2021 Integrated annual report
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This is the core section of Barco’s 2021 integrated annual report. Other sections are available via the download center at [ir.barco.com/2021](http://ir.barco.com/2021).

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**CORE**

- Governance & risk report
- Report on planet - people - communities
- Financial report

**MORE**

- Integrated Data Pack
- Glossary
- GRI Content index
- Assurance report

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All definitions for alternative performance measures (APM’s) as used in this report are available in the glossary as available on Barco’s investor portal and in Annex of the Annual Report.

This financial report in pdf format is only a supplementary document. The official ESEF (European Single Electronic Format) version prevails.
Continuing our journey towards integrated reporting

In 2020, Barco replaced its traditional annual financial and sustainability reports with a single integrated report, providing a more compelling and holistic overall view of how we create and sustain value in the short, medium and long term.

The positive feedback has motivated us to step up our efforts in 2021. We finetuned the KPIs, increased transparency, sharpened content, and improved the connectivity between the report and our corporate website to deliver an even better integrated report for 2021.

Is it perfect now? Not yet. After all, integrated reporting is a journey. Yet, as we increasingly integrate ESG standards into our strategy, strengthen our commitment to long-term value creation and deepen the dialogue with all our stakeholders, we gradually infuse integrated thinking into our company – allowing us to deliver ever-better outcomes to customers, employees, investors and society at large.
Interview with our CEOs

In the second half of 2021, An Steegen and Charles Beauduin came on board as the new co-CEOs of Barco. We asked them about their plans and determination to fuel Barco forward.

Both of you have known the Barco organization for quite some time now as members of the Board of Directors. What do you see as the biggest strengths of our company?

An Steegen: Let me first say it’s an honor and privilege to be the new CEO of Barco, together with Charles. When I joined Barco as a director in 2017, a couple of things really struck me. Barco has a lot of talented and committed people and our technical expertise in image processing is impressive. Our image processing capabilities have huge potential for the future. In today’s digital world, people want new insights, new experiences and connectedness. Barco has the visualization solutions to bring data alive, create experiences and connect people.

Charles Beauduin: Indeed, everything we do at Barco is related to an overarching trend – that of images: never before have images played such a fundamental role in how people live, work and play. That new reality offers huge opportunities for Barco. Moreover, Barco is active in healthy markets with sizeable growth opportunities. That, too, is a key asset.
Look-back to a challenging 2021

Still, 2021 has not been the easiest year to build upon these strengths, I guess. How do you look back on this year?

An Steegen: Just like in 2020, the first priority for Barco has been the safety of our people and their families. The covid-19 crisis has left a permanent mark on all of us, requiring a great deal of mental strength, resilience and flexibility. We are proud of the commitment and engagement of every Barco employee and are doing our very best to deal with the impact of the pandemic. When looking at our business, we can’t look away from the fact that the pandemic kept dampening our results for the second year in row. While there were meaningful signs of recovery, the strong order intake was not fully reflected in sales due to supply bottlenecks.

Supply chain shortages have been a common challenge for many businesses over the past year. What do you consider Barco’s biggest challenges going forward?

Charles Beauduin: The covid-19 crisis has revealed a number of weaknesses, which we plan to turn into opportunities for growth and efficiency gains in the future. The supply disruptions that An mentioned point to weaknesses in our value chain. A stronger upstream value chain position will limit our dependency and allow for more competitive differentiation. That’s why we want to strengthen and leverage our supply and manufacturing capabilities.

Opportunities revealed

Already in October 2021 you took the bold step to reorganize the company. Was that a way to speed up decision-making?

Charles Beauduin: Barco had a very complex organization structure with many competing centers of power, leading to slow decision-making and a lack of end-to-end accountability. That is why we decided to regroup sales, marketing, product management and R&D within our business units. That will boost efficiency and entrepreneurial dynamics: shorter reporting lines, faster decision-making and enhanced customer and market responsiveness.

An, you mentioned the enormous potential of Barco’s imaging capabilities. Do you, as a technology expert, have plans to further build on these?

An Steegen: Image processing is the common thread in everything we do at Barco, so the business opportunities are enormous. Yet, we need more groundbreaking, value-added solutions that ultimately set us apart. New star products. Developing that technology requires experts, which we definitely have, as well as the courage to make choices, cut knots and let go of products if they prove disappointing. We must do all we can to support our technology experts in making the right technology choices and speeding up innovation.

Charles, what about Barco’s plans for China?

Charles Beauduin: We absolutely have to expand our local presence there. The country shows great growth potential in markets like entertainment and healthcare, where Barco is active.
2022 and beyond

What are your priorities and expectations for the coming years?
An Steegen: 2022 will obviously be a year of transition. The new organizational structure is a great foundation to execute on our objectives. Our ultimate ambition is to build a differentiating product portfolio and win good market share in all our markets and regions.

Charles Beauduin: Speed will be crucial going forward, in all domains: we have to accelerate internationalization, operations and supply chain. And that speed will be just as important in innovation, to turn ideas into sellable solutions. James Bond would say ‘there is no time to die’.

Speed will be crucial going forward, in all domains.
Charles Beauduin

2021 was also the year of the UN Climate Change Conference in Glasgow, putting more emphasis on making sustainability actionable and delivering impact. Do you have plans to accelerate efforts in that field too?
An Steegen: I've always been passionate about sustainable technology. I've seen that Barco has been working hard in this field, in the past few years, and I'm impressed with the progress. Now it's time to strengthen the impact of our sustainability approach, fostering engagement and ensuring it gets embedded into everything we do – in every division, every business unit, every department and every region. When prioritizing the domains in which we want to make an impact, we decided to focus on ‘Planet’ initiatives first: Barco is working on further lowering its carbon footprint and that of its customers. Next is sustainable employability, with a focus on diversity and inclusion.

Building a promising future

On a final note: there’s confidence that Barco will emerge stronger from the covid-19 crisis?
Charles Beauduin: Barco has been a technology leader for so many decades and, like I said, there’s huge potential to retain that leadership – or rather strengthen it. I’m proud to take the steering wheel and build a promising future for Barco, together with An and the entire team.

An Steegen: I couldn’t agree more. I’m just as excited to shape Barco’s future as Charles is, together with all our people, customers, partners and shareholders. Let me end by thanking all those stakeholders for their trust and confidence in our company. The entire Barco team will work hard in 2022 and beyond to create sustainable value for all of you.
Our Chairman Frank Donck on the leadership changes

2020 and 2021 were challenging years for the entire world, as they were for Barco. Jan De Witte has navigated our organization through the covid-19 crisis. During his five years as CEO, he made Barco a more resilient, professionally led and international company and the Board of Directors is grateful to him for the changes that he realized.

Our new CEOs bring a load of complementary background and expertise to the plate to steer our company forward.

Frank Donck

Our new CEOs Charles Beauduin and An Steegen bring a load of complementary background and expertise to the plate to steer our company forward. Both An and Charles are committed to growth, entrepreneurship and innovation. As members of our Board of Directors, they got to know Barco really well. That in-depth understanding has allowed them to quickly reorganize Barco’s organizational structure and leadership team, to now focus on Barco’s strategic priorities and execution. We are confident they will put Barco in a stronger position to capture the mid- and long-term growth opportunities in every market that we are active in.

Frank Donck
1. **Is there a future for cinema?**

Absolutely, and it’s started already – with strong movie launches and solid box office results globally. Moviegoers will, however, want premium solutions, which we offer. Our opportunities? Further expansion in China, in the Middle East, India and other emerging regions, plus capturing the renewal wave in cinema, as the first-generation digital projectors are reaching end-of-life (sub-optimal image quality, high energy consumption, ...).

» Read more

2. **Is ClickShare ready to thrive on the hybrid meeting trend?**

Hybrid office working – and, consequently, hybrid meetings – are the way forward. But there is a limited number of popular platforms that can ensure true collaboration and meeting interaction. With ClickShare Conference, meeting room participants can wirelessly connect their laptops to all the meeting room peripherals (cameras, speakerphones, soundbars), in order to enjoy easy, reliable wireless conferencing and content sharing.

» Read more

3. **By when will Barco be back to 2019 performance levels?**

We believe 2022 will be a transition year. Recovery rates will vary depending on the markets and we assume supply chain constraints will continue to impact our business in the beginning of the year. Still, we know that Barco is well positioned to capitalize on the growth opportunities that will gradually yet steadily emerge in all of its end markets. We expect to beat 2019 performance (both topline and bottom-line) as of 2023.

» Read more
Key figures

**Eco score**

31%

% revenues from products with Barco ECO label

**Customer NPS**

(Net Promoter Score)

47

Barco’s standard customer experience metric, measured quarterly (upper quartile industry performance)

**Employees**

Reported in heads, excluding temporary workforce

<table>
<thead>
<tr>
<th>Year</th>
<th>Heads</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>3,636</td>
</tr>
<tr>
<td>2020</td>
<td>3,303</td>
</tr>
<tr>
<td>2021</td>
<td>3,141</td>
</tr>
</tbody>
</table>

(Database Corporate Associates per 31/12/2021)

**Sales**

In millions of euro

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>1,108</td>
</tr>
<tr>
<td>2020</td>
<td>770</td>
</tr>
<tr>
<td>2021</td>
<td>804</td>
</tr>
</tbody>
</table>

**Gross profit**

In millions of euro

<table>
<thead>
<tr>
<th>Year</th>
<th>Gross profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>429</td>
</tr>
<tr>
<td>2020</td>
<td>284</td>
</tr>
<tr>
<td>2021</td>
<td>288</td>
</tr>
</tbody>
</table>

**EBITDA**

In millions of euro

<table>
<thead>
<tr>
<th>Year</th>
<th>EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>153</td>
</tr>
<tr>
<td>2020</td>
<td>54</td>
</tr>
<tr>
<td>2021</td>
<td>59</td>
</tr>
</tbody>
</table>

**Gross profit margin**

40% 37% 36%

**EBITDA margin**

14% 7% 7%
Highlights

JANUARY
Making (remote) reading versatile with new 12 MP diagnostic display
The versatile Nio Fusion 12MP puts diagnostic flexibility and reliability at radiologists’ fingertips. It boosts the workflows of the radiologists, while helping them take confident decisions.
» Read more

FEBRUARY
Frost and Sullivan award for ClickShare Conference
With the award, Frost and Sullivan recognize Barco’s leadership position in the market and the innovative character of our one-click wireless conferencing solution.
» Read more

MARCH
Science Based Targets initiative formally approves our carbon reduction target
Our carbon reduction target is confirmed to be consistent with the levels required to keep global warming to below 1.5°C – the most ambitious goals of the Paris Agreement – a great acknowledgment of the ambitious journey we have been accelerating since 2016.
» Read more

APRIL
IMAX reconfirms its trust in Barco
As a long-term partner, Barco and IMAX will optimize the use of our laser light source technology to help power IMAX systems globally.
» Read more

APRIL
Enabling surgical teams to collaborate remotely with game-changing platform
Meeting the growing need for hybrid collaboration, NexxisLive enables participants to talk, chat and annotate as if they’re all in the same OR, with excellent audio and video quality and minimal latency.
» Read more

JUNE
Leading through innovation with the world’s first stand-alone digital pathology display
Our new ultra-high definition MDPC-8127 display offers pathologists an exceptionally high-quality digital tool to alleviate their growing workloads, while ensuring the best health outcomes.
» Read more
SEPTEMBER
Barco weConnect accredited as top-quality learning solution
The Learning and Performance Institute (LPI) officially accredited Barco with the Gold Standard for providing top-quality learning products, solutions and services via our teaching and training solution.
» Read more

SEPTEMBER
Performance meets sustainability in new LED rear-projection cube
Ensuring a 55% increase in light output at the same power consumption, the MVL-721 is an impressive re-engineered version of our successful LED RPC video wall, answering all the needs of modern control rooms.
» Read more

SEPTEMBER
Celebrating the prestigious 100,000 digital cinema projectors milestone
Since the first release of our digital cinema projector prototypes in 1999, Barco has manufactured over 100,000 projectors – a milestone acknowledged by the entire cinema community.
» Read more

OCTOBER
Tianfu International Airport takes off with Barco OpSpace in 14 control rooms
The new Tianfu International Airpoirt in Chengdu (China) sets a milestone for intelligent transporta-
tion. An impressive stack of Barco technology helps controllers keep the skies – and the airport – safe.
» Read more

NOVEMBER
Barco F400-HR is the world’s first single-chip native 4K simulation projector
Native 4K resolution, up to 240Hz processing speed, laser illumination and extreme reliability: the new F400-HR ticks all the boxes for use in even the most demanding training and simulation applications.
» Read more
Our company
Introduction to Barco

About Barco

Barco is a global technology leader that develops networked visualization solutions for the entertainment, enterprise and healthcare markets. Our solutions make a visible impact, allowing people to enjoy compelling entertainment experiences, to foster knowledge sharing and smart decision-making in organizations and to help hospitals provide their patients with the best possible healthcare.

