

Financière de Tubize

Half-year financial report

30 June 2021

STATEMENT OF THE DIRECTORS

INTERIM REPORT OF THE BOARD OF DIRECTORS

CONDENSED INTERIM FINANCIAL STATEMENTS

- **Belgian standards (with auditor's report)**
- **EU-IFRS standards (with auditor's report)**

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I. STATEMENT OF THE DIRECTORS

We confirm that, to the best of our knowledge:

- The condensed interim financial statements at 30 June 2021 has been prepared in accordance with the applicable financial reporting standards and gives a true and fair view of the net assets, the financial position and the results of Financière de Tubize.
- The interim board report includes a fair review of the important events and the main related party transactions that occurred during the first half-year, and of their impact on the condensed interim financial statements at 30 June 2021, as well as a description of the main risks and uncertainties for the remainder of the year.

Brussels, 30th July 2021

The board of directors

Evelyn du Monceau
Board member

Gaëtan Hannecart
Chairman of the board

II. INTERIM REPORT OF THE BOARD OF DIRECTORS

Ladies and Gentlemen,

In accordance with the legal and regulatory requirements, we are honoured to report to you on the first semester of FY 2021 of Financière de Tubize (the « Company »).

1. Significant events

The following significant events took place during the first half of FY 2021:

- Profit for the period in accordance with Belgian accounting standards: € 85.0 million,
- Profit for the period in accordance with International Financial Reporting Standards (IFRS): € 204.8 million,
- Dividend received from UCB: € 86.5 million (€ 1.27 per share, an increase of 2.4% compared to 2020),
- Dividend paid to shareholders of Financière de Tubize of € 30.3 million (€ 0.68 per share, an increase of 9.6% compared to 2020),
- Decrease of outstanding bank borrowings from € 33.5 million at 31 December 2020 to € 0 at 30 June 2021,
- Acquisition of 257,000 UCB shares, increasing the holding of the Company in UCB from 35.00% on 31 December 2020 to 35.13% on 30 June 2021.

2. Impact of the Covid-19 crisis

The COVID-19 pandemic and economic consequences had no significant impact on the Company's operations and its financial statements during the first six months of fiscal year 2021. The Company is, in fact, a mono holding company whose sole investment is a stake in UCB and therefore has no commercial or industrial activity. The crisis resulting from COVID-19 had no impact on the Company's liquidity or solvency and did not cause any impairment. Although the magnitude of the crisis and the impact on the global economy remain uncertain, the Company is closely monitoring these developments to assess the potential financial impact of the pandemic on UCB's results. In this regard, reference should be made to the content of UCB's semi-annual financial report on the impact of the pandemic resulting from COVID-19.

3. Evolution of the results and the financial position

3.1 Results (Belgian standards¹)

The profit moves from € 83,435k in the first half of 2020 to € 85,000k in the first half of 2021, an increase of € 1,565k or 1.88%. The condensed profit or loss accounts for the six months ended 30 June 2021 and 2020 look as follows:

€ 000	30/06/2021	30/06/2020
Dividend from UCB	86,458	84,415
Cost of borrowing	(642)	(389)
Other financial expenses	(24)	1
General expenses	(792)	(592)
Profit before tax	85,000	83,435
Income taxes	-	-
Profit	85,000	83,435

The dividend received from UCB in 2021 in relation to FY 2020, amounts to € 86,458k (gross dividend of € 1.27 per share) against € 84,415k (€ 1.24 per share) for the prior year.

The cost of borrowing increases from € 389k for the first semester 2020 to € 642k for the same period in 2021. This increase is mainly due to the commitment fees (€ 517k) on the two new credit lines confirmed in September 2020 and which were not used during the first half of 2021. This increase is partially offset by a decrease in debt charges caused by a significant reduction in indebtedness following the repayment of all bank loans that had been taken out to finance the acquisition of interests in UCB.

Overhead costs go from € 592k in the first half of 2020 to € 792k for the same period in 2021. This variation is mainly due to non-recurring external fees.

After application of the system of tax credits for dividends received which prevents income already taxed at UCB from being taxed a second time at Financière de Tubize, the Company has no taxable basis.

