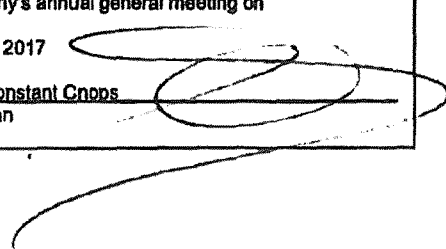


**UCB NORDIC A/S**  
Arne Jacobsens Allè 15  
2300 København S

CVR no. 26 68 89 49

**Annual report 2016**

The annual report was presented and approved at the  
Company's annual general meeting on  
31 May 2017  
Willy Constant Croops  
chairman



UCB NORDIC A/S  
Annual report 2016  
CVR no. 26 88 89 49

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UCB NORDIC A/S  
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## Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of UCB NORDIC A/S for the financial year 1 January – 31 December 2016.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2016 and of the results of the Company's operations for the financial year 1 January – 31 December 2016.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen,  
31 May 2017

Executive Board:



Henrik Dramer  
Bøgebjerg Hansen

Board of Directors:



Willy Constant Cnops  
Chairman



Arnaud Lefèvre



Yogesh Naranbhai  
Khatri



## **Independent Auditor's Report**

**To the Shareholders of UCB Nordic A/S**

### **Opinion**

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2016, and of the results of the Company's operations for the financial year 1 January - 31 December 2016 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of UCB Nordic A/S for the financial year 1 January - 31 December 2016, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Management's Responsibilities for the Financial Statements**

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management 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 in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 ISAs and the additional requirements applicable in Denmark 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 financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for 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 accounting estimates and related disclosures made by Management. Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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 contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.



We communicate with those charged with governance 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.

Hellerup, 31 May 2017  
**PricewaterhouseCoopers**  
Statsautoriseret Revisionspartnerselskab  
CVR No 33 77 12 31

A handwritten signature in black ink, appearing to be 'TJ', with a long horizontal flourish extending to the right.

Torben Jensen  
State Authorised Public Accountant

## **Company details**

UCB NORDIC A/S  
Arne Jacobsens Allé 15  
2300 København S

Telephone: +4532462400  
Fax: +4532462401  
Website: [www.ucb.com](http://www.ucb.com)

CVR no.: 26 68 89 49  
Established: 5 July 2002  
Registered office: Copenhagen  
Financial year: 1 January – 31 December

### **Board of Directors**

Willy Constant Cnops, Chairman  
Arnaud Lefèvre  
Yogesh Naranbhai Khatri

### **Executive Board**

Henrik Dramer Bøgebjerg Hansen

### **Auditor**

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
2900 Hellerup

### **Annual general meeting**

The annual general meeting will be held on 31 May 2017.

## Financial statements 1 January – 31 December

### Income statement

DKK'000	Note	2016	2015
<b>Gross profit</b>		35,467	33,732
Staff costs	3	-29,522	-30,631
<b>Profit before financial income and expenses</b>		5,945	3,101
Financial income	4	92	174
Financial expenses	5	-843	-504
<b>Profit before tax</b>		5,194	2,771
Tax on profit for the year	6	-1,522	-669
<b>Net profit for the year</b>		<u>3,672</u>	<u>2,102</u>
<b>Proposed distribution of profit</b>			
Proposed dividend for the year		3,500	1,500
Retained earnings		172	602
		<u>3,672</u>	<u>2,102</u>



## Financial statements 1 January – 31 December

### Balance sheet

DKK'000	Note	<u>2016</u>	<u>2015</u>
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Fixed asset investments</b>			
Other receivables		<u>596</u>	<u>651</u>
		<u>596</u>	<u>651</u>
<b>Non-current assets</b>		<u>596</u>	<u>651</u>
<b>Current assets</b>			
<b>Inventories</b>			
Finished goods and goods for resale		<u>11,010</u>	<u>12,517</u>
		<u>11,010</u>	<u>12,517</u>
<b>Receivables</b>			
Trade receivables		34,332	27,356
Receivables from group entities		15,463	54,279
Deferred tax asset		19	26
Prepayments		<u>561</u>	<u>388</u>
		<u>50,375</u>	<u>82,049</u>
<b>Cash at bank and in hand</b>		<u>11,328</u>	<u>939</u>
<b>Total current assets</b>		<u>72,713</u>	<u>95,505</u>
<b>TOTAL ASSETS</b>		<u><u>73,309</u></u>	<u><u>96,156</u></u>

## Financial statements 1 January – 31 December

### Balance sheet

DKK'000	Note	2016	2015
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	7		
Share capital		850	850
Retained earnings		6,025	5,853
Proposed dividends for the year		3,500	1,500
<b>Total equity</b>		<u>10,375</u>	<u>8,203</u>
<b>Provisions</b>			
Provisions for share option plan		4,173	1,545
<b>Total provisions</b>		<u>4,173</u>	<u>1,545</u>
<b>Liabilities other than provisions</b>			
<b>Short-term debt</b>			
Trade payables		4,959	4,804
Payables to group entities		39,352	66,946
Corporation tax		1,184	704
Other payables		13,266	13,954
		<u>58,761</u>	<u>86,408</u>
<b>Total debt</b>		<u>58,761</u>	<u>86,408</u>
<b>Total equity and liabilities</b>		<u>73,309</u>	<u>96,156</u>
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## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies

The annual report of UCB Nordic A/S for 2016 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act.

