2023 Integrated annual report

Financial report

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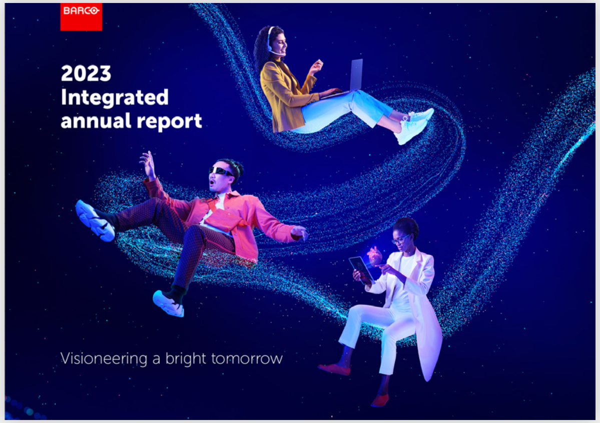

This is the Financial section of Barco's 2023 Integrated annual report. Other sections are available via the download center at ir.barco.com/2023.

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IFRS Financial Statements

Introduction

This chapter of the Annual Report contains the IFRS audited consolidated financial statements including the notes thereon, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union.

The chapter Our results provides an analysis of trends and results of the 2023 financial year, and is based on the IFRS consolidated financial statements and should be read in conjunction with these statements.

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Consolidated Statement of Income

In thousands of euro		Note	2023	2022	2021
Sales		2, 3	1,050,137	1,058,291	804,288
Cost of goods sold		3	-611,614	-645,538	-516,803
Gross profit		**3**	**438,523**	**412,753**	**287,485**
Research and development expenses		3(a)	-132,282	-120,493	-101,338
Sales and marketing expenses		3(b)	-145,891	-142,740	-116,240
General and administration expenses		3(c)	-59,948	-57,714	-47,858
Other operating income (expense) - net		3(d)	1,704	-1,663	-2,676
Adjusted EBIT	(a)	**3**	**102,106**	**90,143**	**19,373**
Restructuring and impairments		5	-10,811	-2,500	-6,420
EBIT		**3**	**91,295**	**87,643**	**12,953**
Interest income			6,514	2,773	713
Interest expense			-1,830	-1,930	-1,823
Income before taxes		**6**	**95,979**	**88,486**	**11,843**
Income taxes		6	-17,276	-15,927	-2,132
Result after taxes			**78,703**	**72,559**	**9,711**
Share in the result of joint ventures and associates		11	2,539	3,337	48
Net income			**81,242**	**75,896**	**9,759**
Net income attributable to non-controlling interest		**17**	**1,074**	**677**	**878**
Net income attributable to the equity holder of the parent		**7**	**80,168**	**75,219**	**8,881**
Earnings per share (in euro)		7	0.89	0.84	0.10
Diluted earnings per share (in euro)		7	0.88	0.83	0.10

The accompanying notes are an integral part of this income statement.

(a) Management considers adjusted EBIT to be a relevant performance measure in order to compare results over the period 2021 to 2023, as it excludes adjusting items. Adjusting items include restructuring costs and impairments. We refer to note 5 restructuring and impairment costs.

Statement of comprehensive income

In thousands of euro	Note	2023	2022	2021
Net income		**81,242**	**75,896**	**9,759**
Exchange differences on translation of foreign operations (a)		-16,269	11,967	28,894
Cash flow hedges				
Net gain/(loss) on cash flow hedges		-262	1,259	485
Income tax		47	-227	-87
Net gain/(loss) on cash flow hedges, net of tax		-215	1,032	398
Other comprehensive income/(loss) to be recycled through profit and loss in subsequent periods		**-16,484**	**12,999**	**29,292**
Remeasurement gains/(losses) on defined benefit plans	19	-1,297	18,395	10,000
Deferred tax on remeasurement gains/(losses) on defined benefit plans	10	324	-4,599	-2,500
Actuarial gains/(losses), net of tax		-973	13,796	7,500
Changes in the fair value of equity investments through other comprehensive income	11	14,709	-23,004	9,945
Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods		**13,736**	**-9,208**	**17,445**
Other comprehensive income/(loss) for the period, net of tax effect		**-2,748**	**3,791**	**46,737**
Attributable to equity holder of the parent		-2,362	1,287	44,382
Attributable to non-controlling interest		-386	2,504	2,355
Total comprehensive income/(loss) for the year, net of tax		**78,494**	**79,687**	**56,496**
Attributable to equity holder of the parent		77,806	76,506	53,263
Attributable to non-controlling interest		688	3,181	3,233

The accompanying notes are an integral part of this income statement.

(a) Translation exposure gives rise to non-cash exchange gains/losses. Examples are foreign equity and other long-term investments abroad. These long-term investments give rise to periodic translation gains/losses that are non-cash in nature until the investment is realized or liquidated. The comprehensive income line commonly shows a positive result in case the foreign currency appreciates versus the Euro in countries where investments were made and a negative result in case the foreign currency depreciates.
In 2023, the negative exchange differences in the comprehensive income line were mainly booked on foreign operations held in Hong Kong Dollar and US Dollar (see note 16.4).
In 2022, the positive exchange differences in the comprehensive income line were mainly booked on foreign operations held in Hong Kong Dollar and US Dollar.
In 2021, the positive exchange differences in the comprehensive income line were mainly booked on foreign operations held in Hong Kong Dollar, US Dollar, Chinese Yuan and Indian Rupee.

Consolidated balance sheet

In thousands of euro	Note	31 Dec 2023	31 Dec 2022	31 Dec 2021
Assets				
Goodwill	8	105,612	105,612	105,612
Other intangible assets	9.1	12,026	19,251	17,427
Land and buildings	9.2	63,479	69,677	78,602
Other tangible assets	9.2	89,947	53,181	48,285
Investments and interest in associates	11	70,788	64,811	68,008
Deferred tax assets	10	57,040	55,239	64,155
Other non-current assets	13	4,335	5,819	6,849
Non-current assets		**403,227**	**373,590**	**388,938**
Inventory	12	231,521	245,714	175,496
Trade debtors	13	208,567	194,643	156,977
Other amounts receivable	13	14,458	14,509	16,211
Short term investments	14	4,670	1,651	2,763
Cash and cash equivalents	14	286,077	305,915	351,571
Prepaid expenses and accrued income		10,895	11,383	12,293
Current assets		**756,188**	**773,815**	**715,311**
Total assets		**1,159,415**	**1,147,405**	**1,104,249**

In thousands of euro	Note	31 Dec 2023	31 Dec 2022	31 Dec 2021
Equity and liabilities				
Equity attributable to equityholders of the parent	16	795,334	759,189	693,783
Non-controlling interests	17	15,961	19,792	41,031
Equity		**811,295**	**778,981**	**734,814**
Long-term debts	14	32,217	32,335	34,366
Deferred tax liabilities	10	3,576	3,229	3,823
Other long-term liabilities	15	54,374	44,524	48,860
Long-term provisions	19	15,131	14,998	31,175
Non-current liabilities		**105,298**	**95,086**	**118,224**
Current portion of long-term debts	14	12,288	11,217	10,218
Short-term debts	14	5,095	-	-
Trade payables	18	89,350	121,920	113,979
Advances received from customers	18	40,613	51,183	54,105
Tax payables		11,913	9,639	4,963
Employee benefit liabilities (a)		58,500	53,487	39,550
Other current liabilities		7,034	5,412	5,036
Accrued charges and deferred income		7,745	11,155	14,823
Short-term provisions	19	10,284	9,325	8,537
Current liabilities		**242,822**	**273,338**	**251,211**
Total equity and liabilities		**1,159,415**	**1,147,405**	**1,104,249**

The accompanying notes are an integral part of this statement.

(a) Employee benefit liabilities are short term obligations and consist mainly of salaries, bonuses, and holiday payments. In 2023 and 2022 employee benefit liabilities include a bonus provision on the 2023 and 2022 results, whereas in 2021 bonus provision was limited. The remaining increase in 2023 and 2022 is caused by inflation and increase in headcount.

Consolidated statement of cash flow

In thousands of euro	Note	2023	2022	2021
Cash flow from operating activities				
Adjusted EBIT		102,106	90,143	19,373
Restructuring	5	-6,849	-1,211	-8,204
Depreciations of tangible and intangible fixed assets	3, 9	40,390	36,331	39,136
(Gain)/Loss on tangible fixed assets		119	-1,621	196
Share options recognized as cost	3(d), 16	2,230	1,548	3,067
Share in the profit/(loss) of joint ventures and associates	11	2,539	3,337	48
Gross operating cash flow		**140,535**	**128,527**	**53,616**
Changes in trade receivables		-18,320	-35,615	-4,918
Changes in inventory		9,579	-70,161	4,432
Changes in trade payables		-30,306	7,425	42,825
Other changes in net working capital		1,551	2,823	13,195
Change in net working capital		**-37,496**	**-95,528**	**55,534**
Net operating cash flow		**103,039**	**32,999**	**109,150**
Net operating cash flow				
Interest received		6,514	2,773	713
Interest paid		-1,830	-1,930	-1,823
Income taxes		-13,343	-6,042	-8,386
Cash flow from operating activities		**94,380**	**27,800**	**99,654**

In thousands of euro	Note	2023	2022	2021
Cash flow from investing activities				
Purchases of tangible and intangible fixed assets		-54,408	-21,218	-18,787
Proceeds on disposals of tangible and intangible fixed assets		209	8,038	183
Proceeds from (+), payments for (-) short term investments	14	-3,019	1,112	412
Acquisition of Group companies, net of acquired cash	1.3, 24	-	-3,763	-
Other investing activities (a)		3,681	-41,634	51,969
Dividends from joint ventures and associates		2,160	-	3,859
Cash flow from investing activities (including acquisitions and divestments)		**-51,377**	**-57,465**	**37,636**
Cash flow from financing activities				
Dividends paid		-39,802	-21,065	-20,560
Capital increase		-14	1,737	1,676
Sale/(purchase) of own shares	16	-6,784	5,992	-4,472
Payments (-) of long-term liabilities	20	-13,805	-12,390	-12,758
Proceeds from (+), payments of (-) short-term liabilities	20	8,762	999	614
Dividend distributed to non-controlling interest	17	-1,810	-	-
Cash flow from financing activities		**-53,453**	**-24,727**	**-35,500**
Net increase/(decrease) in cash and cash equivalents		**-10,450**	**-54,392**	**101,790**
Cash and cash equivalents at beginning of period		**305,915**	**351,571**	**235,402**
Cash and cash equivalents (CTA)		**-9,388**	**8,736**	**14,379**
Cash and cash equivalents at end of period		**286,077**	**305,915**	**351,571**

The accompanying notes are an integral part of this statement.

(a) Other investing activities' in 2022 reflects 23.6 million euro paid to the minority shareholders of Cinionic, increasing Barco's ownership interest in the joint venture to 80%, as well as the movement in investments. In 2023 and 2021 it reflects the movement in investments in entities in which Barco owns less than 20% of the shares. Per end of 2023 the increase in Barco's ownership interest in the Cinionic joint venture to 100% has not yet been paid for. We refer to note 17 for more explanation on the increase in ownership interest.

Consolidated statement of changes in equity

In thousands of euro	Note	Share capital and premium	Retained earnings	Share-based payments	Cumulative translation adjustment	Cash flow hedge reserve	Own shares	Equity attributable to equityholders of the parent	Non-Controlling Interest	Equity
Balance on 1 January 2021		202,883	535,093	14,100	-64,693	-1,111	-26,963	659,309	37,798	697,107
Net income		-	8,881	-	-	-	-	8,881	878	9,759
Dividend	16	-	-33,388	-	-	-	-	-33,388	-	-33,388
Capital and share premium increase	16	14,504	-	-	-	-	-	14,504	-	14,504
Other comprehensive income (loss) for the period, net of tax		-	17,197	-	26,787	398	-	44,382	2,355	46,737
Share-based payment	16	-	-	4,567	-	-	-	4,567	-	4,567
Exercise of options	16	-	-	-	-	-	6,714	6,714	-	6,714
Share buy-back	16	-	-	-	-	-	-11,186	-11,186	-	-11,186
Balance on 31 December 2021		**217,387**	**527,783**	**18,667**	**-37,906**	**-713**	**-31,435**	**693,783**	**41,031**	**734,814**
Balance on 1 January 2022		217,387	527,783	18,667	-37,906	-713	-31,435	693,783	41,031	734,814
Net income		-	75,219	-	-	-	-	75,219	677	75,896
Dividend	16	-	-35,695	-	-	-	-	-35,695	-	-35,695
Capital and share premium increase	16	16,284	-	-	-	-	-	16,284	-	16,284
Other comprehensive income (loss) for the period, net of tax		-	-9,301	-	9,556	1,032	-	1,287	2,504	3,791
Share-based payment	16	-	-	1,548	-	-	-	1,548	-	1,548
Exercise of options	16	-	-	-	-	-	5,992	5,992	-	5,992
Increase in ownership interest, without change in control (a)	17	-	771	-	-	-	-	771	-24,420	-23,649
Balance on 31 December 2022		**233,671**	**558,777**	**20,215**	**-28,350**	**319**	**-25,443**	**759,189**	**19,792**	**778,981**

In thousands of euro	Note	Share capital and premium	Retained earnings	Share-based payments	Cumulative translation adjustment	Cash flow hedge reserve	Own shares	Equity attributable to equityholders of the parent	Non-Controlling Interest	Equity
Balance on 1 January 2023		233,671	558,777	20,215	-28,350	319	-25,443	759,189	19,792	778,981
Net income		-	80,168	-	-	-	-	80,168	1,074	81,242
Dividend	16	-	-39,802	-	-	-	-	-39,802	-	-39,802
Dividend distributed to non controlling interest		-	-	-	-	-	-	-	-1,810	-1,810
Capital and share premium decrease	16	-14	-	-	-	-	-	-14	-	-14
Other comprehensive income (loss) for the period, net of tax		-	13,736	-	-15,883	-215	-	-2,362	-386	-2,748
Share-based payment	16	-	-	2,230	-	-	-	2,230	-	2,230
Exercise of options	16	-	-	-	-	-	1,304	1,304	-	1,304
Share buy-back	16	-	-	-	-	-	-8,088	-8,088	-	-8,088
Increase in ownership interest, without change in control (a)	17	-	2,709	-	-	-	-	2,709	-2,709	-
Balance on 31 December 2023		**233,657**	**615,588**	**22,445**	**-44,233**	**104**	**-32,227**	**795,334**	**15,961**	**811,295**

The accompanying notes are an integral part of this statement.

(a) Per 22 November 2023, Barco reached an agreement with China Film Equipment co., Ltd to fully acquire Cinionic's premium Cinema solutions business, increasing Barco's ownership interest in the joint venture from 80% to 100%. We refer to note 17 for more explanation on the increase of ownership interest.
Per 20 April 2022, Barco agreed to buy the shares held by Appotronics and CITICPE in Cinionic, increasing Barco's ownership interest in the joint venture from 55% to 80%. Barco paid 23.6 million euro for the shares. The gain realized on the transaction of 0.7 million euro is recognized in equity as the increase in ownership percentage did not result in a change in control.

Significant IFRS accounting principles

1. Accounting principles

1.1. Statement of compliance and basis of presentation

The consolidated financial statements of the Barco Group have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted for use by the EU. All standards and interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) effective year-end 2023 and adopted by the European Union are applied by Barco. The financial statements are also prepared on the basis of going concern.

The consolidated financial statements are presented in thousands of euro and are prepared under the historical cost convention, except for the measurement at fair value of investments, pension estimates and derivative financial instruments. The financial statements were authorized for issue by the board of directors on 5 February 2024. The chairman has the power to amend the financial statements until the shareholders' meeting of 25 April 2024.

1.2. Principles of consolidation

General

The consolidated financial statements comprise the financial statements of the parent company, Barco NV (registered office: 35 President Kennedypark, 8500, Kortrijk, Belgium), and its controlled subsidiaries and joint ventures, after the elimination of all intercompany transactions.

Subsidiaries

Subsidiaries are consolidated from the date the parent obtains control until the date control ceases. Acquisitions of subsidiaries are accounted for using the purchase method of accounting. Control exists when Barco is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The financial statements of subsidiaries are prepared according to the parent's company reporting schedule, using consistent IFRS accounting policies.

Non-controlling interests

Non-controlling interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the income statement and within equity in the consolidated balance sheet, separately from shareholder's equity, even if the attribution of losses to the non-controlling interest results in a debit balance in shareholder's equity.

Investments in associated companies and joint ventures

The company has investment in joint ventures when it shares joint control with other investments, and it has rights to the net assets of these joint ventures. Investments in associated companies over which the company has significant influence (typically those that are 20-50% owned) and joint ventures are accounted for under the equity method of accounting and are initially recognized at cost. Thereafter the carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate since the acquisition date. The statement of profit or loss reflects the Group's share of the results of operations of the associate, in 'other operating income' for associated companies and joint ventures with closely related business and in the line 'share in the result of joint ventures and associates' for all other associated companies and joint ventures. Investments in associated companies and joint ventures are presented as non-current asset on the face of the balance sheet on the line 'investments and interest in associates'.

2. Goodwill

Goodwill represents the excess of the cost of the acquisition over the fair value of identifiable net assets and contingent liabilities of a subsidiary or associated company at the date of acquisition.

Goodwill is carried at cost less any accumulated impairment losses.

3. Research and development costs

Research and development costs are expensed as incurred, except for development costs, which relate to the design and testing of new or improved materials, products or technologies, which are capitalized to the extent that it is expected that such assets will generate future economic benefits and the recognition criteria of IAS38 are met. Shorter life cycles, unpredictability of which development projects will be successful, and the volatility of technologies and the markets in which Barco operates led the Board of Directors to conclude that Barco's development expenses since 2015 no longer meet the criteria of IAS38.57. As the criteria of IAS38.57 are no longer fulfilled, capitalization of development expenses as of 2015 was not allowed.

4. Other intangible assets

Intangible assets acquired separately are capitalized at cost. Intangible assets acquired as part of a business combination are capitalized at fair value separately from goodwill if the fair value can be measured reliably upon initial recognition and are amortized over their economic lifetimes. Other intangible assets are amortized on a straight-line basis not exceeding 7 years.

5. Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Generally, depreciation is computed on a straight-line basis over the estimated useful life of the asset. When there is an indication that the item of property, plant and equipment is impaired, the carrying amounts are reviewed to assess whether they are recorded in excess of their recoverable amounts, and where carrying values exceed this estimated recoverable amount, assets are written down to their recoverable amount.

Estimated useful life is:
- buildings ___ 20 years
- installations ___ 10 years
- production machinery ___ 5 years
- measurement equipment ___ 4 years
- tools and models ___ 3 years
- furniture ___ 10 years
- office equipment ___ 5 years
- computer equipment ___ 3 years
- vehicles ___ 5 years
- demo material ___ 1 to 3 years
- leasehold improvements and finance leases: cfr. underlying asset, limited to outstanding period of lease contract

A property, plant or equipment item is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in profit or loss in the year the asset is derecognized.

6. Leases

Assets, representing the right to use the underlying leased asset, are capitalized as property, plant and equipment at cost, comprising the amount of the initial measurement of lease liability, any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs and restoration costs. The corresponding lease liabilities, representing the net present value of the lease payments, are recognized as long-term or current liabilities depending on the period in which they are due. Leased assets and liabilities are recognized for all leases with a term of more than 12 months, unless the underlying asset is of low value.

The lease payments are discounted using the lessee's incremental borrowing rate, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions. The interest rate implicit in the lease could not be determined.

Lease interest is charged to the income statement as an interest expense.

Leased assets are depreciated, using straight-line depreciation over the lease term, including the period of renewable options, in case it is probable that the option will be exercised.

7. Investments - financial assets at fair value through profit and loss or other comprehensive income

Investments are treated as financial assets at fair value through profit and loss or other comprehensive income and are initially recognized at cost, being the fair value of the consideration given.

Subsequent fair value recognition through profit and loss or other comprehensive income is determined at moment of initial recognition. For investments quoted in an active market, the quoted market price is the best measure of fair value. For investments not quoted in an active market, the carrying amount is the historical cost if a reliable estimate of the fair value cannot be made. An impairment loss is recorded when the carrying amount exceeds the estimated recoverable amount. These investments are presented on the balance sheet on the line 'Investments and interest in associates'.

Short-term investments are cash deposits with a maturity at inception in excess of 3 months and are intended to be held to maturity less than one year (solely payment of principle and interest). They are recognized at cost, with the associated revenue in interest income.

8. Other non-current assets

Other non-current assets include long-term interest-bearing receivables and cash guarantees. Such long-term receivables are accounted for as loans and receivables originated by the company and are carried at amortized cost. An impairment loss is recorded when the carrying amount exceeds the estimated recoverable amount.

9. Financial assets

The Group classifies its financial assets in the following categories: financial assets at fair value and financial assets at amortized cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. Management determines the classification of its financial assets at initial recognition.
Regular purchases and sales of financial assets are recognized on the trade date – the date on which the Group commits to purchase or sell an asset.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.
Financial assets (such as loans, trade and other receivables, cash and cash equivalents) are subsequently measured at amortized cost using the effective interest method, less any impairment if they are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest.

Trade and other receivables after and within one year are recognized initially at fair value and subsequently measured at amortized cost, i.e. at the net present value of the receivable amount, using the effective interest rate method, less allowances for impairment. The Group assesses on a forward-looking basis the expected credit loss associated with its financial assets carried at amortized cost. For trade receivables, the Group applies the simplified approach permitted by IFRS 9 Financial instruments, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

The amount of the allowance is deducted from the carrying amount of the asset and is recognized in the income statement within other operating income.

10. Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is determined on a first in first out (FIFO) or weighted average basis. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs of completing the sale.

In addition to the cost of materials and direct labor, the relevant proportion of production overhead is included in the inventory values.

Write offs on inventories are applied on slow-moving inventory. The calculation of the allowance is based on consistently applied write off rules, which depend on both historical and future demand, of which the latter is subject to uncertainty due to rapid technological changes.

11. Revenue recognition

We apply the five-step model to account for revenue arising from contracts with customers. Revenue is recognised at an amount that reflects the consideration to which we expect to be entitled in exchange for transferring goods or services to a customer.

(a) Sale of goods
Contracts with customers to sell equipment has only 1 performance obligation. Revenue recognition occurs at a point in time, when control of the asset is transferred to the customer, generally on delivery of the goods. The Group has following warranty options: the Group provides warranties for general repairs of which the Group determined that such warranties are assurance-type warranties which are accounted for under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

(b) Rendering of services
The Group provides services within all segments. These services are sold either on their own in contracts with the customers or bundled together with the sale of equipment to a customer. The Group accounts for the equipment and service as separate deliverables of bundled sales and allocates consideration between these deliverables using the relative stand-alone selling prices. The Group recognises service revenue by reference to the stage of completion. The Group recognises the services over time given that the customer simultaneously receives and consumes the benefits provided by the Group. Consequently, the Group recognises revenue for these service contracts/service components of bundled contracts over time rather than at a point of time.

(c) Projects
For revenue out of projects, billing and revenue recognition is linked to milestones, reflecting the percentage of completion, provided that the outcome of the project can be assessed with reasonable certainty. These projects generally have a lifetime of less than one year.

12. Government grants

Government grants related to research and development projects and other forms of government assistance are recognized as income upon irreversible achievement and by reference to the relevant expenses incurred.

