

FINANCIÈRE DE TUBIZE

20  
23

HALF-YEAR REPORT - 30 JUNE 2023

# Interim management report of the Board of Directors

Ladies and Gentlemen,

In accordance with the legal and statutory requirements, we are pleased to report to you on the first half of the 2023 financial year and to provide an overview of our management of Financière de Tubize (the 'Company').

## 1. Significant events

### 1.1. Change in the financial reporting framework

Until 30 June 2022, we presented the financial statements of Financière de Tubize in accordance with both IFRS and Belgian GAAP. The presentation in accordance with IFRS was published on a voluntary basis and did not result from any legal or regulatory obligation.

We have decided to publish our financial statements as from 31 December 2022 exclusively in accordance with Belgian GAAP, enhanced by additional notes useful for the proper understanding of our business by all our stakeholders.

Consequently, we present our financial statements to you at 30 June 2023 (as well as the comparative figures as at June, 30<sup>th</sup> and 31 December 2022) in accordance with Belgian GAAP.

### 1.2. Significant events that occurred during the first half of 2023

**Dividends** – Financière de Tubize has received the dividend distributed by UCB relating to the 2022 financial year (€ 93.2 million) and has paid to its shareholders its own dividend related to the 2022 financial year (€ 38.3 million), based on a gross dividend amounting to € 0.86 per share, up 14.67% compared to last year.

**Debt** – During the first half of 2023, the Company drew an additional € 52.1 million from the € 350 million of available credit lines, to enable the acquisition of additional UCB shares. The company's bank debt thus reached € 99.9 million. As the residual cash received following dividends received and paid has been allocated to the partial repayment of the debt, it amounts to € 47.9 million at 30 June 2023.

**Acquisition of UCB shares** – The Company acquired 649,750 UCB shares in the first half of 2023, at an average price of € 79.96 and for a total amount of € 52 million, bringing its stake in UCB from 35.70% at 31 December 2022 to 36.04% at 30 June 2023.

### 1.3. Impact of the Covid-19 crisis and invasion of Ukraine by Russia

The COVID-19 crisis (and the resulting economic consequences) as well as the invasion of Ukraine by Russia had no significant impact on the Company's activities and its financial statements during the first semester of 2023. The Company is, in fact, a mono holding company whose sole investment is a stake in UCB and it therefore has no commercial or industrial activity. The Company remains attentive to developments of both COVID-19 pandemic and conflict in Ukraine to assess any potential financial impact on the Company and/or UCB's results. Reference should be made in this respect to the content of UCB's half-year report.

## 1.4. Balance sheet and income statement as at 30 June 2023 (unaudited)

**Balance sheet – summary**

<b>Assets</b>	<b>Notes</b>	<b>30-06-23</b>	<b>31-12-22</b>
<b>Fixed assets</b>		<b>1,889,642,067</b>	<b>1,837,687,395</b>
<b>Financial fixed assets</b>	<b>1.4</b>	<b>1,889,642,067</b>	<b>1,837,687,395</b>
Affiliated enterprises		1,889,642,067	1,837,687,395
<b>Current assets</b>		<b>1,645,540</b>	<b>1,118,241</b>
<b>Amounts receivable within one year</b>		-	<b>1,361</b>
Other amounts receivable		-	1,361
<b>Current investments</b>	<b>1.6.1.</b>	<b>1,000,000</b>	-
Other investments		1,000,000	-
<b>Cash at bank and in hand</b>		<b>585,101</b>	<b>1,068,757</b>
<b>Deferred charges and accrued income</b>		<b>60,439</b>	<b>48,123</b>
<b>Total assets</b>		<b>1,891,287,607</b>	<b>1,838,805,636</b>

