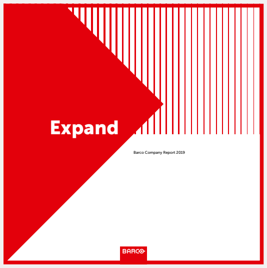
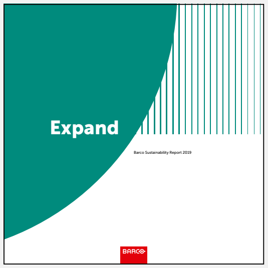
Expand

Barco Company Report 2019

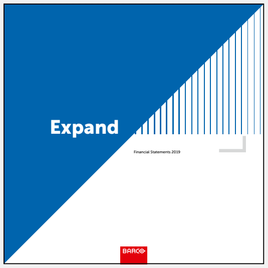
BARCO



Section A.
Company Report
2019



Section B.
Sustainability Report
2019



Section C.
Financial Statements
2019

This is section A of Barco's 2019 annual report. Other sections are available via the download center at ar.barco.com/2019.

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Expand

is the theme for Barco's 2019 annual report. That's a pretty ambitious word, yet it perfectly describes our key achievements of the past year: 2019 was a year of robust growth and new capability building.

'Expand' also aligns Barco's objectives for the future. We are set to further expand our horizons – in many aspects – in the coming year(s):

- expand our solutions portfolio
- step up our innovation and incubation initiatives
- strengthen our capabilities and skills
- extend our sustainability efforts
- expand our market reach

Doing so will enable us to expand our success for many more years to come.

Letter from the CEO

Dear customers, business partners, employees and shareholders,

2019 has been a good year for Barco as a group - and for every division. I'm delighted about our results, as they are the fruit of the hard work and the investments that we made in the past years to become a more resilient and focused company.

Building on solid foundations

When I joined Barco in 2016, we drafted a roadmap for the future, **focusing on performance first**. For three years, we have worked hard to boost operational and commercial excellence, ensure cost efficiency and build out our commercial footprint and intensity. At the same time, we **shaped** our organization, product portfolio and product-market strategies in line with the refreshed business strategy. The journey was not always easy; it implied some tough choices and big efforts from every single Barco employee.

But we **did what we said we would do** – and that has led to solid results in 2019. Barco is now a different company with a healthier and more resilient platform for future growth: we are ready to capture new opportunities and further expand Barco's capabilities, footprint, skills and portfolio in order to keep leading in our markets.

2016	2017	2018	2019
Focused to Perform	Say. Do.	Shape	Expand

In this letter, I want to reflect briefly on how we transitioned in 2019 from laying robust foundations for growth to seeing the first clear signs of that growth. Read on to discover how we want to leverage our investments to ensure continued business success.

> Barco is now a different company with a healthier platform for future growth.

2019: Shaping up for the future

Every single Barco division had a strong growth dynamic in 2019, which was reflected in an increase of almost 10% in turnover and another 2 percentage points in EBITDA margin. As planned, we successfully shaped our organization as well as our capabilities and solutions and started **expanding** them – in order to secure our fitness for the future.

Shaping the organization: become a 'fit to lead' company

To take the lead in today's dynamic world, Barco had to transform into a more proactive organization that can respond swiftly to – or rather, anticipate – changes in the market and customer needs and opportunities in today's technology landscape. That transformation implied a restructuring plan with impactful changes, which we announced in November 2018.

I'm pleased to see we are well on track toward implementing that plan. Part of the savings enabled by the plan are being reinvested in growth initiatives, innovation, the building of new skills and further business expansion in target geographies. We are, for example, strongly expanding our software team and strengthening our product management, marketing and service capabilities.

Shaping the organization: strengthening our footprint in China

The 'In China for China' strategy, which we launched to better tap into local market and supply opportunities, reconfirmed its success in 2019. In April, we opened our new healthcare hub in Suzhou, which enables us to capture market share in the growing Chinese healthcare market. Our Entertainment and Enterprise teams are also growing within the rapidly developing Chinese market.

> The 'In China for China' strategy that we had launched to better tap into local market and supply opportunities, reconfirmed its success in 2019.

Shaping our capabilities and solutions: investing big in impactful innovation

Always a technology leader, Barco has never eased up on investing in R&D. More than innovation 'for innovation's sake', our company focuses on innovation that impacts, i.e. innovation that truly meets our customers' needs and is delivered through business models that result in business success and leadership. Innovation highlights in 2019 included:

Entertainment:

- In **cinema**, movie exhibitors started replacing their existing projector equipment with new solutions in 2019. A milestone for Cinionic and Barco was the launch of the new Series 4 laser projector platform, which is built using the newest technologies and designed for the future. By combining this next-gen platform with Cinionic's solutions and services, Barco and Cinionic are better positioned than ever to become the preferred partner of leading cinema operators.

> Our innovation efforts resulted in business success in many fields.

- In the **ProAV and events business**, we further sharpened our go-to-market-strategy with a focus on themed entertainment. Here, too, we introduced next-generation technologies like the UDM, a new projector model in the successful UDX series. In addition, we kept future-proofing our portfolio of screen management processors with more advanced features and solutions.

Enterprise

- ClickShare remained one of our stars in 2019: it continued its double-digit growth trajectory and is now available in approximately 750K **meeting rooms** around the world. To sustain and strengthen this success, we are now launching our ClickShare Conference solution, opening a new category in meeting room collaboration.
- In 2019, ClickShare received ISO 27001 certification for its overall security management. With cybersecurity a growing threat, we continuously monitor privacy and security risks and drive improvements. The December firmware update, for example, addressed a set of potential exposures that had been discovered through ethical hacking.
- 2019 was a pivotal year for **Control Rooms**, as we returned to growth (albeit slightly), returning to above breakeven, for the first time in several years, thanks to our broad technology offering (rear projection, LCD and LED) and popular products like the UniSee LCD video wall. We'll now further strengthen our software capabilities to ensure sustainable and profitable growth.

Healthcare

- Just like in previous years, Barco's **diagnostic business** kept expanding in 2019 in a steadily growing healthcare market. The Coronis 4MP and 6MP diagnostic display solutions will help us consolidate and even accelerate that growth.
- In **surgical**, our Nexxis 2.0 digital OR solution is now truly transforming operating rooms around the world into digital ORs, a trend that we see continuing over the next decade. The momentum allows us to accelerate our growth by offering more value-added software-based solutions. By teaming up with caresyntax® in 2019, for example, we will boost our capabilities to deliver workflow and analytics solutions.

Cross-business: tapping into the expanding potential of LED

Over the past couple of years, several Barco divisions have started exploring LED technology. As the market is now ready for LED, so are we: our partnership with Chinese LED manufacturer Unilumin has secured our access to high-quality and competitive LED technology.

Incubation projects are shifting to go-to-market

In 2019, we shifted several incubation initiatives into a higher gear. Among others, our Demetra skin scanner is now being used in initial test markets, and several leading business schools around the world have embraced our weConnect virtual classroom solution.

Building out our commercial footprint and intensity

We also started shaping our marketing and commercial organization in 2019, following a well-defined and future-proof blueprint. In addition, we stepped up our service proposition, made our quoting process more efficient and further strengthened our partner program.

Looking ahead: 2020 and beyond

With an impressive series of delivered innovations, promising incubation initiatives, solid growth in China and clearly strengthened capabilities in many fields, Barco is well prepared for what the future will bring.

Accelerating growth momentum

Of course, we realize that continuous improvement is imperative to remain up to speed – especially in today's constantly changing markets. That is why, in 2020 and beyond, Barco will keep improving its operational performance, efficiency and resilience. At the same time, we want to accelerate growth momentum in every market where we are active: we will grow our solutions portfolios through sustained R&D investments, step up our innovation and incubation efforts, further expand our market footprint and extend our 'in China for China' strategy.

On the road to bright outcomes

Because we are determined to enable bright outcomes, our 'outcomes' solution capabilities will require extra attention as we go forward. Although we are making steady progress in strengthening our marketing and product management skills, our software and digital business capabilities and our commercial excellence, the road ahead is still long. Strengthening our commercial, marketing and software expertise will be a focal point in the coming year. We will therefore step up our investments in further expanding these capabilities in 2020.

> Strengthening our commercial, marketing and software expertise will be a focal point for 2020.

Expanding our sustainability efforts

In 2017, Barco decided to integrate sustainability into every aspect of its business. Just like we want our company to lead in its markets, we want to take the lead in ensuring a sustainable technology business – because we are convinced that sustainable business can go hand in hand with delivering great outcomes.

Year after year, sustainability increasingly pervades everything that Barco does, and we accelerated our program over 2019. We have already managed to substantially reduce our ecological footprint and we are well on our way to achieving our 2020 reduction targets.

> We made notable progress in the field of ecodesign in all our divisions: our R&D teams are rethinking our products to improve their sustainability performance.

One of the step changes in our sustainability initiative that we are most proud of was the notable progress in the field of ecodesign: all our R&D teams are (re)designing our products to ensure sustainability in various domains (material use, energy efficiency, packaging, circularity). As we want to communicate transparently about the environmental footprints of our products, we started ecoscoring our products. Our new Series 4 projector stack, for example, received an A ecoscore on account of its improved energy efficiency, the recyclability of its materials, the modularity of its design and its packaging, which is 30% lighter than that of other laser cinema projectors.

We will accelerate our ecodesign efforts in the future to keep reducing our impact on the environment. The external acknowledgment of our efforts by renowned rating agencies proves that we are on the right track.

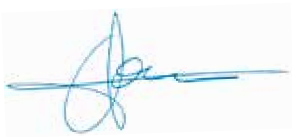
Thank you!

2019 was an outstanding year for Barco. I am delighted that we achieved profitable growth, yet more than that, it is great to see how Barco is successfully transforming to a more resilient and healthier platform while continuing to build capabilities to become a successful solutions company leveraging hardware, software and services.

The engagement of the entire Barco team, our Board of Directors, our clients and our investors has been pivotal to achieving that success. Your continuing commitment is crucial in enabling us move ahead at full speed and to deal with the challenges that may come our way in the future.

Thank you very much for your support!

Jan De Witte
CEO

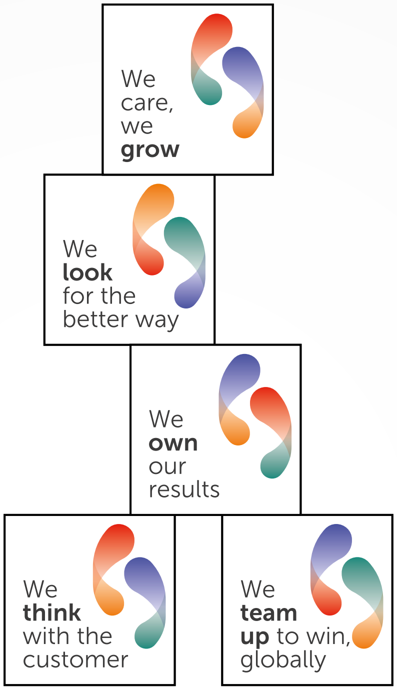


2019: a first step in rejuvenating our company culture

Over the past few years, Barco has been transitioning from an innovative hardware company to a global, industry-leading company that combines hardware with software and services to deliver exceptional customer solutions. In other words: Barco is changing. We realized that we had to work on our company culture, ensuring that the performance and innovation power that we need are solidly integrated into our DNA.

In mid-2019, we kicked off a culture rejuvenation project, defining the cultural traits that Barco must embrace to continue leading in its dynamic markets. Based on input from 250 colleagues from all levels and countries, we defined the five key building blocks of Barco's culture. In 2020, we will be rolling out this initiative across the entire organization, ensuring that everyone knows how to live the Barco DNA.

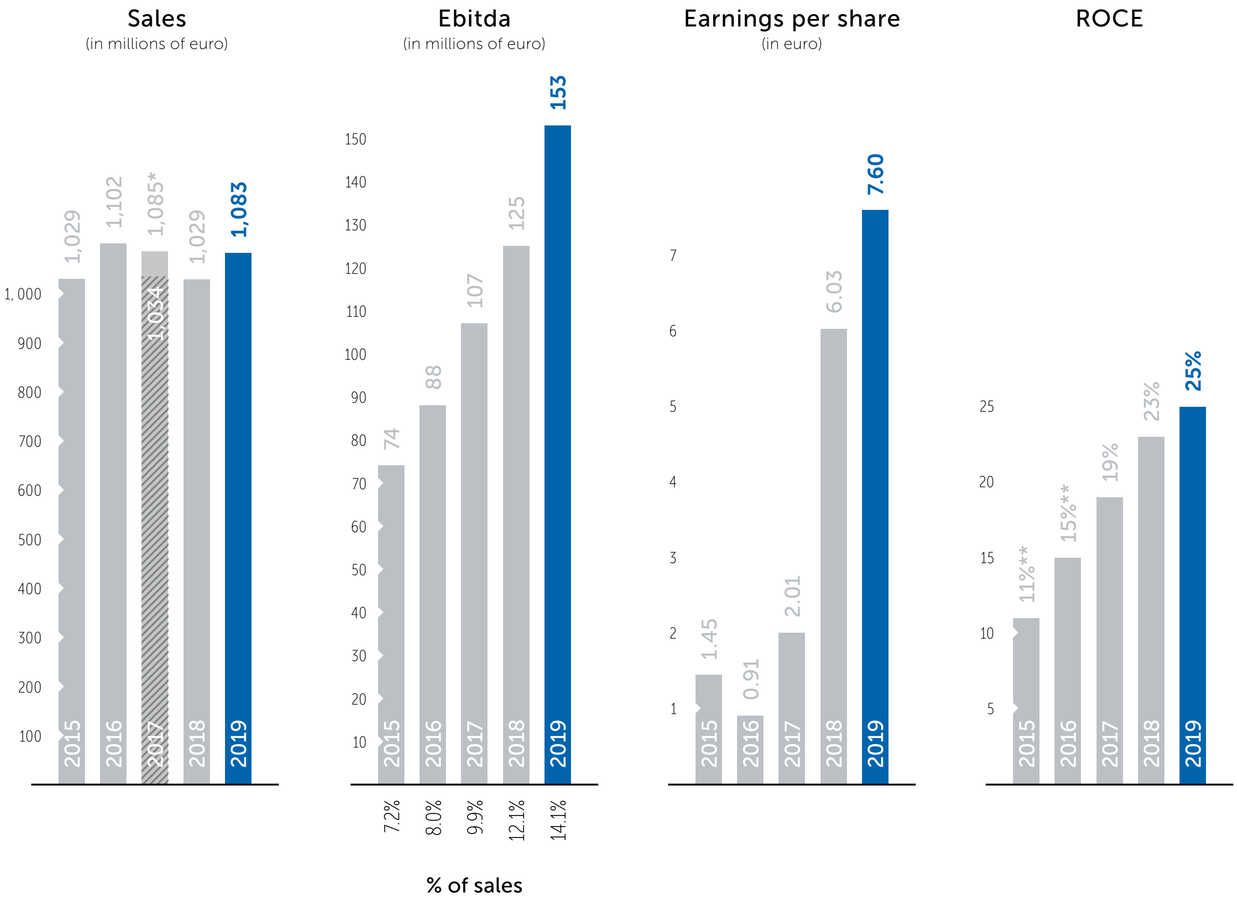
> The five key building blocks will ensure that Barco is a company where employees feel at home and can be the best version of themselves.



"We care, we **grow**."

is Jan's favorite culture building block:
"Because I want to get every Barco employee on board of our journey towards enabling bright outcomes. By caring for our people, i.e. supporting them, coaching them and helping them grow, we will ensure everyone is engaged and feels at home at Barco – and together we will grow as a company."

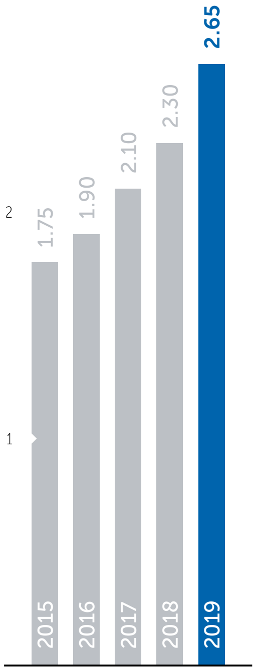
Key figures



* For 2017 reported sales were 1,085 million euro while pro forma comparable sales amounted to 1,034 million euro. For more information, please refer to the section 'Management Discussion' A/99

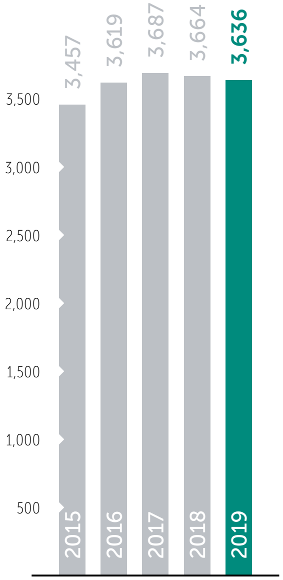
** ROCE, excluding impact of amortizations related to capitalized product development costs.

Dividend



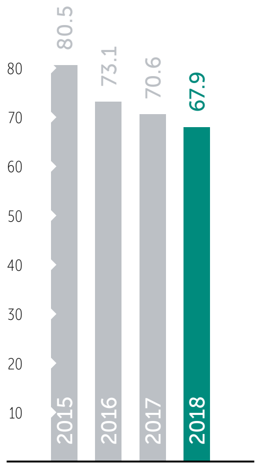
Employees

Reported in heads, excluding temporary workforce



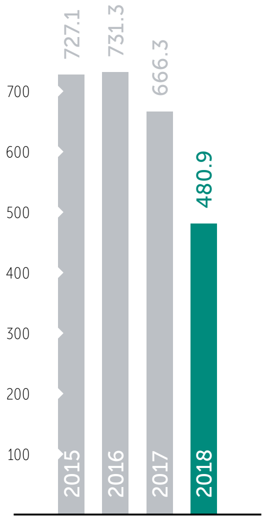
Carbon footprint operations

Emissions Barco operations (tCO_2e/mio € revenues)



Carbon footprint products

End-user emissions (tCO_2e /mio € revenues)



Financial highlights

IN MILLIONS OF EURO	2019	2018	2017 *	2017
Income statement				
Orders	1,102.2	1,046.9	1,060.6	1,105.2
Orderbook	322.3	303.2	285.9	318.8
Sales	1,082.6	1,028.5	1,033.9	1,084.7
Gross Profit	429.3	413.0		404.2
Gross Profit Margin	39.7%	40.1%		37.3%
EBITDA	153.0	124.5		107.1
EBITDA margin	14.1%	12.1%		9.9%
Adjusted EBIT	110.0	90.0		73.2
Adjusted EBIT Margin	10.2%	8.7%		6.8%
Net income attributable to the equityholder of the parent	95.4	75.0		24.8
Net income Margin	8.8%	7.3%		2.3%
EPS (in euro)	7.60	6.03		2.01
Diluted EPS (in euro)	7.51	5.98		1.99
Balance sheet & Cash flow				
Equity	740.7	635.0		593.5
Balance sheet total	1,174.2	1,047.3		1,065.0
Free cash flow	88.7	63.2		40.0
Net financial cash/(debt)	329.4	332.0		210.7
Operating capital employed	262.7	223.0		202.4
Net Working capital	30.2	2.5		-41.6

	2019	2018		2017
Ratios				
DSO	55	52		55
Inventory turns	3.2	3.8		3.6
DPO	71	59		58
ROCE	25%	23%		19%
Debt/Equity	7.5%	6.0%		8.9%
ROE	13%	12%		5.5%

* For 2017 reported sales were 1,085 million euro while pro forma comparable sales amounted to 1,034 million euro. For more information, please refer to the section 'Management Discussion' A/99

(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

	2019	2018	2017
Share data			
Gross dividend	2.65	2.30	2.10
Gross dividend yield (a)	1.2%	2.3%	2.4%
Yearly return (b)	123.8%	13.2%	13.9%
Pay-out ratio (c)	36.3%	40.1%	110.7%
Price/earnings ratio (d)	28.8	16.4	44.4
Average closing price	166.60	105.62	86.90
Closing price on 31 December	219.00	98.90	89.25
Average number of shares traded daily	24.455	23,215	16,862
Stock market capitalization on 31 December (in millions)	2.862.1	1,292.4	1,166.0
Number of shares (in thousands)	13.069	13,067	13,064

Extra-financial highlights

	2019	2018	2017	2016	2015
Planet (1)					
Carbon footprint Barco operations (tCO2/mio € revenues)) (2)	TBD 2020	67.9	70.6	73.1	80.5
Carbon footprint Barco products (tCO2/mio € revenues) (3)	TBD 2020	480.9	666.3	731.3	727.1
CDP score (4)	TBD 2020	B	B	C	B
People					
Employees on 31 December	3,636	3,664	3,687	3,619	3,457
Diversity: Gender equality (% women)	28.4%	28,1%	28.4%	28.2%	28%
Average hours of learning & development/employee	13.2	16.9	17.2	20.7	19.5
Communities					
Customer loyalty index				83	
% Key and core suppliers who signed declaration of compliance with RBA Code of Conduct	98% key & core	95% key & core	100% core	100% core	100% core
Community investment (financial support in community engagement) €	163,400	102,000	125,000		
% Employees trained in Barco's Code of Ethics	99%	94%	92%	92%	NA

(1) The reporting period for carbon figures in this report is 2017
(2) Scope 1,2,3 emissions (excl. end-user emissions)
(3) Scope 3 emissions (end-user emissions)
(4) CDP: environmental disclosure: see www.cdp.net

Highlights 2019

January 2019

■ Kick-off of Barco's emerging leadership program

February 2019

■ Full-year results 2018: growth with solid margin expansion

■ ClickShare receives ISO 27001 certification for its security processes

■ Oxford University Hospitals (OUH) trials the Synergi™ clinical collaboration technology

March 2019

■ Opening of healthcare hub in Suzhou, China

■ First pilot projects with Demetra and weConnect

■ Barco makes re-entry into the Belgium stock market index (Bel-20)

■ Innovation for Impact ■ Focus to perform ■ Outcomes ■ Sustainabillity

April 2019

■ Launch of Series 4 laser cinema projector platform

■ Entering into a new agreement with IMAX

■ Making collaboration richer with the new ClickShare App

■ Teaming up with caresyntax® to strenghten our OR platform

May 2019

■ Successful Capital Markets Day 2019, themed 'shaping our future'

■ Opening of The Mall & Gate: our warehouse for the future

■ Sustainability update: on track to reach 2020 carbon footprint goals

June 2019

■ Major deal with Cineworld (1000+ cinema projectors) (Cinionic)

Highlights 2019

July 2019

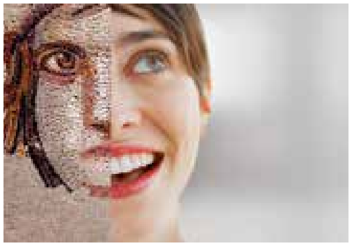
- Financial update 1H19: healthy growth and continued profit improvement
- Winning Frost and Sullivan Best Practices Award for Technology Leadership in Medical Displays
- ISO 14001 certification for Barco Campus in Belgium

August 2019

- Awarded 'Prime' status in ISS-oekom's Sustainaibility Rating
- FL/FS40 simulation projectors: Honorable Mention for Outstanding Innovative Product 2019 at the MS&T awards

September 2019

- Activation of Barco's ECO label and launch of first ECO labelled products
- Enterprise division starts with continuous follow-up of customer journey experience



- Teaming up with Unilumin team up to shape the future of LED
- Launch of our overall "Standards@Work" compliance program

■ Innovation for Impact ■ Focus to perform ■ Outcomes ■ Sustainabillity

Living our DNA

October 2019

■ Quarterly ClickShare firmware release takes security to a new level

■ Introduction of 5 culture building blocks to support the strategy execution

■ Launch UDM projector for the Venues & hospitality market

■ Milestone: over 700k meeting rooms now feature ClickShare

November 2019

■ Shaping the operating room with the new 4K surgical display and Nexxis integration platform

■ Ecovadis Gold rating in sustainability

■ 99% employees trained in first "Standards@Work" modules

December 2019

■ Deal with Cinemark for worldwide exclusive laser agreement (Cinionic)

■ Launch Coronis 4 & 6MP diagnostic displays

■ Partnership with Culturespaces to change the museum experience

■ Setting 2023 carbon footprint targets

The UDX-4K32 gave the right amount of light to showcase the animations and new structure to 50,000 people each night.

Dickie Burrow
Director, CPL

Our company

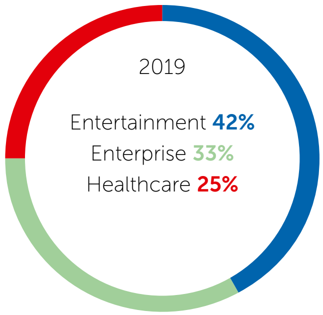
[about the visual]

ARCADIA'S FAMOUS SPIDER HAS A SUCCESSOR
Glastonbury Festival
United Kingdom

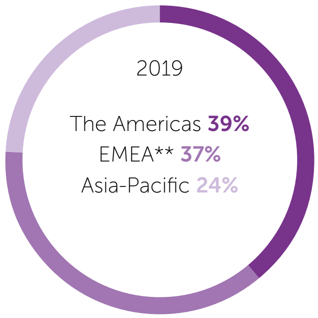
Company profile

Barco designs technology to enable bright outcomes around the world. Seeing beyond the image, we develop sight, sound, and sharing solutions to help you work together, share insights, and wow audiences. Our focus is on three core markets: Enterprise (from meeting and control rooms to corporate spaces), Healthcare (from the radiology department to the operating room), and Entertainment (from movie theaters to live events and themed entertainment).

Sales per division



Geographical breakdown of sales



Geographical footprint

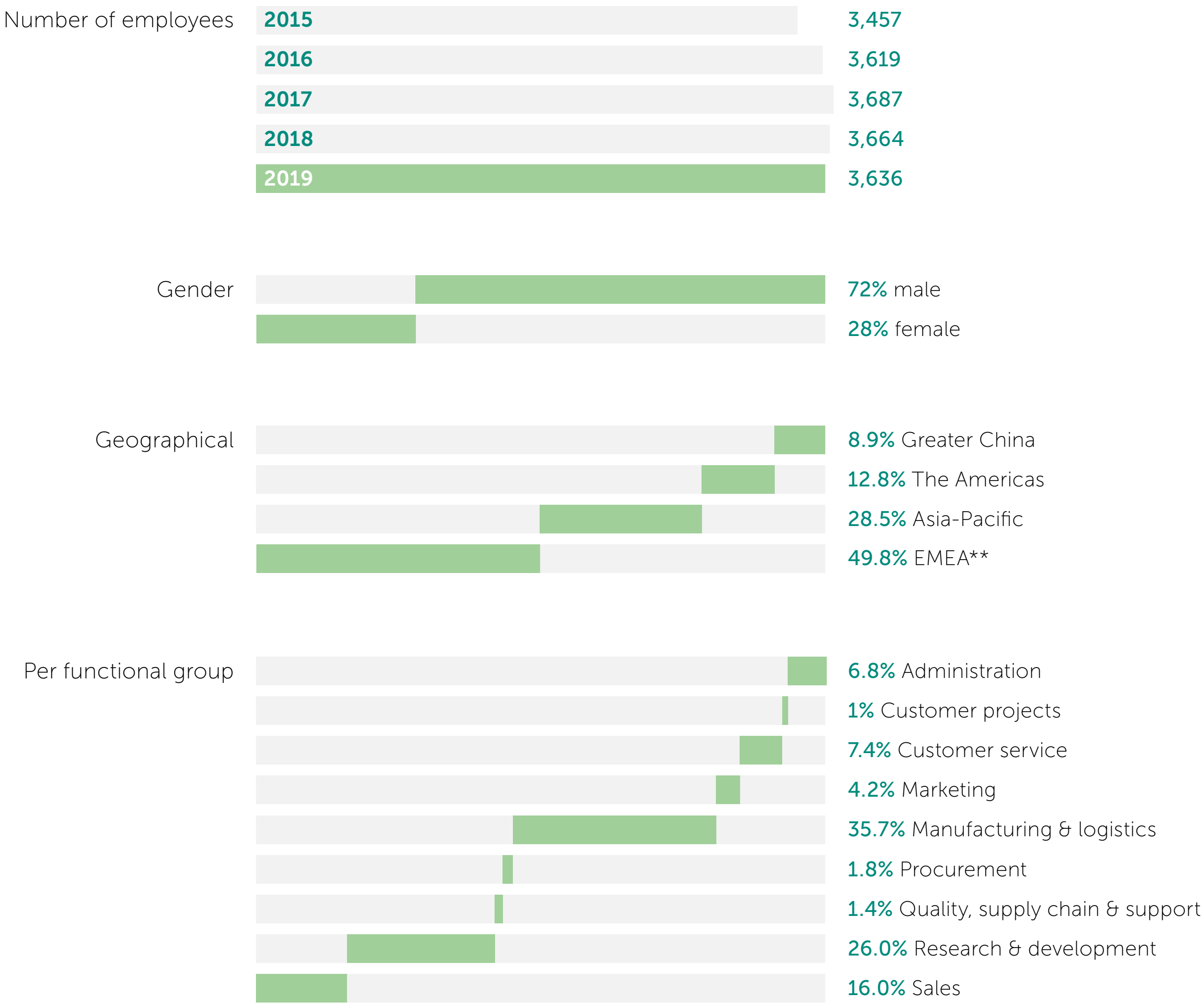
AMERICAS
- Brazil
- **Canada**
- Colombia
- Mexico
- **United States**

ASIA-PACIFIC
- Australia
- **China**
- Hong Kong
- **India**
- Japan
- Malaysia
- Singapore
- **South Korea**
- **Taiwan**

EUROPE & MIDDLE EAST
- **Belgium**
- France
- **Germany**
- **Italy**
- The Netherlands
- **Norway**
- Poland
- Russia
- Saudi Arabia
- Spain
- Sweden
- Turkey
- United Arab Emirates
- United Kingdom

○ Sites
● **R&D and/or manufacturing facilities**

Employees



Reported in heads, excluding temporary workforce
(Database Corporate Associates per 31/12/2019)
**EMEA: Europe & Middle East & Africa

Our technology

In today's fast-paced, digital world, innovation and agility are more important than ever. Building on decades of experience and expertise in imaging and visualization, Barco continues to drive a well funded and risk-balanced innovation portfolio that allows us to anticipate future disruptors and focus on breakthrough products enabled by cutting edge technology in addition to our world-class legacy offerings. A disciplined and well-governed approach to innovation ensures a fast and efficient process that turns ideas into commercial reality with stronger revenue growth potential and brighter outcomes for our customers. Barco continues to complement its market-leading hardware solutions with software and service offerings and as a result has this year re-organized the technology map around four key domains that form the foundation for Barco's innovation for impact in the future.