13. Trade debtors and other amounts receivable

Trade debtors and other amounts receivable are shown on the balance sheet at amortized cost (in general, the original amount invoiced) less an allowance for doubtful debts and less an amount for expected credit losses. The allowance for doubtful debts is recorded in operating income when it is probable that the company will not be able to collect all amounts due. Allowances are calculated on an individual basis, based on an aging analysis of the trade debtors. For the determination of the expected credit loss, the Group has applied the simplified approach and records lifetime expected losses on all trade receivables. This amount is determined on a portfolio basis.

14. Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances with banks and short-term investments with an original maturity date or notice period of three months or less. It is the Group's policy to hold investments to maturity. All investments are initially recognized at fair value, which is the cost at recognition date.

15. Provisions

Provisions are recorded when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made to the amount of the obligation.

The Group recognizes the estimated liability to repair or replace products still under warranty at the balance sheet date. The provision is calculated based on historical experience of the level of repairs and replacements.

A provision for restructuring is only recognized when the Group has approved a detailed and formal restructuring plan, and the restructuring has either commenced or has been announced to those affected by the plan before the balance sheet date.

On the line item 'Long-term provisions', the company presents the net liability relating to the post-retirement benefit obligations which includes the Belgian defined-contribution pension plans that are by law subject to minimum guaranteed rates of return. Pension legislation was amended at the end of 2015 and defines the minimum guaranteed rate of return as a variable percentage linked to government bond yields observed in the market as from 1 January 2016 onwards. For 2023 the minimum guaranteed rate of return remains the same as in 2022 and 2021, i.e. 1.75% on employer contributions and employee contributions. We refer to note 19 for more detailed information. As a consequence, the defined contribution plans have been accounted for as defined benefit plan.

16. Equity – costs of an equity transaction

The transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefit.

17. Interest-bearing loans and borrowings

All loans and borrowings are initially recognized at cost, being the fair value of the consideration received net of issue costs associated with the loan/borrowing. Subsequent to initial recognition, interest-bearing loans and borrowings are stated at amortized cost using the effective interest rate method. Amortized cost is calculated by taking into account any issue costs and any discount or premium on settlement.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

When a financial liability measured at amortized cost is modified without this resulting in derecognition, a gain or loss is recognized in profit or loss. The gain or loss is calculated as the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate.

The measurement of a written put option liability

When the risks and rewards of ownership transfer to the parent, a financial liability is recognized for the fair value of the put option. The fair value is the present value of the estimated redemption amount and depends on a management estimate of a number of assumptions (i.e. the expected market value, the estimated probability that the exercise conditions are met and the expected WACC). Subsequently, the liability is revalued to fair value at each reporting period through the income statement, including the effect of unwinding the discount and other changes in the estimated redemption amount due to changes in management's assumptions.

18. Trade and other payables

Trade and other payables are stated at amortized cost, which is the cost at recognition date. This is an approximation of the fair value.

19. Employee benefits

Employee benefits are recognized as an expense when the Group consumes the economic benefit arising from service provided by an employee in exchange for employee benefits, and as a liability when an employee has provided service in exchange for employee benefits to be paid in the future.

Foreign currency rates

Currency	December 31, 2023		December 31, 2022		December 31, 2021	
	Closing rate	Average rate	Closing rate	Average rate	Closing rate	Average rate
CNY	7.85	7.66	7.36	7.08	7.19	7.63
INR	91.90	89.30	88.17	82.69	84.23	87.45
USD	1.11	1.08	1.07	1.05	1.13	1.18

20. Transactions in foreign currencies

Transactions in foreign currencies are recorded at the rates of exchange prevailing at the date of transaction or at the end of the month before the date of the transaction. At the end of the accounting period the unsettled balances on foreign currency receivables and liabilities are valued at the rates of exchange prevailing at the end of the accounting period. Foreign exchange gains and losses are recognized in the income statement in the period in which they arise.

21. Foreign Group companies

In the consolidated accounts, all items in the profit and loss accounts of foreign subsidiaries are translated into euro at the average exchange rates for the accounting period. The balance sheets of foreign group companies are translated into euro at the rates of exchange ruling at the year-end. The resulting exchange differences are classified in a separate component of 'other comprehensive income', until disposal of the investment.

22. Derivative financial instruments

Derivative financial instruments are recognized initially at cost, which is the fair value of the consideration given (in the case of an asset) or received (in the case of a liability) for it. Subsequent to initial recognition, derivative financial instruments are stated at fair value. The fair values of derivative interest contracts are estimated by discounting expected future cash flows using current market interest rates and yield curve over the remaining term of the instrument. The fair value of forward exchange contracts is estimated using valuation techniques which include forward pricing and swap models at the balance sheet date.

Derivative financial instruments that are either hedging instruments that are not designated or do not qualify as hedges are carried at fair value with changes in value included in the income statement.

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognized asset or liability, or a highly probable forecasted transaction, the effective part of any gain or loss on the derivative financial instrument is recognized directly in 'other comprehensive income' with the ineffective part recognized directly in profit and loss.

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

23. Income taxes

Current taxes are based on the results of the Group companies and are calculated according to local tax rules.

Deferred tax assets and liabilities are determined, using the liability method, for all temporary differences arising between the tax basis of assets and liabilities and their carrying values for financial reporting purposes. Tax rates used are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantially enacted at the balance sheet date.

Deferred tax assets are recognized for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry-forward of unused tax credits and tax losses can be utilized. The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

The Group reviews their tax positions taken in the financial statements and in the tax filings and how these are supported. In addition, the Group assesses how the taxation authorities might make their examinations and how issues that might arise from examinations could be resolved. Based on this assessment, a deferred tax liability is determined in line with IFRIC 23.

24. Impairment of assets

Goodwill is reviewed for impairment at least annually. For other tangible and intangible assets, at each balance sheet date, an assessment is made as to whether any indication exists that assets may be impaired. If any such indication exists, an impairment test is carried out in order to determine if and to what extent an impairment is necessary to reduce the asset to its recoverable amount (which is the higher of (i) value in use and (ii) fair value less costs to sell). The fair value less costs to sell is determined as (i) the fair value (that is the price that would be received to sell an asset in an orderly transaction in the principal market at the measurement date under current market conditions) less (ii) the costs to sell while value in use is the present value of the future cash flows expected to be derived from an asset. Recoverable amounts are estimated for individual assets or, if this is not possible, for the cash-generating unit (CGU) to which the assets belong. An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

Impairment losses are recognized in the income statement. Reversal of impairment losses recognized in prior years is included as income when there is an indication that the impairment losses recognized for the asset are no longer needed or the need has decreased, except for impairment losses on goodwill, which are never reversed.

25. Share-based payment

Barco created warrants and stock options for staff and directors as well as for individuals who play an important role in the company. According to the publication of IFRS2, the cost of share-based payment transactions is reflected in the income statement.

The warrants and stock options are measured at grant date, based on the share price at grant date, exercise price, expected volatility, dividend estimates, and interest rates. Warrant cost is taken into result on a straight-line basis from the grant date until the end of the vesting period.

26. Earnings per share

The Group calculates both basic and diluted earnings per share in accordance with IAS 33, Earnings per share. Under IAS 33, basic earnings per share are computed using the weighted average number of shares outstanding during the period. Diluted earnings per share are computed using the weighted average number of shares outstanding during the period plus the dilutive effect of warrants outstanding during the period. As diluted earnings per share cannot be higher than basic earnings per share, diluted earnings per share are kept equal to basic earnings per share in case of negative net earnings.

IFRS accounting standards adopted as of 2023

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2023. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies, effective 1 January 2023
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates, effective 1 January 2023
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction, effective 1 January 2023
- IFRS 17 'Insurance contracts', effective 1 January 2023
- Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information, issued on 9 December 2021, effective 1 January 2023
- Amendments to IAS 12 'Income Taxes': International Tax Reform – Pillar Two Model Rules, effective 1 January 2023:

In May 2023, the IASB has issued these amendments introducing:
- a mandatory temporary exception to the accounting for deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- targeted disclosure requirements for affected entities.

The Amendments note that the mandatory temporary exception provides entities with relief from accounting for deferred taxes in relation to this new tax legislation allowing stakeholders time to assess the implications. It also avoids entities developing diverse interpretations of IAS 12 that could result in inconsistent application of the standard, and further requires an entity to disclose that it has applied the mandatory exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

The group has applied the mandatory temporary exception issued by the IASB in May 2023 which has refrained the Group from recognising and disclosing deferred tax assets and liabilities related to Pillar Two income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two Model Rules published by the OECD, including tax law that implements qualified domestic minimum top-up taxes.

The disclosure requirements for affected entities require, for periods in which Pillar Two legislation is (substantively) enacted but not yet effective, disclosure of qualitative and quantitative information about an entity's exposure to Pillar Two income taxes at the end of the reporting period.

On 14 December 2023, the Belgian government has enacted the Pillar Two income taxes legislation effective from 1 January 2024. Given that the consolidated revenue threshold of EUR 750 million is exceeded, the Group will be required to pay top up tax on profits of its subsidiaries that are taxed at an effective tax rate of less than 15 per cent. With nearly all subsidiaries expected to be eligible for the Transitional (Country-by-Country Reporting) Safe Harbours, which have been included in the Belgian law in line with the OECD guidance released on 20 December 2022, the main jurisdiction(s) in which exposures to top up tax may exist is Belgium.

Based on the quantitative analysis performed on the basis of the profits and tax expense determined as part of the preparation of the group's consolidated financial statements, considering certain adjustments that would have been required applying the legislation, no material impact is to be expected on the group effective tax rate.

IFRS accounting standards issued but not yet effective as of 2023

Standards issued but not yet effective
The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards and interpretations, if applicable, when they become effective.

- Amendments to IFRS 16 'Leases': Lease Liability in a Sale and Leaseback, effective 1 January 2024
- Amendments to IAS 1 'Presentation of Financial Statements[1]: Classification of Liabilities as current or non-current', effective 1 January 2024
- Amendments to IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial Instruments: Disclosures'[1]: Supplier Finance Arrangements, effective 1 January 2024
- Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability'[1], effective 1 January 2025

None of the IFRS standards issued, but not yet effective are expected to have a material impact on Barco's financials.

(1) Not yet endorsed by the European Union as at 31 December 2023.

Critical accounting judgments and key sources of estimation uncertainty

General business risks

Over the year 2023 - 2021 the macroeconomic conditions have been affecting businesses all over the world – Barco included.

We refer to the chapter 'Risk factors' for an overview of the risks affecting businesses of the Barco Group.

The risks described in this chapter are not the only risks facing the Company. Additional risks and uncertainties not currently known to the Company or that the Company currently deems to be immaterial also may materially adversely affect its business, financial condition and/or operating results.

In view of climate related matters, Barco's business is not impacted by extreme weather conditions such as droughts or floods. Barco is moving towards more eco-friendly products, and we see that our customer's behavior and demand is making the same evolution.

Deep dive on the impact and consequences of the macroeconomic environment in 2023

The start of 2023 was characterized by an economic recovery, after the covid-19 pandemic ended in the course of 2022 in most geographies. The main exception was China, where local lockdowns continued to affect society and business operations during the first quarter of 2023, and recovery from the pandemic did not follow as expected after that. From the second quarter onwards, market conditions deteriorated in many geographies, as a result of geopolitical and macro-economic challenges that affected businesses all over the world, including Barco.

The main ones were:

- The supply chain constraints as seen in 2021 and 2022 eased and the impact from shortages and delayed deliveries of components, higher broker costs and higher transport costs faded. In the aftermath of these supply chain constraints and in order to guarantee continuous supply, many distributors and channel partners held higher than usual inventories of finished products, which they progressively reduced during the year. This has impacted the global demand and order levels in many markets.
- Interest rates increased globally. The cost for financing large customer projects increased and this has led to delays in orders and implementation timelines of large customer projects.
- The very high inflation rates as seen in 2022 in most geographies have reduced but remained considerably higher than the historic average of previous years and decades.
- Remaining pandemic-related measures and effects in China, during the first quarter of 2023. The economic aftermath of the pandemic in China was felt throughout the full year with lower economic activity in all sectors, especially those linked to local government funding, including the healthcare and entertainment markets.
- Scarcity of human resources and talent, especially for technical profiles, remained a challenge in 2023.

Approach

In this section, Barco addresses its risk mitigation plan related to the main 2023 macroeconomic impacts.

Operations and supply chain

In the second half of 2022, supply chain constraints and component shortages have eased considerably, and the exceptional price increases for energy, logistics and scarce components, as seen in 2021 and 2022, were no longer witnessed in 2023.

Nevertheless, the base inflation rate remained higher than usual, impacting salary costs and many other direct and indirect spend categories. Barco has addressed these challenges by intense collaboration with all suppliers. Furthermore, flexible value engineering and redesign of products have been a significant mitigating factor and will continue to be. For certain components and subassemblies, inventory levels have been increased to lower the risk of shortages or in anticipation of price increases.

Coping with inflation and high commodity prices

The aftermath of the pandemic and the changes in macroeconomic context have led to higher interest rates and inflation, especially in EMEA and Americas. As Barco has relatively low external debt, the direct cost effect of increased interest rates on the financial costs for 2023 is limited.

The inflation affects direct and indirect costs such as energy costs, salaries, and component sourcing. All these costs are being critically reviewed and optimized on a constant basis. Inflation effects were passed through where possible.

Lifting of pandemic measures in China

In China, the course of the pandemic has followed a different pattern than in other regions, with quicker recovery in 2020 and 2021, but still significant regional lockdowns in 2022 and also the first quarter of 2023, affecting the business operations and the customer demand. In Barco's Chinese locations, the hygienic safety measures (social distancing, ventilation, masks, homework policies) were lifted as late as the first quarter of 2023.

Retaining and attracting talent

The end of the pandemic has put more pressure on the labor market in many geographies, with higher turnover of personnel seen in many sectors, also affecting Barco. Barco has increased its hiring activity and employer branding campaigns to attract the right talent. Another consequence is an increase of the average labor cost, partly driven by salary indexations. We have cross charged the labor cost inflation effect on our products where possible to reflect this increased cost base.

Strong funding and liquidity structure in place

Barco has a strong balance sheet and ample liquidity. We refer to note 14 for more details on Barco's net cash position.

Barco has sufficient headroom to enable it to conform to covenants on its existing borrowings. The Group complied with all requirements of the loan covenants on its available credit facilities throughout the reporting period.

While the future may still bring some levels of headwind, Barco's strong funding and liquidity structure in place should be more than sufficient to ensure the going concern of the company. In addition, we refer to note 8 where we explain how we tested goodwill and all other non-current assets for impairment and concluded no impairment losses on goodwill need to be recognized.

Key sources of estimation uncertainty

- Deferred tax assets are recognized for the carry-forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilized. In making its judgment, management considers elements such as long-term business strategy, including tax planning opportunities (see note 10 'Deferred tax assets – deferred tax liabilities') and local tax laws enacted at the reporting date.

- Uncertain tax positions: The Group reviews their tax positions taken in the financial statements and in the tax filings and how these are supported. In addition, the Group assesses how the taxation authorities might make their examinations and how issues that might arise from examinations could be resolved. Based on this assessment, a deferred tax liability is determined in line with IFRIC 23. (see note 10 ' Deferred tax assets – deferred tax liabilities').

- Impairment of goodwill: the Group tests the goodwill for impairment annually or more frequently if there are indications that goodwill might be impaired (see note 8.'Goodwill'). The outcome of the goodwill impairment test performed in the last quarter of 2023, did not result in an impairment loss.

- Write offs on inventories: Inventories are stated at the lower of cost or net realizable value. The calculation of the allowance for slow-moving inventory is based on consistently applied write off rules, which depend on both historical and future demand, of which the latter is subject to uncertainty due to rapid technological changes. On top of the minimum rules, more severe rules are applied in case of for example the decision to stop a business unit or product line. The remaining inventory on hand is in that case analyzed and reserved as appropriate. Inventory allowances are only reversed in case the above rules no longer apply or the written off inventory is sold or scrapped (see note 12. Inventory).

Defined benefit obligations

The cost of the defined benefit pension plan (see note 19) and the present value of the pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation, and its long-term nature, a defined obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed on reporting date.

Notes to the consolidated financial statements

1. Consolidated companies

1.1 List of consolidated companies on 31 December 2023

Country of Incorporation	Legal Entity	Registered Office	%
Europe, Middle East and Africa			
Belgium	Barco Coordination Center NV	Beneluxpark 21, 8500 Kortrijk BELGIUM	100
Belgium	Barco Integrated Solutions NV	Beneluxpark 21, 8500 Kortrijk BELGIUM	100
Belgium	Cinionic bv	Beneluxpark 21, 8500 Kortrijk BELGIUM	100
Belgium	Barco Solutions BV	Beneluxpark 21, 8500 Kortrijk BELGIUM	70
France	Barco SAS	177 avenue Georges Clémenceau, Immeuble "Le Plein Ouest", 92000 Nanterre FRANCE	100
Germany	Barco Control Rooms GmbH	Greschbachstrasse 5 a, 76229 Karlsruhe GERMANY	100
Germany	Barco GmbH	Greschbachstrasse 5 a, 76229 Karlsruhe GERMANY	100
Italy	Barco S.r.l.	Via Lorenteggio 270A , 20152 Milano ITALY	100
Italy	FIMI S.r.l.	Via Vittor Pisani 6, 20124 Milano ITALY	100
Netherlands	Barco B.V.	Zuidplein 126, WTC Tower H, Floor 15, 1077XV Amsterdam NETHERLANDS	100
Norway	Barco Fredrikstad AS	Mosseveien 63, 1610 Fredrikstad NORWAY	100
Poland	Barco Sp. z o.o.	Annopol 17, 03-236 Warsaw POLAND	100
Russia	Barco Services OOO	Office 17/2, Building 1, Zvezdny Boulevard, 129085 Moscow RUSSIAN FEDERATION	100
Saudi Arabia	Barco Integrated Saudi for Business Services LLC	Ibn street 3855, West Umm Al Hamam Dist, 12328 Riyadh SAUDI ARABIA	100
Spain	Barco Electronic Systems, S.A.	Travessera de les Corts 241, Entlo. 3a, 08028 Barcelona SPAIN	100
Sweden	Barco Sverige AB	Kyrkvägen 1, 192 72 Sollentuna SWEDEN	100
Sweden	Barco Solutions Sweden AB	c/o Grant Thornton, Box 2230, 403 14 Göteborg SWEDEN	100
Sweden	Dermicus AB	Kungsgatan 4, 411 19 Göteborg SWEDEN	70
Turkey	Barco Elektronik Sistemleri San.Tic. A.Ş	FSM Mah. Poligon cad. no: 8C, Buyaka2 Sitesi Kule-3 daire no: 35, 34771 Umraniye İstanbul TURKEY	100
United Arab Emirates*	Barco Middle East L.L.C.	Concord Tower, Suite 1212, PO Box 487786, Dubai Media City, Dubai UNITED ARAB EMIRATES	49
United Kingdom	Barco Ltd.	Building 329, Doncastle Road, RG12 8PE Bracknell, Berkshire UNITED KINGDOM	100
United Kingdom	Gnosco Dermicus Limited	24 Old Queen Street, SW1H 9HP London UNITED KINGDOM	70

(*) Barco has control over the relevant activities of the entity by virtue of a contractual agreement with the local investor.

Country of Incorporation	Legal Entity	Registered Office	%
Americas			
Brazil	Barco Ltda.	Av. Ibirapuera, 2332, 8° andar, conj 82, Torre II, Moema, 04028-002 São Paulo BRAZIL	100
Canada	MTT Innovation Incorporated	Suite 2400, 745 Thurlow Street, V6E 0C5 Vancouver, BC CANADA	100
Colombia	Barco Colombia SAS	Carrera 15, n° 88-64, Torre Zimma Oficina 610, 110221 Bogota COLOMBIA	100
Mexico	Barco Visual Solutions S.A. de C.V.	Mariano Escobedo No. 476 Piso 10 Col. Anzures, C.P. 11590 D.F. México MEXICO	100
Mexico	Cinionic Mexico S.A. de C.V.	Artemio del Valle Arizpe 16, 2ndo piso, Col del Valle, CP 03100 New Mexico city (CDMX) MEXICO	100
United States**	Barco, Inc.	1209 Orange Street, 19801 Wilmington DE UNITED STATES	100
Asia-Pacific			
Australia	Barco Systems Pty. Ltd.	2 Rocklea Drive, VIC 3207 Port Melbourne AUSTRALIA	100
Australia	Cinionic Pty. Ltd.	C/- Accru Melbourne Pty Ltd. 50 Camberwell Road, VIC 3123 Hawthorn East AUSTRALIA	100
China	Barco Trading (Shanghai) Co., Ltd.	Room 702, No. 138, Fenyang Road, 200031 Shanghai CHINA	100
China	Barco Visual (Beijing) Electronics Co., Ltd.	No. 16 Changsheng Road, Zhong Guan Cun Science Park, Chang Ping District, 102200 Beijing CHINA	100
China	Barco China Electronic Visualization Technology (Nanjing) Co., Ltd.	No. 1, Hengtong Road Nanjing development zone, 210038 Nanjing, Jiangsu CHINA	100
China	Barco (Suzhou) Healthcare Technology Co., Ltd.	No. 111, Sutong Road, Suzhou Industrial Park, 215021 Suzhou CHINA	100
China	Barco (Wuxi) Technology Co., Ltd.	B312-109, No. 3, Fengwei Road, Huizhi Enterprise Center, Xishan development zone, 214101 Wuxi CHINA	100
Hong Kong	Barco Ltd.	Suite 2607-2610, 26/F, Prosperity Center, 25 Chong Yip Street, Kwun Tong, Kowloon HONG KONG	100
Hong Kong	Barco Visual Electronics Co., Ltd.	Suite 2607-2610, 26/F, Prosperity Center, 25 Chong Yip Street, Kwun Tong, Kowloon HONG KONG	100
Hong Kong	Barco China (Holding) Ltd.	Suite 2607-2610, 26/F, Prosperity Center, 25 Chong Yip Street, Kwun Tong, Kowloon HONG KONG	100
Hong Kong	Cinionic Ltd.	Suite 2607-2610, 26/F, Prosperity Center, 25 Chong Yip Street, Kwun Tong, Kowloon HONG KONG	80
India	Barco Electronic Systems Pvt. Ltd.	c/o Perfect Accounting & Shared Services P.Ltd., E-20, 1st & 2nd Floor, Main Market, Hauz Khas, 110016 New Delhi INDIA	100
Japan	Barco Co., Ltd.	Yamato International Bldg 8F, 5-1-1 Heiwajima, Ota-ku, 143-0006 Tokyo JAPAN	100
Malaysia	Barco Sdn. Bhd.	No. 13A, Jalan SS21/56B, Damansara Utama, 47400 Petaling Jaya, Selangor MALAYSIA	100
Singapore	Barco Singapore Private Limited	100G Pasir Panjang Road Interlocal Center, 118523 Singapore SINGAPORE	100
South Korea	Barco Korea Ltd.	1F. & 3F., DS Tower, 72-13 (GwanYang-Dong), BoelMal-Ro, DongAn-Gu, GyeongGi-Do, 14058 AnYang-si KOREA, REPUBLIC OF	100
Taiwan	Barco Ltd.	33F., No. 16, Xinzhan Rd., Banqiao Dist., 220 New Taipei City TAIWAN, PROVINCE OF CHINA	100

(**) As per 31/12/2023 Cinionc Inc has merged into Barco Inc.