<b>Equity and liabilities</b>	<b>Notes</b>	<b>30-06-23</b>	<b>31-12-22</b>
<b>Equity</b>	<b>1.4</b>	<b>1,842,689,794</b>	<b>1,751,620,353</b>
<b>Capital</b>		<b>236,224,992</b>	<b>236,224,992</b>
Issued capital		235,000,000	235,000,000
Revaluation surpluses		1,224,992	1,224,992
<b>Reserves</b>		<b>1,424,129,708</b>	<b>1,424,129,708</b>
Legal reserve		23,500,000	23,500,000
Reserves not available		455,591	455,591
Available reserves		1,400,174,117	1,400,174,117
<b>Accumulated profits (losses)</b>		<b>182,335,094</b>	<b>91,265,653</b>
<b>Amounts payable</b>		<b>48,597,813</b>	<b>87,185,283</b>
<b>Amounts payable within one year</b>		<b>48,180,882</b>	<b>86,732,315</b>
Financial debts	<b>1.6.2.</b>	47,900,000	47,800,000
Trade debts		225,005	195,931
Taxes, remuneration and social security		41,000	28,500
Other amounts payable		14,877	38,707,884
<b>Accruals and deferred income</b>		<b>416,931</b>	<b>452,968</b>
<b>Total liabilities</b>		<b>1,891,287,607</b>	<b>1,838,805,636</b>

**Participation in UCB**

The company acquired 649,750 UCB shares during the first semester of 2023, taking its participation in the capital of UCB from 35.70% as at 31 December 2022 to 36.04% as at 30 June 2023. The participation in the capital of UCB is reported at its acquisition value for an amount of € 1,889,642k as per 30 June 2023 compared to € 1,837,687k as at 31 December 2022, i.e. an average acquisition value of € 26.96 per share as at 30 June 2023 (€ 26.46 as at 30 December 2022). The market price of the UCB share as at 30 June 2023 was € 81.20 (€ 73.56 as at 31 December 2022).

### **Equity**

Equity increased from 1,751,620k as at 31 December 2022, to € 1,842,690k as at 30 June 2023. This increase is attributed exclusively to the result of the financial period (€ 91,069k).

The market capitalisation of the Company stood at € 3,160,394k as at 30 June 2023 (44,512,598 shares at € 71.00) compared to € 3,151,492k as at 31 December 2022 (44,512,598 shares at € 70.8).

The solvency ratio (equity as a percentage of total assets) increases from 95.26% as at 31 December 2022, to 97.43% as at 30 June 2023.

### **Bank borrowings**

Outstanding bank debt increased from € 47,800k as at 31 December 2022, to € 47,900k as at 30 June 2023. The development of the confirmed lines and their use during the first semester of 2023 is included in note 1.6.2 regarding bank borrowings. The debt ratio (outstanding bank debt as a percentage of the market value of the stake in UCB) decreased from 0.94% as at 31 December 2022, to 0.84% as at 30 June 2023. This ratio therefore remains very low and is well below the 30% limit agreed with the bankers. The Company has credit lines for a total amount of € 350 million, of which € 302.1 million was not used as at 30 June 2023.

### **Income statement – summary**

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Income statement	Notes	30-06-23	30-06-22
<b>Operating charges</b>		<b>993,317</b>	<b>785,861</b>
Services and other goods	<b>1.6.4.</b>	927,454	785,427
Other operating charges		434	434
Non-recurring operating charges		65,429	-
<b>Operating profit (loss)</b>		<b>(993,317)</b>	<b>(785,861)</b>
<b>Financial income</b>		<b>93,635,199</b>	<b>89,037,086</b>
<i>Income from financial fixed assets</i>		93,220,513	89,033,127
Other financial income		2,513	12
Non-recurring financial income		412,173	3,947
<b>Financial charges</b>		<b>1,572,439</b>	<b>978,161</b>
<i>Recurring financial charges</i>		1,572,439	978,161
<i>Debt charges</i>	<b>1.6.2.</b>	1,524,000	650,574
Other financial charges		48,439	327,587
<b>Profit (loss) for the period before taxes</b>		<b>91,069,443</b>	<b>87,273,064</b>
<b>Income taxes</b>	<b>1.6.3.</b>	-	-
<b>Profit (loss) of the period</b>		<b>91,069,443</b>	<b>87,273,064</b>
<b>Profit (loss) of the period available for appropriation</b>		<b>91,069,443</b>	<b>87,273,064</b>

General expenses, including other operating expenses, increased from € 786k in the first half of 2022 to € 928k in the first half of 2023. This variation is mainly due to the remunerations of the director's assistant, who took up her role in October 2022 (€ 120k).

