benefit from a variable remuneration, a pension scheme or any other benefits, and none does he or she receive shares, share options or any other rights to acquire shares of Tubize.

The service agreement between the Company and the general manager, foresees that everyone could end it by notifying to the other a prior notice of 3 months beginning on 3 days after the notification date of the prior notice by registered letter. No other severance pay has been foreseen in this agreement.

#### 10.7.5. Remuneration and other benefits granted to other directors or executives

As the general manager is the only executive of the Company, this information is not applicable.

#### 10.7.6. Remuneration policy granted to for the two forthcoming financial years

The remuneration policy in place shouldn't be modified during the next two accounting years.

Brussels, the 19<sup>th</sup> of February 2019

The Board of Directors

François Tesch  
Chairman of the Board of Directors

Evelyn du Monceau  
Member of the Board of Directors

## **ANNUAL ACCOUNTS**

F1	Identification details	21
F2	List of directors and auditors and declaration regarding a complimentary review or correction assignment	
F2.1	List of the directors and auditors	22
F2.2	Declaration regarding a complementary review or correction assignment	24
F3	Balance sheet after appropriation	
F3.1	Assets	25
F3.2	Equity and Liabilities	27
F4	Income statement	29
F5	Appropriation account	31
F6	Notes	
F6.1	Statement of administration fees (not applicable)	
F6.2	Statement of intangible assets (not applicable)	
F6.3	Statement of tangible assets (not applicable)	
F6.4	Statement of financial fixed assets	32
F6.5	Participating interests information	33
F6.6	Other investments and deposits, allocation deferred charges and accrued income	34
F6.7	Statement of capital and shareholding structure	35
F6.8	Provisions for other liabilities and charges (not applicable)	
F6.9	Statement of amounts payable, accrued charges and deferred income	38
F6.10	Operating results	41
F6.11	Financial results	43
F6.12	Income and charge of exceptional size or incidence	44
F6.13	Income taxes and other taxes	45
F6.14	Rights and commitments not reflected in the balance sheet	46
F6.15	Relationships with affiliated enterprises, associated enterprises and other enterprises linked by participating interests	50
F6.16	Financial relationships with	52
F6.17	Derivatives not measured at fair value	53
F6.18	Information relating to consolidated accounts (not applicable)	
F6.19	Valuation rules	54

*The 31 December 2019 annual accounts of Financière de Tubize have been established by a resolution of the board of directors of 19 February 2020 and will be submitted for approval by the general shareholders meeting of 22 April 2020.*

<b>40</b>				<b>1</b>	<b>EUR</b>	
NAT.	Filing date	Nr.	P.	U.	D.	F 1

**ANNUAL ACCOUNTS AND OTHER DOCUMENTS TO BE FILED UNDER  
BELGIAN COMPANY LAW**

**IDENTIFICATION DETAILS (on date of deposit)**

NAME: *FINANCIERE DE TUBIZE*

Legal form: *Public limited company*

Address: *Allée de la Recherche* Nr.: *60* Box: .....

Postal code: *1070* Municipality: *Anderlecht*

Country: *Belgium*

Register of legal persons – Business court of: *Brussels, French-speaking*

Website address<sup>1</sup>: *www.financiere-tubize.be*

Company identification number **BE 0403.216.429**

DATE **31 / 01 / 2019** of filing the memorandum of association OR of the most recent document mentioning the date of publication of the memorandum of association and of the act amending the articles of association.

ANNUAL ACCOUNTS **ANNUAL ACCOUNTS IN EUROS**

approved by the general meeting of **22 / 04 / 2020**

Regarding the financial year from **01 / 01 / 2019** to **31 / 12 / 2019**

Preceding financial year from **01 / 01 / 2018** to **31 / 12 / 2018**

The amounts for the preceding period are ~~not~~<sup>2</sup> identical to the ones previously published.

Total number of pages filed: .....<sup>35</sup>..... Numbers of sections of the standard form not filed because they serve no useful purpose: .....*6.1, 6.2.1, 6.2.2, 6.2.3, 6.2.4, 6.2.5, 6.3.1, 6.3.2, 6.3.3, 6.3.4, 6.3.5, 6.3.6, 6.4.1, 6.4.3, 6.5.2, 6.8, 6.18.1, 6.18.2, 6.20, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16*.....

*Signature*  
Member of the board of directors

*Signature*  
Member of the board of directors

<sup>1</sup> Optional information.  
<sup>2</sup> Strike out what is not applicable.

**LIST OF DIRECTORS, BUSINESS MANAGERS AND AUDITORS  
AND DECLARATION REGARDING A COMPLIMENTARY REVIEW  
OR CORRECTION ASSIGNMENT**

**LIST OF THE DIRECTORS, BUSINESS MANAGERS AND AUDITORS**

COMPLETE LIST with surname, first names, profession, place of residence (address, number, postal code and municipality) and position within the company

<i>François Tesch</i> <i>Route de Bettembourg 45A, 1899 Luxembourg, Luxembourg</i>	<i>Chairman of the board of directors</i> <i>27/04/2016 - 22/04/2020</i>
<i>Fiona de Hemptinne</i> <i>Fairlawn Grove 20, W4 5EH London, United Kingdom</i>	<i>Director</i> <i>25/04/2018 - 27/04/2022</i>
<i>Evelyn du Monceau</i> <i>Avenue des Fleurs 14, 1150 Woluwe-Saint-Pierre, Belgium</i>	<i>Director</i> <i>24/04/2019 - 26/04/2023</i>
<i>Cynthia Favre d'Echallens</i> <i>Rue d'Ottignies 74A, 1380 Lasne, Belgium</i>	<i>Director</i> <i>25/04/2018 - 27/04/2022</i>
<i>Charles-Antoine Janssen</i> <i>Chaussée de Bruxelles 110, 1310 La Hulpe, Belgium</i>	<i>Director</i> <i>24/04/2019 - 26/04/2023</i>
<i>Cyril Janssen</i> <i>Rue des Mélèzes 29, 1050 Ixelles, Belgium</i>	<i>Director</i> <i>24/04/2019 - 26/04/2023</i>
<i>Nicolas Janssen</i> <i>Avenue Ernest Solvay 110, 1310 La Hulpe, Belgium</i>	<i>Director</i> <i>25/04/2018 - 27/04/2022</i>
<i>Cédric van Rijckevorsel</i> <i>Chipstead Street 37, SW6 3SR London, United Kingdom</i>	<i>Director</i> <i>26/04/2017 - 28/04/2021</i>
<i>Marc Speeckaert</i> <i>Avenue Albert 201, 1190 Forest, Belgium</i>	<i>Director</i> <i>25/04/2018 - 27/04/2022</i>
<i>Vauban NV</i> <i>Nr.: BE 0838.114.246</i> <i>Rue Ducale 47-49, 1000 Brussels, Belgium</i>	<i>Director</i> <i>26/04/2017 - 28/04/2021</i>
<i>Represented by:</i>	
<i>Gaëtan Hannecart</i> <i>Meirstraat 7, 9850 Vosselare, Belgium</i>	
<i>A.V.O. - Management</i> <i>Nr.: BE 0462.974.466</i> <i>Avenue Franklin Roosevelt 210, 1050 Ixelles, Belgium</i>	<i>Director</i> <i>24/04/2019 - 26/04/2023</i>
<i>Represented by:</i>	
<i>Annick Van Overstraeten</i> <i>Avenue Franklin Roosevelt 210, 1050 Ixelles, Belgium</i>	
<i>Mazars Réviseurs d'Entreprises</i> <i>Nr.: BE 0428.837.889</i> <i>Avenue Marcel Thyry 77 box 4, 1200 Woluwe-Saint-Lambert, Belgium</i> <i>Membership nr.: IRE B00021</i>	<i>Auditor</i> <i>25/04/2018 - 28/04/2021</i>
<i>Represented by:</i>	

**LIST OF THE DIRECTORS, BUSINESS MANAGERS AND AUDITORS (CONTINUED)**

COMPLETE LIST with surname, first names, profession, place of residence (address, number, postal code and municipality) and position within the company

*Xavier Doyen*  
*Membership nr.: IRE A01202*

**DECLARATION REGARDING A COMPLIMENTARY REVIEW OR CORRECTION ASSIGNMENT**

The managing board declares that no audit or correction assignment has been given to a person who was not authorised to do so by law, pursuant to art. 34 and 37 of the law of 22th April 1999 concerning accounting and tax professions.

The annual accounts ~~were~~ / **were not\*** audited or corrected by an external accountant or by a company auditor who is not the statutory auditor.

If affirmative, mention hereafter: surname, first names, profession and address of each external accountant or company auditor and his membership number with his Institute as well as the nature of his assignment:

- A. Bookkeeping of the enterprise \*\*,
- B. Preparing the annual accounts \*\*,
- C. Auditing the annual accounts and/or
- D. Correcting the annual accounts.

If the tasks mentioned under A. or B. are executed by certified accountants or certified bookkeepers - tax specialists, you can mention hereafter: surname, first names, profession and address of each certified accountant or certified bookkeeper - tax specialist and his/her affiliation number with the Institute of Accounting Professional and Tax Experts and the nature of his/her assignment.

Surname, first names, profession and address	Affiliation number	Nature of the assignment (A, B, C and/or D)

\* Strike out what is not applicable.

\*\* Optional information.

## ANNUAL ACCOUNTS

## BALANCE SHEET AFTER APPROPRIATION

	Discl.	Codes	Period	Preceding period
<b>ASSETS</b>				
Formation expenses .....	6.1	20	.....	.....
<b>FIXED ASSETS</b> .....		21/28	<b>1.717.992.381</b>	<b>1.717.992.381</b>
<b>Intangible fixed assets</b> .....	6.2	21	.....	.....
<b>Tangible fixed assets</b> .....	6.3	22/27	.....	.....
Land and buildings .....		22	.....	.....
Plant, machinery and equipment .....		23	.....	.....
Furniture and vehicles .....		24	.....	.....
Leasing and similar rights .....		25	.....	.....
Other tangible fixed assets .....		26	.....	.....
Assets under construction and advance payments .....		27	.....	.....
<b>Financial fixed assets</b> .....	6.4/6.5.1	28	<b>1.717.992.381</b>	<b>1.717.992.381</b>
Affiliated enterprises .....	6.15	280/1	.....	.....
Participating interests .....		280	.....	.....
Amounts receivable .....		281	.....	.....
Enterprises linked by participating interests .....	6.15	282/3	<b>1.717.992.381</b>	<b>1.717.992.381</b>
Participating interests .....		282	<b>1.717.992.381</b>	<b>1.717.992.381</b>
Amounts receivable .....		283	.....	.....
Other financial assets .....		284/8	.....	.....
Shares .....		284	.....	.....
Amounts receivable and cash guarantees .....		285/8	.....	.....

	Discl.	Codes	Period	Preceding period
<b>CURRENT ASSETS</b> .....		29/58	<b>525.311</b>	<b>3.785.974</b>
<b>Amounts receivable after more than one year</b> .....		29	.....	.....
Trade debtors .....		290	.....	.....
Other amounts receivable .....		291	.....	.....
<b>Stocks and contracts in progress</b> .....		3	.....	.....
Stocks .....		30/36	.....	.....
Raw materials and consumables .....		30/31	.....	.....
Work in progress .....		32	.....	.....
Finished goods .....		33	.....	.....
Goods purchased for resale .....		34	.....	.....
Immovable property intended for sale .....		35	.....	.....
Advance payments .....		36	.....	.....
Contracts in progress .....		37	.....	.....
<b>Amounts receivable within one year</b> .....		40/41	<b>29.716</b>	<b>101.455</b>
Trade debtors .....		40	<b>29.716</b>	.....
Other amounts receivable .....		41	.....	<b>101.455</b>
<b>Current investments</b> .....	6.5.1/6.6	50/53	.....	<b>2.124.000</b>
Own shares .....		50	.....	<b>2.124.000</b>
Other investments .....		51/53	.....	.....
<b>Cash at bank and in hand</b> .....		54/58	<b>461.581</b>	<b>1.529.356</b>
<b>Deferred charges and accrued income</b> .....	6.6	490/1	<b>34.014</b>	<b>31.163</b>
<b>TOTAL ASSETS</b> .....		20/58	<b>1.718.517.692</b>	<b>1.721.778.355</b>

	Discl.	Codes	Period	Preceding period
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b> .....		10/15	1.603.713.682	1.553.451.354
<b>Capital</b> .....	6.7.1	10	235.000.000	235.000.000
Issued capital .....		100	235.000.000	235.000.000
Uncalled capital .....		101	.....	.....
<b>Share premium account</b> .....		11	1.224.992	1.224.992
<b>Revaluation surpluses</b> .....		12	.....	.....
<b>Reserves</b> .....		13	1.327.697.177	1.284.821.177
Legal reserve .....		130	23.500.000	23.500.000
Reserves not available .....		131	455.591	2.579.591
In respect of own shares held .....		1310	.....	2.124.000
Other .....		1311	455.591	455.591
Untaxed reserves .....		132	38.567.469	38.567.469
Available reserves .....		133	1.265.174.117	1.220.174.117
<b>Accumulated profits (losses)</b> .....(+)/(-)		14	39.791.513	32.405.185
<b>Investment grants</b> .....		15	.....	.....
<b>Advance to associates on the sharing out of the assets</b> .....		19	.....	.....
<b>PROVISIONS AND DEFERRED TAXES</b> .....		16	.....	.....
<b>Provisions for liabilities and charges</b> .....		160/5	.....	.....
Pensions and similar obligations .....		160	.....	.....
Taxation .....		161	.....	.....
Major repairs and maintenance .....		162	.....	.....
Environmental obligations .....		163	.....	.....
Other liabilities and charges .....	6.8	164/5	.....	.....
<b>Deferred taxes</b> .....		168	.....	.....