Headquartered in Kortrijk (Belgium), Barco has a global team of 3,000+ employees, whose passion for technology is captured in 500 granted patents. Our company has been listed on the Brussels Stock Exchange since 1985.

Our mission: enabling bright outcomes

Imagine a way to see, sense, and share the intangible. It’s what happens when big data becomes knowledge. When images become insight. And when experiences come to life.

That’s what Barco is all about. In a world where data and rich content are expanding exponentially, we empower people with inspired sight, sound and sharing solutions to help them make meaningful connections.

For us, it’s our customers that count. We help them achieve their goals, whether it’s protecting the health and safety of millions, creating unforgettable experiences, or supporting people to work smarter together. We help them get the most out of what they do every day. So together, we create brighter outcomes, around the world.
Our organization

Reviewing our organizational structure

In October 2021, Barco decided to replace its fully-fledged matrix organization by a more focused model. In the past, geographic regions handled sales, marketing and customer service functions and interacted with business units in the operational divisions. Under the revised structure, regional sales are folded into the business units together with sales, product management, and research & development. In addition, more general functions like services, sales support, operations, digitization, finance, HR, legal and Barco Labs will be managed on a global level:

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Our new organizational market structure will boost agility, market responsiveness as well as accountability. Business units are now fully empowered to execute strategic priorities while global functions act as an enabler for the entire organization.

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Charles Beauduin
Geographical breakdown of sales

- Asia-Pacific: 25%*
- EMEA*: 38%
- The Americas: 37%

* EMEA: Europe & Middle East & Africa

Sales per division

- Entertainment: 39%*
- Enterprise: 29%
- Healthcare: 33%

* Breakdown based on sales 2021
Geographical footprint

Barco has sites in nearly 30 countries and R&D and/or manufacturing facilities in 10 countries.

The people of Barco

Our people are the driving force to our success. A team of over 3,000 employees, located around the globe, all join forces to enable bright outcomes:

Number of employees

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>3,636</td>
</tr>
<tr>
<td>2020</td>
<td>3,303</td>
</tr>
<tr>
<td>2021</td>
<td>3,141</td>
</tr>
</tbody>
</table>

Gender

- 73% male
- 27% female

Geographical

- 12% The Americas
- 33% Asia-Pacific
- 55% EMEA

Per functional group

- 41% Operations
- 30% Research & development
- 21% Sales & Marketing
- 7% General & Administration

Reported in heads, excluding temporary workforce (Database Corporate Associates per 31/12/2021)
Leadership

Barco believes that the role of its leadership team and its Board of Directors is not only to protect the corporation but also to ensure that Barco is able to create value for society at large.

While the Board of Directors sets, steers and monitors our strategic direction, our Core Leadership Team (‘CLT’) is responsible for implementing our group strategy and policies and achieving our objectives and results. In this way, all governance bodies contribute to value creation at Barco.
Board of Directors

The composition of the Board of Directors meets the gender diversity requirements. All directors held or have held senior positions in leading international companies in organisations. With board members Charles Beauduin and An Steegen taking up the positions of co-CEOs in 2021, Frank Donck became chairman of the Board. In addition, we welcomed Lieve Creten as new independent director.

Check the CGR report for an overview of the changes in the Board of directors in 2021. Biographies are available on our corporate website.
Our Core Leadership Team

The CLT, which operates under the chairmanship of the CEOs, comprises key officers from various functions, businesses and regions. Four new CLT members came on board in 2021.

An Steegen  
CEO

Charles Beauduin  
CEO

Wim Buyens  
Cinionic

Geert Carrein  
Diagnostics

Olivier Croy  
Meeting & Learning Experience

Gerwin Damberg  
Cinema & Acting CTO

Ann Desender  
Chief Financial Officer

Johan Fornier  
Surgical & Modality

Stijn Henderickx  
Immersive Experience

Anthony Huyghebaert  
Chief HR Officer

Rob Jonckheere  
Global Operations

Chris Sluys  
Large Video Wall Experience

Marc Spenlé  
Chief Digital & Information Officer

Iain Urquhart  
Global Services & Sales Operations

Kurt Verheggen  
General Counsel

Kenneth Wang  
MD Barco China

Check the CGR report for an overview of the changes in the CLT in 2021. Biographies are available on our corporate website.
Culture & ethics

Every organization has a culture; implicit or explicit. It is its personality – a set of unwritten rules on how an organization behaves. And it reveals itself in many different forms. In 2019, we rejuvenated our corporate culture, defining the cultural traits that we must embrace to continue leading in our dynamic markets. For years, ethical behavior has been deeply embedded in our culture.

Barco culture: how we live our DNA

Corporate culture is everywhere. It comes alive in how we act towards our customers and how we talk and listen to them. It becomes visible in the way we design our processes: have we designed them from our perspective or from the perspectives of those who are affected by them? It guides us in creating teams, but also in how we treat each other as team members. Culture even comes alive in our decision of how to greet each other in the morning. And above all, it defines how we execute our strategy. Culture is how we live our DNA.

The importance of ethics and compliance

Barco’s reputation and continued success depend on the conduct of its employees as well as its business partners. That’s why we put great emphasis on ethics and compliance: we continuously invest in building a company culture in which ethical conduct and compliance with our policies and the applicable regulations are at the core of how we do business.
Planet, people and communities

At Barco, we firmly believe that sustainable business is good business – and vice-versa. To that end, we are committed to taking ownership of a sustainable future. Our sustainability strategy (‘Go for Sustainable Impact’) has been an integral part of our corporate strategy for quite some years now and we are constantly accelerating our efforts.

More than safeguarding the future of our planet, sustainability at Barco also incorporates responsibility to our employees and to the communities in which we operate. For each of our three sustainability pillars – Planet, People, and Communities – we defined an overall ambition statement as well as medium- and short-term targets that guide and motivate us to infuse sustainability across the organization.

Our ambitions and targets are linked to the sustainability areas that matter most to our stakeholders and where we can achieve the greatest impact: our material topics.

Barco has been working hard in the field of sustainability in the past few years and I’m impressed with the progress. Now it’s time to strengthen the impact of the program, fostering engagement and ensuring it gets embedded into everything we do – in every division, every business unit, every department and every region.

An Steegen
How we create value
Value creation model

The concept of ‘value creation’ fits perfectly with our mission of enabling bright outcomes. The value creation model on the right describes how we create value to all our stakeholders in the short, medium and long term. The model articulates the mission of our company and links it to our strategy and the markets we cover. The horizontal layers represent the six capitals in which we group the respective KPI’s.*

» Check the full Value creation model on our website

* Together these 6 capitals represent stores of value that are the basis of an organization’s value creation. See background paper of International Integrated Reporting Council (IIRC).

The capitals remained the same in the annual report of 2021 compared to 2020 and aligned with the recommendations of IIRC. Some reported KPIs in Barco’s value creation model 2021 however are different compared to the 2020 reporting, resulting from a KPI-assessment, in preparation of the 2021 report and presented to the Audit Committee. Only the KPIs with ‘materiality’ and ‘value driver’ properties for Barco were selected for reporting in the value creation model.
Financial

Orders (in millions of euro)

Sales (in millions of euro)

EBITDA (in millions of euro)

Net earnings (in millions of euro)

% growth

% growth

EBITDA margin

2019
2020
2021

2019
2020
2021

2019
2020
2021

2019
2020
2021

100
90
80
70
60
50
40
30
20
10

95

-4
6

1,102
746
679

1,083
770
804

153
54
59
Manufactured

**CapEx**

(millions of euro)

<table>
<thead>
<tr>
<th>Year</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
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<tbody>
<tr>
<td>CapEx</td>
<td>20</td>
<td>15</td>
<td>19</td>
</tr>
</tbody>
</table>

**Product revenues inhouse manufactured**

(over hardware revenues)

<table>
<thead>
<tr>
<th>Year</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product revenues</td>
<td>63%</td>
<td>70%</td>
<td>69%</td>
</tr>
</tbody>
</table>

**Inventory value**

(millions of euro)

<table>
<thead>
<tr>
<th>Year</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
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</thead>
<tbody>
<tr>
<td>Inventory value</td>
<td>169</td>
<td>175</td>
<td>176</td>
</tr>
</tbody>
</table>

**Inventory turns**

<table>
<thead>
<tr>
<th>Year</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inventory turns</td>
<td>5</td>
<td>10</td>
<td>15</td>
</tr>
</tbody>
</table>

**ROCE**

(%)  

<table>
<thead>
<tr>
<th>Year</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>ROCE</td>
<td>25%</td>
<td>3%</td>
<td>4%</td>
</tr>
</tbody>
</table>
Intellectual

R&D spend (in millions of euro)

2019 2020 2021
119 103 101

% of sales
11% 13% 13%

Employees in R&D

2019 2020 2021
945 941 945

% of total employees
26% 29% 30%

# of new patent filings

2019 2020 2021
8 9 17

# of patents at year-end

2019 2020 2021
402 461 504
Planet

**Energy consumption in own operations**
(MWh/mio € revenues)
TARGET 2023: 38

**Greenhouse gas emissions from own operations**
(tonnes CO₂e/mio € revenues)
TARGET 2023: 52

**Energy footprint of sold products**
(relative reduction vs base year 2015)
TARGET 2023: -25%

**% of revenues* from products with ECO label**
TARGET 2023: 70%

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* Product and project revenues as reported in Note 3 of the financial chapter of our integrated report
People

Total number of employees (# heads)

<table>
<thead>
<tr>
<th>Year</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>3,636</td>
<td>3,303</td>
<td>3,141</td>
</tr>
</tbody>
</table>

% women overall & senior management

<table>
<thead>
<tr>
<th>Year</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall</td>
<td>28%</td>
<td>28%</td>
<td>27%</td>
</tr>
<tr>
<td>Senior Management</td>
<td>15%</td>
<td>17%</td>
<td>16%</td>
</tr>
</tbody>
</table>

Average training hours/employee

<table>
<thead>
<tr>
<th>Year</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average</td>
<td>13.2</td>
<td>11.3</td>
<td>10.5</td>
</tr>
</tbody>
</table>

Employee Net Promoter Score

<table>
<thead>
<tr>
<th>Year</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Score</td>
<td>39</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Target: 30
Communities

### Customer Net Promoter Score
(relationship NPS)

<table>
<thead>
<tr>
<th>Year</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>47</td>
</tr>
<tr>
<td>2021</td>
<td>47</td>
</tr>
</tbody>
</table>

### Average cybersecurity maturity score
(NIST CSF)

<table>
<thead>
<tr>
<th>Year</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>2.19</td>
</tr>
<tr>
<td>2021</td>
<td>2.23</td>
</tr>
</tbody>
</table>

TARGET 2025: 3.4

### ISO 27001 certification (security)

<table>
<thead>
<tr>
<th>Year</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>1</td>
</tr>
<tr>
<td>2020</td>
<td>2</td>
</tr>
<tr>
<td>2021</td>
<td>2</td>
</tr>
</tbody>
</table>

TARGET: + 1 YEARLY

### Suppliers scored on sustainability performance

<table>
<thead>
<tr>
<th>Year</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>44%</td>
</tr>
<tr>
<td>2021</td>
<td>58%</td>
</tr>
</tbody>
</table>

TARGET 2023: 70%
Shaping our strategy
On a mission to enable bright outcomes

At Barco, we are on a mission to help our customers enable bright outcomes by transforming content into insight and emotion. In spite of the accelerated disruption in the world today, our ‘enabling outcomes’ strategy remains our guiding light. To remain competitive in today’s digitally accelerating world, though, we continually refine our approach and priorities to keep these in line with the changing dynamics, including relevant market trends, material topics and risks.

Four strategic levers

The commitment to outcomes is one of the four levers of the Barco strategy. It is intertwined with a zeal for innovation, a characteristic that has been shaping our company since its earliest days, a permanent focus on performance and the resolute choice to go for sustainable impact.

When making strategic decisions, we increasingly take into account the material topics that create the most value for Barco and its stakeholders.
1. Innovate for impact

In the next few years, Barco is determined to **double down on innovation and technology**. To retain our position as a technology leader, we are strengthening our focus on our R&D investments, bringing in expertise in disruptive new technologies to complement our own know-how, reorganizing our innovation approach and introducing lean, agile innovation practices.

By strengthening our innovation and technology capabilities, we want to further differentiate ourselves from our competitors, launching disruptive solutions that can change the way people work, live and play. In spite of the acceleration, we will, of course, never forget our trusted motto: **innovation at Barco is innovation that delivers impact**, i.e. added value for our customers. By analyzing our innovation plans, discussing them with customers and de-risking them, we will keep ensuring solid returns on our innovation investments.

» Check out more insights and interviews in the ‘innovation and technology’ chapter

### Assessment

Overall, we score a 2/4 on ‘Innovate for Impact’ as well as on the different sub-levers. We believe progress has been made but there is still ample room to grasp new and more effective growth opportunities.