The dividend received from UCB in 2023 relating to the 2022 financial year amounts to € 93.22 million (gross dividend of € 1.33 per share) compared to € 89.03 million (€ 1.30 per share) in the previous year.

Non-recurring financial income (€ 412k) relates to the recognition in the income statement of the liability for dividends not received in respect of time-barred allotment rights.

The cost of borrowing rose from € 651k in the first half of 2022 to € 1,524k in the first half of 2023, an increase of € 880k. This increase is mainly related to new drawings on credit lines as part of new purchases of UCB shares as well as the increase in interest rates compared to the previous year. The average cost of debt increased from 1.52% in 2022 to 3.37% in the first half of 2023 following the overall rise in interest rates in 2023.

Following the application of the dividend received deduction, no corporate income taxes are due. The Company benefits from a 100% tax exemption in accordance with the law of 25 December 2017.

The profit for the year rose from € 87,273k in the first half of 2022 to € 91,069k in the first half of 2023, an increase of € 3,796k or 4.35%.

## 1.5. Cash flows statement

€ 000	30-06-23	31-12-22
Directors remuneration & attendance fees	(274)	(237)
Remuneration general manager and deputy general manager	(219)	(41)
Statutory auditor's fee	(9)	(5)
Other general expenses	(450)	(480)
<b>Cash flows from operating activities</b>	<b>(952)</b>	<b>(762)</b>
Dividends received	93,221	89,033
Acquisition of UCB shares	(51,953)	(94,466)
<b>Cash flows from investing activities</b>	<b>41,267</b>	<b>(5,433)</b>
Dividends paid	(38,281)	(33,379)
Net Interest and commissions	(1,557)	(501)
Drawing on roll-over credit	100,000	25,000
Repayment on roll-over credit	(99,900)	-
Bank charges	(61)	(333)
<b>Cash flows from finance activities</b>	<b>(39,799)</b>	<b>(9,213)</b>
<b>Total cash flows</b>	<b>516</b>	<b>(15,409)</b>
Cash and cash equivalents beginning of period	1,069	15,900
Cash and cash equivalents end of period	1,585	491

## 1.6. Notes

### 1.6.1. Current investments and cash at bank

€ 000	30-06-23	31-12-22
Current account	585	1,069
Term accounts : not more than one month	1,000	-
<b>Total</b>	<b>1,585</b>	<b>1,069</b>

Investments and cash assets include sight deposits and term deposits (1 month), which are subject to an insignificant risk of change in value.

### 1.6.2. Bank borrowings

€ 000	30-06-23	31-12-22
Floating-rate loans	(47,900)	(47,800)
Accrued interests receivable	(323)	(346)
<b>Total</b>	<b>(48,223)</b>	<b>(48,146)</b>

Floating-rate borrowings are made in the form of fixed advances with a minimum term of 1 month and a maximum term of 12 months.

**Status of credit lines**

€ 000	30-06-23			31-12-22		
	Confirmed lines	Utilised	Available	Confirmed lines	Utilised	Available
BNP	200,000	24,300	175,700	200,000	25,000	175,000
Belfius	150,000	23,600	126,400	150,000	22,800	127,200
<b>Total</b>	<b>350,000</b>	<b>47,900</b>	<b>302,100</b>	<b>350,000</b>	<b>47,800</b>	<b>302,200</b>

The terms of these two credit lines were renegotiated during the second half of 2022: the € 150 million line has an initial term of 5 years, extendable each year indefinitely, and the € 200 million line has an initial term of 5 years, extendable twice by one year. Drawdowns are made in the form of short-term advances (between 1 and 12 months) and are renewable. At 30 June 2023, € 47.9 million of the credit lines had been drawn down.