1.2 List of equity accounted companies on 31 December 2023

Country of Incorporation	Legal Entity	Registered Office	%
Americas			
United States	CCO Barco Airport Venture LLC	Corporation Trust Center, 1209 Orange Street, 19801 Wilmington (DE) UNITED STATES	35
Asia-Pacific			
China	CFG Barco (Beijing) Electronics Co., Ltd.	No. 16 Changsheng Road, Zhong Guan Cun Science Park, Chang Ping District, 102200 Beijing CHINA	49

Exemption of publishing financial statements and management report according German legislation §264 Abs. 3 HGB:

Following subsidiary-companies will be released of publishing their financial statements and management report 2023:
- Barco GmbH
- Barco Control Rooms GmbH

These companies are included in the consolidation scope of Barco Consolidated 2023 as listed above.

1.3 Acquisitions and divestments

2023

Barco did not close any acquisition or divestment agreements in 2023.

2022

Acquisition of Gnosco AB

In order to advance its growth initiative Demetra, Barco signed a joint venture agreement with the Swedish company Gnosco AB on July 1st, 2022.

The two teams will first combine their expertise, go-to-market capabilities and installed bases and then plan the path to commercial success including a joint teledermatology and telewound care roadmap based on high quality, affordable skin solutions. Barco acquired 70% of the shares in Gnosco AB. As the effective control is transferred on 1 July 2022, the Gnosco figures are taken up in the figures of the Barco Group from 1 July, 2022 onwards.

The investment payment is recorded as an intangible asset (acquired know-how) on the Barco Consolidated Balance Sheet and amortized over 5 years.

A financial liability related to puttable non-controlling interests was recorded for an amount of 2 million euros. See note 15 for more information.

In 2022 Gnosco AB contributed six months of turnover (0.8 million euro) to the total turnover of the Group, though in its start-up phase not yet contributing to EBITDA (-0.1 million euro).

If the acquisition had taken place at the beginning of the year, the total turnover would have been 1.2 million euro and the EBITDA loss for the period would have been -0.3 million euro. Transaction costs of 0.1 million euro have been expensed and are included in administrative expenses in the statement of profit or loss and are part of operating cash flows in the statement of cash flows.

The following table summarizes the consideration paid for Gnosco and the fair values of the assets acquired and liabilities assumed recognized at the acquisition date. The difference between the consideration paid, the underlying net assets is related to future cash flows Barco expects to realize based on the sale of services provided by Dermicus, the teledermatology platform for diagnosis of skin cancer, wounds and other skin lesions.

Assets and Liabilities Gnosco AB

In thousands of euro			1 July 2022
	Opening B/S	Fair value restatements	IFRS Opening B/S
Capitalized development	354	-354	-
Know-how	-	7,607	7,607
Deferred tax assets	-	73	73
Total non-current assets	**354**	**7,326**	**7,680**
Trade receivables	29	-	29
Other current assets	12	-	12
Total current assets	**40**	**-**	**40**
LT loan	-172	-	-172
Deferred tax liability	-	-1,567	-1,567
Total non-current liabilities	**-172**	**-1,567**	**-1,739**
Other current liabilities	-170	-	-170
Total current liabilities	**-170**	**-**	**-170**
Cash	**237**	**-**	**237**
Total net assets	**289**	**5,759**	**6,048**
Upfront consideration	-	-	4,000
Total acquisition cost (excl. net cash)	**-**	**-**	**4,000**
Financial liabilities related to puttable non-controlling interest	-	-	2,048

Cash flow on acquisition	1 July 2022
Net cash acquired with the subsidiary	237
Cash paid	-4,000
Net cash flow on acquisition	**-3,763**

The acquisition has been accounted for using the acquisition method conform IFRS3 Business Combinations.

We refer to note 23 'Cash flow statement: effect of acquisitions and disposals' for impact on the cash flow of the Group

2021

Barco did not close any acquisition or divestment agreements in 2021.

2. Operating Segments information

2.1. Basis of operating segments information

Barco is a global technology company developing solutions for three main markets, which is also reflected in its divisional structure: Healthcare, Enterprise and Entertainment.

- Healthcare: The Healthcare division comprises two business units:
  - 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 and Modality brings together two activities with great synergy potential, as they target the same end-customers (often operating rooms) and require the same go-to-market strategy. The offering of this business unit includes the company's digital operating room portfolio (hardware + video-over-IP-technology), custom medical displays for modality imaging and a full suite of support services.

- Enterprise: The Enterprise division comprises two business units:
  - Meeting Experience offers collaboration and visualization technologies for a smart workplace: ClickShare wireless conference and presentation systems, as well as services.
  - 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.

- Entertainment: The Entertainment division comprises two business units:
  - Cinema offers the industry's most complete range of laser-based cinema projectors, including image processing, audio and service delivery to theaters and moviegoers.
  - The Immersive Experience business unit offers solutions tailored to the specific needs of large venues, live events, themed entertainment (museums, theme parks, digital immersive art installations, projection mapping, etc.) and simulation applications: projection, image processing and related services.

No operating segments have been aggregated to form the above reportable operating segments.

The Board of directors monitor the results of each of the three divisions separately, so as to make decisions about resource allocation and performance assessment and consequently, the divisions qualify as operating segments. These operating segments do not show similar economic characteristics and do not exhibit similar long-term financial performance, therefore cannot be aggregated into reportable segments. Division performance is evaluated based on EBITDA. Group financing (including finance costs and finance revenue) and income taxes are managed on a group basis and are not allocated to the operating divisions.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

We refer to 'Our markets' for more explanation on the activities performed by each division.

2.2. Healthcare

In thousands of euro	2023		2022		2021		Variance 2023-2022	Variance 2022-2021
Net sales	**285,892**	**100.0%**	**341,701**	**100%**	**261,486**	**100%**	**-16.3%**	**30.7%**
Cost of goods sold	-182,946	-64.0%	-225,340	-65.9%	-174,294	-66.7%	-18.8%	29.3%
Gross profit	**102,946**	**36.0%**	**116,361**	**34.1%**	**87,192**	**33.3%**	**-11.5%**	**33.5%**
EBITDA	**27,797**	**9.7%**	**38,354**	**11.2%**	**22,399**	**8.6%**	**-27.5%**	**71.2%**
Depreciation TFA and (acquired) intangibles	14,248	5.0%	11,176	3.3%	11,775	4.5%	27.5%	-5.1%
Adjusted EBIT	**13,549**	**4.7%**	**27,179**	**8.0%**	**10,624**	**4.1%**	**-50.1%**	**155.8%**
Capital expenditures TFA and software	14,611	5.1%	6,193	1.8%	12,271	4.7%	135.9%	-49.5%
Segment assets	**180,253**		**193,103**		**141,127**			
Segment liabilities	**62,101**		**74,717**		**59,882**			

Sales for Healthcare were impacted by channel inventories above normal levels, following a surge in customer orders at the end of 2022, and the phasing-out of an unusually large contract that ended at year-end 2022, while the phasing-in of orders under confirmed new contracts for new platforms from the end of 2023 onwards, in Surgical & Modality, leading to a sales decline of 16% in 2023 after a year of 31% growth.

The gross profit margin for Healthcare increased to 36.0%, versus 34.1% one year earlier. This reflects a favorable product mix with proportionally more (embedded) software products, partially offset by temporary transfer and costs associated with ramping up the new factory. Although indirect spending increased less than the general inflation rate, operating deleverage on the lower topline resulted in an EBITDA margin of 9.7%, a decline of 1.5 ppts versus last year.

Decrease in segment assets in 2023 are mainly the result of lower trade receivables in line with the lower topline.

Total capital expenditure over 2021-2023 include facility and production investments in Suzhou for a total amount of 15 million euro. In 2023 increase in capital expenditure is an extra investment in the production in Suzhou.

We refer to 'Our results' and 'Risk management and control processes' for more explanation.

2.3. Enterprise

In thousands of euro	2023		2022		2021		Variance 2023-2022	Variance 2022-2021
Net sales	**303,761**	**100.0%**	**317,250**	**100%**	**233,090**	**100%**	**-4.3%**	**36.1%**
Cost of goods sold	-140,816	-46.4%	-144,922	-45.7%	-124,529	-53.4%	-2.8%	16.4%
Gross profit	**162,945**	**53.6%**	**172,328**	**54.3%**	**108,561**	**46.6%**	**-5.4%**	**58.7%**
EBITDA	**56,934**	**18.7%**	**60,609**	**19.1%**	**14,645**	**6.3%**	**-6.1%**	**313.9%**
Depreciation TFA and (acquired) intangibles	8,405	2.8%	8,601	2.7%	9,408	4.0%	-2.3%	-8.6%
Adjusted EBIT	**48,529**	**16.0%**	**52,009**	**16.4%**	**5,237**	**2.2%**	**-6.7%**	**893.0%**
Capital expenditures TFA and software	2,904	1.0%	4,015	1.3%	2,706	1.2%	-27.7%	48.4%
Interest in associates	13,251		13,443		9,557			
Segment assets	**216,087**		**195,912**		**202,365**			
Segment liabilities	**60,421**		**75,144**		**81,053**			

The Enterprise division saw a strong topline growth over 2022, resulting in a year-over-year increase in sales of 36.1% led by Meeting Experience, driven by a global return-to-the-office wave. In 2023, Enterprise sales were 4% lower than 2022 as the division experienced difficult market conditions with companies delaying investments as they reconsidered their flexible office and meeting room requirements, impacting sales in Meeting Experience. Sales in Large Video Walls started soft at the beginning of the year, but improved through the second half.

Enterprise delivered an EBITDA margin, close to last year, of 18.7%. The announced strategy revisit in Large Video Walls started to yield results as of the second half year leading to a positive EBITDA result, largely offsetting the first half year's EBITDA loss, The more difficult market conditions and lower sales in 2023, led to a less favorable product mix impact compared to last year.

Segment assets increased in 2023 with 20 million euro, mainly the result of higher trade receivables due to end of year sales spike and longer payment terms granted, mainly in EMEA and APAC.

We refer to 'Our results' and 'Risk management and control processes' for more explanation.

2.4. Entertainment

In thousands of euro	2023		2022		2021		Variance 2023-2022	Variance 2022-2021
Net sales	**460,484**	**100.0%**	**399,339**	**100%**	**309,712**	**100%**	**15.3%**	**28.9%**
Cost of goods sold	-287,851	-62.5%	-275,276	-68.9%	-217,980	-70.4%	4.6%	26.3%
Gross profit	**172,633**	**37.5%**	**124,063**	**31.1%**	**91,732**	**29.6%**	**39.1%**	**35.2%**
EBITDA	**57,765**	**12.5%**	**27,510**	**6.9%**	**21,465**	**6.9%**	**110.0%**	**28.2%**
Depreciation TFA and (acquired) intangibles	17,737	3.9%	16,555	4.1%	17,953	5.8%	7.1%	-7.8%
Adjusted EBIT	**40,028**	**8.7%**	**10,955**	**2.7%**	**3,512**	**1.1%**	**265.4%**	**211.9%**
Capital expenditures TFA and software	36,893	8.0%	8,002	2.0%	3,810	1.2%	361.0%	110.0%
Interest in associates	15,841		13,723		11,316			
Segment assets	**303,049**		**288,556**		**226,584**			
Segment liabilities	**126,886**		**140,825**		**144,702**			

The Entertainment division delivered consecutive double-digit sales growth of 15% and 29% respectively in 2023 and 2022. Cinema built further on the strong momentum started in the second half of 2022 and driven by the renewal wave of lamp-to-laser technology, offering superior image quality to viewers and a lower total cost of ownership for cinema operators, while Immersive Experience recorded the highest sales year so far, for the second year in a row, fueled by simulation, image processing and projectors for fixed installations.

The high sales growth in Entertainment was despite a weak performance in China where demand has not yet recovered from the pandemic.

With supply chain challenges resolved and on the strength of a more favorable product mix, with more (embedded) software and services revenues, the gross profit margin for Entertainment grew to an all-time high of 37.5%, up 6.4 percentage points versus last year. Operating leverage on the double-digit topline growth resulted in an EBITDA margin for the division that jumped from 6.9% in 2022 to 12.5% in 2023.

Increase in segment assets in 2023 are mainly the result of additional capex investments for cinema-as-a-service (2023: 24 million euro; 2022:3 million euro). The increase in 2022 was mainly the result of a temporary increase in inventory levels to lower the risk of shortages.

We refer to 'Our results' and 'Risk management and control processes' for more explanation.

2.5. Reconciliation of segment information with group information

In thousands of euro	2023		2022		2021	
External sales						
Healthcare	**285,892**		**341,701**		**261,486**	
At a point in time revenues	281,657	99%	337,983	99%	257,466	98%
Over time revenues	4,234	1%	3,718	1%	4,020	2%
Enterprise	**303,761**		**317,250**		**233,090**	
At a point in time revenues	213,117	70%	232,932	73%	161,093	69%
Over time revenues	90,644	30%	84,319	27%	71,996	31%
Entertainment	**460,484**		**399,339**		**309,712**	
At a point in time revenues	409,375	89%	364,830	91%	276,981	89%
Over time revenues	51,108	11%	34,509	9%	32,731	11%
Total external sales segments	**1,050,137**		**1,058,291**		**804,288**	
At a point in time revenues	904,151	86%	935,745	88%	695,541	86%
Over time revenues	145,987	14%	122,546	12%	108,747	14%
Net Income						
EBITDA						
Healthcare		27,797		38,354		22,399
Enterprise		56,934		60,609		14,645
Entertainment		57,765		27,510		21,465
Depreciation and other amortizations						
Healthcare		14,248		11,176		11,775
Enterprise		8,405		8,601		9,408
Entertainment		17,737		16,555		17,953
Adjusted EBIT						
Healthcare		13,549		27,179		10,624
Enterprise		48,529		52,009		5,237
Entertainment		40,028		10,955		3,512
Total adjusted EBIT		**102,106**		**90,143**		**19,373**

In thousands of euro	2023	2022	2021
Restructuring and impairments	-10,811	-2,500	-6,420
EBIT	**91,295**	**87,643**	**12,953**
Interest income (expense) - net	4,684	843	-1,110
Income/(loss) before taxes	**95,979**	**88,486**	**11,843**
Income taxes	-17,276	-15,927	-2,132
Result after taxes	**78,703**	**72,559**	**9,711**
Share in the result of joint ventures and associates	2,539	3,337	48
Net income	**81,242**	**75,896**	**9,759**
Net income attributable to non-controlling interest	1,074	677	878
Net Income attributable to the equity holder of the parent	**80,168**	**75,219**	**8,881**

The total over time revenues relate for 48% to project sales mainly in the Enterprise division and for 52% to recurring service revenues generated on maintenance and lease contracts mainly in Entertainment and Enterprise.

The increase in overtime revenue is mainly coming from cinema-as-a-service amounting to 9.3 million euro, from additional maintenance contracts, mainly in Cinema and more projects sold in Enterprise.

In thousands of euro	2023	2022	2021
Assets			
Segment assets			
Healthcare	180,253	193,103	141,127
Enterprise	216,087	195,912	202,365
Entertainment	303,049	288,556	226,584
Total segment assets	**699,389**	**677,572**	**570,076**
Deferred tax assets	57,040	55,239	64,155
Short term investments	4,670	1,651	2,763
Cash and cash equivalents	286,077	305,915	351,571
Other non-allocated assets	112,239	107,028	115,684
Total assets	**1,159,415**	**1,147,405**	**1,104,249**

In thousands of euro	2023	2022	2021
Liabilities			
Segment liabilities			
Healthcare	62,101	74,717	59,882
Enterprise	60,421	75,144	81,053
Entertainment	126,886	140,825	144,702
Total segment liabilities	**249,408**	**290,687**	**285,637**
Equity attributable to equityholders of the parent	795,334	759,189	693,783
Non-controlling interest	15,961	19,792	41,031
Long-term debts	32,217	32,335	34,366
Deferred tax liabilities	3,576	3,229	3,823
Current portion of long-term debts	12,288	11,217	10,218
Short-term debts	5,095	-	-
Other non-allocated liabilities	45,536	30,957	35,390
Total equity and liabilities	**1,159,415**	**1,147,405**	**1,104,249**

2.6. Geographic information

Management monitors sales of the Group based on the regions to which the goods are shipped or the services are rendered in three geographical regions Europe and Middle-East and Africa (EMEA), Americas (North-America and LATAM) and Asia-Pacific (APAC).

There is no significant (i.e. representing more than 10% of the Group's revenue) concentration of Barco's revenues with one customer.
Sales to Belgium represent 16 million euro of the Group revenues in 2023 versus 42 million euro in 2022 and 21 million in 2021.

The table on the right gives an overview of the sales and assets per region and the most important capital expenditures in non-current assets per region.

EMEA and Americas contributed both 40% of total 2023 sales. EMEA sales grew while the Americas sales were lower mostly driven by Healthcare. The smaller contribution of APAC in 2023 compared to last year, was driven by weak sales in China in Entertainment and Healthcare.

We refer to the 'Comments on the group results' for a split of revenue from external customers based on the geographical location of the customers to whom the invoice is issued.

In thousands of euro	2023		2022		2021	
Net sales						
EMEA	420,564	40.0%	405,190	38.3%	305,199	37.9%
Americas	420,077	40.0%	435,793	41.2%	300,826	37.4%
Asia-Pacific	209,496	20.0%	217,308	20.5%	198,262	24.7%
Total	**1,050,137**	**100%**	**1,058,291**	**100%**	**804,288**	**100%**
Total assets						
EMEA	498,129	42.9%	515,349	44.9%	557,571	50.5%
Americas	294,178	25.4%	266,778	23.3%	180,303	16.3%
Asia-Pacific	367,108	31.7%	365,277	31.8%	366,375	33.2%
Total	**1,159,415**	**100%**	**1,147,405**	**100%**	**1,104,249**	**100%**
Purchases of tangible and intangible fixed assets*						
EMEA	13,202	24.2%	10,037	47.3%	8,186	43.6%
Americas	24,084	44.3%	3,763	17.7%	1,223	6.5%
Asia-Pacific	17,122	31.5%	7,418	35.0%	9,379	49.9%
Total	**54,408**	**100%**	**21,218**	**100%**	**18,787**	**100%**

(*) As included in the consolidated statement of cash flow.

3. Income from operations (EBIT)

In thousands of euro	2023	2022	2021
Sales	1,050,137	1,058,291	804,288
Cost of goods sold	-611,614	-645,538	-516,803
Gross profit	**438,523**	**412,753**	**287,485**
Gross profit as % of sales	41.8%	39.0%	35.7%
Indirect costs	-338,121	-320,947	-265,437
Other operating income (expenses) - net	1,704	-1,663	-2,676
Adjusted EBIT	**102,106**	**90,143**	**19,373**
Adjusted EBIT as % of sales	9.7%	8.5%	2.4%
Restructuring and impairments	-10,811	-2,500	-6,420
EBIT	**91,295**	**87,643**	**12,953**
EBIT as % of sales	8.7%	8.3%	1.6%

2023 sales amounted to 1,050.1 million euro, in line with last year. Double digit growth in Entertainment, mainly driven by cinema, was offset by a small decline in Enterprise and a more pronounced decline in Healthcare. While sales grew 4% in EMEA, sales were 4% lower year-over-year in the Americas. EMEA and Americas contributed both 40% of the 2023 topline. Within the APAC region, there was a clear contrast between lower sales in China and double-digit growth in the other countries, resulting in a net decline of 4%.

In 2022 topline increased 32% compared to 2021, close to the pre-pandemic 2019 level. All regions, except for China were back to the sales level of 2019. Year-over-year, all divisions delivered a double-digit sales growth, fueled by the steady improvement in the supply chain over the second half of 2022. In 2021 topline was impacted by prolonged pandemic induced restrictions and component shortages, which caused delays in converting orders to sales.

The gross profit margin improved 2.8 ppts year-over-year to 41.8% as a result of a more favorable product mix with more (embedded) software across all product lines and the absence of the high costs for brokerage and logistics that were experienced in 2022 due to the supply chain constraints. The biggest step-up in gross profit margin was in Entertainment, where the supply chain constraints that hampered the business in 2022 were no longer present this year.

Adjusted EBIT margin reached 9.7% in 2023, up 1.2 percentage points versus 2022 and up 7.3 points versus 2021, reflecting the strong improvement in gross profit margin.

Indirect costs in 2023 increased 5% to 338.1 million euro (32.2% of sales; 2022: 30.3%, 2021: 33%), driven by continued high levels of inflation, partially offset by cost control in all indirect spend categories, while further investing in visualization and collaboration technologies, product roadmap, and go to market investments in Entertainment.

In 2023, EBIT includes restructuring and impairment costs for an amount of 10.8 million euro versus 2.5 million euro the year before, including 9.5 million euro lay-off costs and 1.3 million euro impairments. The lay-off costs were linked to the Large Video Walls strategy revisit, as well as several other organizational cost efficiencies.

EBIT in 2021 included 6.4 million euro restructuring and impairment costs as a result of the changes in organizational structure and a number of cost down measures across different countries and functions.

For more details on adjusting items we refer to note 5. Restructuring and impairment.

In thousands of euro	Note	2023	2022	2021
Adjusted EBIT		102,106	90,143	19,373
Depreciations and amortizations	9	40,390	36,331	39,136
EBITDA		**142,496**	**126,474**	**58,509**
EBITDA as % of sales		**13.6%**	**12.0%**	**7.3%**

The significant increase in gross profit, which was partially offset by higher indirect expenses resulted in an EBITDA of 142.5 million euro, 13% higher than the EBITDA of 126.5 million euro for 2022. The EBITDA margin grew to 13.6% versus 12.0% in 2022.

The increased topline and higher gross profit margins in 2022 resulted in an improvement of the EBITDA margin by 4.7 percentage points, landing at 12% in 2022 (+68 million euro versus last year), compared to an EBITDA margin of 7.3% in 2021.

In 2023 depreciations are 4 million higher than in 2022, explained by higher depreciations from cinema-as-a-service. See note 9. Other intangible and tangible fixed assets.

In 2022 depreciations and amortizations are 2.8 million lower than in 2021, explained by fully amortized software and acquired know how in 2022.

In thousands of euro	2023		2022		2021	
Product sales	867,612	82%	882,052	83%	663,034	83%
Project sales	82,238	8%	73,920	7%	65,487	8%
EU taxonomy - eligible turnover	**949,850**		**955,972**		**728,521**	
Service sales	100,287	10%	102,318	10%	75,767	9%
Sales	**1,050,137**		**1,058,291**		**804,288**	

Major part of the sales relates to product sales (in 2023: 82%, in 2022: 83%, in 2021: 83%). Project sales remains stable at 7-8% of total sales over the period 2021-2023 and include combined sales from products, installations and services. Most of these project sales have a lifetime of less than one year. The share of service sales in 2023 is 10% of total sales (2022: 10%, 2021: 9%).

We refer to note 2 'Segment Information' and to the chapter 'Our results' for more explanation on sales and income from operations.

We refer to the note on EU taxonomy for the Company's EU taxonomy eligible turnover in 2023.

Indirect costs and other operating income (expenses) - net

In thousands of euro		2023	2022	2021
Research and development expenses	(a)	-132,282	-120,493	-101,338
Sales and marketing expenses	(b)	-145,891	-142,740	-116,240
General and administration expenses	(c)	-59,948	-57,714	-47,858
Indirect costs		**-338,121**	**-320,947**	**-265,437**
Indirect costs as % of sales		32.2%	30.3%	33.0%
Other operating income (expenses) - net	(d)	1,704	-1,663	-2,676
Indirect costs and other operating income (expenses) - net		**-336,417**	**-322,610**	**-268,112**

Indirect costs in 2023 increased 5% to 338.1 million euro (32.2% of sales; 2022: 30.3%, 2021: 33%), driven by continued high levels of inflation (as of 2022), partially offset by cost control in all indirect spend categories, while further investing in visualization and collaboration technologies, product roadmap, and go-to-market investments in Entertainment.