<table>
<thead>
<tr>
<th>Focus areas</th>
<th>Status</th>
<th>Proof points in 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Focus on innovation with balanced R&amp;D investments</td>
<td></td>
<td>• 13% of sales spent on R&amp;D on a group level.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Newly assigned CEOs bring <strong>strong technology expertise</strong> to Barco’s executive level.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Launching a more <strong>focused innovation approach</strong> to support a more balanced innovation pipeline with more new growth investments.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• The <strong>global software development structure</strong> was further strengthened as part of our Corporate Digital &amp; Information Office.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• <strong>Strengthening patent management</strong>.</td>
</tr>
<tr>
<td>Innovation with impact</td>
<td></td>
<td>• A redesigned organizational structure to enhance market effectiveness and customer responsiveness and also to reinforce the connection between innovation and real customers’ requirements.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• <strong>Laser portfolio</strong> expanded with state-of-art, single-chip RGB projectors (XDM and XDI) for media-based attractions.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• First single-chip native projectors for <strong>simulation</strong> and <strong>Pro AV applications</strong>: F-400-HR and G100 projectors.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• <strong>ClickShare Conference</strong> wins Frost &amp; Sullivan Best Practices Market Leadership award and Connected Magazine’s ‘Most Popular’ award.</td>
</tr>
<tr>
<td>More than just introducing new products</td>
<td></td>
<td>• Further roll-out of <strong>SaaS-based business models</strong> (weConnect and Demetra).</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Stepping up <strong>security levels in Nexxis</strong> operating room solutions (full compliance with MDR regulation).</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• <strong>Renewal</strong> of LCD videowall solutions portfolio.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Adjacent markets: new, first stand-alone display cleared for <strong>digital pathology</strong></td>
</tr>
</tbody>
</table>

**Related to these highly material topics:**

• Innovation management
• Product quality, safety & security
• Product stewardship
Improving our performance and shaping our organization has been a priority for Barco over the past few years. Step by step, we became a leaner and more resilient company. But just as we began to feel that we were in the pole position for growth in early 2020, the covid-19 crisis hit. It urged us to sharpen our focus on performance again, in 2020 and 2021.

In 2021, Barco started addressing a number of weaknesses revealed by the pandemic. Simplifying our organizational structure, strengthening our supply chain, value chain and innovation efforts and accelerating our business in China will make us a stronger company, ready to deliver on the growth opportunities ahead.

**Assessment**
Our scores in the field of ‘performance’ vary between 1/4 and 3/4 on the different sub-levers, with good progress on organizational efficiency and resilience. Value and supply chain position, China and commercial excellence remain areas for further improvement.

### Focus areas
<table>
<thead>
<tr>
<th>Focus areas</th>
<th>Status</th>
<th>Proof points in 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Show resilience and be a trusted partner</td>
<td></td>
<td>• Meaningful signs of recovery, with orders up 31% compared to 2020 and flat compared to 2019.</td>
</tr>
<tr>
<td>Focus on organizational efficiency</td>
<td></td>
<td>• Continued focus on operational continuity across all of our sites while countries and regions moved in start-stop lock down mode.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Celebrating 100,000 digital cinema projectors manufactured.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• We reconfirmed our commitment to the large video wall control room market.</td>
</tr>
<tr>
<td>Strengthen commercial excellence</td>
<td></td>
<td>• Simplified organization, removing competing centers of power and shorter reporting lines.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Strong end-to-end accountability established and speed of action enhanced by regrouping sales, product management and R&amp;D.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Operational expenditure contained at the same level as 2019 while orders picked up by 31% and sales by more than 4%.</td>
</tr>
<tr>
<td>Focus on value chain position</td>
<td></td>
<td>• Enhanced market effectiveness and customer responsiveness with regional sales folded into the company’s business units.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Our expanding Alliance program – with more than 50 partners on-board – makes ClickShare the most universally compatible solution for hybrid meetings.</td>
</tr>
<tr>
<td>Focus on China</td>
<td></td>
<td>• Strategic drivers as part of key objectives:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Drive for operational excellence: incl. extensive automation &amp; design for manufacturing.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Executive focus to strengthen Barco’s position in the value chain and to harness the supply chain position.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Seizing the China opportunity with stronger local presence</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Investment in industrial site in Wuxi for future R&amp;D plans and production primarily for the Chinese projection technology market.</td>
</tr>
</tbody>
</table>

**Related to these highly material topics:**
- Sustained profitable growth
- Financial resilience
3. Offer outcome-based solutions

Barco wants to be a reliable partner that provides its customers with outcome-based solutions instead of just products. That’s why we are increasingly strengthening our capabilities and organization to combine hardware with software and services.

Doing so is a multi-year journey, but as our technology is mission critical, the potential is huge. More than constantly improving customer services, delivering outcome-based solutions will also help us achieve predictable, recurring revenues. Step by step, we are making progress in this field.

**Focus areas**

<table>
<thead>
<tr>
<th>Focus areas</th>
<th>Status</th>
<th>Proof points in 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strengthen capabilities and organization</td>
<td></td>
<td>• Launch of revised services offering named EPO (enable, protect, optimize) as a guarantee for reliable outcomes and happy customers.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Position the sales support organization to leverage the common skills and capabilities across the different Barco businesses, in order to provide customer-focused, best-in-class capabilities, systems, and processes at scale across Global Commercial operations, Global Services, Global Marketing, and Global Partners and Channels.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Solid progress in our customer engagement initiatives.</td>
</tr>
<tr>
<td>Explore and launch outcome-based solutions in new business models</td>
<td></td>
<td>• Business model innovations such as Virtual classroom solutions are finding their ways to more and more reference customers globally.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Launch of the new NexxisLive platform to expand the OR, virtually and securely, enabling teleconferencing, teleassistance and telemonitoring.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• New agreement between IMAX and Barco to further collaborate on cutting-edge laser experiences.</td>
</tr>
</tbody>
</table>

**Related to these highly material topics:**

- Customer engagement
- Product quality, safety & security
- Information security & data protection
- Product stewardship
4. Go for sustainable impact

Barco is convinced that sustainable business is good business. That’s why our sustainability strategy is an integral part of our corporate strategy. When deciding how to execute our strategy, we decided to work with respect for the planet, our people and the communities we operate in. For each of these three domains, which we call our sustainability pillars, we defined an overall ambition statement as well as several focus areas.

Year after year, our commitment to ‘go for sustainable impact’ becomes more deeply embedded in our corporate DNA.

**Assessment**

Over the past few years, we have put solid fundamentals in place in this domain – resulting in a 3/4 to 2/4 score. Highlights include a strong governance model based on the materiality assessment done in 2020, clear targets with defined roadmaps, a broad data collection program, transparent integrated reporting and a powerful eco-scoring methodology. That progress is also reflected in positive ratings from multiple sustainability rating agencies. To further enhance our position in this domain, we are launching a new sustainability chapter, focusing on strengthening our impact by fostering engagement and ensuring implementation across the different Barco departments.

<table>
<thead>
<tr>
<th>Focus areas</th>
<th>Status</th>
<th>Proof points in 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strengthen governance and organization</td>
<td></td>
<td>- An Steegen, as co-CEO, is now chair of the exec sustainability steerco.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Further implementation of strong ESG governance with exec sponsor(s) and workstream lead(s) for every (highly) material ESG topic.</td>
</tr>
<tr>
<td>Sustainability strategy</td>
<td></td>
<td>- Our carbon reduction target was formally approved by Science Based Targets initiative, and declared as consistent with levels required to keep global warming to below 1.5°C.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- New targets for supplier sustainability and information security were set.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Shifting focus to integration and implementation in the business units, aligned with the corporate strategy.</td>
</tr>
<tr>
<td>Improve sustainability performance in the domains of planet, people and communities</td>
<td></td>
<td>- We reached our planet sustainability goals for 2020:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- carbon footprint of our operations -20% (vs baseline 2015)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- energy footprint of our products -25% (vs baseline 2015)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- at least 25% of new product releases received the Barco ECO label.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Acknowledgments for increased transparency and improved performance:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Agoria awards Barco as ‘Employer ready for the future of work’</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- ESG ratings: we obtained sector top 12% performance with Vigeo Eiris ESG rating; CDP score improved from B- to B</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Winning the best ESG materiality reporting IR magazine award</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Putting plans in place on topics like:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Employee engagement</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Diversity and inclusion</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Supplier sustainability</td>
</tr>
</tbody>
</table>

Related to these highly material topics:
- Information security & data protection
- Business ethics
- Employee engagement
- Diversity & inclusion
- Product stewardship
- Climate change & energy
Keeping our strategy in shape

Even the best plan must be adapted continuously. The global pandemic has, more than ever, highlighted the need for **agility and resilience**. So, while our strategy is based on four clear pillars that define the way we want to play and win in the market, it is far from static. We constantly question our strategy, fine-tune and even reimage it to ensure that it remains anchored in the realities of our business and the rapidly changing world around us.

In order to keep our strategy in shape, we look at it through different lenses. We monitor relevant **market trends**, keep track of evolutions in the **material topics** and closely follow up on the **risks** that could affect our business.
7 relevant market trends

Our customers, our markets and even our world are changing faster than ever. As these changes largely impact our business, we keep a close eye on trends and act upon them when going forward. The following shortlist of 7 market trends is not exhaustive but is considered as really relevant for the business that we're active in. They are shaping our solution portfolios and strategy.

TREND #1

Cinema is not dead. It’s changing.

The pandemic drove people to put their money in large TV sets and comfortable sofas. Video streaming is skyrocketing. And still, there’s no way our living rooms will replace cinemas. People still crave the power of the big screen and the experience of a night at the movies. Moreover, the amount of digital content – that cannot be shown at any place better than cinemas – is going through the roof these days. What is changing, though, is the concept of cinema: cinemagoers want a premium movie experience. Exhibitors that cater to that need are set to recover from the current downturn and leave the competition behind.

» Explore the cinema of the future
TREND #2

Climate change is for real

Highlighted by the 2021 Glasgow conference COP26 and in the 2021 World Economic risk report, climate change is increasingly considered a ‘global emergency’. Many countries in Western Europe, the US and China have now issued net-zero emissions pledges. In addition, authorities, investors and employees are putting companies under pressure to set more ambitious emissions reduction targets to ensure a 1.5°C future. Consumers around the world want action too. Organizations that stand up to tackle the climate challenge – while also embracing other ESG targets – will be rewarded and win in their markets.

» Check out Barco’s carbon emission reduction commitments

TREND #3

China remains a growth engine for the world

The Chinese economy came to a standstill when covid-19 hit but recovered really quickly compared to any other regions. Driven by a growing middle class, China is well on its way to becoming the world’s largest consumer market. The pandemic did, however, emphasize a series of trends, including digitization, domestic consumption and a growing interest in high-quality healthcare. Foreign businesses are increasingly investing in China and moving supply chains onshore or switching to suppliers with local production in order to grasp these opportunities.

» Learn more about our ‘focus on China’
TREND #4
The need for efficiency and speed in healthcare

Never before have the world’s healthcare systems been under such enormous pressure as during the covid-19 health crisis. Yet even before the pandemic, demand for healthcare services was already exceeding capacity, urging physicians, radiologists, nurses and surgeons to look for ways to increase efficiency and reduce cognitive load. New technologies can help them analyze digital images, speed up diagnoses, adjust workflows and orchestrate surgical teams, taking the burden off healthcare workers while positively impacting patient outcomes.

» Read how our healthcare solutions help improve efficiency

TREND #5
How can we control today’s explosion of data?

Individuals, businesses and governments are generating an astronomical amount of digital data, which is surging year after year. While much of that data is useful, it’s a huge challenge to collect, store, process, distribute and retrieve it – let alone distill insights from it. Organizations – from enterprises to traffic control centers, emergency dispatch centers, utilities and hospitals – that invest in solid, reliable solutions for data processing, analysis and visualization are sure to enhance decision-making and gain an edge over their competitors.

» Read how Barco provides the right perspective on image and data management
TREND #6

The rise of all things hybrid

Meetings, seminars, courses and even surgery are no longer either online or in-person, but an amalgamation of the two. What began as a necessity for safety during the covid-19 pandemic has now become a normal way of working and learning: hybrid collaboration is the new normal – and this trend is sure to boom in 2022 and beyond. Technology that connects people wherever they are and makes collaboration truly flow will lead to success in the new, hybrid world.

» Discover how Barco supports hybrid collaboration in every environment

TREND #7

More than ever, people are craving experiences

The experience economy that has been around for several years was abruptly brought to a halt due to the covid-19 health crisis. That was, however, just temporary. The pandemic has shown the world how fundamental social contact and a sense of togetherness are and highlighted that there is more to life than material possessions. More than ever, people want to have memorable experiences, which they can share with family and friends. To create these experiences, sites and activities such as events, museums, theme parks, etc. will become increasingly interactive and participatory.

» 3 things to keep in mind when organizing an event in the coming years
Materiality

Continuous monitoring of material issues is critical to staying on top of emerging risks and opportunities. A materiality assessment helps organizations understand what topics matter most to their businesses and stakeholders and where to focus the attention. We regularly update our materiality assessment to make sure it reflects changes in our business and the external environment.