As from 1 January 2016, the Company has implemented Act no. 738 of 1 June 2015. This has entailed the following changes to recognition and measurement:

— Going forward, the residual value of intangible assets and property, plant and equipment must be reassessed on an ongoing basis. Pursuant to the transition provisions of the Act, any adjustments to residual values must be made prospectively as an accounting estimate without restatement of comparative figures and without effect on equity.

The changes have no monetary effect on the income statement or the balance sheet for 2016 or for the comparative figures.

### Income statement

#### Gross Profit

With reference to section §32 of the Danish Financial Statements Act, revenue has not been disclosed in the annual report.

#### Revenue

Revenue from the sale of goods for resale and finished goods is recognised in the income statement when delivery and transfer of risk to the buyer has been made before year end.

Revenue is recognised excluding VAT and net of discounts relating to sales.

#### Financial income and expenses

Financial income and expenses comprise interest, realised and unrealised exchange adjustments as well as extra payments and refunds under the on-account taxation scheme.

#### Tax on profit for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to the equity transactions is recognised directly in equity.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Balance sheet

###### Fixed asset investments

Fixed asset investments consists of deposits which is measured at cost.

###### Impairment of assets

The carrying amount of intangible assets and property, plant and equipment as well as investments in group enterprises is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

###### Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

###### Prepayments

Prepayments comprise prepaid expenses concerning subsequent financial years.

###### Equity

###### *Dividend*

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

###### Provisions

Provisions is booked when the company has a legal or de facto obligation due to an incident occurring before or at the balance sheet date, and it is probable that capital must be ceded in order to meet the obligation.

###### Deferred tax assets and liabilities

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. In cases where the computation of the tax base

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by setoff against deferred tax liabilities.

#### Liabilities

Payables to credit institutions are recognized at cost at the date of borrowing, equivalent to proceeds received less transaction cost paid.

Trade payables and payables to group entities are recognized at cost.

Subsequently these financial liabilities are measured at cost.

Other liabilities are measured at net realization value

#### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

## Financial statements 1 January – 31 December

### Notes

#### 2 Key figures

The objective of the Company is to carry out business activity in the fields of biotechnology, medicine and chemistry and related areas as defined by the board.

#### 3 Staff costs

DKK'000	2016	2015
Wages and salaries	27,101	28,162
Pensions	2,290	2,411
Other social security costs	131	58
	<u>29,522</u>	<u>30,631</u>
Average number of full-time employees	<u>25</u>	<u>27</u>

According to section 98 B(3) of the Danish Financial Statements Act, remuneration to the Executive Board has not been disclosed.

#### 4 Financial income

Interest received from subsidiaries	2	0
Exchange adjustments	53	174
Exchange gains	37	0
	<u>92</u>	<u>174</u>

#### 5 Financial expenses

Interest paid to group entities	319	86
Foreign exchange losses	29	0
Other financial expenses	422	228
Exchange adjustments, expenses	73	190
	<u>843</u>	<u>504</u>

#### 6 Tax on profit/loss for the year

DKK'000	2016	2015
Current tax for the year	1,515	964
Deferred tax for the year	6	8
Adjustment of tax concerning previous years	1	-303
	<u>1,522</u>	<u>669</u>

## Financial statements 1 January – 31 December

### Notes

#### 7 Equity

DKK'000	Share capital	Retained earnings	Proposed dividends for the year	Total
Equity at 1 January 2016	850	5,853	1,500	8,203
Distributed dividends	0	0	-1,500	-1,500
Transferred over the profit appropriation	0	172	3,500	3,672
<b>Equity at 31 December 2016</b>	<b>850</b>	<b>6,025</b>	<b>3,500</b>	<b>10,375</b>

There have been no changes in the share capital during the last five years.

The share capital consists of 850,000 shares of a nominal value of DKK 1. No shares carry any special rights.

#### 8 Contingent assets, liabilities and other financial obligations

The Company has leases regarding company cars, and has committed to give at least six month's notice on the office rental. At 31 December 2016, the Company has total contingent liabilities of DKK 1,482 thousand. In the prior year, the Company had total contingent liabilities of DKK 2,085 thousand.

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## **Financial statements 1 January – 31 December**

### **Notes**

#### **9 Related party disclosures**

##### **Controlling interest**

UCB Finance N.V., Lage Mosten 33, 4822 Breda, The Netherlands.

##### **Consolidated financial statements**

The Company is included in the Group Annual Report of UCB S.A.

The Group Annual Report of UCB S.A. may be obtained at the following address:

Allée de la Recherche 60

1070 Brussels

Belgium