In 2021 indirect costs in absolute numbers were substantially lower than in 2023 and 2022 because of extended cost containment measures such as implemented temporary work arrangements and economic unemployment measures for both white and blue collars, which were put in place to mitigate the negative impact of the pandemic on the company's topline, which was higher than the reduction in indirect costs could compensate for.

Impact of inflation and merit in the Company kicks in as of the second half of the year. 2023 indirect costs therefore include the impact of the higher inflation in 2022 as of the second half year of 2022, while the higher inflation in 2023 is included as of the second half year of 2023.

(a) Research and development expenses

Research and development activities are spread over the divisions as follows:

In thousands of euro	2023	% of sales	2022	% of sales	2021	% of sales
Total research & development expenses	132,282	12.6%	120,493	11.4%	101,338	12.6%

In 2023 research and development expenses represent 12.6% of sales (11.4% in 2022, 12.6% in 2021). In absolute numbers research and development expenses have increased 12 million euro, a result of continued high inflation, while further investing in the Company's product roadmap to sustain and extend the Company's technology leadership position. In 2021, the lower absolute level of research and development expenses was the result of cost containment measures taken as response to the covid crisis.

Only the cost related to research and development is considered material and therefore included in EU taxonomy eligible Opex. We refer to the note on EU taxonomy for the EU taxonomy eligible opex in 2023.

(b) Sales and marketing expenses

In thousands of euro	2023	% of sales	2022	% of sales	2021	% of sales
Sales and marketing expenses	145,891	13.9%	142,740	13.5%	116,240	14.5%

Sales and marketing expenses include all indirect costs related to the sales organization which are not billed as part of a product or service to the customer as well as the costs related to regional or divisional marketing activities. Sales and marketing expenses in 2023 are 13.9% of sales compared to 13.5% in 2022 and 14.5% in 2021. The absolute increase in 2023 is the result of inflation, partially offset by cost containment actions and go-to-market investments in Entertainment.

In 2021, the lower absolute level of research and development expenses was the result of cost containment measures taken as response to the covid crisis.

(c) General and administration expenses

In thousands of euro	2023	% of sales	2022	% of sales	2021	% of sales
General and administration expenses	59,948	5.7%	57,714	5.5%	47,858	6.0%

General and administrative expenses in 2023 are at 5.7% of sales, as a result of higher inflation partially offset by cost containment actions. In 2022, in absolute numbers expenses increased with almost 10 million euro, due to the impact of the inflation on personnel costs and higher cost of recruitment as a result of higher attrition post-covid and activity levels back to a normal level. In 2021 expenses were lower due to the covid-related measures taken.

Steady investments in IT systems over the past years have led to IT costs (including amortizations on SAP ERP system) representing the major part of G&A expenses (2023: 43%, 2022: 42%, 2021: 47%).

(d) Other operating income (expense) – net

In thousands of euro		2023	2022	2021
Share in the result of BarcoCFG	(a)	3,053	2,764	3,028
Bad debt provisions (net of write-offs and reversals of write-offs)		297	-243	448
Cost of share-based payments	(b)	-2,230	-1,548	-3,067
Exchange losses	(c)	-2,262	-672	-63
Other provisions (net of additions and reversals of provisions)	(d)	896	72	-1,059
Bank charges		-956	-1,139	-778
Customer financial discounts		-802	-1,230	-571
Gains/(Loss) on disposal of tangible fixed assets		4,725	1,670	1,824
Other (net)		-1,017	-1,337	-2,438
Other operating income (expense)		**1,704**	**-1,663**	**-2,676**

(a) The 49% share in the net result of BarcoCFG is represented in EBITDA. See note 11.
(b) We refer to note 16. Equity attributable to equity holders of the parent – 2. Share based payments.
(c) Higher exchange loss in 2023 is caused by less favorable USD impact than in 2022.
(d) We refer to note 19. Provisions.

4. Revenues and expenses by nature

The table below provides information on the major items contributing to the adjusted EBIT, categorized by nature.

In thousands of euro		2023		2022		2021	
Sales		1,050,137		1,058,291		804,288	
Material cost		-498,854	-47%	-534,317	-50%	-430,858	-54%
Services and other costs		-105,038	-10%	-106,529	-10%	-70,942	-9%
Personnel cost	(a)	-305,452	-29%	-289,308	-27%	-241,303	-30%
Depreciation property, plant, equipment and software		-40,390	-4%	-36,331	-3%	-39,136	-5%
Other operating income (expense) - net (note 3)		1,704	0%	-1,663	0%	-2,676	0%
Adjusted EBIT		**102,106**	**10%**	**90,143**	**9%**	**19,373**	**2%**

Material costs in 2023 is 7% lower than 2022, while topline remained at the same level as 2022, as a result of the absence of the exceptionally high costs for brokerage and logistics that were experienced in 2022 and 2021 due to supply chain constraints and a more favorable product mix with more (embedded) software.
As the material cost decreased and the topline remained in line, we see an improvement of the direct gross margin in absolute numbers and relative of 3 percentage points compared to last year.

Personnel cost in 2023 is 6% higher than 2022, while 2022 was 20% higher than 2021, a result of increased headcount and continued high inflation.

Personnel cost in 2021 included temporary measures and executed lay-offs to align costs with lower demand caused by the impact of the pandemic on the Company's markets. The company therefore implemented temporary work arrangements and economic unemployment measures for both white and blue collars, in conformity with country specific legal frameworks, support mechanisms and regulations.

In 2021 these measures also entailed shifts in the planned investment patterns on selected long-term initiatives and a sustained strict discipline on discretionary spending (e.g. travel, marketing spend, consulting,...). The company made deliberate choices on the continuation and timetable of selected development projects and adjusted internal and external support levels in function of the focus shift. These measures are no longer in place as of 2022 and explain part of the increase in services and other costs, together with higher inflation and contractors hired to fill temporary gaps mainly in 2022. In 2023, the continued higher inflation was offset by strict discipline on discretionary spending.

a) Personnel cost

In thousands of euro	2023	2022	2021
Wages and salaries	-250,641	-237,564	-194,851
Social security contributions	-30,300	-27,709	-26,642
Pension expense for defined benefit plans	-13,461	-12,859	-12,554
Temporary labour	-3,285	-4,004	-1,661
Recruiting expenses	-1,869	-2,264	-1,294
Other personnel cost	-5,896	-4,908	-4,301
Personnel cost	**-305,452**	**-289,308**	**-241,303**

Personnel cost includes the cost for temporary personnel for an amount of 3.3 million euro (in 2022: 4 million euro, in 2021: 1.7 million euro).

The average number of full time equivalents can be split as follows:

	2023	2022	2021
Barco NV (parent company)	1,277	1,196	1,199
Other subsidiaries	2,095	2,004	1,941
Total average number of full time equivalents	**3,372**	**3,200**	**3,140**

Average number of employees in 2023 was 3,372 (versus 3,200 in 2022, 3,140 in 2021), including 2,760 white-collars (in 2022 2,628, in 2021: 2,555) and 612 blue-collars (in 2022: 572, in 2021: 585). The average level of blue-collars in 2022 is impacted by component shortages which resulted in temporary unemployment, mainly in the first half of the year. In 2023, the number of blue collars in Belgium are back at normalized level and increased in China in the new production plants. Increase white collars is mainly in the Entertainment division.

Full time equivalents at year end 2023 amount to 3370 (versus 3,299 end of 2022, 3,133 end of 2021), including 2,752 white collars (2022: 2,724, 2021: 2,568) and 618 blue collars (in 2022: 575, in 2021: 565).

In 2021 temporary measures were extended for a limited period, during the first half year only, in conformity with country specific legal frameworks and more structural measures were taken. As of the second half of 2021, the Company noted an increased number of voluntary leavers, which continued in the first half of 2022. There is a lagging effect on the replacements of those positions, which mainly occurred in the second half of 2022. This explains the higher number of fulltime equivalents at year-end 2022, while the increase in average number of employees is lower and also explains the lower number of fulltime equivalents at year-end 2021.

5. Restructuring and impairment costs

The table below shows the restructuring and impairment costs recognized in the income statement.

In thousands of euro	Note	2023	2022	2021
Restructuring (cash)	19	-9,500	-2,500	-4,920
Impairments (non-cash)		-1,311	-	-1,500
Total restructuring and impairments		**-10,811**	**-2,500**	**-6,420**

Restructuring charges in 2023 include 9.5 million euro lay-off (cash) costs, linked to the strategic review of Large Video Walls and several other organizational cost efficiencies and affected in total 153 employees. Non-cash restructuring costs relate to 1.3 million euro write off on inventories as a result of the strategic decisions taken in Large Video Walls.

Barco has completed the strategic review of its Large Video Walls business, as announced in the beginning of 2023, by the middle of the year with the clear objective to return to sustainable profitability by accelerating investments in software product portfolio and optimizing the organization for success. We refer to CORE report - 06. Our markets for more explanation on the transformation of Large Video Walls.

The restructuring charges linked to Large Video Walls are a result of the strategic decisions on rebalancing the R&D portfolio, to focus on profitable products and markets and to align supporting sales and marketing activities and service model to the focus on software and workflows.

At the end of 2022, the Company has recorded 2.5 million euro of restructuring (cash) costs as a result of scaling down activities.

In 2021, as a result of the redesign of the organization and a number of cost down measures across different countries and functions, the Company has recorded 4.9 million euro of restructuring (cash) costs. The non-cash costs of 1.5 million euro relate to the remaining fair value of share options of former leadership team members, accounted for the moment they stopped providing services to the Company.

Restructuring cash costs include a provision for severance of 4.4 million euro (2022: 1.7 million, 2021: 0.5 million euro) (see note 19. Provisions). The people impacted have all been notified before the end of 2023. Their last working day and severance pay out will be in the course of 2024. In 2023 6.8 million euro (2022: 1.2 million euro and in 2021: 8.2 million euro) of restructuring was paid (see consolidated statement of cash flow).

6. Income taxes

In thousands of euro	Note	2023	2022	2021
Current versus deferred income taxes				
Current income taxes		-19,573	-13,301	-5,333
Deferred income taxes	10	2,297	-2,626	3,201
Income taxes		-17,276	-15,927	-2,132
Income taxes versus income before taxes				
EBIT		91,295	87,643	12,953
Interest income (expense) - net		4,684	843	-1,110
Income before taxes		95,979	88,486	11,843
Income taxes		**-17,276**	**-15,927**	**-2,132**
Effective income tax rate	%	18.0%	18.0%	18.0%
Income before taxes		95,979	88,486	11,843
Theoretical tax rate	%	25%	25%	25%
Theoretical tax credit/(cost)		**-23,995**	**-22,122**	**-2,961**
Innovation income deduction (IID)		9,098	6,518	5,224
Effect of different tax rates in non-Belgian affiliates		-902	-523	546
Changes in deferred tax on undistributed earnings	(a)	-4,500	-	-
Uncertain tax treatment	(b)	250	60	280
Income not taxed				
Other income exempt from tax (mainly government grants)		4,298	2,758	1,706
Non deductible expenses				
Dividends received	(c)	-132	-90	-319
Other non-deductible expenses		-1,942	-1,693	-2,038
Tax adjustments related to prior periods		-14	-773	-165
Deferred tax assets, derecognized in current year	(d)	-1,078	-420	-9,377
Set-up/use of deferred tax assets, not recognized in prior years		99	357	533
Realized capital gain on investment in affiliates	(e)	1,542	-	4,439
Taxes related to current income before taxes		**-17,276**	**-15,927**	**-2,132**

(a) Deferred tax recognized on undistributed earnings of subsidiaries which are expected to be distributed in the foreseeable future.

(b) Tax positions taken in the financial statements and in the tax filings and how these are supported, as well as how the taxation authorities might make their examinations and how issues that might arise from examinations could be resolved, are reviewed. Based on this assessment, a deferred tax liability is determined in line with IFRIC 23. A reversal on the deferred tax liability is taken when the uncertain tax position is no longer in place as a result of an occurred tax examination or expiration of the examination period.

(c) Includes withholding taxes on dividends received and tax impact of intragroup dividends that did not apply for a dividend received exemption regime to their full extent.

(d) Deferred tax assets not recognized on tax losses/credits or tax losses/credits carried forward when assessment shows it is not probable that these tax benefits can be utilized in the near future, in 2021 mainly in Barco NV (Belgium). Reference is made to note 10.

(e) Net gain on investments realized in Barco NV exempted from tax. The gain in 2021 related to the liquidation of Barco Taiwan Technology Ltd.

7. Earnings per share

In thousands of euro		2023	2022	2021
Net income/(loss) attributable to the equity holder of the parent		80,168	75,219	8,881
Weighted average of shares		90,426,432	90,005,918	88,984,041
Basic earnings per share		**0.89**	**0.84**	**0.10**
Net income/(loss) attributable to the equity holder of the parent		80,168	75,219	8,881
Weighted average of shares (diluted)		91,078,011	90,486,263	89,185,100
Diluted earnings per share	(a)	**0.88**	**0.83**	**0.10**

(a) The difference between the weighted average of shares and weighted average of shares (diluted) is due to exercisable stock options, which are in the money (which means that the closing rate of the Barco share was higher than the exercise price).

For more detailed information concerning the shares and stock options, we refer to note 16.

8. Goodwill

In thousands of euro	2023	2022	2021
At cost	179,775	179,775	179,775
Impairment	74,163	74,163	74,163
Net book value	105,612	105,612	105,612

There are no changes to goodwill over the period 2021-2023 and the impairment tests on goodwill in the 3 years did not result in any impairment.

The test was performed on a cash-generating unit level by comparing each unit's carrying value, including goodwill, to its value-in-use.

The value-in-use of each reporting unit was assessed using a discounted cash flow model based on management's revised budget on division level for the year and estimated long-term projections covering a five-year period. Consistently with its yearly impairment test, the Company adjusts the divisional management cash flow projections for future years to more conservative levels in view of the level of uncertainty. For 2023 and 2022 the high level of conservatism is again applied to be consistent with prior year testing. In 2021, an appropriate level of conservatism was applied, to take into account covid-19 related uncertainty. Over the past 3 years, the outcome of the impairment tests on goodwill impairment tests performed did not result in any impairment loss.

See below for explanations on the impairment testing performed.

Goodwill by cash-generating unit

On acquisition, goodwill acquired in a business combination is allocated to the cash-generating unit which is expected to benefit from that business combination. These cash-generating units correspond to the division level for Healthcare, Enterprise and Entertainment. Therefore, impairment testing is performed at the level of the cash-generating units as presented below.

The carrying amount of goodwill (after impairment) has been allocated to the cash-generating units as seen in the table on the right.

Cash-generating units in thousands of euro	2023-2021
Healthcare	28,263
Enterprise	41,785
Entertainment	35,564
Total goodwill (net book value)	**105,612**

The allocation remained the same over 2023, 2022 and 2021. The Group performed its annual impairment test in the fourth quarter of 2023 consistently with prior years.

The Group looks at the relationship between its market capitalization and its book value, amongst other factors, when reviewing the indicators of impairment. At 31 December 2023, the market capitalization of the Group was almost two times the amount of equity of the Group. As such, this general test does not show an indication for impairment.

The annual impairment tests were performed for each cash-generating unit. The recoverable amount for each of the cash-generating units has been determined based on a value-in-use calculation using cash flow projections generated by management covering a five-year period. Due to the level of uncertainty of future years, these financial projections have been adjusted to more conservative levels for the purpose of our impairment testing.

The pre-tax discount rate applied to projected cash flows is 9.5% (2022: 10.1%; 2021: 8.7%) and cash flows beyond the five-year period are extrapolated using a conservative growth rate of 0% (2022 and 2021: 0%).

The amount by which the unit's recoverable amount exceeds its carrying amount is 79 million euro (151 million euro in 2022) in Healthcare, 313 million euro in Enterprise (130 million euro in 2022) and 66 million euro in Entertainment (106 million euro in 2022). For Healthcare, the decrease compared to last year is fully explained by the lower 2023 sales level which is the starting point for the impairment exercise at 0% sales growth over the projected period, while having a higher working capital. Lower headroom in Entertainment is explained by the higher carrying amount due to investments for cinema-as-a-service and higher working capital while sales level and EBITDA % increased compared to 2022. Even with this high level of conservatism applied, we can conclude that there is no impairment risk.

The same level of conservatism is applied to the EBITDA %, where we used the average of the last 2 years (2023-2022), excluding the covid impacted year (2021).

A similar approach has been used in the past, where the EBITDA % used was the average of the last 3 years, except for Entertainment where we used the pre-covid EBITDA level of 9.2% in the 2022 goodwill impairment test.

Despite the high level of conservatism applied, all three divisions have sufficient headroom.

A sensitivity analysis is performed on all cash-generating units with respect to the discount rate (see Sensitivity to changes in assumptions – Discount rate). For forward looking statements on sales and EBITDA, we refer to the company report of this annual report.

The assumptions of the annual impairment test are consistent with external sources.

For none of the cash-generating units management identified an impairment loss after the impairment test

Key assumptions used in value-in-use calculations

The calculation of value-in-use for all cash-generating units is most sensitive to the following assumptions:

- Sales growth rate used during the projection period;
- EBITDA;
- Growth rate used to extrapolate cash flows beyond the budget period;
- Discount rate;

The assumptions are shown in below table:

	Healthcare	Enterprise	Entertainment
Sales growth rate used during the projection period	0.0%	0.0%	0.0%
EBITDA as % of sales	10.5%	18.9%	9.7%
Growth rate estimates	0.0%	0.0%	0.0%
Discount rate	9.5%	9.5%	9.5%

Sales growth rate used during the projection period – Sales growth rate used over the projected period has been kept conservatively at zero percent for all cash-generating units, since even then there is no risk for impairment.

EBITDA as percentage of sales – EBITDA as percentage of sales is based on average percentages over the two years preceding the start of the budget period for all divisions and has been kept conservatively flat over the projected period.

Growth rate estimates – The long-term rate used to extrapolate the projection has been kept conservatively at zero % for all cash-generating units.

Discount rate – Discount rate reflects the current market assessment of the risks specific to Barco Group. The discount rate was estimated based on a (long-term) pre-tax cost of capital, the risks being implicit in the cash flows. It was determined on group level.

Sensitivity to changes in assumptions

Per 31 December 2023, only a change in EBITDA margin could result in impairment losses. The implications of the key assumptions for the recoverable amount are discussed below:

EBITDA percentage on sales – Management has considered the possibility of lower than projected EBITDA percentages on sales.

For Healthcare, Enterprise and Entertainment a reduction of the EBITDA percentage in the last year of the projected period of respectively more than 4%, 15% and 2% would result in an impairment.

Discount rates – Management has considered the possibility of a significant higher weighted average cost to test the sensitivity. For none of the cash-generating units this leads to an impairment.

Growth rate estimate (beyond the projection period) – For all divisions, no reasonable possible change in the growth rate, used to extrapolate beyond the projection period, would result in an impairment.

9. Other intangible and tangible fixed assets

9.1 Other intangible assets

In thousands of euro						2023	2022	2021
	Software	Customer Relations	Know-how	Other Intangible Assets	Other Intangible assets under construction	Total	Total	Total
At cost								
On 1 January	65,998	9,818	47,569	5,200	62	128,646	136,578	134,608
Expenditure	1,210	-	177	3	1,870	3,261	3,836	1,230
Sales and disposals	-547	-	-4,450	-	-	-4,997	-20,094	-3,312
Acquisition of subsidiaries	-	-	-	-	-	-	7,607	-
Transfers	527	-	-	-	-527	-	-	-
Translation (losses)/gains	-92	-97	-517	-20	-	-726	719	4,052
On 31 December	**67,097**	**9,721**	**42,779**	**5,183**	**1,404**	**126,185**	**128,646**	**136,578**
Amortizations and impairment								
On 1 January	54,703	9,818	39,928	4,946	-	109,396	119,151	105,655
Amortization	5,117	-	2,067	23	-	7,207	10,037	13,095
Impairment	-	-	2,745	-	-	2,745	-	-
Sales and disposals	-547	-	-4,450	-	-	-4,997	-20,094	-3,312
Transfers	-	-	-10	10	-	-	-	-
Translation (losses)/gains	-55	-97	-28	-13	-	-192	302	3,713
On 31 December	**59,219**	**9,721**	**40,253**	**4,966**	**-**	**114,159**	**109,396**	**119,151**
Carrying amount								
On 1 January	**11,296**	**-**	**7,640**	**253**	**62**	**19,251**	**17,427**	**28,952**
On 31 December	**7,879**	**-**	**2,526**	**216**	**1,404**	**12,026**	**19,251**	**17,427**

Barco's intangibles mainly include SAP ERP software and remaining book value of acquired know how.

In 2023, capital expenditures for intangible assets amount to 3.3 million euro (2022: 3.8 million euro, 2021: 1.2 million euro). Expenditures in 2023 mainly related mainly related to the implementation of a cloud-based IT platform automation solution, a supplier relationship management tool as well as smaller investments in IT security. Other intangible assets under construction include ongoing projects related to a healthcare complaint handling tool and initial costs related to the planned S4HANA migration.

Expenditures in 2022 and 2021 mainly related to new customer relationship management (CRM) software.

In 2022, as a result of the Dermicus acquisition, know-how for an amount of 7.6 million euro was acquired, which is amortized over 5 years. We refer to note 1.3 for more explanation on the net assets acquired.

Disposals in 2023 relate to fully amortized IT software which is no longer used and part of the stake, recorded as fully amortized know-how, transferred to new investors, realizing a gain of 4.6 million euro (see note 3.d other operating income (expense) – net). Disposals in 2022 and 2021 relate to fully amortized IT software which is no longer used.

The group performed its annual impairment review on acquired intangibles in the fourth quarter of 2023 consistently with prior years. Special attention was paid to the potential impacts of the macroeconomic environment. The test concluded in an impairment of 2.7 million euro.

Barco does not hold intangible assets with indefinite lifetime.

9.2. Tangible fixed assets

In thousands of euro							2023	2022	2021
	Land and buildings	Plant, machinery and equipment	Furniture, office equipment and vehicles	Other property, plant and equipment	Assets under construction	Total Other tangible assets	Total	Total	Total
At cost									
On 1 January	132,549	87,566	44,086	13,813	7,238	152,704	285,253	284,317	267,104
Expenditure*	6,300	25,195	11,568	1,003	20,426	58,193	64,493	30,020	27,040
Sales and disposals	-2,104	-1,475	-4,284	-370	-	-6,130	-8,233	-28,034	-16,614
Transfers	-437	3,682	583	43	-3,872	437	-	-	-
Translation (losses)/gains	-2,300	-1,905	-484	-331	-550	-3,270	-5,570	-1,050	6,786
On 31 December	**134,009**	**113,063**	**51,470**	**14,159**	**23,242**	**201,934**	**335,943**	**285,253**	**284,317**
Depreciation and impairment									
On 1 January	62,872	58,751	31,690	9,082	-	99,523	162,395	157,430	143,630
Depreciation	10,955	10,818	6,900	1,765	-	19,483	30,438	26,294	26,041
Sales and disposals	-2,034	-1,330	-4,295	-223	-	-5,847	-7,882	-21,137	-15,787
Transfers	-	75	78	-153	-	-	-	-	-
Translation (losses)/gains	-1,263	-565	-381	-227	-	-1,172	-2,436	-191	3,546
On 31 December	**70,529**	**67,749**	**33,993**	**10,246**	**-**	**111,988**	**182,517**	**162,396**	**157,430**
Carrying amount									
On 1 January	**69,677**	**28,815**	**12,396**	**4,731**	**7,238**	**53,181**	**122,856**	**126,887**	**123,474**
On 31 December	**63,479**	**45,314**	**17,477**	**3,913**	**23,242**	**89,947**	**153,426**	**122,856**	**126,887**

(*) Expenditures also include the additions for IFRS16.