	Discl.	Codes	Period	Preceding period
<b>AMOUNTS PAYABLE</b> .....		17/49	114.804.010	168.327.001
<b>Amounts payable after more than one year</b> .....	6.9	17	34.000.000	90.000.000
Financial debts .....		170/4	34.000.000	90.000.000
Subordinated loans .....		170	.....	.....
Unsubordinated debentures .....		171	.....	.....
Leasing and other similar obligations .....		172	.....	.....
Credit institutions .....		173	34.000.000	90.000.000
Other loans .....		174	.....	.....
Trade debts .....		175	.....	.....
Suppliers .....		1750	.....	.....
Bills of exchange payable .....		1751	.....	.....
Advances received on contracts in progress .....		176	.....	.....
Other amounts payable .....		178/9	.....	.....
<b>Amounts payable within one year</b> .....	6.9	42/48	80.639.427	77.967.112
Current portion of amounts payable after more than one year falling due within one year .....		42	52.500.000	52.500.000
Financial debts .....		43	.....	.....
Credit institutions .....		430/8	.....	.....
Other loans .....		439	.....	.....
Trade debts .....		44	109.702	104.152
Suppliers .....		440/4	109.702	104.152
Bills of exchange payable .....		441	.....	.....
Advances received on contracts in progress .....		46	.....	.....
Taxes, remuneration and social security .....	6.9	45	.....	.....
Taxes .....		450/3	.....	.....
Remuneration and social security .....		454/9	.....	.....
Other amounts payable .....		47/48	28.029.725	25.362.960
<b>Accruals and deferred income</b> .....	6.9	492/3	164.583	359.889
<b>TOTAL LIABILITIES</b> .....		10/49	1.718.517.692	1.721.778.355

**INCOME STATEMENT**

	Discl.	Codes	Period	Preceding period
<b>Operating income</b> .....		70/76A	<b>2.600</b>	.....
Turnover .....	6.10	70	.....	.....
Stocks of finished goods and work and contracts in progress: increase (decrease) .....		71	.....	.....
Own work capitalised .....		72	.....	.....
Other operating income .....	6.10	74	<b>2.600</b>	.....
Non-recurring operating income .....	6.12	76A	.....	.....
<b>Operating charges</b> .....		60/66A	<b>1.120.027</b>	<b>950.681</b>
Raw materials, consumables .....		60	.....	.....
Purchases .....		600/8	.....	.....
Stocks: decrease (increase) .....		609	.....	.....
Services and other goods .....		61	<b>1.119.159</b>	<b>949.813</b>
Remuneration, social security costs and pensions .....	6.10	62	.....	.....
Depreciation of and other amounts written off formation expenses, intangible and tangible fixed assets .....		630	.....	.....
Amounts written off stocks, contracts in progress and trade debtors: Appropriations (write-backs) .....	6.10	631/4	.....	.....
Provisions for liabilities and charges: Appropriations (uses and write-backs) .....	6.10	635/8	.....	.....
Other operating charges .....	6.10	640/8	<b>868</b>	<b>868</b>
Operating charges carried to assets as restructuring costs(-) Non-recurring operating charges .....	6.12	649 66A	..... .....	..... .....
<b>Operating profit (loss)</b> .....		9901	<b>-1.117.427</b>	<b>-950.681</b>

	Discl.	Codes	Period	Preceding period
<b>Financial income</b> .....		75/76B	82.373.985	80.330.838
Recurring financial income .....		75	82.373.985	80.330.838
Income from financial fixed assets .....		750	82.373.147	80.330.838
Income from current assets .....		751	.....	.....
Other financial income .....	6.11	752/9	838	.....
Non-recurring financial income .....	6.12	76B	.....	.....
<b>Financial charges</b> .....		65/66B	1.272.420	2.403.518
Recurring financial charges .....	6.11	65	1.272.420	2.399.270
Debt charges .....		650	1.279.547	2.401.387
Amounts written off current assets except stocks, contracts in progress and trade debtors: appropriations (write-backs) .....(+)/(-) .....		651	.....	.....
Other financial charges .....		652/9	-7.127	-2.117
Non-recurring financial charges .....	6.12	66B	.....	4.248
<b>Gain (loss) for the period before taxes</b> .....		9903	79.984.138	76.976.639
<b>Transfer from deferred taxes</b> .....		780	.....	.....
<b>Transfer to deferred taxes</b> .....		680	.....	.....
<b>Income taxes</b> .....		6.13	67/77	.....
Taxes .....		670/3	.....	.....
Adjustment of income taxes and write-back of tax provisions .....		77	.....	.....
<b>Gain (loss) of the period</b> .....		9904	79.984.138	76.976.639
<b>Transfer from untaxed reserves</b> .....		789	.....	.....
<b>Transfer to untaxed reserves</b> .....		689	.....	.....
<b>Gain (loss) of the period available for appropriation</b> ..(+)/(-)		9905	79.984.138	76.976.639

**APPROPRIATION ACCOUNT**

	Codes	Period	Preceding period
<b>Profit (loss) to be appropriated</b> .....(+)/(-)	9906	112.389.323	102.332.240
Gain (loss) of the period available for appropriation .....(+)/(-)	(9905)	79.984.138	76.976.639
Profit (loss) brought forward .....(+)/(-)	14P	32.405.185	25.355.601
<b>Withdrawals from capital and reserves</b> .....	791/2	.....	.....
from capital and share premium account .....	791	.....	.....
from reserves .....	792	.....	.....
<b>Transfer to capital and reserves</b> .....	691/2	45.000.000	45.000.000
to capital and share premium account .....	691	.....	.....
to legal reserve .....	6920	.....	.....
to other reserves .....	6921	45.000.000	45.000.000
<b>Accumulated profits (losses)</b> .....(+)/(-)	(14)	39.791.513	32.405.185
<b>Owners' contribution in respect of losses</b> .....	794	.....	.....
<b>Profit to be distributed</b> .....	694/7	27.597.811	24.927.055
Dividends .....	694	27.597.811	24.927.055
Directors' or managers' entitlements .....	695	.....	.....
Employees .....	696	.....	.....
Other beneficiaries .....	697	.....	.....

	Codes	Period	Preceding period
<b>ENTERPRISES LINKED BY A PARTICIPATING INTEREST - PARTICIPATING INTERESTS AND SHARES</b>			
<b>Acquisition value at the end of the period</b> .....	8392P	XXXXXXXXXXXXXXXXXX	1.717.992.381
<b>Movements during the period</b>			
Acquisitions .....	8362	.....	
Sales and disposals .....	8372	.....	
Transfers from one heading to another .....(+)/(-)	8382	.....	
<b>Acquisition value at the end of the period</b> .....	8392	1.717.992.381	
<b>Revaluation surpluses at the end of the period</b> .....	8452P	XXXXXXXXXXXXXXXXXX	.....
<b>Movements during the period</b>			
Recorded .....	8412	.....	
Acquisitions from third parties .....	8422	.....	
Cancelled .....	8432	.....	
Transferred from one heading to another .....(+)/(-)	8442	.....	
<b>Revaluation surpluses at the end of the period</b> .....	8452	.....	
<b>Amounts written down at the end of the period</b> .....	8522P	XXXXXXXXXXXXXXXXXX	.....
<b>Movements during the period</b>			
Recorded .....	8472	.....	
Written back .....	8482	.....	
Acquisitions from third parties .....	8492	.....	
Cancelled owing to sales and disposals .....	8502	.....	
Transferred from one heading to another .....(+)/(-)	8512	.....	
<b>Amounts written down at the end of the period</b> .....	8522	.....	
<b>Uncalled amounts at the end of the period</b> .....	8552P	XXXXXXXXXXXXXXXXXX	.....
<b>Movements during the period</b> .....(+)/(-)	8542	.....	
<b>Uncalled amounts at the end of the period</b> .....	8552	.....	
<b>NET BOOK VALUE AT THE END OF THE PERIOD</b> .....	(282)	1.717.992.381	
<b>ENTERPRISES LINKED BY A PARTICIPATING INTEREST - AMOUNTS RECEIVABLE</b>			
<b>NET BOOK VALUE AT THE END OF THE PERIOD</b> .....	283P	XXXXXXXXXXXXXXXXXX	.....
<b>Movements during the period</b>			
Additions .....	8582	.....	
Repayments .....	8592	.....	
Amounts written down .....	8602	.....	
Amounts written back .....	8612	.....	
Exchange differences .....(+)/(-)	8622	.....	
Other movements .....(+)/(-)	8632	.....	
<b>NET BOOK VALUE AT THE END OF THE PERIOD</b> .....	(283)	.....	
<b>ACCUMULATED AMOUNTS WRITTEN OFF AMOUNTS RECEIVABLE AT END OF THE PERIOD</b> .....	8652	.....	

**PARTICIPATING INTERESTS INFORMATION**

**PARTICIPATING INTERESTS AND SHARES IN OTHER ENTERPRISES**

List of the enterprises in which the enterprise holds a participating interest, (recorded in heading 280 and 282 of assets) and the other enterprises in which the enterprise holds rights (recorded in headings 284 and 51/53 of assets) for an amount of at least 10 % of the capital issued.

NAME, full address of the REGISTERED OFFICE and for an enterprise governed by Belgian law, the COMPANY IDENTIFICATION NUMBER	Rights held			Data extracted from the most recent annual accounts				
	Nature	directly		subsidiaries	Annual accounts as per	Currency code	Capita land reserves	Net result
		Number	%				%	(+) or (-) (in units)
UCB BE 0403.053.608 Public limited company Allée de la Recherche 60 1070 Anderlecht Belgium	Voting rights	68.076.981	35,0	0,0	31/12/2018	EUR	5.336.753.223	22.403.148

**OTHER INVESTMENTS AND DEPOSITS, ALLOCATION DEFERRED CHARGES AND ACCRUED INCOME**

	Codes	Period	Preceding period
<b>INVESTMENTS: OTHER INVESTMENTS AND DEPOSITS</b>			
<b>Shares and current investments other than fixed income investments</b> ....	51	.....	.....
Shares - Book value increased with the uncalled amount .....	8681	.....	.....
Shares - Uncalled amount .....	8682	.....	.....
Precious metals and works of art .....	8683	.....	.....
<b>Fixed income securities</b> .....	52	.....	.....
Fixed income securities issued by credit institutions .....	8684	.....	.....
<b>Fixed term accounts with credit institutions</b> .....	53	.....	.....
With residual term or notice of withdrawal			
up to one month .....	8686	.....	.....
between one month and one year .....	8687	.....	.....
over one year .....	8688	.....	.....
<b>Other investments not mentioned above</b> .....	8689	.....	.....

	Period
<b>DEFERRED CHARGES AND ACCRUED INCOME</b>	
<b>Allocation of heading 490/1 of assets if the amount is significant</b>	
.....	16.388
.....	1.585
.....	13.129
.....	2.912

**STATEMENT OF CAPITAL AND SHAREHOLDING STRUCTURE**

	Codes	Period	Preceding period
<b>STATEMENT OF CAPITAL</b>			
<b>Social capital</b>			
Issued capital at the end of the period .....	100P	xxxxxxxxxxxxxxxx	235.000.000
Issued capital at the end of the period .....	(100)	235.000.000	

	Codes	Value	Number of shares
Changes during the period			
Cancellation of own shares .....		0	-36.000
.....			
.....			
Structure of the capital			
Different categories of shares			
Ordinary shares .....		235.000.000	44.512.598
.....			
.....			
Registered shares .....	8702	xxxxxxxxxxxxxxxx	33.715.038
Shares dematerialized .....	8703	xxxxxxxxxxxxxxxx	10.797.560

	Codes	Uncalled amount	Capital called but not paid
<b>Capital not paid</b>			
Uncalled capital .....	(101)	.....	xxxxxxxxxxxxxxxx
Called up capital, unpaid .....	8712	xxxxxxxxxxxxxxxx	.....
Shareholders having yet to pay up in full			
.....			
.....			
.....			

	Codes	Period
<b>Own shares</b>		
Held by the company itself		
Amount of capital held .....	8721	.....
Corresponding number of shares .....	8722	.....
Held by the subsidiaries		
Amount of capital held .....	8731	.....
Corresponding number of shares .....	8732	.....
<b>Commitments to issue shares</b>		
Owing to the exercise of conversion rights		
Amount of outstanding convertible loans .....	8740	.....
Amount of capital to be subscribed .....	8741	.....
Corresponding maximum number of shares to be issued .....	8742	.....
Owing to the exercise of subscription rights		
Number of outstanding subscription rights .....	8745	.....
Amount of capital to be subscribed .....	8746	.....
Corresponding maximum number of shares to be issued .....	8747	.....
<b>Authorized capital not issued</b> .....	8751	.....

**Shares issued, non representing capital**

Distribution

Number of shares ..... 8761

Number of voting rights attached thereto ..... 8762

Allocation by shareholder

Number of shares held by the company itself ..... 8771

Number of shares held by its subsidiaries ..... 8781

Codes	Period
8761	.....
8762	.....
8771	.....
8781	.....

## SHAREHOLDER STRUCTURE OF THE ENTERPRISE AT THE DATE OF END-OF-YEAR PROCEDURE

according to the notifications that the enterprise has received pursuant to art. 631 §2, last subsection and art. 632 §2 last subsection of the Belgian company law; art. 14 fourth subsection of the law of 2<sup>nd</sup> May 2007 on the disclosure of major shareholdings; and article 5 of the royal decree of 21<sup>st</sup> August 2008 laying down further rules on certain multilateral trading facilities.