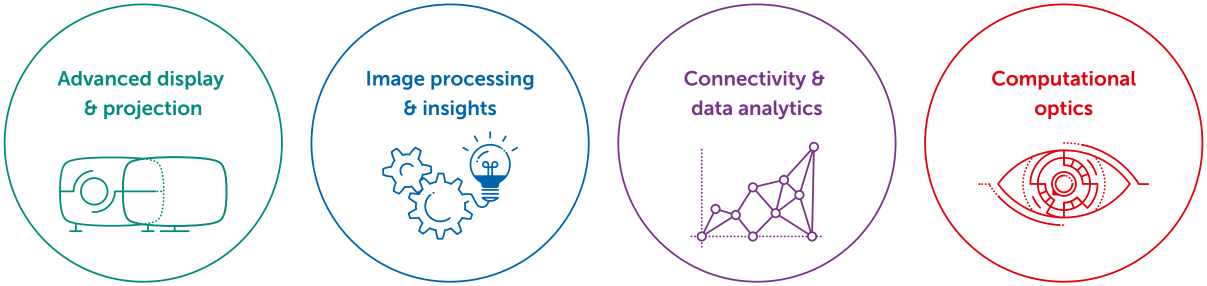
Advanced display & projection

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

Image processing & insights

Professional visualization requires both classical image processing algorithms and artificial intelligence-driven approaches. Barco's 'image processing & insights' technology domain covers image and video capturing, processing, compression and transmission, as well as complex rendering and advanced video understanding and enhancement. Increasingly important is the implementation of high-performance software solutions on modern heterogeneous hardware, including graphics processing units. These capabilities facilitate professional decision support, human-machine collaboration, engaging experiences and efficient workflows.

> Our technology tool chest includes a broad range of building blocks – from display and projection technologies through to younger disciplines such as computational optics and machine intelligence. Every technology is, however, merely an enabler to provide our customers with end-to-end solutions that deliver outcomes.
>
> Gerwin Damberg
> Barco CTO



Connectivity & data analytics

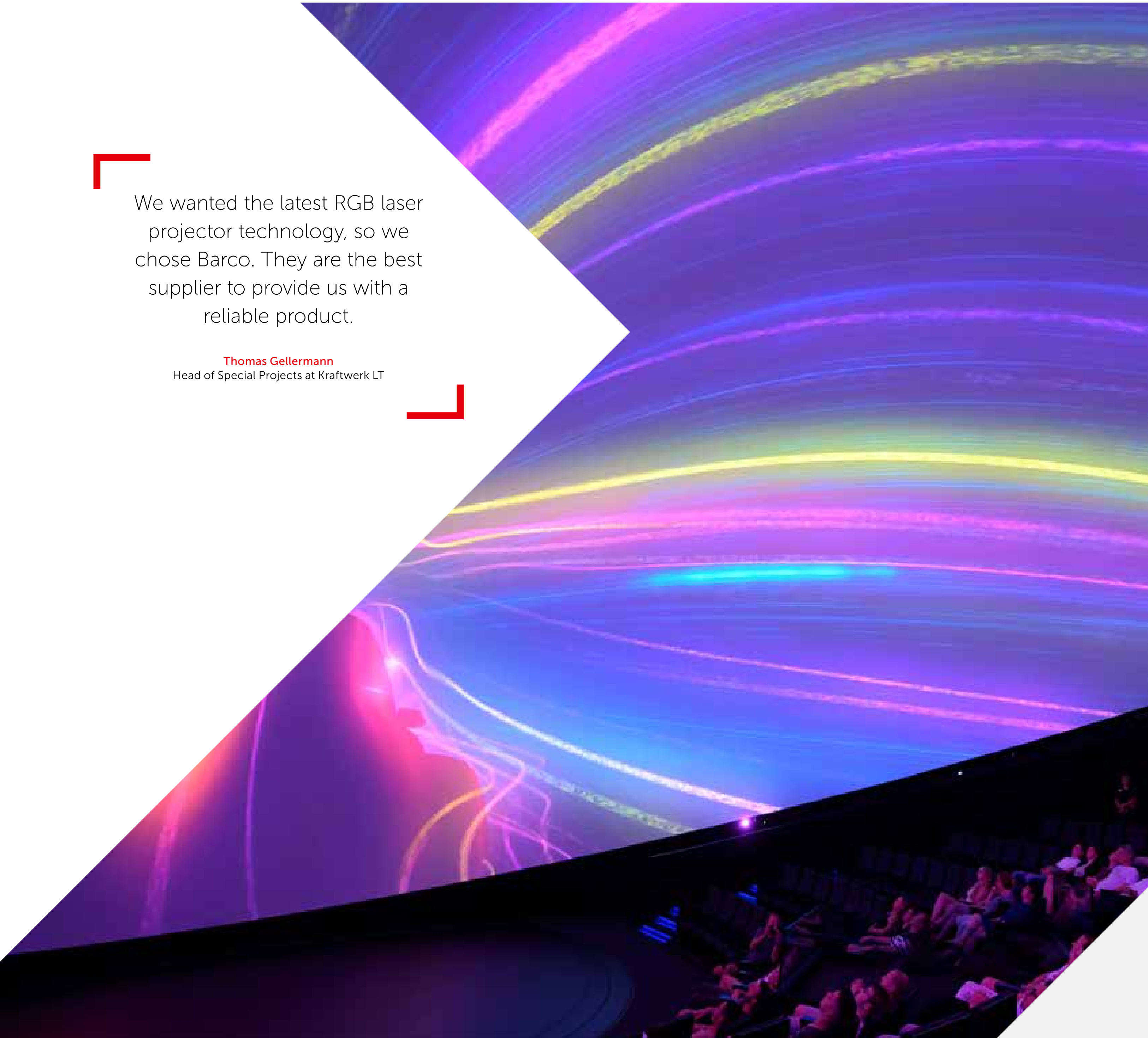
Technology that enables connectivity is at the core of Barco's visualization solutions, as it allows the real-time monitoring of devices or the local or remote streaming of audio and video data. The connectivity platforms that power Barco solutions are always highly optimized for the professional application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

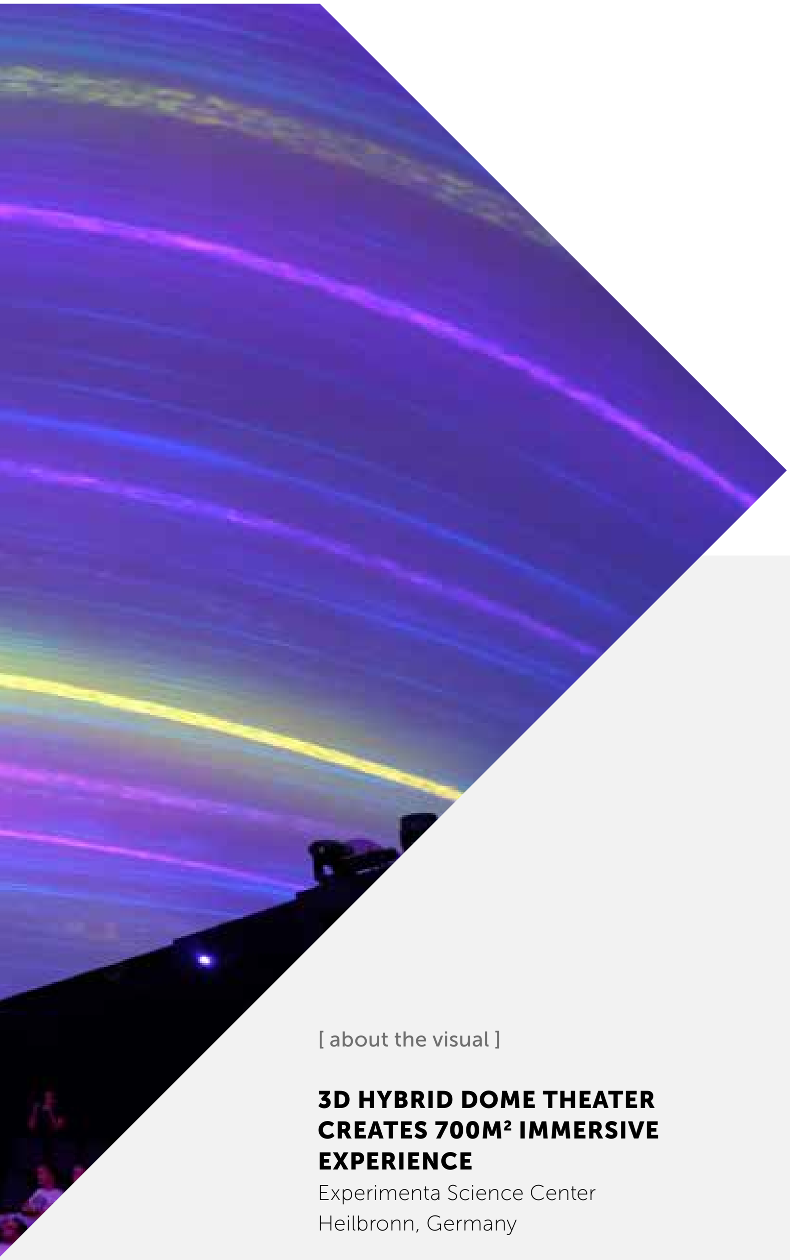
Computational optics

Computational optics leverages powerful computing techniques into the optics domain to deliver visualization and imaging solutions that cannot be delivered by traditional optical systems alone. Examples include our multispectral skin imaging platform Demetra and our high dynamic range (HDR) light steering projection technology that uses real time programmable lasers and lenses to shape light into high contrast, high brightness images on-screen.

We wanted the latest RGB laser projector technology, so we chose Barco. They are the best supplier to provide us with a reliable product.

Thomas Gellermann
Head of Special Projects at Kraftwerk LT





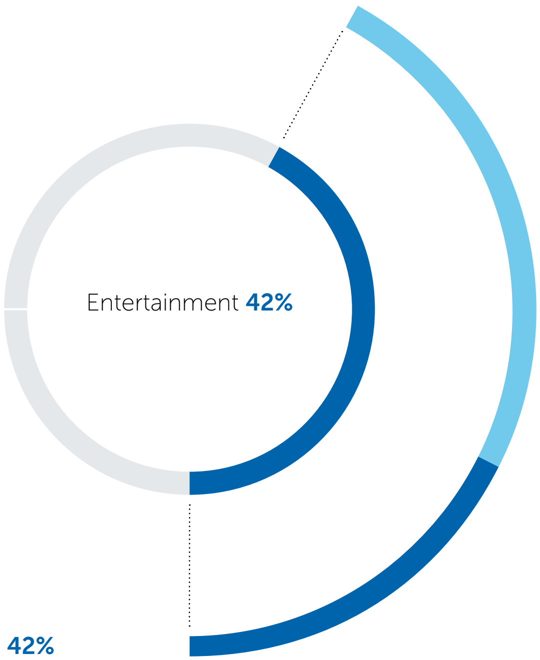
Our activities

[about the visual]

3D HYBRID DOME THEATER CREATES 700M² IMMERSIVE EXPERIENCE
Experimenta Science Center
Heilbronn, Germany

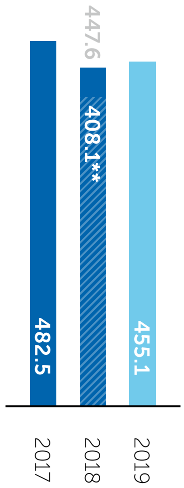
Entertainment

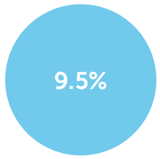
Creating moments, enriching lives



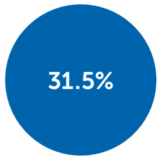
Cinema 58%
Venues & hospitality 42%

Entertainment division Sales*





EBITDA margin



Gross profit margin

Whether in cinemas, concert halls or museums; at theme parks, music festivals or corporate events: Barco's entertainment solutions are designed to turn heads and create compelling moments. By providing our customers with the most advanced projectors, LED displays and image processing solutions, we help them capture fans rather than audiences. Our increasing focus on convenience and services further helps them build that fan base and grow their businesses.

* figures 2017 & 2018 excl. CFG
** reported 447.6 & pro forma 408.1

© Lukonic Photography

AN INTERVIEW WITH NICOLAS VANDEN ABEELE

We keep stealing the show: solid growth for cinema as well as events and hospitality

Following the launch in 2018, 2019 was the first full year that Cinionic took care of the cinema-related sales, marketing and service activities of our Entertainment division. How does Nicolas Vanden Abeele, the division's general manager, look back upon this bold move in cinema? And did his team sustain growth in the Venues & hospitality business?

Looking back on 2019, did Cinionic meet expectations?
It certainly did. The replacement wave in cinema took off in 2019 and Cinionic signed a number of landmark deals, like the agreement with Cinemark. More than that, we launched our Series 4 laser projector platform, which is the cream of the crop – better than anything else on the market. By adding this series to our exceptionally wide laser projector portfolio, we really drive laser now. So, in 2019 we undoubtedly reinforced our position as the world's number one in cinema.

Cinionic is ambitious and planning on launching new business models. Did they pull that off?
Cinionic indeed aims to be a strategic partner to all the big players in cinema. Its Cinema Giant Screen (CGS) proposition, for example, perfectly meets the trend of premiumization in cinema. With a soft launch of the retrofit and premium offerings, we made progress, but we still have some ways to go. By accelerating our value-added offering – with solutions and services related to connectivity, analytics, etc. – we will be able to further increase our market share. There is a lot in the pipeline for the next 24 months.

AN INTERVIEW WITH NICOLAS VANDEN ABEELE

After years of massive growth, the Chinese movie market became saturated in 2018. Did that trend continue in 2019?
The market is in transition, which has led to increased competition and lower margins. We did retain our 50% market share but we know we'll have to work hard and diversify our offering to retain our foothold. The entertainment business besides cinema, however, is flourishing. As more and more people enter the middle class and the government invests big in entertainment, demand for our solutions soars. China is absolutely wild about projection mapping, for example. Our 'in China for China' strategy will help us to further capitalize on those opportunities.

How about the worldwide Venues & hospitality business?
The combination of our industry-leading projection and image processing solutions remains a formula for success. We still are the undisputed market leader in events and our sharpened focus on target markets in ProAV is clearly paying off. The UDX laser projector family keeps stealing the show, so in 2019, we expanded the stack and launched its smaller sibling – the lightweight UDM. By the way, when we talk about expansion, we shouldn't forget our new F40 simulation platform – leading to robust growth of our simulation activities.

Last year, you said LED will be a technology focus for Barco. Did you make progress in that field?
Our partnership with Unilumin testifies to that commitment. Right now I see opportunities for LED in museums, broadcast and TV studios, lobbies, board and meeting rooms and experience centers, as well as in control rooms and in cinema, where it could open the door to brand-new experiences. As a technology company, we have to keep investing in breakthrough technology to create differentiating experiences, and with LED, that's exactly what we do. Our work on light-steering technology, for example, is also ongoing.

Where do you see the Entertainment division in five years?
Growth really is our key focus for the future. I want to keep investing in new imaging solutions and new services that help us stay ahead of the curve - like new workflow and connectivity services that offer our clients valuable insights to run their venues and experiences even better. Of course, while growing we must never lose our focus on performance. The savings we make by boosting efficiency can be reinvested in innovation to sustain our growth.

> With an exceptionally wide laser projector portfolio – including the top-notch Series 4 – Barco really drives laser!

Nicolas Vanden Abeele
General Manager
Entertainment

April 2019
launching the next-gen **4K laser cinema projector** platform

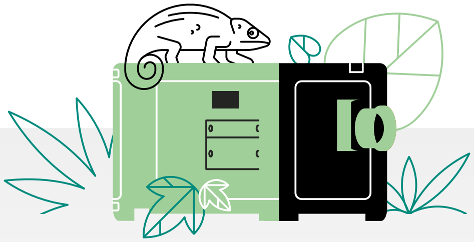
June 2019
new additions to the industry-leading **screen management platform**

June 2019
introduction of the compact, **lightweight UDM laser projector**

September 2019
strategic partnership with **LED technology** expert Unilumin

"We **think** with the customer"

is Nicolas' favorite culture building block:
"Successful companies are partners to their customers rather than suppliers. By listening to our clients and co-create solutions with them, we can offer them solutions and services they really need. The Series 4 series is a fine example of this. When developing the platform, we ensured absolute ease of operation and maintenance, compactness, modularity and eco-friendliness, as we know that's what cinema exhibitors and operators want."



Ecodesign in Entertainment

Barco Series 4
Our Barco Series 4 projectors received an A ecoscore for their increased modularity, energy savings, lighter packaging, and improved recyclability.

Read more on page B/34

CINIONIC

2019: the year laser projection became the new norm for cinemas around the world

"Now that the cinema industry has figured out the difference between Barco and Cinionic, 2019 was a banner year for both companies," writes online film and cinema magazine Celluloid Junkie. We asked Cinionic CEO Wim Buyens if the magazine is right.

How do you look back at 2019, Cinionic's first full year in business?

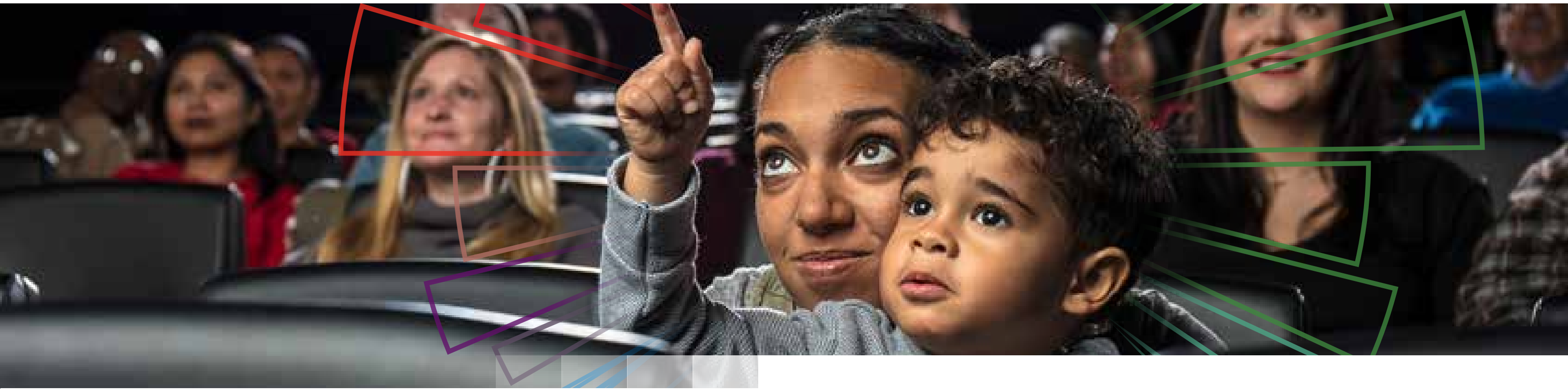
It was surely a milestone year. Movie exhibitors started replacing their existing lamp projectors to embrace new solutions, mainly laser technology. And laser technology is what Cinionic is all about: we are "the laser company". Through our knowhow and our broad portfolio of laser cinema projectors, we are well positioned to steer that industry transformation. In 2019, we significantly expanded our range with the Series 4 laser projector platform, which is next gen. It proves that Cinionic truly masters laser – as well as the cinema business. The many new deals we signed in 2019 prove that we have earned the trust of the cinema business – and trustworthiness is extremely important to encourage the adoption of new technologies like laser projection.

There is no more denying that the cinema business is changing, is there?

We are definitely entering a new era in the cinema industry – which is why we founded Cinionic in the first place. The consumption of both entertainment and visual data is on the rise and movie theaters can benefit from that. Nonetheless, exhibitors, especially in mature markets, are keen to reinvent themselves. To draw people into their movie complexes, theaters have to become full-blown entertainment hubs. That's why 'premiumization' is a major trend: exhibitors are looking for new ways to offer differentiating premium experiences. Cinionic can help them do so: laser projection ensures ultra-bright images and lifts up the visual experience. We're also working hard on CGS (Cinionic Giant Screen) – our premium large format (PLF) solution for big screens.

Our long-standing experience and deep expertise have earned us the trust of the cinema business.

Wim Buyens
CEO of Cinionic



> We are extremely pleased to continue our decade-long relationship with Cinionic, a trusted and valued business partner. Key considerations in the selection of Cinionic's laser technology included the quality of the presentation, as well as the best overall cost of ownership and maintenance over the long run.

Damian Wardle, EVP of Technology Operations & Presentation, Cinemark

But Cinionic is about more than just technology, isn't it?

Absolutely! First of all, laser projection in itself is not only about technology. It holds many advantages that unlock the full potential of a future-proof cinema industry. More than ensuring brightness – as laser enables an unparalleled visual standard – and efficiency – as it allows for remote management throughout the projector's lifetime – laser projection is also about sustainability, as it reduces energy consumption. At Cinionic, we also look at a more holistic picture: we complement our advanced laser projector hardware with solutions and services that enable 'wow experiences' while ensuring peace of mind for our customers at the best-possible cost of ownership. Our flexible financing solutions, like pay-as-you-go, and Laser as a Service, our retrofit offering, are great examples of that.

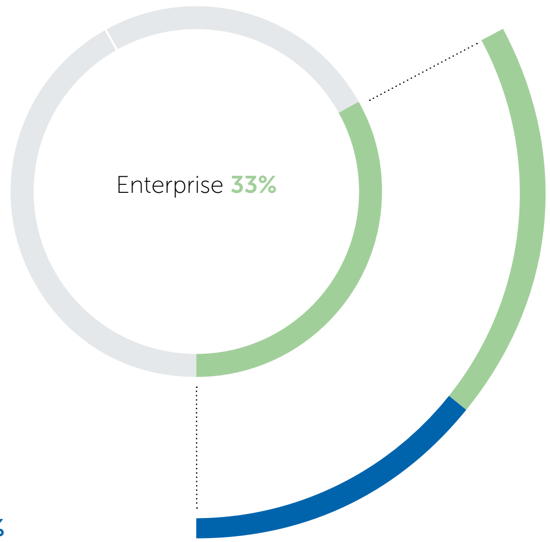
In other words, the future looks bright for Cinionic?

Cinionic sets great store by customer intimacy, as it allows us to really gauge the needs of the cinema market and rapidly respond to them. More than a supplier, we strive to be a trusted long-term partner who thinks together with its customers. An example of such customer intimacy is our long-term relationship with Cinemark, one of the world's largest movie exhibitors. At the end of 2019, we signed a 10-year worldwide agreement with them, based on mutual trust and understanding and a commitment to elevating the movie-going experience for global audiences. 2019 has shown us that the market greatly appreciates that Cinionic commitment – and this is only just the beginning...

* Cinionic is Barco's strategic joint venture with China Film Co. Ltd, Appotronics and CITICPE for the global cinema market excluding mainland China.

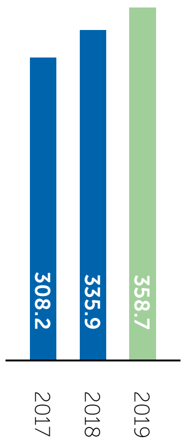
Enterprise

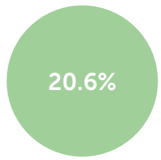
Engaging you to unleash the power of shared knowledge



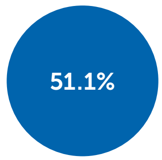
Corporate 58%
Control rooms 42%

Enterprise division Sales



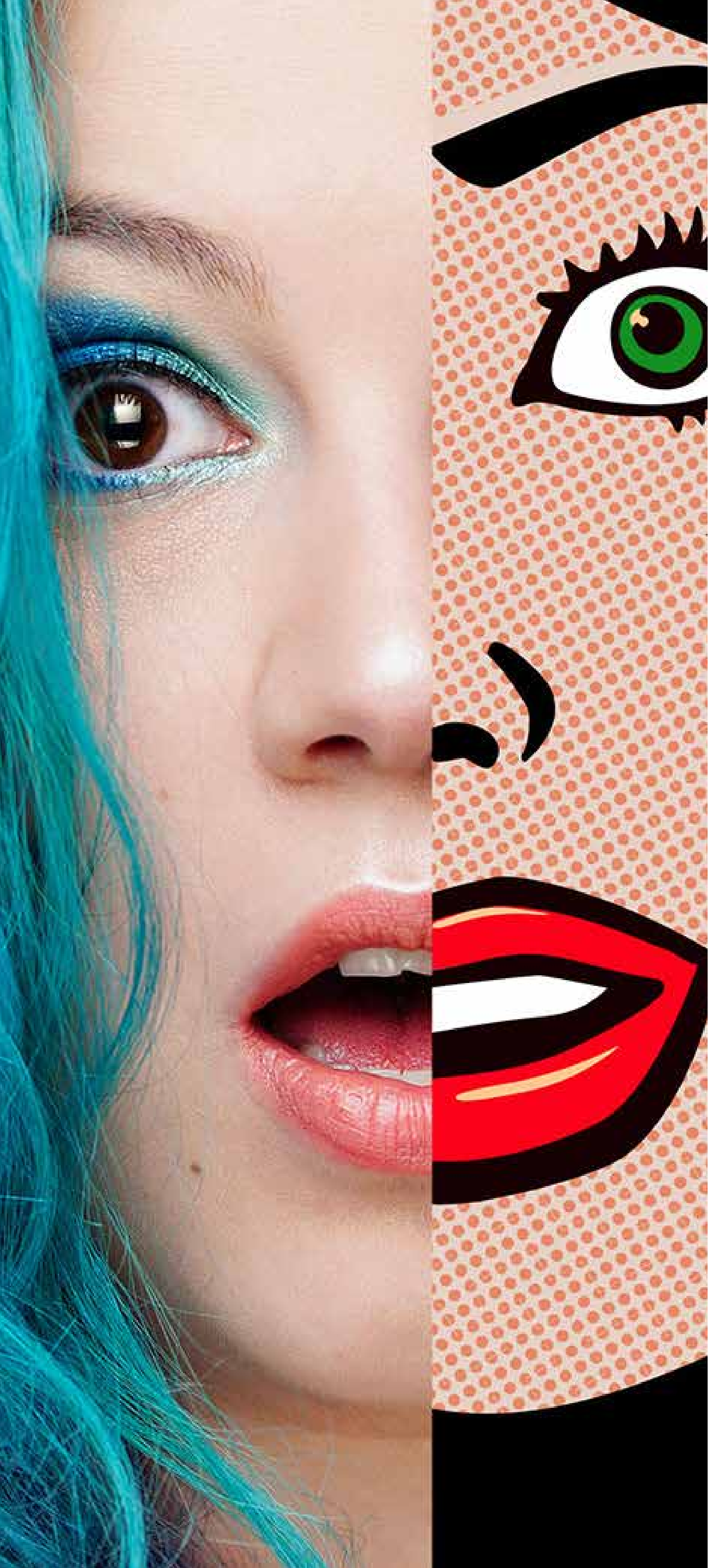


EBITDA margin



Gross profit margin

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



AN INTERVIEW WITH GEORGE STROMEYER

Our growing ability to enhance collaboration was the common theme of 2019

ClickShare has been the star of Barco's Enterprise division for years now. "Investors and analysts all ask me if ClickShare is a one-trick pony. Well, we've been working hard again in 2019 to make sure it keeps shining," laughs George Stromeyer, general manager of the Enterprise division. Yet ClickShare was not the only success story in 2019.

What was your highlight of 2019?
The common theme running through the year was our growing ability to enhance collaboration in different spaces – from meeting rooms, boardrooms and classrooms to control rooms. That ability holds a huge market potential: by improving collaboration, we can help organizations address one of their biggest challenges – productivity.

So, what is the secret?
We've worked hard to better understand the user experience. Now that we truly understand what causes friction in collaboration, we can solve it. User experience throughout the entire customer journey has become our core business.

Zooming in on your businesses, is ClickShare still the growth driver in the meeting room experience business?
Let me first note that we decided to redefine the business to extend beyond the meeting room into lobbies, experience centers, etc. So, we're calling it the workplace experience now. But indeed, ClickShare continued to do well thanks to a few exciting new features, like the ClickShare App. In fact,

AN INTERVIEW WITH GEORGE STROMEYER

several Fortune 500 companies started embracing ClickShare in 2019 on a global scale, leveraging our XMS Cloud Management Platform. They also extended it with other solutions, like UniSee and Overture.

Every story has an end. What about the future of ClickShare?
That's what everyone keeps asking me: "when will this party end?" A market study has shown that there is still great potential in many geographies, including Europe: while 1/3 of UK companies use ClickShare, it's relatively unknown in Italy. Moreover, to counter the notion that ClickShare could be a 'one-trick pony': we have just launched ClickShare Conference. By wirelessly integrating the functionality of the camera and the audio in the room, in addition to the device, ClickShare Conference enables seamless, remote video conferencing - agnostic of the conferencing tool.

ClickShare Conference is additional proof that you're not trapped in the hardware world?
Absolutely. We significantly sharpened our software capabilities and offered more value-added services in 2019. Just like every Barco division, we're stepping up our portfolio by combining hardware with media management and connectivity to gradually also add more workflow solutions and analytics. All our new products, for example, include connectivity. The new XMS eXperience Management Platform leverages the advantages of the cloud and analytics.

That brings us to the control room business – which encountered rough waters in the past. How about 2019?
2019 was the year we returned to growth - albeit slightly, thanks to a sharp focus on performance and the success of solutions like UniSee and our triple-play display strategy. By combining our existing rear-projection offering with LCD (UniSee) and now also LED, we can address all market segments.

By improving collaboration, we can help organizations address one of their biggest challenges – productivity.

George Stromeyer
General Manager
Enterprise

What about the learning experience business?
That business is still small, but we won some great new deals with business schools like IESE. With 43 million classrooms worldwide and 14,000 business schools, the market potential is huge.

How do you plan to boost growth in 2020?
Growing our business will be a focus for 2020: we need to leverage what we have and scale it to ensure lean, profitable growth.