Capital expenditures for tangible assets in 2023, excluding the impact of IFRS16, amount to 51.1 million euro. Major investments in 2023 are related to leasing agreements concluded with cinema customers (2023: 24.5 million euro; 2022: 3 million euro), investment in the new factories in China, both facility and production related (2023: 15 million euro; 2022: 10 million euro; 2021: 8 million euro).

Further, capital expenditures include machinery and tooling linked to new product introduction projects (2023: 4 million euro; 2022: 2 million euro; 2021: 2.5 million euro), IT hardware equipment (2023: 2.2 million euro; 2022: 2.5 million euro; 2021: 2.4 million euro) and renewal of demo experience centers (2023: 0.2 million euro; 2022: 2.0 million euro) .

The total amount of capital expenditure for tangible assets in 2023 equals the EU taxonomy eligible Capex as the total amount of Capex relates solely to assets or processes associated with Barco economic activities defined in section "Taxonomy-eligible economic activity - Turnover". We refer to the note on EU taxonomy.

Disposals in 2023 mainly relate to machinery & equipment and furniture, which are no longer in use and fully written down.

Disposals in 2022 mainly relate to the sale of the building in Norway, which had a net book value of 4.3 million euro. The other disposals relate to machinery & equipment and furniture, which are no longer in use and fully written down.

Disposals in 2021 mainly relate to machinery & equipment and furniture, which are no longer in use and fully written down, and the sale of part of the land and building in Karlsruhe.

The Company considered the potential impact of macroeconomic impacts on the utilization levels of its factories and potential impairment of its machinery and equipment. The analysis did not conclude an impairment. See 'Critical accounting judgements and key sources of estimation uncertainty' for more explanation on the impact of the macroeconomic environment on Barco's operations.

Leases - lessee accounting

This note provides more information for leases where the Group is a lessee.

The balance sheet shows the following amounts relating to leases:

In thousands of euro				2023	2022	2021
	Buildings	Vehicles	Other assets	Total	Total	Total
On 1 January	**40,164**	**11,041**	**-**	**51,205**	**46,922**	**39,013**
New leases or extensions of current leases	6,028	8,113	85	14,226	10,986	10,702
Termination of leases	-1,512	-2,382	-3	-3,896	-6,586	-4,403
Translation (losses)/gains	-1,142	3	-1	-1,140	-117	1,611
On 31 December	**43,538**	**16,775**	**81**	**60,394**	**51,205**	**46,922**
Depreciation and impairment						
On 1 January	**-20,884**	**-5,487**	**-**	**-26,371**	**-21,119**	**-14,415**
Depreciation	-6,899	-3,303	-20	-10,222	-9,539	-10,023
Termination of leases	1,494	2,382	3	3,878	4,141	3,956
Translation (losses)/gains	681	2	-	683	146	-636
On 31 December	**-25,609**	**-6,406**	**-17**	**-32,031**	**-26,371**	**-21,119**
Right-of-use assets						
On 1 January	**19,280**	**5,554**	**-**	**24,834**	**25,803**	**24,598**
On 31 December	**17,930**	**10,369**	**65**	**28,363**	**24,834**	**25,803**

Additions to the right-of-use assets during 2023 were 14.2 million euro (2022: 11 million euro; 2021: 10.7 million euro) split over leased buildings (2023: 6 million euro; 2022: 7.6 million euro) and leased vehicles (2023: 8.1 million euro; 2022: 3.4 million euro). The additions are both renewals of existing lease agreements as well as a lease agreement in Norway.

We refer to note 14 for more information on the lease liabilities.

The statement of profit or loss shows the following amounts relating to leases:

In thousands of euro	2023	2022	2021
Buildings	-6,899	-6,936	-7,591
Vehicles	-3,303	-2,604	-2,433
Other assets	-20	-	-
Total depreciation charge of right-of-use assets	**-10,222**	**-9,539**	**-10,023**
Interest expense (included in finance cost)	-1,225	-1,072	-1,066
Expense relating to short-term leases	-	-	-17
Expense relating to leases of low-value assets that are not shown above as short-term leases	-7	-19	-24

The total cash outflow for leases including interests in 2023 was 10 million euro (2022: 9.2 million euro; 2021: 9.7 million euro).

Leases – lessor accounting

This note provides more information for leases where the Group is a lessor:

In 2022, AMC Theatres, the largest theatrical exhibitor in the United States, in Europe & the Middle East, announced that they will upgrade their theaters with new Barco laser projectors via cinema-as-a-service program. Barco remains owner of the laser projectors and therefore the assets are included in the tangible fixed assets under plant, machinery and equipment. The total investments for all the cinema customers who have stepped into a cinema-as-a-service program in 2023 amounted to 24.5 million euro (2022: 3 million euro).

Installation of laser projectors under the cinema-as-a-service program started in 2023.

For the current cinema-as-a-service installed projectors, the following undiscounted lease payments are expected in the coming 5 years:

In thousands of euro	2023
Receivable in 2024	17,134
Receivable in 2025	17,089
Receivable in 2026	17,089
Receivable in 2027	16,733
Receivable in 2028	7,621
Total receivable	**75,665**

10. Deferred tax assets – deferred tax liabilities

The deferred tax asset and liability balance comprises temporary differences attributable to:

	Assets			Liabilities			Net asset/(liability)		
In thousands of euro	2023	2022	2021	2023	2022	2021	2023	2022	2021
Tax value of loss carry forwards	15,948	13,721	10,201	-	-	-	15,948	13,721	10,201
Tax value of tax credits	13,952	17,920	26,586	-	-	-	13,952	17,920	26,586
Deferred revenue	10,973	10,227	9,961	-	-	-	10,973	10,227	9,961
Inventory	12,050	8,837	8,573	-104	-211	-34	11,946	8,626	8,539
Provisions	6,277	6,062	8,477	-1,009	122	-32	5,268	6,184	8,445
Tangible fixed assets and software	5,724	1,580	2,031	-353	-363	-678	5,371	1,217	1,353
Employee benefits	1,471	1,333	1,024	-33	258	88	1,438	1,591	1,112
Trade debtors	184	416	362	-	-	-	184	416	362
Capitalized development cost	55	6	-	-1	-	-	54	6	-
Uncertain tax positions (UTP)	-	-	-	-2,810	-3,060	-3,120	-2,810	-3,060	-3,120
Patents, licenses, ...	-	-	-	-5,015	-5,704	-3,792	-5,015	-5,704	-3,792
Other items	852	906	754	-4,698	-40	-68	-3,846	866	686
Gross tax assets/(liabilities)	**67,486**	**61,008**	**67,969**	**-14,022**	**-8,998**	**-7,636**	**53,464**	**52,010**	**60,333**
Offset of tax	-10,446	-5,769	-3,814	10,446	5,769	3,814	-	-	-
Net tax assets/(liabilities)	**57,040**	**55,239**	**64,155**	**-3,576**	**-3,229**	**-3,822**	**53,464**	**52,010**	**60,333**

Other items included deferred tax liability recognized on undistributed earnings for 4.5 million euro (see note 6. Income taxes).

Movements in the deferred tax assets / (liabilities) arise from the following:

In thousands of euro	As at 1 January 2023	Recognized through income statement	Recognized through OCI	Reclassifications	Exchange gains and losses	As at 31 December 2023
Tax value of loss carry forwards	13,721	3,520	-	-605	-688	15,948
Tax value of tax credits	17,920	-4,668	-	702	-2	13,952
Deferred revenue	10,227	1,205	-	-219	-240	10,973
Inventory	8,626	2,548	-	943	-171	11,946
Provisions	6,184	-444	324	-736	-60	5,268
Tangible fixed assets and software	1,217	3,645	-	527	-18	5,371
Employee benefits	1,591	419	-	-558	-14	1,438
Trade debtors	416	-74	-	-154	-4	184
Capitalized development cost	6	-9	-	56	2	54
Uncertain tax positions (UTP)	-3,060	250	-	-	-	-2,810
Patents, licenses, ...	-5,704	604	-	64	22	-5,015
Other items	866	-4,698	-	-20	5	-3,846
Net deferred tax	**52,010**	**2,297**	**324**	**-**	**-1,168**	**53,464**

Deferred tax assets have been recognized in 2023 on tax attributes carried forward in following countries (in million euro):

In thousands of euro	Tax Losses carried forward	R&D tax credits and Investments deductions	Innovation income deduction	Tax value of tax credits
Belgium	21,710	1,038	12,275	13,313
Canada	1,927	639	-	639
China	8,062	-	-	-
Germany	5,317	-	-	-
Sweden	460	-	-	-
Total	**37,476**	**1,677**	**12,275**	**13,952**
Valuation allowance	-21,528	-	-	-
Net deferred tax	**15,948**	**1,677**	**12,275**	**13,952**

On these items for which a deferred tax asset is recognized, the Group has recorded a valuation allowance of 21.5 million euro (18.3 million euro in 2022). A valuation allowance is recorded on these items because it is not probable that tax assets will be utilized within their statue of limitations or it is probable that some portion or all of the deferred tax assets will not be realized within the foreseeable future.

In assessing the realization of deferred tax assets, management considers whether it is probable that some portion or all of the deferred tax assets will be realized within the foreseeable future. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profit during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable profit and foreseeable tax events in making this assessment. In 2021, the covid-19 impact on future taxable profit was factored in in the realization assessment. A time period of 5 years is considered. In order to fully realize the deferred tax asset, the Group will need to generate future taxable profit in the countries where the net operating losses and other items carried forward were incurred. Based upon the level of historical taxable income and projections for future taxable profit over the periods in which the deferred tax assets are deductible, management believes it is probable that the Group will be able to utilize these deferred tax assets.

Barco has not recognized additional liabilities for income taxes on undistributed earnings of its subsidiaries which will not be distributed in the foreseeable future. The cumulative amount of undistributed earnings (irrespective of tax treatment exemptions) on which the Group has not recognized income taxes was approximately 517 million euro per December 31, 2023 (2022: 488 million euro, 2021: 504 million euro).

11. Investments and interest in associates

In thousands of euro		2023	2022	2021
Investments	(a)	41,695	37,645	47,135
Interest in associates	(b)	29,093	27,167	20,872
Investments and interest in associates		**70,788**	**64,811**	**68,008**

Investments include entities in which Barco owns less than 20% of the shares. These are accounted for as fair value through profit and loss or other comprehensive income instruments, as determined at moment of initial recognition, which implies that the Group measures these investments on a fair value basis with differences in fair value reflected in profit and loss or other comprehensive income.

Interest in associates represents entities in which Barco owns between 20% and 50% of the shares.

(a) Investments

In thousands of euro	2023	2022	2021
Opening net assets 1 January	37,645	47,135	87,228
Additions	-	14,893	-
Divestments	-9,179	-4,384	-54,993
Other comprehensive income	14,709	-23,004	9,945
Translation gains/(losses)	-1,480	3,003	4,955
Closing net assets 31 December	**41,695**	**37,645**	**47,135**

The investments are measured at market price. For investments that are publicly quoted in an active market, the quoted market price is the best measure of fair value (level 1). The remeasurement at fair value per 31 December 2023 versus the carrying amount, resulted in an unrealized gain of 14.7 million euro, reflected in other comprehensive income. The gain is caused by an increase of the share price at year-end 2023 compared to end 2022. Further, a minority stake was sold, resulting in 9.2 million euro cash-in in 2023, reflected in the line 'other investing activities' in the cash flow statement, and 0.7 million euro gain realized since the moment of acquisition, over the periods until divestment reflected in other comprehensive income reserve.

The decrease in investments from 2021 to 2022 is mainly related to the remeasurement at fair value versus the carrying amount per 31 December 2022 (-23 million euro, 2021: 9,9 million euro), representing a general decrease of the global stock markets in 2022 compared to 2021. Further, a minority stake, below regulatory threshold levels, was taken (14.9 million euro cash out impact) and a minority stake was sold, resulting in 4 million euro cash-in in 2022 (2021: 55 million euro), both reflected in the line 'other investing activities' in the cash flow statement, and 0.7 million euro (2021: 25.2 million euro) gain realized since the moment of acquisition, over the periods until divestment reflected in other comprehensive income reserve.

(b) Interest in associates

Interest in associates, in 2023 - 2021, reflects the equity investment in BarcoCFG and CCO Barco Airport Venture.

The Group's share of the assets and liabilities as at 31 December 2023 and 2022 and income and expenses of the joint ventures and associates for the year ended 31 December 2023 and 2022, which are accounted for using the equity method:

Summarized balance sheet

In thousands of euro	BarcoCFG 31 DEC 23	CCO 31 DEC 23	Total 31 DEC 23	BarcoCFG 31 DEC 22	CCO 31 DEC 22	Total 31 DEC 22
Cash and cash equivalents	14,454	26,345	40,799	12,185	30,467	42,652
Other current assets	49,397	17,444	66,841	58,842	11,785	70,627
Total current assets	**63,850**	**43,789**	**107,640**	**71,027**	**42,252**	**113,279**
Non-current assets	**5,490**	**7,573**	**13,063**	**7,050**	**9,437**	**16,487**
Other current liabilities	37,012	13,501	50,513	50,070	13,279	63,349
Total current liabilities	**37,012**	**13,501**	**50,513**	**50,070**	**13,279**	**63,349**
Other non-current liabilities	-	-	-	-	-	-
Total non-current liabilities	**-**	**-**	**-**	**-**	**-**	**-**
Net assets	**32,329**	**37,861**	**70,190**	**28,007**	**38,409**	**66,416**
Reconciliation to carrying amounts						
Opening net assets 1 January	28,007	38,409	66,416	23,093	27,305	50,398
Profit/(loss) for the period	6,231	7,254	13,486	5,641	9,534	15,176
Other comprehensive income (CTA)	-1,909	-1,550	-3,459	-728	1,570	842
Dividends paid	-	-6,253	-6,253	-	-	-
Closing net assets	32,329	37,861	70,190	28,007	38,409	66,416
Group's share in %	49%	35%	-	49%	35%	-
Group's share	15,841	13,251	29,093	13,723	13,443	27,167
Carrying amount	15,841	13,251	29,093	13,723	13,443	27,167

Summarized statement of comprehensive income In thousands of euro		BarcoCFG 31 DEC 23	CCO 31 DEC 23	Total 31 DEC 23	BarcoCFG 31 DEC 22	CCO 31 DEC 22	Total 31 DEC 22
Profit/(loss) for the period		**6,231**	**7,254**	**13,486**	**5,641**	**9,534**	**15,176**
Other comprehensive income (CTA)		-1,909	-1,550	-3,459	-728	1,570	842
Total comprehensive income		4,322	5,705	10,027	4,913	11,105	16,018
Group's share in %		49%	35%	-	49%	35%	-
Group's share in profit/(loss) for the period		3,053	2,539	5,592	2,764	3,337	6,101
Share in the result of joint ventures and associates		-	2,539	2,539	-	3,337	3,337
Included in other operating income	3(d)	3,053	-	3,053	2,764	-	2,764

The Group has no contingent liabilities or capital commitments in relation to its associates as at 31 December 2023, 2022 and 2021.

For all equity accounted investments, the parent's or other investor's consent is required to distribute its profits; which is not decided at the reporting date. The equity accounted investments did not recognize items in other comprehensive income.

12. Inventory

In thousands of euro	2023	2022	2021
Raw materials and consumables	100,199	120,610	90,139
Work in progress	69,376	79,993	64,384
Finished goods	144,539	123,930	92,931
Write-off on inventories	-82,593	-78,819	-71,957
Inventory	**231,521**	**245,714**	**175,496**
Inventory turns	2.1	2.1	2.4

Inventory in 2023, remained at a high level throughout the year, but started to decrease over the course of the second half of the year, resulting in a decrease by -6% compared to last year. Inventory at the end of 2022 was record high due to increased component prices and safety buffers that were stocked for a number of scarce components and additional component purchases that were made in expectation of upcoming price increases in 2023.

Turns in 2023 remain low at 2.1.

Significant slowdown on component purchases resulted in a material decrease of raw materials (-20 million euro) and work in progress (€ -10 million). The drop in raw materials and work in progress was for the most part offset by an increase in finished goods inventory (+ 20 million euro). Higher inventories of finished goods include the build-up of 3-4 months buffer inventory in China and Italy as a result of the focused factories strategy and transfer of production, and higher goods in transit as a result of longer lead times between the Suzhou factory in China and European and US customers (transfer over sea).

Inventory levels in the company vary depending on the operating segment within Barco. Operating segments selling more hardware products compared to software or project sales generally have higher inventory levels.

The two divisions that were impacted the most by the supply constraints in 2022, Entertainment and Healthcare show the highest decrease in raw materials, as supply constraints are resolved in 2023.

We refer to chapter 'Critical accounting judgements and key sources of estimation uncertainty' for more explanation on the impact of the macroeconomic environment.

Inventories are stated at the lower of cost or net realizable value. The calculation of the allowance for slow-moving inventory is based on consistently applied write-off rules, which depend on both historical and future demand.

In 2023 write-offs recognized as expense represent 1.2% of sales or 12.1 million euro, compared to 0.7% in 2022 and 2021.

13. Amounts receivable and other non-current assets

In thousands of euro		2023	2022	2021
Trade debtors - gross		211,012	197,493	160,930
Trade debtors - bad debt reserve	(a)	-2,445	-2,850	-3,954
Trade debtors - net	**(b)**	**208,567**	**194,643**	**156,977**
V.A.T. Receivable		8,463	5,911	6,418
Taxes receivable		1,001	3,491	6,083
Interest receivable		-	1	4
Currency rate swap (note 20)		4,321	2,537	1,055
Other		673	2,569	2,650
Other amounts receivable		**14,458**	**14,509**	**16,211**
Other non-current assets	**(c)**	**4,335**	**5,819**	**6,849**
Number of days sales outstanding (DSO)		63	54	56

Per 31 December 2023, the number of days sales outstanding increased to 63 days (54 days in 2022 and 56 in 2021). The higher DSO is linked to sales spike end of quarter and longer payment terms granted on selected contracts.

For the year ended December 31, 2023, the Company reversed 0.3 million euro provision for current expected credit losses (2022: -0.2 million euro cost; 2021: + 0.4 million euro profit).

The bad debt reserve in proportion to the gross amount of trade debtors decreased to 1.2% (2022: 1.5%, 2021: 2.5%).

(a) Movement in bad debt reserve:

In thousands of euro	2023	2022	2021
On 1 January	**-2,850**	**-3,954**	**-4,314**
Additional provisions	-289	-1,191	-797
Amounts used	136	1,234	444
Amounts unused	514	1,156	833
Translation (losses) / gains	43	-93	-120
On 31 December	**-2,445**	**-2,850**	**-3,954**

(b) At 31 December 2023 the ageing analysis of trade debtors is as follows:

In thousands of euro	2023	2022	2021
Not due	191,491	171,431	138,188
Overdue less than 30 days	8,722	12,699	10,377
Overdue between 30 and 90 days	6,859	9,176	6,620
Overdue between 90 days and 180 days	2,483	2,869	1,746
Overdue more than 180 days	1,458	1,318	4,000
Total gross	**211,012**	**197,493**	**160,930**
Bad debt reserve	-2,445	-2,850	-3,954
Total	**208,567**	**194,643**	**156,977**

In 2023, total overdue trade receivables amount to 19.5 million euro (2022: 26.1 million euro, 2021: 22.7 million euro), resulting in 6 days overdue DSO (2022: 7 days, 2021: 9 days).

The Company has a credit insurance in place for specific higher risk contracts and for customers with long payment terms. During the last three years, the Company did not need to exercise its rights under the insurance as the customers, for which the credit insurance is in place, paid timely.

The bad debt reserve in 2023 covers 167% of the trade receivables overdue more than 180 days (2022: 216%, 2021: 99%). Pre covid level was around 140%.

(c) Other non-current assets

The other non-current assets include mainly cash guarantees for an amount of 2.8 million euro (2022: 2.7 million euro, 2021: 5.6 million euro) and 1.1 million euro (2022: 1.6 million euro) other long-term receivable related to a subleased building in the United States.

14. Net financial cash/debt

In thousands of euro		2023	2022	2021
Short term investments	**(a)**	**4,670**	**1,651**	**2,763**
Deposits	(a)	186,038	151,491	197,039
Cash at bank	(b)	99,991	154,342	154,453
Cash in hand		48	82	79
Cash and cash equivalents		**286,077**	**305,915**	**351,571**
Long-term debts	(c)	-32,217	-32,335	-34,366
Current portion of long-term debts	(c)	-12,288	-11,217	-10,218
Short-term debts	(d)	-5,095	-	-
Net financial cash / (debt)		**241,147**	**264,014**	**309,750**

At the end of December 2023, Barco's net cash position reaches 241 million euro, 22.9 million euro lower compared to last year (2022: 264 million euro, 2021: 309.8 million euro). The main elements contributing to this change were cash-in from the positive free cash flow (38 million euro) and the proceeds from the sale of minority investments (9 million euro) offset by cash out for the dividends paid (-41.6 million euro) and the share buyback program (-8 million euro), and translation impacts. We refer to the supplementary statements, note 16 and note 11 for more explanation.

Of the total net financial cash at the end of 2023, 286 million euro is cash on the balance sheet. Additional financial flexibility is provided with 123.5 million euro of unused bilateral committed credit facilities (of which 75 million euro has an interest margin linked to Barco's sustainability targets) with a selected group of commercial banks (see further c). In addition to significant liquidity, Barco has a well-balanced debt profile with debt limited to 49.6 million euro of which 17.4 million euro near-term maturities.

The net financial cash at the end of 2022 amounts to 264 million euro, 45.8 million euro lower compared to end 2021, a result of the limited positive free cash flow (13 million euro), a number of minority investments, the increase of Barco's share in Cinionic from 55% to 80% and the acquired share in Gnosco AB (-42 million euro), dividends paid out (-21 million euro) and use of own shares for stock options (8 million euro). We refer to the supplementary statements, note 16 and note 11 for more explanation.

(a) Short term investments and deposits:
Short term investments are convertible to known amounts of cash between three and twelve months from inception. Deposits are short term (between zero and three months), highly liquid investments, which are readily convertible to known amounts of cash.

The short term investments and deposits do not carry a material risk of change in valuation.

At closing date, short term investments and deposits include:

In thousands of euro	2023	Average interest rate	2022	Average interest rate	2021	Average interest rate
Deposits in USD	162,683	4.88%	120,908	4.22%	141,324	0.09%
Deposits in EUR	-	-	19,000	1.25%	-	-
Deposits in HKD	19,568	5.06%	9,379	5.24%	45,057	0.27%
Deposits in INR	4,670	7.22%	1,549	5.97%	2,763	4.10%
Deposits in CNY	-	-	-	-	9,368	2.11%
Deposits in other currencies	3,787	9.52%	2,307	-	1,291	-
Total short term investments and deposits	**190,708**	**-**	**153,142**	**-**	**199,802**	**-**

The larger deposit amounts in USD and HKD in 2023 are held in the according home currency of the entities or are hedged, avoiding FX impact in the profit & loss, and optimizing yield. Deposits held in EUR were transferred to deposits in USD as immediately accessible and granting higher interest. In view of the positive interest rate evolution more cash has been held in deposits compared to 2022.

In 2022, cash in Hong Kong was used for the repayment of the minority shareholders in Cinionic (see note 17) and the purchase of other investments below regulatory threshold levels, explaining the decrease in foreign currency deposits in HKD compared to 2021.