3.2 Financial situation (Belgian standards)

The condensed balance sheet as per 30 June 2021 and as per 31 December 2020 looks as follows:

€ 000	30/06/2021	31/12/2020
Participating interest in UCB	1,737,970	1,717,992
Current investments and cash at bank and in hand	2,264	983
Other assets	45	50
Total assets	1,740,279	1,719,025
Equity	1,739,513	1,654,513
Bank borrowings	-	33,500
Other liabilities	766	31,012
Total equity and liabilities	1,740,279	1,719,025

The participating interest in the capital of UCB is recorded at its acquisition value for an amount of € 1,737,970k, an increase of € 19.978k, compared to 31 December 2020, following the acquisition on the stock market of 257,000 shares at an average acquisition value of € 77.73 per share. The share price at 30 June 2021 was at to € 88.16 (€ 84.48 at 31 December 2020).

¹ The accounting standards applicable in Belgium and the periodic reporting obligations incumbent upon Belgian issuers whose securities are admitted to trading on a regulated market.

The outstanding bank debt (€ 33,500k) was fully repaid during the first semester of the year.

The evolution of other liabilities since 31 December 2020 is primarily explained by the payment of the dividend Financière de Tubize (€ 30,269k).

3.3 Profit and other changes in equity reconciliation according to Belgian GAAP – EU-IFRS standards²

For the six months period ended 30 June 2021

€ 000	30/06/2021
Profit BE GAAP	85,000
Elimination of received dividend from UCB	(86,458)
Share of the profit of UCB	205,970
Ineffectiveness hedge accounting	164
After-tax reclassification adjustments for derivatives	120
Capitalization of UCB share acquisition costs	30
Profit EU-IFRS	204,826
Cash flow hedge	(207)
Share of other comprehensive income of UCB	40,540
Comprehensive income EU-IFRS	245,159
Paid dividend	(30,269)
Share of the other changes of net assets of UCB ³	(15,656)
Impact of changes in the percentage of the participation in UCB due to change in number of treasury shares held by UCB	2,224
Changes in EU-IFRS equity	201,458
EU-IFRS equity beginning of the period	2,792,901
EU-IFRS equity end of period	2,994,359
Changes in EU-IFRS equity	201,458

4. Main risks and uncertainties

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 financial position and results of Financière de Tubize are influenced by the results of UCB, either at the level of the Belgian standards via the dividends received or at the level of the EU-IFRS standards through the application of the equity method.

In addition, the Company is exposed to the market risk related to the evolution of the UCB stock price. The board is confident in the development perspectives of UCB group.

Credit risk occurs when a bank-counterparty to investments, cash at bank amounts would not meet its obligations and the Company, as a result thereof, would incur a financial loss. The bank-counterparties are Belgian banks with an 'upper medium grade' rating.

Reference made in section 2 for the risk linked to the Covid-19.

² IAS 34 standard as endorsed by the European Union

³ See the statement of changes in equity for a breakdown by category of equity

5. Main related party transactions

5.1 Shareholders structure

Related party transactions, such as described in note 4.8 of the financial statements EU-IFRS as per 31 December 2020 have not significantly changed.

On the basis of the transparency and directors' declarations notified to the Company, the shareholders structure at 30 June 2021 can be summarized as follows:

	In concert		Outside concert		Total	
	Number	%	Number	%	Number	%
FEJ SRL	8,525,014	19.15%	1,988,800	4.47%	10,513,814	23.62%
Daniel Janssen	5,881,677	13.21%	-	-	5,881,677	13.21%
Altai Invest SA	4,969,795	11.16%	26,468	0.06%	4,996,263	11.22%
Barnfin SA	3,903,835	8.77%	-	-	3,903,835	8.77%
Jean van Rijckevorsel	11,744	0.03%	-	-	11,744	0.03%
Total voting rights held by the reference shareholders	23,292,065	52.33%	2,015,268	4.53%	25,307,333	56.85%
Other shareholders	-	-	19,205,265	43.15%	19,205,265	43.15%
Total voting rights	23,292,065	52.33%	21,220,533	47.67%	44,512,598	100.00%

5.2 Directors

The general meeting of shareholders of April 30, 2021 recorded the resignation of Messrs. Bruno Holthof, Nicolas and Cyril Janssen and approved the appointment of Praksis BV, represented by Mr. Bruno Holthof, Mr. Edouard Janssen and Nikita Srl, represented by Mr. Cyril Janssen, as new directors.