NAME of the persons who hold the rights of the enterprise, specifying the ADDRESS (of the registered office, when it involves a legal person) and the COMPANY IDENTIFICATION NUMBER, when it involves an enterprise under Belgian law	Rights held			
	Nature	Number of voting rights		%
		Linked to securities	Not linked to securities	
<i>Financière Eric Janssen SPRL</i> BE 0456.059.653 Rue Gachard 88 box 14 1050 Ixelles Belgium	Voting rights	10.513.814	0	23,62
<i>Altaï Invest SA</i> BE 0466.614.441 Avenue de Tervueren 412 box 13 1150 Woluwe-Saint-Pierre Belgium	Voting rights	4.996.263	0	11,22
<i>Barnfin SA</i> BE 0461.348.628 Avenue de Tervueren 186-188 box 17 1150 Woluwe-Saint-Pierre Belgium	Voting rights	3.903.835	0	8,77
<i>Janssen Daniel</i> Chaussée de Bruxelles 110A 1310 La Hulpe Belgium	Voting rights	5.881.677	0	13,21
<i>van Rijckevorsel Jean</i> Clos du Soleil 6 1150 Woluwe-Saint-Pierre Belgium	Voting rights	11.744	0	0,03

## STATEMENT OF AMOUNTS PAYABLE, ACCRUED CHARGES AND DEFERRED INCOME

	Codes	Period
<b>BREAKDOWN OF AMOUNTS PAYABLE WITH AN ORIGINAL PERIOD TO MATURITY OF MORE THAN ONE YEAR, ACCORDING TO THEIR RESIDUAL TERM</b>		
<b>Current portion of amounts payable after more than one year falling due within one year</b>		
Financial debts .....	8801	52.500.000
Subordinated loans .....	8811	.....
Unsubordinated debentures .....	8821	.....
Leasing and other similar obligations .....	8831	.....
Credit institutions .....	8841	52.500.000
Other loans .....	8851	.....
Trade debts .....	8861	.....
Suppliers .....	8871	.....
Bills of exchange payable .....	8881	.....
Advance payments received on contract in progress .....	8891	.....
Other amounts payable .....	8901	.....
<b>Total current portion of amounts payable after more than one year falling due within one year ..</b>	<b>(42)</b>	<b>52.500.000</b>
<b>Amounts payable with a remaining term of more than one but not more than five years</b>		
Financial debts .....	8802	34.000.000
Subordinated loans .....	8812	.....
Unsubordinated debentures .....	8822	.....
Leasing and other similar obligations .....	8832	.....
Credit institutions .....	8842	34.000.000
Other loans .....	8852	.....
Trade debts .....	8862	.....
Suppliers .....	8872	.....
Bills of exchange payable .....	8882	.....
Advance payments received on contracts in progress .....	8892	.....
Other amounts payable .....	8902	.....
<b>Total amounts payable with a remaining term of more than one but not more than five years ....</b>	<b>8912</b>	<b>34.000.000</b>
<b>Amounts payable with a remaining term of more than five years</b>		
Financial debts .....	8803	.....
Subordinated loans .....	8813	.....
Unsubordinated debentures .....	8823	.....
Leasing and other similar obligations .....	8833	.....
Credit institutions .....	8843	.....
Other loans .....	8853	.....
Trade debts .....	8863	.....
Suppliers .....	8873	.....
Bills of exchange payable .....	8883	.....
Advance payments received on contracts in progress .....	8893	.....
Other amounts payable .....	8903	.....
<b>Total amounts payable with a remaining term of more than five years .....</b>	<b>8913</b>	<b>.....</b>

	Codes	Period
<b>GUARANTEED AMOUNTS PAYABLE</b> (included in headings 17 and 42/48 of the liabilities)		
<b>Amounts payable guaranteed by Belgian public authorities</b>		
Financial debts .....	8921	.....
Subordinated loans .....	8931	.....
Unsubordinated debentures .....	8941	.....
Leasing and similar obligations .....	8951	.....
Credit institutions .....	8961	.....
Other loans .....	8971	.....
Trade debts .....	8981	.....
Suppliers .....	8991	.....
Bills of exchange payable .....	9001	.....
Advance payments received on contracts in progress .....	9011	.....
Remuneration and social security .....	9021	.....
Other amounts payable .....	9051	.....
<b>Total amounts payable guaranteed by Belgian public authorities</b> .....	9061	.....
<b>Amounts payable guaranteed by real securities or irrevocably promised by the enterprise on its own assets</b>		
Financial debts .....	8922	86.500.000
Subordinated loans .....	8932	.....
Unsubordinated debentures .....	8942	.....
Leasing and similar obligations .....	8952	.....
Credit institutions .....	8962	86.500.000
Other loans .....	8972	.....
Trade debts .....	8982	.....
Suppliers .....	8992	.....
Bills of exchange payable .....	9002	.....
Advance payments received on contracts in progress .....	9012	.....
Taxes, remuneration and social security .....	9022	.....
Taxes .....	9032	.....
Remuneration and social security .....	9042	.....
Other amounts payable .....	9052	.....
<b>Total amounts payable guaranteed by real securities or irrevocably promised by the enterprise on its own assets</b> .....	9062	86.500.000
<b>TAXES, REMUNERATION AND SOCIAL SECURITY</b>		
<b>Taxes</b> (heading 450/3 of the liabilities)		
Outstanding tax debts .....	9072	.....
Accruing taxes payable .....	9073	.....
Estimated taxes payable .....	450	.....
<b>Remuneration and social security</b> (heading 454/9 of the liabilities)		
Amounts due to the National Social Security Office .....	9076	.....
Other amounts payable in respect of remuneration and social security .....	9077	.....

**ACCRUALS AND DEFERRED INCOME**

Allocation of heading 492/3 of liabilities if the amount is significant

	Period
.....	115.524
.....	49.059
.....	.....
.....	.....

**OPERATING RESULTS**

	Codes	Period	Preceding period
<b>OPERATING INCOME</b>			
<b>Net turnover</b>			
Allocation by categories of activity			
.....			
.....			
.....			
Allocation into geographical markets			
.....			
.....			
.....			
<b>Other operating income</b>			
Operating subsidies and compensatory amounts received from public authorities	740		
<b>OPERATING CHARGES</b>			
<b>Employees for whom the enterprise submitted a DIMONA declaration or who are recorded in the general personnel register</b>			
Total number at the closing date	9086		
Average number of employees calculated in full-time equivalents	9087		
Number of actual worked hours	9088		
<b>Personnel costs</b>			
Remuneration and direct social benefits	620		
Employers' contribution for social security	621		
Employers' premiums for extra statutory insurance	622		
Other personnel costs	623		
Retirement and survivors' pensions	624		

	Codes	Period	Preceding period
<b>Provisions for pensions and other similar rights</b>			
Appropriations (uses and write-backs) .....(+)/(-)	635	.....	.....
<b>Amounts written off</b>			
Stocks and contracts in progress			
Recorded .....	9110	.....	.....
Written back .....	9111	.....	.....
Trade debts			
Recorded .....	9112	.....	.....
Written back .....	9113	.....	.....
<b>Provisions for liabilities and charges</b>			
Additions .....	9115	.....	.....
Uses and write-backs .....	9116	.....	.....
<b>Other operating charges</b>			
Taxes related to operation .....	640	868	868
Other costs .....	641/8	.....	.....
<b>Hired temporary staff and personnel placed at the enterprise's disposal</b>			
Total number at the closing date .....	9096	.....	.....
Average number calculated in full-time equivalents .....	9097	.....	.....
Number of actual worked hours .....	9098	.....	.....
Costs to the enterprise .....	617	.....	.....

**FINANCIAL RESULTS**

	Codes	Period	Preceding period
<b>RECURRING FINANCIAL INCOME</b>			
<b>Other financial income</b>			
Subsidies granted by public authorities and recorded as income for the period			
Capital subsidies .....	9125	.....	.....
Interest subsidies .....	9126	.....	.....
Allocation of other financial income			
.....		.....	.....
.....		.....	.....
.....		.....	.....
<b>RECURRING FINANCIAL CHARGES</b>			
<b>Depreciation of loan issue expenses</b> .....	6501	.....	.....
<b>Capitalized Interests</b> .....	6503	.....	.....
<b>Amounts written off current assets</b>			
Recorded .....	6510	.....	.....
Written back .....	6511	.....	.....
<b>Other financial charges</b>			
Amount of the discount borne by the enterprise, as a result of negotiating amounts receivable .....	653	.....	.....
<b>Provisions of a financial nature</b>			
Appropriations .....	6560	.....	.....
Uses and write-backs .....	6561	.....	.....
<b>Allocation of other financial charges</b>			
Bank costs .....		3.173	2.445
Unrealized loss on interest rate swaps (non-effective portion of hedge accounting) .....		-10.701	-4.597
Realized exchange differences .....		0	35

**INCOME AND CHARGE OF EXCEPTIONAL SIZE OR INCIDENCE**

	Codes	Period	Preceding period
<b>NON RECURRING INCOME</b> .....	76	.....	.....
<b>Non-recurring operating income</b> .....	(76A)	.....	.....
Write-back of depreciation and of amounts written off intangible and tangible fixed assets .....	760	.....	.....
Write-back of provisions for extraordinary operating liabilities and charges ...	7620	.....	.....
Capital gains on disposal of intangible and tangible fixed asset .....	7630	.....	.....
Other non-recurring operating income .....	764/8	.....	.....
<b>Non-recurring financial income</b> .....	(76B)	.....	.....
Write-back of amounts written down financial fixed assets .....	761	.....	.....
Write-back of provisions for extraordinary financial liabilities and charges .....	7621	.....	.....
Capital gains on disposal of financial fixed assets .....	7631	.....	.....
Other non-recurring financial income .....	769	.....	.....
<b>NON-RECURRING EXPENSES</b> .....	66	.....	4.248
<b>Non-recurring operating charges</b> .....	(66A)	.....	.....
Non-recurring depreciation of and amounts written off formation expenses, intangible and tangible fixed assets .....	660	.....	.....
Provisions for extraordinary operating liabilities and charges: Appropriations (uses) .....	6620	.....(+)/(-)	.....
Capital losses on disposal of intangible and tangible fixed assets .....	6630	.....	.....
Other non-recurring operating charges .....	664/7	.....	.....
Non-recurring operating charges carried to assets as restructuring costs ..(-)	6690	.....	.....
<b>Non-recurring financial charges</b> .....	(66B)	.....	4.248
Amounts written off financial fixed assets .....	661	.....	.....
Provisions for extraordinary financial liabilities and charges - Appropriations (uses) .....	6621	.....(+)/(-)	.....
Capital losses on disposal of financial fixed assets .....	6631	.....	.....
Other non-recurring financial charges .....	668	.....	4.248
Non-recurring financial charges carried to assets as restructuring costs ...(-)	6691	.....	.....

**INCOME TAXES AND OTHER TAXES**

	Codes	Period
<b>INCOME TAXES</b>		
<b>Income taxes on the result of the period</b> .....	9134	.....
Income taxes paid and withholding taxes due or paid .....	9135	.....
Excess of income tax prepayments and withholding taxes paid recorded under assets .....	9136	.....
Estimated additional taxes .....	9137	.....
<b>Income taxes on the result of prior periods</b> .....	9138	.....
Additional income taxes due or paid .....	9139	.....
Additional income taxes estimated or provided for .....	9140	.....
<b>In so far as taxes of the period are materially affected by differences between the profit before taxes as stated in annual accounts and the estimated taxable profit</b>		
.....		-79.935.208
.....		.....
.....		.....
.....		.....

	Period
<b>Impact of non recurring results on the amount of the income taxes relating to the current period</b>	
.....	.....
.....	.....
.....	.....
.....	.....

	Codes	Period
<b>Status of deferred taxes</b>		
Deferred taxes representing assets .....	9141	.....
Accumulated tax losses deductible from future taxable profits .....	9142	.....
Other deferred taxes representing assets		141.685.490
.....		.....
.....		.....
Deferred taxes representing liabilities .....	9144	.....
Allocation of deferred taxes representing liabilities		.....
.....		.....
.....		.....
.....		.....

	Codes	Period	Preceding period
<b>VALUE ADDED TAXES AND OTHER TAXES BORNE BY THIRD PARTIES</b>			
<b>Value added taxes charged</b>			
To the enterprise (deductible) .....	9145	.....	.....
By the enterprise .....	9146	.....	.....
<b>Amounts withheld on behalf of third party</b>			
For payroll withholding taxes .....	9147	88.524	81.762
For withholding taxes on investment income .....	9148	4.757.723	4.582.964

**RIGHTS AND COMMITMENTS NOT REFLECTED IN THE BALANCE SHEET**

	Codes	Period
<b>PERSONAL GUARANTEES PROVIDED OR IRREVOCABLY PROMISED BY THE ENTERPRISE AS SECURITY FOR DEBTS AND COMMITMENTS OF THIRD PARTIES</b> .....	9149	.....
<b>Of which</b>		
Bills of exchange in circulation endorsed by the enterprise .....	9150	.....
Bills of exchange in circulation drawn or guaranteed by the enterprise .....	9151	.....
Maximum amount for which other debts or commitments of third parties are guaranteed by the enterprise .....	9153	.....
<b>REAL GUARANTEES</b>		
<b>Real guarantees provided or irrevocably promised by the enterprise on its own assets as security of debts and commitments of the enterprise</b>		
Mortgages		
Book value of the immovable properties mortgaged .....	9161	.....
Amount of registration .....	9171	.....
Pledging of goodwill - Amount of the registration .....	9181	.....
Pledging of other assets - Book value of other assets pledged .....	9191	68.137.267
Guarantees provided on future assets - Amount of assets involved .....	9201	.....
<b>Real guarantees provided or irrevocably promised by the enterprise on its own assets as security of debts and commitments of third parties</b>		
Mortgages		
Book value of the immovable properties mortgaged .....	9162	.....
Amount of registration .....	9172	.....
Pledging of goodwill - Amount of the registration .....	9182	.....
Pledging of other assets - Book value of other assets pledged .....	9192	.....
Guarantees provided on future assets - Amount of assets involved .....	9202	.....

	Codes	Period
<b>GOODS AND VALUES, NOT DISCLOSED IN THE BALANCE SHEET, HELD BY THIRD PARTIES IN THEIR OWN NAME BUT AT RISK TO AND FOR THE BENEFIT OF THE ENTERPRISE</b>		
.....		.....
.....		.....
.....		.....
<b>SUBSTANTIAL COMMITMENTS TO ACQUIRE FIXED ASSETS</b>		
.....		.....
.....		.....
.....		.....
<b>SUBSTANTIAL COMMITMENTS TO DISPOSE OF FIXED ASSETS</b>		
.....		.....
.....		.....
.....		.....
<b>FORWARD TRANSACTIONS</b>		
<b>Goods purchased (to be received) .....</b>	9213	.....
<b>Goods sold (to be delivered) .....</b>	9214	.....
<b>Currencies purchased (to be received) .....</b>	9215	.....
<b>Currencies sold (to be delivered) .....</b>	9216	.....