**Securities**

The borrowings are secured by means of a pledge on 2,249,614 UCB shares as at 30 June 2023. The carrying value of these pledged shares amounts to € 60.64 million.

**Covenants**

The Company has to comply with the following debt covenants:

- Securities for the credit lines must consist in a number of UCB shares, the total market value of which must be at least 150% of the outstanding debt.
- Borrowings may not exceed 30% of the market value of the investment in UCB; as at 30 June 2023, the ratio amounted to 0.84%.

**Cost of borrowing**

€ 000	30-06-23	31-12-22
Interest charges	(1,095)	(175)
Reservation commission	(429)	(476)
<b>Total</b>	<b>(1,524)</b>	<b>(651)</b>

Interest charges on bank loans show an increase from € 175k in the first half of 2022 to €1,095k in the first half of 2023, given the increase in the average amount outstanding in 2023, and the rise in interest rates.

Reservation fees on the unused portion of confirmed credit lines amounted to € 429k in the first half of 2023 (€ 476k in the first half of 2022). The reservation commission amounts to 0.30% in 2023, same as in 2022.

**1.6.3. Income taxes**

Relationship between tax expense and accounting profit

€ 000	30-06-23	31-12-22
Profit before tax	91,069	87,273
Theoretical income tax rate	25.00%	25.00%
<b>Theoretical income tax</b>	<b>22,767</b>	<b>21,818</b>
Tax exempt dividends (DRD scheme)	<b>22,767</b>	<b>21,818</b>
<b>Reported income tax</b>	<b>-</b>	<b>-</b>

**1.6.4. General expenses**

€ 000	30-06-23	30-06-22
Directors' remuneration	199	195
Attendance fee	43	45
General manager and deputy remuneration	222	98
Statutory auditors' fee	9	10
Service providers	455	437
- <i>Bookkeeping</i>	61	106
- <i>Advise (legal, tax, social, financial, insurance)</i>	179	161
- <i>Paying agent</i>	18	15
- <i>Contributions</i>	40	-
- <i>Euronext</i>	33	32
- <i>Euroclear</i>	9	8
- <i>FSMA</i>	34	34
- <i>Financial publicity</i>	42	37
- <i>Insurance</i>	23	22
- <i>Miscellaneous (post, bank, office supplies, travel, ...)</i>	16	23
<b>Total</b>	<b>928</b>	<b>786</b>

The 142k increase in overheads is mainly due to the remuneration of the director's assistant, who took up her role in October 2022 (€ 120k), and to expenses related to the development of the new annual report, amounting to € 40k in the first half of 2023.

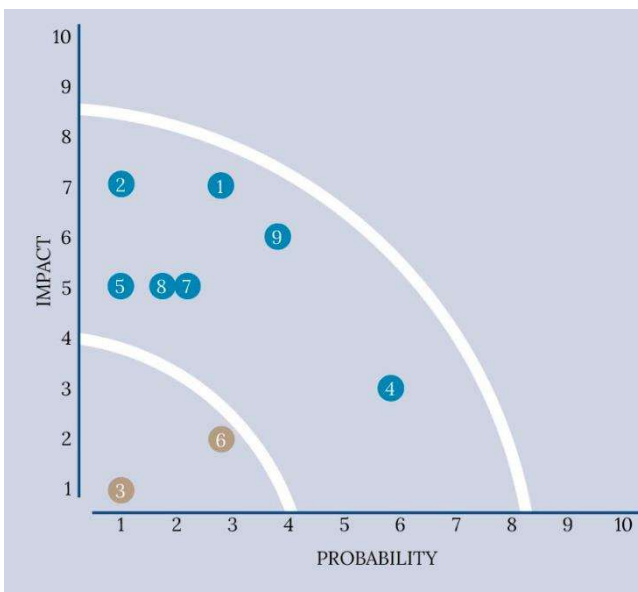
**1.6.5. Dividend**

In May 2023, the Company collected the dividend related to the 2022 financial year distributed by UCB (€ 93,221k) and paid its own dividend related to the 2022 financial year (€ 38,281k).