Our materiality assessment

Our last extensive materiality assessment was done in 2020. It was based upon and aligned with our integrated reporting approach, considering the six capitals. The resulting materiality matrix has three categories – low, medium and high materiality topics. The illustration on the right reflects our medium and highly material topics.

In the Board meeting of August 2021, it has been decided to raise the topic "Diversity & inclusion", from medium to highly material, as diversity and inclusion is considered a catalyst for creativity and innovation. From 2022 onwards, we will accelerate our efforts to create a more inclusive workplace that embraces the diversity of our people.

Barco’s materiality matrix (2020) - linked to the six capitals of integrated reporting

<table>
<thead>
<tr>
<th>IMPACT ON LONG-TERM SUCCESS OF BARCO</th>
<th>IMPORTANCE TO STAKEHOLDERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>High materiality</td>
<td>18</td>
</tr>
<tr>
<td>Medium materiality</td>
<td>20</td>
</tr>
<tr>
<td>Low materiality</td>
<td>18</td>
</tr>
</tbody>
</table>

Communities

1. Customer engagement
2. Product quality safety & security
3. Information security & data protection
4. Business ethics
5. Corporate governance
6. Responsible supply chain management
7. Community engagement

Intellectual

8. Innovation management
9. Brand

Financial

10. Financial resilience
11. Sustained profitable growth
12. Market reach

People

13. Employee engagement
14. Employee health, safety & wellbeing
15. Labor practices & human rights
16. Learning & development
17. Diversity & inclusion

Planet

18. Product stewardship
19. Climate change & energy
20. Waste management

Manufactured

21. Long-term asset performance

A description of the material topics can be found on our corporate website.
Dynamic, data-driven materiality assessment

As we are aware that the world around us is changing faster than ever, we decided to implement dynamic, data-driven monitoring in 2021 to enhance our foresight and to keep a pulse on what is material to our industry. While our 2020 materiality assessment was based on stakeholder interviews and surveys, we teamed up with the strategic intelligence company Trensition in 2021 to perform a dynamic analysis of the materiality matrix.

The analysis allowed us to identify material topics with a significant increase (learning & development, diversity & inclusion and climate change & energy) in signal strength, which ensures we are prepared and better positioned to take ownership of emerging risks and opportunities.

How does it work?

Using AI on global big data, Trensition technology automatically scans and analyzes millions of data points from publicly available sources, including scientific articles, patents, industry news, mass media, etc. to help companies spot emerging issues not yet manifested or which are changing perception with the potential for being disruptive.
How the UN SDGs guide our strategy

Defined in 2015 by the United Nations General Assembly, the Sustainable Development Goals (SDGs) consist of 17 global goals with a 2030 deadline. We realize these goals cannot be met without support from the global business community. Our approach to supporting the SDGs is to focus on the goals where we can have the most impact, while screening and implementing actions that contribute to the other goals as well.

We have selected six SDGs that are closely linked to Barco’s highly material topics and the overall Barco strategy:

- **SDG 3: Good health & wellbeing**: Ensure healthy lives and promote well-being for all at all ages
- **SDG 7: Affordable and clean energy**: Ensure access to affordable, reliable, sustainable and modern energy for all
- **SDG 8: Decent work and economic growth**: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
- **SDG 9: Industry, innovation and infrastructure**: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
- **SDG 12: Responsible consumption and production**: Ensure sustainable consumption and production patterns
- **SDG 13: Climate action**: Take urgent action to combat climate change and its impacts
Barco attaches great importance to stakeholder engagement. After all, outside views help us identify and prioritize emerging issues and better align our strategy, actions and policies with the interests of our society and planet. In addition, stakeholders can provide valuable feedback on our performance and other aspects, like transparency.

Our engagement approach for each key stakeholder group is outlined on the Barco website. The different engagement activities to date indicate no significant concerns with respect to our sustainability approach and performance.

### 2020 stakeholder engagement process

In 2020, we organized a comprehensive stakeholder engagement process, involving external as well as internal stakeholders, as input for our materiality assessment. The results have also been used to shape our activities in 2021. In total, 111 stakeholders participated in surveys and interviews.

> Read more on our stakeholder engagement approach

### Top 5 material topics by stakeholder group (2020 assessment)

<table>
<thead>
<tr>
<th>Customers</th>
<th>Employees</th>
<th>Investors</th>
<th>Suppliers</th>
<th>(Non-) government organizations</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Customer engagement</td>
<td>Customer engagement</td>
<td>Financial resilience</td>
<td>Innovation management</td>
<td>Climate change &amp; energy</td>
</tr>
<tr>
<td>2 Product quality, safety &amp; security</td>
<td>Employee engagement</td>
<td>Sustained profitable growth</td>
<td>Product quality, safety &amp; security</td>
<td>Information security &amp; data protection</td>
</tr>
<tr>
<td>3 Innovation management</td>
<td>Product quality, safety &amp; security</td>
<td>Market reach</td>
<td>Business ethics</td>
<td>Innovation management</td>
</tr>
<tr>
<td>4 Financial resilience</td>
<td>Innovation management</td>
<td>Product quality, safety &amp; security</td>
<td>Customer engagement</td>
<td>Product stewardship</td>
</tr>
<tr>
<td>5 Information security &amp; data protection</td>
<td>Brand</td>
<td>Corporate governance</td>
<td>Financial resilience / Sustained profitable growth</td>
<td>Employee health, safety &amp; wellbeing</td>
</tr>
</tbody>
</table>
### Risks

Within the context of its business operations, Barco is exposed to a wide variety of risks that can affect its ability to achieve its objectives and to execute its strategy successfully. To anticipate, identify, prioritize, manage and monitor the risks that impact its organization, we put a sound risk management and control system into place, which is actively supported by the Board of directors.

#### Risk management process

Risk management is firmly embedded into our processes, at all levels. For every key management, assurance and supporting process, Barco has a systematic risk management approach that consists of five steps: identification, analysis, evaluation, response and monitoring.

#### 2021: main risks

Every year in the fourth quarter, Barco performs a company-wide risk assessment and compliance gap analysis. In 2021, that led to a slight reclassification and renaming of certain risks, leading to the following overview.

> Read more on Barco’s risk management

<table>
<thead>
<tr>
<th>Risk</th>
<th>Trend</th>
<th>Material topics</th>
<th>Strategic levers</th>
</tr>
</thead>
</table>
| 1 Supply chain and ‘Nth’ party risk       |       | • Responsible supply chain management  
• Sustained profitable growth  
• Product quality, safety and security | • Focus on performance  
• Go for sustainable impact |
| 2 Product portfolio & Innovation          | NEW   | • Innovation management  
• Market reach                           | • Innovate for impact  
• Offer outcome-based solutions          |
| 3 Human capital and talent management     |       | • Employee engagement  
• Learning and development  
• Employee health, safety and wellbeing  
• Diversity and inclusion                | • Focus on performance  
• Go for sustainable impact             |
| 4 Digital transformation and new technologies |     | • Innovation management  
• Learning and development                | • Innovate for impact  
• Offer outcome-based solutions          |
| 5 Macroeconomic & geopolitics risk         |       | • Market reach                                                               | • Focus on performance                                    |
| 6 Product quality                         |       | • Product quality, safety and security  
• Customer engagement  
• Brand                                  | • Innovate for impact  
• Offer outcome-based solutions          |
| 7 Information security risk               |       | • Information security and data protection  
• Product quality, safety and security   | • Focus on performance  
• Go for sustainable impact             |
| 8 Data governance and privacy             |       | • Innovation management  
• Information security and data protection | • Go for sustainable impact |
Innovation and technology
Innovation and technology

Barco is a true technology company, with market-leading capabilities in the field of image processing. While we initially focused on projection – with roots going back to the radio and television industry – we have broadened our scope and expertise over the years, to offer groundbreaking solutions based on four key technology domains.

Building on decades of experience and expertise in imaging and visualization, we have always invested strong (on average 11% to 13% of turnover) in R&D in order to meet the rapidly evolving market demands. We are further strengthening and sharpening our innovation efforts, with more focus on breakthrough, disruptive solutions that deliver truly bright outcomes for our customers, while helping us retain a sustainable pole position in our markets.

Still, no matter how determined we are to disrupt our markets with groundbreaking technologies, innovation at Barco will never be purely technology-driven. We take a disciplined approach to innovation: every new solution or service is the result of extensive market research and stems from dialogue with our customers and partners, as well as with internal teams. Moreover, exceptional product performance, quality, security and stewardship are deeply embedded in our solution design processes.
Our innovation approach

Successful innovation creates both value for the customer and true business value. To ensure that our ideas are tightly connected to our strategy and can be turned into both revenue growth potential and brighter outcomes for our customers, we are increasingly adopting a more disciplined approach to innovation.

Our innovation process

1. FUNNEL ENTRY GATE
   - Business unit-related breakthrough & differentiating innovation
   - Breakthrough idea not related to BU

2. SEED FUNDING GATE
   - Idea is feasible with a promising business case.

3. PROOF OF CONCEPT
   - Proof of concept becomes a viable product/solution
The new, more structured approach to innovation that Barco kicked off in 2020 got full support of our new leadership board in 2021. What’s more, our new CEOs decided to rebalance the R&D investment portfolio to build a more effective new growth development portfolio. They also highlighted the need to focus more on new growth innovation – a challenge that CTO Gerwin Damberg seizes with both hands.

Last year, you explained that you wanted to instill a more start-up-like approach to innovation. Could you shortly recap?

Start-ups adopt a bold and holistic approach to innovation to survive. First, there is a truly disruptive idea that addresses a customer’s real pain point, after which they verify whether their idea can scale and lead to exponential growth. If the idea ticks these boxes, then the technology solutions often fall into place.

In 2020, we rolled out a Barco-wide innovation approach that considers these steps. Once every quarter, innovators pitch their ideas in a venture capital like setting. We then check if they meet all the criteria, and only then will they receive funding and staffing to work rapidly towards a proof of concept that can be tested with early customers. By the way, I shouldn’t forget the sustainability criterion. That, too, has become essential when developing new solutions, early on.
The new co-CEOs have now explicitly stated they want more groundbreaking, value-added solutions faster. Does that confirm that last year’s shift was the way to go?

I am fully behind that commitment. Barco has a solid position in its core markets, and we need to afford to take bold moves, either by disrupting in our existing markets or beyond. When we look at Barco’s executive management team, there’s a lot more tech expertise and deep market insight on board than a few years ago and disruptive innovation is high on the agenda. We encourage a culture at all levels in which doubling down on innovation, knowing this comes with higher risk, is not just welcome, but a central part of our strategy.

We pick up the story we started writing last year and expand on it. In the past years, Barco put more weight on incremental innovation, taking existing products to new levels. This was important and now we want to intentionally disrupt ourselves, develop exciting new solutions and take these into other markets. The redesign of the organization that An and Charles implemented last October will help boost that entrepreneurial spirit with full focus on each market and if done right with the dynamics of a start-up.

Innovation is all about sifting through ideas, finding the gold nuggets and turning them into executive effectiveness – quickly. The biggest enemy of innovation is slowness. If you don’t deliver quickly after ideation, you’re losing your momentum.

Does this new approach to innovation also require new skills or even a different company culture?

The amount of technology expertise and brainpower and the creative thinking that is going on here at Barco is mind-blowing. It is incredibly rewarding to work in this environment. Despite that, to disrupt, Barco will also need to grow organically with new colleagues who have expertise in different technology domains, like from the gaming and the computer graphics industry. Bringing on board new entrepreneurs into the engineering and product management teams can lead to exciting new solutions.

Exciting – and a bit risky at the same time. How do you want to ensure that the investments in innovation are well spent?

Risk is inherent to innovation. Yet, a good governance process is key, of course. We need to be careful about the decisions we make, keep the process lean and always remain honest to ourselves: if an idea doesn’t work, we need the courage to stop. Stopping should never be considered a failure but an important lesson learnt. Equally important: if an early idea proofs successful, we must accelerate it. Moving slow on a good idea is one of the biggest risks in corporate innovation. We really have to maintain the startup pace and mentality all the way through the growth stages. If we are too slow, our competitors are bound to outpace us.
Guy Van Wijmeersch, Director Innovation & Design Thinking, is at the very front-end of innovation at Barco. His role: facilitating early innovation and helping Barco translate bright new ideas into valuable development that meets real customer needs.

Research or ideation challenges conducted with leading universities, discussions with startups or workshops with big-name customers or internal innovation challenges in hackathons or challenges in our emerging leadership teams: it’s just a few of the initiatives that Guy has undertaken to discover and explore new ideas.

"By teaming up with an entire ecosystem of customers, experts, and employees, we are making sure that we fully understand the market. After all, there is really no point in innovating if no one needs the new solutions. By combining market insights with exciting new ideas that are based on the technologies that we have mastered, we can spark true innovation," Guy explains.

"The start-up-like approach to innovation that we launched last year, where we look at every idea through different lenses and gradually move it further, is a smart way to transform ideas into solutions with market potential. Just like Gerwin, I hope that the tech drive in our management and our reorganization will help us come up with disruptive new ideas that have the potential to boost Barco’s business in the longer term."