COMMITMENTS RELATING TO TECHNICAL GUARANTEES IN RESPECT OF SALES OR SERVICES		Period
.....		.....
.....		.....
.....		.....
.....		.....

AMOUNT, NATURE AND FORM CONCERNING LITIGATION AND OTHER IMPORTANT COMMITMENTS		Period
.....		.....
.....		.....
.....		.....
.....		.....

**SUPPLEMENT RETIREMENTS OR SURVIVORS PENSION PLANS IN FAVOUR OF THE PERSONNEL OR THE EXECUTIVES OF THE ENTERPRISE**

Brief description

Measures taken by the enterprise to cover the resulting charges

PENSIONS FUNDED BY THE ENTERPRISE		Codes	Period
Estimated amount of the commitments resulting from past services .....		9220	.....
Methods of estimation			
.....			
.....			
.....			

NATURE AND FINANCIAL IMPACT OF SIGNIFICANT EVENTS AFTER THE CLOSING DATE NOT INCLUDED IN THE BALANCE SHEET OR THE INCOME STATEMENT		Period
.....		.....
.....		.....
.....		.....
.....		.....

	Period
<b>COMMITMENTS TO PURCHASE OR SALE AVAILABLE TO THE COMPANY AS ISSUER OF OPTIONS FOR SALE OR PURCHASE</b>	
.....	.....
.....	.....
.....	.....
.....	.....

	Period
<b>NATURE, COMMERCIAL OBJECTIVE AND FINANCIAL CONSEQUENCES OF TRANSACTIONS NOT REFLECTED IN THE BALANCE SHEET</b>	
<b>Provided that the risks or advantages coming from these transactions are significant and if the disclosure of the risks or advantages is necessary to appreciate the financial situation of the company</b>	
.....	.....
.....	.....
.....	.....

	Period
<b>OTHER RIGHTS AND COMMITMENTS NOT REFLECTED IN THE BALANCE SHEET (including those which can not be quantified)</b>	
<i>Interest rate swaps to hedge the exposure to cash flow risks arising from floating rate bank borrowings: .....</i>	0
- <i>Deferred start swap since 2 October 2017, amortizing to € 54,500,000 on 15 May 2019, to € 27,000,000 on 15 May 2020 and to € 0 on 15 May 2021 .....</i>	54.500.000
- <i>Deferred start swap since 2 October 2017, amortizing to € 36,500,000 on 15 May 2019, to € 9,000,000 on 15 May 2020 and to € 0 on 15 May 2021 .....</i>	36.500.000
<i>Margins available on confirmed credit lines: .....</i>	14.000.000
<i>Outstanding bank loans cannot exceed 30% of the market value of the investment in UCB .....</i>	2
<i>The solvency ratio (equity as a percentage of total assets) must be higher than 70% .....</i>	93
<i>Collateral must consist of a number of UCB shares with a total market higher than 157% of outstanding bank loans .....</i>	183

**RELATIONSHIPS WITH AFFILIATED ENTERPRISES, ASSOCIATED ENTERPRISES AND OTHERS ENTERPRISES LINKED BY PARTICIPATING INTERESTS**

	Codes	Period	Preceding period
<b>AFFILIATED ENTERPRISES</b>			
<b>Financial fixed assets</b> .....	(280/1)	.....	.....
Participating interests .....	(280)	.....	.....
Subordinated amounts receivable .....	9271	.....	.....
Other amounts receivable .....	9281	.....	.....
<b>Amounts receivable</b> .....	9291	.....	.....
Over one year .....	9301	.....	.....
Within one year .....	9311	.....	.....
<b>Current investments</b> .....	9321	.....	.....
Shares .....	9331	.....	.....
Amounts receivable .....	9341	.....	.....
<b>Amounts payable</b> .....	9351	.....	.....
Over one year .....	9361	.....	.....
Within one year .....	9371	.....	.....
<b>Personal and real guarantees</b>			
Provided or irrevocably promised by the enterprise as security for debts or commitments of affiliated enterprises .....	9381	.....	.....
Provided or irrevocably promised by affiliated enterprises as security for debts or commitments of the enterprise .....	9391	.....	.....
<b>Other significant financial commitments</b> .....	9401	.....	.....
<b>Financial results</b>			
Income from financial fixed assets .....	9421	.....	.....
Income from current assets .....	9431	.....	.....
Other financial income .....	9441	.....	.....
Debt charges .....	9461	.....	.....
Other financial charges .....	9471	.....	.....
<b>Disposal of fixed assets</b>			
Capital gains obtained .....	9481	.....	.....
Capital losses suffered .....	9491	.....	.....

	Codes	Period	Preceding period
<b>ASSOCIATED ENTERPRISES</b>			
<b>Financial fixed assets</b> .....	9253	1.717.992.381	1.717.992.381
Participating interests .....	9263	1.717.992.381	1.717.992.381
Subordinated amounts receivable .....	9273	.....	.....
Other amounts receivable .....	9283	.....	.....
<b>Amounts receivable</b> .....	9293	.....	.....
Over one year .....	9303	.....	.....
Within one year .....	9313	.....	.....
<b>Amounts payable</b> .....	9353	.....	.....
Over one year .....	9363	.....	.....
Within one year .....	9373	.....	.....
<b>Personal and real guarantees</b>			
Provided or irrevocably promised by the enterprise as security for debts or commitments of associated enterprises .....	9383	.....	.....
Provided or irrevocably promised by associated enterprises as security for debts or commitments of the enterprise .....	9393	.....	.....
<b>Other significant financial commitments</b> .....	9403	.....	.....
<b>OTHER ENTERPRISES LINKED BY PARTICIPATING INTERESTS</b>			
<b>Financial fixed assets</b> .....	9252	.....	.....
Participating interests .....	9262	.....	.....
Subordinated amounts receivable .....	9272	.....	.....
Other amounts receivable .....	9282	.....	.....
<b>Amounts receivable</b> .....	9292	.....	.....
Over one year .....	9302	.....	.....
Within one year .....	9312	.....	.....
<b>Amounts payable</b> .....	9352	.....	.....
Over one year .....	9362	.....	.....
Within one year .....	9372	.....	.....

	Period
<b>TRANSACTIONS WITH ENTERPRISES LINKED BY PARTICIPATING INTERESTS OUT OF MARKET CONDITIONS</b>	
Mention of these transactions if they are significant, including the amount of the transactions, the nature of the link, and all information about the transactions which should be necessary to get a better understanding of the situation of the company	
.....	0
.....	
.....	
.....	

**FINANCIAL RELATIONSHIPS WITH**

**DIRECTORS, MANAGERS, INDIVIDUALS OR BODIES CORPORATE WHO CONTROL THE ENTERPRISE WITHOUT BEING ASSOCIATED THEREWITH OR OTHER ENTERPRISES CONTROLLED BY THESE PERSONS**

	Codes	Period
<b>Amounts receivable from these persons</b> .....	9500	.....
Conditions on amounts receivable, rate, duration, possibly reimbursed amounts, canceled amounts or renounced amounts .....		
.....		
<b>Guarantees provided in their favour</b> .....	9501	.....
<b>Other significant commitments undertaken in their favour</b> .....	9502	.....
<b>Amount of direct and indirect remunerations and pensions, included in the income statement, as long as this disclosure does not concern exclusively or mainly, the situation of a single identifiable person</b>		
To directors and managers .....	9503	433.079
To former directors and former managers .....	9504	.....

**AUDITORS OR PEOPLE THEY ARE LINKED TO**

	Codes	Period
<b>Auditor's fees</b> .....	9505	12.100
<b>Fees for exceptional services or special missions executed in the company by the auditor</b>		
Other attestation missions .....	95061	.....
Tax consultancy .....	95062	.....
Other missions external to the audit .....	95063	1.452
<b>Fees for exceptional services or special missions executed in the company by people they are linked to</b>		
Other attestation missions .....	95081	.....
Tax consultancy .....	95082	.....
Other missions external to the audit .....	95083	.....

**Mentions related to article 134 from the Companies Code**

**DERIVATIVES NOT MEASURED AT FAIR VALUE**

**FOR EACH CATEGORY OF FINANCIAL DERIVATIVES NOT MEASURED AT FAIR VALUE**

Category derivative financial instruments	Hedged risk	Speculation / hedging	Scope	Period: Booked value	Period: Real value	Preceding period: Booked value	Preceding period: Real value
.....	.....	<i>Hedging</i>	<i>91000000</i>	<i>-136.833</i>	<i>-375.127</i>	<i>-247.257</i>	<i>-888.973</i>
.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....	.....

**FINANCIAL FIXED ASSETS CARRIED AT AN AMOUNT IN EXCESS OF FAIR VALUE**

**Amount of individual assets or appropriate groupings of those assets**

.....  
 .....  
 .....

Booked value	Real value
.....	.....
.....	.....
.....	.....
.....	.....

**Reasons for not reducing the book value**

**Informations that suggest than the book value will be recovered**

**VALUATION RULES**

## General principles

The board of directors has established the valuation rules in conformity with the requirements of the royal decree of 30 January 2001 implementing the Belgian Company Code, and taken into account the specificities of the Company.

The rules are established and the valuations are performed under the assumption of going concern.

The valuations satisfy the criteria of prudence, sincerity and good faith.

Charges and income relating to the current financial year or prior financial years are accounted for irrespective of the date when these charges or income are paid or received, unless the collection of the income is uncertain.

The content of the valuation rules nor their application have been modified compared to the previous financial year.

The balance sheet is presented in such a way that a distinction is made between current and non-current items. An asset is current when it is cash or cash equivalents, or when it is expected to be realized within twelve months after the reporting date. All other assets are classified as non-current. A liability is current when it is expected to be settled within twelve months after the reporting date, or when it is due to be settled within twelve months after the reporting date and the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. All other liabilities are classified as non-current.

## Specific rules

## Financial fixed assets

The participating interest in UCB is recorded on the balance sheet at acquisition value after deduction of impairment, if any. The acquisition value is either the acquisition price (purchase price increased by all expenditures that are directly attributable to the acquisition) or the contribution value. At the end of each financial year, the value of the participating interest is reassessed based on the financial situation, the profitability, the perspectives and the market value of UCB; if the estimated value of the participating interest is lower than its book value and if the board of directors, based on the application of the principles of prudence, sincerity and good faith, is of the opinion that the observed unrealized loss has, partly or in its entirety, a permanent character, an impairment loss will be recorded for an amount equal to the permanent portion of the unrealized loss.

## Amounts payable

Amounts payable are stated in the balance sheet at their nominal value.

## Cash flows hedges

The Company has access to interest rate swaps to hedge (part of) its exposure to cash flow risks arising from variable rate bank borrowings. Interest paid and received in respect of the swaps as well as accrued interest not yet paid or received are recognized in the income statement. These interest charges and income are presented as a net financial charge or a net financial income in the income statement; accrued interest payable and receivable on both legs of the swaps are also

presented on a net basis on the balance sheet. The Company documents, both at hedge inception and on an on-going basis, that the interest rate swaps are highly effective in offsetting changes in cash flows of the bank borrowings. As long as this is the case, movements of the clean price of the swaps are not recognized. If its financing needs decrease, the Company may turn into a position of overhedging, in which case the unrealized loss on that part of the swap that no longer hedges floating rate bank borrowings, will be charged to the net result.

Cash at bank and in hand

Cash at bank and in hand are stated in the balance sheet at their nominal value.

## STATUTORY AUDITOR'S REPORT ON THE ANNUAL ACCOUNTS

### STATUTORY AUDITOR'S REPORT TO THE GENERAL SHAREHOLDERS' MEETING OF FINANCIERE DE TUBIZE SA/NV ON THE ANNUAL ACCOUNTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2019

---

In the context of the statutory audit of the annual accounts of FINANCIERE DE TUBIZE (“the Company”), we hereby submit our statutory audit report to you. This report includes our report on the annual accounts together with our report on other legal and regulatory requirements. These two reports are considered as one report and are inseparable.

We were appointed in our capacity as statutory auditor by the shareholders' meeting of 25 April 2018 in accordance with the proposal of the Board of Directors. Our mandate will expire on the date of the shareholders' meeting deliberating on the annual accounts for the year ending 31 December 2020. We have performed the statutory audit of the annual accounts of the Company for more than 26 subsequent years.

#### **Report on the annual accounts**

##### ***Unqualified opinion***

We have audited the annual accounts of the Company which comprise the balance sheet as at 31 December 2019, the income statement for the year then ended and notes to the annual accounts, which shows a balance sheet total of K€ 1.718.518 and of which the income statement shows a profit for the year of K€ 79.984.

In our opinion, the annual accounts give a true and fair view of the Company's net equity and financial position as at 31 December 2019 and of its results for the year then ended in accordance with accounting standards applicable in Belgium.

##### ***Basis for the unqualified opinion***

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the “Responsibilities of the statutory auditor for the audit of the annual accounts” section of our report. We have complied with all ethical requirements relevant to the statutory audit of annual accounts in Belgium, including those regarding independence.

We have obtained from the Board of Directors and the Company's officials the explanations and information necessary for performing our audit.

We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

## ***Key audit matters***

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the annual accounts of the current period. These matters were addressed in the context of our audit of the annual accounts as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### **Valuation of financial investments**

Reference to the notes to the annual accounts: C6.4.2, C6.5.1, C6.19

#### *Description of the key audit matter*

The sole activity of the Company is the holding of a stake in the listed company UCB SA (ISIN: BE0003739530). At the closing date, the Company holds 35% of the total shares issued by UCB for an amount of K€ 1.717.992 in the statutory accounts and, through the application of the equity method, for an amount of K€ 2.751.238 in the EU-IFRS financial statements, ie respectively 99,97% and 99,98% of the total balance sheet. The valuation of this asset is a determining factor in the issuing of this opinion given its relative importance both on the Company's results and on its total balance sheet.

#### *How the matter was addressed in the audit*

Our audit work consisted primarily in evaluating the compliance of the accounting treatment of any movements (purchases / sales, dividends) of UCB securities over the period in relation to the applicable accounting framework and assessing the valuation of the investment by comparing it with the various internal and external available data.