(b) Cash at bank:

Cash at bank is immediately available. It is denominated in the following currencies:

	2023	2022	2021
EUR	48.9%	41.7%	54.4%
CNY	12.6%	15.8%	8.5%
USD	8.9%	21.2%	19.2%
SGD	5.6%	0.3%	0.4%
KRW	4.7%	1.6%	1.1%
HKD	3.3%	7.1%	3.9%
Others	16.0%	12.3%	12.6%

(c) Long-term financial debts:

The below table gives an overview of the long-term financial debts including the current portion of long-term financial debts, per type of interest rate:

Type of interest rate	Maturity	31 DEC 2023	31 DEC 2022	31 DEC 2021
Real estate financing				
Variable, swapped into fixed (EU)	Later than 2025	7,013	8,288	9,563
Variable (EU)	Later than 2025	6,988	7,713	8,438
Leasing (IFRS 16)		30,419	27,458	26,482
Other		86	94	103
Total long-term financial debts		**44,505**	**43,552**	**44,585**

- Barco NV signed a number of bilateral committed credit facilities totaling 28 million euro, for the financing of Barco's headquarters campus project. Drawings have a long-term tenor of 15 years following the end of the availability period (as of the end of 2015). An amount of 14 million euro is outstanding per 31.12.2023. These commitments carry either a variable interest rate or have been swapped via derivatives into fixed rate character.
- Barco China signed bilateral committed credit facilities for a total of 53.5 million euro. On one hand, the facilities are intended to finance the capital expenditures related to the construction of the Wuxi factory, having a long-term tenor of 5 years. On the other hand, the facilities are short-term tenor and fulfill the working capital needs to support scale-up of production in both Suzhou and Wuxi. At the end of 2023, 5.1 million euro has been drawn under the working capital committed loand (see d.).

Barco is meeting all requirements of the loan covenants on its available credit facilities.

The table on the right summarizes the long-term financial debts, including the current portion of long-term financial debts, per currency:

In thousands of euro	2023	2022	2021
EUR	29,376	28,213	28,078
USD	2,417	3,829	4,584
INR	4,140	5,154	3,446
Other	8,572	6,356	8,477
Total	**44,505**	**43,552**	**44,585**

The long-term debts, including interests due and excluding the current portion of the long-term debts, are payable as follows:

	Per 31 DEC 2023		Per 31 DEC 2022		Per 31 DEC 2021
Payable in 2025	11,440	Payable in 2024	9,784	Payable in 2023	10,128
Payable in 2026	8,146	Payable in 2025	8,081	Payable in 2024	7,724
Payable in 2027	5,106	Payable in 2026	5,559	Payable in 2025	5,883
Payable in 2028	3,409	Payable in 2027	3,535	Payable in 2026	3,799
Later	6,426	Later	7,667	Later	9,679
Total long-term debts	**34,528**	**Total long-term debts**	**34,625**	**Total long-term debts**	**37,212**

The lease liabilities according to IFRS 16 per 31 December are as follows:

In thousands of euro	2023	2022	2021
On 1 January	**27,458**	**26,482**	**24,929**
New leases or extensions of current leases	14,226	10,991	10,702
Payments or termination of leases	-10,754	-10,060	-10,159
Translation (losses)/gains	-511	45	1,011
Total lease liabilities on 31 December	**30,419**	**27,458**	**26,482**
Current	10,288	9,217	8,218
Non-current	20,131	18,241	18,264

(d) Short-term financial debts:

Analysis of short-term financial debts on 31 December 2023:

	2023		2022		2021	
In thousands of euro	Effective interest rate	Balance	Effective interest rate	Balance	Effective interest rate	Balance
CNY	2.68%	5,095	-	-	-	-
Total	**-**	**5,095**	**-**	**-**	**-**	**-**

Short term credit facility to support working capital needs in the Suzhou factory in China.

15. Other long-term liabilities

In thousands of euro		2023	2022	2021
Other amounts payable	(a)	1,970	2,312	350
Accrued charges		-	884	-
Deferred Income	(b)	52,403	41,328	48,510
Other long-term liabilities		**54,374**	**44,524**	**48,860**

(a) Barco signed a joint venture agreement with the Swedish company Dermicus AB on July 1st, 2022. Barco acquired 70% of the shares in Gnosco AB for 4 million euro. Further, a financial liability was recognized related to puttable non-controlling interests for an amount of 2 million euros.

The terms do not grant the Group any current ownership interest in the shares to which the put option relates. The fair value of the put option is the present value of the estimated redemption amount.

The liability will subsequently be adjusted in the income statement for changes in value, including the effect of unwinding the discount and other changes in the estimated redemption amount due to changes in management's assumptions.

In 2023, the fair value assessment of the put option resulted in the decrease of the liability for 0.3 million euro.

(b) Deferred income which will be recognized in revenue over a longer period than one year, is shown in other long-term liabilities. It concerns mainly maintenance contracts sold in the Entertainment division which cover a long-term period. The contracts start at the end of the standard warranty period. The increase in 2023 is mainly related to new long term service contracts, starting as of 2023. Decrease in deferred income in 2022 is caused by less by new contracts started.

16. Equity attributable to equity holders of the parent

In thousands of euro	2023	2022	2021
Share capital	56,752	56,752	56,296
Share premium	176,905	176,919	161,091
Share-based payments	22,445	20,215	18,667
Acquired own shares	-32,227	-25,443	-31,435
Retained earnings	615,588	558,777	527,783
Cumulative translation adjustment	-44,233	-28,350	-37,906
Derivatives	104	319	-713
Equity attributable to equity holders of the parent	**795,334**	**759,189**	**693,783**

1. Share capital, share premium and own shares

The company's share capital is equal to last year and amounts to 56.7 million euro on 31 December 2023, consisting of 92,916,645 fully paid shares.

In 2022, the shareholders had the option to elect for a dividend in cash or a dividend in shares. The option to reinvest the gross dividend over 2021 has resulted in a share premium increase of 14,173 (000) euro and an increase of the statutory capital of 456 (000) euro.

In the Extraordinary General Meeting of 25 April 2019, Barco's shareholders authorized a share buyback. A first share buyback program for a period of 6 months, starting on 20 September, 2021 was announced on 16 September, 2021.

Based on this authorization, the company launched a new buy back program which started on 19 December, 2023 and will end latest on April 24th, 2024. The intention is to purchase a maximum of two million shares of Barco N.V.

Barco acquired 491,000 own shares for a total amount of 8,088 (000) euro in 2023.

Further, Barco sold in total 122,479 own shares in 2023 upon the exercise of 122,479 stock options with a resulting decrease of the own shares of 1,304 ('000) euro and a decrease in the share premium account of 14 ('000) euro. As a result of the exercised stock-options the company's share premium account per 31 December 2023 amounts to 177 million euro.

The number of own shares acquired by Barco NV up to 31 December 2023 therefore increased to 2,826,443 own shares (2022: 2,457,922; 2021: 3,032,682 own shares). The total value of share based payments amount to 22.4 million euro at the end of 2023.

2. Share-based payments

On 20 November 2023, 2 new option plans have been approved by the Board of Directors, through which maximum 471,404 stock options could be granted before 31 December 2023. Each stock option gives right to the acquisition of one (1) share. In 2023, 445,015 stock options have been granted to and accepted by employees and management of the group based upon these option plans.

Stock option plans

The total number of outstanding stock options on 31 December 2023 amounted to 2,513,729. The company's own shares will be used under the outstanding stock option plan to fulfill the commitment. During 2023, 122,479 stock options have been exercised (in 2022, 574,760 stock options).

These stock options may be exercised the earliest 3 years after the allocation date (i.e. the vesting period) over a period of maximum 10 years and during a couple of fixed periods over the year. Below is an overview of the outstanding stock option plans:

Allocation date	End term	Exercise price (in euro)	Balance on 31 Dec 2022	Accepted in 2023	Exercised in 2023	Expired in 2023	Balance on 31 Dec 2023
Stock options							
10/21/13	10/20/23	8.43	9,800	-	-4,900	-4,900	-
10/23/14	10/22/24	7.86	16,791	-	-700	-	16,091
10/22/15	10/21/25	8.16	8,650	-	-	-	8,650
10/22/15	10/21/23	8.16	32,550	-	-14,000	-17,500	1,050
10/22/15[1]	10/21/23	8.26	15,400	-	-12,243	-3,157	-
10/24/16	10/23/26	10.40	125,160	-	-46,750	-	78,410
10/24/16	10/23/24	10.40	35,560	-	-9,960	-	25,600
10/24/16[1]	10/23/24	10.61	20,501	-	-4,298	-	16,203
10/20/17	10/16/27	12.54	181,425	-	-5,900	-	175,525
10/20/17	10/16/25	12.54	59,800	-	-8,700	-	51,100
10/20/17[1]	10/16/25	12.67	17,900	-	-4,000	-	13,900
10/23/18	10/22/28	14.40	50,550	-	-11,028	-	39,522
10/11/19	10/10/29	24.83	269,430	-	-	-185,150	84,280
10/29/20	10/28/30	12.76	381,850	-	-	-	381,850
12/06/21	12/06/31	17.80	853,700	-	-	-	853,700
12/08/22	12/07/32	21.74	289,946	-	-	-	289,946
12/08/22[1]	12/07/32	22.32	32,887	-	-	-	32,887
12/08/23	12/07/33	15.27	-	399,004	-	-	399,004
12/08/23	12/07/33	15.58	-	46,011	-	-	46,011
Total number of stock options			**2,401,900**	**445,015**	**-122,479**	**-210,707**	**2,513,729**

[1] Deviation of exercise price as a result of the implementation of the US sub plan.

The cost of these stock option plans is recognized over the vesting period on a straight line basis and is included in the income statement in other operating expense. The stock options are measured at grant date, based on the share price at grant date, exercise price, expected volatility, dividend estimates and interest rates. The value of the share-based payment increased with 2.2 million euro to 22.4 million euro in 2023 (2022: 1.5 million euro; 2021: 4.5 million euro). In 2021, 3 million euro is reflected in other operating income (see note 3 (d) and 1.5 million euro in restructuring, related to the remaining fair value of share options of the former leadership team, accounted for the moment they stopped providing services to the Company (see note 5. Restructuring and impairment costs).

3. Retained earnings

The change in retained earnings includes the net income of 2023, actuarial profits, change in the fair value of equity investments, and the distribution of 39.8 million euro dividend, as approved by the general shareholders meeting of 27 April 2023. The board of directors of Barco NV will propose a gross dividend of 0.48 euro per share out of the available reserves per 31 December 2023. In 2023 a gross dividend of 0.44 euro per share was granted on the results of 2022.

4. Cumulative translation adjustment

In 2023, the exchange differences on translation of foreign operations have a net negative impact of 15.9 million euro, mainly relating to foreign balances held in Hong Kong Dollar (-5 million euro), US Dollar (-4.6 million euro), Chinese Yuan (-4.1 million euro) and Indian Rupee (-1 million euro).

5. Derivatives

Derivative financial instruments are disclosed in note 20.

6. Main shareholders

Before Dilution		
Public	64,579,743	69.50%
Vandewiele Group NV	20,532,568	22.10%
3D NV	4,977,891	5.36%
Barco NV	2,826,443	3.04%
Total	**92,916,645**	**100%**

17. Non-controlling interest

The below table represents the proportion of equity interest held by non-controlling interests:

Name	Country of incorporation and operation	2023	2022	2021
Cinionic Ltd.	Hong Kong	20%	20%	45%
Cinionic bv	Belgium	0%	20%	45%
Cinionic Inc.	United States	0%	20%	45%
Barco Cine Appo Mexico, S.A. de C.V.	Mexico	0%	20%	45%
Cinionic Pty. Ltd.	Australia	0%	20%	45%
Dermicus AB	Sweden	30%	30%	
Barco Solutions BV	Belgium	30%	30%	
Gnosco Dermicus LTD	United Kingdom	30%	30%	

Overview of the equity attributable to non-controlling interest:

In thousands of euro	2023	2022	2021
Cinionic Ltd.	18,249	20,345	41,031
Dermicus AB	-2,288	-554	
Total equity attributable to non-controlling interest	**15,961**	**19,792**	**41,031**

Upon the start of Cinionic, three minority shareholders have contributed in the capital of Cinionic Ltd, totaling 45% of total contributions of USD 100 million. These capital contributions all gave right to 45% in the Cinionic legal entities' equity and result. In 2022 Barco agreed to buy the stakes held by the minority shareholders Appotronics and CITICPE in Cinionic, increasing Barco's ownership interest in the joint venture to 80%. The 20% stake was shown as non-controlling interest.

As announced on 22 November 2023, Barco reached an agreement with China Film Equipment co., Ltd to fully acquire Cinionic's premium Cinema solutions business, increasing Barco's ownership interest in the joint venture from 80% to 100%. The change in ownership to 100% of all Cinionic legal entities, except for the holding entity Cinionic Ltd. (Hong Kong), is reflected as of 1 November 2023. Cinionic Ltd. remains 80% owned by Barco until the completion of a selective capital decrease to Barco, which will result in the full ownership of the Cinionic Ltd legal entity and remaining cash of approximately 18 million euro by the minority shareholder China Film Group, as reflected in the non-controlling interest in the consolidated statement of changes in equity per end of 2023. The, by the shareholders agreed, selective capital decrease is expected to be completed by the end of the first quarter of 2024.

The change in ownership from 80 to 100% had an impact of 2.7 million euro and has been reflected in OCI per 31 December 2023, as there is no change in control.

The financials of Cinionic are fully consolidated in the Entertainment results in 2021 - 2023.

In order to advance its growth initiative Demetra, Barco signed a joint venture agreement with the Swedish company Gnosco AB on July 1st, 2022. Barco acquired 70% of the shares in Gnosco AB. As the effective control is transferred on 1 July 2022, the Gnosco figures are taken up in the figures of the Barco Group from 1 July, 2022 onwards.

Below is the consolidated balance sheet of the Cinionic legal entities as at 31 December 2023, 2022 and 2021:

Assets and Liabilities Cinionic JV

In thousands of euro	2023	2022	2021
Total non-current assets	-	11,081	6,788
Cash	59,520	84,610	86,429
Other current assets	31,798	49,638	28,378
Total current assets	91,318	134,248	114,807
Total assets	**91,318**	**145,329**	**121,595**
Equity attributable to equityholders of the parent	72,995	81,381	50,149
Equity attributable to non-controlling interest	18,249	20,345	41,031
Total equity	**91,244**	**101,726**	**91,181**
Total non-current liabilities	-	29,645	28,512
Total current liabilities	74	40,024	26,724
Total liabilities	**91,318**	**171,395**	**146,416**

Per end of 2023 the consolidated balance sheet of the Cinionic joint venture reflects the Cinionic Ltd assets, composing of 60 million euro cash and 32 million euro intercompany receivable on Barco NV, linked to the transfer of 100% of the shares of Cinionic BV and Cinionic Inc to Barco NV, which will be settled upon the selective capital decrease of 73 million euro to Barco. The remaining 18 million euro cash is reflected in the equity attributable to non-controlling interest, as will be fully owned by the remaining shareholder China Film Group, after the selective capital decrease.

Until end 2022 the Cinionic JV included the assets and liabilities of the following legal entities: Cinionic Limited, Cinionic bv, Barco CineAppo Mexico, S.A. de C.V., Cinionic Inc. and Cinionic Pty. Ltd. See note 1.1.

Below is the consolidated balance sheet of the Dermicus legal entities as at 31 December 2023 and 2022:

Assets and Liabilities Dermicus JV

In thousands of euro	2023	2022
Total non-current assets	3,452	7,446
Total current assets	998	1,218
Total assets	**4,450**	**8,664**
Equity attributable to equityholders of the parent	246	2,791
Equity attributable to non-controlling interest	-2,288	-554
Total equity	**-2,042**	**2,237**
Total non-current liabilities	2,154	3,246
Total current liabilities	1,289	1,632
Total liabilities	**1,400**	**7,115**

We refer to note 1.1 for more details on the Dermicus legal entities: Dermicus AB, Barco Solutions BV, Gnosco Dermicus Ltd. The name of the legal entity Gnosco AB changed to Dermicus AB during 2023.

Overview of the net income attributable to non-controlling interest:

In thousands of euro	% non-controlling	2023	% non-controlling	2022	% non-controlling	2021
Cinionic Ltd.		2,133		374		-208
Cinionic bv*		10,564		6,628		2,559
Cinionic Inc.*		857		1,072		-754
Barco Cine Appo Mexico, S.A. de C.V.*		376		-2,343		238
Cinionic Pty. Ltd.*		-26		146		116
Barco Solutions BV		-1,401		-688		
Dermicus AB		-4,293		-976		
Gnosco Dermicus Ltd.		7		2		
Net income		**8,217**		**4,215**		**1,951**
Cinionic Ltd.	20%	427	20%	75	45%	-93
Cinionic bv*	20%	2,112	20%	1,326	45%	1,151
Cinionic Inc.*	20%	171	20%	214	45%	-339
Barco Cine Appo Mexico, S.A. de C.V.*	20%	75	20%	-469	45%	107
Cinionic Pty. Ltd.*	20%	-5	20%	29	45%	52
Barco Solutions BV	30%	-420	30%	-206	-	-
Dermicus AB	30%	-1,288	30%	-293	-	-
Gnosco Dermicus Ltd.	30%	2	30%	1	-	-
Net income attributable to non-controlling interest		**1,074**		**677**		**878**

(*) 20% non-controlling interest included until October 31st, 2023.

Other comprehensive income/(loss) for the period, net of tax effect, part attributable to non-controlling interest amounts to -0.4 million euro in 2023, 2.5 million euro in 2022 and 2.4 million euro in 2021.

Total comprehensive income for the year, net of tax, part attributable to non-controlling interest amounts to 0.7 million euro in 2023, 3.2 million euro in 2022 and 3.2 million euro in 2021.

18. Trade payables and advances received from customers

In thousands of euro		2023	2022	2021
Trade payables	(a)	89,350	121,920	113,979
Days payable outstanding (DPO)		50	68	80
Advances received from customers		40,613	51,183	54,105

(a) The decrease in trade payables in 2023 is the result of significant slowdown of the raw material purchases throughout the year, in order to reduce inventory levels. The increase in trade payables in 2022 and 2021 was the result of higher raw material purchases (increase in volume, component prices and transport charges). In 2022 higher purchases were caused by higher sales in the 4th quarter (+29% year-over-year). Payment terms with suppliers were not extended and there has been no change in payment behavior towards suppliers.

19. Provisions

In thousands of euro	Balance sheet 2023	Additional provisions made	Amounts used	Unused amounts reversed	Transfers	Remeasurement gains/(losses) on DBO	Translation (losses) / gains	Balance sheet 2022	Balance sheet 2021
Total long-term provision	**15,131**	**2,886**	**-1,899**	**-**	**818**	**-1,297**	**-376**	**14,998**	**31,175**
Defined benefit obligations (b)	4,870	1,650	-233	-	-	-1,297	-140	4,891	22,826
Technical warranty (a)	9,677	686	-1,666	-	818	-	-248	10,087	8,332
Other claims and risks (d)	583	550	-	-	-	-	12	20	18
Total short-term provision	**10,284**	**12,241**	**-8,761**	**-1,585**	**-818**	**-**	**-119**	**9,325**	**8,537**
Technical warranty (a)	3,951	102	-59	-	-818	-	-90	4,816	3,807
Restructuring provision (c)	4,399	9,500	-6,849	-	-	-	-	1,748	458
Other claims and risks (d)	1,934	2,639	-1,853	-1,585	-	-	-29	2,761	4,272
Provisions	**25,415**	**15,128**	**-10,660**	**-1,585**	**-**	**-1,297**	**-494**	**24,323**	**39,712**

(a) Technical warranty

Provisions for technical warranty are based on historical data of the cost incurred for repairs and replacements. There are three different technical warranty provisions: provisions related to 'standard' (mostly 2 years) warranty period, provisions related to extended warranty periods and provisions for specific claims/ issues.

(b) Defined benefit obligations

As per 31 December 2023, 2022 and 2021, the defined benefit obligations are composed of:

In thousands of euro	2023	2022	2021
Pension plans in Belgium	793	732	17,835
Early retirement plans in Belgium	71	104	155
Local legal requirements (mainly Italy, Korea, Japan, Germany, France)	3,735	3,762	4,590
A small number of individual plans	270	293	246
Total	**4,870**	**4,891**	**22,826**

Belgian regulations require that the minimum guaranteed rate of return on employer and participant contributions amounting to 1.75%, is annually recalculated based on a risk-free rate of 10-year government bonds. According to IAS19, Belgian defined contribution plans that guarantee a specified return on contributions classify as defined benefit plans, as the employer is not responsible for the contribution payments but has to cover the investment risk until the legal minimum rates applicable. The returns guaranteed by the insurance companies are in most cases lower than or equal to the minimum return guaranteed by law. As a result, the Group has not fully hedged its return risk through an insurance contract and a provision needs to be accounted for. The plans at Barco are financed through group insurance contracts. The contracts are benefiting from a contractual interest rate granted by the insurance company. When there is underfunding, this will be covered by the financing fund and in case this is insufficient, additional employer contributions will be requested.

IAS 19 requires an entity to recognize a liability when an employee has provided service in exchange for employee benefits to be paid in the future. Therefore, pension provisions are setup. The obligations are measured on a discounted basis because they are settled many years after the employees render the related service. A qualified actuary has determined the present value of the defined benefit obligations and the fair value of the plan assets. These assets are held by an insurance company. The projected unit credit method was used to estimate the defined benefit obligations, the defined benefit cost and the re-measurements of the net liability.

There are 15 defined benefit plans in Barco Belgium and 4 defined benefit plans in Cinionic Belgium, for which we show below the aggregated view as these do not differ materially from characteristics, regulatory environment, reporting segment or funding arrangement. In accordance with IAS 19 the disclosure is in the form of a weighted average.

2023, 2022 and 2021 changes in the Belgian defined benefit obligation and fair value of plan assets:

	2023			2022			2021		
In thousands of euro	Defined benefit obligation	Fair value of plan assets	Net defined benefit liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit liability
Pension cost charged to P/L									
On 1 January	116,560	-115,828	732	130,214	-112,378	17,835	134,340	-108,150	26,190
Service cost	5,844		5,844	5,575		5,575	5,639		5,639
Net interest expense	4,253	-4,401	-149	987	-862	126	388	-310	78
Decrease due to curtailement			-			-			-
Sub-total included in profit or loss	**10,096**	**-4,401**	**5,695**	**6,562**	**-862**	**5,701**	**6,026**	**-310**	**5,716**
Benefits paid	-4,020	4,020	-	-3,030	3,030	-	-2,383	2,383	-
Remeasurement gains/losses in OCI									
Increase due to effect of transfers	-270	270	-			-			-
Increase due to the effect plan combinations	206	-206							
Return on plan assets (excluding amounts included in net interest expense)		1,155	1,155		-1,210	-1,210		-2,231	-2,231
Actuarial changes arising from changes in demographic assumptions			-			-			-
Actuarial changes arising from changes in financial assumptions	-319		-319	-16,172		-16,172	-5,679		-5,679
Actuarial changes arising from changes in methodology	-7,188	7,238	50			-			-
Actuarial changes arising from experience adjustments	410		410	-1,014		-1,014	-2,091		-2,091
Sub-total included in OCI	**-7,160**	**8,457**	**1,297**	**-17,186**	**-1,210**	**-18,395**	**-7,769**	**-2,231**	**-10,000**
Contributions by employer		-6,931	-6,931		-4,409	-4,409		-4,070	-4,070
On 31 December	**115,476**	**-114,683**	**793**	**116,560**	**-115,828**	**732**	**130,214**	**-112,378**	**17,835**

For the closed plans with a plan asset value below 0.5 million euro, a confirmation and full recalculation of the plan assets will be done if there are still active members every 6 years. These plans will be revalued in 2028.
For the closed plans with a plan asset value above 0.5 million euro, but with no active members and for the closed plans above 0.5 million euro and with active members, a confirmation and full recalculation of the plan assets will be done, if there are still active members, every 3 years. These plans will be revalued in 2025.
This change in methodology is reflected in the line 'actual changes arising from changes in methodology'.