The board of directors of May 29, 2021 has taken note of the resignation of Mr. Marc Speeckaert as well as the cooptation of Mr. Eric Cornut.

5.3 UCB

Except the collection of the UCB dividend, no related party transactions have significantly impacted the financial position and results of the Company.

III. CONDENSED INTERIM FINANCIAL STATEMENTS AT 30 JUNE 2021

Belgian accounting standards

Introduction

In accordance with the financial reporting standards applicable in Belgium and with the periodic disclosure obligations of Belgian issuers whose securities are admitted to trading on a regulated market (the "Belgian standards"), the condensed interim financial information of Financière de Tubize presents a balance sheet as at 30 June 2021 (with a comparative balance sheet as at 31 December 20), an income statement for the first six months of 2021 (with a comparative income statement for the first six months of 2020) and explanatory notes.

The accounting and valuation principles for each of the standards are identical to those used in the financial statements for the year ended 31 December 2020. The Belgian accounting rules were not subject to any changes which would have a significant impact for the Company.

The condensed interim financial information at 30 June 2021 is intended to update the financial information as at 31 December 2020. The notes therefore do not include all the information that was already included in the financial statements as at 31 December 2020. The main purpose is to ensure the comparability of the condensed half-year financial statements at 30 June 2021 with the annual accounts as of 31 December 2020 and to inform the user of any significant changes in the amounts presented in the accounts and any changes during the first semester of 2021. This information should therefore be read in conjunction with the annual accounts as at 31 December 2020.

This condensed interim financial information as at 30 June 2021 of Financière de Tubize was prepared by a resolution of the Board of Directors dated 30 July 2021.

Balance sheet (€ 000)

ASSETS	Note	30/06/2021	31/12/2020
Fixed assets		1,737,970	1,717,992
<u>Financial fixed assets</u>	1.	<u>1,737,970</u>	<u>1,717,992</u>
Current assets		2,309	1,033
<u>Amounts receivable within one year</u>		<u>1</u>	<u>=</u>
<u>Current investments and Cash at bank and in hand</u>		<u>2,264</u>	<u>983</u>
<u>Deferred charges and accrued income</u>		<u>44</u>	<u>50</u>
TOTAL ASSETS		1,740,279	1,719,025

EQUITY AND LIABILITIES		30/06/2021	31/12/2020
Equity		1,739,513	1,654,513
<u>Capital</u>	2.	<u>235,000</u>	<u>235,000</u>
<u>Share premium account</u>		<u>1,225</u>	<u>1,225</u>
<u>Reserves</u>		<u>1,372,697</u>	<u>1,372,697</u>
Legal reserve		23,500	23,500
Unavailable reserves		456	456
Untaxed reserves		38,567	38,567
Available reserves		1,310,174	1,310,174
<u>Accumulated profits Profit of the period</u>		<u>45,591</u>	<u>45,591</u>
		<u>85,000</u>	<u>=</u>
Liabilities		766	64,512
<u>Amounts payable after more than one year</u>		<u>=</u>	<u>=</u>
Credit institutions	3.	-	-
<u>Amounts payable within one year</u>		<u>766</u>	<u>64,512</u>
Current portion of amounts payable after more than one year falling due within one year	3.	-	33,500
Trade debts		271	149
Other amounts payable	4.	420	30,698
<u>Accruals and deferred income</u>		<u>75</u>	<u>165</u>
TOTAL EQUITY AND LIABILITIES		1,740,279	1,719,025

Profit and loss statement (€ 000)

Regarding semesters ending	Note	30/06/2021	30/06/2020
<u>Operating charges</u>		(792)	(592)
Services and other goods		(792)	(592)
Operating profit		(792)	(592)
<u>Financial income</u>		86,458	84,415
Recurring financial income		86,458	84,415
Income from financial fixed assets		86,458	84,415
<u>Financial charges</u>		(666)	(388)
Recurring financial charges	3.	(642)	(389)
Debt charges		(642)	(389)
Other financial charges		(24)	1
Gain before taxes		85,000	83,435
Income taxes		-	-
Profit		85,000	83,435
Basic and diluted earnings per share (in €)		1,91	1,87

Explanatory notes

1. Financial fixed assets - Information related to the participation in UCB SA/NV

After the acquisition of 257,000 additional shares in May 2021, Financière de Tubize increased its stake from 68,076,981 UCB shares (representing 35% of UCB shares) as of December 31, 2020 to 68,333,981 UCB shares (representing 35.13% of the total shares issued by UCB).