By reading how we build a Barco ecosystem.

Matching technology seeds with customer needs

Product quality and stewardship: much more than an afterthought

As a high-tech company, we have a duty to our customers to ensure that the products we develop and bring into the world are high-quality, safe and secure, and help customers lower their environmental footprint. But it’s not about just ensuring compliance with legislation and standards – we want to continuously raise the bar and consistently meet and even exceed customers’ quality expectations. After all, that’s what they expect from a world-class brand like Barco.

Barco product quality has long stood for top performance, reliability and durability, while our solutions are known to be easy to use and maintain, and that they are sustainable and come with exceptional support services. Each and every one of these criteria are taken into account in the earliest phases of our innovation and design processes.

The Eurovision Song Contest is a mega production equalled by very few worldwide. You can only be successful in this production by applying the highest quality standards. For Eurovision, only quality technology is good enough, and that’s exactly what we found with Barco.

Ben Augenbrou
project manager for Eurovision 2021

Product quality, safety & security and product stewardship are highly material topics.
Technology: domains

Image processing has been and remains the cornerstone of Barco’s technology map. On the base of this first component, we have defined three more building blocks which form the foundation for Barco’s innovation for impact in the future.

**Image processing**
Professional visualization requires both classical image processing algorithms and data-driven approaches. Barco’s image processing technology domain covers image and video capture, enhancements, processing, understanding and rendering as well as techniques to enhance human-machine interaction. Increasingly important is the implementation of high-performance software solutions on modern hardware such as graphics processing units.

**Advanced display & projection**
The display and projection technology that lies at the heart of Barco’s visualization solutions include optics, electronics and signal processing, manufacturing and calibration techniques related to projection systems and direct view display technologies, including LCD and LED. This advanced technology powers a wide range of advanced display solutions for use in demanding markets – from cinema projectors and high-resolution medical displays to video walls for large screen visualization.

**Computational optics**
Computational optical technology exploits the properties of light to enable visual experiences that cannot be delivered using traditional optical systems alone. This technology opens the door to a spectrum of new solutions with functionalities or value that cannot be delivered by other visualization or imaging techniques. Examples include Demetra, Barco’s multispectral skin imaging platform and the high dynamic range (HDR) light-steering technology that uses real-time programmable lasers and lenses to shape light into high-contrast, high-brightness images on screen.

**Connectivity & data analytics**
Technology that enables connectivity is at the core of Barco’s solutions, as it allows the real-time monitoring of devices or the local or remote streaming of audio and video data. The connectivity platforms that power Barco solutions are always highly optimized for the professional application at hand, whether that is live entertainment, diagnosis or surgery in healthcare settings or sharing content in the workplace. On top of enabling connectivity, Barco increasingly helps customers understand the data transmitted, thus providing trustworthy, actionable insights and boosting productivity, collaboration and engagement.
Our markets

Quarterly performance
By sector

Summary
Last year, we saw strong performance in Q2 and Q3. There were also in Q3 due to market conditions but we saw positive results in Q4.

70% of our revenue came from our primary target sector
43% came from secondary sectors
Our markets

We provide our customers with imaging capabilities that enable them to make a visible impact, creating experiences, generating insights and ensuring connectedness in three healthy markets: Entertainment, Enterprise, and Healthcare.

Our presence in these three markets goes back many years and is mainly based on the potential of our technology: the entertainment, enterprise and healthcare markets all have a real need for top-notch imaging capabilities. Thanks to its deep-rooted expertise and experience, Barco is well equipped to take a competitive edge in all three markets. We work hard to keep consolidating our leadership position, by offering innovative, high-quality and increasingly also truly sustainable solutions that create value and meet – or rather: exceed – the expectations of our customers and end-users.

From a geographical point of view, we are active in the Entertainment, Enterprise and Healthcare industries around the globe – from Europe, the Middle East and the US to Asia (with a growing focus on China).
Customer engagement

Across markets, divisions and business units, whether in Belgium, the US or China: Barco always goes the extra mile to meet its customers’ requirements. And yet, we realize that customer demands are changing and that it is more important than ever to engage with our customers, exchange ideas with them and put them at the very heart of what we do.

Barco doesn’t believe in technology for technology’s sake. People always come first. That’s why people who design Barco products are in close and frequent contact with the people who will use them.

Olivier Vanovermeire
Chief Medical Officer at Barco and former head of the medical imaging department at AZ Groeninge (Kortrijk)

Connecting to customers and their ecosystems

The key to delivering an outstanding customer experience is understanding the customer. The more ‘connected’ we are to our customers’ lives and ecosystems, the better we know what they want and need. That’s why our people seize every opportunity to intensify their connections with our clients, share insights and discuss trends, collaborate and even co-create solutions.

Sharing insights and discussing trends
In EMEA, for example, 40 of our core end-customers regularly get together in the ‘inner circle forum’ to discuss trends and roadmaps. In the US, consultant round tables help us understand the needs of our markets. The Image Processing department has its own Facebook community, where imaging professionals and Barco experts share experiences and ask questions. Our healthcare as well as our cinema teams regularly bring market-leading customers and experts together to talk over market developments and needs. And that’s just a few examples.

We also actively share the knowledge gained from research with the outside world on our website and via expert publications. In this way, we want to involve our audience in our markets to help them stay on top of their business.

Collaboration and co-creation
More than that, Barco actively teams up with experts, customers and prospects to discuss, test and even co-create Barco solutions and services. The Demetra platform for skin imaging, for example, was developed in close collaboration with dermatologists. Barco engineers worked alongside the experts to be able to see the world through their eyes, like they do for a growing number of R&D projects. Even our marketing and communications team spends time with customers to truly understand their needs and translate these into clear content.

Olivier Vanovermeire
Chief Medical Officer at Barco and former head of the medical imaging department at AZ Groeninge (Kortrijk)
Providing exceptional customer experiences throughout the journey

Global customer success is all about accelerating growth by bringing together a set of front-office functions that really will help the business units and the rest of Barco achieve our vision, mission and goals together.

To be able to think from our customers’ perspectives, understand how they feel about – and what they expect from – our approach and offering in every step of the customer journey, Barco launched a customer experience roadmap in 2018.

In the meantime, we have identified KPIs, set customer experience targets and launched quarterly NPS surveys, which we are continuously fine-tuning. Based on the customer feedback we get through the surveys, we are continuously improving our offering, services and skills.

In addition, we increasingly digitize the end-to-end customer engagement process to meet customers’ needs for speed and high-quality services. A dedicated customer journey management organization supports the transformation and helps infuse the always-customer-first mindset across the company.

The new displays have really transformed our reading experience for the better. Both myself and my colleagues in the Radiology department, are so thankful for the support provided by the Barco team, which has been nothing short of outstanding.

Tom Leyland
WWL NHS Foundation and Teaching Hospital (UK)

How our reorganization fosters customer intimacy

Moreover, the company reorganization that we carried out in October 2021 will also help to improve the customer experience. By centralizing sales among the managers of the business units, we will get shorter lines with our customers. This will allow us to respond more quickly to questions and needs. To further enhance the customer success journey, we are bringing together four focused global functions: commercial operations, service, marketing and partners and channel management.

> Read more on our customer engagement initiatives
Three divisions

While each Barco division has its own goals, targets and focus areas, they all offer innovative, high-quality and increasingly also truly sustainable visualization solutions that create value and meet – or rather: exceed – the expectations of Barco customers and end-users.

When in October 2021, we decided to redesign our organizational structure, each division was split into two business units, which are fully empowered to execute strategic priorities.

* Breakdown based on sales 2021
Creating moments, enriching lives

Whether in cinemas, sports arenas or concert halls; in museums or theme parks; at corporate events or festivals: Barco’s end-to-end entertainment solutions create compelling moments. More than that, you’ll also find us in simulation and training environments where we help pilots, Formula 1 drivers or seafarers to practice their skills, and in virtual 3D environments. By offering the most advanced and reliable solutions and outstanding service, we help our customers enable the brightest of outcomes.

The Entertainment division comprises two business units: Cinema and Immersive Experience.

CINEMA
Cinema offers the industry’s most complete range of smart laser projectors and media servers. Barco’s cinema solutions are brought to market and supported by CFG-BARCO (for China) and by Cinionic (for the rest of the world).

IMMERSIVE EXPERIENCE
Our Immersive Experience business unit offers solutions tailored to the specific needs of large venues, live events, projection mapping, themed entertainment (such as museums and theme parks) and simulation applications: projection, image processing and a modular support service solution.
How Barco Entertainment creates value

Solutions and services that entertainment professionals can rely on

Barco stands out from the crowd with its wide portfolio of visualization solutions – graphics processing, media handling, projectors, direct view displays, etc. – designed with an unwavering dedication to product performance and service quality.

The Barco brand is synonymous with technology innovation in every entertainment and simulation market. Our complete portfolio leverages smart platforms for interoperability and ease of use. Every product sets the benchmark in every field, with the best image quality at the lowest TCO, powered by high-performance software in connected systems. To maintain and further elevate this high standard, we invest into product innovation, into continuous improvement and into end-to-end services and new business models that meet our customers’ needs.

I have been working in the industry for more than 25 years now and I have come to know Barco projection technology very well. With Barco, I’m confident that we are safe for many years, without needing a dedicated support person on site 24/7.

Tor Ditløven
Lighting designer at Superlys, who set up the installation at Arctic University Museum in Tromsø
A trusted brand that puts customers first

A close relationship with the customer is key in the entertainment market. For example, the mission of Cinionic clearly highlights the positive impact of a customer-oriented approach: listening to the exhibitors and discussing trends and needs with the world’s biggest players in cinema helps Cinionic instill trust and win business with leading cinema chains.

What does our customer really need and how can we make a difference – not just in hardware and software, but also in services: that’s the starting point of everything we do, at our business unit. Therefore, it’s key for our product managers and R&D teams to work closely together with our salespeople and meet up with customers.

Stijn Henderickx
EVP Immersive Experience

In both our Cinema and Immersive Experience business units, the customer comes first when designing new solutions. From dedicated Facebook groups and customer advisory boards to early field trials: every new channel for sharing our customers’ experiences, insights and ideas with our teams brings us one step closer to delivering exceptional end-user experiences.

A division with a purpose: we go for sustainable impact

As the world’s largest projector maker, we must deeply engrain sustainability in our design culture and consider it from the earliest concept until the end of life of our products. The shift to a complete laser technology portfolio, which consumes far less power than lamp-based systems (more than 50% savings), has considerably shrunk the overall carbon footprint of our products while cutting operating and capital expenses for the customer.

Reducing the weight of our projectors and keeping packaging to a minimum reduces cost and the footprint of shipments. Maximizing modularity across projectors and media servers improves serviceability and enables remote upgradeability, which extends the useful lifetime. Eco-friendly materials, like the recycled plastics used in our SP2K laser cinema projector, help reduce the burden on our planet. In this way, our solutions meet the most stringent ecoscoring criteria.

Sustainability is not an afterthought, but an integral part of our innovation process. Beyond that, we are continuously seeking ways to make our own operations and logistics more sustainable. Projector engines for US customers are now repaired locally in Atlanta, for example, instead of in Belgium. We are committed to leaving less and less a mark on the planet.

Gerwin Damberg
EVP Cinema
The Cinionic experience

Over the past few years, the cinema landscape has evolved rapidly. The conversion from analog film to digital systems is nearly complete. Barco has embraced and driven this evolution: first by making early digital technologies available, and then by innovating toward cinema technologies that provide the audience with a wow experience at a low cost of ownership to the exhibitor; essential in a post-VPF (virtual print fee) world, where cinema equipment cost was shared across the ecosystem.

Barco has been delivering state-of-the-art digital cinema projectors for over a decade and continuously invests into expanding its product offering. More than that, however, we knew we had to complement our products with a full solutions and services approach. That’s why Cinionic was born, as a full-service channel to the market.

» Read more on cinionic.com

Our team is 100% dedicated to cinema. Just like our customers, we are passionate about the shared social experience of movies. It’s that social experience that will ensure cinema is here to stay: people want to go out and be entertained. We provide exhibitors with the technologies and content they need to create that unique experience.

Wim Buyens
CEO Cinionic
Enterprise

Engaging you to unleash the power of shared knowledge

Every Barco enterprise solution is designed to help people collaborate better by ensuring engaging experiences. From boardrooms and workplaces to control rooms and classrooms: all our solutions help people unleash the power of shared knowledge – for brighter ideas and, ultimately, better results.

The Enterprise division comprises two business units: Meeting Experience and Large Video Walls.

METEERING EXPERIENCE
Meeting Experience (MX) is one of the few manufacturers in the market to offer all main collaboration and visualization technologies for a smart workplace or learning environment: ClickShare wireless conference and presentations systems, installation projectors, video walls, weConnect Virtual Classroom, image processors as well as services.

