

Company Number: BE 0403.216.429

**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.

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Code de champ modifié

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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.

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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;

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- 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.

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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