February 2019
ClickShare receives **ISO 27001 certification** for its security processes

May 2019
introducing the XT series of **LED tiles** for 24/7 mission-critical operations

September 2019
launch of the **XMS eXperience Management Platform** to manage ClickShare and wePresent units remotely

October 2019
University of Northampton wins AV Award for **Education Project of the Year**

We **think** with the customer

“We **think** with the customer”

is George's favorite culture building block:
"Our division is on a mission to help organizations collaborate. To succeed, we have to fully understand what our clients want and how they want it. In 2018 and 2019, we completed a big customer journey exercise that enables us think like the customer at every step. We’ve already seen the first results of that in 2019. To me, far-reaching customer centricity is simply the key to good business."

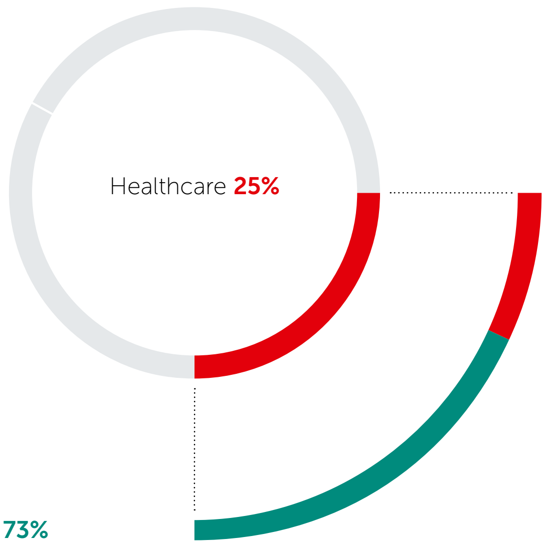
Ecodesign in Enterprise

ClickShare Conference
The ClickShare Conference platform received an A+ eco-score for its decreased weight, improved energy efficiency, conscious material use and improved recylability.

Find out more on page B/35

Healthcare

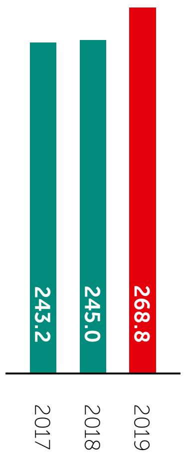
Enabling better health outcomes

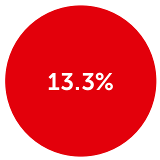


Chirurgie **27%**
Diagnostic imaging **73%**

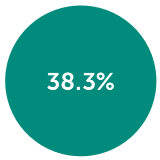
We connect healthcare professionals at almost every patient touch point, from the imaging room, to radiology, during specialist consultations and in the surgical suite. By providing medical staff with the complete and most accurate picture, we enable more informed decisions, when and where it matters most.

Healthcare division Sales





EBITDA margin



Gross profit margin

AN INTERVIEW WITH FILIP PINTELON

Our efforts to increasingly combine hardware, software and services have been rewarded

With a new hub in China, a warmly welcomed update of Nexxis, continued success for diagnostics and promising new solutions – including exciting new technology – in the pipeline, 2019 looked bright for Barco's Healthcare division. So, did they reap the fruit of all that in the past year? We asked general manager Filip Pintelon.

Healthcare in China is booming. Did you manage to take advantage of that momentum?

Absolutely. With a strong double digit growth rate, China now is our fastest growing market. While the market is, of course, favorable, we couldn't have realized that growth without our solid investments in the new R&D and production hub and in our team there.

Is that growth reflected in every business in China – from diagnostics to surgical?

Well, the focus still is on diagnostics, but we do expect surgical to pick up from 2020 onwards. In our more traditional markets, demand for our surgical solutions is clearly on the rise. Now that the digital operating room (OR) has become the new normal, our year-long investments in Nexxis are paying off. Hospitals see Barco as the reference when it comes to solutions for the digital OR.

AN INTERVIEW WITH FILIP PINTELON

What do you expect from the strategic partnership with caresyntax®?

caresyntax® is an expert in software for surgical automation, analytics and AI. By joining forces, we'll be able to take our solution lineup for ORs to new levels – with greater focus on connectivity, workflow and analytics. We've got plenty of new developments in mind for 2020, mostly aimed at further enhancing collaboration and knowledge-sharing.

Do productivity and collaboration remain concerns in healthcare?

More than ever. Hospitals want to reduce process complexity and the workloads of their teams. Barco caters to that need, not only with high-end displays, but by wrapping services and software around our hardware. We remain a market leader in diagnostic imaging, of course – we even succeeded in strengthening that position again in 2019. Yet we clearly see a keen interest in added-value solutions like Uniti®. That's why our revamped Coronis 4MP and 6MP diagnostic display systems now come with productivity tools, just like Uniti®. Even more, we replaced MediCal QAWeb by QAWeb Enterprise, which further simplifies how hospitals manage quality and compliance across facilities.

How did the division's incubator initiatives fare in 2019?

Oxford University started using Synergi™, our cloud-based technology to boost collaboration during multi-disciplinary cancer meetings. We hope to commercially launch the software on a larger scale in 2020. Our Demetra skin scanner was well received in Belgium and Germany: early adopters and key opinion leaders seem to love it. We're currently shaping our go-to-market strategy. With AI clearly on the rise in healthcare, I'd like to further boost the AI capabilities in Demetra.

You already touched upon the topics of AI and even robotics in 2018. Was there progress in this field in 2019?

We see robotics as a new market opportunity for our custom business, where we bundle our capabilities in tailor-made solutions for medtech companies. We did a successful first pilot project in 2019 – yet it's too early to say more about that now. We do know that AI, machine learning and robotics are definitely the way to go in the future. The healthcare robotics space is in full innovation swing, and it allows us again to push our technology innovation forward. While co-creating, it is amazing to see how we get closer to our mission of offering better health outcomes around the world.

> Hospitals want to reduce the complexity of processes and the workload of their teams. Barco caters to that need, not only with high-end displays, but by wrapping services and software around our hardware.

Filip Pintelon
General Manager
Healthcare

February 2019
Presenting Synergi, with Oxford University Hospitals

March 2019
Opening our new **healthcare hub in Suzhou**, China

November 2019
Launch of **new Coronis Fusion 4MP and 6MP** display systems

December 2019
Launch of new **QAWeb Enterprise**

"We **own** our results."

is Filip's favorite culture building block:
"We have invested big in new solutions over the past few years. Now we have to work hard to ensure that these investments are reflected in our bottom line. To achieve that aim, we all have to be accountable and responsible for our work by solving issues immediately, ensuring customer satisfaction, etc."

Ecodesign in Healthcare

Coronis Fusion 4/P/6MP
The revamped Coronis Fusion 4MP/6MP diagnostic display systems are Barco's first healthcare display systems with an A+ ecoscore. They consume less power, use less packaging materials and are easier to recycle.

Read the full story on page B/33

Barco UniSee had the smallest seam and highest brightness, so is visually easy to read and work with.

Changwan Sun
A government employee
in Jeollanamdo Province

Our strategy

[about the visual]

BARCO UNISEE AT DISASTER STATUS CONTROL CENTER
Jeollanamdo, South Korea

Stepping up our strategy

In 2017, we introduced a new strategy to guide us in pursuing our mission to 'enable bright outcomes'. Built around four strategic pillars, it aims to maximize our business opportunities across three time horizons, in three 'chapters'. In 2019, we took the Barco strategy to the next level – chapter 2.

Chapter 1: 2016 - 2018

- **Objective:** focus on performance and shape the organization, product portfolio and market strategies to build a healthier, more resilient platform for future growth.
- **Target:** EBITDA from 8% in 2016 to 12% in 2018, with a flat top-line

Chapter 2: 2019 - 2022

- **Objective**: focus on growth by further expanding our capabilities, footprint, skills and portfolio while keeping our focus on operational efficiency.
- **Target:** efficient sales growth (mid + single digit per year) and EBITDA margin between 14% and 17%

Chapter 3: 2023 and beyond

- **Objective:** focus on enabling bright outcomes by delivering a combination of hardware, software and services via new business models.
- **Target:** growth in recurring revenues and sustained topline and profit growth

1. Innovate for impact

More than launching innovative products, innovation at Barco aims for impact, i.e. added value for our customers. By analyzing our innovation plans, discussing them with customers and de-risking them, we want to ensure solid returns on our innovation investments.

2. Focus on performance

To lead the way in changing times, we unceasingly focus on performance: we work hard to drive efficiency and agility, strengthen our commercial capabilities and reduce costs and we apply 'value-focused thinking' in everything we do.

3. Offer outcome-based solutions

We want to provide our customers with outcome-based solutions instead of just products. That implies a step-change in the way we work: we have to evolve from a tech 'specs' vendor into a partner that delivers outcomes through hardware, software and services.

4. Go for sustainable impact

When executing our strategy, we want to work with respect for our planet, the community we operate in and our colleagues. Year after year, we accelerate our sustainability efforts in these three domains: planet, communities and people.

We live our DNA with these five culture building blocks

- We care, we **grow**
- We **look** for the better way
- We **own** our results
- We **think** with the customer
- We **team up** to win, globally

1. Innovate for impact

To keep fueling the innovation that is typical for a technology leader like Barco, we **invest heavily in R&D**, balancing long- and short-term initiatives. Rather than innovating just to create new products and services, however, we focus on **innovation for impact**, i.e. innovation that solves real challenges and creates real value. Moreover, we also apply innovation practices to **change our way of working and doing business**. By sharpening our innovation processes, we want to **raise the returns on our innovation investments**.

Action points		Proof points in 2019
Continuing to invest in R&D		• Organization became **more aligned** and the **global software development** structure was strengthened, amongst others through the expansion of the software team in India. • **11% of sales spend on R&D** (in 2018 and 2019), balancing horizon 1, 2 and 3 projects.
Innovation at Barco is innovation for impact		• The new UDM projector meets the requirements of the ProAV and events market: **exceptional brightness in a light, compact design**. • Downloaded 250,000 times, the ClickShare App offers the freedom to **share content any way users want**. • ClickShare Conference makes it **easier to share video conferences**. • Series 4 laser cinema projectors help theaters offer their audiences a **differentiated experience**. • The updated Coronis Fusion 4MP and 6MP display systems help radiologists **provide care with confidence**.
Innovation is more than introducing new products		• **New business models:** weConnect, Demetra and Synergi™ officially launched as SaaS solutions. Cinionic invests in business models of the future. • **Adjacent markets:** weConnect, Demetra and Synergi™ target new markets such as education, dermatology and oncology, respectively.
Raising the return on our innovation investments by enhancing processes and organization		• Gerwin Damberg appointed **new CTO** and we introduced a new central technology office structure. • Reshuffling our **technology building blocks** will help us prepare for the next generation of visualization.

Demetra: changing the way skin cancer is screened

When talking about innovation with impact, our Demetra skin scanner ticks all the boxes: it combines innovative hardware and software with intelligent AI algorithms and it is delivered via an innovative business model – as a service. "Demetra will change how we screen, diagnose and follow up on skin cancer," says Prof. Dr. Lieve Brochez, a dermatologist at Gent University Hospital (Belgium).

> I am looking forward to the many more possibilities that AI will bring in the future.
>
> **Prof. Dr Lieve Brochez**
> Dermatologist at Gent University Hospital

Immense future potential

Dr. Brochez's team was closely involved in the development of Demetra: they gave input on the dermoscopy workflow and image quality, tested the tool and helped construct an image bank that contributes to automatic diagnostic classification of skin lesions by neural networks. "Barco engineers greatly valued our input and consistently integrated our feedback into the solution, resulting in a really valuable and innovative tool that holds immense potential. As more AI functionality is gradually integrated, skin lesion screening will keep improving. Moreover, it should be easy to extend the use of Demetra into other fields of dermatology."

2. Focusing on performance

For several years, Barco has worked hard to improve its performance and shape the organization. We **made choices** to streamline our business portfolio and **focused on (cost) efficiencies** and operational excellence. That approach bore fruit: thanks to our efforts, we managed to install a true culture of performance and became a more resilient company. From early 2019 onwards, we started to increasingly focus on growth. We will, however, unceasingly tie these growth efforts to performance, with special attention to sharpening our **commercial excellence**.

Action points		Proof points in 2019
Making choices: streamline our business portfolio		• While the business portfolio is streamlined now, making choices will remain key to **ensure the impact – the value – of our innovation efforts.**
Focusing on R&D and operational efficiency		• **Accelerated value engineering** initiatives across the group led to gross margin growth in 2018 and 2019 compared to 2016. • The new **automated warehouse** – the Mall - helps cut operational costs while driving productivity. • Successful execution of **fit-to-lead restructuring plan**, thus boosting efficiency: on target to save on indirect costs.
Commercial excellence		• Solid investments in R&D and commercial teams in **China** to strengthen our commercial footprint there (mainly in events, ProAV and healthcare). • Expansion of **new partner program**, reinforcing our commercial scope. • **New commercial leadership** in every region where we are active. • Rollout of **new service offerings**, e.g. break-fix scope and definition, dashboard and reporting processes, and improved interaction between divisions and commercial departments. • Cinionic lands **deals with big-name cinemas** like Cineworld, Cinemark and Pathé. • **EBITDA margin** 14.1% up from 8% in 2016 (+6 percentage points).

How value engineering of our Series 4 projectors led to impressive results

Over the past few years, Barco has been significantly optimizing our manufacturing footprint. Value engineering, for instance, helps us capture economies of scale and raise efficiency. By using value engineering best practices when designing the new Series 4 laser cinema projector platform, our NPI team booked impressive results.

> The simple design ensures an agile production process: we can now easily make changes with minimum changeover time and costs.
>
> **Filip Deruijck**
> VP of Operations Belgium, Barco

Assembly time slashed by 1/3

“A smart, modular design makes assembly much simpler,” explains Filip Deruijck, VP of Operations. “As our Series 4 projectors include fewer components (decreasing from 146 to 67) and fewer screws (from 183 to 78) than existing laser projectors, only 11 meters of production line was needed (instead of 33 meters), with 4 instead of 8 assembly stops. As a result, we slashed assembly time by 1/3 – the remaining time is used to handle subassembly that we outsourced in the past. More than boosting efficiency and cutting costs, this makes our production process more agile too: we can now easily make changes with minimum changeover time and costs.”

3. Delivering outcome-based solutions

Traditionally a tech 'specs' vendor, we are now **strengthening our capabilities and organization** to combine hardware with software and services. Doing so is a multi-year journey, but as our technology is mission critical, the potential is huge. More than making our customers happier – and more loyal – **outcome-based solutions** will also help us achieve predictable, recurring revenues. Step by step, we are making progress in this field.

Action points		Proof points in 2019
Strengthening capabilities and organization		• Successful rollout of 'Fit to lead' program **to realign our organization** around services and product management. • Strengthened **software organization** in India. • E-training helped boost **security awareness** throughout the organization. • Continued build-out of **overall software platform** with common components used across divisions. • Partnership with caresyntax® will help extend the Nexxis value proposition to include workflow and analytics services.
Exploring and launching outcome-based solutions, in new business models		• Introduction of a **new 'value stack' model** that allows all divisions to explore new business models and step up their offering with workflow solutions and analytics. • weConnect, Overture, UniSee, Demetra and Synergi™ are all offered through **subscription-based services** (SaaS, incl. subscription, registration and license management). • Laser as a Service, Cinionic's laser retrofit solutions come with a **variety of payment options**, including a pay-as-you-go model. • XMS, de eXperience Management Suite for remote control of the ClickShare and wePresent devices also offers **analytics** to drive the digital workplace.

The eXperience Management Suite (XMS): designed to help drive workplace collaboration and engagement

Our Enterprise team has a clear, outcome-based mission: to unleash the power of shared knowledge. The eXperience Management Suite (XMS) introduced in 2019 helps them enable that outcome. XMS adds analytics and insights to the remote monitoring and management features that were already available to ClickShare and wePresent customers.

> Customers as well as partners get clear insights into the return on their investments in collaboration.
>
> **Wim Debruyne**
> VP of Meeting Experience, Barco

Shaping the future of the corporate workplace

"XMS offers a view of the availability and use of every base unit and meeting space. Based on these understandings, our customers can adapt their investments in workspace capacity to drive productivity, collaboration and engagement. In this way, XMS becomes a primary platform used to shape the future of the corporate workplace," explains Wim Debruyne, VP of Meeting Experience. "Moreover, XMS also opens the door to outcome-based business models: Barco partners can deliver the suite as managed services, offering their end customers remote fleet management, proactive monitoring, analytics, etc. to ensure a continuous, flawless meeting experience."

4. Go for sustainable impact

When deciding how to execute our strategy, we seek to work with respect for the planet, our people and the community we operate in. Year after year, our commitment to 'go for sustainable impact' becomes more deeply embedded in Barco's corporate DNA. Now that our ambitions and targets have been defined, we keep **strengthening our organization** to instill a true culture of sustainability and **stepping up our sustainability performance** in the domains of planet, people and communities.

Action points		Proof points in 2019
Strengthening governance and organization		• **Reaping the fruit** of earlier investments to strengthen our organization, e.g. new sustainability manager. • Annual **reporting to Barco's Board of Directors and Audit Committee**. • The **executive sustainability steerco** now oversees the progress and status of our sustainability program.
Sustainability strategy		• **Mid-term (2023) sustainability targets** defined for the planet domain. • Step up in **internal and external communications**.
Improving sustainability performance in the domains of planet, people and com-munities		• **Gold rating** from the EcoVadis business sustainability ratings platform (silver in 2018). • **Prime status** from the ISS-oekom rating agency, ranking us in the top 20% of the 'Electronics Devices & Appliances' industry worldwide. • Barco One Campus awarded **ISO 14001** certificate (environment man-agement system). • On track with the **2020 carbon footprint** objectives (-16% based on 2018 measurement). • Launch of the **ECO label** to grade products according to ecodesign performance. • A+ ecoscore for Series 4 laser projector platform, Coronis Fusion 4MP and 6MP and ClickShare.

Stepping up our ecoscoring efforts

As Barco wants to communicate openly about the environmental footprints of its products, we launched the ecoscore in 2017: an objective tool that grades our products according to their environmental performance in four domains: energy, materials, packaging and logistics, and end-of-life. In 2019, we stepped up our efforts in this field: 80% of our products were ecoscored.

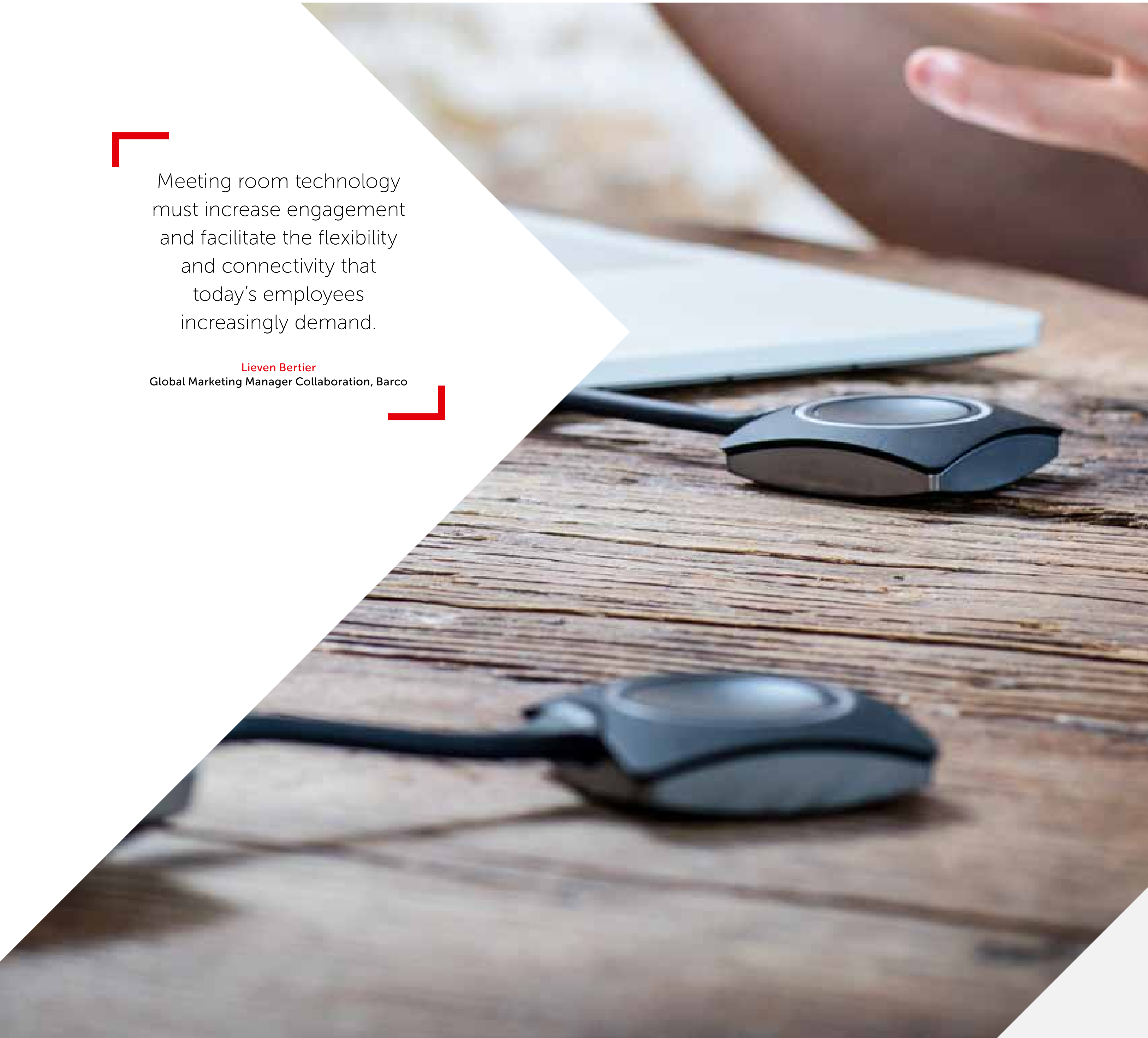
> The ecoscoring methodology encourages our developers to make sustainable choices and informs our customers about the ecoperformance of our products.
>
> **Jan Daem**
> Environmental compliance officer at Barco

Objective and ambitious

"When developing the methodology, the main rule was that the tool needed to be objective. It is not created to favor Barco products, but purely looks at the sustainability parameters," highlights Jan Daem, environmental compliance officer. To ensure the objectivity as well as the completeness, relevance and reliability of the methodology, we submitted it to an external audit. "Only products that score exceptionally well (A, A+ or A++) get the Barco ECO label", Jan continues. "Right now, that's only a few products but that number will grow quickly, as ecoscoring is now an integral part of our NPI (new product introduction) process."

Meeting room technology must increase engagement and facilitate the flexibility and connectivity that today's employees increasingly demand.

Lieven Bertier
Global Marketing Manager Collaboration, Barco



Governance

[about the visual]

GREAT THINGS HAPPEN WHEN PEOPLE CLICK
Barco, ClickShare

Declaration regarding the information given in the Annual Report 2019

The undersigned declare that:

- The annual accounts, which are in line with the standards applicable for annual accounts, give a true and fair view of the capital, the financial situation and the results of the issuer and the consolidated companies;

- The annual report gives a true and fair view of the development and the results of the company and of the position of the issuer and the consolidated companies, as well as a description of the main risks and uncertainties they are faced with.

Jan De Witte, CEO

Ann Desender, CFO

Corporate governance statement

In accordance with article 96, §2 of the Companies Code, Barco applies the Corporate Governance Code 2009 as reference code. This code can be downloaded via the link

www.CorporateGovernanceCommittee.be

Barco deviates from the Corporate Governance Code as follows:

Art. 8.4: Barco makes the information defined in this article available only on its website. An analysis of website traffic revealed that visitors search for this information on the web-pages themselves, rather than in the Corporate Governance Charter, which is also available on the website.

Appendix D, art. 5.3/1 & Appendix E, art. 5.4/1: The Remuneration and Nomination Committee does not have a majority of independent directors.

However, the majority of directorships will expire at the annual meeting of April 2020. The Board of Directors will therefore review the composition of the Remuneration and Nomination Committee after this annual meeting.

Barco's Corporate Governance Charter is available for download at www.barco.com/corporategovernance

Board of Directors

Charles Beauduin

Jan De Witte

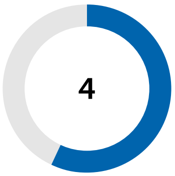
Frank Donck

Ashok K. Jain

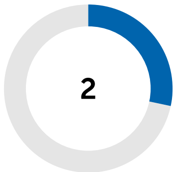
Hilde Laga

Luc Missorten

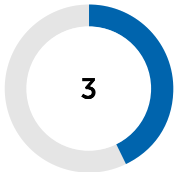
An Steegen



Leden met
5 jaar senioriteit



Vrouwelijke leden
van de Raad



Onafhankelijke
leden

Charles Beauduin (°1959)

has been CEO and owner of Michel Van de Wiele NV since 1993. Van de Wiele is an international technology player and leader in solutions for the textile industry. Mr. Beauduin holds several positions in trade associations and employer organizations. He holds a Master of Law from KU Leuven and an MBA from Harvard Business School.

Mr. Beauduin has broad professional management experience, including international assignments in Asia and the United States.

Jan De Witte (°1964)

is CEO of Barco as of September 2016. He is a global leader who has served in a variety of operational and business leadership roles over the past 25 years, delivering operational excellence, product development and growth in services, solutions and software businesses for technology companies.

Prior to joining Barco, Mr De Witte was an officer of General Electric Cy (GE), and CEO of the Software and Solutions business in the Healthcare Division. During his 17-year, tenure with GE, he worked in global management roles in manufacturing supply chain, Quality/Lean Six Sigma, services and software solutions and lived in Chicago, Milwaukee and Paris.

Prior to GE, Mr. De Witte held operational management positions in supply chain and manufacturing at Procter & Gamble in Europe. He also served as Senior Consultant with McKinsey & Company, serving clients in airline, process and high-tech industries across Europe. In 2019, he joined the Board of Directors of ResMed Inc.

Mr. De Witte holds a Master of Electromechanical Engineering from KU Leuven, and an MBA from Harvard Business School.

Frank Donck (°1965)

has been the managing director of investment holding company 3D NV since 1998, investing in a mix of long-term public equity, private equity and real estate. He also serves as Chairman of Atenor Group NV and Telecolumbus AG, as non-executive director of KBC Group NV and as independent director of Elia System Operator NV. Frank Donck holds a Master of Law from the University of Ghent and he obtained a Master of Finance from Vlerick Business School. He started his career as investment manager for Investco NV and was a board member for several listed and privately owned companies. Mr. Donck was Chairman of Telenet Group Holding NV He is also vice-chairman of Vlerick Business School and is a member of Belgium's Corporate Governance Commission.

Ashok K. Jain (°1955)

holds a Master of Technology degree from the Indian Institute of Technology in Delhi, India During his career, Mr. Jain has founded several technology start-ups and has converted them into successful businesses through strong leadership coupled with insights into emerging opportunities and trends in the global economy Mr. Jain was founder and Chairman of the Board of IP Video Systems, which was acquired by Barco in February 2012. He is currently a General Partner at Co=Creation=Capital LLC Mr. Jain is of Indian origin and has US citizenship.

Hilde Laga (°1956)
holds a PhD in law She is one of the founding partners of the law firm Laga, which she led as managing partner and head of the corporate M&A practice until 2013. Hilde Laga joined the Board of Directors of Barco NV and NV Greenyard Foods in 2014 In 2015, she joined the Board of Directors of Agfa-Gevaert NV and of Gimv NV In 2016, she became president of Gimv NV. She is a member of the Belgian Corporate Governance Committee and served as a member of the supervisory board of the F S M A (formerly C B F A) until 2014.

Luc Missorten (°1955)
is currently Chairman of the Board of Directors of Ontex and member of the Board of Gimv NV, Recticel, Scandinavian Tobacco Group A/S and Mateco. He served on the boards of LMS, Vandemoortele and Bank Degroof and Corelio. Throughout his professional career and until the end of 2014, Mr. Missorten exercised executive roles at various companies, such as Corelio (CEO), UCB (CFO) and ABInbev (CFO). He holds a law degree from KU Leuven, a Master of Laws from the University of California–Berkeley and a Certificate of Advanced European Studies from the College of Europe in Bruges.

An Steegen (°1971)
holds a Ph.D. in Material Science and Electrical Engineering from the Catholic University of Leuven, KUL, in collaboration with the Interuniversity Microelectronics Center, IMEC, in Belgium.

She joined IBM Semiconductor R&D in Fishkill, New York, in 2000. As R&D director and executive of IBM's International Semiconductor Alliance, she was responsible for IBM's advanced logic semiconductor technology development for the mobile and wireless application market. In 2010, she rejoined imec, in Belgium. As Executive Vice President, she was in charge of imec's Semiconductor Technology & Systems division. Dr. Steegen is a recognized leader in semiconductor R&D and an acclaimed and inspiring thought leader in innovation in the IoT and digitalization era.

In 2018, Dr. An Steegen joined Umicore as Chief Technology Officer, responsible for the company's overall innovation strategy. She is in charge of Umicore's R&D in the areas of clean mobility materials, recycling and sustainability and she is responsible for Umicore's new business incubation in adjacent and new opportunity markets. She is also Executive Vice President of the Electro-Optical Materials and Thin Film Products business lines.

Board of Directors

Situation on 10 February 2020

Chairman	**Charles Beauduin**	2020*
Directors	**Jan De Witte**	2020*
	An Steegen (1)	2020*
	Luc Missorten	2021*
	Adisys Corporation (represented by **Ashok K. Jain**)	2020*
	Hilde Laga (1)	2021*
	Frank Donck (1)	2020*
Secretary	**Kurt Verheggen** General Counsel	

(1) independent directors // * date on which the term of office expires: end of the annual meeting

The composition of the Board of Directors meets the gender diversity requirement laid down in article 526 quater §2 of the Companies Code, now article 7:86 of the Code of companies and associations.

All directors hold or have held senior positions in leading international companies or organizations Their biographies can be found on pages A/57-A/58 of this annual report.