### **Financing operations**

Reference to the notes to the annual accounts: C6.9, C6.11, C6.14, C6.17, C6.19

#### *Description of the key audit matter*

In the course of its business, the Company has contracted bank borrowings, with a variable rate and subject to bank covenants. In order to hedge its exposure to interest rate risk resulting from variable rate borrowings, the Company has also contracted several derivative financial instruments to hedge this risk. The treatment and valuation of these instruments are the subject of particular attention at each closing date, in view of the related technical aspects.

#### *How the matter was addressed in the audit*

We assessed the compliance of the accounting treatment of financing transactions with the applicable financial reporting framework. We reviewed the internal and external documentation obtained as part of our audit procedures, in particular with respect to the banks covenants, the treatment of derivatives and the ability of the Company to meet its repayment obligations. As regards more specifically our work relating to derivatives, we assessed compliance with the EMIR provisions for listed companies as well as the assumptions used in the accounting treatment of hedging transactions. We also assessed the quality of the information included in the notes to the annual accounts.

## ***Responsibility of the Board of Directors for the preparation of the annual accounts***

The Board of Directors is responsible for the preparation and fair presentation of the annual accounts in accordance with the accounting standards applicable in Belgium, and for such internal control as the Board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Board of Directors either intends to liquidate the Company or to cease business operations, or has no realistic alternative but to do so.

### ***Responsibilities of the statutory auditor for the audit of the annual accounts***

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue a statutory auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

In carrying out our audit, we comply with the legal, regulatory and normative framework applicable to the audit of annual accounts in Belgium. The scope of the statutory audit does not include an assurance on the future viability of the Company or on the efficiency or effectiveness with which the Board of Directors has conducted or will conduct the Company's operations.

As part of an audit, in accordance with ISAs, we exercise professional judgment and we maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to these risks and obtain audit evidence which is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of the accounting estimates and related disclosures made by the Board of Directors ;
- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our statutory auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on audit evidence obtained up to the date of the statutory auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the annual accounts, and whether these annual accounts reflect the underlying transactions and events in a true and fair view.

Based on the exemption set out in article 526bis §3 of the Companies Code, the functions assigned to the audit committee are exercised by the Board of Directors in its entirety. We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts of the current period and are therefore the key audit matters. We describe these matters in our statutory auditor's report, unless law or regulation precludes public disclosure of the matter.

## **Other legal and regulatory requirements**

### ***Responsibilities of the board of Directors***

The Board of Directors is responsible for the preparation and the content of the Directors' report, as well as for the compliance with the legal and regulatory requirements regarding bookkeeping with the Companies Code and the Company's articles of association.

### ***Responsibilities of the statutory auditor***

In the context of our mandate and in accordance with the Belgian standard (Revised in 2020) which is complementary to the International Standards on Auditing (ISAs) as applicable in Belgium, our responsibility is to verify, in all material respects, the Directors' report, as well as compliance with certain requirements of the Companies Code and to report any matters.

### ***Aspects relating to the Directors' report***

In our opinion, after carrying out specific procedures on Directors' report, this report is consistent with the annual accounts and has been prepared in accordance with articles 95 and 96 of the Companies Code.

In the context of our audit of the annual accounts, we are also responsible to consider whether, based on the information that we became aware of during the performance of our audit, the Directors' report contains any material inconsistencies or contains information that is inaccurate or otherwise misleading. In light of the work performed, we do not need to report any material inconsistencies.

### ***Statement related to independence***

- Our registered audit firm and our network did not provide services which are incompatible with the statutory audit of the annual accounts, and our registered audit firm remained independent of the Company in the course of our mandate.
- The fees relating to additional assignments compatible with the statutory audit of the annual accounts referred to in Article 134 of the Companies Code have been correctly valued and disclosed in the notes to the annual accounts.

### ***Other statements***

- Without prejudice to certain formal aspects of minor importance, the accounting records are maintained in accordance with legal and regulatory requirements applicable in Belgium.
- The appropriation of results proposed to the general meeting is in accordance with legal and statutory requirements.
- We do not have to report any transactions undertaken or decisions taken in violation of the articles of association or the Companies Code or, as from 1st January 2020, the Companies and Associations Code.
- This report is consistent with the content of our additional report to the Board of Directors as referred to in Article 11 of Regulation (EU) No. 537/2014.

Brussels, 19 February 2020

MAZARS RÉVISEURS D'ENTREPRISES SCRL  
Statutory auditor  
represented by

Xavier DOYEN

## **EU-IFRS FINANCIAL STATEMENTS**

1.	General information	62
1.1.	Identification	62
1.2.	Board of Directors	62
1.3.	Independent Auditor	62
1.4.	Activities and mission	62
2.	Financial statements	63
2.1.	Statement of financial position	63
2.2.	Statement of profit or loss and other comprehensive income	64
2.3.	Statement of changes in equity 2019	65
2.4.	Statement of changes in equity 2018	66
3.	Accounting policies	68
3.1.	Basis of preparation of the financial statements	68
3.2.	Summary of significant accounting policies	68
3.2.1.	Equity accounting of UCB	68
3.2.2.	Bank borrowings	69
3.2.4.	Income taxes	69
3.2.5.	Significant accounting policies UCB	70
3.3.	Judgements, accounting estimates and assumptions	70
3.4.	Initial application of amended standards	70
3.5.	Impact of future application of issued new standards	71
4.	Notes	72
4.1.	Participating interest in UCB	72
4.1.1.	Carrying value	72
4.1.2.	Share of other comprehensive income of UCB	72
4.1.3.	Fair value	73
4.1.4.	Concert	73
4.1.5.	Summarised financial information about UCB	73
4.2.	Financial instruments	74
4.2.1.	Financial instruments by category	74
4.2.2.	Risks related to financial instruments	74
4.2.3.	Fair value of financial instruments	74
4.2.4.	Prepayments	75
4.2.5.	Cash and cash equivalents	75
4.2.6.	Bank borrowings	75
4.2.7.	Derivatives	77
4.2.8.	Other creditors	78
4.3.	Income taxes	78
4.3.1.	Deferred tax assets and liabilities	78
4.3.2.	Relationship between tax expense and accounting profit	78
4.4.	General and administrative expenses	79
4.5.	Earnings per share	79
4.6.	Dividends	79
4.7.	Capital management	79
4.8.	Related parties' transactions	80

*The EU-IFRS financial statements of Financière de Tubize for the financial year ended 31 December 2019 have been established by a resolution of the board of directors of 19 February 2020 and will be communicated to the general shareholders meeting of 22 April 2020.*

## 1. General information

### 1.1. Identification

NAME: Financière de Tubize  
Legal form: Public Limited Company  
Address: Allée de la Recherche 60, 1070 Anderlecht, Belgium  
Register of legal persons – Commercial Court of Brussels  
Website: <http://www.financiere-tubize.be>

Company number BE 0403 216 429

EU-IFRS FINANCIAL STATEMENTS to be communicated to the general meeting of 22/04/2020

Period from 01/01/2019 au 31/12/2019

Prior period from 01/01/2018 au 31/12/2018

### 1.2. Board of Directors

François Tesch, chairman of the board of directors, Route de Bettembourg 45 boîte A, L-1899 Luxembourg  
Vauban NV (BE 0338.114.246), member of the board of directors, Rue Ducale 47-49, B-1000 Bruxelles, represented by Gaëtan Hannecart  
BVBA AVO Management (BE0462.974.466), member of the board of directors, Avenue Franklin Roosevelt 210/8, B-1050 Bruxelles, represented by Annick van Overstraeten  
Marc Speeckaert, member of the board of directors, avenue Albert 201, B-1190 Forest  
Cyril Janssen, member of the board of directors, Rue des Mélèzes 29, B-1150 Ixelles  
Charles-Antoine Janssen, member of the board of directors, Claire Colline, Chaussée de Bruxelles 110, B-1310 La Hulpe  
Nicolas Janssen, member of the board of directors, Avenue Ernest Solvay 108, B-1310 La Hulpe  
Evelyn du Monceau, member of the board of directors, Avenue des Fleurs 14, B-1150 Woluwé-Saint-Pierre  
Fiona de Hemptinne, member of the board of directors, Fairlawn Grove 20, W4 5EH London, UK  
Cédric van Rijckevorsel, member of the board of directors, Chipstead Street 37, SW6 3S3 London, UK  
Cynthia Favre d'Echallens, member of the board of directors, Route d'Ottignies 74A, B-1380 Lasne

### 1.3. Independent Auditor

Mazars Réviseurs d'Entreprises SCRL (BE 0428 837 889), statutory auditor (IRE register n° B00021), Avenue Marcel Thiry 77/4, B-1200 Woluwé-Saint-Lambert, represented by Xavier DOYEN (IRE register n° A01202)

### 1.4. Activities and mission

Financière de Tubize (the "Company") is a mono-holding company, listed on Euronext Brussels under the ISIN code TUB BE0003823409, that holds and manages a participating interest of 68,076,981 UCB shares, representing 35.00% of the total shares issued by UCB, a biopharmaceutical company domiciled in Belgium whose shares are also listed on Euronext Brussels. Financière de Tubize is the reference shareholder of UCB.

The mission of Financière de Tubize is to create long term value for its shareholders by supporting, as a stable reference shareholder, the maximisation of UCB's potential and a sustainable growth of its industrial project.

For information about UCB : [www.ucb.com](http://www.ucb.com)

*François Tesch*  
*Chairman of the Board of Directors*

*Evelyn du Monceau*  
*Member of the Board of Directors*

## 2. Financial statements

### 2.1. Statement of financial position

€ 000			
31 December	Notes	2019	2018
Participating interest in UCB	4.1.1.	2.751.238	2.481.939
<b><i>Non-current assets</i></b>		<b>2.751.238</b>	<b>2.481.939</b>
Prepayments	4.2.4.	34	31
Other receivables		30	102
Cash and cash equivalents	4.2.5.	462	1.529
<b><i>Current assets</i></b>		<b>526</b>	<b>1.662</b>
<b>Assets</b>		<b>2.751.764</b>	<b>2.483.601</b>
<b>Equity</b>		<b>2.664.300</b>	<b>2.339.563</b>
Bank borrowings	4.2.6.	34.000	90.000
Derivatives	4.2.7.	95	318
<b><i>Passifs non-courants</i></b>		<b>34.095</b>	<b>90.318</b>
Bank borrowings	4.2.6.	52.561	52.613
Derivatives	4.2.7.	280	571
Other creditors	4.2.8.	280	536
<b><i>Current liabilities</i></b>		<b>53.121</b>	<b>53.720</b>
<b>Liabilities</b>		<b>87.216</b>	<b>144.038</b>
<b>Equity and liabilities</b>		<b>2.751.516</b>	<b>2.483.601</b>

## 2.2. Statement of profit or loss and other comprehensive income

€000	Notes	2019	2018
<b>PROFIT</b>			
Share of profit of UCB		286.072	288.251
Sales and benefits		3	-
Other financial income		1	-
Borrowing cost	4.2.6.	-1.252	-2.144
General and administrative expenses	4.4.	-1.120	-951
<b>Profit before taxes</b>		<b>283.704</b>	<b>285.156</b>
Income taxes	4.3.2.	0	0
<b>Profit</b>		<b>283.704</b>	<b>285.156</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Share, after tax, of other comprehensive income of UCB</b>		<b>69.312</b>	<b>-35.702</b>
Those that will not be reclassified to profit or loss	4.1.2.	10.301	3.203
Those that will be reclassified subsequently to profit or loss when certain conditions are met	4.1.2.	59.011	-38.905
<b>Other items, after tax, of other comprehensive income, after tax, that will be reclassified subsequently to profit or loss when certain conditions are met</b>		<b>360</b>	<b>738</b>
Cash flow hedges	4.2.7.	360	738
<b>Other comprehensive income</b>		<b>69.672</b>	<b>-34.964</b>
<b>COMPREHENSIVE INCOME</b>		<b>353.376</b>	<b>250.192</b>
Profit attributable to			
Non-controlling interests			
Owners of the parent		283.704	285.156
Comprehensive income attributable to			
Non-controlling interests			
Owners of the parent		353.376	250.192
Earnings per share (in €)			
Basic and diluted	4.5.	6,37	6,40

### 2.3. Statement of changes in equity 2019

	Capital and share premium	Retained earnings	Treasury shares	Other reserves	Translation adjustments	Assets held for sale	Cash flow hedges	Total equity
<b>Balance at 01/01/2019</b>	<b>236.225</b>	<b>2.362.890</b>	<b>-126.808</b>	<b>-53.048</b>	<b>-54.583</b>	<b>-2.053</b>	<b>-23.060</b>	<b>2.339.563</b>
Dividends		-24.927						-24.927
Repurchase of own shares		-2.124	2.124					0
Comprehensive income								
<i>Profit</i>		283.704						283.704
<i>Share of other comprehensive income of UCB</i>				10.301	33.854	5.145	20.012	69.312
<i>Cash flow hedges</i>							360	360
<i>Reclassification adjustment</i>								
		<b>283.704</b>	<b>-</b>	<b>10.301</b>	<b>33.854</b>	<b>5.145</b>	<b>20.372</b>	<b>353.376</b>
Share of other changes of net assets of UCB								
<i>Share based payments</i>		20.991						20.991
<i>Transfer between reserves</i>		-18.817	18.817					0
<i>Treasury shares</i>			-31.332					-31.332
		<b>2.174</b>	<b>-12.515</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-10.341</b>
Changes in the number of own shares held by UCB		7.364	-359	-155	-162	-6	-53	6.629
<b>Balance at 31/12/2019</b>	<b>236.225</b>	<b>2.629.081</b>	<b>-137.558</b>	<b>-42.902</b>	<b>-20.891</b>	<b>3.086</b>	<b>-2.741</b>	<b>2.664.300</b>