## 2. Main risks and mitigating measures

1. **Concentration risk** – This risk is the result of the Company’s dependence on its investments. As Financière de Tubize’s only asset is its holding in UCB, Financière de Tubize will carefully monitor any element which could force UCB to review its dividend policy. The Board of Financière de Tubize remains informed of UCB’s activities and management through its representatives on the UCB Board of Directors and audit committee.
2. **Market risk** – Financière de Tubize is exposed to the market risk related to the fluctuation of the UCB share price. This risk is inherent in the Company’s activity, which comprises a long-term holding in UCB. It is monitored to ensure that the financial commitments made under the credit lines are maintained.
3. **Liquidity risk** – This risk results from a company’s inability to cope with its financial commitments. In order to honor its obligations and maintain the financial capacity necessary to implement its investment policy in its holding, Financière de Tubize has negotiated credit lines totaling € 350 million, of which € 150 million is for a period of five years, extendable each year, and € 200 million for a period of five years, extendable twice for a period of one year. These credit lines include financial commitments, calculated twice a year, which are largely within the standards agreed with the bankers.
4. **Interest rate risk** – Fluctuations in interest rates can have an effect on debt charges and return on cash and cash equivalents. Financière de Tubize’s debt is raised on a short-term basis (less than one year) under its credit lines. If debt were to be raised in the longer term, Financière de Tubize could put in place instruments to hedge this debt. Cash is invested on a short-term basis and Financière de Tubize constantly monitors the market to adapt to changing circumstances.
5. **Counterparty risk** – This risk occurs when a bank-counterparty defaults on its obligations in the context of deposit transactions, hedging of financial risks, securities transactions, and drawings on credit lines, thereby causing Financière de Tubize to incur a financial loss. Financière de Tubize’s counterparties are Belgian banks with a “high average quality” rating.
6. **Operational risk** – This risk stems from inadequate or failing internal processes and systems, human error or external events. The Company has established detailed controls for each significant process. The Company has no staff. The responsibility of the directors is covered by an insurance policy.
7. **Legal risk** – This type of risk is linked to the development of the law, which may result in some legal uncertainty or interpretation difficulties. The Board of Directors calls on the advice of specialized law firms to monitor changes in the legislative and regulatory framework and to give an expert opinion on any subject relevant to the life of the Company.
8. **Compliance risk** – This risk stems from failure to comply with regulations. The Board of Directors relies regularly on external expert advice related to legal, tax and financial matters. The Company has adopted a Dealing Code that establishes detailed conduct rules to prevent market abuse. These rules impose certain prohibitions and preventive measures.
9. **Reputational risk** – The reputational risk corresponds to the impact a management mistake can have on the image of the Company. To avoid damage to its image or reputation, the Company has established a corporate governance system based on proactive risk management, listening to stakeholders and transparent communication of significant events.



### 3. Post-balance sheet events

No significant events occurred after the end of the first half of 2023.

### 4. Main related party transactions

The following information is required by the Royal Decree of 14 November 2007 insofar as it may, where applicable, have an impact on the Company in the event of the launch of a takeover bid.