Core Leadership Team


Jan De Witte


Xavier Bourgois


Wim Buyens

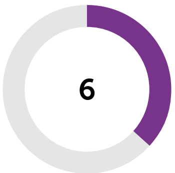

Olivier Croly


Gerwin Damberg

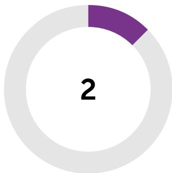

Ann Desender


An Dewaele

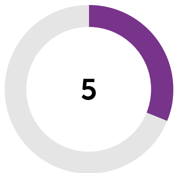

Stijn Henderickx



CLT members
with 5 years seniority



Female
CLT members



Non-Belgian
CLT members

Johan Heyman

Rob Jonckheere

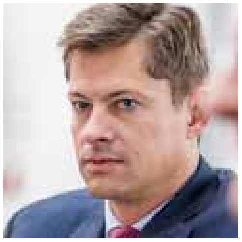
Chang Tet Jong

Filip Pintelon

George Stromeyer

Iain Urquhart

Nicolas Vanden Abeele



Kurt Verheggen

Jan De Witte **CEO**

See biographies of Board of Directors (A/57-A/58)

Xavier Bourgois **Information Technologies**

is Senior Vice President of Information Technologies. He joined Barco in 2015 after a career at General Electric and continuing at The Stanley Works, International Paper and bpost. He held positions of increasing leadership in Operations, Supply Chain, IT and Business Transformation. Xavier holds an MBA from the University of Chicago Booth School of Business and a Master of Mechanical Engineering from KU Leuven.

Wim Buyens **CEO Cinionic**

heads the Cinema Joint Venture, Cinionic. He has held several senior management positions in high tech companies during the past 15 years. He started his career in IT prior to joining the Danish company Brüel & Kjaer where he occupied several global senior management positions in sales and product strategy. Mr. Buyens joined Barco in November 2007 as Vice President Digital Cinema and has been General Manager of the Barco Entertainment division for 7 years. He served as Chairman of the Board of Governors of the Advanced Imaging Society in Hollywood in 2017-2018. Mr. Buyens holds a degree in Engineering and obtained his executive management at Stanford University and IMD in Lausanne.

Olivier Croly **APAC**

joined Barco in 2017 as Senior Vice President of APAC. Prior to joining Barco, he held top positions at GE Healthcare & Philips, leading businesses across EMEA & Asia. After graduating from the National Telecom Institute with a Master of Telecommunications & Informatics in 1988, Mr. Croly earned an MBA from Paris Dauphine University.

Gerwin Damberg **Chief Technology Officer**

joined Barco in 2016 via the acquisition of MTT's Light Steering technology where he was co-founder and served as CTO. Dr. Damberg is an entrepreneur at heart and has advanced image technologies over the last decade both in start-up and established technology companies in R&D, business development and management roles. He holds a mechatronics engineering degree from the University of Applied Sciences in Karlsruhe, Germany as well as a PhD in Computer Science from the University of British Columbia, Canada.

Ann Desender **Chief Financial Officer**

joined Barco in 2008 and has been leading Barco's global finance team since 2010. Prior to joining Barco, she held management positions as Corporate Director of Finance & Reporting at Unilin and was a Senior Audit Manager at Arthur Andersen and Deloitte. Mrs. Desender holds a Master of Applied Economic Sciences from the University of Ghent and completed an advanced management program at IESE Barcelona.

An Dewaele **Chief HR Officer**

joined Barco in 2017. Prior to that, she had worked as an HR consultant with De Witte & Morel for five years, followed by 20 years with the Volvo Group, where she held several senior HR positions, both local and global, on operational and strategic levels. Mrs. Dewaele holds a Master of Industrial Psychology from the University of Ghent. She is also graduate of Vlerick's Business School Compensation and Benefits Management Program.

Stijn Henderickx **EMEA**

joined Barco in 2013 and held several positions in Barco's Entertainment Division, including Vice President Cinema and Vice President Pro AV, Events & Simulation. As of early 2019, he became Senior Vice President of EMEA.

Prior to joining Barco, Mr. Henderickx led Philips Arena Solutions, Philips' global business entity focused on stadiums and arenas. Earlier in his career, he took on multiple strategy assignments, first at The Boston Consulting Group as Consultant, later on with Philips as Director Corporate Strategy. He holds an Master in Business Engineering from the University of Antwerp.

Johan Heyman **Organizational Excellence/'Fit to lead'**

is Senior Vice President Organizational Excellence. In this role he manages Barco's transformation program "Fit to Lead" aiming at making Barco a leaner, simpler and more productive organization. He joined the company in 2008 as Vice President Operations & Logistics, managing Barco's worldwide manufacturing, logistics, quality and procurement teams. Before joining Barco, he held several management positions in the semiconductor industry at Alcatel Microelectronics, AMI Semiconductor and ON Semiconductor.

Mr. Heyman holds a Master of Electronics Engineering from the University of Ghent as well as a post-graduate degree in industrial management from the same university.

Rob Jonckheere **Global Operations**

is Senior Vice President Global Operations managing Barco's worldwide manufacturing sites as well as the worldwide Logistics, Procurement, Quality and Facilities teams. He joined Barco in April 2016 as VP Global Procurement and brings 30 years of experience across R&D, Program- and General Management.

Prior to joining Barco he held various positions with increasing responsibility at Philips and TP Vision and was chairman of the Board of Directors of TP Vision Belgium. Mr. Jonckheere holds a Master of Science in Electromechanical Engineering from the University of Louvain.

Chang Tet Jong **MD Barco China**

joined Barco China as Senior Vice President and Managing Director on 1 April 2017 and is a member of Barco's Core Leadership Team.

He is responsible for leading Barco's organization in the Greater China region. This includes the governance of the different joint ventures and other strategic relationships.

Mr. Chang brings 30 years of experience to Barco across R&D, sales & marketing and general management. He has a diverse professional background in several Asia Pacific countries, notably in China, South East Asia and India. He has also worked in Western Europe and has lived in Brussels for a few years. Prior to his current role, he was the Vice Chairman and General Manager of Sanbei Seed and Head of Corn and Vegetables business at Syngenta. Mr. Chang holds a Master of Science from Oklahoma State University, USA.

Filip Pintelon **GM Healthcare**

joined Barco in 2008 and has been successively President of Avionics & Simulation, President of Media, Entertainment & Simulation, and COO As of early 2015, he became General Manager of the Healthcare division. Prior to joining Barco, he held top positions at Siemens, Accenture and The Boston Consulting Group. After graduating from KU Leuven with a Master of Mathematics & Informatics in 1986, Mr Pintelon earned an MBA from Vlerick Leuven Gent Management School. Mr Pintelon also holds several positions in industry advisory boards related to Digital Innovation.

George Stromeyer **GM Enterprise**

began his career with Raychem Corporation in 1988. Since then, he has assumed roles of increasing responsibility for global technology commercialization with Scientific Atlanta Inc., Cisco Inc. and Harmonic Inc.

Mr. Stromeyer joined Barco in February of 2016 to lead the Enterprise division, which integrates seven worldwide sites. A native of Silicon Valley, he has developed a multi-cultural, multilingual background, with extensive years living and working in Europe and Latin America. George Stromeyer holds a Bachelor of Science in Mechanical Engineering from Cornell University and a Master of Business Administration from the Tuck School at Dartmouth College.

Iain Urquhart **Americas**

joined Barco in 2019 as Senior Vice President of the Americas. Prior to this, he joined Barco from Oracle where he led the cloud transformation of Oracle America's SaaS applications channel business. Prior to Oracle, he held senior leadership roles at Rackspace and Microsoft, focusing on driving cloud and as-a-service transformation in direct sales, channels, and services. Mr. Urquhart holds a BS in History and Communication from the University of Missouri-Columbia.

Nicolas Vanden Abeele **GM Entertainment**
joined Barco in December 2017. Mr. Vanden Abeele has over 20 years of experience in the technology and process industry in global leadership roles across the globe, having been stationed during his career in the Americas, Asia (China/Singapore) and Europe.

Prior to joining Barco, he was a division head and part of the Executive Committee of the Etex Group. From 1997 until 2010, he held several top leadership positions in regional and business divisional roles at Alcatel-Lucent. He started his career at Arthur Andersen in management and strategy consulting.

Mr. Vanden Abeele holds a degree in business administration from KU Leuven, a Masters' degree in business from the College of Europe and and a Masters' degree from the Solvay School of Management.

Kurt Verheggen **General Counsel**
serves as Company Secretary of the Board. He is the General Counsel of Barco in charge of legal, risk & compliance matters. He started his career with the law firm Linklaters and then worked as legal counsel for CMB, Engie and General Electric. He holds a law degree from KU Leuven, a DEUG en droit from Université du Havre, a Master of Laws from Tulane University Law School in New Orleans and a Master of Real Estate from Antwerp Management School.

Changes Core Leadership team

Barco NV is managed by a Core Leadership Team ('CLT') which comprises certain key officers from functions, businesses and regions. The CLT operates under the chairmanship of the Chief Executive Officer and shares responsibility for the deployment of Barco's strategy and policies, and the achievement of its objectives and results.

The CLT composition has gone through a limited number of changes in 2019:

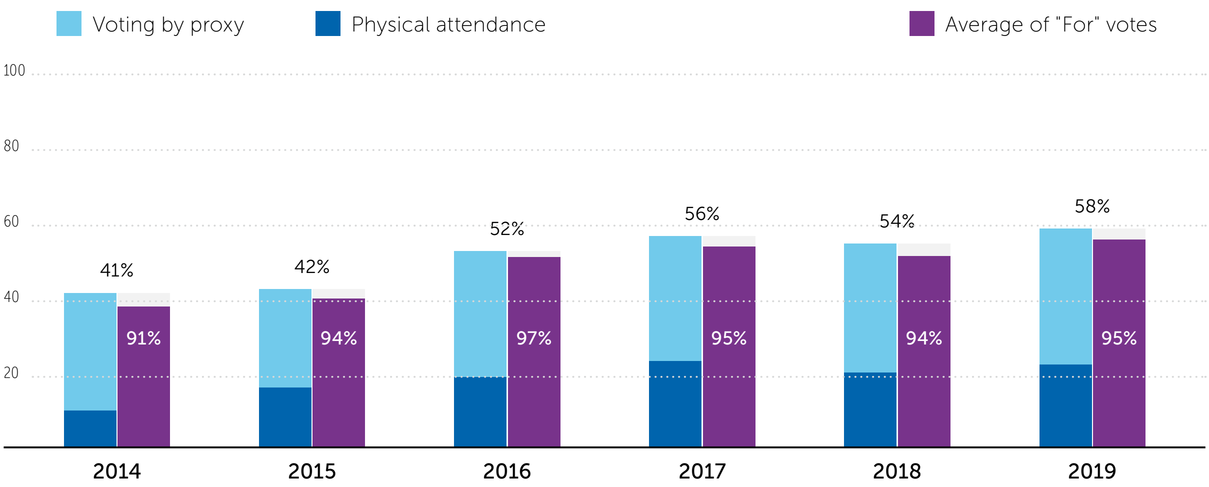
- Piet Candeel, Senior VP EMEA left Barco at the end of the first quarter 2019 and was succeeded by Stijn Henderickx. (Transition announced in Annual report 2018, implementation 2019).
- Johan Heyman, former VP Operations, took up the role of Program Management Office "fit to lead" and remains member of the CLT. Rob Jonckheere, former VP Global Procurement succeeded Johan as head of Global Operations. (Transition announced in Annual report 2018, implementation 2019).
- Gerwin Damberg, was appointed Chief Technology Officer for Barco. (Announced in Annual report 2018, implemented in 2019).
- Ney Corsino, Senior VP Americas left Barco at the end of third quarter in 2019 and was succeeded by Iain Urquhart.

Annual General Meeting

The annual general meeting (AGM) is held on the last Thursday of April. Shareholders can either attend the meeting or vote by proxy. Voting is done electronically using an outside vendor's services. The company is open to discussions with proxy voting agencies to better understand their policies and align the company's activities therewith, considering its size, profile, jurisdiction as well as the geographical scope of its activities.

Over the last years, shareholders' participation has gradually increased. More than half of the shareholders participated in the 2019 AGM, of which 38% physically attended the meeting. In 2019, the extra-ordinary meeting of shareholders renewed the mandate to the Board of Directors to acquire and divest the company's own shares.

Participation rate & Average of "For" votes

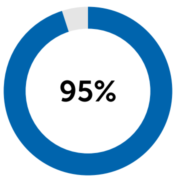


Activity report on Board and Committee meetings

Directors’ attendance at Board and Committee meetings

	BOARD OF DIRECTORS	AUDIT COMMITTEE	REMUNERATION & NOMINATION COMMITTEE	STRATEGIC & TECHNOLOGY COMMITTEE	ATTENDANCE RATE
Charles Beauduin	6		4	3	100%
Jan De Witte	6	5	4	3	100%
Frank Donck [1]	6	5			100%
Ashok K. Jain	6			3	100%
Hilde Laga [1]	5		3		83%
Luc Missorten	6	5	4		100%
An Steegen [1]	5	4		3	93%

(1) independent directors



Average total attendance rate

Board of Directors

Reference is made to Title 1 and 2 of Barco’s Corporate Governance Charter for an overview of the responsibilities of the Board of Directors and its Committees.

The table on the left provides a comprehensive overview of the directors’ attendance at Board of Directors and Committee meetings in 2019.

In 2019, the Board of Directors decided to reduce the number of meetings to six. Intermediate meetings are held via teleconference call if need be. All the Board of Directors meetings took place in Belgium.

One meeting was hosted by the ORSI Academy in Wetteren. ORSI is a non-profit organization founded by Prof. Dr. Mottrie, a pioneer of robotic surgery. The ORSI Academy is a training centre for robotic surgery, it sets training standards and certifies surgeons for robotic surgery. The meeting was closed with a dinner attended by the executive management and several of their team members to foster closer interaction between the directors and the managers of the company.

At every meeting, the Board of Directors reviewed and discussed the financial results as well as the short to mid-term financial forecast of the company. At the beginning of the year, upon recommendation by the Audit Committee, the Board approved the financial results of 2018 and proposed the dividend for approval by the shareholders.

The Board, in close concert with the Core Leadership Team, reflected on each of the divisions’ strategies for the short to mid-term, discussed and decided upon the growth initiatives for the company and approved the 2020 financial budget.

The Board closely monitored the implementation of strategic projects such as the purchase of a minority stake in the Chinese LED manufacturer Unilumin listed on the Shenzhen stock exchange.

The Board reflected on and discussed the new company code and corporate governance charter.

Finally, the Board also attended several new product demonstrations such as the digital dermatoscope Demetra and the next generation ClickShare.

Board Committees

Audit Committee

The Audit Committee is composed of three members. Luc Missorten, who acts as Chairman and Frank Donck and Ann Steegen. Frank Donck and Ann Steegen are independent directors. The Audit Committee's members have relevant expertise in financial, accounting and legal matters as shown in the biographies on pages A/57-A/58.

The Audit Committee met five times during 2019. All Audit Committee members were present during all the meetings, except for Ann Steegen who was present in four of the five meetings.

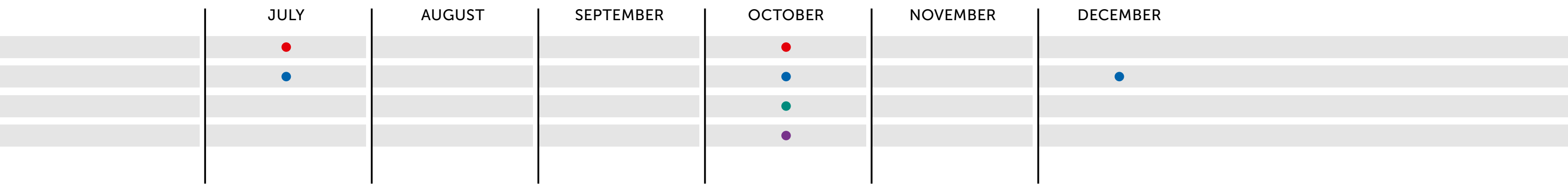
The Chairman of the Audit Committee reported the outcome of each meeting to the Board of Directors. The yearly report of the activities of the Audit Committee was submitted to the Board of Directors.

The CEO, the CFO and the VP Corporate finance attended all regular meetings. The Group's internal auditor and the Group's external auditor PwC Bedrijfsrevisoren/Accountants bcvba were present in 4 meetings. The overview on the right indicates a number of matters that were reviewed and/or discussed in Audit Committee meetings throughout 2019:

Overview of the Board and Committee meetings in 2019

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
Board Committees		●				●
Audit Committee		●		●		
Remuneration & Nomination Committee		●				●
Strategic & Technology Committee				●		●

- The Company's 2018 annual and 2019 interim financial statements, including non-financial information, prior to publication thereof. The Committee also assessed in its quarterly meetings the adequacy and appropriateness of internal control policies and internal audit programs and their findings.
- Matters relating to accounting policies, financial risks and compliance with accounting standards. Compliance with statutory and legal requirements and regulations, particularly in the financial domain, was also reviewed. Important findings, Barco's major areas of risk (including the internal auditor's reporting thereon, as well as the review of litigation and other claims), follow-up actions and appropriate measures were examined thoroughly.
- Each quarter, the Committee reviewed the Company's free cash flow generation and working capital ratios.
- The Committee monitored the potential goodwill impairment indicators and reviewed the goodwill impairment test performed, risk management (cyber security, legal compliance, currency & treasury instrument, health, safety & environmental, insurance, GDPR, sustainability program and single source supplier risks).
- With regard to internal audit, the Committee reviewed and approved the internal audit charter, audit plan, audit scope and its coverage in relation to the scope of the external audit, as well as the staffing, independence and organizational structure of the internal audit function.
- With regard to the external audit, the Committee reviewed the proposed audit scope, approach and fees, the independence of the external auditor, non-audit services provided by the external auditor in conformity with Barco's non-audit fee policy. The Committee also reviewed the key audit matters valuation of goodwill and valuation of deferred tax assets, as well as the group external auditor's management letter, which contained no recommendations with material impact.
- For information on the fees of Group auditor, please refer to note 24 Related party transactions in section C – Financial statements 2019.
- The impact of newly adopted accounting standards IFRS16 (leases) and IFRIC 23 (Uncertain Tax Positions) applicable as of January 1st, 2019.



The Committee reviewed the report from the external auditor in which the auditor set forth its findings and attention points during the relevant period. The Committee also assessed the overall performance of the external auditor. The Committee also reviewed and approved its updated Audit Committee Charter, including the minor amendments thereto.

Remuneration and Nomination Committee

The Board of Directors has combined the Remuneration Committee and the Nomination Committee into a single committee.

The Remuneration & Nomination Committee consists of three directors: Charles Beauduin, who acts as Chairman, Luc Missorten and Hilde Laga. Mrs. Laga is independent non-executive director.

The Committee has the necessary expertise to perform its mission.

The Remuneration and Nomination Committee fulfills the mission imposed on it by law and meets at least three times per year, as well as whenever the Committee needs to address imminent topics within the scope of its responsibilities. The CEO is invited to meetings, except for matters that concern him personally. The meetings are prepared by the Chief HR Officer, who attends the meetings.

The Committee gives its opinion on appointments to the Board of Directors (Chairman, new members, renewals and committees) and to Core Leadership Team positions. Other topics for the agenda of the committee typically are remuneration policies, senior leadership remuneration, critical successions and nominations. In fulfilling its responsibilities, the Remuneration and Nomination Committee has access to all resources that it deems appropriate, including external advice.

The Committee is aware of the importance of diversity in the composition of the Board of Directors in general and of cultural and gender diversity in particular. For further reference on how the company deals with diversity and equal opportunities we refer to the Sustainability Report, section People.

In 2019, the Remuneration and Nomination Committee met four times.

The Remuneration and Nomination Committee has reviewed the results on the 2018 bonus targets, for Barco, Core Leadership Team and CEO. For the Core Leadership Team, the evaluation on the individual bonus criteria was discussed and an overall assessment on the performance was done linked with the 2019 salary review. The members of the Remuneration and Nomination Committee received detailed data for each individual CLT member before giving final approval on 2018 bonus and 2019 merit.
The allocations of Stock Options for 2019 has been prepared and brought to the Board for approval.

Following through a new Long-Term Incentive Plan for the Core Leadership Team members and for Executives that was put in place in 2018, an entitlement update was done on the number of participants.

The Committee has discussed how the Core Leadership Team and the N-2 position holders have been assessed as part of the yearly Talent Review process in Barco and reviewed the talent vitality situation.

The Remuneration and Nomination Committee was informed and discussed about the Barco Culture Journey that has started, as an important element to supports us in executing our strategy successfully.

Related to some shifts in the Core Leadership Team throughout the year, the new appointments were discussed by the Remuneration and Nomination Committee.

Strategic and Technology Committee

The Strategic and Technology Committee is an advisory body to the Board of Directors. The committee is composed of four members. Charles Beauduin, who acts as Chairman, Ashok Jain, An Steegen and Jan De Witte.

The Strategic and Technology Committee discusses options that could influence the company's strategic path. Possible topics include investments in new technologies and markets or regions that could have an important impact on the future of the company. This relates to investments running over a number of years that involve a minimum commitment by the company of 10 million euro over the entire duration of the project. The investments also include potential mergers & acquisitions.

In 2019, the Strategic and Technology Committee met four times. The Committee organized specific working sessions by division, thus ensuring appropriate depth and focus for each of Barco's divisions. The Committee also performed the annual general review of foundational technologies as included in its strategic plan update presented to the Board.

Evaluation of the Board of Directors and its Committees

Regularly assessing the size, composition, functioning and performance of the Board of Directors and its Committees as well as the interaction with the executive management is an essential element of corporate governance.

The principle of Board assessment is laid down in the Corporate Governance as well as Title 1 (1.3) of the company's Corporate Governance Code Charter.

See www.barco.com/corporategovernance

In 2019, the Board of Directors instructed a reputable consultancy firm to conduct an in-depth board review. This board review consists of an online, tailormade questionnaire, to be completed by all directors, the CFO and the Company Secretary, followed by personal interviews of approximately 1 to 1.5 hrs. The consultancy firm is tasked to prepare a report with recommendations on how to further improve the effectiveness of the Board of Directors. The Board review covers topics like the quality of the interactions within the Board (the relationship between the individual Board members and between the Board members and the Chairman) and between the members of the Board and the executive management; the quality and timing of the information and documents submitted to the Board; the preparation of the Board meetings; the quality of the discussions and decision-making of the Board; the extent to which all relevant strategic, organizational and managerial issues are addressed by the Board and the contribution of each Board member to the decision-making process of the Board.

This Board review process is scheduled to be completed in January 2020, after which the results will be presented to the Board of Directors.

Remuneration report for financial year 2019

General reward strategy and compensation structure

Barco wants to be an attractive company for top talent in the technology market space, based on sustainable human resources practices. Competitive rewards, together with career and development opportunities, are at the heart of Barco's employee value proposition. Overall, Barco strives for a position above the market median on the total reward proposition, with a substantial variable part based on company, team and individual performance Compensation decisions are compliant and equitable, and balance cost and value appropriately.

Reward packages are reviewed on an annual basis considering overall market competitiveness (based on biannual external market data), individual market positioning and sustained individual performance. This review results in updated individual reward packages and reward policies, as well as criteria for the variable remuneration.

The main elements of the general remuneration policy are:

Base salary

The base salary reflects role responsibilities, job characteristics, experience and skill sets.

Insurance plans and other benefits

The primary purpose of insurance plans is to establish a level of security for employees and their dependents with respect to age, health, disability and death. The nature and magnitude of insurance plans and other benefits are largely in line with the median market practice.

Short-term incentive

A strong focus on performance and achievements at Group, divisional/regional/functional and individual level is reflected in the annual Barco bonus program, which is directly linked to the annual business objectives. The annual Barco bonus is based on Group (40%), divisional/regional/functional (30%) and individual performance (30%). The 2019 variable payment is based on EBITDA, free cash flow, costs, orders, sales and individual targets.

2019 status and result: 2250 employees are bonus eligible.

Procedures for developing the remuneration policy and for determining the remuneration granted to non-executive directors and members of the Core Leadership Team

The remuneration policy for the Board and CLT takes account of prevailing legislation, the Corporate Governance Code and market data. It is monitored and regularly checked by the Remuneration and Nomination Committee – with the assistance of specialist members of staff – to see whether it complies with changes in the law, the Corporate Governance Code, and prevailing market practices and trends. The Chairman of the Remuneration and Nomination Committee informs the Board of the Committee's activities and advises it of any changes to the remuneration policy. If required by law, the Board will submit any policy changes to the General Meeting for approval.

Remuneration awarded to non-executive directors (in euro)

On 25 April 2019, pursuant to article 17 of the Articles of Association, the General Meeting set the aggregate annual remuneration for the year 2019 at 2,267,835 euro for the entire Board of Directors. This amount also includes the remuneration of the executive director. The balance of the amount was apportioned among the other members of the Board in line with its internal rules.

The remuneration paid to non-executive directors consists solely of an annual fixed component plus the fee received for each meeting attended. Considering the considerable time he devotes to the ongoing supervision of Barco group affairs, the Chairman of the Board receives a different remuneration package that comprises solely a fixed component, which is set separately by the Remuneration and Nomination Committee and approved by the Board.

The 2019 director's pay consists of:

- an annual gross fixed compensation of 120,000 euro for the Chairman of the Board
- an annual gross fixed compensation of 30,000 euro per director to non-executive directors and additionally an individual attendance fee of 2,550 euro gross per Board meeting attended
- 2,550 euro gross for members of the Audit Committee and 5,125 euro gross for its Chairman for each meeting of the committee attended
- 2,550 euro gross for members of the Remuneration and Nomination Committee for each meeting of the committee attended
- 2,550 euro gross per full day and 1,500 euro gross per half day for members of the Strategic & Technology Committee for each meeting of the committee attended

Individual remuneration awarded to non-executive directors

Board of Directors	FIXED REMUNERATION	BOARD ATTENDANCE	COMMITTEE ATTENDANCE	TOTAL 2019
Charles Beauduin	120,000			120,000
Frank Donck	30,000	15,300	12,750	58,050
Ashok K. Jain	30,000	15,300	4,500	49,800
Hilde Laga	30,000	12,750	7,650	50,400
Luc Missorten	30,000	15,300	35,825	81,125
An Steegen	30,000	12,750	14,700	57,450

- the Chairman of the Board, the CEO and the members of the CLT do not receive attendance fees for taking part in meetings of the Board and the committees

Non-executive directors do not receive any variable compensation linked to results or other performance criteria. They are not entitled to stock options or shares, nor to any supplemental pension scheme.

These remunerations are charged as general costs.

At the company's request, the following directors have taken up specific assignments outside the scope of their directorship for which they have been compensated as described hereafter:

- Ashok K Jain: based on his extensive experience in Silicon Valley, Mr Ashok K Jain is requested to invest additional time in technology assessments and potential M&A identification as well as contract initiation: 1,500 euro (1 day at 1,500 euro per day)

Remuneration policy for the next two financial years

Barco intends not to make any changes to the remuneration awarded to non-executive directors.

Remuneration paid to the CEO and Core Leadership Team (in euro)

For the CEO and the Core Leadership Team, the remuneration is determined by the Remuneration and Nomination Committee, in line with the rules described in the company's Corporate Governance Charter under Title 4 ('Remuneration'), available at www.barco.com/corporategovernance. The reward packages of the Core Leadership Team are reviewed by the Remuneration and Nomination Committee on an annual basis. The Committee assesses overall market competitiveness (based on biannual external market data), individual market positioning and sustained individual performance. This review results in updated individual reward packages and reward policies, as well as criteria for the variable remuneration.

The main elements of the Group's executive remuneration policy are a base remuneration, a short-term variable remuneration, a long-term variable bonus, stock options, a pension contribution and various other components.

Chief Executive Officer remuneration package

The remuneration package of the Chief Executive Officer consists of a base remuneration, a variable remuneration, stock options, a pension contribution and other components. The remuneration package aims to be competitive and is aligned with the responsibilities of a Chief Executive Officer leading a globally operating industrial group with various business platforms.

The amount of the remuneration and other benefits granted directly or indirectly to the Chief Executive Officer, by the Company or its subsidiaries, in respect of 2019 for his Chief Executive Officer role is set forth below.

There were no shares granted.

Jan De Witte	REMUNERATION	COMMENTS
Base remuneration	600,000 euro	Includes Belgian base remuneration as well as foreign director fees
Short-term variable remuneration	720,000 euro	Annual variable remuneration based on 2019 performance (Group EBITDA result and specific qualitative objectives set by the Board (strategy, innovation, organization)), maximum bonus pay-out capped at 120% of base remuneration This amount is part of the bonus provision included in the 2019 results * In line with the Belgian law of 6 April 2010 on Corporate Governance, the payment of half of the variable remuneration is deferred (25% after 1 year and 25% after 2 years) and subject to multi-year targets or criteria
	185,250 euro	Deferral payment bonus 2017
	206,700 euro	Deferral payment bonus 2018
Stock option grant	21,000 options	Number of stock options granted in 2019
Pension and insurance plans	300,000 euro	
Other benefits	20,412 euro	

* This does include the deferred annual variable remuneration based on 2019 performance

Senior Vice Presidents (Core Leadership Team) remuneration package

The remuneration package of the Core Leadership Team members other than the Chief Executive Officer consists of a base remuneration, a short-term variable remuneration, a long-term variable bonus, stock options, a pension contribution and various other components. The remuneration package aims to be competitive and is aligned with the role and responsibilities of each CLT member, being a member of a team leading a globally operating industrial group with various business platforms.

The Chief Executive Officer evaluates the performance of each of the other members of the CLT and submits his assessment to the Nomination and Remuneration Committee. This evaluation is done annually based on documented objectives directly derived from the business plan and taking into account the specific responsibilities of each CLT member. The achievements measured against those objectives will determine all performance-related elements.

Base salary

The base salary reflects role responsibilities, job characteristics, experience and skill sets. Base salary is reviewed annually and may increase if justified by external market.

Pension and other benefits

The Core Leadership Team is entitled to retirement, death-in-service and disability benefits on the basis of the provisions of the plans for senior executives in their base countries. Other benefits, such as medical care and company cars or car allowances, are also provided according to the rules applicable in the base country. The nature and magnitude of these other benefits are largely in line with the median market practice.

Short-term incentive

A strong focus on performance and achievements at Group and individual level is reflected in the short-term variable remuneration program, which is directly linked to the annual business objectives.

The short-term incentive payment is based on Group (40%), divisional/regional/functional (30%) and individual performance (30%). The 2019 variable payment is based on EBITDA, free cash flow, costs, orders, sales and individual targets. If the target variable part of the compensation of individual members of the executive management should exceed the 25% threshold on total compensation, this excess amount will be deferred and paid subject to future sustained performance.

Long-term incentive

In 2018 Barco implemented its revised Long-Term Incentive policy that exists of a combination of Long-Term Incentive Cash Plan and stock options.