LARGE VIDEO WALLS
Large Video Walls offers a package of solutions to help control room operators make well-informed decisions: video walls, video wall controllers, control room software and a full suite of support services.
How Barco Enterprise creates value

Solutions and services that organizations can rely on

Barco has been building control room visualization and collaboration solutions since 1994. Throughout the years, we’ve remained the number one choice for control room professionals who want to stay on top of their situational awareness, thanks to our commitment to exceptional quality, reliability, durability and our end-to-end offering.

When it comes to meeting room and learning technology, we are just as obsessed with quality. By working closely together with customers and end-users, requesting feedback and constantly analyzing usage data, we understand their hardware and software needs. Based on those insights, we adjust existing solutions and design new products. Moreover, we maintain close ties with resellers and other partners too. Thanks to our advice, training and support they, too, can deliver the high-quality customer experience that fits the Barco brand.

When selecting a large control room installation, organizations prefer dealing with just one vendor. We offer a true single end-to-end solution that bundles large video walls in all key technologies, media management, workflow support, analytics and support services. That approach, combined with our solid quality reputation, makes Barco the No. 1 brand in the control room market.

Chris Sluys
EVP Large Video Walls
A trusted brand that puts customers first

Barco has always been committed to delivering outstanding customer experiences. In 2018, though, the Enterprise division decided to take customer engagement to the next level and started *mapping the customer journey* and launching initiatives to boost customer intimacy. In the meantime, that initiative has been rolled out company-wide.

In recent years, the Enterprise division has been *strengthening the collaboration with partners, customers and end-users* to understand customer pain points, test new solutions and drive adoption and satisfaction. In turn, we share expertise and experience with our resellers and consultants, which helps them reinforce their market position.

> Read more: How consultants help Barco see the bigger picture in control room projects

Our customer is our ultimate sales representative, so we have to do all we can to drive adoption and make sure end-users love our ClickShare and weConnect solutions. Initiatives like our ClickShare Beta Testing Community and customer advisory boards help us understand the pain points of our end-users – so that we can constantly finetune our offering.

Olivier Croly
EVP Meeting Room Experience

A division with a purpose: we go for sustainable impact

Using durable components and thoroughly tested material, Barco enterprise solutions have always been designed to be really *durable* – which is key to their sustainability. Increasingly, our hardware and software solutions are now designed for *easy upgradeability* too. Owners of our legacy lamp-based rear-projection video wall, for example, can easily integrate a new RGB laser-based projection module into the existing mechanical structure with minimum impact, and thus extend its lifetime – and reduce energy consumption – for many more years.

In our UniSee LCD video walls, the input modules, power supply and LCD displays are physically separated, so when a new input connectivity technology is available, the input boards can simply be replaced in the field.

We were impressed by the Barco video wall’s color uniformity and valued the solution’s economic performance in terms of energy consumption.

Fernando Almeida Teles
Head of Service Operation Center at Altice Portugal
Healthcare

Enabling better healthcare outcomes for more people

Barco connects healthcare professionals at almost every patient touchpoint. From the imaging room to radiology, during specialist consultations and in the surgical suite, our solutions and services help medical professionals enable better health outcomes and work more efficiently in an increasingly complex healthcare enterprise.

The Healthcare division comprises two business units: Diagnostic Imaging and Surgical & Modality.

**Diagnostic Imaging**

Diagnostic imaging offers an extensive line-up of high-precision medical display systems for disciplines including radiology, mammography, dentistry, pathology and clinical review imaging, plus a full suite of support services.

**Surgical & Modality**

Surgical & Modality brings together two activities with great synergistic potential, as they target the same end-customers (often operating rooms) and, thus, require the same go-to-market strategy. More than surgical displays, the offering of this business unit includes our digital operating room portfolio (based on video-over-IP-technology), as well as custom medical displays for modality imaging, plus a full suite of support services.
How Barco Healthcare creates value

Solutions and services that healthcare professionals can rely on

There’s no room for compromise when Barco develops medical displays: we systematically exceed product quality guidelines. After all, in hospital environments, world-class healthcare solutions can make the difference between life or death. That’s why we provide radiologists, surgeons and other physicians with medical-grade display solutions that promote clear and consistent image quality (brightness and contrast), anytime, anywhere, to make accurate diagnoses, identify the best options for treatment and perform flawless surgical procedures. In addition, our healthcare solutions and services are reliable, supporting healthcare professionals during reading hours or surgery without interruption.

Barco medical solutions have been considered the best in the market for decades. By increasingly automating compliance, following up maintenance and incidents and broadening our service offering, we further raise quality and reliability levels.

Geert Carrein
EVP Diagnostic Imaging
A trusted brand that puts customers first

To make sure our healthcare solutions truly help healthcare professionals in delivering better patient outcomes, we are increasingly involving the people who actually use our solutions in the design, concept and validation stages.

For years, a Radiology Advisory Board that consists of customers as well as key opinion leaders has been helping our diagnostics team to understand their needs, spot trends and discuss ideas, roadmaps and solutions. In 2021, a Surgical Advisory Board was set up with the same objective. Furthermore, new solutions like the Demetra skin imaging solution are being developed in close cooperation with the professionals who’ll use it in the future.

In our modality business, we design custom solutions from the ground up to deliver the exact performance and features our customer need. This business is the ultimate proof of how Barco thinks with the customer.

A division with a purpose: we go for sustainable impact

Sustainability has been deeply embedded in our healthcare department. In 2005 already, the team started considering the carbon footprint and recyclability of its products when designing new solutions. The Coronis Fusion 4MP and 6MP diagnostic displays were Barco’s first products to get the A ECO label. Step by step, more products are now getting an A ecoscore.

Meeting the increasingly stringent standards regarding energy efficiency, materials sourcing, packaging and logistics and end-of-life requires fundamental choices, constant fine-tuning and discussions between the R&D team and the ecoscoring team. That continuous assessment works really well and leads to truly sustainable results.
Focus on China

With a market share of more than 50% for our cinema business, growing interest in other Barco entertainment solutions and a huge potential for our healthcare business, China will play a key role in Barco’s future growth. To further strengthen our position in the dynamic Chinese market, we plan to considerably reinforce our local manufacturing, innovation, R&D and sales bases and team up with local suppliers in 2022 and beyond.

How do you want to grasp the growth opportunities?
Right now, we have a team of 350 people and 130 more in CFG-Barco (China Film Group), the cinema joint venture where we hold 49% of the shares. In addition, there’s a Barco projector manufacturing plant in Beijing and we opened a healthcare hub in Suzhou in 2018. In December 2021 we opened a new facility in Suzhou to increase our production capacity for medical displays. We plan to set up more sites in the future. In addition, we will set up a Barco China Labs team to bring innovation to life and expand our local R&D, product development and sales teams too. We will promote innovating on the basis of what has worked in the past. In addition, we want to team up with local partners as much as possible.

Why is it so important to build a strong Barco organization in China?
To be successful in China, one of the most important things is to understand the customers. Our business culture differs greatly from that in other parts of the world. So, if we want to tailor our products and strategy to the Chinese market, we have to do that from within China.

Barco’s china strategy – 3 questions and answers
Kenneth Wang, MD of Barco China since March 2021 explains how Barco wants to grasp the opportunities in China’s rapidly growing market.

Why is China such an important market for Barco?
China is one of the key global economic leaders today. More than the GDP, consumption is rising too. Our China cinema business has been booming for years and we are still leading the market. Interest in other solutions like projection mapping is huge too. In addition, the Chinese government set up a huge action program to promote the health of China’s 1.4 billion people by 2030. That drives investments in healthcare infrastructure. So, with Entertainment and Healthcare two of our key markets, the opportunities for Barco are huge.

“To be successful in China, you have to understand the customers, whose preferences differ from those of their Western counterparts. So, if we want to tailor our products and strategy to the Chinese market, we have to do that from within China.”

Kenneth Wang
MD of Barco China
Our results
Group results

Sales
In millions of euro

Gross profit
In millions of euro

EBITDA
in millions of euro

39%* Entertainment
29% Enterprise
33% Healthcare

* Breakdown based on sales 2021

Eco score

31%

% revenues from products with Barco ECO label

Customer NPS
(Net Promoter Score)

47

Barco’s standard customer experience metric, measured quarterly (upper quartile industry performance)
Comments on the group results

Sales FY21 € 804 million, EBITDA margin 7.3%
Demand strong with order book up 73% over 2020.

Financial highlights fiscal year 2021 and 4Q21(1)

- Orders FY21 € 979 million, +31% versus orders FY20
- Sales FY21 € 804 million, +4% versus sales FY20
- Order book year-end € 487 million up 206 million euro versus FY20

- FY21 EBITDA € 58.5 million euro or 7.3% of sales versus € 53.6 million in 2020
- FY21 Adjusted EBIT € 19.4 million compared to 10.2 million euro in 2020
- FY21 Free cash flow 78 million euro versus a negative 36 million euro for FY20

- Orders 4Q21 +52% versus 4Q20, -2% versus 4Q19
- Sales 4Q21 +29% versus 4Q20, -21% versus 4Q19

- Proposal to increase the gross dividend to 0.4 euro per share from 0.378 euro

Group topline – solid order intake and sales conversion lagging

Orders were 979 million euro, up 31% compared to 2020, driven by solid economic recovery across all markets and all regions.

Sales for the year increased by 4% to 804 million euro, still reflecting ongoing impact of the pandemic on business activities and component shortages (estimated impact in 4Q21 was approximately 15 million euro).

Fourth quarter sales were 29% higher than 4Q20, reflecting growth in each business unit but 21% below the pre-pandemic fourth quarter of 2019.

At the end of 2021, the order book was at a record level of 487 million euro.

(1) All definitions for alternative performance measures (APM’s) are available in the glossary as available on Barco’s investor portal
Division topline – encouraging rebound in Entertainment and Enterprise

The Entertainment division delivered good growth in both orders and sales in 2021, following a soft 2020. Both business units contributed to the year-over-year growth, with Cinema showing order intake increase across all regions and sequential gains in sales. The Immersive Experience business unit recovered well, particularly in the fixed install business, reflecting greater demand from museums, projection mapping and theme parks.

Enterprise saw a continuation of quarter-over-quarter improvements in orders as of 2Q21 in both segments. Sales rebounded toward the end of the year, fueled by solid deliveries and deployments in both the Meeting Experience and Large Video Wall segments.

Orders for Healthcare reached a record high in 2021, reflecting the resumption of healthcare investments in both the diagnostic imaging and surgical markets, while sales were flat, hampered by component shortages.

Profitability and free cash flow

Gross profit margin for the year declined by 1.1 percentage points to 35.7% due to higher component and logistics costs mainly in the second semester of 2021. As a result, with operating expenses flat compared to 2020, EBITDA 2021 amounted to 58.5 million euro with a 7.3% EBITDA margin versus 53.6 million euro and a 7% EBITDA margin in 2020.

Free cash flow for 2021 was 78 million euro compared to 36 million euro negative a year earlier, resulting mainly from better gross operating cash flow and decreased working capital.

Executing toward the long-term financial objectives

2021 was a challenging year, but there were undeniable indications of recovery in Barco’s demand across all business units and regions attesting to the health of Barco’s end markets and the strength of our leadership positions. The Barco team turned challenges into opportunities, adjusting to the impacts of the pandemic on business operations. The new organizational structure has been established and the benefits in customer responsiveness and team engagement start to become clear.

While the company is still dealing with uncertainties regarding the shape and pace of market recoveries, it starts the year with a strong order book, a solid balance sheet and a cost structure that provides the flexibility to navigate the risks and opportunities ahead. As a result, the company is in a good position to resume executing toward its long-term financial objectives.

Outlook 1H22

The following statements are forward looking, and actual results may differ materially.

For the first half of 2022, and assuming no further deterioration of the supply chain constraints, management expects sales to increase approximately 20% compared to 1H21. EBITDA margin is expected to be higher than the full year 2021 EBITDA margin reflecting gradually improving gross profit margin and operating leverage on higher sales.

The company is not providing a full year outlook for 2022 as visibility for the year is currently limited and business conditions may change substantially over the year.
Dividend

Barco’s Board of Directors will propose to the General Assembly to distribute a gross dividend of 0.4 euro per share, a 5% increase from 0.378 euro a year ago. Barco’s shareholders will be offered the choice between payment in cash or dividend in shares, enabling them to reinvest in the company.

CEO, Charles Beauduin and chairman of the board, Frank Donck, have confirmed the intent of respectively Titan Baratto NV and 3D NV, to opt for the stock dividend.

Update 4Q21

The fourth-quarter results were significantly better than last year and the third quarter of 2021. The order book strengthened further to an all-time-high level of 487.0 million euro mainly due to continued solid order intake.

<table>
<thead>
<tr>
<th>Quarter-over-quarter order and sales 2019-2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders</td>
</tr>
<tr>
<td>4Q19</td>
</tr>
</tbody>
</table>

In an environment marked by a mixture of demand recovery, intermittent lockdowns and supply chain constraints, Entertainment and Enterprise generated approximately 40% sales growth in the fourth quarter, compared to both the third quarter of 2021 and the fourth quarter of 2020.