## 2.4. Statement of changes in equity 2018

	Capital and share premium	Retained earnings	Treasury shares	Other reserves	Translation adjustments	Assets held for sale	Cash flow hedges	Total equity
<b>Balance at 01/01/2018</b>	<b>236.225</b>	<b>2.108.415</b>	<b>-130.844</b>	<b>-56.459</b>	<b>-79.463</b>	<b>10.629</b>	<b>27.173</b>	<b>2.115.676</b>
Dividends		-24.056						-24.056
Repurchase of own shares			-2.124					-2.124
Comprehensive incomes								
<i>Profit</i>		285.156						285.156
<i>Share of other comprehensive income of UCB</i>				3.203	24.587	-12.643	-50.849	-35.702
<i>Cash flow hedges</i>							152	152
<i>Reclassification adjustment</i>							586	586
		<b>285.156</b>		<b>3.203</b>	<b>24.587</b>	<b>-12.643</b>	<b>-50.111</b>	<b>250.192</b>
Share of other changes of net assets of UCB								
<i>Share based payments</i>		21.049						21.049
<i>Transfer between reserves</i>		-19.093	19.093					0
<i>Treasury shares</i>			-13.410					-13.410
		<b>1.956</b>	<b>5.683</b>					<b>7.639</b>
Changes in the number of own shares held by UCB		-8.581	477	208	293	-39	-122	-7.763
<b>Balance at 31/12/2018</b>	<b>236.225</b>	<b>2.362.890</b>	<b>-126.808</b>	<b>-53.048</b>	<b>-54.583</b>	<b>-2.053</b>	<b>-23.060</b>	<b>2.339.563</b>

## 2.5. Statement of cash flows

€ 000	Notes	2019	2018
Directors remuneration & attendance fees		-433	-406
Remuneration general manager		-112	-96
Statutory auditor's fee		-16	-12
Professional services fees		-319	-161
Contributions		-126	-125
Payment of services		-89	-86
Payment of expenses		-51	-52
Gift		0	-20
Advances		0	0
Indirect taxes		0	-102
<b>Cash flows from operating activities</b>		<b>-1.147</b>	<b>-1.060</b>
Dividends received		82.373	80.331
<b>Cash flows from investing activities</b>		<b>82.373</b>	<b>80.331</b>
Dividends paid		-24.927	-24.056
Withholding tax recovered		101	0
Interest on withholding tax		-16	0
Interests and commissions paid		-1.448	-3.514
Reimbursement of bank borrowings		-56.500	-53.000
Drawings from the confirmed lines		500	3.500
Payment dividends prior years		-3	0
Repurchase of own shares		0	-2.124
<b>Cash flows from finance activities</b>		<b>-82.293</b>	<b>-79.194</b>
<b>Total cash flows</b>		<b>-1.067</b>	<b>77</b>
Cash and cash equivalents beginning of period	4.2.5.	1.529	1.452
Cash and cash equivalents end of period	4.2.5.	462	1.529

### **3. Accounting policies**

#### **3.1. Basis of preparation of the financial statements**

To provide a useful and complete set of information to the market, the Company prepares, in addition to the annual accounts established in accordance with the Company Code and Belgian accounting law (BE GAAP), financial statements in accordance with international financial reporting standards as adopted by the European Union (EU-IFRS), with equity accounting of UCB.

The EU-IFRS financial statements are prepared on a historical cost basis, except for derivative financial instruments that are measured at fair value.

##### *Fair value measurement*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between willing parties at the measurement date.

The Company uses valuation techniques to measure fair values, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All inputs to measure fair value are categorised within one of the following levels:

Level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 – directly or indirectly observable inputs, other than those of level 1

Level 3 – unobservable inputs.

For assets and liabilities that are measured at fair value on a recurring basis, the Company determines at each reporting date when transfers, if any, have occurred between levels in the hierarchy.

For the purpose of fair value disclosures (note 4.2.3.), the Company has determined classes of assets and liabilities on the basis of the items disclosed on the face of the statement of financial position.

##### *Current / non-current classification*

An asset is current when it is cash or cash equivalents, or when it is expected to be realised within twelve months after the reporting date. All other assets are classified as non-current.

A liability is current when it is expected to be settled within twelve months after the reporting date, or when it is due to be settled within twelve months after the reporting date and the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. All other liabilities are classified as non-current.

Deferred taxes are always classified as non-current.

#### **3.2. Summary of significant accounting policies**

##### **3.2.1. Equity accounting of UCB**

The Company having significant influence over UCB, the latter is considered to be an associated company as defined in IAS 28. Consequently, the investment in UCB is accounted for using the equity method.

The equity method is a method of accounting whereby the investment in UCB is initially recorded at cost and adjusted thereafter for the post acquisition change in the Company's share of the net assets of UCB.

Cost comprises either the acquisition price (the purchase price and any expenditures that are directly attributable to the acquisition), or the contribution value. Any excess of the cost of the investment over the Company's share of the net fair value of UCB's identifiable assets and liabilities (goodwill) is included in the carrying amount of the investment. When the Company acquires an additional interest in UCB whereby UCB continues to be an associate, the cost of acquiring the additional interest is added to the existing carrying amount of the participating interest. The increase in the participating interest is split between goodwill and the additional interest in the fair value of the net assets of UCB at the date of the increase of the participating interest. The existing goodwill is not re-measured.

A change in the Company's share of the net assets of UCB occurs when there is a change in the percentage of the participating interest of the Company in UCB ("change of type 1"), or, without a change in the percentage of the participating interest of the Company in UCB, when there is a change in the net assets of UCB that is attributable to Financière de Tubize ("change of type 2"). The impact of a type 1 change is recorded in the statement of changes in equity. The impact of a type 2 change is recorded as follows: the Company's share of UCB's profits or losses is recognised in profit or loss in the statement of profit or loss and other comprehensive income; its share of UCB's other comprehensive income is recognised in other comprehensive income in the statement of profit or loss and other comprehensive income; and its share of other changes in the net assets of UCB is recognised in the statement of changes in equity. The cumulative

post acquisition movements adjust the carrying amount of the participating interest. Distributions received from UCB reduce the carrying amount of the participating interest.

After application of the equity method, whenever there is any objective indication that the participating interest may be impaired, the Company performs an impairment test by comparing the carrying amount of the participating interest (including goodwill which is not tested for impairment separately) with its recoverable amount (the higher of value in use and fair value less costs to sell). If the recoverable amount is lower than the carrying amount, an impairment loss equal to the difference between both amounts is recorded as a loss in the statement of profit or loss.

### 3.2.2. Bank borrowings

Bank borrowings are initially measured at the cash obtained, net of directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method with gains and losses recognised in profit or loss when the debt is derecognised as well as through the amortisation process.

Bank borrowings, or part of it, are derecognised when they are extinguished, that is, when the obligation specified in the borrowing contract is (partly) discharged by paying the bank.

Debt restructuring is accounted for as an extinguishment of the original debt and the recognition of a new debt, only if the terms of the debt have substantially changed, which is the case if the net present value of the cash flows under the new terms (including any fees and costs incurred) discounted at the original effective interest rate is at least 10% different from the discounted present value of the remaining cash flows of the original debt. If the restructuring is accounted for as an extinguishment of the original debt, the difference between the carrying amount of the original debt and the fair value of the new debt assumed, as well as any fees and costs incurred, are recognised in profit or loss at the date of extinguishment. If the restructuring is not accounted for as an extinguishment, the carrying value of the original debt, net of fees and costs incurred, is treated as the new basis for amortised cost accounting, using the new effective interest rate; fees and costs incurred as part of the restructuring are thus amortised over the remaining term of the restructured debt according to the effective interest method.

Borrowings are classified as current liabilities unless there is an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

### 3.2.3. Cash flow hedges

The Company uses interest rate swaps (including deferred start swaps) to hedge (part of) its exposure to cash flow risks arising from variable rate bank borrowings. The Company documents, both at hedge inception and on an on-going basis, that the interest rate swaps are highly effective in offsetting changes in cash flows of the hedged bank borrowings.

The interest rate swaps that have passed the effectiveness test and have been designated as hedging instrument, are initially recorded at fair value and attributable transaction costs are recognised in profit or loss when incurred. The interest rate swaps are subsequently re-measured at fair value. The effective portion of changes in the fair value of the interest rate swaps is recognised in other comprehensive income. The gain or loss relating to the ineffective portion, if any, is recognised immediately in profit or loss.

A cash flow hedge relationship is discontinued prospectively if the hedge fails the effectiveness test, the hedging instrument is sold or terminated, or management revokes the hedge designation. As from the date of discontinuation of the hedge relationship, changes in fair value of the swap are recorded in profit or loss, and the accumulated balance of the clean price at that date, is accounted for as follows: (i) the portions of the hedging that correspond to cash flows that are no longer expected to occur (over-hedging) are reclassified from equity to profit or loss of the period during which the discontinuation has occurred, and (ii) the remaining balance is reclassified from equity to profit or loss over the remaining lifetime of the swap based on the time weighted notional amounts.

The allocation of the clean price of the interest rate swaps between current and non-current is based on the time weighted notional amounts. The interest accruals are classified as current.

Accrued interest payable and receivable on the same swap are offset in the statement of financial position. Such offsetting equally applies to interest income and interest expenses in the statement of profit or loss.

### 3.2.4. Income taxes

Income tax expenses or credits comprise current and deferred income taxes. They are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income, in which case the tax expenses or credits are recognised in other comprehensive income.

Current income taxes are calculated on the basis of the tax laws enacted or substantially enacted in Belgium at the balance sheet date.

Deferred income taxes are calculated on temporary differences between the carrying amounts of assets and liabilities and their corresponding tax bases. Deferred income tax liabilities are generally recognised for all taxable temporary differences and deferred income tax assets are recognised to the extent it is probable that future taxable profits will be available against which deductible temporary differences, carried forward tax credits or carried forward tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred income taxes are calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax assets and liabilities are not discounted.

Deferred income tax assets and liabilities are only offset if the Company has a legally enforceable right to offset current tax liabilities and assets and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Deferred income tax assets and liabilities are classified as non-current.

### 3.2.5. Significant accounting policies UCB

Reference is also made to UCB's summary of significant accounting policies; through the equity method of accounting they do impact the Company's financial position and results.

### 3.3. **Judgements, accounting estimates and assumptions**

The preparation of the consolidated financial statements requires the board of directors to make judgments, accounting estimates and assumptions that affect the reported assets and disclosures. Where applicable, such judgments, estimates and assumptions are explained in the relevant notes.

### 3.4. **Initial application of amended standards**

During this accounting period, the Company applied all new or revised standards or interpretations as issued by the International Accounting Standards Board (IASB) and by the International Financial Reporting Interpretations Committee (IFRIC) of the IASB, to the extent that they are relevant to its activities and applicable for the accounting period starting January 1, 2019. The Company has not applied anticipatively neither new Standards nor Interpretations for which the mandatory applicable date is subsequent to December 31, 2019.

The following Standards, Interpretations and Amendments, as issued by the IASB or IFRIC, are in force since this accounting period:

- **IFRS 16 - Leases.** The Company is not a party to any lease agreement and accordingly the application of this standard will not impact the Company;
- **IFRIC 23 - Uncertainty over Income Tax Treatments.** The Company does not anticipate any impact from the application of this interpretation;
- **Amendments to IFRS 2 Classification and measurement of share-based payment transactions.** This amendment should not impact the Company considering the absence of share-based payment transaction;
- **Amendments to IFRS 9 Prepayment features with negative compensation.** These amendments will not impact the Company as it does not enter into transactions scoped by these amendments;
- **Amendments to IAS 19 Employee Benefits - Plan amendments, curtailment or settlement :** no impact on the Company as there are no employees;
- **Amendments to IAS 28 Long-term Interests in Associates and Joint Ventures.** These amendments address the impairment of interests in associates or joint ventures. The application of these amendments should not impact the Company as there is no impairment indicator of the interest of the Company in UCB;

### 3.5. Impact of future application of issued new standards

New IFRS standards or interpretations that have been issued by the IASB or IFRIC but are not yet mandatorily applicable in 2018 are discussed hereafter. If relevant, the Company will adopt these texts when they become mandatory. Reference is also made to UCB's note on the subject who anticipatively adopted 'IFRS 16: leases' norms. Through the equity method of accounting, the Company's financial position and results will be impacted for its ownership interest in UCB. It relates to the following texts:

*Texts endorsed by EFRAG:*

- **Amendments to references to the IFRS conceptual framework** (applicable as from 1/1/2020); No impact is expected from these annual improvements;
- **Amendments to IAS 39 Financial Instruments Recognition and Measurement, IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures** (applicable as from 1/1/2020): Interest Rate Benchmark Reform : the application will not have any impacts considering the current accounting treatment;
- **Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies ,changes in accounting estimates and errors** (applicable as from 1/1/2020): Definition of material: No impact is expected.

*Texts not yet endorsed by EFRAG:*

- **Amendments to IFRS 3 Business combinations** (applicable as from 1/1/2020); ): Definition of a business: This standard is currently not applicable to the Company;
- **IFRS 17 Insurance Contracts** (applicable as from 1/1/2021). This standard is not applicable to the company.

#### 4. Notes

##### 4.1. Participating interest in UCB

###### 4.1.1. Carrying value

€ 000	Share of the net assets of UCB		Goodwill		Total	
	2019	2018	2019	2018	2019	2018
<b>At 1 January</b>	<b>2.274.500</b>	<b>2.102.405</b>	<b>207.439</b>	<b>207.439</b>	<b>2.481.939</b>	<b>2.309.844</b>
Distribution	-82.373	-80.331			-82.373	-80.331
Share of the profit of UCB	286.072	288.251			286.072	288.251
Share of other comprehensive income of UCB (note 4.1.3.)	69.312	-35.702			69.312	-35.702
Share of other changes in net assets of UCB <sup>1</sup>	-10.341	7.640			-10.341	7.640
Changes in the percentage of participating interest as a result of changes in the number of own shares held by UCB	6.629	-7.763			6.629	-7.763
<b>At 31 December</b>	<b>2.543.799</b>	<b>2.274.500</b>	<b>207.439</b>	<b>207.439</b>	<b>2.751.238</b>	<b>2.481.939</b>

###### 4.1.2. Share of other comprehensive income of UCB

€ 000	2019			2018		
	Gross	Tax	Net	Gross	Tax	Net
<b>Items that will not be reclassified to profit or loss</b>	<b>10.053</b>	<b>248</b>	<b>10.301</b>	<b>4.520</b>	<b>-1.317</b>	<b>3.203</b>
Re-measurement of defined benefit obligations	10.053	248	10.301	4.520	-1.317	3.203
<b>Elements that may be reclassified subsequently to profit or loss</b>	<b>59.011</b>	<b>0</b>	<b>59.011</b>	<b>-38.905</b>	<b>0</b>	<b>-38.905</b>
Translation adjustment	33.854	0	33.854	24.587	0	24.587
Net result from available-for-sale financial assets	5.145	0	5.145	-12.643	0	12.643
Effective portion of cash flow hedges	20.012	0	20.012	-50.849	0	-50.849
<b>Share of other comprehensive income of UCB</b>	<b>69.064</b>	<b>248</b>	<b>69.312</b>	<b>-34.385</b>	<b>-1.317</b>	<b>-35.702</b>

<sup>1</sup> For a breakdown by equity heading, see the statement of changes in equity.