1) Long-Term Incentive Cash Plan

The Long-Term Incentive Cash Plan incentivizes and rewards engagement and leadership in driving the performance of Barco's business in accordance with its long-term strategic goals.

The long-term incentive cash bonus is a conditional right to receive a cash payment upon the achievement of certain long-term company performance indicators (sales CAGR, EBITDA margin increase and cumulated net earnings) over the respective plan period comprising 3 financial years (2018, 2019, 2020) and continued employment on the last day of the plan period.

2) Stock options

The stock option plans provide each beneficiary with the right to buy Barco shares at a strike price corresponding to the fair market value of the shares upon grant.

Since stock option grants are based on neither individual nor company performance, these are not to be considered variable remuneration as defined by the Law on Corporate Governance.

The Core Leadership Team under analysis of this chapter includes 16 persons.

- Piet Candeel retired at the end of Q1 2019 while his successor Stijn Henderickx joined the CLT on the 1st of January 2019.
- Ney Corsino left the CLT at the end of Q3 2019 and his successor Iain Urquhart joined the CLT on the 1st of September 2019.
- Wim Buyens, CEO Cinionic is excluded from this analysis.

Remuneration policy for the next two financial years

Barco intends not to make material changes to the characteristics and modalities of the remuneration awarded to the Core Leadership Team.

	REMUNERATION	COMMENTS
Base remuneration	4,154,104 euro	
Short-term variable remuneration	1,241,847 euro	Annual variable remuneration based on 2019 performance, maximum bonus payout capped at 150% of on-target bonus. The amount of 1,241,847 euro has been provided for in the 2019 results.
Long-term variable remuneration	1,377,045 euro	Variable remuneration based on company performance over the period 2018 – 2020, maximum bonus payout capped at 150% of the on-target bonus. The target amount of 1,371,181 euro has been provided for pro-rata in the results of 2019.
Stock option grant	24,950 options	Number of stock options granted and accepted in 2019
Pension and death-in service-coverage	378,685 euro	Defined contribution plans
Disability coverage	52,163 euro	
Other benefits *	336,444 euro	

* Includes health insurance, risk insurances, company cars, luncheon vouchers, allowances

Stock options for the Core Leadership Team granted in 2019

In 2019, following authorization by the general meeting and at the proposal of the Remuneration and Nomination Committee, the Board of Directors allotted stock options to 15 members of the CLT and 8 other employees (specific functions employed in Silicon Valley). The exercise price amounts to 173.80 euro per option, with a three-year vesting period The number of options to be offered to each individual beneficiary is variable in part, based on an assessment of such person's long-term contribution to the success of the Company. The options are offered to the beneficiaries free of charge.

24,950 stock options were granted to and accepted by the members of the Core Leadership Team.

The Core Leadership Team does not receive shares as part of their compensation packages.

Reference is made to pages C/65 in the Financial Statements for an overview of the warrants and stock options exercisable under the warrant and stock option plans.

The Core Leadership Team is presented on pages A/62 – A/65 of this annual report.

Name	Number of stock options granted in 2019	Number of stock options exercised in 2019	Number of stock options expired in 2019
Xavier Bourgois	850	200	-
Tet Jong Chang	1,700	-	-
Ney Corsino	-	1,234	-
Olivier Croly	1,700	-	-
Gerwin Damberg	1,300	-	-
Ann Desender	2,000	700	-
An Dewaele	1,400	-	-
Stijn Henderickx	1,300	500	-
Johan Heyman	850	500	-
Rob Jonckheere	650	-	-
Filip Pintelon	1,500	5,250	-
George Stromeyer	3,000	15,000	-
Iain Urquhart	6,000	-	-
Nicolas Vanden Abeele	1,700	-	-
Kurt Verheggen	1,000	600	-

Most important provisions of the contractual relationships with the Company and/or affiliated company, including the provisions relating to compensation in the event of early departure

Members of the Core Leadership Team, including the CEO, have directorships in Group subsidiaries as a function of their responsibilities. Where such directorships are compensated, they are included in the amounts given above, regardless of whether the position is deemed to be salaried or undertaken on a self-employed basis under local legislation.

Local law and normal practice are the basis for the severance arrangements of the members of the Core Leadership Team, except for:

- The Chief Executive Officer, whose contractual arrangements, entered into at the time of his appointment, provide for a notice period of six months

Core Leadership Team members' contracts do not include a clause providing a right of claw-back of variable compensation in cases of erroneous financial information. The audited results are used as the basis for the assessment of the performance.

In the context of the possible changes to the Belgian Company Law currently under review, Barco's position regarding a claw-back right will be reassessed in the course of 2020.

Departure of members of the Core Leadership Team

- Piet Candeel retired at the end of Q1 2019.
- Ney Corsino left the CLT at the end of Q3 2019 and the Barco Group at the end of Q4 2019

Policies of conduct

Transparency of transactions involving shares or other financial instruments of Barco

The company's dealing code is part of its Corporate Governance Charter which is available for review on the company's website (www.barco.com/corporategovernance). It meets the requirements of the EU Regulation of 16 April, 2014 n° 596/2014 on market abuse. Persons discharging managerial responsibilities and persons closely associated with them must notify the Financial Services Market Authority ("FSMA") of any transactions involving shares or other financial instruments of Barco within three business days after the transaction. Such transactions are made public on the website of the FSMA (www.fsma.be) as well as the company's website, the latter on an aggregate basis.

Conflicts of interest

Basic principles

- Art. 523 of the Companies Code sets the rules for conflicts of interest that may arise within the context of a director's mandate.
- Each Board member sees to it that these rules are strictly observed.
- Any act or transaction which may potentially give rise to a conflict of interest is carefully scrutinized to avoid that such conflict may arise.
- In 2019, none of the directors reported any conflict of interest as referred to in article 523 of the Companies Code.

Functional conflict of interest

A director who is a director or business manager of a customer or supplier or who is employed by a customer or supplier shall report this fact to the Board of Directors prior to the deliberations concerning a topic on the agenda relating (whether directly or indirectly) to this customer or supplier. This obligation also applies when a family member of the director is in the abovementioned position.

The same rule applies when a director or his or her family members (whether directly or indirectly) hold more than 5% of the shares with voting rights of a customer or supplier.

Subsequently, the director in question:

- shall leave the meeting while this topic on the agenda is being dealt with;
- shall not be permitted to participate in the deliberations and decision-making about the topic in question.

These provisions are not applicable when the customer or supplier is a listed company and the participation of the director (or his or her family members) takes place within the framework of assets that have been placed under the management of an asset manager who manages these assets in accordance with their own judgment, without taking the director (or his or her family members) into account.

Statutory auditor

Barco refers to note 24 Related party transactions in section C - Financial Statements 2019.

A major advantage compared to an analog dermoscope is the ergonomics. With Demetra I no longer suffer from tired eyes at the end of the day because I am able to use both eyes.

Dr. Marco Andrea Tomassini
Perugia, Italy

Risk management and control processes

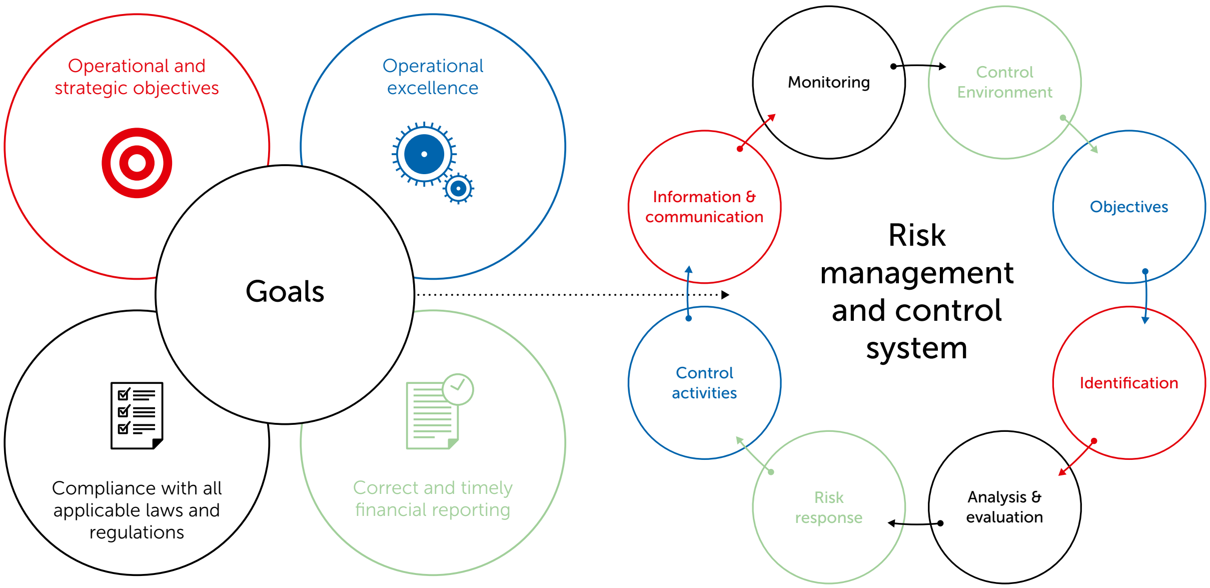
[about the visual]

BARCO DEMETRA, DERMOSCOPY DONE DIFFERENTLY

Within the context of its business operations, Barco is exposed to a wide variety of risks that can affect its ability to achieve its objectives and to execute its strategy successfully. To anticipate, identify, prioritize, manage and monitor the business risks that impact its organization, Barco puts a sound risk management and control system into place in accordance with the Companies Code and the 2009 Corporate Governance Code. Risk control is a core task of the Board of Directors, the Core Leadership Team (CLT) as well as all other employees with managerial responsibilities.

Barco's risk management and control system was set up to achieve the following **objectives:**

The principles of the **COSO reference framework** and the **ISO 31000 risk management standard** have served as sources of inspiration to Barco in setting up its risk management and control system.



Control environment

Barco strives for a total compliance culture and risk awareness attitude by defining **clear roles and responsibilities** in all relevant domains. In this way, the company fosters an environment in which it pursues its business objectives and strategy in a controlled manner. This environment is created by implementing various **company-wide policies and procedures**, such as:

- The Code of Ethics
- Decision and signature authority rules
- The Barco culture building blocks
- Quality and other management systems
- Risk profiling, reporting and mitigation processes

Risk management process

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

The CLT fully endorses this approach. Employees are regularly informed and trained on these subjects to ensure sufficient risk management and control at all levels and in all areas of the organization.

Identification and analysis: yearly risk assessment and compliance gap analysis

In the fourth quarter of each year, Barco performs a company-wide risk assessment and compliance gap analysis. This exercise, which involves a major part of the management team as well as other key people, **aims to strengthen and formalize risk awareness throughout Barco**. It encourages the management team to actively think about the risks that impact our business and provides them – as well as other executives – with a clear view of how their peers around the world perceive risk.

To identify risks, Barco organizes a series of risk interviews, audits and on-site surveys, the results of which are consolidated in an overview that is shared and discussed with the CLT members. All domains from the Barco risk universe are taken into account. In order to allocate a risk score to the identified risks in a consistent manner, inherent risk (based on the 'likelihood' and 'impact') and control level scales have been developed resulting in a residual risk. A risk matrix is drawn up based on the risk scores, with risks classified as high, moderate or low. The result is summarized in a final report that is reviewed by the Audit Committee. For all main risks a risk response and management measures are provided and mitigating actions defined. Further, the outcome is used for internal audit planning, as input for the risk and compliance work program and for insurance programs.

The Risk and Compliance Manager together with Internal Audit are in charge of the risk management process.

Barco risk universe

Amongst others the following risks are taken into consideration during the risk assessment.
We distinguish four categories:

Operational risks	Financial risks	Compliance risks	Strategic risks
HRM (Social matters, personnel, human rights, ...)	Accounting & controlling	Ethics & business conduct	Technology (external dynamics/evolutions)
New product development & product lifecycle management	Financial reporting	Legislation and governmental restrictions	Technology (internal)
Sales and service	Treasury management	Environmental, health, safety & security	Operational strategy
Operations	Working capital management	International standards	Market & competition
Information technology & Cyber risk	Forecast & planning	Product regulatory	Organizational strategy
Sourcing & supplier		Ecological impact	
Intellectual property			
Properties & fixed assets			

Operational risks

Human Resources Management

A skilled workforce and agile organization are essential for the continued success of our business. Failure to attract, develop and retain talents to satisfy current and future needs of the business may affect our organization.

Information Technology, Data Security and Cyber Security Risk

Barco relies considerably on its IT systems: infrastructure, networks, operating systems, applications and databases. Although these systems are maintained by a team of experienced specialists, failure due to a security event such as terrorism, crime, violence, vandalism, theft or a human error (e.g. response to phishing email) could impact employees, sites, assets, critical information or intellectual property and could have negative consequences for the group.

New product introduction & product lifecycle management

Barco depends on its successful development of new products and its ability to transform customer requirements and user experience into its NPI process. Failure to introduce new products to the market or the release of immature products may result in loss of sales, market share, additional cost and reputational damage.

Product quality

Barco's reputation as a business partner relies heavily on our ability to supply high quality products. Quality issues and delivery delays could lead to reputational damage and loss of repeated business.

Intellectual property

As technology firm, Barco may fail to register intellectual property rights in a timely manner or fail to protect its critical patents. Patents can be challenged and invalidated after their grant.
Barco monitors changes in intellectual property rights, however we might inadvertently infringe intellectual property rights owned by others which could result in claims and litigations.

Supplier sourcing

We are dependent upon the availability of materials and components coming from our suppliers to manufacture our products as well as the number of available suppliers. This implies a certain dependency on our suppliers, both in terms of availability as in terms of quality and cost prices. Our suppliers might be hit by capacity problems, strikes, cyber-attacks and other problems that could affect our organization.

Financial risks

Currency and interest-rate risk

With global operations, Barco's assets investments, income and cashflows are subject to and could be impacted by the evolution of foreign exchange rates. Political and economic evolutions could negatively affect these exchange rates. Also, the inability to successfully hedge its interest-rate risk could have a negative impact on our cash position.

Credit & Liquidity risk

Credit risk coming from Barco's operational activities in customers requiring credit. Lack of proper credit management and insufficient credit insurance might lead to loss of revenue. Liquidity risk is the risk that the Group will be unable to meet its obligations as they come due because of an inability to convert securities or hard assets to cash without a loss of capital and/or income.

Accounting & Financial reporting

The risk of intentional or unintentional misstatement of financial reporting, corruption and by-passing of internal controls. This includes the risk where Barco's financial statements do not show the true and fair view of the actual position and profitability of the firm. Failure of Barco's risk management system and internal controls could lead to misstatements in financial reporting and negatively impact Barco's reputation and financial results. This may also result in non-compliance with ongoing disclosure obligations and reporting standards obligations.

Forecasting & Planning

Forecasting and planning risk relates to wrong or bad decision taking based on incorrect forecasted future cashflows. This could also lead to poor working capital management.

Compliance risks

Business Ethics

Risk arising from the failure to comply with Barco's Code of Ethics such as failure to implement good governance at all our sites and joint ventures and direct or indirect involvement in human rights violations. Ethics also refers to unfair business practices and behavior, fraud, corruption, bribery and all other forms of unethical conduct that might lead to legal investigations, prosecutions and related reputational damage.

Compliance with laws & regulations

Barco's activities are governed by the applicable laws and regulations in the various jurisdictions where it conducts business. Such laws and regulations are becoming more complex, more stringent and change faster and more frequently than before. They include, among others, data privacy requirements such as the European General Data Protection Regulation, intellectual property laws, labor relation laws, tax laws, anti-competition regulations, exchange laws, import and export regulations, trade restrictions, anti-bribery and anti-corruption regulations. Moreover, as a listed company, additional rules dealing with shareholders' rights, corporate governance, insider trading, etc. apply. Ensuring compliance by the company, its employees and even business partners with these laws, regulations and rules across the world is a challenge. Despite education programs, awareness creation initiatives and regular audits, it cannot be excluded that factors such as human error or mere ignorance expose the company to violations of certain laws and regulations.

Environmental impact & Sustainability

Failure to meet Barco's sustainability strategy and performance ambitions in terms of carbon footprint, energy footprint and eco-scored products. Climate change continues to be a focus for government legislators with evolving regulatory requirements. There is a risk of Barco not meeting its corporate social responsibility and adapt to changing customer behavior if climate change concerns are not effectively addressed.

Product certification & regulation

Increasing product standards, regulatory and certification requirements could, if not met by Barco, lead to loss in market share in certain domains. Next infringement of certification requirements may lead to penalties, legal prosecution or expulsion from certain markets.

Health and safety

Barco is operating all around the world which imposes risks relating to occupational accidents and obligations regarding personnel. Barco strives to prevent health and safety incidents as far as possible through extensive safety and prevention programs and via coverage by insurance policies.

Strategic risks

Market and competition risk

All Barco's divisions face competition due to less barriers for entering, following the further globalization of our markets. Competition could outperform Barco in terms of product innovation, product quality or cost price leading to loss of revenue, margins and profit.

Organizational strategy

Risk of missing management engagement and the ability to convert its strategic plans into reality. This includes the streamlining of organizational structures within Barco and continuous optimization of processes and systems in place. Unclear corporate structure could lead to volatility, lack of accountability, responsibility and decision power.

Mergers & Acquisitions

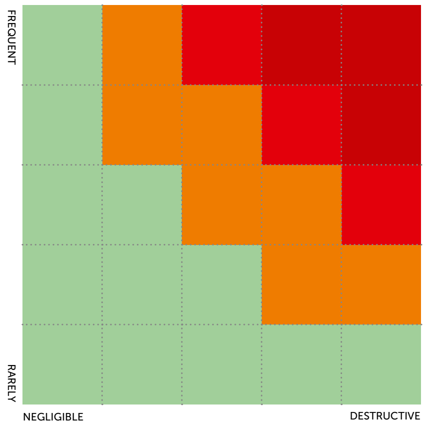
A lack of governance model in the context of mergers, acquisitions, joint ventures and divestments can lead to non-compliancy, unexpected liabilities, a loss of intellectual property and financial losses. Unsuccessful post-acquisition integration could cause problems in various organizational domains.

Technological evolution

Inability to keep up with the speed of evolving new technologies. In Barco's environment, our rapid time-to-market is key to our competitiveness. High competition from Asia could disrupt the current business model.

Risk evaluation

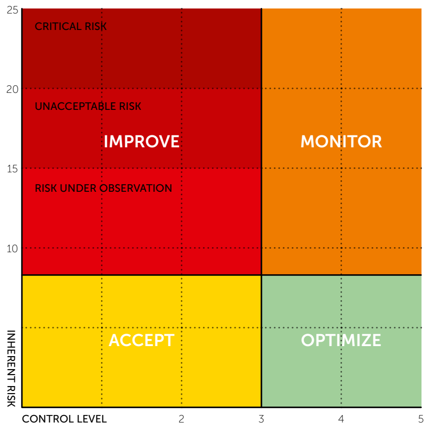
To set the right priorities, the risk is first evaluated in a consistent manner in terms of impact and likelihood. The resulting inherent risk does not yet take into account any management activities or control measures developed to mitigate it.



The residual risk level is then determined by taking into account the control level (control measures and their effectiveness) of each risk.
The scales for impact, likelihood and control level are based on the acceptable level of risk exposure that is ratified by the Board of Directors.

Risk response

Management response to residual risks
'Risks to **improve**' are contained by means of an action plan to minimize their effects of such risks on the organization's ability to achieve its objectives. These types of risks, if any, reside under the ownership of the CEO.



'Risks to **monitor**' are monitored by a member of the CLT team.

'**Acceptable** risks' and 'risks to **optimize**' are recorded in the risk register of the related process.

Each risk is allocated to a risk owner responsible for its monitoring and follow-up.

The **Risk and Compliance Manager** supports the adoption of clear processes and procedures for a wide range of business operations related to compliance, security and export control. In addition to these control activities, an insurance program has been implemented for selected risk categories that cannot be absorbed without material impact on the company's balance sheet.

Information and communication

A timely, complete and accurate information flow – both top-down and bottom-up – is a cornerstone of effective risk management.

In operational domains, Barco has implemented a **management control and reporting system (MCRS)** to support efficient management and reporting of business transactions and risks. This system enables Barco's management to capture relevant information on particular areas of business operations at regular time intervals. The process enforces the clear assignment of roles and responsibilities, thus ensuring consistent communication to all stakeholders regarding external and internal changes or risks impacting their areas of responsibility.

In addition to the MCRS, the company has put several measures into place to ensure the **security of confidential information** and to provide a **communication channel for employees** to report any (suspected) violation of laws, regulations, company policies or ethical values.

Risk monitoring

Monitoring helps to ensure that internal controls continue to operate effectively. The **continuity and the quality** of Barco's risk management and control system is assessed by following actors:

- **Internal Auditor** – the tasks and responsibilities assigned to internal audit are recorded in the internal audit charter, which has been approved by the Audit Committee.
  The key mission of internal audit as defined in the internal audit charter is "to add value to the organization by applying a systematic, disciplined approach to evaluating the internal control system and providing recommendations to improve it".
- **External Auditor** – in the context of the external audit review of the annual accounts.
- **Compliance Officer** – within the framework of the company's Corporate Governance charter.
- **Risk and Compliance Manager** – plays a pivotal role in the organization by ensuring appropriate coordination and follow-up of risk management activities. The legal, risk and compliance department to which the risk and compliance manager also belongs, reports directly to the CEO via the General Counsel.
- **Audit Committee** –the Board of Directors and the Audit Committee have ultimate responsibility with respect to internal control and risk management. (See also the 'Board Committees' section in the 'Company report')

Risk factors

Main risks

Just like in previous years, Barco assessed and analyzed its corporate risks in 2019. Below are **the eight main risks** identified by the risk management process, along with the trends and main measures taken. Additional disclosure on management of cyber risk and data protection can be found in Part B – Sustainability Report 2019.

CYBER RISK

Trend =

- Worldwide implementation of an information security management system according to ISO 27001 for Barco products
- Multidisciplinary council to coordinate, monitor and manage all information security efforts
- Continued adjustment of our new product introduction (NPI) methodology to enhance the security of our solutions
- Improved process for capturing product security vulnerabilities
- Continuous improvements to ensure business continuity and physical protection of servers and IT infrastructure
- Cyber security awareness month and regular employee training

ISO 27001 certification for the business processes and infrastructure that relate to Barco products ongoing

MARKET/COMPETITION RISK

Trend =

- 'Fit to lead' plan execution to raise agility and effectiveness in the areas of product management and commercial and service delivery processes
- Continue investment of cost efficiencies towards growth initiatives and innovation
- Strong enforcement of IP rights
- Central technology office led by CTO

GEO-POLITICS / MACRO-ECONOMICS

Trend ▲

- Global spread
- 'In-country-for-country' approach: we increasingly spread our R&D, manufacturing and sales activities around the world (e.g. India, China, Taiwan)

QUALITY – NEW PRODUCT INTRODUCTION (NPI)

Trend ▼

- Established NPI process that offers clear framework
- NPI workgroups to sustain and improve rigorous NPI process implementation
- Scrum as agile process framework for software developments

CURRENCY RISK

Trend ▲

- Natural hedging program for Chinese Yuan, USD, Taiwanese Dollar
- Monitor volatile FX rates
- Monitor developments of Brexit and execution of Brexit mitigation plan to assess and anticipate the impact of Brexit on our business (lead times, taxes, customs, logistic flows, etc.)

DATA PROTECTION

Trend ▼

- Corporate data protection rules at every Barco site worldwide in line with GDPR
- Data Protection Impact Assessment (DPIA) in product development to ensure that all data are properly processed and stored
- Security risk management embedded in the NPI process
- Data Protection Officer oversees all privacy and data protection issues and ensures compliance with GDPR and local regulations

INTELLECTUAL PROPERTY

Trend ▼

- Open source compliance program to ensure that all software used complies with open source licenses
- Proactive monitoring and combating of IP infringements
- IP awareness trainings
- Structured approach for patent filing

Barco has secured a strong portfolio of various products and utility patents which it consistently enforces against competitors seeking to copy Barco's patented technology

STRATEGIC CONVERSION

Trend ▲

- Engagement, commitment and sense of urgency for conversion strategic decisions into practice
- 'Fit to lead' program execution
- 'In country for country' strategy

Notes:
1) GDPR: General Data Protection Regulation approved by the EU Parliament on 14 April 2016 and enforcement on 5 May 2018.
2) The trend indicates whether the risk for Barco has increased or decreased compared to last year.
3) The risk measures related to the accounting and financial reporting risks are described in the Financial Statements of this annual report.

Risks closely monitored

TOPIC	POLICY
Climate Transition risks	**What?** As the risks from a warming world intensify, so will the consequences for people and the environment - from disruptions in resources supplies, to damage and loss caused by rising sea levels and extreme weather events. Barco is actively committed to reducing greenhouse gas emissions. **How?** The Group strategy to address climate-related transition risks is further addressed in Barco's sustainability report.
Social and personnel matters	**What?** Ensuring compliance with local and international social security and minimum wage legislations; industrial relation policies and with international standards on freedom of association. This also includes non-discrimination in various domains (e.g. recruiting) and countries. **How?** • Barco includes all employees in collective bargaining agreements by complying with all necessary local workforce regulations in the countries where Barco operates. → E. g. in Belgium, Barco adheres to sector agreements for automatic wage indexation, leave, etc. • Barco handles specific workforce-related topics by closing off company-specific collective bargaining agreements. → Where applicable, Barco organizes workers' councils (both national and international). → Collective labor agreements on company level with specific stipulations for wage and working conditions, parental leave, etc. • Barco aims to provide challenging, meaningful and rewarding opportunities for personal and professional growth. This includes respect for the individual, a positive workplace, occupational health & safety and environmental protection. → Barco has an anti-discrimination policy which is available on our Intranet (BarcoZone) and governed by the HR department.

TOPIC	POLICY
Human rights	**What?** Barco is directly exposed to risks in the area of human rights as an employer in the first place, but also through our operations in the regions where we conduct business. Developments from an environmental, political or social nature could impact the behavior of our employees or partners and could affect the adherence to regulations related to environment, health and safety as well as labor and human rights. Moreover, Barco may source raw materials from suppliers in remote regions which may not respect their employees' human rights, such as the freedom of association. **How?** Barco takes its social responsibility seriously, hence, respect for human rights is extremely important. We are firmly committed to complying with applicable laws and regulations, including those dealing with human rights. • Barco applies a human rights policy in line with the standards and policies set by the Universal Declaration of Human Rights and the International Labor Organization (ILO). • We promote equal opportunities and do not discriminate against any employee, candidate, contractor or supplier based on nationality, race, age, physical disability, social, political or religious preference or whatsoever. Barco encourages social and cultural diversity and our recruitment, remuneration, evaluation and supplier tender processes are only based on professional qualifications. • Barco's Code of Ethics is fully endorsed and applies to everyone employed by Barco and its partners, regardless of position and level of responsibility. Our suppliers are reviewed and need to comply with the RBA Code of Conduct, including labor, ethics and health & safety standards, as well as the Product Compliance Requirement Code. • The Ethics mailbox is available to everyone who wishes to report, even anonymously, any issue to the Ethics Committee.

TOPIC	POLICY
Corruption	**What?** Barco operates and markets its products in different regions. In some of these regions, we face risks arising from political and economic instability, the lack of the rule of law and corrupt business environments. Barco is committed to conduct its business ethically and in compliance with all local and international laws and regulations. However, there is a risk that an employee, agent, distributor or contractor may, actively or passively, offer improper payments to public officials to adopt a particular course of action or to obtain or keep a certain business, hereby violating the applicable laws and regulations. **How?** Compliance and integrity are key elements of our values. Barco undertakes different measures to avoid that employees or persons working on its behalf engage in corruption practices: Barco applies group values, policies and the Code of Ethics throughout the Group. • The corruption and bribery risk is part of the yearly risk assessment process • Barco has established control procedures in screening of suppliers before engaging in any business relationship. This considers the risk profile and reputation of each partner, as well as their adherence to ethical standards. Periodic reviews for our major existing partners are in place. • Throughout our procurement and buying processes, we have implemented key principles such as the four-eyes principle to ensure segregation of duties. • Barco has mandatory trainings on "Standards at Work" to educate our people and remind them about the Group's ethical principles and values. • In order to limit the risk of money-laundering, a process to screen incoming payments has been installed under the Payment Processing Policy. • Accessible and anonymous reporting mechanism in in place through our Ethics mailbox.

Financial risk management and internal control

The accurate and consistent application of accounting rules throughout the company is assured by means of **finance and accounting manuals**, which are available to the key accounting sections.

Specifically within the financial domain, a **quarterly, bottom-up risk analysis** is conducted to identify and document current risk factors. Action plans are defined for all key risks. The results of this analysis are discussed with the statutory auditor.

The **accounting teams** are responsible for producing the accounting figures (closing books, reconciliations, etc), whereas the **controlling teams** check the validity of these figures. These checks include coherence tests by comparison with historical and budget figures, as well as sample checks of transactions according to their materiality.

All material areas of the financial statements concerning critical accounting judgments and uncertainties are periodically reported to the **Audit Committee**.

Specific internal control activities with respect to financial reporting are in place, including the use of a periodic closing and reporting checklist. This checklist assures clear communication of timelines, completeness of tasks, and clear assignment of responsibilities. Specific identification procedures for financial risks are in place to assure the completeness of financial accruals.

Uniform reporting of financial information throughout the organization ensures a consistent flow of information, which allows the detection of potential anomalies.

An external financial calendar is planned in consultation with the Board and the Core Leadership Team and this calendar is announced to the external stakeholders. The objective of this external financial reporting is to provide Barco's stakeholders with the information necessary for making sound business decisions.

We were so impressed with the excellent crispness, color and contrast of the images – the projectors cut right through the ambient lighting and worked flawlessly from the first night.

Scott Waldrep
Production Systems Coordinator
at Church of the Highlands

Management discussion

[about the visual]

BRINGING RENEWED LIFE TO WORSHIP
Church of the Highlands,
Alabama, USA

Comments on the results

Solid topline growth; sustained profitability improvement in all divisions

Fiscal year 2019 financial highlights

- Incoming orders at 1,102.2 million euro (+9.8%)[1]; year-end orderbook +6%
- Sales at 1,082.6 million euro (+9.5%; at constant currencies +6.4%)[1]
- EBITDA of 153.0 million euro (+22.9%), EBITDA margin at 14.1% of sales (+2.0 ppts)
- Net income[2] of 95.4 million euro (+20.4 million euro)
- Proposal to increase the gross dividend to 2.65 euro per share from 2.30 euro
- Proposal for a 7:1 share split

Preliminary remark:

- To present comparable data for 2018, prior year figures for orderbook, orders and sales are presented on a pro forma basis assuming the deconsolidation of the BarcoCFG joint venture[3] had taken place as of 1 January 2018.
- As the impact of the deconsolidation on gross profit, EBITDA and EBIT is not material, these reported values are not restated nor the margins.
- An overview of reported and pro forma figures for the prior quarters can be found in the section Pro forma comparison, page A/113.