The Healthcare division registered 5% growth compared to the fourth quarter of 2020 and 10% growth compared to the third quarter of 2021.

Although sales were up year-over-year in all divisions, component shortages and transport scarcity continued to cause delays in converting orders to sales (estimated impact of approximately 15 million euro in the fourth quarter).
Consolidated results for the fiscal year 2021

Order intake
Order intake was 978.8 million euro, up 31% from 746 million euro a year ago with increases in all divisions and across all regions.

<table>
<thead>
<tr>
<th>Order intake by division</th>
<th>FY21</th>
<th>FY20</th>
<th>FY19</th>
<th>Change vs FY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entertainment</td>
<td>386.6</td>
<td>268.7</td>
<td>491.0</td>
<td>+44%</td>
</tr>
<tr>
<td>Enterprise</td>
<td>262.4</td>
<td>215.2</td>
<td>350.9</td>
<td>+22%</td>
</tr>
<tr>
<td>Healthcare</td>
<td>329.8</td>
<td>262.1</td>
<td>260.2</td>
<td>+26%</td>
</tr>
<tr>
<td>Group</td>
<td>978.8</td>
<td>746.0</td>
<td>1,102.2</td>
<td>+31%</td>
</tr>
</tbody>
</table>

Order book
Order book at year-end was 487.0 million euro compared to 281.5 million euro at FY20 year-end, an increase of 73% mainly driven by strong order intake in all divisions combined with slow conversions from orders to sales.

<table>
<thead>
<tr>
<th>Order book by region</th>
<th>FY21</th>
<th>FY20</th>
<th>FY19</th>
<th>Change vs FY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Americas</td>
<td>37%</td>
<td>39%</td>
<td>41%</td>
<td>+28%</td>
</tr>
<tr>
<td>EMEA</td>
<td>37%</td>
<td>35%</td>
<td>36%</td>
<td>+37%</td>
</tr>
<tr>
<td>APAC</td>
<td>26%</td>
<td>26%</td>
<td>23%</td>
<td>+27%</td>
</tr>
<tr>
<td>Global</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>+31%</td>
</tr>
</tbody>
</table>
Sales

As a result of slower conversion of orders to sales, mainly due to supply chain constraints, full year sales increased by 4%.

Impact of supply chain constraints

As previously disclosed, Barco is not immune to component shortages and supply chain constraints, both of which impacted selected product lines. While the team has been able to mitigate some of this, the negative impact was primarily noticeable in the delivery of projectors, large video walls, healthcare displays and components assemblies.

While sales in Healthcare remained flat, Entertainment and Enterprise registered mid to high single-digit growth. From a regional perspective, EMEA booked the strongest increase, up 9% versus last year, while the American and APAC regions saw more modest increases in sales.

### Sales

<table>
<thead>
<tr>
<th>In millions of euro</th>
<th>FY21</th>
<th>FY20</th>
<th>FY19</th>
<th>Change vs FY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>804.3</td>
<td>770.1</td>
<td>1,082.6</td>
<td>+4.4%</td>
</tr>
<tr>
<td>Sales at constant currencies</td>
<td></td>
<td></td>
<td></td>
<td>+6.7%</td>
</tr>
</tbody>
</table>

### Sales by division

<table>
<thead>
<tr>
<th>In millions of euro</th>
<th>FY21</th>
<th>FY20</th>
<th>FY19</th>
<th>Change vs FY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entertainment</td>
<td>309.7</td>
<td>291.4</td>
<td>455.1</td>
<td>+6%</td>
</tr>
<tr>
<td>Enterprise</td>
<td>233.1</td>
<td>216.8</td>
<td>358.7</td>
<td>+8%</td>
</tr>
<tr>
<td>Healthcare</td>
<td>261.5</td>
<td>261.9</td>
<td>268.8</td>
<td>-0%</td>
</tr>
<tr>
<td>Group</td>
<td>804.3</td>
<td>770.1</td>
<td>1,082.6</td>
<td>+4.4%</td>
</tr>
</tbody>
</table>

### Sales by region

<table>
<thead>
<tr>
<th>In millions of euro</th>
<th>FY21</th>
<th>FY20</th>
<th>FY19</th>
<th>Change (in nominal value)</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Americas</td>
<td>37%</td>
<td>39%</td>
<td>39%</td>
<td>+1%</td>
</tr>
<tr>
<td>EMEA</td>
<td>38%</td>
<td>36%</td>
<td>37%</td>
<td>+9%</td>
</tr>
<tr>
<td>APAC</td>
<td>25%</td>
<td>25%</td>
<td>24%</td>
<td>+3%</td>
</tr>
<tr>
<td>Global</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>+4.4%</td>
</tr>
</tbody>
</table>
Profitability

Gross profit
Component and transport scarcity elevated the costs of goods sold and led to manufacturing and sales inefficiencies. This combination of factors had a marked impact on the gross profit margin for 2021.

Barco implemented price increases across its portfolio and regions and expects these to benefit gross profit margin beginning in the first half of 2022.

In 2021, gross profit margin was 35.7%, a decline of 1.1 percentage points compared to 2020. Gross profit was 287.5 million euro, up 1.3% compared to 2020 on a sales increase of 4.4%.

Indirect expenses & other operating results
Total indirect expenses were stable at 265.4 million euro compared to last year, reflecting continued cost containment measures offset by selective investments in Research and Development (R&D) and commercialization to defend and extend the company’s market position.

As a percentage of sales indirect expenses were 33.0% in 2021 compared to 34.5% in 2020.
• R&D expenses remained flat at 101.3 million euro (compared to 102.6 million euro last year). As percentage of sales, R&D expenses were 12.6% compared to 13.3% a year earlier.
• Sales & Marketing expenses increased slightly to 116.2 million euro, compared to 112.3 million euro for 2020. As a percent of sales, Sales & Marketing expenses were 14.5% compared to 14.6% in 2020.
• General & Administration expenses amounted to 47.9 million euro compared to 50.4 million euro last year and were 6.0% as a percentage of sales compared to 6.5% in 2020.

Other operating expenses amounted to 2.7 million euro, 5.6 million lower than 2020, as a result of a combination of lower exchange losses, lower bad debt and other provisions and gains realized on the sale of a building in Germany.

EBITDA & adjusted EBIT
The combination of a modest increase in gross profit and flat indirect expense level, resulted in an EBITDA increase of 58.5 million euro from 53.6 million euro last year.

EBITDA margin was 7.3% versus 7.0% for 2020.

All three divisions posted mid- to high single-digit full-year EBITDA margin.
• Entertainment: improved from break-even in 2020 to 6.9%, reflecting improved gross profit margin resulting from price increases to offset the impact of supply constraints, and disciplined indirect cost controls.
• Enterprise: EBITDA margin was 6.3%, 2 percentage points lower than last year mainly due to a lower gross profit margin as a result of higher transport costs and component shortages, in combination with increased investment in commercialization and core portfolio product developments.
• Healthcare: EBITDA margin was almost 5 percentage points lower year-over-year due to the negative impact of component shortages and transport disruptions on the gross profit margin and a lagging effect of price increase.

EBITDA by division

<table>
<thead>
<tr>
<th>In millions of euro</th>
<th>Sales</th>
<th>EBITDA</th>
<th>EBITDA %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entertainment</td>
<td>309.7</td>
<td>21.5</td>
<td>6.9%</td>
</tr>
<tr>
<td>Enterprise</td>
<td>233.1</td>
<td>14.6</td>
<td>6.3%</td>
</tr>
<tr>
<td>Healthcare</td>
<td>261.3</td>
<td>22.4</td>
<td>8.6%</td>
</tr>
<tr>
<td>Group</td>
<td>804.3</td>
<td>58.5</td>
<td>7.3%</td>
</tr>
</tbody>
</table>

EBITDA by division 2021 versus 2020 (and 2019)

<table>
<thead>
<tr>
<th>In millions of euro</th>
<th>FY21</th>
<th>FY20</th>
<th>FY19</th>
<th>Change vs FY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entertainment</td>
<td>21.5</td>
<td>0.3</td>
<td>6.9%</td>
<td>+1730%</td>
</tr>
<tr>
<td>Enterprise</td>
<td>14.6</td>
<td>18.2</td>
<td>6.3%</td>
<td>-20%</td>
</tr>
<tr>
<td>Healthcare</td>
<td>22.4</td>
<td>35.0</td>
<td>8.6%</td>
<td>-36%</td>
</tr>
<tr>
<td>Group</td>
<td>58.5</td>
<td>53.6</td>
<td>7.3%</td>
<td>+9%</td>
</tr>
</tbody>
</table>

Adjusted EBIT\(^{(2)}\) was 19.4 million euro or 2.4% of sales, compared to 10.2 million euro or 1.3% of sales for 2020.

As a result of the organizational redesign and a number of cost-down measures across different countries and functions, Barco booked 6.4 million euro restructuring and impairment charges. Taking this charge into account, EBIT was 13.0 million euro compared to -4.3 million euro in 2020.

\(^{(2)}\) Adjusted EBIT is EBIT excluding restructuring charges and impairments, see Glossary Annual and Half year report,
Income taxes
Taxes in 2021 were 2.1 million euro for an effective tax rate of 18%, compared to zero last year on pre-tax negative results.

Net income
Full-year net income attributable to the equity holders was 8.9 million euro compared to -4.4 million euro a year ago.

Net income per ordinary share (EPS) was 0.10 euro versus -0.05 euro in 2020. Fully diluted earnings per share were also 0.10 euro compared to -0.05 in 2020.

Cash flow & balance sheet

Free cash flow and working capital
Free cash flow for 2021 was 78.0 million euro reflecting primarily gross operating cash flow of 51 million euro and reduced working capital. Free cash flow for 2020 was 35.9 million euro negative on lower EBITDA and cash outlays associated with the restructuring and working capital.

All divisions contributed to the positive free cash flow for 2021.

<table>
<thead>
<tr>
<th>In millions of euro</th>
<th>FY21</th>
<th>FY20</th>
<th>FY19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross operating free cash flow</td>
<td>50.5</td>
<td>43.9</td>
<td>139.8</td>
</tr>
<tr>
<td>Changes in trade receivables</td>
<td>-4.9</td>
<td>41.4</td>
<td>-32.2</td>
</tr>
<tr>
<td>Changes in inventory</td>
<td>4.4</td>
<td>-12.3</td>
<td>-33.0</td>
</tr>
<tr>
<td>Changes in trade payables</td>
<td>42.8</td>
<td>-59.9</td>
<td>23.4</td>
</tr>
<tr>
<td>Other Changes in net working capital</td>
<td>13.2</td>
<td>-24.0</td>
<td>15.6</td>
</tr>
<tr>
<td>Change in net working capital</td>
<td>55.5</td>
<td>-54.8</td>
<td>-26.1</td>
</tr>
<tr>
<td>Net operating Free Cash Flow</td>
<td>106.1</td>
<td>-10.8</td>
<td>113.7</td>
</tr>
<tr>
<td>Interest Income/expense</td>
<td>-1.1</td>
<td>-0.1</td>
<td>5.8</td>
</tr>
<tr>
<td>Income Taxes</td>
<td>-8.4</td>
<td>-10.4</td>
<td>-13.1</td>
</tr>
<tr>
<td>Free cash flow from operating activities</td>
<td>96.6</td>
<td>-21.4</td>
<td>106.4</td>
</tr>
<tr>
<td>Purchase of tangible and intangible FA</td>
<td>-18.8</td>
<td>-15.0</td>
<td>-20.2</td>
</tr>
<tr>
<td>Proceeds on disposal of tangible and intangible FA</td>
<td>0.2</td>
<td>0.5</td>
<td>2.4</td>
</tr>
<tr>
<td>Free cash flow from investing</td>
<td>-18.6</td>
<td>-14.5</td>
<td>-17.8</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>78.0</td>
<td>-35.9</td>
<td>88.7</td>
</tr>
</tbody>
</table>
**Working capital**

Inventory + Accounts Receivables – Accounts Payables over sales was 27.2% compared to 32.6% in 2020. Net working capital improved to 5% of sales compared to 10% of sales in 2020.

The improvements in working capital reflect mainly collections of past due trade receivables, mostly in Entertainment, and higher trade payables linked to higher amounts of component purchases. Inventory levels remained stable compared to year-end, due to a combination of higher raw materials and lower finished goods inventory.

**Capital expenditure**

Capital expenditure was 18.8 million euro compared to 15.0 million euro in 2020, an increase driven by investments in expanding the company’s manufacturing footprint in China.

**ROCE**

ROCE for the year was 4% versus 3% for 2020 and versus 25% for 2019.

**Cash position**

Net financial cash position, including net cash held in Cinionic, was 309.8 million euro, compared to 193.5 million euro end 2020.

The increase versus last year is attributable to the swing to positive free cash flow, a lower amount of dividend payments and the sale of a minority investment position.