Fair value

	30/06/21	31/12/20
Number of UCB shares	68,333,981	68,076,981
Share price UCB (€)	88.16	84.48
Fair value of the participating interest in UCB (€ 000)	6,024,324	5,751,143
Carrying value (€ 000)	1,737,970	1,717,992
Excess of fair value over carrying value (€ 000)	4,286,354	4,033,151

2. Capital - capital status – forms of shares

During the first semester of 2021, 14,404 shares have been registered, reducing the number of dematerialized shares.

	01/01/2021	Annulation	Transfers	30/06/2021
Number of nominal shares	33,320,143	-	14,404	33,334,547
Number of dematerialized shares	11,192,455	-	(14,404)	11,178,051
Total number of shares	44,512,598	-	-	44,512,598

3. Bank borrowings / Debt charges

Evolution of the bank borrowings during the first semester 2021

€ 000		Confirmed lines	Used			Available
			Floating	Fixed	Total	
01/01/2021	Opening	402,000	(33,500)		(33,500)	368,500
15/02/2021	Reimbursement of advance on roll-over credit line		33,500		33,500	33,500
15/02/2021	Advance on roll-over credit line		(34,000)		(34,000)	(34,000)
17/05/2021	Reimbursement of advance on roll-over credit line		34,000		34,000	34,000
30/06/2021	Closing	402,000	-		-	402,000

After the reimbursement of the last advance on roll-over credit line of € 34,000k on May 17, 2021, the confirmed credit lines as of June 30, 2021 amounted to € 402,000k and the margin available on confirmed lines amounted to € 402,000k.

Contractual maturities

€ 000		Confirmed lines	Utilisation		
			Floating	Fix	Total
06/11/2021		52,000	-	-	-
31/08/2025		250,000	-	-	-
30/08/2025		100,000	-	-	-
		402,000	-	-	-

Debt charges

Six months ended 30 June 2021	€ 000
Interest expenses	(125)
Commitment fee	(517)
Other Financial cost	(24)
Total	(666)

Real guarantees

A number of UCB shares are pledged to the banks. The total market value of these shares must be greater than 150% of the outstanding bank loans. As of June 30, 2021, there was no more bank indebtedness; the balance at December 31, 2020 (€ 33.5 million) having been reimbursed. The number of pledged UCB shares (630,000) has remained unchanged since December 31, 2020. As of June 30, 2021, the book value of the pledged shares amounted to € 16,506k.

4. Other debts

€ 000	30/06/2021	31/12/2020
Dividends to be paid	-	(30.269)
Unclaimed dividends	(420)	(430)
Others	-	-
Total	(420)	(30.699)

5. Covenants associated with credit lines

As of June 30, 2021, the company complies with the banking covenants associated with its credit lines:

The solvency ratio (equity as a % of the balance sheet total) cannot be less than 70%; as of June 30, 2021, the ratio stands at 99.95%.

	30/06/2021
Equity at 30 June 2021 (€ 000)	1,739,513
Balance sheet total (€ 000)	1,740,279
Solvency ratio	99.95%

The debt ratio (outstanding bank loans as a % of the market value of the shares in UCB) cannot exceed 30%; at 30 June 2021, the ratio amounted to 0.00%.

	30/06/2021
Number of UCB shares (A)	68,333,981
Market value per UCB share (€) (B)	88.16
Market value of the participation in UBC (€ 000) (A) x (B) = C	6,024,323,765
Outstanding bank loans (€ 000) (D)	-
Debt ratio (D) / C	0.00%

Statutory auditor's report to the Board of Directors of Financière de Tubize on the review of condensed interim financial information for the six-month period ended 30 June 2021

Introduction

We have reviewed the accompanying interim condensed financial information, including a condensed balance sheet of Financière de Tubize as of 30 June 2021, a condensed profit and loss statement for the period of six months ended on that date as well as some explanatory notes. The Board of Directors is responsible for the preparation and presentation of this condensed interim financial information in accordance with the financial reporting standards applicable in Belgium and with the periodic disclosure obligations of Belgian issuers whose securities are admitted to trading on a regulated market. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with the financial reporting standards applicable in Belgium and with the periodic disclosure obligations of Belgian issuers whose securities are admitted to trading on a regulated market.