(1) To present comparable data for 2018, prior year orderbook, orders and sales figures are presented on a pro forma basis assuming the deconsolidation of the BarcoCFG joint venture had taken as of 1 january 2018. See for more information in the section Pro forma comparison, page A/113.
(2) Net income attributable to the equity holder of the parent.
(3) BarcoCFG is the entity where Barco joined forces with China Film Group to address the Chinese cinema market. Barco held a 58% stake in this entity till end of June 2018 when it sold a 9%-stake to China Film Group. See also the glossary in the Annual Report.

Comments on the results

All divisions delivered solid sales growth in 2019 resulting in consolidated growth of 9.5%. In Entertainment sales grew 11.3% mainly driven by EMEA and North America where Barco leveraged its market leadership to capture demand bolstered by the cinema replacement cycle, which began in 2019 as anticipated. In Enterprise continued double-digit growth for ClickShare and low single digit growth for the Control Rooms segment resulted in sales growth of 6.8%. Healthcare posted strong sales growth of 9.7% as result of solid performances in both the diagnostic and the surgical segments.

Disciplined opex spending combined with topline growth led to an EBITDA margin expansion of 2 percentage points to 14.1%. All divisions reported EBITDA and EBITDA margin improvements. Consistent with EBITDA improvement, consolidated EBIT grew 20 million euro to 110 million euro or 10.2% of sales. As a result of improved EBITDA and effective working capital management, the company also generated higher free cash flow.

During 2019 Barco executed on its ‘fit to lead’ program, a capability-building and organization efficiency plan. The company initiated several initiatives, including expanding the channel network, services and partner programs, strengthening its software team and building a company-wide software platform with common components used across divisions.

Under the “In China for China” program, Barco’s Healthcare R&D and production site in Suzhou is now operational and it yielded the targeted growth in the Chinese Healthcare market. In Entertainment, Barco launched the Series 4 laser cinema-projector platform and secured landmark projector-replacement contracts, reinforcing its market leadership position. Barco also continued to invest in the ClickShare product portfolio and is launching a new product category in the first quarter of 2020.

In 2019, Barco delivered on its ambition to resume topline growth with sales increases in all business segments. Through Barco’s dual focus on growth acceleration and judicious opex spending, the company added 2 percentage points to EBITDA margin for the third consecutive year.

In 2020, Barco plans to remain focused on capturing the growth opportunities in its markets based on a more competitive Barco, while continuing to invest in capabilities to grow into an outcome-based solutions business that leverages hardware, software and services capabilities. Barco’s performance in 2019 and goals for 2020 keeps the company on its sustainable profitable growth path.

Outlook 2020

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

For 2020, and assuming currencies remain at 2019 average levels, management expects a mid+ single digit topline growth and an improvement in EBITDA margin toward 15%.

Management's full year outlook takes into consideration anticipated softer demand in the Entertainment segment in 2020 in China as a result of the Covid-19 virus outbreak and assumes that factory and logistics restrictions are lifted and resolved by end of February.

Considering some timing effect as a result of the Covid-19 virus outbreak and ClickShare Conference launch dynamic effects, management expects the full year growth to be more pronounced in the 2nd half than the 1st half of 2020.

Dividend

The Board of Directors will propose to the General Assembly to increase the gross dividend from 2.30 euro to 2.65 euro per share to be paid out in 2020.

The following timetable will be proposed to the Annual General Shareholder meeting

- Ex-date: Monday, 11 May 2020
- Record date: Tuesday, 12 May 2020
- Payment date: Wednesday, 13 May 2020

Stock Split

The Board of Directors will also propose to its shareholders a stock split in order to enhance accessibility of the Barco share. The Board proposes to split each existing share into 7 new shares ; the target date to trade the new stock is 1 June 2020.

Consolidated results for the fiscal year 2019

Order intake & order book

Note: The calculations of orderbook and order intake do not include large frame agreements that were signed in 2019 with cinema customers such as IMAX, Cineworld and Cinemark. Under Barco's order recognition policy, call-off orders under these frame agreements are included in the calculations of order intake and order book as received.

Order book

IN MILLIONS OF EURO	31 DEC 2019	31 DEC 2018	CHANGE
Order book	322.3	303.2	+6.0%

Order book at year end was 322.3 million euro, compared to 303.2 at FY18 year-end on a pro forma basis, an increase of 6.0% driven by growing cinema replacement demand in the Entertainment division.

Order intake

IN MILLIONS OF EURO	FY19	FY18	CHANGE
Order intake	1,102.2	1,003.6	+9.8%
Order intake at constant currencies	-	-	+6.7%

Order intake was 1,102.2 million euro, an increase of 9.8% compared to last year reflecting gains in each of the three divisions.
Order intake increased 7.5% in the first semester and 12% in the second semester.
At constant currencies, order intake growth was +6.7%.
All three regions contributed to growth in orders in 2019. The Americas region was the strongest performer with a significant contribution from cinema in Entertainment.

Order intake by division

IN MILLIONS OF EURO	FY19	FY18	CHANGE
Entertainment	491.0	410.1	+19.7%
Enterprise	350.9	336.6	+4.2%
Healthcare	260.2	256.9	+1.3%
Group	1,102.2	1,003.6	+9.8%

Order intake by region

IN MILLIONS OF EURO	FY19	FY18	CHANGE (IN NOMINAL VALUE)
The Americas	41%	38%	+14%
EMEA	36%	35%	+6%
APAC	23%	27%	+8%

Sales

Full year sales increased 9.5% fuelled by good growth in all three divisions.
After increasing 8.3% in the first semester, sales grew 10.5% in the second semester driven by strong performances in Entertainment & Healthcare.
The Americas and the EMEA region were the strongest geographies while APAC experienced softness in the Chinese cinema-market

Sales

IN MILLIONS OF EURO	FY19	FY18	CHANGE
Sales	1,082.6	989.0	+9.5%
Sales at constant currencies	-	-	*+6.4%*

Sales by division

IN MILLIONS OF EURO	FY19	FY18	CHANGE
Entertainment	455.1	408.1	+11.5%
Enterprise	358.7	335.9	+6.8%
Healthcare	268.8	245.0	+9.7%
Group	**1,082.6**	**989.0**	**+9.5%**

Sales by region

IN MILLIONS OF EURO	FY19	FY18	CHANGE (IN NOMINAL VALUE)
The Americas	39%	36%	+15%
EMEA	37%	36%	+9%
APAC	24%	28%	+1%

Profitability

Gross profit

Gross profit increased 16.3 million to 429.3 million euro from 413.0 million euro last year.

Gross profit margin decreased 0.40 percentage points to 39.7% from 40.1% for 2019, reflecting higher cost of quality associated with product ramp-ups and factory transfers in Entertainment and Healthcare.

Operating expenses & other operating results

Total operating expenses[4] were 319.5 million euro compared to 325.5 million euro a year earlier.
As a percentage of sales, operating expenses were 29.5% compared to 31.6% for 2018, an improvement of 2.1 percentage points.

- Research & Development expenses decreased slightly to 119.4 million euro compared to 120.3 million euro last year, reflecting a more selective R&D investment approach. As percentage of sales, R&D expenses were 11.0% compared to 11.7% a year earlier.
- Sales & Marketing expenses decreased to 142.5 million euro compared to 147.7 million euro for 2018, reflecting reductions in all three divisions in the areas of product management and commercial and service delivery processes. As a percent of sales, Sales & Marketing expenses were 13.2% of sales compared to 14.4% in 2018.
- General & Administration expenses amounted to 57.6 million euro compared to 57.5 million euro last year and were 5.3% as a percentage of sales compared to 5.6% in 2018.

Other operating results were a positive of 0.3 million euro versus 2.5 million euro in 2018.

EBITDA & adjusted EBIT[5]

EBITDA grew 22.9% to 153.0 million euro compared to 124.5 million euro for the prior year.
EBITDA margin increased 2.0 percentage points to 14.1% versus 12.1% for 2018.

By division, EBITDA and EBITDA margin is as follows:

2019 (IN MILLIONS OF EURO)	SALES	EBITDA	EBITDA %
Entertainment	455.1	43.3	9.5%
Enterprise	358.7	74.0	20.6%
Healthcare	268.8	35.7	13.3%
Group	1,082.6	153.0	14.1%

EBITDA by division 2019 versus 2018 is as follows:

(IN MILLIONS OF EURO)	2019	2018	CHANGE
Entertainment	43.3	32.9	+31.7%
Enterprise	74.0	60.9	+21.5%
Healthcare	35.7	30.6	+16.4%
Group	153.0	124.5	+22.9%

(4) Operating expenses referenced in this press release are including depreciations on tangible and intangible fixed assets.
(5) EBITDA and adjusted EBIT in this press release exclude impairment and restructuring costs and other non-operating income expenses: see Glossary in Annual Report.

Barco delivered double-digit EBITDA growth for 2019 with solid gains in all divisions.

- Significant EBITDA growth in the Entertainment division reflects operating leverage on higher volumes mainly in the cinema segment.
- EBITDA increased in Enterprise on continued double-digit growth for ClickShare and profitability improvements for Control Rooms.
- The Healthcare division registered EBITDA gains on favourable product mix while continuing to invest in growth initiatives.

Adjusted EBIT was 110.0 million euro, or 10.2% of sales, compared to 90.0 million euro, or 8.7% of sales for 2018.

Income taxes

In 2019 taxes were 20.8 million euro for an effective tax rate of 18%. Taxes in 2018 were 16.6 million euro for an effective tax rate of 17.7%.

Net income

Net income attributable to the equity holders was 95.4 million euro after deducting 1.2 million euro associated with the Cinionic non-controlling interest. For 2018, net income attributable to equity holders was 75.0 million euro after deducting profits associated with a non-controlling interest in BarcoCFG of 2.3 million euro.

Net income per ordinary share (EPS) improved to 7.60 euro from 6.03 in 2018. Fully diluted earnings per share were 7.51 euro compared to 5.98.

Cash flow and balance sheet

Free cash flow and working capital

Barco generated free cash flow of 88.7 million euro for the year compared to 63.2 million euro for 2018, an increase of 25.5 million euro, driven by a higher gross operating free cash flow and steady working capital management.

IN MILLIONS OF EURO	2019	2018	2017
Gross operating Free Cash Flow	**139.8**	**120.9**	**104.0**
Changes in trade receivables	-32.2	-11.2	-7.3
Changes in inventory	-33.0	0.3	-3.6
Changes in trade payables	23.4	-1.3	-19.7
Other Changes in net working capital	15.6	-12.7	-8.1
Change in net working capital	**-26.1**	**-24.9**	**-38.7**
Net operating free cash flow	**113.7**	**96.0**	**65.3**
Interest income/expense	5.8	4.3	2.0
Income taxes	-13.1	-12.5	-4.4
Free Cash Flow from operating activities	**106.4**	**87.9**	**63.0**
Purchase of tangible and intangible FA (excl. One Campus)	-20.2	-25.6	-23.2
Proceeds on disposal of tangible and intangible FA	2.4	0.9	0.2
Free cash flow from investing	**-17.8**	**-24.7**	**-23.0**
FREE CASH FLOW	**88.7**	**63.2**	**40.0**

Working capital

Inventory + Accounts Receivables – Accounts Payables over sales was 21.7% compared to 19% in 2018.
Net working capital was 3% of sales compared to 0.2% in 2018.

IN MILLIONS OF EURO	FY19	FY18	FY17
Trade Receivables	195.4	161.8	182.1
DSO	**55**	**52**	**55**
Inventory	169.0	135.1	154.1
Inventory turns	**3.2**	**3.8**	**3.6**
Trade Payables	-128.9	-105.1	-114.5
DPO	**71**	**59**	**58**
Other Working Capital	-205.2	-189.3	-263.3
TOTAL WORKING CAPITAL	**30.2**	**2.5**	**-41.6**

Capital expenditure

Capital expenditure was 20.2 million euro compared to 25.6 million euro in 2018.

Goodwill

Goodwill on group level remained at 105.6 million euro, equal to the end of 2018.

Cash position

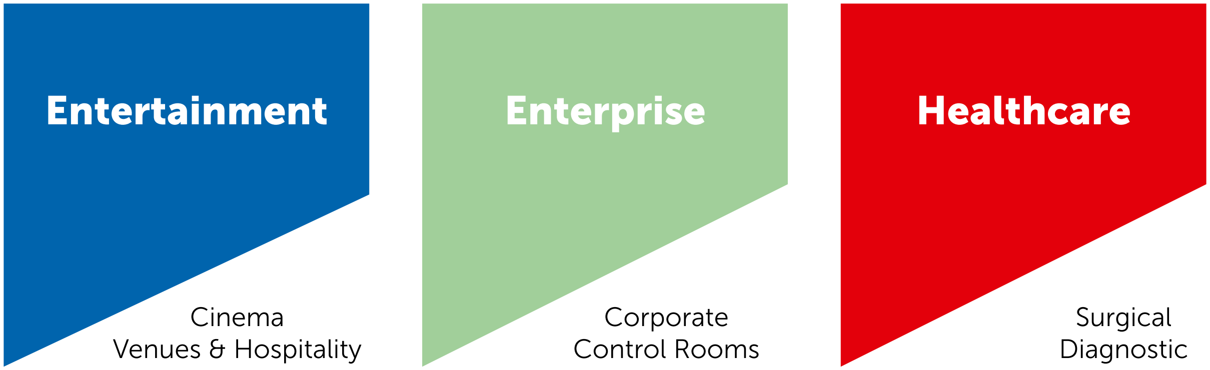
Net financial cash position, including net cash held in Cinionic, was 329.4 million euro compared to 332.0 million euro end of 2018.

The directly available net cash position amounted to 253.4 million euro compared to 247.4 million euro last year, reflecting positive free cash flow offset by distributed dividends, investments in caresyntax® and Unilumin and increased financial debt, 33 million euro as a result of the implementation of IFRS16.

Divisional results for fiscal year 2019

Barco's organizational structure

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



The Entertainment division is the combination of the Cinema and Venues & Hospitality activities, which includes Professional AV, Events and Simulation activities.

The Enterprise division is the combination of the Control Rooms activities and the Corporate activities. ClickShare is the main contributor to the Corporate activity.

The Healthcare division includes the activities in Diagnostic Imaging (Diagnostic and Modality Imaging) and in Surgical.

Entertainment division

IN MILLIONS OF EURO	FY19	FY18[6]	CHANGE VS FY18
Orders	491.0	410.1	+19.7%
Sales	455.1	408.1	+11.5%
EBITDA	43.3	32.9	+31.7%
EBITDA margin	9.5%	7.3%	

The Entertainment division delivered a strong performance for 2019. Orders and sales grew 20% and 12%, respectively, driving operating leverage and a 2.2 percentage point expansion of EBITDA to 9.5% compared to 7.3% a year ago.

Solid growth in Cinema orders and sales was largely attributable to a combination of higher projector volume related to replacement cinema contracts in North America and Western Europe and higher average prices offset in part by a decline in sales from new cinema builds in China and other emerging markets. The new contracts clearly mark 2019 as the replacement cinema cycle kick-off year. With the replacement cinema cycle underway, Barco released the 4K Laser Series 4 projector in April 2019 with a goal of establishing this product as the mainstream platform for cinema, reinforcing Barco's leadership in this market.

The Cinema segment accounted for approximately 58% of the divisional sales in 2019 compared to 54% in 2018 on a comparable pro forma base.

With a sharper focus on themed entertainment, the Venues & Hospitalities segment recorded good order uptakes, expanding the customer base, and posted a strong second half performance offsetting softer results of the first half, as anticipated. The UDM, a new compact V&H projector platform, was launched in the last quarter 2019, expanding the laser-based projector portfolio.

(6) To present comparable data for 2018, prior year orderbook, orders and sales figures are presented on a pro forma basis assuming the deconsolidation of the BarcoCFG joint venture had taken as of 1 january 2018. See for more information in the section Pro forma comparison, page A/113.

Enterprise division

IN MILLIONS OF EURO	FY19	FY18	FY17	CHANGE VS FY18
Orders	350.9	336.6	323.9	+4.2%
Sales	358.7	335.9	308.2	+6.8%
EBITDA	74.0	60.9	40.7	+21.5%
EBITDA margin	20.6%	18.1%	13.2%	

The Enterprise division posted a 7% growth in sales for the year with the EBITDA margin expanding 2.5 percentage points, mainly driven by improved Control Rooms profitability. In terms of the sales mix, the Corporate segment accounted for about 58% of Enterprise sales for 2019.

In Corporate, continued healthy demand and traction in the IT and AV channel, drove double-digit volume and sales growth across all regions.

ClickShare has now been installed in more than 720,000 meeting rooms worldwide up from 500,000 at the end of 2018.

The company continued to invest in enhancing ClickShare features, received ISO 27001 certification for its development process, and developed ClickShare Conference, a new category which will be launched in the first quarter of 2020.

The addition of ClickShare Conference to the ClickShare portfolio is intended to sustain market leadership in the meeting room market while expanding the addressable market beyond the maturing wireless presentation market.

Control rooms delivered on its promise to return to growth with a low single digit sales uptake. In addition, improvements in gross profit margins and reduced operating expenses resulted in breakeven profitability.

UniSee performed well giving Barco new opportunities in non-core Control Room segments such as corporate workplaces. Barco also formed a strategic collaboration partnership with Unilumin through which it added a cost-competitive LED product portfolio. As a result, Barco strengthened its large video-wall value proposition with the introduction of a triple play (LED, Rear projection and LCD) videowall technology offering.

In line with the company strategy, Control Rooms continued to invest in software and networking solutions to strengthen its integrated hardware and software value proposition.

Healthcare division

IN MILLIONS OF EURO	FY19	FY18	FY17	CHANGE VS FY18
Orders	260.2	256.9	245.8	+1.3%
Sales	268.8	245.0	243.2	+9.7%
EBITDA	35.7	30.6	27.5	+16.4%
EBITDA margin	13.3%	12.5%	11.3%	

On the strength of a healthy orderbook, the Healthcare division posted good sales growth across all segments. Both the Diagnostic and Surgical segments produced high single digit uptakes in sales reflecting an improved product positioning and expanded partner network.

The Diagnostics segment accounted for 73% of the divisional sales for the second consecutive year.

Reflecting operating leverage on higher sales, the division improved its EBITDA margin from 12.5% to 13.3%.

With good momentum in all regions, the company expanded its sales reach for its surgical Nexxis 2.0 digital OR solution, transforming operating rooms into digital OR's. Approximately 3000 operating rooms worldwide are now equipped with Barco technology.

In the first half of the year, the division entered into a strategic partnership with and acquired a minority stake in caresyntax® as a means of strengthening its operating room value proposition and accelerating the next development of the digital Nexxis platform.

Under the "In China for China"-program, the division opened its local healthcare hub in March, drawing together business development, product management and Healthcare display production and began to generate volume gains in China.

At the same time, Barco expanded its global product portfolio with the launch of new 4 and 6 megapixel diagnostic imaging platforms and invested in a number of new solutions including the Demetra skin cancer screening solution, which was launched in test-markets in 2019.

Pro forma comparison

As announced in the 1H18 results, Barco completed the transaction on the sale of 9% shares in the BarcoCFG joint venture and reduced its stake to a 49% position. As a result, as of July 2018 the BarcoCFG joint venture orders and sales are no longer consolidated in Barco's group and Entertainment results.

2019 reported versus pro forma 2018

In order to support comparable reporting for 2019 versus 2018, we present also the pro forma orders and sales for 1H18 as if the deconsolidation had been in place as of 1 January 2018:

IN MILLIONS OF EURO	REPORTED 1Q18	PRO FORMA 1Q18	REPORTED 2Q18	PRO FORMA 2Q18	REPORTED 1H18	PRO FORMA 1H18	REPORTED FY18	PRO FORMA FY18
Group Orders	276.0	244.4	263.6	252.0	539.7	496.4	1,046.9	1,003.6
Entertainment Sales	110.3	89.0	118.6	100.4	228.9	189.4	447.6	408.1
Group Sales	245.2	223.9	252.9	234.7	498.1	458.6	1,028.5	989.0

Nexxis™ can dramatically improve the scope and efficiency of an operating room and allows OR staff to concentrate on patient care instead of dealing with technical issues.

Rachel Coxon
Vice President of Healthcare APAC, Barco

Shareholder information

[about the visual]

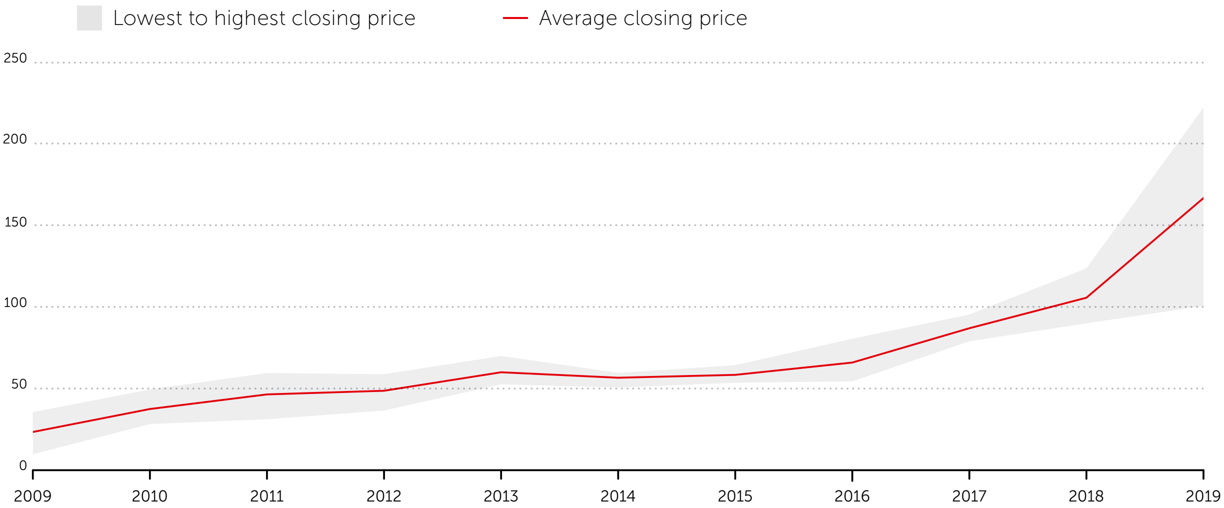
BARCO SURGICAL DISPLAYS BRING ACCURACY AND EFFICIENCY TO THE OPERATING ROOM

Key figures for the shareholder

Number of shares (in thousands):		13,068	13,067	13,064
PER SHARE (IN EURO)		2019	2018	2017
EPS		7.60	6.03	2.01
Diluted EPS		7.51	5.98	1.99
Gross dividend		2.65	2.30	2.10
Net dividend		1.86	1.61	1.47
Return on Equity (ROE)		13.0%	12.0%	5.5%
Gross dividend yield	(a)	1.2%	2.3%	2.4%
Yearly return	(b)	123.8%	13.2%	13.9%
Pay-out ratio	(c)	36.3%	40.1%	110.7%
Price/earnings ratio	(d)	28.8	16.4	44.4

(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)	2019	2018	2017	2016	2015
Average closing price	166.60	105.60	86.91	65.90	58.37
Highest closing price	222.00	123.60	95.31	80.50	64.26
Lowest closing price	100.60	89.90	78.94	54.37	53.54
Closing price 31 Dec	219.00	98.90	89.25	80.04	61.60
Average number of shares traded daily (e)	**24.455**	**23.215**	**16,862**	**21,921**	**22,189**
Stock market capitalization on 31 December (in millions)	**2,862.09**	**1,292.35**	**1,166.00**	**1,045.05**	**801.80**

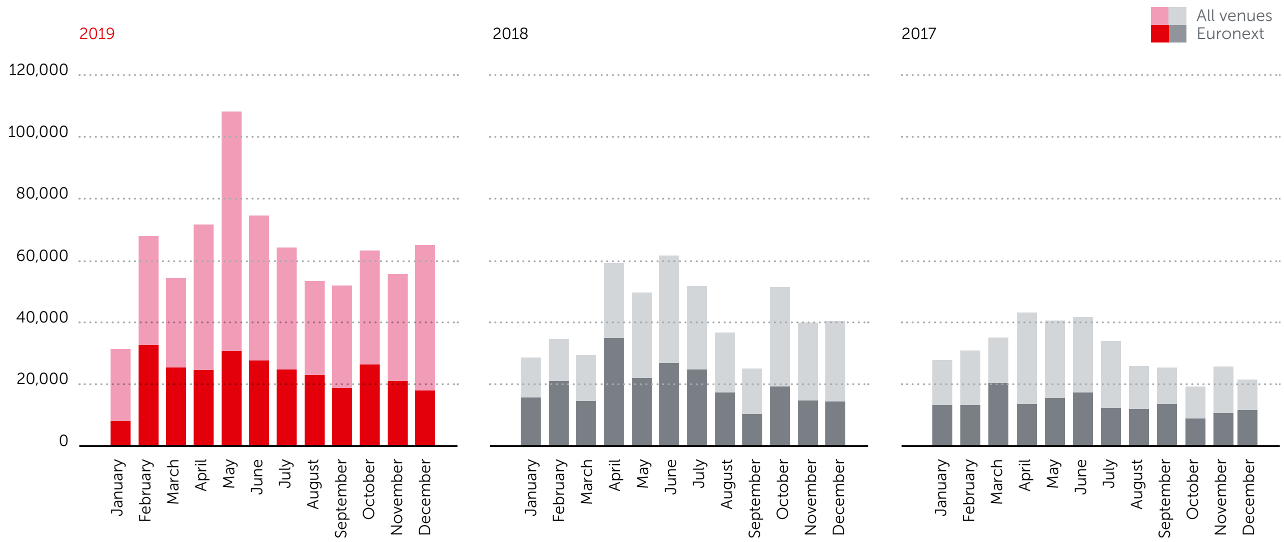
(e) The average number of shares traded daily is taking into account the trades on the Lit Venues: Euronext as well as registered trades on alternative platforms BATS, Chi-X, Turquoise and Equiduct.

Liquidity

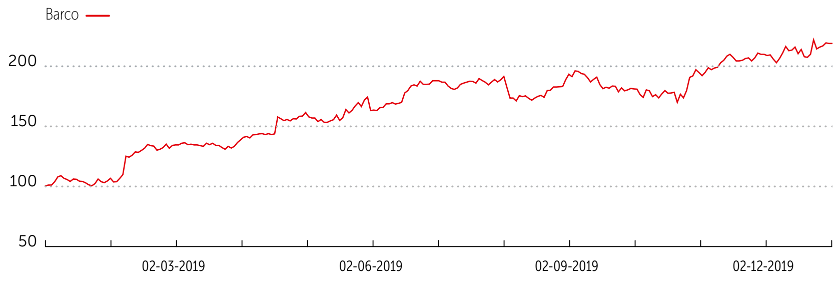
LIQUIDITY	SOURCE	2019	2018	2017
Total yearly volume (shares)	Euronext	6,039,275	4,996,551	3,447,772
	Lit venues [1]	6,235,915	5,919,720	4,299,723
	All venues [2]	16,131,618	10,802,134	7,851,057
Daily average number of shares traded	Euronext	23,683	19,594	13,521
	Lit venues [1]	24,455	23,215	16,862
	All venues [2]	63,261	42,361	30,788
Total yearly volumes (turnover) in million euro	Euronext	768.45	468.74	262.09
	Lit venues [1]	1,040.74	625.55	373.15
	All venues [2]	2,714.28	1,140.92	684.20
Velocity		**45.99%**	**38.16%**	**25.43%**

Comment (1&2): Based on the Fidessa stock report: http://fragmentation.fidessa.com/ The numbers referenced here take into account trades in the Lit-category. The category "Lit venues" includes Euronext and the alternative platforms BATS Chi-X, Turquoise and Equiduct. All Venues includes Lit-venues, the Systematic internalisers, off-book transactions and dark venues.

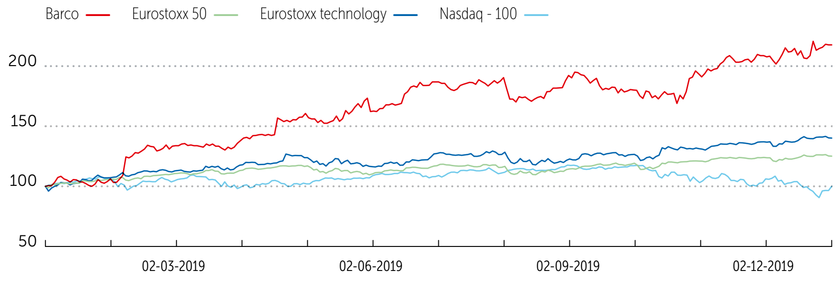
Daily average shares traded



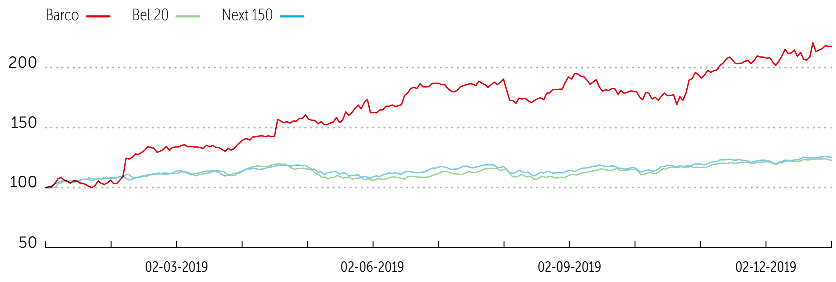
Barco share price 2019



Barco / Eurostoxx 50 / Eurostoxx Technology / Nasdaq - 100



Barco / Bel 20 / Next 150



Shareholder structure

Shareholders

A study of Barco's global shareholdership, carried in November 2019, plotted almost 97% of the company's shareholder composition[1].

Identified institutional investors hold almost 76% of all shares (versus 75% at the end of 2018). Treasury shares held by the company are good for 5% of the shares and around 13% of the shares are held by retail investors.