<table>
<thead>
<tr>
<th>In millions of euro</th>
<th>FY21</th>
<th>FY20</th>
<th>FY19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade Receivables</td>
<td>1570</td>
<td>1461</td>
<td>1954</td>
</tr>
<tr>
<td>DSO</td>
<td>56</td>
<td>67</td>
<td>55</td>
</tr>
<tr>
<td>Inventory</td>
<td>175.5</td>
<td>175.4</td>
<td>169.0</td>
</tr>
<tr>
<td>Inventory turns</td>
<td>2.4</td>
<td>2.3</td>
<td>3.2</td>
</tr>
<tr>
<td>Trade Payables</td>
<td>-114.0</td>
<td>-70.3</td>
<td>-128.9</td>
</tr>
<tr>
<td>DPO</td>
<td>80</td>
<td>51</td>
<td>71</td>
</tr>
<tr>
<td>Other Working Capital</td>
<td>-171.7</td>
<td>-170.6</td>
<td>-205.2</td>
</tr>
<tr>
<td>Total working capital</td>
<td>46.8</td>
<td>80.6</td>
<td>30.2</td>
</tr>
</tbody>
</table>
Update Planet - People - Communities

Barco has organized its sustainability program into 3 pillars: the planet, our people and the communities we operate in.

For each of these three sustainability pillars, the company has formulated an overall ambition statement and defined several targets. In this chapter, we offer some highlights on the progress we made in 2021 within each of these pillars. For a more comprehensive sustainability chapter please read our Planet – People – Communities report.

**Planet**

Under the Planet pillar, Barco has set a goal of reducing its environmental footprint and that of its customers.

<table>
<thead>
<tr>
<th>Year</th>
<th>FY21</th>
<th>FY20</th>
<th>FY19</th>
<th>Change vs 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greenhouse gas emissions from own operations reduction (vs 2015)</td>
<td>-33%</td>
<td>-34%</td>
<td>-20%</td>
<td>-1ppt</td>
</tr>
<tr>
<td>% revenues from ECO labeled products</td>
<td>31%</td>
<td>26%</td>
<td>70%</td>
<td>+5ppts</td>
</tr>
</tbody>
</table>

Barco’s operations carbon footprint performance during 2021 was mixed. An increase in the logistics emissions due to severe supply chain constraints was partially offset by savings in mobility (business travel and fuel emissions) as a result of lockdowns and travel restrictions.

To reduce the footprint of its products and to improve the eco-friendliness of its solutions portfolio Barco has introduced and rolled out a company-wide ecoscoring methodology. We started measuring the revenues from the ECO labeled solutions in 2020 and set the target level for 2023 of 70% ECO labeled revenues\(^1\). In 2021, 31% of revenues came from products with a Barco ECO label compared to 26% in 2020. Driven by an increasing proposition of ECO labeled product releases, the company expects to see ECO labeled revenues increase.

In addition, Barco’s carbon reduction target was formally approved in 2021 by the Science Based Targets initiative, and declared consistent with levels to keep global warming to below 1.5°C.

\(^1\) For more information about Barco eco scoring methodology, see the Barco website.
People

Barco invests in sustainable employability by creating the right conditions for our employees to have an engaging, enriching and healthy career at Barco.

In 2021, we started measuring the Employee Net Promoter Score (E-NPS) via short surveys, resulting in a first E-NPS score of 38.5, which breeds into the category ‘great engagement’.

Communities

Barco is committed to playing an active role in the communities in which it operates by upholding the highest ethical and quality standards and holding its business partners to the same standards. In addition, we always aim to deliver added value to our customers through our solutions, services and capabilities.

In this context, Barco remains focused on delivering a value-add customer experience. The company gathers feedback from end-customers as well as partners on a quarterly basis using the relational Net Promoter Score (NPS) as its standard customer experience metric.

In 2021, we significantly increased the number of responses versus previous years, making the outcome more reliable and insightful. At the end of 4Q21, Barco achieved an NPS of 47 flat with the NPS at the end of 2020. While Healthcare remained stable, we have seen fluctuations over the year with a lower score for the Meeting Experience business compared to peak 2020 outcomes, offset by solid increases in our Immersive Experience business. A score above 50 is considered excellent and that is also where we want to steer the company’s rating.

<table>
<thead>
<tr>
<th></th>
<th>FY21</th>
<th>FY20</th>
<th>FY19</th>
<th>Change vs 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Net Promoter Score</td>
<td>38.5</td>
<td>-</td>
<td>-</td>
<td>NA</td>
</tr>
<tr>
<td>Customer Net Promoter Score</td>
<td>47</td>
<td>47</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>
Results of the Entertainment division

**Division in the group**

- **39%** Entertainment

**Distribution based on sales**

- **50%** Cinema
- **50%** Immersive Experience

**Eco score**

- **25%**

% revenues from products with Barco ECO label

**Sales**

In millions of euro

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>455</td>
</tr>
<tr>
<td>2020</td>
<td>291</td>
</tr>
<tr>
<td>2021</td>
<td>310</td>
</tr>
</tbody>
</table>

**Gross profit**

In millions of euro

<table>
<thead>
<tr>
<th>Year</th>
<th>Gross profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>143</td>
</tr>
<tr>
<td>2020</td>
<td>83</td>
</tr>
<tr>
<td>2021</td>
<td>92</td>
</tr>
</tbody>
</table>

**EBITDA**

In millions of euro

<table>
<thead>
<tr>
<th>Year</th>
<th>EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>43</td>
</tr>
<tr>
<td>2020</td>
<td>0</td>
</tr>
<tr>
<td>2021</td>
<td>22</td>
</tr>
</tbody>
</table>

**Gross profit margin**

- 2019: 32%
- 2020: 28%
- 2021: 30%

**EBITDA margin**

- 2019: 9.5%
- 2020: 0%
- 2021: 7%
On the strength of continued solid uptakes throughout the year, the Entertainment division delivered a 44% increase in order intake and a 6% increase in sales for the year compared to 2020. The orders and sales gains reflect the resumption of activity in the Immersive Experience segment with strong demand for fixed installations (museums, theme parks) and projection mapping and in China cinema. Cinema accounted for approximately 50% of the divisional sales in 2021, in line with the breakdown of last year and compared to 58% in 2019.

The Cinema segment saw a rebound in fundamentals during 2021. Theaters reopened in the second half of the year in most regions and visitor attendance statistics were encouraging, supported by an attractive slate of movies. Following an extended period when theaters were closed due to the pandemic, this rebound gives Barco confidence that future growth opportunities in the cinema industry remain intact.

Order growth was solid compared to 2020, driven by new build programs in China, the Middle East, Latin America and selected smaller renewal projects in developed regions. Nevertheless, sales growth was modest as major renewal programs were pushed out of 2021. Barco expects these programs to resume in the second half of the 2022.

The segment also saw increased interest for its retrofit program offering, as well as for its license-based Cinionic Giant Screen with now more than 400 installations globally (including China). Barco also signed a new long-term frame agreement in 2021 to support IMAX’ shift to laser projection in its existing install base and new build plans.

Within the Immersive Experience business, an intensified commercial focus on the fixed install subsegment and an expanded product portfolio resulted in market share gains and growth in orders and sales. Demand was particularly strong for the growing immersive digital art experience in museums, where Barco has a leadership position, and other fixed AV installations with deployments worldwide, offsetting weakness in the events subsegment due to pandemic-related lockdown measures and event cancellations.

While sales for the Simulation segment were slightly down in 2021 the segment’s strong market position and contract wins with reference customers further built its order book during the year.

Entertainment’s gross profit margin improved slightly compared to last year as a result of timely price increases which offset the impact of higher component and freight costs. In combination with tight indirect expense control this resulted in a significant improvement in EBITDA and an EBITDA margin of 6.9% compared to 0.1% for 2020.
Results of the Enterprise division

Division in the group

29%
Enterprise

Distribution based on sales

52%
Meeting Experience

48%
Large Video Walls

Eco score

52%

Sales
In millions of euro

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales 2019</th>
<th>Sales 2020</th>
<th>Sales 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>359</td>
<td>217</td>
<td>233</td>
</tr>
</tbody>
</table>

Gross profit
In millions of euro

<table>
<thead>
<tr>
<th>Year</th>
<th>Gross Profit 2019</th>
<th>Gross Profit 2020</th>
<th>Gross Profit 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>183</td>
<td>105</td>
<td>109</td>
</tr>
</tbody>
</table>

EBITDA
In millions of euro

<table>
<thead>
<tr>
<th>Year</th>
<th>EBITDA 2019</th>
<th>EBITDA 2020</th>
<th>EBITDA 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>74</td>
<td>18</td>
<td>15</td>
</tr>
</tbody>
</table>

Gross profit margin

<table>
<thead>
<tr>
<th>Year</th>
<th>Gross Profit Margin 2019</th>
<th>Gross Profit Margin 2020</th>
<th>Gross Profit Margin 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>51%</td>
<td>49%</td>
<td>47%</td>
</tr>
</tbody>
</table>

EBITDA margin

<table>
<thead>
<tr>
<th>Year</th>
<th>EBITDA Margin 2019</th>
<th>EBITDA Margin 2020</th>
<th>EBITDA Margin 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>21%</td>
<td>8%</td>
<td>6%</td>
</tr>
</tbody>
</table>
The Enterprise division saw a gradual recovery over the year with a strong second-half order intake followed by a solid sales uptake in the last quarter of the year. As a result, year-over-year orders increased by more than 20% and sales by 8%. In terms of the sales mix, Meeting Experience accounted for about 52% of Enterprise sales for 2021 versus 51% for 2020 and 58% for 2019.

In the Meeting Experience segment, growing adoption of wireless conferencing and a reopening of offices led to a gradual recovery of orders, particularly in the EMEA region throughout 2021, which demonstrates a continued strong correlation with regional back-to-office dynamics, and strong order intake of Q321 translating into significant sales growth in the last quarter of the year.

ClickShare has now been installed in nearly 1 million meeting rooms globally up from 850,000 at the end of last year. The new ClickShare Conference accounted for 45% of ClickShare’s volume over the last quarter of 2021. More than 70,000 units have been shipped and installed since the launch in 2020. Barco continued to build a community of leading meeting room ecosystem players from around the globe, making ClickShare the most universally compatible solution for hybrid meetings. At the same time, ClickShare Conference garnered additional industry awards related to the “new normal” of hybrid meetings that commended the solution’s simplicity and operability with video conferencing platforms. In addition, the segment connected more ClickShare installations to Barco’s cloud platform, providing lifetime monitoring, diagnostics and usability data on the connected installed base of 30,000 meeting rooms.

With respect to the division’s virtual conferencing weConnect growth initiative, we saw that our sales and marketing investments have yielded a steadily growing number of distinguished customer references in different regions and a growing funnel.

The Large Video Wall segment booked quarter-over-quarter progress in both orders and sales throughout the year. In the first three quarters of the year, sales were somewhat slow caused by project delays in relation with covid restrictions. The fourth quarter showed a clear rebound driven by large-size deployments in the Americas region while sales was still held back by component shortages.

Orders grew to healthy levels compared to 2020 and exceeded 2019, reflecting the strength of the segment’s market position and value proposition. The segment has also made progress in maturing and commercializing its software and networking solution portfolio and in offering robust services including upgrades to the installed base.

The Enterprise division produced an EBITDA of 6.3%, down from 8.4% a year ago, driven by higher component and logistics costs and higher indirect expenses reflecting selective investments in both R&D and sales & marketing.
Results of the Healthcare division

Division in the group

33%
Healthcare

Distribution based on sales

50%
Diagnostic Imaging

50%
Surgical & Modality

Eco score

20%

% revenues from products with Barco ECO label

Sales
In millions of euro

2019 2020 2021

Gross profit
In millions of euro

2019 2020 2021

EBITDA
In millions of euro

2019 2020 2021

Gross profit margin

EBITDA margin
The Healthcare division posted very solid order growth in line with a gradual resumption of healthcare investments in Diagnostic Imaging and Surgical & Modality. Conversion to sales lagged, resulting in flat year-over-year sales, mainly due to delayed deliveries resulting from component shortages. As a result, Healthcare saw its order book strengthen significantly.

The Diagnostic segment delivered strong growth in orders driven by intensified demand for diagnostic solutions in mainly the Americas and the EMEA region. Sales, however, were slightly down compared to 2020 due to deployment delays and supply chain disruptions. The segment also strengthened its value proposition with the world’s first stand-alone approved digital pathology display.

The Surgical & Modality segment recorded solid order and modest sales growth as strategic partners are stepping up demand for Barco’s digital operating room solution and the operating room infrastructure market increasingly adopts digital solutions. Barco also expanded its surgical offering with the addition of NexxisLive, an advanced secure cloud-based collaboration software platform.

For its growth initiative Demetra, a skin cancer diagnostic-solution, Healthcare has been adding partners in both the Americas and European region and has seen its installed base – while still small – grow steadily month-over-month in 2021.

EBITDA margin was below last year’s margin, mainly as a result of higher component and freight costs. Barco increased prices also for its healthcare portfolio and expects these to benefit gross profit margin as from the first half of 2022.
Financial information
More information is available from the Group's Investor Relations Department:

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