Brussels, July 30, 2021



BDO Réviseurs d'Entreprises SRL
Statutory auditor
Represented by Christophe COLSON

[EU-IFRS standards](#)

[Statement of financial position](#)

€ 000	Notes	30/06/2021	31/12/2020
Participating interest in UCB	1.1.	2,992,753	2,826,125
Non-current assets		2,992,753	2,826,125
Prepayments		44	50
Other receivables		1	-
Cash and cash equivalents		2,264	983
Current assets		2,309	1,033
Assets		2,995,062	2,827,158
Equity		2,994,359	2,792,901
Bank borrowings	2.3.	-	33,516
Derivatives	2.4.	-	102
Other creditors		703	639
Current liabilities		703	34,257
Liabilities		703	34,257
Equity and liabilities		2,995,062	2,827,158

Statement of profit and loss and other comprehensive income

For the six months ended 30 June

€ 000	Notes	2021	2020
NET PROFIT OR LOSS			
Share of profit of UCB		205,970	130,533
Borrowing cost	2.3.	(352)	(278)
General and administrative expenses		(792)	(592)
Profit before tax		204,826	129,663
Income tax	3.2.	-	-
Profit		204,826	129,663
OTHER COMPREHENSIVE INCOME			
Share, after tax, of other comprehensive income of UCB		40,540	(18,746)
Share of items that will not be reclassified subsequently to profit or loss	1.2.	9,716	(5,642)
Share of items that will be reclassified subsequently to profit or loss when specific conditions are met	1.2.	30,824	(13,085)
Other items of other comprehensive income, after tax, that will be reclassified subsequently to profit or loss when specific conditions are met		(207)	53
Cash flow hedges	2.4.	(207)	53
Total other comprehensive income		40,333	(18,674)
COMPREHENSIVE INCOME		245,159	110,989
Profit attributable to			
Owners of the parent		204,826	129,663
Non-controlling interests		-	-
Comprehensive income attributable to			
Owners of the parent		245,159	110,989
Non-controlling interests		-	-
Earnings per share			
Basic and diluted (in €)		4,6	2,91

Statement of changes in equity

For the six months ended 30 June 2021

€ 000	Capital and share premium	Retained earnings	Treasury Shares	Employee benefits	Translation adjustments	Assets held for sale	Cash flow hedges	Total equity
01/01/2021	236,225	2,853,189	(143,057)	(52,445)	(134,118)	13,719	19,388	2,792,901
Dividends		(30,269)						(30,269)
–Profit		204,826						204,826
–Share of other comprehensive income of UCB				9,716	38,590	10,818	(18,584)	40,540
–Cash flow hedging							(87)	(87)
–Reclassification							(120)	(120)
		204,826		9,716	38,590	10,818	(18,791)	245,159
Share in other changes in net assets of UCB								
–Share based payments		14,522						14,522
–Reserves transfers		(22,799)	22,799	698		(698)		-
–Treasury shares			(30,614)					(30,614)
–Transfers reserved for minorities				436				436
		(8,277)	(7,815)	1,134		(698)		(15,656)
Change in the percentage of the participating interest in UCB resulting from changes in the number of treasury shares held by UCB		3,552	(647)	(240)	(613)	63	109	2,224
Balance as per 30/06/2021	236,225	3,023,021	(151,519)	(41,835)	(96,141)	23,902	706	2,994,359