Geographic distribution

Belgium remains the dominant investment region in Barco's institutional shareholder base, with a strong proportional representation versus peers and industry averages. However over 2019 domestic investors were net sellers of the stock over this analysis period to decrease position with approximately 3 percentage points. Region 2 and 3 in institutional ownership are respectively the United States and United Kingdom. US ownership moved by 3.5 percentage points with a meaningful growth in the buyers outpacing the sellers. Also UK ownership moved up with the entry of some new leading buyers.

The French investor base remains well presented as Barco' fourth institutional investor base region with a small outflow over 2019.

Compared to the Nasdaq Belgian client base benchmark, Belgium and Norway show overweight position driven by the domestic reference shareholder and Norges Bank, balanced by underweight positions for US, UK and France.

Investment style

Value-type ownership remains important but decreased ownership from 20% in 2018 to a 18% in November 2019. While for a number of value investors selling the share in 2019 resulted in significant profits on the investment, they also continue to see further interest as the risk-profile of the company is considered to come down considerably. Both growth-type investors (18%) and GARP-type investors (11%) remained at same level compared to 2018. Growth investors were the most active group amongst buyers. reflecting that investors continue to see attractive entry points, given the growth profile of the company.

Index type investors increased their position, following the BEL_20 listing in March 2019 and the market cap evolution of the company.

Compared to the Nasdaq Technology Client base benchmark, mainly Growth, GARP and Index continue to show underweight positions.

According to the analysis 10% of the institutional shares is held by SRI (Social Responsible Investment) funds (mainly Europe and mainly Core SRI) (in line with the level of 2018). Core SRI are investors with an outstanding level of commitment to investing responsibly which have achieved a full integration of ESG performance factors in their investment decisions models. These investors include the most progressive pension fund managers and specialist SRI investment advisors.

(1) Shareholder analysis performed by Nasdaq Advisory services in January 2019

Concentration

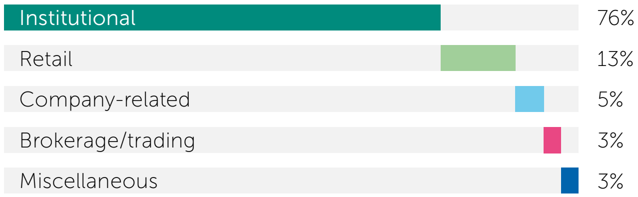
Overall concentration level amongst Barco top holders decreased. Generally a lower shareholder concentration is regarded as preferable as this helps guard against share price volatility. The Barco's top 10 investors reduced 1 percentage points over this analysis period, following a couple of divestments. Concentration within the top 25 and top-50 also decreased with approximately 3 percentage points over the analysis period.

The categories now account for:

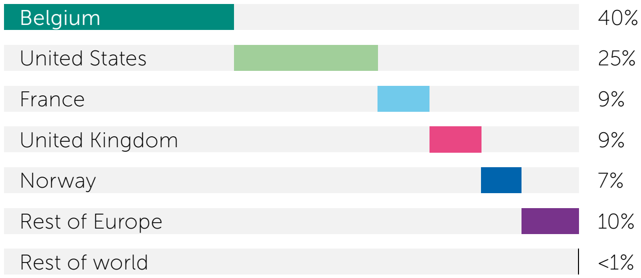
- Top 10: 45% (-1pcpt)
- Top 25: 61% (-3pcpt)
- Top 50: 69% (-3pp)

Compared to the average observed in the mid cap client benchmark, Barco's concentration levels are slightly overweight?

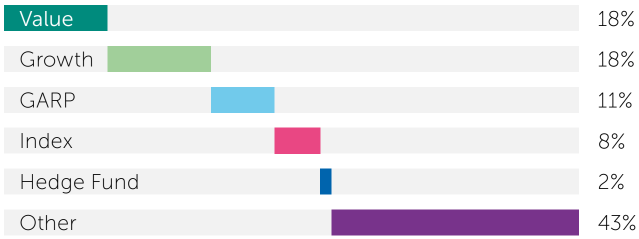
Shareholder structure



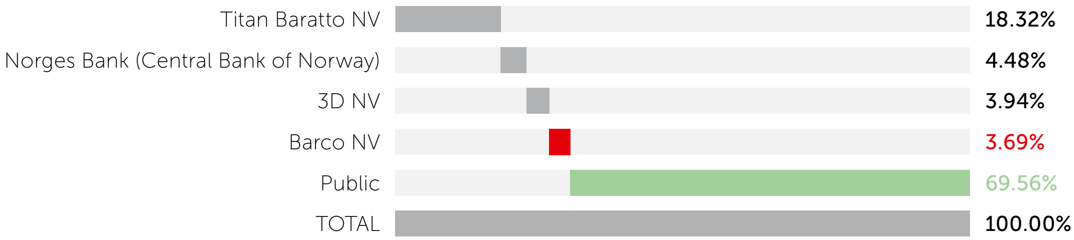
Geographic distribution



Investment style



Ownership of Barco's shares 2019 (per 31 December 2019)



Shareholder remuneration

Dividend

The Board of Directors decided to recommend that the general assembly pay a dividend of 2.65 euro (gross) per share over 2019 (compared to 2.3 euro over 2018). This is 1.86 euro net, on a withholding tax of 30%. At 2.65 euro, the payout ratio is 36.3% and the gross dividend yield is 1.2%.

Ex-date:	Monday, 11 May 2020
Record date (+1):	Tuesday, 12 May 2020
Payment date (+1):	Wednesday, 13 May 2020

Dividend policy

The company confirms its dividend policy to grow the dividend in line with the long-term performance and evolution of the company. 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 investment case

Strong foundation with technology & market leadership in healthy markets

Backed by over 85 years of experience, Barco is a strong brand known for its technology leadership in three solid and healthy markets: Entertainment, Enterprise and Healthcare. Building on sustainable advantages Barco has established global leadership positions in all of these markets. The solutions delivered to these markets are mostly mission-critical with a real 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

The company is implementing its "enabling bright outcomes"-strategy, building capabilities to become a successful hardware + software + service company, to capture more of the lifecycle opportunity of its solutions and as a result enhance the relationships with its customer base and strengthen the contribution of recurring revenues.

Solid financial results

Over the past years, Barco has streamlined its organization, and continues to sharpen the focus of its activities.
Since introducing the 'focus to perform' program in 2016, as part of the 'enabling bright outcomes' strategy, Barco has made measurable and steady progress primarily by rationalizing the business portfolio and part of the footprint and by implementing value engineering initiatives. As a result EBITDA margin expanded from 8% in 2016 to 12% in 2018 and net earnings grew to 7% of sales. In 2019 the company resumed topline growth (+9%) with sales increases in all divisions and further strengthened its EBITDA margin to 14%.
Over the years, Barco enjoys year-on-year net cash positive results. The company follows a conservative course in managing its financials and net cash position.

A strong & reliable leadership team

With some new experienced leaders, Barco's leadership team became more global and diversified over the past couple of years and allowed to blend insights of new members with the strong potential and competencies available at Barco. The team delivered on its promises in line with its stated Say.Do objective.
Confident that Barco has the required assets to further deliver sustainable profitable growth, the company is implementing its 'fit to lead' program, a capability building and efficiency plan while resuming topline growth across the different business segments.

Shareholder trust

Barco's sound strategy, strong market positions and solid financials inspire the trust and strengthen the confidence of its shareholders. Barco has a stable international shareholder base with a predominance of value-oriented investors. Since 2015, both Van de Wiele NV and 3D NV are represented in the Board of Directors. Together, they now own 22% of Barco's shares. Year after year, Barco's shareholders see consistent growth in the dividend, which reflects the overall profit growth.

Analysts covering Barco

Bank Degroof Petercam sa	Stefaan Genoe
Berenberg	Trion Reid
Flemish Federation of Investors and Investor Club	Gert De Mesure
ING	Marc Hesselink
KBC Securities	Guy Sips
Kempen & Co N.V.	Christophe Beghin
Kepler Cheuvreux	Matthias Maenhaut

Financial calendar 2020

Announcement of results 4Q19 and FY19	Thursday 13 February 2020
Trading update 1Q20	Wednesday 22 April 2020
Annual general shareholders meeting	Thursday 30 April 2020
Announcement of results 1H20	Thursday 16 July 2020
Trading update 3Q20	Wednesday 21 October 2020

Share info

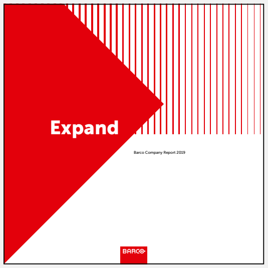
Barco share	BAR	ISIN BE0003790079
Barco VVPR-strip	BARS	ISIN BE0005583548
Reuters	BARBt.BR	
Bloomberg	BAR BB	

More info including the quarterly consensus update, reports, reference to conference, roadshows and relevant tradeshows are available on Barco's investor portal

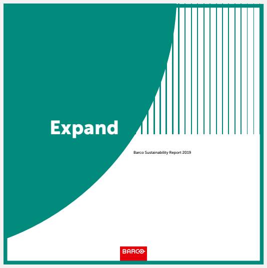
www.barco.com/investors

Expand

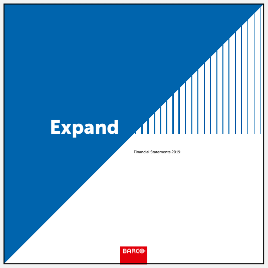
Barco Sustainability Report 2019



Section A.
Company Report
2019



Section B.
Sustainability Report
2019



Section C.
Financial Statements
2019

This is section B of Barco's 2019 annual report. Other sections are available via the download center at ar.barco.com/2019.

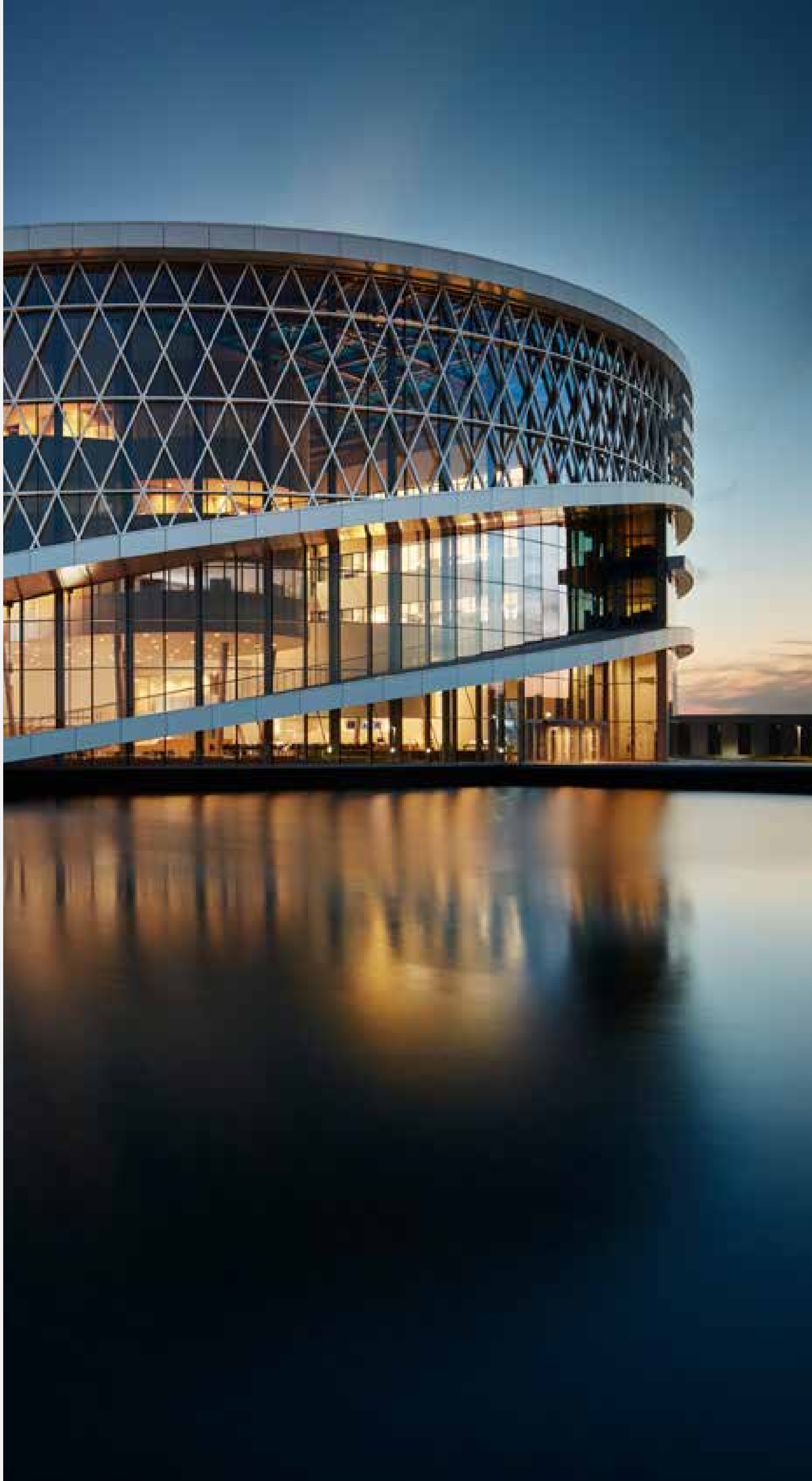


Table of contents

Introduction

Expanding our sustainability efforts

Growing and expanding our company goes hand in hand with helping our people and the communities around us thrive while safeguarding our planet. That is why we consider sustainability to be an integral part of Barco's 'enabling bright outcomes' strategy.

Barco's sustainability program is and will always be a continuous journey of learning and improving. Over the past few years, we have built the foundations that will help us deliver on our sustainability objectives going forward. At Barco, sustainability is

- **deeply embedded in our strategy**
  Our strategy, launched in 2017, consists of three pillars: 'innovate for impact', 'focus on performance' and 'deliver outcome-based solutions'. The fourth vector that keeps the strategic pillars together is 'go for sustainable impact' – because we are convinced that sustainable business is the only way forward.

- **firmly supported by the top management**
  Top-level commitment is a key success factor for our sustainability strategy. Over the past few years, our top management team has endorsed sustainability by actively participating in meetings and taking up sponsorship roles for different workstreams. Barco's CEO Jan De Witte emphasizes that sustainability is one of the driving forces of our corporate strategy. He also chairs the executive sustainability steering committee.

- **strongly linked to our culture building blocks**
  As a result of our rejuvenation exercise five building blocks were defined to enable us to live our DNA. The 'We care, we grow' building block highlights our choice to care about our planet, our colleagues and our communities. 'We look for the better way' supports us in exploring more sustainable ways to run our business moving forward. The 'We think with the customer' building block represents our commitment to help our customers in improving their footprints.

- **increasingly integrated into Barco's risk evaluation process**
  In the way we do business, topics like climate change, and business ethics are becoming more important every year. As a result, we increasingly integrate them in our risk evaluation process (see part A - Company report).

> Sustainable business is doing business the right way; which we believe is also good business.
>
> **Jan De Witte**
> Barco CEO

Stepping up our efforts

In 2019, we further stepped up our sustainability efforts and made progress in various domains.

Organization

- We further strengthened the organization responsible for delivering on our sustainability ambitions. Focus areas are now owned by the business, with responsibility in the departments/divisions.
- The governance of sustainability-related initiatives has been updated with clearly defined workstreams, managed by workstream leaders in the business.

Strategy, communication and objectives

- We confirmed the key performance indicators (KPIs) already in place and further expanded our scope.
- Furthermore, new, well-defined mid-term targets (2023) in the Planet domain were defined and agreed upon with the leadership team and the business. These targets will further guide and indicate the way forward for every stakeholder involved.
- As the support and participation of every Barco employee is key to successfully living up to our sustainability agenda, we stepped up our efforts to engage Barco employees in our journey towards sustainability. We continued to inform the entire Barco community about our short-term targets (2020), and also about how they can make change happen.

Performance

- In 2019, we made good progress in our trajectory towards our 2020 targets. In addition, we identified the areas where we need to step up our efforts with an increased level of accountability.

Reporting

- We received positive feedback on our sustainability report from external agencies. More rating agencies started to follow up on our sustainability efforts, and we typically received above average grades throughout the year, including an EcoVadis Gold rating.

We are confident that every step we take on this journey will bring us closer to becoming a truly sustainable company – which is critical for every business to be successful in the long run.

In 2020, we plan to further solidify our sustainability platform and will continue to work on:

- Educating and training all of our colleagues on sustainability as part of our Standards@Work program.
- Expanding our sustainability program globally and more actively involve the different regions.
- An updated materiality assessment.
- Expanding the Barco sustainability approach towards our suppliers with more active engagement.
- Expanding the number of products with the Barco ECO label.
- Further step up our reporting.
- Sharpen and articulate our KPIs in the communities and people domains.

Our sustainability ambition statement

In line with our ambition to fully integrate sustainability into our corporate DNA, Barco has decided to continuously accelerate its sustainability efforts on three levels: planet, people and communities.

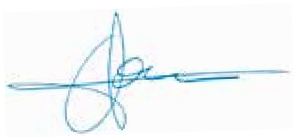
1. We will lower our own **environmental footprint** and those of our customers.

2. We will **invest in sustainable employability** by encouraging our people to learn and develop themselves, by engaging them and by investing in enhancing their health and safety. We will create an inclusive workplace that embraces diversity.

3. We will **play an active role in the communities** we operate in by upholding the highest ethical business standards and expecting the same from our suppliers. We will help ensure more people can participate in and benefit from a prospering society, regardless of their backgrounds.

Barco is ready to gear up and move forward towards a more sustainable future.

Jan De Witte
CEO



Our smart solutions help organizations to keep our heritage alive, bring art and history to a broad audience and contribute to cultural development.

Our sustainability strategy

[about the visual]

BRINGING ART TO LIFE
L'Atelier des Lumières
Paris, France

'Go for sustainable impact'

Our sustainability strategy is an integral part of our corporate strategy, 'enabling bright outcomes'. Integrating 'go for sustainable impact' into our corporate strategy was a logical choice, as we are convinced that sustainable business is good business.

Our corporate strategy consists of three pillars: **planet**, **people** and **communities**. For each pillar, we defined an overall ambition statement as well as several focus areas. Those focus areas, 11 in total, are the sustainability topics we consider important for both our business and our stakeholders. They were defined in the 2017 materiality assessment (page B/12).

Barco's sustainability pillars, ambitions and focus areas

	Planet	People	Communities
PILLAR	Planet	People	Communities
AMBITION	We will lower our environmental footprint and those of our customers.	We will invest in sustainable employability by encouraging our people to learn and develop themselves, by engaging them and by investing in enhancing their health and safety. We will create an inclusive workplace that embraces the diversity of our people.	We will play an active role in the communities we operate in by upholding the highest ethical business standards and expecting the same from our suppliers. We help ensure more people can participate in and benefit from a prospering society regardless of their backgrounds.
FOCUS AREAS	• Greenhouse gas emissions • Energy efficiency of products & operations • Circular economy	• Learning & development • Employee safety • Employee health / care • Diversity & inclusion	• Supplier assurance on sustainability • Community engagement • Customer satisfaction • Business ethics

How the UN Sustainable Development Goals guide our ambitions

The United Nations Sustainable Development Goals (SDGs) form the foundation of our sustainability ambitions. Defined in 2015 by the United Nations General Assembly, the SDGs consist of 17 global goals with a 2030 deadline. All 193 countries in the UN General Assembly adopted this resolution.

Barco uses the SDGs as a guideline to shape its approach and scale up its contribution to the areas that matter most to society and where we can achieve the greatest impact based on our products and operations. During a mapping exercise, we listed how our 11 focus areas contribute to the SDGs.

FOCUS AREAS	CONTRIBUTION TO SDGs
Footprint of our operations	7 AFFORDABLE AND CLEAN ENERGY; 13 CLIMATE ACTION
Footprint of our products	12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 13 CLIMATE ACTION
Circular economy	11 SUSTAINABLE CITIES AND COMMUNITIES; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Learning & development	4 QUALITY EDUCATION; 8 DECENT WORK AND ECONOMIC GROWTH
Employee safety	8 DECENT WORK AND ECONOMIC GROWTH
Employee health/care	8 DECENT WORK AND ECONOMIC GROWTH

FOCUS AREAS	CONTRIBUTION TO SDGs
Diversity & inclusion	5 GENDER EQUALITY
Supplier assurance on sustainability	8 DECENT WORK AND ECONOMIC GROWTH; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Community engagement	3 GOOD HEALTH AND WELL-BEING; 4 QUALITY EDUCATION; 10 REDUCED INEQUALITIES; 17 PARTNERSHIPS FOR THE GOALS
Business ethics	8 DECENT WORK AND ECONOMIC GROWTH; 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Customer satisfaction	8 DECENT WORK AND ECONOMIC GROWTH

Materiality assessment

Many different social, environmental and ethical issues impact our business, either directly or through our global value and supply chains. Consequently, we must manage a continually evolving set of issues.

Every three years, we conduct a materiality assessment to help ensure that our strategy focuses on the right areas. We subsequently tailor our reporting to align with the interests and needs of our stakeholders and the company itself.

Materiality assessment

Our last materiality assessment was conducted in 2017. We analyzed a range of internal and external data, including trend reports and other documents created by peers, sector associations and sustainability networking organizations (CDP, SASB, GRI, Sustainalytics, United Nations Sustainable Development Goals), as well as internal documents. This research resulted in a list of over 50 topics.

Based on a survey of a select group of Barco employees (sustainability ambassadors) and an assessment of the impact of each topic on Barco's success (as determined by the executive sustainability steering committee) and on our stakeholders, we selected 11 topics. These 11 topics – which we call our 'focus areas' – stand out as 'material' and determine our current sustainability strategy.

2018: determining priorities

In 2018, we surveyed Barco's global leadership team (about 100 people) to assess the importance of each of the 11 focus areas to Barco and define their maturity levels. Topics with both high importance and a low maturity level were flagged as priorities. Those topics are the main focus in 2019-2020

2019: new insights from ESG ratings

There is an upcoming number of external ratings that measure the corporate Environmental, Social and Governance (ESG) performance of our company. Their goal is to assess our resilience to long-term, financially relevant ESG risks.

In 2019, Barco was evaluated by several agencies, including ISS-oekom for the first time. ISS ESG's rating concept places a sector-specific focus on the materiality of extra-financial information. Their findings provided us with additional insights into the key issues of our sector.

→ For more information about how Barco engages with its stakeholders to determine risks and points of attention, please refer to the 'Stakeholder engagement' segment on pages B/75 and B/76 of this report.

> By offering high-quality distance learning in our virtual classrooms, we help our customers offer qualitative education at a reduced carbon footprint.

Our sustainability performance

[about the visual]

IESE REINVENTS EXECUTIVE LEARNING
IESE Business School
Barcelona, Spain

Planet

Our ambition

We will reduce our environmental footprint and those of our customers.

Our targets by 2020

-20%

Reduce the **carbon footprint of our own operations** by 20% (baseline 2015)

-25%

Reduce the **energy footprint of our products** by 25% (baseline 2015)

25%

Ensure that **at least 25% our products* launched have the Barco ECO label****

+ 100% of products launched will be ecoscored
+ no new products will have a D score

STATUS

-16% 2018

-14% 2018

23% 2019

80% ecoscored

* Products = hardware products ** ECO label = products with A ecoscore or higher

7 AFFORDABLE AND CLEAN ENERGY

11 SUSTAINABLE CITIES AND COMMUNITIES

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

New targets for 2023

Now that we've entered 2020, we will continue the momentum we have built over the previous years by setting new and ambitious sustainability targets. In the closing months of 2019, we conducted an internal review to solicit input from the business on how we could lower our footprint in both solutions and operations. To ensure that our targets are supported throughout all the levels of the organization, this input has been challenged and validated by the executive sustainability committee before final approval by the Barco Core Leadership Team.

	-35%	-25%	70%
PRIMARY TARGETS	Reduce the **carbon footprint of our own operations** by 35% (baseline 2015)	Reduce the **energy footprint of our products** by 25% (baseline 2015)	Ensure that **at least 70% of our revenues*** comes from products with the Barco ECO label****
SUPPORTING TARGETS	• Reduce the **energy use of our own operations by 15%** (baseline 2015) • **Zero** waste to landfill • **80%** recycling rate in own operations		• **75%** of **products*** launched has a **Barco ECO label****

*** Revenues from hardware products

Planet (key) performance indicators

	INDICATOR	UNIT	TARGET 2023	TARGET 2020	2019	2018	2017	2016	2015
FOOTPRINT OF OUR OWN OPERATIONS	Greenhouse gas (GHG) emissions (1) of our own operations	Ton CO_2e/mio € revenues	52.3	64.4	TBD 2020	67.9	70.6	73.1	80.5
	Energy consumption	MWH/mio € revenues	37.6		TBD 2020	41.1	41.7	39.9	44.2
	% electricity from renewable sources	%			TBD 2020	57.3	57.0	59.8	NA
	Renewable electricity production	MWh/mio € revenues			TBD 2020	0.36	0.33	0.34	0
	Total solid waste	Ton/mio € revenues			TBD 2020	1.54	1.57	1.38	1.49
	% hazardous waste of solid waste (2)	%			TBD 2020	0.60	0.69	0.10	NA
	Recycling & composting rate of solid waste (3)	%	80		TBD 2020	70	72	77	NA
FOOTPRINT OF OUR PRODUCTS	% ecoscored products of total products launched	%	100	100	80	NA	NA	NA	NA
	% of ecoscored products with Barco ECO label	%	75	25	23	NA	NA	NA	NA
	Energy efficiency index of sold products (4)	#	0.75	0.75	TBD 2020	0.86	0.95	1.04	1.00
	GHG emissions (1) of sold products (i.e. end-user emissions) (5)	Ton CO_2e/mio € revenues			TBD 2020	480.9	590.1	704.7	698.6

(1) Calculation of greenhouse gas emissions is explained on page B/18

(2) Compared to previous reports the KPI has been changed from '% hazardous waste of total waste' to '% hazardous waste of total solid waste'.

(3) Compared to previous reports, the KPI has been changed from 'recycling rate' to 'recycling & composting rate of solid waste'.

(4) The energy efficiency index of our products is calculated by considering the energy consumption/delivered capability of our two most important product groups in terms of energy consumption: projectors (73% of total product energy consumption in 2018) and large video walls (14% of total product energy consumption in 2018). The energy performance of these product groups is calculated and formulated as watt/delivered capability (For projectors, delivered capability = lumen; for large video walls, delivered capability = cd/m²). In 2015, the W/delivered capability for both product groups was scaled to 1 for comparability and then weighted based on turnover of the respective product groups. The energy efficiency index of the previous years (2015-2017) differs from earlier reported numbers. This is due to more exact energy consumption data of these products.

(5) The GHG end-user emissions of previous years (2015-2017) differs from earlier reported numbers. This is due to more exact energy consumption data of the products.

Other indicators

INDICATOR	UNIT	2019	2018	2017	2016	2015
GHG emissions [1] scope 1	Ton CO_2e/mio € revenues	TBD 2020	5.0	4.6	4.7	5.1
GHG emissions [1] scope 2	Ton CO_2e/mio € revenues	TBD 2020	4.5	5.0	5.0	5.4
GHG emissions [1] scope 3 incl End-user emissions [5]	Ton CO_2e/mio € revenues	TBD 2020	539.3	651.1	768.0	768.5
Total GHG emissions [1] [5]	Ton CO_2e/mio € revenues	TBD 2020	548.8	660.7	777.7	779.1

MEASURING CARBON FOOTPRINT OF OUR OWN OPERATIONS	
Methodology	• Bilan Carbone® methodology • Compliant with ISO 14064 standard • Sources of emission factors: emission factors from scientific sources, ADEME, GHG Protocol, IEA, suppliers specific for electricity
Scope	• Technical: all GHG such as carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), refrigerants (HFCs, PFCs, CFCs) are converted into CO_2 equivalents using Intergovernmental Panel on Climate Change (IPCC) 100-year global warming potential (GWP) coefficients • Boundaries: operational (vs. equity) approach, as it better defines the boundaries of influence • Geographical scope: main production facilities and offices in Belgium, China, Italy, Germany, India, Norway, Taiwan and US, accounting for 85% of Barco's total headcount (3.563 FTEs) in 2018
Reporting period	FY 2018
Baseline	• For targets and performance comparison, Barco selects FY 2015 as a baseline
Reporting	• Annual reporting to the Carbon Disclosure Project (CDP)

MEASURING OUR CARBON FOOTPRINT RELATED TO END-USER EMISSIONS	
Methodology	• **GHG Protocol Methodology** Formula to be used: ∑ (total lifetime expected uses of product x number sold in reporting period x electricity consumed per use (kWh) x emission factor for electricity (kg CO_2 e/kWh))
Scope	• Emissions based solely on the energy consumption of the product (excluding the embodied energy of components, end-of-life emissions, etc.) • Approx. 90% of the products covered (in terms of sales volume) in 2018
Reporting period	• FY 2018

Our roadmap towards sustainable impact: key initiatives and action plans

1. Footprint of our own operations

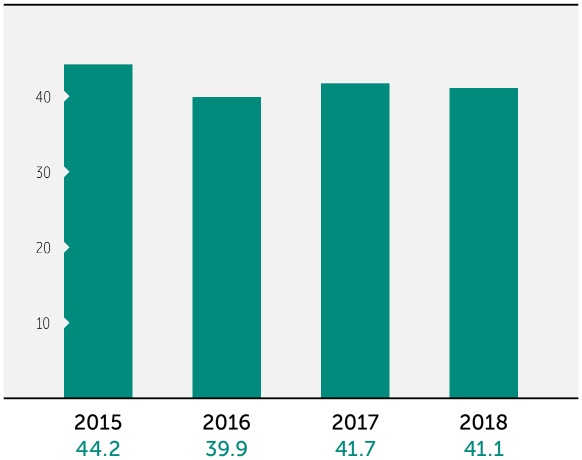
1.1 Energy use in our own operations

Barco's energy consumption (including fuel use for company cars) in 2018 was 41 MWh/mio € revenues. That is a 7% decrease compared to our 2015 baseline. In 2018, we managed to reduce our fleet's fuel use. Electricity consumption in our sites in Belgium and India has decreased as well. One of the investments with the biggest effect on energy consumption in India was the switch from TL to LED lighting.