#### 4.1.3. Fair value

<b>31 December</b>	<b>2019</b>	<b>2018</b>
Number of UCB shares	68.076.981	68.076.981
Share price UCB (€)	70,9	71,3
<b>Fair value of the participating interest in UCB (€ 000)</b>	<b>4.826.658</b>	<b>4.853.889</b>
Carrying value (€ 000)	2.751.238	2.481.939
<b>Excess of fair value over carrying value</b>	<b>2.075.420</b>	<b>2.371.950</b>

#### 4.1.4. Concert

<b>31 December</b>	<b>Number of voting rights</b>		<b>% of voting rights</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Financière de Tubize	68.076.981	68.076.981	35,00	35,00
<b>Total</b>	<b>68.076.981</b>	<b>68.076.981</b>	<b>35,00</b>	<b>35,00</b>

#### 4.1.5. Summarised financial information about UCB

##### *Summarised statement of financial position*

<b>€ 000 000</b>	<b>2019</b>	<b>2018</b>
<b>31 December</b>		
Non-current assets	7.786	7.564
Current assets	3.295	2.950
Non-current liabilities	-1.678	-2.021
Current liabilities	-2.394	-2.238
<b>Net assets</b>	<b>7.009</b>	<b>6.255</b>
Non-controlling interests	-30	-54
<b>Net assets attributable to UCB shareholders</b>	<b>7.039</b>	<b>6.309</b>

##### *Summarised statement of comprehensive income*

<b>€ 000 000</b>	<b>2019</b>	<b>2018</b>
Revenu	4.913	4632
Profit from continuing operations	814	815
Profit from discontinued operations	2	8
Other comprehensive income	193	-102
<b>Comprehensive income</b>	<b>1.009</b>	<b>721</b>

##### *Reconciliation of summarised financial information to carrying value*

<b>€ 000 000</b>	<b>2019</b>	<b>2018</b>
<b>31 December</b>		
Net assets attributable to UCB shareholders	7.039	6.309
Interest of the Company	36,1421%	36,0370%
Company's share of net assets of UCB	2.544	2.275
Goodwill on acquisition	207	207
<b>Carrying value of participating interest in UCB</b>	<b>2.751</b>	<b>2.482</b>

## 4.2. Financial instruments

### 4.2.1. Financial instruments by category

€000	Loans & Receivables		Liabilities at amortised cost		Derivatives	
	2019	2018	2019	2018	2019	2018
Prepayments	34	31				
Other receivables	30	102				
Cash & cash equivalents	462	1.529				
Bank borrowings			-86.561	-142.613		
Derivatives					-375	-889
Other creditors			-528	-536		
<b>Total</b>	<b>526</b>	<b>1.662</b>	<b>-87.089</b>	<b>-143.149</b>	<b>-375</b>	<b>-889</b>

### 4.2.2. Risks related to financial instruments

The Company is exposed to interest rate risk resulting from fixed rate bank borrowings. The risk is monitored through periodic calculations of the fair value of these borrowings. The fair values at 31 December 2019 of these borrowings are disclosed in note 4.2.3.

The Company is exposed to cash flow risk resulting from floating rate bank borrowings. The Company can make use of interest rate swaps (including deferred start swaps) to protect itself against the risk of an increase of interest rates. The Company permanently follows the developments on the interest rate markets and takes hedging initiatives in function of its assessment of the risks. The situation of the bank borrowings and their hedging as at 31 December 2019 is reflected in the notes 4.2.6. and 4.2.7.

The Company is exposed to liquidity risk, in particular the risk of facing difficulties in meeting its obligations under the bank borrowings. The contractual maturities of these borrowings are summarised in note 4.2.6. The Company considers that the dividend flow from UCB and, to the extent necessary, new credit recourse will ensure that today's contractually scheduled reimbursements be met.

The Company is exposed to credit risk to the extent a bank-counterparty to cash at bank or to interest rate swaps would not meet its obligations and the Company, as a result thereof, would incur a financial loss. The bank-counterparties are Belgian banks with a rating of 'upper medium grade'.

### 4.2.3. Fair value of financial instruments

Set out below is a comparison, by class, of the carrying amounts and the fair values of the Company's financial instruments:

€000	Level of the inputs in the fair value hierarchy	Carrying values		Fair values	
		2019	2018	2019	2018
Prepayments	-	34	31		31
Other receivables	2	30	102		102
Cash and cash equivalents	-	462	1.529		1.529
Bank borrowings	2	-86.561	-142.613	-86.561	-142.613
Derivatives	2	-375	-889	-375	-889
Other creditors	-	-528	-536	-528	-536

The fair value of prepayments, cash and cash equivalents, suppliers and other creditors approximates the carrying amount because of the short-term maturities of these instruments.

The fair value of floating rate bank borrowings approximates the carrying value because the floating rates reflect the short-term market rates.

The Company uses a present value technique to determine the fair value of its fixed rate bank borrowings. The technique calculates the fair value by discounting all future interest and principal repayments using a discount rate equal to the Company's borrowing rate at the measurement date. This rate is based on

observable inputs of level 2 in the fair value hierarchy, such as market interest rates and inputs concerning the spreads.

As at December 31<sup>st</sup>, 2019, all borrowings in place are floating rate borrowings.

The Company uses valuation techniques to determine the fair value of its hedging interest rate swaps. These techniques include present value models and incorporate observable inputs of level 2 in the fair value hierarchy, such as interest rate curves and inputs concerning the spreads.

No transfers between levels of the fair value hierarchy have occurred during the financial year 2019.

#### 4.2.4. Prepayments

€000		
31 December	2019	2018
Deferred charges		
Insurance premium	16	16
Insurance brokerage	2	2
Portal of the board of directors	13	13
Others	3	0
<b>Total</b>	<b>34</b>	<b>31</b>

#### 4.2.5. Cash and cash equivalents

€000		
31 December	2019	2018
Cash at bank	462	1.529
Short-term deposits		
<b>Total</b>	<b>462</b>	<b>1.529</b>

Cash and cash equivalents comprise cash at banks and short-term deposits at banks with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

#### 4.2.6. Bank borrowings

##### Carrying values

€ 000	Non-current		Current		Total	
	2019	2018	2019	2018	2019	2017
Floating rate borrowings	-34.000	-90.000	-52.500	-52.500	-86.500	-142.500
Accrued interest			-61	-113	-61	-113
<b>Total</b>	<b>-34.000</b>	<b>-90.000</b>	<b>-52.561</b>	<b>-52.613</b>	<b>-86.561</b>	<b>-142.613</b>

At 31<sup>st</sup> December 2019, the confirmed credit lines of € 100,5 million were utilised up to €86,5 million. The available margin on confirmed credit lines amounted to €14 million at 31<sup>st</sup> December 2019.

Floating rate borrowings range between 1-month fixed advances and 12-month fixed advances.

##### Change of outstanding debt throughout 2019

€ 000	Confirmed lines	Utilised			Available
		Floating	Fix	Total	
1/01/2019 Opening	157.000	-142.500	0	-142.500	14.500
15/02/2019 Fixed term reimbursement and closing	-27.500	27.500		27.500	0
15/05/2019 Roll-Over credit line advance reimbursement	-29.000	29.000		29.000	0
14/08/2019 New advance		-500		-500	-500
<b>31/12/2019 Closing</b>	<b>100.500</b>	<b>-86.500</b>	<b>0</b>	<b>-86.500</b>	<b>14.000</b>

After reducing the advances on rollover credit lines by € 27.5 million as of 15 February 2019 and € 29 million as of 15 May 2019, the confirmed credit lines as of 31 December 2019 amounted to € 100.5 million and were used up to € 86.5 million. The available margin on the confirmed lines amounted to € 14 million as at 31 December 2019.

#### Contractual maturities

€000	Floating	Total
30/06/2020	52.500	52.500
06/11/2021	48.000	48.000
	<b>100.500</b>	<b>100.500</b>

Contractual and non-contractual repayments of € 56.5 million during the period were financed by dividend income expected from UCB for the year 2019.

#### Collateral

The borrowings are collateralised through a pledge on 2,700,000 UCB shares as at 31 December 2019. The carrying value of these pledged shares amounts to € 68.137k.

#### Covenants

The Company must comply with the following debt covenants:

- Collateral for the bank borrowings must consist of a number of UCB shares, the total market value of which must be at the minimum 150% of the outstanding debt, this ratio equals 183%.
- Borrowings may not exceed 30% of the fair value of the investment in UCB; as at 31 December 2019, this ratio amounted to 1.79%.
- The solvency ratio (equity versus balance sheet total on a BE GAAP basis) must exceed 70%; as at 31 December 2019, this ratio equals 93.32%.

#### Cash flow risk management

Most of the bank borrowings (€ 86,5 million as at 31 December 2019) are structured as roll-over credits with short term floating rate straight drawings. The cash flow risk associated with these borrowings, was, at 31 December 2018, partly covered by an interest rate swap with a notional value of € 5 million, which effectively converts the portion of the borrowings that corresponds to this notional value, into a fixed rate loan until maturity. Accounting-wise, hedge accounting for this swap and the underlying borrowings has been ceased in May 2019.

To protect itself against the risk of a future increase in interest rates, the Company has further decided to hedge, as from October 2017 onwards, its entire floating rate debt. The Company has therefore signed, in March 2016, two deferred start swaps that became effective as from 2 October 2017 onwards for notional amounts of respectively € 82 million and € 57 million, which will be entirely amortised by mid-May 2021. Both swaps have been designated as hedging instruments for the cash flow risks resulting from floating rate bank borrowings. The effectiveness of the hedge has been documented and hedge accounting is applied.

See note 4.2.7. for more information about the accounting for the swaps.

#### Borrowing cost

€000	2019	2018
Interest expenses	-1.197	-2.369
Commitment fee	-66	-32
Net gains on derivatives (see 4.2.7.)	21	259
Other financial expenses	-10	-2
<b>Total</b>	<b>-1.252</b>	<b>-2.144</b>

Interest expenses on bank borrowings have moved from € 2,369k in 2018 to € 1,197k in 2019, reflecting the decrease of the average outstanding debt from € 157 million in 2018 to € 100.5 million in 2019. Thanks to continued favourable market conditions and an active debt management, the average borrowing cost remained stable in 2019 and approximates 1.12% (1.51% in 2018). Interest rates on floating rate borrowings as at December 31, 2019 range between 0.00% and 0.48%.

Commitment fees on the non-utilised part of confirmed credit lines amounted to € 66k in 2019 (€ 32k in 2018). The fee amounts to 0.28% at 31 December 2019.

#### 4.2.7. Derivatives

€000	IRS designated as hedging instrument		IRS not designated as hedging instrument		Total IRS	
	2019	2018	2019	2018	2019	2018
<b>31 December</b>						
<b>Notional amounts</b>	91.000	139.000	0	5.000	91.000	144.000
Full fair value	-375	-709	0	-180	-375	-889
Non-current	-95	-318			-95	-318
Current	-280	-391	0	-180	-280	-571
Accrued interest	-54	-74	0	-113	-54	-187
Payable	-54	-74	0	-113	-54	-187
Receivable						
Clean price	-321	-635	0	-67	-321	-702
Clean price, prior year end	-635		-67		-702	
Gain/loss(-) during the period, after taxes	314		-67		381	
Reported in profit or loss	-46	0	67	0	21	0
Gain/loss(-) during the period						
Reclassification adjustment	-46		67		21	
<b>Gain/loss(-) during the period</b>						
<b>Reclassification adjustment</b>						
Reclassification adjustment						
Reported in other comprehensive income	360	0	0	0	360	0
Gain/loss(-) during the period	360				360	
Reclassification adjustment						

**Swaps accounted for as hedging instruments** – These are two interest rate swaps with a deferred start date as at October 2, 2017 for notional amounts of respectively € 54.5 million and € 36.5 million as at December 31, 2019. Hedge accounting is applied. The change in fair value of the swaps (€ 314k) is recorded in other comprehensive income, except for an amount of € -46k corresponding to the ineffective portion of the hedge.

**Swap not accounted for as a hedging instrument** – For the initial swap of € 55 million, hedge accounting has been discontinued as from January 1, 2015. As a result, all changes in the fair value of this swap were recorded in net income. This swap not designated as a hedging instrument expired in May 2019.

#### 4.2.8. Other creditors

€000	2019	2018
<b>31 December</b>		
Suppliers and invoices to receive	-110	-104
Non-collected dividends from prior years	-418	-432
<b>Total</b>	<b>-528</b>	<b>-536</b>

In 2016, the provision for non-collected dividends from prior years has been re-estimated on the basis of the principles set out by the *Commission des Normes Comptables* in its advice 2016/12 related to prescribed liabilities and on the basis of a legal analysis of the applicable prescription rules.