#### Shareholding structure

The shareholding structure of Financière de Tubize as indicated by (i) the annual notification sent in accordance with Article 74, §8 of the law of 1 April 2007 concerning takeover bids, (ii) the notifications received by the Company in accordance with the law of 2 May 2007 concerning the publication of significant holdings, and (iii) notifications made in accordance with the market abuse regulation by the directors of the Company or by persons closely related to them, and taking into account the distribution of the voting rights between those held in concert and those held independently, was follows as at 30 June 2023:

	In concert		Independently		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%	40.205	0,09%	5.010.000	11,26%
Barnfin SA	3.903.835	8,77%	-	-	3.903.835	8,77%
Jean van Rijckevorsel	11.744	0,03%	-	-	11.744	0,03%
<b>Total voting rights held by the concert</b>	<b>23.292.065</b>	<b>52,32%</b>	<b>2.029.005</b>	<b>4,56%</b>	<b>25.321.070</b>	<b>56,89%</b>
Other shareholders	-	-	19.191.528	43,11%	19.191.528	43,11%
<b>Total voting rights</b>	<b>23.292.065</b>	<b>52,29%</b>	<b>21.220.533</b>	<b>47,67%</b>	<b>44.512.598</b>	<b>100,00%</b>

The FEJ SRL, Daniel Janssen, the Altai Invest SA (controlled by Evelyn du Monceau), Barnfin SA (controlled by Bridget van Rijckevorsel) and Jean van Rijckevorsel act in concert.

The members acting in concert and their close family members have no direct or indirect relationships with the Company other than those resulting from their capacity as shareholders or, where applicable, from representation on the Board of Directors.

## 5. Composition and functioning of the Board of Directors

### Composition and attendance

In accordance with the articles of association, the Board of Directors consists of at least three members. The general shareholders meeting fixes the number of directors.

The Board currently consists of eleven members (eight representatives of the reference shareholders and three independent directors).

The Board of Directors meets at least three times a year.

The appointment of BLTB SRL, represented by Charles-Antoine Janssen, as a director was confirmed at the Annual General Meeting of 28 April 2023 for a term of 4 years expiring at the ordinary general meeting of 2027.

The mandate of Mrs Evelyn du Monceau was renewed at the ordinary general meeting of 28 April 2023 for a period of 4 years, expiring at the ordinary general meeting of 2027.

At the ordinary general meeting of 28 April 2023, AVO Management BV, represented by Mrs Annick Van Overstraeten, was reappointed as an independent director for a term of 4 years, expiring at the ordinary general meeting of 2027.

# Responsible persons and statement from the Board of Directors

## Responsible persons

### Board of Directors

AVO Management BV represented by Annick Van Overstraeten	Member
Biofina SRL represented by Fiona du Monceau	Member
BLTB SRL represented by Charles-Antoine Janssen	Member
Eric Cornut	Member
Evelyn du Monceau	Member
EJ management SRL represented by Edouard Janssen	Member
Cynthia Favre d'Echallens	Member
Nikita SRL represented by Cyril Janssen	Member
Praxis BV represented by Bruno Holthof	Member
Cédric van Rijckevorsel	Member
Vauban NV represented by Gaëtan Hannecart	Chairman

### Honorary Chairman

Daniel Janssen

### Statutory auditor

BDO Company Auditors SRL, represented by Christophe Colson.

### Day-to-day management

ENRE SRL, represented by Eric Nys.

## Statement from the Board of Directors

We declare that to our knowledge :

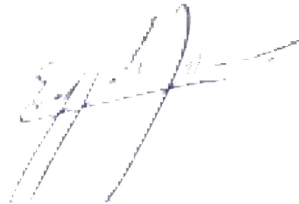
- The interim financial information as at 30 June 2023 gives a true and fair view of the net assets, financial position and profit or loss of Financière de Tubize in accordance with the applicable accounting standards.
- The interim management report contains a fair presentation of the significant events and major related party transactions that occurred during the first half of the current financial year and their impact on the condensed interim financial information as at 30 June 2023, as well as a description of the principal risks and uncertainties for the remaining months of the year.

Brussels, 28 July 2023

The Board of Directors



Gaëtan Hannecart,  
Chairman of the  
Board of Directors



Evelyn du Monceau,  
Member of the  
Board of Directors



## 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 2023

### Introduction

We have reviewed the accompanying interim condensed financial information, including a condensed balance sheet of Financière de Tubize as of 30 June 2023, 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 28, 2023

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

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