In 2023 the net defined benefit liability was in line with 2022, amounting to 0.8 million euro. A positive P&L impact of 1.3 million euro was recorded as the higher discount rate on the employer contributions reduces the service cost, offset by -1.2 million euro recorded via other comprehensive income for change in parameters (merit/inflation, discount rate).

The 17 million euro decrease in net defined benefit liability in 2022 versus 2021 is mainly recorded via other comprehensive income as caused by change in parameters (see below table): increased discount rate (3.7% vs 0.8%) and higher assumed merit and inflation in 2022 and 2023.

The fair value of the plan assets (115.5 million euro) are fully invested in insurance policies. In 2023, the target asset mix slightly changed compared to 2022 and consists of 66.50% government bonds (2022: 67.50%), 12% real estate (2022: 14%), 7.5% corporate bonds (2022: 7.50%), 7% corporate loans (2022: 6%) and 7% shares (2022: 5%).

The principal assumptions used in determining pension obligations for the Group's plans are shown below:

	2023	2022	2021
Discount rate	4.11%	3.73%	0.77%
Future salary increases*	6.55%	8.81%	2.43%
Future consumer price index increases**	6.05%	8.14%	1.75%

(*) 6.55% in 2023-2024; 2.5% from 2025
(**) 6.05% in 2023-2024; 2.0% from 2025

The following overview summarizes the sensitivity analysis performed for significant assumptions as at 31 December. The figures show the impact on the defined benefit obligation.

In thousands of euro	2023	2022	2021
Discount rate			
0.25% decrease	284	331	2,834
0.25% increase	-198	-265	-4,305
Future salary change			
0.25% decrease	-134	-143	-1,036
0.25% increase	176	112	1,093
Future consumer price index change			
0.25% decrease	-81	-88	-609
0.25% increase	96	106	615

The sensitivity analyses above have been determined based on a method that extrapolates the impact on the defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analyses are based on a change in a significant assumption, keeping all other assumptions constant. These may not be representative for an actual change in the defined benefit obligation, as it is unlikely that changes in assumptions would occur in isolation of one another.

The following payments are the expected benefit payments from the plan assets:

In thousands of euro	2023	2022	2021
Within the next 12 months	5,853	4,750	3,724
Between 2 and 5 years	31,263	33,002	24,696
Between 5 and 10 years	38,968	40,332	41,648
Total expected payments	**76,084**	**78,084**	**70,068**

The average duration of the defined benefit plan obligation at the end of the reporting period is 10.1 years (11.3 years in 2022 and 12.3 years in 2021). The expected employer contributions to the plan for the next annual reporting period amounts to 5.9 million euro (9 million euro in 2023 and 3.9 million euro in 2022); the employee contributions are expected to amount to 1.3 million euro (1.2 million euro in 2023 and 1.1 million euro in 2022).

Early retirement plans are recognized as liability and expensed when the company is committed to terminate the employment of the employees affected before the normal retirement date.

In Belgium, a multi-employer plan exists for some blue collars where payments go into a sectoral fund. As Barco does not have access to information about the plan that satisfies the requirements of the standard, the plan is further classified as a defined contribution plan and expensed as incurred.

(c) Restructuring provision

See note 5 Restructuring and impairments. We refer to the accounting standards on provisions including provisions on restructuring.

(d) Other claims and risks

This provision relates to disputes with suppliers, pending litigations and specific customer warranty disputes. Barco cannot provide details on the specific cases, as this could cause considerable harm to Barco in the particular disputes.

With respect to the contingent liabilities related to former acquisitions, there is one earn-out capped at 15 million euro linked to the retention of the former shareholders and future results for which the future results could not be reliably estimated at acquisition. The earn-outs will flow through profit and loss at moment of payment over the earn-out period, which ends May 25, 2026. Per end 2023, no payments occurred under this earn-out.

20. Risk management - derivative financial instruments

General risk factors are described in the director's report "Risk Factors".

Derivative financial instruments are used to reduce the exposure to fluctuations in foreign exchange rates and interest rates. These instruments are subject to the risk of market rates changing subsequent to acquisition. These changes are generally offset by opposite effects on the item being hedged.

Foreign currency risk

Recognized assets and liabilities

Barco incurs foreign currency risk on recognized assets and liabilities when they are denominated in a currency other than the company's local currency. Such risks may be naturally covered when a monetary item at the asset side (such as a trade receivable or cash deposit) in a given currency is matched with a monetary item at the liability side (such as a trade payable or loan) in the same currency.

Forward exchange contracts and selectively option contracts are used to manage the currency risk arising from recognized receivables and payables, which are not naturally hedged.

The balances on foreign currency monetary items are valued at the rates of exchange prevailing at the end of the accounting period. Derivative financial instruments that are used to reduce the exposure of these balances are rated in the balance sheet at fair value. Both changes in foreign currency balances and in fair value of derivative financial instruments are recognized in the income statement.

Forecasted transactions

Barco selectively designates forward contracts to forecasted sales. Hedge accounting is applied to these contracts. The portion of the gain or loss on the hedging instrument that will be determined as an effective hedge is recognized directly in comprehensive income. At 31 December 2023, there were no forward contracts outstanding under hedge accounting treatment.

Estimated sensitivity to currency fluctuations

Sensitivity to currency fluctuations is mainly related to the evolution of a portfolio of foreign currencies (mainly USD and CNY) versus the euro. This sensitivity is caused by the following factors:

- The fair value of foreign currency monetary items is impacted by currency fluctuations. In order to eliminate most of these effects in foreign currencies, Barco uses monetary items and/or derivative financial instruments as described above, which are meant to offset the impact of such results to a major extent.
- As the company has no cash flow hedges in place that aim at hedging forecasted transactions, a similar fluctuation in foreign currencies would not have any effect on the equity position of Barco.
- Profit margins may be negatively affected because an important part of sales are realized in foreign currencies, while costs are incurred in a smaller part in these currencies. Barco has done great efforts throughout the years to increase its natural hedging ratio in USD (being its main foreign currency in terms of sales) by increasing its operational costs and by purchasing more components in this currency. Impact on adjusted EBIT is currently estimated at 1 million euro when the weighted average rate of a foreign currency basket, that has an overall overweight of USD & CNY, changes by 10% versus the euro in a year. The overall natural hedge ratio of foreign currencies reached a level of 81.7% in 2023 (2022: 71%).
- Another impact is the fact that some of Barco's main competitors are USD-based. Whenever the USD decreases in value against the euro, these competitors have a worldwide competitive advantage over Barco. This impact on operating result cannot be measured reliably.

Interest rate risk

Barco uses following hedging instruments to manage its interest rate risk:

Swap on outstanding or anticipated borrowing

Barco concluded a series of interest rate swaps with an outstanding notional amount of 7 million euro by means of a partial hedge for the bilateral real estate leasing (currently outstanding at 14.0 million euro) for the financing of Barco's HQ campus starting in 2016. This instrument swaps the variable interest rate into a fixed 1.76%. These swaps are determined as an effective hedge of outstanding or anticipated borrowings and meet the hedging requirements of IAS 39. The fair values of the effective portion of the hedging instrument are therefore recognized directly in comprehensive income under hedge accounting treatment.

Estimated sensitivity to interest rate fluctuations

Financial markets have shown a significant increase in both long-term and short-term interest rates following multiple policy rate increases concluded by most central banks in their attempt to slowdown economy and inflation rates. Management closely monitors the economic and financial outlook and does not expect the interest rates to further increase in the near foreseeable future, which limits additional interest exposure on the short-term debt portfolio.

With reference to the fair values table below, approximately 70% of Barco's outstanding long-term debt portfolio has a fixed interest rate character, which again limits the exposure of the company to interest rate fluctuations. This ratio increases to 84% when including the swap instruments disclosed above.

Credit risk

Credit risk on accounts receivable

Credit evaluations are performed on all customers requiring credit over a certain amount. The credit risk is monitored on a continuous basis. In a number of cases collateral is being requested before a credit risk is accepted. Specific trade finance instruments such as letters of credit and bills of exchange are regularly used in order to minimize the credit risk.

In 2023, Barco continued to conclude credit insurances in order to cover credit risks on specific customers or large contracts on a case by case basis.

Credit risk on liquid securities and short-term investments

A policy defining acceptable counter parties and the maximum risk per counter party is in place. Short-term investments are made in marketable securities, cash holdings or in fixed term deposits with reputable banks.

Fair values

Set out on the right is an overview of the carrying amounts of the Group's financial instruments that are shown in the financial statements. In general, the carrying amounts are assumed to be a close approximation of the fair value.

	2023	2022	2021
In thousands of euro	Carrying amount / Fair value (approx.)		
Financial assets			
Investments at fair value through equity	41,695	37,337	46,680
Trade receivables	208,567	194,643	156,977
Other receivables	14,458	14,509	16,211
Loan and other receivables	10,137	11,971	15,152
Interest receivable	-	1	4
Currency rate swap	4,185	2,187	1,055
Interest rate swap	136	350	-
Other non-current assets	4,335	5,819	6,849
Short term investments	4,670	1,651	2,763
Cash and cash equivalents	286,077	305,915	351,571
Total	**559,802**	**559,874**	**581,051**
Financial liabilities			
Financial debts	14,000	16,000	18,000
Floating rate borrowings	7,013	8,288	9,563
Fixed rate borrowings	6,988	7,713	8,438
Other long-term liabilities	54,374	44,524	48,860
Short-term debts	5,095	-	-
Trade payables	89,350	121,920	113,979
Other current liabilities	7,034	5,412	5,036
Other short term amounts payable	1,293	750	1,206
Dividends payable	2,289	2,289	2,289
Currency rate swap	3,452	2,373	859
Interest rate swap	-	-	682
Total	**169,853**	**187,856**	**185,875**

The fair value of the financial assets and liabilities is defined as the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

- Cash and cash equivalents and short-term investments, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Investments are measured at market price. For investments that are publicly quoted in an active market, the quoted market price is the best measure of the fair value. The remeasurement at fair value per 31 December 2023 versus the carrying amount is reflected in other comprehensive income.
- Long term fixed rate and variable rate other assets are evaluated by the Group based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are made to account for the expected losses of these receivables. As at 31 December 2023, the carrying amounts of such receivables, net of allowances, are assumed not to be materially different from their calculated fair values.
- The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under finance leases as well as other non-current financial liabilities is estimated by discounting future cash flows using the effective interest rates currently available for debt on similar terms, credit risk and remaining maturities. As of 31 December 2023, the effective interest rate is not materially different from the nominal interest rate of the financial obligation.
- The Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Derivatives valued using valuation techniques with market observable inputs are mainly interest rate (cap/floor) swaps and foreign exchange forward contracts. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including foreign exchange spot and forward rates and interest rate curves.

Fair value hierarchy

As at 31 December 2023, the Group held the following financial instruments measured at fair value:

In thousands of euro	2023	2022	2021
Assets measured at fair value			
Financial assets at fair value through profit or loss			
Foreign exchange contracts - non-hedged	4,185	2,187	1,055
Financial assets at fair value through equity			
Investments	41,695	37,337	46,680
Interest rate swap	136	350	-
Liabilities measured at fair value			
Financial liabilities at fair value through profit or loss			
Foreign exchange contracts - non-hedged	3,452	2,373	859
Financial liabilities at fair value through equity			
Interest rate swap	-	-	682

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly;
Level 3: techniques that use inputs having a significant effect on the recorded fair value that are not based on observable market data.

All fair values mentioned in the above table relate to Level 2, except for the investments which were based on level 1 input.

The liabilities associated with puttable non-controlling interests are in the IFRS fair value hierarchy level 3, i.e. one or more significant inputs are not based on observable market data (see note 15).

During the reporting period ending 31 December 2023, there were no transfers between Level 1 and Level 2 fair value measurements.

Capital Management

Management evaluates its capital needs based on following data:

In thousands of euro	Note	2023	2022	2021
Net financial cash / (debt)	14	241,147	264,014	309,750
Equity		811,295	778,981	734,814
% Net financial cash (debt) / Equity		29.7%	33.9%	42.2%

In thousands of euro	2023	2022	2021
Equity	811,295	778,981	734,814
Total equity and liabilities	1,159,415	1,147,405	1,104,249
% Equity / Total equity and liabilities	70.0%	67.9%	66.5%

In 2023, the net cash position ended at a level of 241 million euro compared to 264 million euro as per end of 2022. We refer to note 14 for the details on the movement.

The solvency position and other current ratios continue to consolidate at very healthy levels. Together with the existing committed credit facilities, management considers that it has secured a healthy liquidity profile and strong capital base for the further development of the group.

Changes in liabilities arising from financing activities

In thousands of euro	1 January 2023	Cash flows	Non-cash changes: IFRS 16 movements	Non-cash changes: Foreign exchange movement	31 December 2023
Long-term debts					
Long-term liabilities	14,000	-2,000		-	12,000
Long-term lease liabilities	18,335	-11,831	14,226	-514	20,217
Short-term debts					
Short-term liabilities	2,000	7,717		-2,622	7,095
Short-term lease liabilities	9,217	1,070			10,288
Total liabilities from financing activities	43,552	-5,043	14,226	-3,136	49,599

The long-term liabilities and lease liabilities are together the long-term debts as shown in the balance sheet. The short-term liabilities are the total of current portion of long-term debts and short-term debts, as shown in the balance sheet.
The non-cash changes include impacts from fluctuations in the translation of foreign operations balances, including inter-company borrowings of which the balances are eliminated at Group level.

21. Rights and commitments not reflected in the balance sheet

In thousands of euro	Note	2023	2022	2021
Guarantees given to third parties	(a)	3,926	3,594	3,474
Mortgage obligations given as security	(b)	30,000	30,000	30,000
Book value of the relevant assets		25,950	29,539	33,029

(a) Guarantees given to third parties mainly relate to guarantees given to customers for ongoing projects, guarantees given to suppliers for investment projects and to authorities for commitments related to VAT, duties, etc.

(b) The total mortgage includes three loans of 10 million euro each to fund the headquarter campus. The decrease in net book value since 2021 is due to depreciation.

22. Related party transactions

During the ordinary course of their business conduct Barco affiliates will also enter into related party transactions. This includes both service transactions and financing arrangements. Related party transactions are generally undertaken on an at arm's length basis based on Barco's worldwide transfer pricing policies. Where appropriate, the arm's length nature of transactions is tested against benchmarking searches and the results thereof are shared with tax authorities worldwide in line with local transfer pricing requirements and regulations.

Barco commits not to use tax structures without economic substance or make use of jurisdictions for the sole purpose of tax avoidance. Barco NV, as the ultimate parent entity of the Barco group, submits the transfer pricing Country-by-Country (CbC) report in Belgium, thereby disclosing taxes paid worldwide on a jurisdictional level to the Belgian tax authorities on an annual basis. Following the implementation of the CbC reporting in Belgian legislation, submitted CbC reports will be shared by the Belgian tax authorities with tax authorities worldwide.

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated in the consolidation and are accordingly not disclosed in this note. None of the related parties have entered into any other transactions with the Group that meet the requirements of IAS 24, 'Related party disclosures'. We refer to note 1 Consolidated companies for an overview of the consolidated and equity accounted companies.

We refer to the 'Corporate Governance Chapter' for information with respect to remuneration of directors and members of the core leadership team.

At the annual shareholders meeting of 29 April 2021, PWC Bedrijfsrevisoren bv, Culliganlaan 5, 1830 Diegem, was appointed as statutory auditor of the company for a period of three years. In 2023, remuneration approved by the Audit Committee to the statutory auditor for auditing activities amounted to 294.124 euro. Remuneration paid to the statutory auditor for special assignments was 59.165 euro.

23. Cash flow statement: effect of acquisitions and disposals

The following table shows the effect of acquisitions and disposals on the balance sheet movement of the Group.

In thousands of euro	Aquisitions 2022
Net-identifiable assets and liabilities	**-1,796**
Know-how on acquisitions	**7,607**
Put option non-controlling interest	**-2,049**
Acquired/(sold) cash	237
Purchase price	**4,000**

The acquisition in 2022 relates to a joint venture agreement with the Swedish company Gnosco AB. We refer to note 1.3 on acquisitions and divestments and to the Cash flow statement.

There were no acquisitions and disposals in 2023 and 2021.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are carried in terms of historical cost using the exchange rate at the date of the acquisition.

24. Events subsequent to the balance sheet date

There are no major events subsequent to the balance sheet date which have a major impact on the further evolution of the company.

A notable subsequent event is the closure of the Changping production site in China, announced in January 2024, whereby the activities will be moved to the new factory in Wuxi with a lay-off cost of 1.5 million euro in 2024.

Supplementary statements

Free Cash Flow

In thousands of euro	2023	2022	2021
Adjusted EBIT	**102,106**	**90,143**	**19,373**
Restructuring	-6,849	-1,211	-8,204
Depreciations of tangible and intangible fixed assets	40,390	36,331	39,136
Gain/(Loss) on tangible fixed assets	119	-1,621	196
Share in the profit/(loss) of joint ventures and associates	2,539	3,337	48
Gross operating Free Cash Flow	**138,305**	**126,979**	**50,549**
Changes in trade receivables	-18,320	-35,615	-4,918
Changes in inventory	9,579	-70,161	4,432
Changes in trade payables	-30,306	7,425	42,825
Other changes in net working capital	1,551	2,823	13,195
Change in net working capital	**-37,496**	**-95,528**	**55,534**
Net operating Free Cash Flow	**100,809**	**31,451**	**106,083**
Interest received	6,514	2,773	713
Interest paid	-1,830	-1,930	-1,823
Income taxes	-13,343	-6,042	-8,386
Free Cash flow from operating activities	**92,150**	**26,252**	**96,587**
Purchases of tangible & intangible FA	-54,408	-21,218	-18,787
Proceeds on disposals of tangible & intangible fixed assets	209	8,038	183
Free Cash flow from investing activities	**-54,199**	**-13,180**	**-18,604**
FREE CASH FLOW	**37,951**	**13,072**	**77,983**

In 2023 the Company generated 38 million euro positive free cash flow, up from 13.1 million euro last year. The net operating cash flow realized reached 101 million euro versus 31.5 million euro in 2022. The higher gross operating cash flow was reduced by higher trade receivables, linked to high sales at the end of the year and lower trade payables, as a result of a break on purchases in order to reduce inventory. Inventories were build up in 2022, as a response to component shortages, supply chain challenges and inflation.

Capital expenditure more than doubled to 54.4 million euro, linked to investments in the new factories in China and in financing Cinema-as-a-Service business model.

At the end of December 2023, Barco's net cash position reaches 241.1 million euro, compared to 264 million euro last year (2021: 309.8 million euro). The decrease versus last year is attributable to dividend payments, the share buyback program and negative currency translation impacts, partially offset by the cash in from the free cash flow and the sale of minority investments.

We refer to note 14, note 16 and note 11 for more explanation.

Balance Sheet

Net working capital amounted to 16.6% of sales, up from 14.3% of sales in 2022. Higher trade receivables contributed to the increase in working capital, mainly due to strong year-end sales, for which cash will be collected in 2024. Inventory remained at a high level throughout the year but started to decrease over the course of the second half of the year. Trade payables reduced year-over-year, in line with lower component purchases, in response to high inventories.

In 2022 the net working capital increased to 14.3% of sales compared to 5.8% in 2021.

The increase in working capital was mainly caused by an increase in inventory levels (see note 12).

Due to the component shortages, safety buffers were stocked for a number of scarce components. High sales in the last quarter helped to start reducing inventories, however inventory levels remained higher than usual at year end. In addition to the increase in inventory, higher trade receivables contributed to the increase in working capital, mainly due to very strong sales in December.

Return on Operating Capital Employed

In thousands of euro	Note	2023	2022	2021
Trade debtors		208,567	194,643	156,977
Inventory		231,521	245,714	175,496
Trade payables		-89,350	-121,920	-113,979
Other working capital		-175,905	-168,014	-171,695
Working capital		**174,832**	**150,423**	**46,799**
Other long term assets & liabilities		218,916	194,119	204,646
Operating capital employed		**393,749**	**344,543**	**251,445**
Goodwill		105,612	105,612	105,612
Operating capital employed (incl goodwill)		499,360	450,155	357,056
Adjusted EBIT		102,106	90,143	19,373
Adjusted ROCE after tax (%)	(a)	**17%**	**16%**	**4%**

(a) Tax rate used is the effective tax rate (18% for 2023-2021)

The return on capital employed increased to 17% in 2023 (2022: 16%, 2021: 4%), thanks to a stronger increase in operational result compared to the increase in capital employed.

Supplementary information

Barco NV

Summary version of statutory accounts Barco NV

The financial statements of the parent company, Barco NV, are presented below in a condensed form.

The accounting principles used for the statutory annual accounts of Barco NV differ from the accounting principles used for the consolidated annual accounts: the statutory annual accounts follow the Belgian legal requirements, while the consolidated annual accounts follow the International Financial Reporting Standards. Only the consolidated annual financial statements as set forth in the preceding pages present a true and fair view of the financial position and performance of the Barco Group.

The management report of the Board of Directors to the Annual General Meeting of Shareholders and the annual accounts of Barco NV, as well as the Auditor's Report, will be filed with the National Bank of Belgium within the statutory periods. These documents are available upon request from Barco's Investor Relations department, and at www.barco.com.

The statutory auditor's report is unqualified and certifies that the non-consolidated financial statements of Barco NV for the year ended 31 December 2023 gives a true and fair view of the financial position and results of the company in accordance with all legal and regulatory dispositions.

Balance sheet after appropriation

In thousands of euro	2023	2022	2021
Fixed assets	**375,398**	**345,576**	**351,619**
Intangible fixed assets	8,513	11,381	17,505
Tangible fixed assets	59,701	61,623	63,788
Financial fixed assets	307,185	272,572	270,326
Current assets	**393,260**	**340,521**	**273,469**
Inventory	137,441	156,492	103,283
Amounts receivable within one year	215,966	145,766	129,543
Investments (own shares)	32,434	25,623	31,615
Cash and cash equivalents	578	2,818	124
Deferred charges and accrued income	6,841	9,822	8,904
TOTAL ASSETS	**768,658**	**686,097**	**625,088**
Capital and reserves	**408,419**	**358,218**	**273,313**
Capital	56,753	56,753	56,297
Share premium account	173,360	173,360	159,186
Reserves	39,498	32,687	38,678
Accumulated profits	138,429	93,383	18,042
Investment grants	379	2,035	1,110
Provisions	**7,881**	**9,566**	**8,633**
Provisions for liabilities and charges	7,881	9,566	8,633
Creditors	**352,358**	**318,312**	**343,141**
Amounts payable after more than one year	12,000	14,000	16,000
Amounts payable within one year	340,358	304,312	327,141
TOTAL LIABILITIES	**768,658**	**686,097**	**625,088**

Intangible fixed assets relate mainly to the implementation cost of SAP ERP software. These SAP capital expenditures are amortized over 7 years. In 2023, amortizations are higher than new investments in software (1.3 million euro), which are mainly related to the implementation of a cloud-based IT platform automation solution, a supplier relationship management tool as well as smaller investments in IT security.