For the six months ended 30 June 2020

€ 000	Capital and share premium	Retained earnings	Treasury Shares	Employee benefits	Translation adjustments	Assets held for sale	Cash flow hedges	Total equity
01/01/2020	236,225	2,629,081	(137,558)	(42,902)	(20,891)	3,086	(2,741)	2,664,300
Dividends		(27,598)						(27,598)
– Profit		129,663						129,663
– Share of other comprehensive income of UCB				(5,642)	(19,583)	3,880	2,618	(18,727)
– Cash flow hedges							53	53
		129,663		(5,642)	(19,583)	3,880	2,671	110,989
Share in other changes in net assets of UCB								
– Share based payments		12,651						12,651
– Transfer to reserves		(21,096)	21,096					-
– Treasury shares			(20,295)					(20,295)
		(8,445)	801					(7,644)
Change in the percentage of the participating interest in UCB resulting from changes in the number of treasury shares held by UCB		(11,008)	547	172	85	(12)	(8)	(10,224)
Balance as per 30/06/2020	236,225	2,711,693	(136,210)	(48,372)	(40,389)	6,954	(78)	2,729,823

Statement of cash flows

For the six months ended 30 June

€ 000	2021	2020
Expenses related to operating activities	(664)	(572)
<i>Cash flows from operating activities</i>	<i>(664)</i>	<i>(572)</i>
Dividends received	86,458	84,415
UCB	(20,008)	-
<i>Cash flows from investing activities</i>	<i>66,450</i>	<i>84,415</i>
Dividends paid	(30,269)	(27,598)
Withholding tax collected	(11)	-
Interest and commission paid	(712)	(465)
Bank cost	(13)	(14)
Drawings from the confirmed lines	34,000	500
Reimbursement of bank borrowings	(67,500)	(55,000)
<i>Cash flows from financing activities</i>	<i>(64,505)</i>	<i>(82,577)</i>
Total cash flows	1,281	1,266
Cash and cash equivalents beginning of period	983	462
Cash and cash equivalents end of period	2,264	1,728

Basis of preparation

Financière de Tubize is a public limited company under Belgian law listed on the Euronext brussels stock exchange. This interim financial information summarized as at June 30, 2021 from Financière de Tubize has been prepared for informational purposes only and is approved by the Board of Directors on July 30, 2021.

This condensed interim financial information has been prepared in accordance with international standard IAS 34 as adopted by the European Union, which contains a statement of financial position as at 30 June 2021 (with comparative figures as at 31 December 2020), a statement of net income and other comprehensive income, a statement of changes in equity, a cash flow statement for the six-month period ended June 30, 2021 (with comparative figures for the six-month period ended June 30, 2020) and a selection of explanatory notes.

The recognition and measurement principles are identical to those used in accounts closed on 31 December 2020.

Some new IFRS standards and interpretations have been in force since 1 January 2021, but these have not had a significant impact on the company.

Furthermore, the new standards and interpretations as well as the amendments to the current standards established by the IASB that will be applicable for the first time in the next 2021 annual accounts should not impact the company's EU-IFRS accounts either because they are not relevant to the company or because the current valuation rules are already adapted in relation to these new developments.

Finally, the estimates and judgments reported in previous periods have not changed significantly.

Selection of explanatory notes

1. Participating interest in UCB

1.1 Carrying value

€ 000	Share of the net assets of UCB	Goodwill	Total
01/01/2021	2,618,686	207,439	2,826,125
Distribution	(86,458)		(86,458)
Increase of participation (note 1.5)	10,136	9,872	20,008
Share of the profit of UCB	205,970		205,970
Share of other comprehensive income of UCB (v. 1.2.)	40,540		40,540
Share of other changes in net assets of UCB ⁽⁴⁾	(15,656)		(15,656)
Impact of changes in the percentage of participating interest due to changes in the number of own shares held by UCB	2,224		2,224
30/06/2021	2,775,442	217,311	2,992,753

Increase in participation

In May 2021, the Company acquired 257,000 UCB shares and thus increased its stake from 35.00% to 35.13%. The acquisitions were made at an average price of € 77.73. The investment relates to an amount of € 20,008k, including expenses directly attributable to the acquisition for an amount of € 30k. Goodwill is calculated on the basis of UCB's consolidated net assets at June 30, 2021 (the date closest to the acquisitions and on which public consolidated information is available), which constitutes a good approximation of the sum of the fair values of its different components:

€000	30/06/2021
Acquisition value	20.008
Net assets attributable to UCB shareholders	7.671.342
Increased participation of the Company	0,13%
Share in UCB's net assets	10.136
Goodwill	9.872