#### 4.3. **Income taxes**

##### 4.3.1. Deferred tax assets and liabilities

€000	Total		Recognised		Unrecognised	
	2019	2018	2019	2018	2019	2018
<b>31 December</b>						
Derivatives	94	176			94	176
Unused tax credits	35.411	34.814			35.411	34.814
<b>Deferred tax assets</b>	<b>35.505</b>	<b>34.990</b>	<b>0</b>	<b>0</b>	<b>35.505</b>	<b>34.990</b>

IAS 12 restricts the recognition of deferred tax assets to the extent that it is probable that taxable profit will be available against which the underlying deductible temporary differences can be utilised. It is 'probable' that there will be sufficient taxable profit if a deferred tax asset can be offset against a deferred tax liability, which will reverse in the same period as the asset, or in a period into which a loss arising from the asset may be carried forward. The deferred tax asset arising from unused tax credits from tax exempt dividends is not recognised, as there is no convincing evidence that sufficient taxable profit will be available against which the unused tax credits can be utilised by the Company. The tax credits do not have a fixed expiry date.

##### 4.3.2. Relationship between tax expense and accounting profit

€000	2019	2018
Profit before taks	283.704	285.156
Theoretical income tax rate	29.58%	29,58%
Theoretical income taks	-83.920	-84.349
Reported income taks	0	0
<b>Difference between theoretical and reported income tax</b>	<b>-83.920</b>	<b>-84.349</b>
Dividends	-24.366	-23.762
Share of the profit of UCB	84.620	85.264
Tax exempt dividends*	23.660	22.770
Net profit on derivatives	6	77
<b>Total effects of difference between theoretical and reported taks</b>	<b>83.920</b>	<b>84.349</b>

\*limited to the statutory profit of the Company

#### 4.4. General and administrative expenses

€000	2019	2018
Directors' remuneration	358	341
Attendance fee	75	65
General manager remuneration	112	96
Statutory auditors' fee	16	12
Service providers	0	
Bookkeeping	72	84
Advise (legal, tax, social, financial, insurance)	215	73
Notary public	4	3
Paying agent	11	10
Contributions	0	
Euronext	49	51
Euroclear	15	15
FSMA	60	57
Others	3	3
Services	0	
Financial publicity	45	44
Insurance	33	33
Board portal	21	15
Training	1	
Miscellaneous (post, bank, office supplies, travel, ...)	31	29
Gift		20
Recovery of costs from previous years		
<b>Total</b>	<b>1.120</b>	<b>951</b>

#### 4.5. Earnings per share

As there are no instruments with potential dilutive effect, basic and dilutive earnings per share are the same. They are calculated by dividing the profit by the weighted average number of shares in issue during the year. Throughout the financial year 2019, the number of subscribed shares still amounts to 44,512,598.

Within the framework of the authorization from the extraordinary general meeting (held on April 25<sup>th</sup> 2018), the Board of Directors of Financière de Tubize has acquired, on the 26<sup>th</sup> of November 2018, 36.000 own shares at a price of €59 per share, adding up to 0.081% of shares representing the firm's capital. The Board of Directors has deemed the acquisition of such shares, transaction that occurred outside of the regulated market, to be an interesting opportunity considering the offered price. The Board of Directors then decided, on the 14<sup>th</sup> of December 2018, to proceed to the cancellation of the 36.000 own shares the firm owned. The shares have been cancelled on January 30<sup>th</sup> 2019. Therefore, the firm does no longer own "own shares" and the amount of shares representing the firm's capital is reduced from 44,548,598 shares to 44,512,598.

#### 4.6. Dividends

In respect of the accounting year 2019, a proposal to pay a gross dividend of € 0.62 per share, or a total amount of € 27.6 million, will be submitted for approval to the shareholders meeting of 22 April 2020. In accordance with IAS 10, the proposed dividend has not been recognised as a liability at year-end.

#### 4.7. Capital management

For the purpose of the Company's capital management, capital includes issued capital, share premium and all other equity reserves disclosed in the statement of changes in equity.

The issued share capital of the Company amounts to € 235 million and is fully paid up. The share premium reserve amounts to 1,225k. The share capital at 31 December 2019 is represented by 44,512,598 shares, against 44,548,598 shares at 31 December 2018. The number of registered shares was 33,691,003 at 31 December 2019; the remainder of the shares are de-materialised. The holders of the shares are entitled to receive dividends as declared. They have one vote per share at the shareholders meeting. Included in the

total number of shares are zero shares that represent a reserve for exchanging against attribution rights, both issued or in reserve for issue; these reserve shares do not give right to dividend or voting.

The Company manages its capital structure in light of its participating interest in UCB and its indebtedness. The Company's capital management aims to ensure that it meets all financial covenants. Breaches in meeting the financial covenants would permit the bank to immediately call its borrowings. There have been no breaches in the financial covenants during the financial years ended 31 December 2019 and 2018. See also note 4.2.6. for more information on the nature and the calculation of the covenants.

#### 4.8. Related parties' transactions

##### Shareholders

On the basis of the transparency and leaders' declarations notified to the Company, the shareholders structure at 31 December 2019 can be summarised as follows:

	In concert		Outside concert		Total	
	Number	%	Number	%	Number	%
FEJ LLC	8.525.014	19,15%	1.988.800	4,47%	10.513.814	23,62%
Daniel Janssen	5.881.677	13,21%	0	0	5.881.677	13,21%
Altaï Invest SA	4.969.795	11,16%	26.468	0,06%	4.996.263	11,22%
Barnfin SA	3.903.835	8,77%	0	0	3.903.835	8,77%
Jean van Rijckevorsel	11.744	0,03%	0	0	11.744	0,03%
<b>Total voting rights held by the concert</b>	<b>23.292.065</b>	<b>52,33%</b>	<b>2.015.268</b>	<b>4,53%</b>	<b>25.307.333</b>	<b>56,85%</b>
Other shareholders			19.205.265	43,15%	19.205.265	43,15%
<b>Total voting rights</b>	<b>23.292.065</b>	<b>52,33%</b>	<b>21.220.533</b>	<b>47,67%</b>	<b>44.512.598</b>	<b>100,00%</b>

Altaï Invest is controlled by Evelyn du Monceau. Barnfin is controlled by Bridget van Rijckevorsel.

The reference shareholders act in concert. The terms of the concert are laid down in a shareholders agreement. The key elements of this agreement can be summarised as follows:

- The objective of the concert is to ensure, through Financière de Tubize, the stability of the shareholder structure of UCB in view of the long-term industrial development of the latter. In this perspective, it aims at preserving the predominance of the family shareholder structure of Financière de Tubize.
- The parties to the concert consult with each other about the decisions to be taken at the general meeting of Financière de Tubize, and try, to the extent possible, to reach a consensus. They ensure that they are properly represented at the board of directors of Financière de Tubize. Within this board and through their representatives at the board of directors of UCB, they consult with each other about the significant strategic decisions concerning UCB, and try, to the extent possible, to reach a consensus.
- The parties inform each other prior to any project of significant acquisition or sale of shares of Financière de Tubize; pre-emption rights and tag along are also in place within the family.

The reference shareholders and the persons closely related to them have no direct or indirect relationships with the Company other than those resulting from their capacity as shareholder or, when applicable, their representation in the board of directors.

##### Directors

The short-term benefits attributed to the directors (11 directors and the general manager) amount to € 525k in total for the financial year 2019. The directors did not benefit from any other type of remuneration during the year 2019.

##### UCB

In 2019, the Company has received a dividend from UCB in relation to accounting year 2018 for a total amount of € 82,373k. There have been no other transactions with UCB during the year 2019.

##### Auditor

In 2019, the auditor fees amount to € 16k, to breakdown between the audit engagement (€ 15k) and the other missions (€ 1k).

## STATUTORY AUDITOR'S REPORT ON THE EU-IFRS FINANCIAL STATEMENTS

### STATUTORY AUDITOR'S REPORT TO THE GENERAL SHAREHOLDERS' MEETING OF FINANCIERE DE TUBIZE SA/NV ON THE EU-IFRS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2019

---

In the context of the statutory audit of the EU-IFRS financial statements of FINANCIERE DE TUBIZE (the "Company"), we hereby submit our statutory audit report to you. This report includes our report on the EU-IFRS financial statements together with our report on other legal and regulatory requirements. These two reports are considered as one report and are inseparable.

We were appointed in our capacity as statutory auditor by the shareholders' meeting of 25 April 2018 in accordance with the proposal of the Board of Directors. Our mandate will expire on the date of the shareholders' meeting deliberating on the financial statements for the year ending 31 December 2020. We have performed the statutory audit of the financial statements of the Company for more than 26 subsequent years.

#### **Report on the EU-IFRS financial statements**

##### ***Unqualified opinion***

We have audited the EU-IFRS financial statements of the Company which comprise the statement of financial position as at 31 December 2019, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year ended 31 December 2019, and the accounting policies and other related notes, which show a statement of financial position total of K€ 2.751.764 and of which the statement of profit or loss shows a profit for the year of K€ 283.704.

In our opinion, the EU-IFRS financial statements give a true and fair view of the Company's equity and financial position as at 31 December 2019 and of its results and its cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

##### ***Basis for the unqualified opinion***

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Responsibilities of the statutory auditor for the audit of the EU-IFRS financial statements" section of our report. We have complied with all ethical requirements relevant to the statutory audit of EU-IFRS financial statements in Belgium, including those regarding independence.

We have obtained from the Board of Directors and the Company's officials the explanations and information necessary for performing our audit.

We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

## ***Key audit matters***

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the EU-IFRS financial statements of the current period. These matters were addressed in the context of our audit of the EU-IFRS financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### **Valuation of financial investments**

Reference to the notes to the EU-IFRS financial statements: 3.2, 4.1

#### *Description of the key audit matter*

The sole activity of the Company is the holding of a stake in the listed company UCB SA (ISIN: BE0003739530). At the closing date, the Company holds 35% of the total shares issued by UCB for an amount of K€ 1.717.992 in the statutory accounts and, through the application of the equity method, for an amount of K€ K€ 2.751.238 in the EU-IFRS financial statements, ie respectively 99,97% and 99,98% of the total balance sheet. The valuation of this asset is a determining factor in the issuing of this opinion given its relative importance both on the Company's results and on its total balance sheet.

#### *How the matter was addressed in the audit*

Our audit work consisted primarily in evaluating the compliance of the accounting treatment of any movements (purchases / sales, dividends) of UCB securities over the period in relation to the applicable accounting framework and assessing the valuation of the investment by comparing it with the various internal and external available data.

### **Financing operations**

Reference to the notes to the EU-IFRS financial statements: 3.2, 4.2

#### *Description of the key audit matter*

In the course of its business, the Company has contracted bank borrowings, with a variable rate and subject to bank covenants. In order to hedge its exposure to interest rate risk resulting from variable rate borrowings, the Company has also contracted several derivative financial instruments to hedge this risk. The treatment and valuation of these instruments are the subject of particular attention at each closing date, in view of the related technical aspects.

#### *How the matter was addressed in the audit*

We assessed the compliance of the accounting treatment of financing transactions with the applicable financial reporting framework. We reviewed the internal and external documentation obtained as part of our audit procedures, in particular with respect to the banks covenants, the treatment of derivatives and the ability of the Company to meet its repayment obligations. As regards more specifically our work relating to derivatives, we assessed compliance with the EMIR provisions for listed companies as well as the assumptions used in the accounting treatment of hedging transactions. We also assessed the quality of the information included in the notes to the EU-IFRS financial statements.

### ***Responsibility of the Board of Directors for the preparation of the EU-IFRS financial statements***

The Board of Directors is responsible for the preparation and fair presentation of the EU-IFRS financial statements in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union, and for such internal control as the Board of Directors determines is necessary to enable the preparation of EU-IFRS financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the EU-IFRS financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Board of Directors either intends to liquidate the Company or to cease business operations, or has no realistic alternative but to do so.

### ***Responsibilities of the statutory auditor for the audit of the EU-IFRS financial statements***

Our objectives are to obtain reasonable assurance about whether the EU-IFRS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a statutory auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these EU-IFRS financial statements.

In carrying out our audit, we comply with the legal, regulatory and normative framework applicable to the audit of EU-IFRS financial statements. The scope of the statutory audit does not include an assurance on the future viability of the Company or on the efficiency or effectiveness with which the Board of Directors has conducted or will conduct the Company's operations.

As part of an audit, in accordance with ISAs, we exercise professional judgment and we maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the EU-IFRS financial statements, whether due to fraud or error, design and perform audit procedures responsive to these risks and obtain audit evidence which is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of the accounting estimates and related disclosures made by the Board of Directors ;

- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our statutory auditor's report to the related disclosures in the EU-IFRS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on audit evidence obtained up to the date of the statutory auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the EU-IFRS financial statements, and whether these EU-IFRS financial statements reflect the underlying transactions and events in a true and fair view.

Based on the exemption set out in article 526bis §3 of the Companies Code, the functions assigned to the audit committee are exercised by the Board of Directors in its entirety. We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts of the current period and are therefore the key audit matters. We describe these matters in our statutory auditor's report, unless law or regulation precludes public disclosure of the matter.

## **Other legal and regulatory requirements**

### ***Responsibilities of the Board of Directors***

The Board of Directors is responsible for the preparation and the content of the Director's report.

### ***Responsibilities of the statutory auditor***

In the context of our mandate and in accordance with the Belgian standard (Revised) which is complementary to the International Standards on Auditing (ISAs) as applicable in Belgium, our responsibility is to verify, in all material respects, the Directors' report and to report any matters.

### ***Aspects related to the Directors' report***

In our opinion, after carrying out specific procedures on Directors' report, this report is consistent with the EU-IFRS financial statements and has been prepared in accordance with articles 95 and 96 of the Companies Code.

In the context of our audit of the EU-IFRS financial statements, we are also responsible to consider whether, based on the information that we became aware of during the performance of our audit, the Directors' report contains any material inconsistencies or contains Information that is inaccurate or otherwise misleading. In light of the work performed, we do not need to report any material inconsistencies.

### ***Statement relating to independence***

- Our registered audit firm and our network did not provide services which are incompatible with the statutory audit of the EU-IFRS financial statements, and our registered audit firm remained independent of the Company in the course of our mandate.

### ***Other statements***

- This report is consistent with the content of our additional report to the the Board of Directors as referred to in Article 11 of Regulation (EU) No. 537/2014.

Brussels, 19 February 2020

MAZARS RÉVISEURS D'ENTREPRISES SCRL  
Statutory auditor  
represented by

Xavier DOYEN