The main capital expenditures realized in 2023 relate to various machinery and tooling (6 million euro) linked to new product introduction projects and production line enhancements. Other capital expenditures (1.3 million euro) concern the rollout of electric charging stations for greening of Barco's corporate fleet as well as fixed demo infrastructure in our HQ offices. Decrease in tangible fixed assets is the result of higher depreciations compared to new investments done.

Financial fixed assets in 2023 increased by net 36.8 million euro of which 35.5 million euro is attributable to Barco NV acquiring 100% of the shares of Cinionic BV and Cinionic Inc from Cinionic Ltd (Hong Kong). Subsequently, Cinionic Inc was merged in Barco Inc, via a side-wise merger per 31 December 2023.

The yearly statutory impairment analysis resulted in an impairment on the participation in Barco Fredrikstad AS (Norway) for 1.9 million euro as well as the write-off on Barco Trading Shanghai (CN) which was liquidated in 2023.

Inventory levels in 2022 were at an all-time high following the global supply chain constraints causing mainly higher levels of raw materials (caused by so-called 'last time buys') with missing components resulting in lower inventory turnover of both work-in-progress and finished goods. End 2023, inventory decreased by almost 20 million euro compared to year-end 2022. The decrease is linked to lower raw materials (15 million euro) in Belgium in the Healthcare division following the focused factories strategy, in preparation of the move of the full production from Belgium to the sites in Italy and China, expected to be completed mid 2024. For more information on the focused factories, we refer to CORE report, Chapter 6 Innovation and Technology. For the same reason semi-finished goods and spare parts decreased with 6 million euro, along with a higher focus on sell-out of existing stock of finished goods.

Total amounts receivable within one year increased with around 70 million euro, a combination of higher external trade receivables and higher intercompany receivables.

Trade receivables are 33 million euro higher compared to 2022, linked to high sales at the end of the quarter. Consequently, days sales outstanding evolved from 44 days in 2022 to 69 days in 2023 (59.5 days in 2021). Similar increase is noted in intercompany receivables (31 million) at year-end coming from higher sale of goods to affiliates.

The investment in own shares increased as a result of the announced Share Buyback Program on 18 December 2023 to replenish its pool of shares for stock options. Barco mandated an independent broker with intention to purchase a maximum of two million (2,000,000) shares expected to be closed by latest April 24th, 2024. Per 31 December 2023, Barco acquired 491,000 own shares for a total amount of 8 million euro.

The increase in amounts payable within one year in 2023 is mainly attributable to the above mentioned intercompany payable to Cinionic Ltd (Hong Kong), related to the acquisition of 100% of the shares in Cinionic BV and Cinionic Inc. Further increases noted are linked to higher payroll liabilities (as a result of inflation) and current year income taxes.

Income statement

In thousands of euro	2023	2022	2021
Sales	**808,385**	**745,160**	**583,012**
Recurring operating income/(loss)	93,983	76,974	-4,097
Recurring financial result	9,721	46,201	19,388
Non-recurring financial result	-2,182	-11,024	3,966
Income taxes	-6,423	-2,960	-66
Profit/(loss) for the year	**95,099**	**109,191**	**19,191**

Barco NV sales grew by almost 65 million euro (+8.5% compared to 2022). Sales to customers were stable cross divisions year over year, whereas the sale of goods to group companies showed a strong increase in the Entertainment division.

Gross margin in 2023 further improved to 43.9% compared to 41% in 2022 and 40.3% in 2021. The higher topline at improved margins led to a 22.1% increase in operating income. Indirect costs increased mainly due to the higher payroll costs after salary indexation. Operating expenses relative to sales remained flat in 2023.

The recurring financial result of 9.7 million, in 2023, includes the intercompany dividends from Barco Systems Pty. Ltd. (AU), Barco Singapore Private Limited and Barco Gmbh (DE). 2022 included a dividend from Barco Coordination Center NV, together with other dividends. Next, interest expenses on the intercompany loan of Barco Coordination Center NV increased (4 million euro) as a result of higher interest rates, in line with market interest rate evolution.

The negative non-recurring financial result in 2023 is caused by an impairment on Barco Fredrikstad AS (Norway). In 2022 there was a negative non-recurring financial result following the reclassification of the impairment on caresyntax (8.9 million euro) to other investments, formerly included in intangibles.

The increase in income tax versus. 2022 mainly related to a higher taxable operational result, less tax exempted from dividend income.

As a result of the lower financial result in 2023, Barco NV realized a 14 million euro lower profit for the year (95.1 million euro) than in 2022. Compared to 2021, net profit is 76 million euro higher in 2023, as a result of the high recurring operating income compared to an operating loss in 2021.

Proposed appropriation of Barco NV result

In thousands of euro	2023	2022	2021
Profit/(loss) for the year for appropriation	95,099	109,191	19,191
Profit brought forward	93,383	18,002	38,978
Profit to be appropriated	**188,482**	**127,193**	**58,169**
Transfer from other reserves	6,811	-5,992	4,472
Profit to be carried forward	138,429	93,383	18,042
Gross dividends	43,243	39,802	35,655
Total	**188,483**	**127,193**	**58,169**

The board of directors of Barco NV will propose to the General Assembly to distribute a gross dividend of 0.48 euro per share relating to the result as of 31 December 2023.

Events subsequent to the balance sheet date

Subsequent to year-end on 15 January 2024, Cinionic BV and Barco NV are merged, with accounting retroactivity from January 1st, 2024.

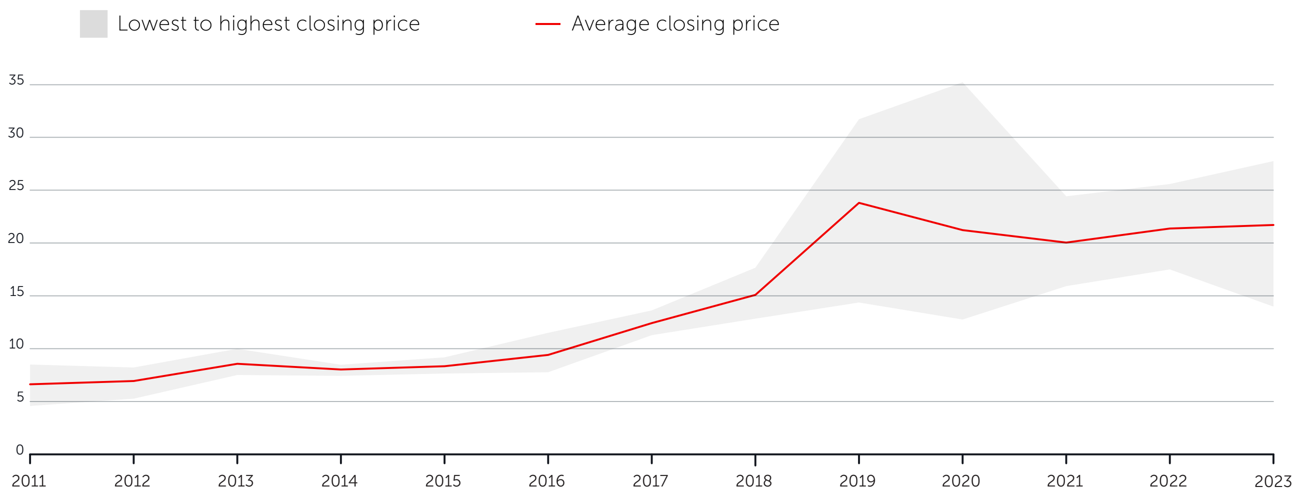
Information about the share

Key figures for the shareholder

Number of shares (in thousands):		92,917	92,917	92,170
Per share (in euro)		**2023**	**2022**	**2021**
EPS		0.89	0.84	0.10
Diluted EPS		0.88	0.83	0.10
Gross dividend		0.48	0.44	0.400
Net dividend		0.34	0.31	0.28
Return on Equity (ROE)		10.0%	9.7%	1.3%
Gross dividend yield	(a)	2.9%	1.9%	2.1%
Yearly return	(b)	-26.4%	22.5%	9.6%
Pay-out ratio	(c)	55.60%	54.4%	415.1%
Price/earnings ratio	(d)	18.7	27.6	191.9

(a) Gross dividend / share price at year-end closing date
(b) Increase or decrease share price + gross dividend paid out in the year, divided by closing share price of previous year
(c) Gross dividend number of shares on 31 December / net income attributable to the equity holder of the parent
(d) Share price 31 December / earnings per share

Share price performance*



Share price*

Per share (in euro)	2023	2022	2021	2020	2019
Average closing price	21.73	21.37	20.04	21.22	23.80
Highest closing price	27.78	25.58	24.42	35.21	31.71
Lowest closing price	14.00	17.50	15.92	12.76	14.37
Closing price 31 December	16.55	23.08	19.16	17.82	31.29
Daily average number of shares traded per month**	**398,168**	**373,343**	**495,007**	**279,797**	**165,784**
Stock market capitalization on 31 December (in millions)	**1,537.77**	**2,144.52**	**1,765.98**	**1,630.31**	**2,862.09**

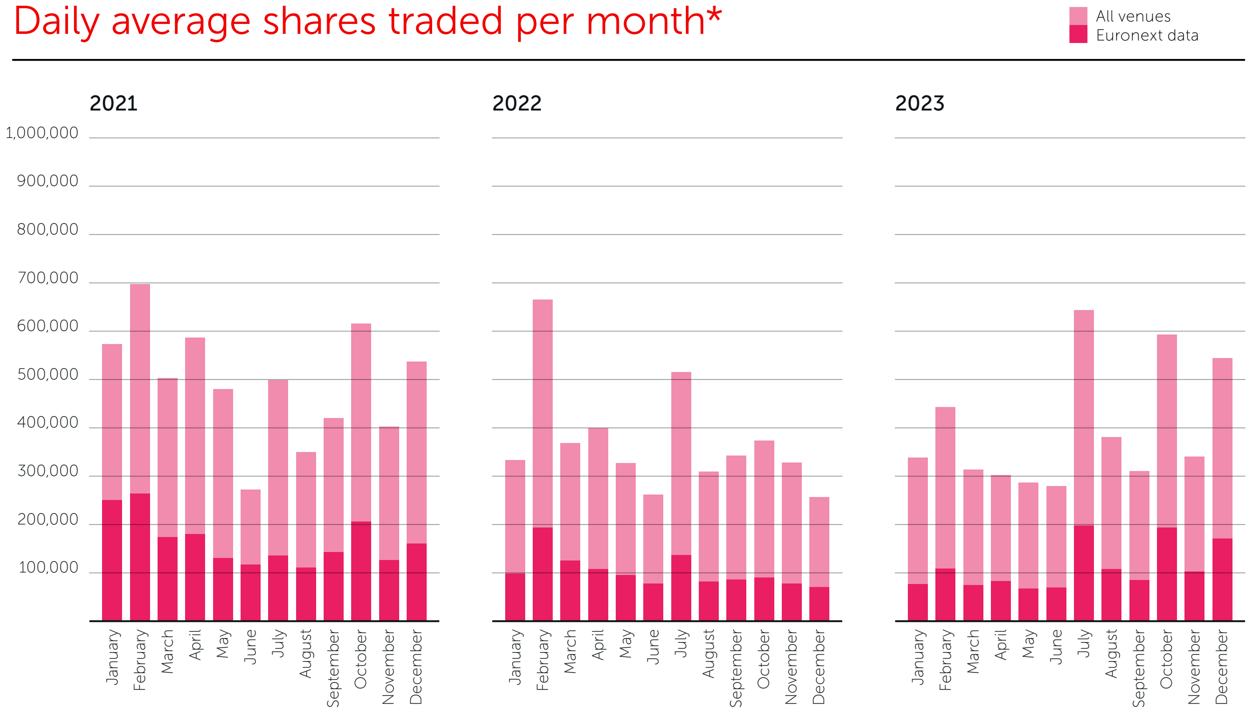
* Values for 2011-2019 restated following to the 7:1 share split; see press release
** The daily average number of shares traded per month for the period 2021-2023 is taking into account the trades on All Venues: Euronext as well as registered trades on alternative platforms such as Lit-venues, the Systematic internalisers and dark venues (LIT+Auction+Dark+OTC+SI).
Source: Refinitiv Market Share Reporter and Euronext' customer portal "Connect".
Values for the periods 2019-2020 are based on Euronext' customer portal "Connect" only.

Liquidity*

Source	Source	2023	2022	2021
Total yearly volume (shares)	Euronext	28,301,284	26,486,626	42,646,488
	Lit venues	43,764,378	45,549,874	48,913,548
	All venues	101,125,065	95,232,679	86,712,750
Daily average number of shares traded per month	Euronext	111,617	103,737	166,823
	Lit venues	172,583	178,660	191,214
	All venues	398,168	373,343	495,007
Total yearly volumes (turnover) in million euro	Euronext	580.47	563.11	837.86
	Lit venues	903.18	971.24	958.21
	All venues	2,115.63	2,036.62	2,501.13
Velocity	Euronext	29.21%	27.27%	44.98%

* The numbers referenced here take into account the trades on All Venues: Euronext as well as registered trades on alternative platforms such as Lit-venues, the Systematic internalisers and dark venues (LIT+Auction+Dark+OTC+SI). Source: Refinitiv Market Share Reporter and Euronext' customer portal "Connect".

Daily average shares traded per month*

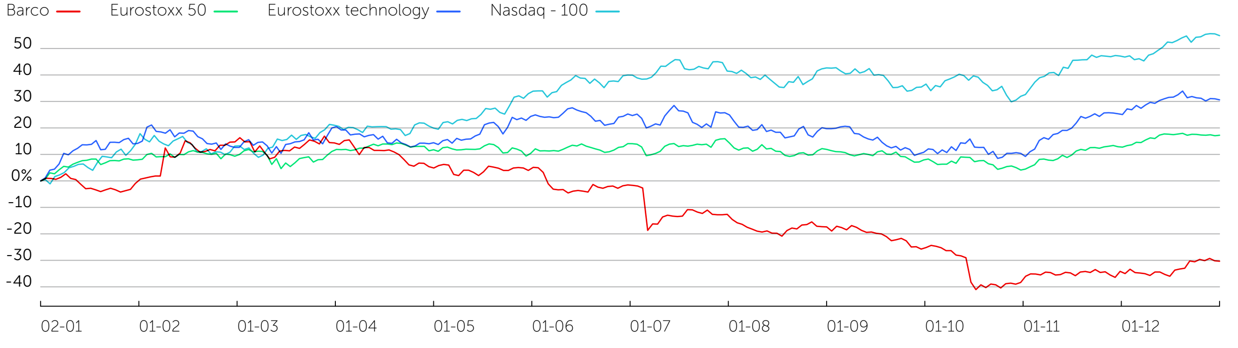


* The daily average number of shares traded for the period 2021-2023 is taking into account the trades on All Venues: Euronext as well as registered trades on alternative platforms such as Lit-venues, the Systematic internalisers and dark venues (LIT+Auction+Dark+OTC+SI).
Source: Refinitiv Market Share Reporter and Euronext' customer portal "Connect".

Barco share price 2023

Barco share price 2023

Barco / Eurostoxx 50 / Eurostoxx Technology / Nasdaq - 100



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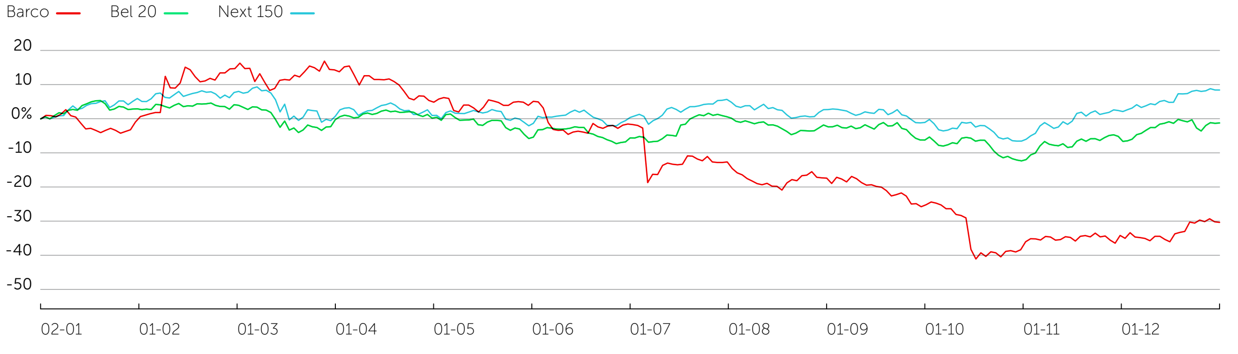

Shareholder structure

Shareholders

A study of Barco's global shareholdership was carried out with a different data provider in mid-December 2023, just after the start of the share buyback program. This study plotted 93% of the company's shareholder composition[1], a slightly lower response rate than for the study of 2022 (98%), notably in the institutional space.

Identified institutional investors hold 67.11% of all shares. Treasury shares held by the company are good for 2.51% of the shares and approximately 23.57% of the shares are held by retail investors. 6.81% of the shares were not identified.

Geographic distribution

Belgium remains the dominant investment region in Barco's total (institutional and retail) shareholder base, with a strong proportional representation versus peers and industry averages. At the end of 2023, Belgian ownership accounts for 58.59% of shares. This includes 22.13% held by retail investors, for which the ownership is highly concentrated in Belgium (93% of retail shares).

United States remains the second largest region in total share ownership with 9.47% of the shares. Ireland is the third largest country with 4.37% of the shares, an important uptake since last year due to the move of the seat of a large institutional holder. Fourth is France with 4.26% of the shares and fifth is the United Kingdom with 3.74% of the shares, followed by Luxemburg holders owning 3.49% of the shares.

Compared to the benchmark of peer companies, Belgium continues to show substantial overweight in terms of domestic ownership. Barco remains very much underweight in both the US and the UK compared to the benchmark.

Concentration

The concentration level amongst Barco top holders moved slightly in 2023, with the top-5 and top-10 categories increasing over this analysis period, and the top-25 category flat year-over-year.

The categories now account for:
- Top 5: 35.89% of total shares, or 51.55% of institutional holders (down versus 50.76% institutional holders last year)
- Top 10: 43.82% of total shares, or 62.94% of institutional holders (up versus 59.20% institutional holders last year)
- Top 25: 53.59% of total shares, or 76.98% of institutional holders (up versus 75.50% institutional holders last year)

Compared to the average observed in the mid-cap client base benchmark, Barco's concentration levels are above average.

(1) Shareholder analysis performed by ABN Amro in December 2023.

Shareholder remuneration

Dividend

Barco's Board of Directors will propose to the General Assembly to distribute a gross dividend of 0.48 euro per share, up 0.04 euro versus last year's dividend of 0.44 euro.

Dividend policy

The dividend is set by the Board of Directors and subsequently proposed at the Annual General Meeting of shareholders at the end of each fiscal year.

Barco's Board believes that consistency and reliability towards the investment community is key, and considers a consistent dividend pay-out as a key contributor, reflecting the long-term confidence in the company and its future growth opportunities.

Shareholder structure

Institutional	67.11%
Retail	23.57%
Company treasury	2.51%
Unidentified	6.81%

Geographic distribution

Belgium	58.59%
United States	9.47%
Ireland	4.37%
France	4.26%
United Kingdom	3.74%
Luxemburg	3.49%
Rest of Europe	5.49%
Rest of World and unidentified	10.59%

Ownership of Barco's shares 2023

(per 31 December 2023)

Vandewiele Group nv	20,532,568 shares	22.10%
3D NV	4,977,891 shares	5.36%
Barco NV	2,826,443 shares	3.04%
Public	64,579,743 shares	69.50%
TOTAL	92,916,645 shares	100.00%

Barco’s investment case

Strong foundation with technology and market leadership in healthy markets
With a rich history of 90 years, Barco is a strong brand known for its technology leadership in three solid and healthy markets: Healthcare, Enterprise and Entertainment. Building on sustainable advantages, Barco has established global leadership positions in all of these markets. The solutions delivered to these markets are increasingly software-driven and are often mission-critical with a true effective need for high-performance and reliable technology. Based on a solid experience, a thorough understanding of customer needs, advanced know-how in developing differentiated technology and delivering value-add solutions and a well-developed go-to-market network, Barco continues to lead in these markets.

Focused strategy
Barco's strategy is focused around three levers. 'Capturing profitable and efficient growth' focuses on leveraging operational efficiencies from a simplified organization and digital transformation, seizing the China opportunity with strong local presence, and developing new vertical market segments via adjacent products and geographic expansion. The 'Innovate for impact' lever builds on increasing the manufacturing footprint with a strengthened supply chain, and on accelerating innovation with a rebalanced R&D portfolio. The underlying 'Go for Sustainable Impact' pillar addresses Barco's ambition to design and act towards sustainable outcomes for our planet, people, and communities.

Solid financial results
Over the past years, Barco has continued to sharpen the focus of its activities.

Since introducing the ‘focus to perform’ program in 2016, Barco has made measurable and steady progress by rationalizing the business portfolio and footprint and by implementing value engineering initiatives. EBITDA margin expanded from 8% in 2016 to 14% in 2019 and net earnings grew to 9% of sales. In 2020 and 2021 the company faced significant challenges mainly due to covid-19 pandemic impacts and supply chain constraints, which resulted in a softer sales and profit performance. End of 2021, Barco carried out an organizational redesign to install greater empowerment and accountability at the business unit level while enhancing customer and market responsiveness. In 2022, Barco was able to reconnect with its long-term growth ambitions, bringing the EBITDA margin back to 12%. In 2023, although facing headwinds for the topline development, notably in China, the gross margin further expanded to record-high levels and the EBITDA margin climbed to 13.6% of revenues.

Except in 2020, Barco booked year-on-year net cash positive results. The company follows a conservative course in managing its financials and has a significant net cash position.

A strong and reliable leadership team
Further strengthened with the onboarding of new internally promoted leaders, Barco’s leadership team holds diverse and global competencies and insights. The organizational redesign brings together focused teams per market, with accountability over R&D, product development, supply chain, marketing and sales. With a clear focus on the customer, the leadership team and the entire company are committed to delivering sustainable and profitable long-term growth.

Shareholder trust
Barco has a stable international shareholder base with a pre-dominance of value-oriented investors. Since 2015, both Vandewiele group nv and 3D NV are represented in the Board of Directors. Together they own close to 27,5% of Barco's shares.

The board believes that consistency and reliability towards the investment community is key and considers a consistent dividend pay-out as a key contributor, reflecting the long-term confidence in the company and its future growth and opportunities.

Analysts covering Barco

ABN AMRO ODDO BHF	Stefano Toffano
Bank Degroof Petercam sa	Kris Kippers
Berenberg	Trion Reid
De Belegger	Geert Smet
Flemish Federation of Investors and Investor Clubs	Gert De Mesure
KBC Securities	Guy Sips
Kepler Cheuvreux	Matthias Maenhaut
ING	Marc Hesselink
Van Lanschot Kempen	Nikos Kolokotronis

Financial calendar 2024

Announcement of results 4Q23 and FY23	Thursday 8 February 2024
Trading update 1Q24	Tuesday 23 April 2024
Annual General Shareholders Meeting	Thursday 25 April 2024
Announcement of results 1H24	Wednesday 17 July 2024
Trading update 3Q24	Thursday 17 October 2024

Share info

Barco share	BAR	ISIN BE0974362940
Reuters	BARBt.BR	
Bloomberg	BAR BB	

More info including the quarterly consensus update, reports, references, conferences and roadshows are available on Barco's investor portal.

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