1.2 Share of other comprehensive income of UCB

€ 000	For the 6 months ended 30/06/21		
	Gross	Tax	Net
Items that will not be reclassified subsequently to profit or loss -	10,034	(318)	9,716
- Re-measurement of defined benefit obligations	10,034	318	9,716
Items that will be reclassified subsequently to profit or loss when specific conditions are met -	30,824		30,824
- Translation adjustments	38,590		38,590
- Net result from available-for-sale financial assets	10,818		10,818
- Effective portion of cash flow hedges	(18,584)		(18,584)
Share of other comprehensive income of UCB	40,858	(318)	40,540

1.3 Fair value

	30/06/2021	31/12/2020
Number of UCB shares	68,333,981	68,076,981
Share price UCB (€)	88.16	84.48
Fair value of the participating interest in UCB (€ 000)	6,024,324	5,751,143
Carrying value (€ 000)	2,992,753	2,826,125
Excess of fair value over carrying value (€ 000)	3,031,571	2,925,018

1.4 Summarized financial information of UCB

Summarized statement of financial position

€ 000 000	30/06/2021	31/12/2020
Non-current assets	10,094	9,737
Current assets	2,945	3,582
Non-current liabilities	(2,978)	(3,233)
Current liabilities	(2,390)	(2,814)
Net assets	7,671	7,272
Non-controlling interests	-	1
Net assets attributable to UCB shareholders	7,671	7,271

Summarized statement of profit or loss

For the six months ended 30 June 2021	€ 000 000
Revenue	2,778
Profit from continuing operations	567
Profit (+) or loss (-) from discontinued operations	4
Profit	571
Non-controlling interests	-
Profit attributable to UCB shareholders	571

Summarized statement of comprehensive income

For the six months ended 30 June 2021	€ 000 000
Profit	571
Other comprehensive income	112
Comprehensive income	683
Non-controlling interests	-
Comprehensive income attributable to UCB shareholders	683

Reconciliation of summarized financial information to carrying value

€ 000 000	30/06/2021	31/12/2020
Net assets attributable to UCB shareholders	7,671	7,271
Interest of the Company ⁴	36.18%	36.01%
Company's share of net assets of UCB	2,775	2,619
Goodwill sur acquisition	217	207
Carrying value of participating interest in UCB	2,992	2,826

⁴ Taking into account the own shares held by UCB.

2. Financial instruments

2.1 Financial instruments by category

€ 000	Loan & Receivables		Liabilities at amortized cost		Derivatives	
	30/06/21	31/12/20	30/06/21	31/12/20	30/06/21	31/12/20
Prepayments	44	50				
Other receivables	1	-				
Cash & cash equivalents	2,264	983				
Bank borrowings				(33,516)		
Derivatives					-	(102)
Other creditors			(703)	(639)		
Total	2,309	1,033	(703)	(34,155)	-	(102)

2.2 Fair value of financial instruments

€ 000	Level of the inputs in the fair value hierarchy	Carrying values		Fair value	
		30/06/21	31/12/20	30/06/21	31/12/20
Prepayments	-	44	50	44	50
Other receivables	-	1	-	1	-
Cash & cash equivalents	-	2,264	983	2,264	983
Bank borrowings	2	-	(33,516)	-	(33,516)
Derivatives	2	-	(102)	-	(102)
Other creditors	-	(703)	(639)	(703)	(639)

2.3 Bank borrowings

Carrying values

€ 000	Non-current		Current		Total	
	30/06/21	31/12/20	30/06/21	31/12/20	30/06/21	31/12/20
Floating rate borrowings	-	-	-	(33,500)	-	(33,500)
Fixed rate borrowings	-	-	-	-	-	-
Accrued interest	-	-	-	(16)	-	(16)
Total	-	-	-	(33,516)	-	(33,516)

Evolution of bank debt during the first half of FY 2021

€ 000		Confirmed lines	Used			Available
			Floating	Fixed	Total	
01/01/2021	Opening	402,000	(33,500)		(33,500)	368,500
15/02/2021	Reimbursement of advance on roll over credit line	-	33,500		33,500	33,500
15/05/2021	Advance on roll-over line of credit	-	(34,000)		(34,000)	(34,000)
17/05/2021	Reimbursement of advance on roll over credit line	-	34,000		34,000	34,000
30/06/2021	Closing	402,000	-		-	402,000

During the first half of 2021, the Company repaid the full amount of its bank indebtedness.

Contractual maturities

€ 000		Confirmed lines	Utilization		
			Floating	Fix	Total
06/11/2021		52,000	-	-	-
31/08/2025		250,000	-	-	-
30/09/2025		100,000	-	-	-
		402,000	-	-	-

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; at 30 June 2021; as of June 30, 2021, there was no more bank indebtedness, the balance as of December 31, 2020 (33.5 million) have been repaid.
- Borrowings may not exceed 30% of the fair value of the investment in UCB; at 30 June 2021, this ratio was 0.00%.
- The solvency ratio (equity versus balance sheet total under Belgian standards) must exceed 70%; at 30 June 2021, this ratio was 99.90%.

Debt charges

Six months ended 30 June 2021	€ 000
Interest expenses	(125)
Commitment fee	(517)
Net gain on derivatives (see note 2.4.)	284
Other financial cost	6
Total	(352)

2.4 Financial derivative instruments

€ 000	IRS designated as a hedging instrument	
	30/06/21	31/12/20
Notional amounts	-	36,000
Total value	-	(102)
Non-current	-	-
Current	-	102
Accrued interest	-	(25)
Payable	-	-
Receivable	-	-
Clean price	-	(77)
Clean price at prior year-end	(77)	(321)
Gain (+)/ Loss (-) during the period after tax	77	244
Reported in profit or loss	284	124
Gains/(losses) during the period	164	124
Reclassification adjustment	120	-
Reported in other comprehensive income	(207)	120
Change in fair value of hedging swaps	(87)	120
Reclassification adjustment	(120)	-

The company held two interest rate swaps to (partially) hedge its exposure to cash flow risks arising from variable rate bank borrowings. Both swaps were fully amortized in mid-May 2021.

3. Income taxes

3.1 Deferred tax assets and liabilities

€ 000	Total		Recognised		Unrecognised	
	30/06/21	31/12/20	30/06/21	31/12/20	30/06/21	31/12/20
Interest rate swaps	-	26			-	26
Unused tax credits	36,610	36,246			36,610	36,246
Deferred tax assets	36,610	36,272			36,610	36,272

In accordance with the standard of IAS 12, the Company recognizes deferred tax assets only if the probability exists that it will have taxable profits on which the deductible temporary differences amounts will be offset. It is 'probable' that the Company will have a sufficient taxable profit, when there are sufficient taxable temporary differences that reverse, either during the same period as the asset, or during a period over which the loss resulting from the asset may be deferred. The deferred tax asset relating to unused tax credits is not recognized in the absence of convincing indications that the Company will have sufficient taxable profits on which unused tax credits will be offset. Tax credits do not have a fixed expiry date.

3.2 Relation between tax expense and profit before tax

Six months ended 30 June 2021	€ 000
Profit before tax	204,826
Theoretical income tax rate	25.00%
Theoretical income tax	(51,207)
Reported income tax	-
Difference between theoretical and reported income tax	(51,207)
Dividend income	(21,615)
Share of the profit of UCB	51,493
Tax exempt dividend income*	21,250
- Dividends received charged against the shareholding value	21,615
- Unrecognized tax assets related to the increase in the period of unused tax credits	(365)
Capitalization of UCB share acquisition costs	8
Net gain on derivatives	71
Total effects of difference between theoretical and reported income tax	51,207

*Limited to the results in accordance to the Belgian accounting standards of the Company

Statutory auditor's report to the Board of Directors of Financière de Tubize on the review of condensed interim financial information for the six-month period ended 30 June 2021

Introduction

We have reviewed the accompanying interim condensed statement of financial position of Financière de Tubize as of 30 June 2021 and the related interim condensed statements of profit and loss and other comprehensive income, cash flows and changes in equity for the six-month period then ended, as well as the explanatory notes. The Board of Directors is responsible for the preparation and presentation of this condensed interim financial information in accordance with IAS 34 "Interim Financial Reporting", as adopted by the European Union. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with IAS 34 "Interim Financial Reporting", as adopted by the European Union.

Brussels, July 30, 2021



BDO Réviseurs d'Entreprises SRL
Statutory auditor
Represented by Christophe COLSON