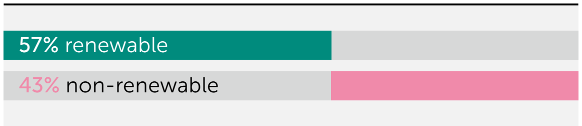
We are convinced that further reduction can be obtained with the right investments and by raising awareness among employees of sensible energy use. We've set a target to reduce the energy consumption of our operations by 15% by 2023 compared to base year 2015.

In order to identify opportunities for further reduction of energy consumption, an energy audit was conducted in 2019 in our Belgian sites. Based on the insights of the audit, a number of measures will be taken in these sites in 2020.

Energy consumption in own operations
(MWh/mio € revenues)



Renewable vs. non-renewable electricity sources (2018)



1.2 Greenhouse gas emissions due to our own operations

There are three main sources of greenhouse gas emissions in our own operations: logistics, mobility and infrastructure. On this page we share the consolidated numbers for our own operations. On the following pages, we zoom in on the numbers by source and on the actions for each source.

Greenhouse gas emissions from our own operations decreased by 16% between 2015 and 2018. This shows that we are well on the way to achieving our -20% target by 2020 (baseline 2015).

Greenhouse gas emissions from our own operations decreased by 16% between 2015 and 2018.

Carbon footprint of own operations 2015 – 2018, incl. 2020 target
(All figures in ton CO_2e / mio € revenues)

1.2.1 Greenhouse gas emissions from logistics

The major source of greenhouse gas emissions from our own operations is related to logistics, i.e. the transport of incoming goods and outgoing finished products. Logistics was responsible for 61% of Barco's own CO_2 emissions in 2018.

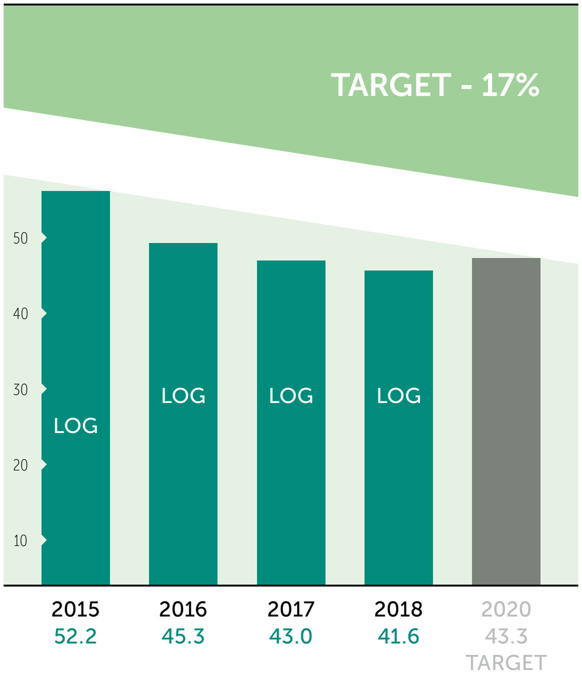
While transport via long-haul air causes the largest portion (88%) of CO_2 emissions from logistics, 56% of Barco's total tkms (ton[1] * distance shipped) is still shipped by plane. 41% of Barco's total tkms is transported via deep-sea shipping, which is responsible for less than 1% of the CO_2 footprint in logistics. Over the past few years, we have been working hard to shift transport from air to sea freight (see next page).

Logistics-related greenhouse gas emissions dropped by 20% between 2015-2018.

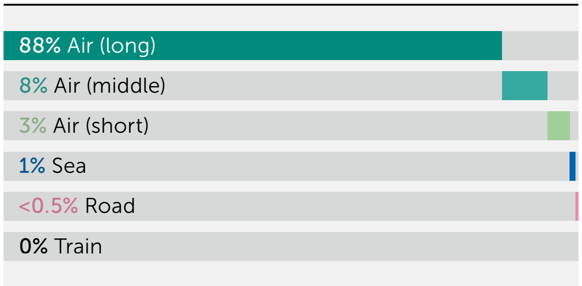
> A solid plan to optimize transport worldwide has helped us cut logistics emissions in recent years.

Carbon footprint of logistics 2015 - 2018, incl. 2020 target

All figures in ton CO_2e / mio € revenues



Breakdown of logistics emissions by source (2018)



In 2018, we accelerated the following initiatives:

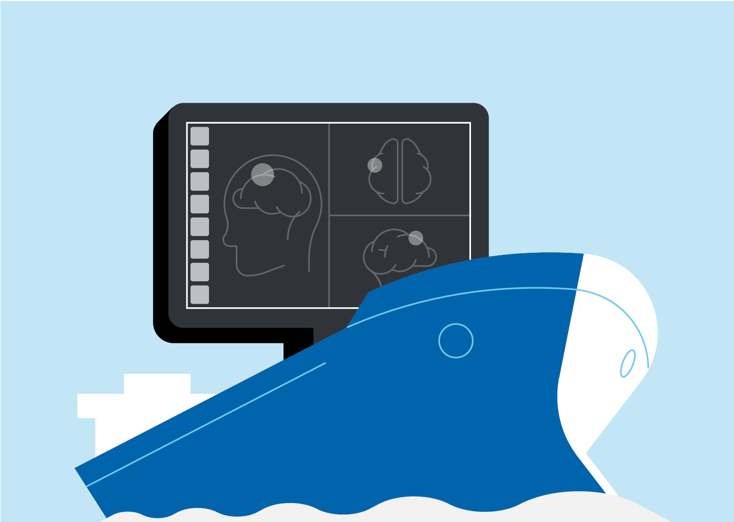
- **Replacing long-haul air transport with sea cargo shipping** as much as possible. Our efforts were focused mainly on the shipping of medical display systems between Belgium and the US.

[1] Metric tons

- **Re-designing packaging for logistics**: when designing new products, we aim to design smaller and lighter packaging, in order to reduce the volume and/or the weight of high-running appliances. Packaging/logistics is one of the four domains in our ecodesign program (see page B/32)
- **Modular product design:** as more new Barco products are built on existing platforms, only the final customization has to be done in a local warehouse. In this way, we can ship larger volumes to overseas destinations up front by sea.
- **Every transport and warehousing tender includes a sustainability clause:** logistics suppliers are expected to inform us about their sustainability plans and initiatives. This information is considered in the overall decision matrix and, as such, in our supplier selection procedure. In addition, we add sustainability clauses to contracts, driving our suppliers to advance their efforts to cut carbon emissions.

In addition, every Barco division launched sustainability initiatives in 2018, which started delivering results in 2019 and will continue to do so in 2020.

- **Healthcare division:** by moving medical display manufacturing for the Chinese market from Italy to our new manufacturing plant in China, CO_2 emissions will drop.
- **Entertainment division:** to reduce the volume of long-haul air transport, projector engines for US customers are repaired locally in our Atlanta facility instead of in Belgium.
- **Enterprise division:** by opening a new bonded warehouse hub in Taiwan, we can store our latest LCD displays until there is enough demand to fill a sea container. The displays are closer to our APAC customers too.



Barco Healthcare switches to sea transport

In 2018 our Healthcare division made significant efforts to switch from air transport to shipping over sea. “By the end of 2018, about 70% of medical displays shipped from our headquarters in Belgium to the US made the journey over sea,” says Demand & Inventory Manager Lieve Hamers. “This was only possible through better forecasting, optimized container loading, careful forwarder selection and shipment tracking.”

1.2.2 Greenhouse gas emissions from mobility

The second-largest source of greenhouse gas emissions from our own operations is mobility. This includes business travel, the use of company cars and commuting. The share of mobility in Barco's own CO_2 emissions in 2018 was 26% — most of which was caused by business travel.

After two years of stagnation, we finally managed to reduce emissions from mobility in 2018. As a result of cutting back on business trips and promoting virtual collaboration and training, we achieved a 7% decrease in mobility emissions compared to our baseline 2015.

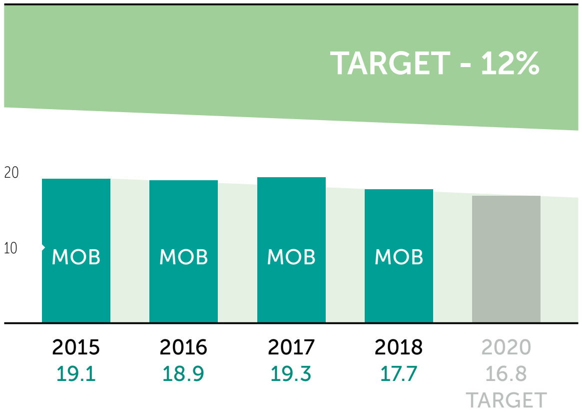
We realize that hitting the target of -12% by 2020 will be challenging. To accelerate our efforts in this field, we are:

- **Adapting our company fleet:** by gradually changing the composition of our fleet — i.e. decreasing the share of diesel and petrol-fueled cars — we aim to reduce the fuel use of company cars. We will also keep promoting carpooling and commuting by bike.

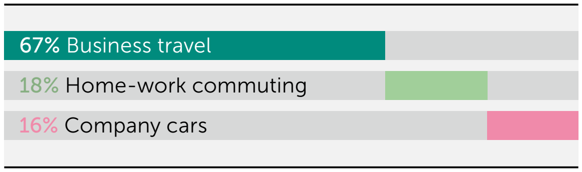
- **Changing business travel:** we replace short-haul (<500 km) flights with train rides where possible and continue to promote virtual collaboration and training.

Carbon footprint of mobility 2015 - 2018, incl. 2020 target

All figures in ton CO_2e / mio € revenues



Breakdown of mobility emissions by source (2018)



Cutting carbon emissions with weConnect Virtual Classroom technology

Distance learning is quickly gaining popularity, and it's not hard to see why. Thanks to new technological developments, many of the old drawbacks – like lack of engagement – have been solved. With weConnect, Barco is at the forefront of this leap in educational technology.

"For many companies, distance learning is first and foremost a great way to reduce travel costs," says Segment Marketing Director Ellen Van de Woestijne. "At the same time, it also cuts carbon emissions significantly."

In 2019, Barco has been organizing various in-house training in its fully virtual and hybrid virtual training rooms for Barco employees. In 2019, 193 employees attended these training sessions remotely. This represents a cut in carbon emissions of roughly 168 tons of CO_2 e – the emissions equivalent of 36 passenger vehicles driven for one year.

1.2.3 Greenhouse gas emissions from infrastructure

The third-largest source of greenhouse gas emissions from our own operations is infrastructure. This includes emissions from the use of electricity, fossil fuels (excl. company cars), from the treatment of waste and from the leakage of refrigerant gases from cooling equipment. The share of infrastructure in Barco's own CO_2 emissions was 13% in 2018, which was mainly attributable to the use of electricity.

In 2018 we focused on the following measures:

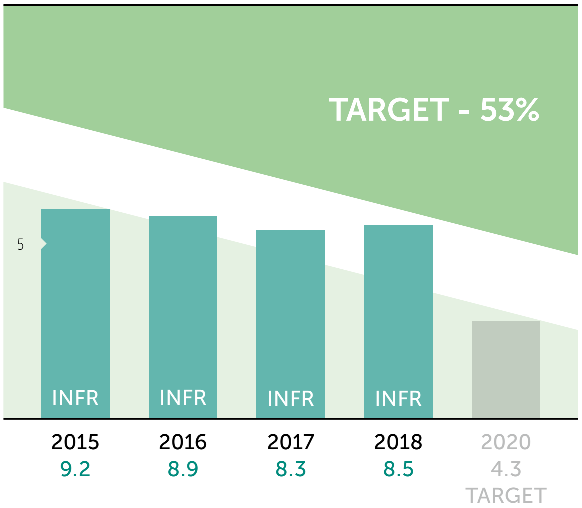
- **Centralizing manufacturing activities:** in Belgium, we moved our production activities from the old Kuurne site to our state-of-the-art, energy-efficient manufacturing plant in Kortrijk.
- **Improving energy efficiency at our site in India**
- **Switching to green electricity at our site in Germany**

Plans to further reduce emissions from infrastructure include:

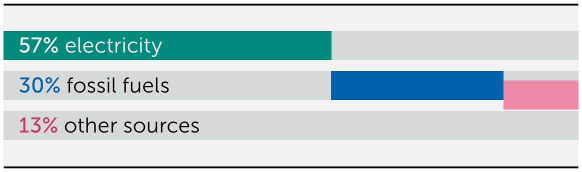
- Further cutting energy consumption through new investments and by changing behavior.
- Extending the renewable electricity procurement program.
- Investing in renewable electricity production on our sites.

Carbon footprint of infrastructure 2015 - 2018, incl. 2020 target

All figures in ton CO_2e / mio € revenues



Breakdown of infrastructure emissions by source (2018)



Noida takes the LE(a)D in reducing its carbon footprint

Over the past three years, the Barco site in Noida (India) has managed to bring down its carbon footprint by 13.5% by:

- installing 1,450 LED lights, illuminating 11,760 m^2 or about 70% of the site's total surface. Because of the higher light intensity of LED, fewer fixtures are needed.
- investing in more efficient electrical installations, including HVAC chillers, pumps, air conditioning units and capacitor panels, resulting in higher energy efficiency and less energy loss.
- raising awareness among employees of sensible energy use through continuous communication and dedicated campaigns.

1.3 Circularity in our own operations

1.3.1 Circularity in operations

First and foremost, we aim to reduce the waste from operations to a minimum, especially non-sorted waste. By the end of 2018, total solid waste was 1.5 ton/mio € revenues, with a recycling rate of 70%. We realize that we still have room to improve our recycling efforts.

To this end, we've set two important targets. By 2023, we aim to:
- recycle 80% of operational waste
- send zero operational waste to landfills.

iGemba: employee-driven improvement ideas to lower our footprint in operations

2019 marked the 8th anniversary of the iGemba program, in which Barco has been continuously encouraging operators to share their own improvement ideas. "These Employee-Driven Improvements or EDIs improve safety and efficiency and play an important role in decreasing our environmental footprint," explains Continuous Improvement Coach Marc Cattoir. This year also marked the first time iGemba was introduced at our production site in Taiwan.

How iGemba works

Marc: "Operators fill in an EDI card on which they describe their challenge and proposed solution. Every quarter, the three best ideas are displayed on the production floor. In this way, we create a culture of continuous improvement and inspire each other to share new ideas."

New Barco employees are immersed in the philosophy of iGemba during initial training. Every two weeks during team meetings, employees are encouraged to share their ideas or proposals with their colleagues and managers.

A couple of examples

"We asked our equipment supplier to modify the packaging of their welding guns so they could fit 8 instead of 4 pieces per box. As a result, we saved a considerable amount of packaging."
Sandeep Kumar, Noida

"The box we use to package 3 filters is way too large, so we replaced it with a 'pizza box' and bubble wrap. The result? A volume reduction of 78% and significant savings in packaging materials."
Karolien Hooghe, Kortrijk

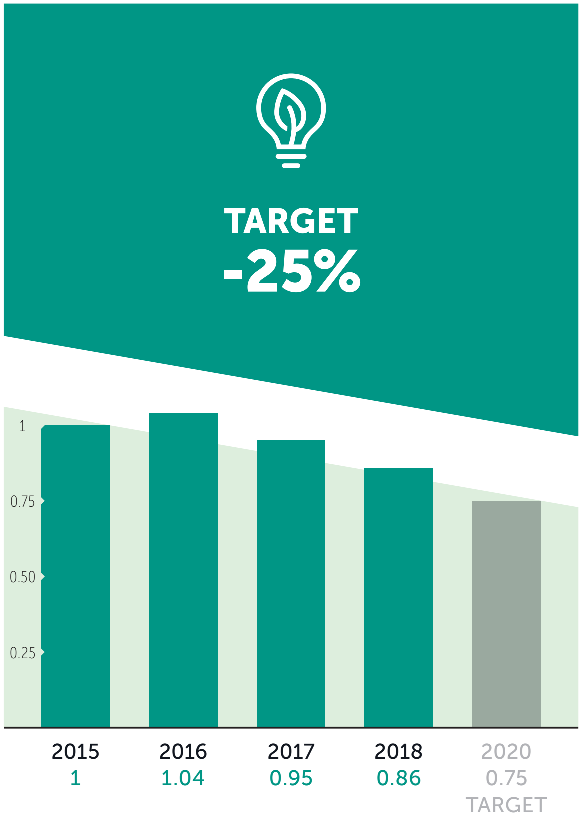
2. Footprint of our products

2.1 Energy performance of our products

The energy our products consume on our customers' premises has a major impact on the environment. Improving the energy performance of our products is therefore one of our main priorities.

At the same time, market trends and customer preferences are shifting towards ever-higher performance (brightness, resolution, etc.), which requires higher energy consumption. That's why we measure energy consumption relative to brightness, resolution, luminance, etc. as watt/delivered capability.*

From 2015 (baseline) to 2018, the average energy efficiency index decreased by 14%. The dominant driver of this reduction is the growing adoption of laser projectors, which consume far less power (-50% to -150%) than traditional lamp-based systems. This trend has continued in 2019 and is expected to continue in 2020, making our target of -25% by 2020 feasible.



Energy efficiency index of sold products

The average energy footprint of sold products fell by 14% between 2015 and 2018

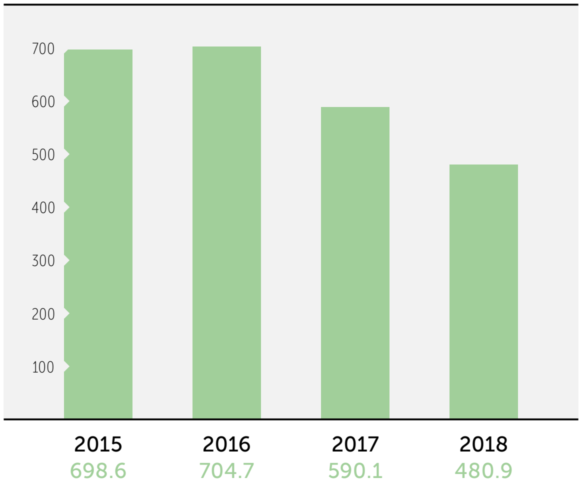
* The energy efficiency index of our products is calculated by considering the energy consumption/delivered capability of our two most important product groups in terms of energy consumption: projectors (73% of total product energy consumption in 2018) and large video walls (14% of total product energy consumption in 2018). The energy performance of these product groups is calculated and formulated as watt/delivered capability (for projectors, delivered capability = lumen; for large video walls, delivered capability = cd/m^2). In 2015, the W/delivered capability for both product groups was scaled to 1 for comparability and then weighted based on the turnover of the respective product groups.

2.2 Greenhouse gas emissions of our products (end-user emissions)

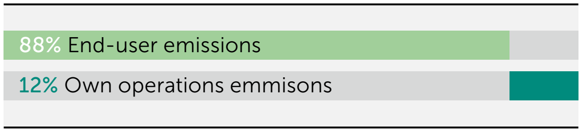
End-user emissions are emissions resulting from the energy use of sold Barco products on our customers' premises. In 2018, total end-user emissions amounted to 480.9 tons CO_2 e/mio € revenues. This is 88% of our total carbon footprint. The largest portion of end-user emissions is generated by our projectors (Entertainment division). End-user emissions decreased by 31% between 2015 and 2018 as a direct result of our efforts to improve the energy performance of our products.

End user emissions

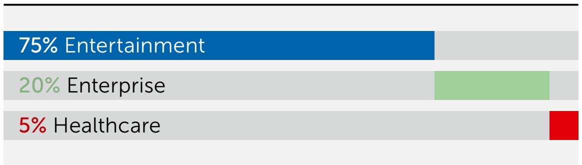
All figures in ton CO_2e / mio € revenues



Breakdown of mobility emissions by source (2018)



Breakdown of end-user emissions by division (2018)



2.3 Ecodesign

Improving the energy performance of our products is just one way of lowering their ecological footprint. Apart from this, we aim to improve our products on other aspects as well: use low-impact materials, opt for ecofriendly packaging, and improve the way our products can be maintained, refurbished, upgraded and eventually recycled. We drive ecofriendliness in product creation through our ecodesign program.

23% of products launched in 2019 received the Barco ECO label

TARGET
25%

Ensure that **at least 25% our products* launched have the Barco ECO label****

+ 100% of products launched will be ecoscored
+ no new products will have a D score

* Products = hardware products
** ECO label = products with A ecoscore or higher

2.3.1 Barco's ecodesign journey

2015 - 2018

- Adopt the Barco Substances List
- Ensure 100% of Barco's products comply with REACH and RoHS
- Reduce the use of halogens and PVC
- Start the ecoscoring initiative (3 pilot projects)

2019

- Implement power management solutions in all product types
- Pro-actively enforce RoHS 10 compliance down our supply chain
- Actively phase out phthalates, beryllium, arsenic and antimony
- Validate our ecoscoring methodology by a third party
- Fully roll out ecoscoring across Barco

2020 (future)

- Start exploring the use of materials containing recycled content.
- Explore tools for product life-cycle analysis to assess environmental impact of materials

Continuous endeavours

- Proactively updating our Barco Substances List with substances to be declared, phased out, or banned, ahead of regulations. This includes substances used in our products as well as packaging. A team of in-house experts checks the list and challenges and corrects suppliers when needed. The list of substances can be found on our website.
- Proactively looking for opportunities in ecodesign such as low-impact materials, energy-efficiency improvements, enhancing modularity etc.
- Training internal and external stakeholders (R&D, NPI project managers, product managers, suppliers) in ecodesign and the ecoscoring tool.

2.3.2 Ecoscoring: the evaluation tool for the eco-friendliness of our new products

In 2017, we continued and refined our ecodesign journey by devising an objective scoring methodology to determine the environmental performance of new products. The next year, we launched our first pilot project. In 2019, we further enhanced the quality of the ecoscoring methodology to make it suitable to assess the environmental performance of important outsourced products, modules and parts.

Additionally, we improved the value of our tool for external stakeholders by submitting it to an external audit under the framework of the ISO 14021:2006 standard (limited assurance). In this way, we aim to ensure that our ecoscoring methodology is complete, reliable, objective and based on relevant product aspects.

Ecoscoring became an integral part of our **NPI (new product introduction) process**. At the start of each new project, multidisciplinary teams now define ecoscore product specifications, which are then assessed at predefined stage gates.

In 2019, 80% of the products launched were ecoscored. 23% of these products received an A ecoscore or higher, and received the Barco ECO label. No ecoscored products obtained the lowest score (D score).

In 2020, our goal is to fully integrate the tool in our R&D department, have 100% of new products ecoscored and give the Barco ECO label to at least 25% of new products.

How ecoscore works

The ecoscore is divided into four environmental domains:
- energy
- material use
- packaging/logistics
- end-of-life optimization.

For each domain, a score is calculated assessing the product on several relevant topics. The assessment is performed against objective criteria inspired by future regulations, industry standards, customer expectations and voluntary ecolabels. The domain score ranges from D (lowest score) to A (highest score).

Based on the four domain scores, the product receives a final score ranging from D to A++. The Barco ECO label is granted to products with an A++, A+ or A ecoscore. These products have:
- an A subscore on energy, and on at least one other domain.
- no domains with a D subscore
- in case one domain has a C subscore, the three other domains need to have an A score

ENERGY
- Power supply
- Energy efficiency
- Standby mode
- Power management

MATERIAL USE
- Halogens
- Product weight
- Recycled material
- Collection of full material declarations

PACKAGING & LOGISTICS
- Recyclability
- Recycled material
- Optimized packaging
- Optimized logistics & stacking
- Accessories

END-OF-LIFE OPTIMIZATION
- Lifetime extension
- Repairability
- Service instructions
- Design for disassembly
- Modularity
- Recyclability

ECO

BARCO ECO LABEL

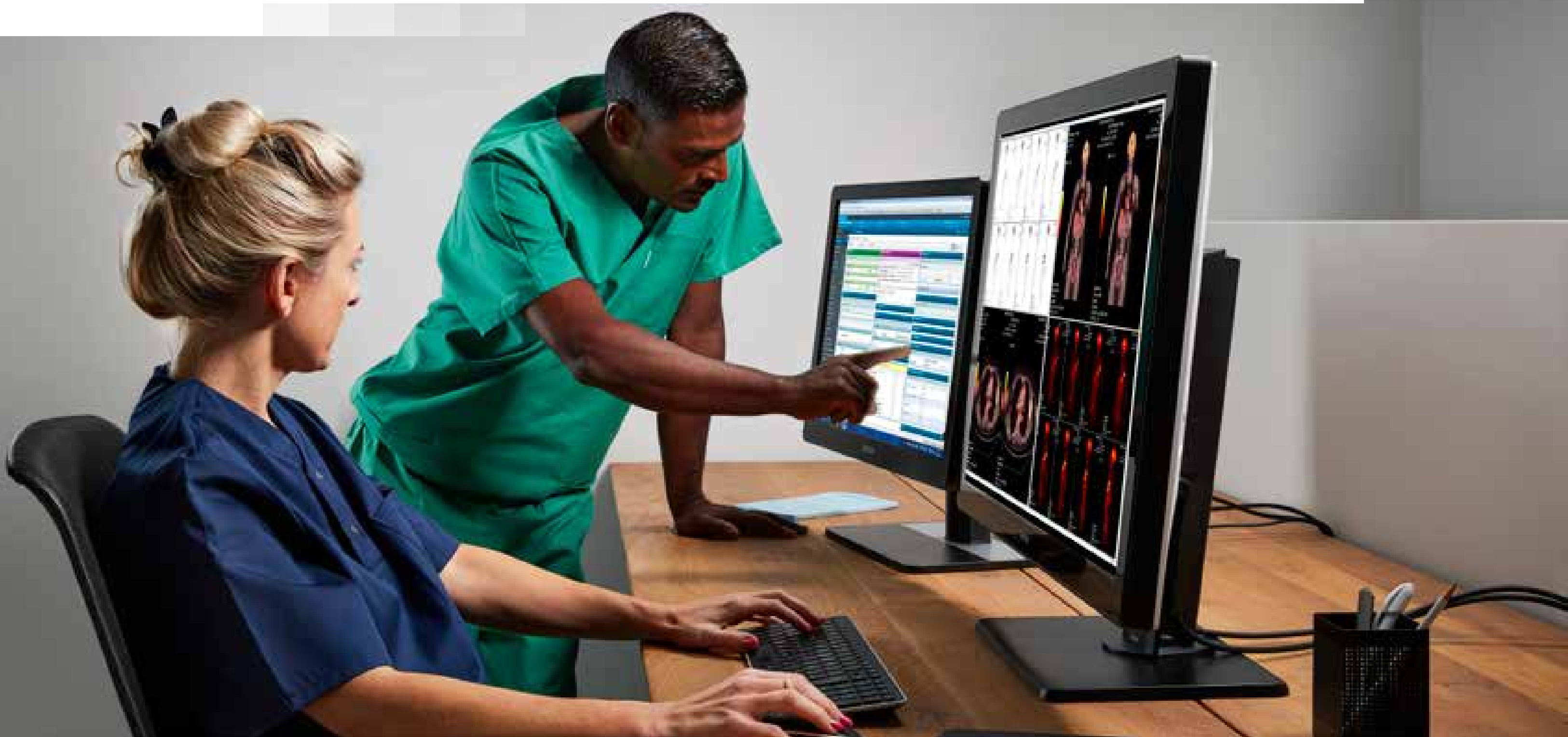
Learn more about our ecoscoring methodology on our website

Coronis Fusion 6MP leads the way for low-impact healthcare displays

Barco's new Coronis Fusion 6MP diagnostic color display is the first Barco product to receive an A ecoscore and obtain the Barco ECO label. Here's how it ranks on the four domains:

- A **Energy:** compared to its predecessor, the new display uses 20% less power in full operation mode and has a dedicated power-saving feature.
- B **Material use:** a thinner display and more compact design significantly reduce the amount of material needed.
- B **Packaging and logistics:** a smaller product requires less packaging materials.
- A **End-of-life optimization:** thanks to smart design choices – like reducing the number of screws – the new display is easier to recycle.

"The lessons learned during the development of the new Coronis Fusion 6MP will impact how we design other displays as well," says Inge Haesaerts, product manager of diagnostic imaging displays.



Four ecodesign wins for Barco Series 4

The new Barco Series 4 line of cinema projectors combines 4K resolution, RGB laser technology and a web-based interface. The use of new technologies and smart product design contribute several ecological benefits. With a planned installed base of many thousands, the impact of its eco-friendly design will be significant.

- A **Energy:** double the light efficiency of lamp-based projectors thanks to RGB laser technology, constituting a power gain of 2-4 kW per screen. When not in use, the projector's power management feature limits standby power consumption to 3 W.
- C **Material use:** Barco Series 4 was designed with maximum modularity in mind to minimize spare part inventory. To limit the use of consumables, air filters are washable.
- A **Packaging and logistics:** packaging weight has been reduced by 30% and less material is used. Of this material, most is now recyclable via a traditional waste stream.
- A **End-of-life optimization:** every critical component in Barco Series 4 is modular, which makes it easy to reuse parts or upgrade equipment. In addition, we provide 10 years of spare part availability, and the projector can be disassembled in the field using standard tools to maximize serviceability.

The new ClickShare Conference promotes ecofriendly workspace with eco design

The design of the new ClickShare Conference (CX-20 and CX-30) focuses on improving the power efficiency and lowering the environmental impact of both the Button and the Base Unit. The result is a range of smart ecodesign choices in the following domains:

- A **Energy:** the new Button scores significantly higher in power efficiency than its predecessor, while the Base Unit complies with the strictest requirements for standby mode. Combined, they help our customers reduce their power consumption by 10% compared to the previous version.
- A **Material use:** non-painted plastics were used in both Button and Base Unit. In addition, halogen-free PCB is the main material used in the Button.
- A **Packaging and logistics:** packaging materials were optimized in terms of weight, size and transport. Our new Button is 20% lighter than its predecessor, decreasing its logistics footprint.
- B **End-of-life optimization:** ClickShare Conference was intelligently designed: it contains fewer parts and can easily be disassembled for recycling.

"In designing our wireless conferencing solutions, we look for the best options for both customer and environment. Balanced, smart choices made by our ecoconscious Product & Design team result in a great ecoscore for our newest range," Michaël Vanderheeren, product management director of Meeting Experience, proudly comments.

3. Circular solutions

The circular economy is a focus area in Barco's sustainability strategy. Through smart design and services, we always aim to reduce waste and retain the highest utility and value of products and components.

3.1 Circular product design

To enable circular solutions for our customers, we engage in circular design. Several criteria are embedded in the eco-design program to improve the circularity of our products, such as longevity, repairability and recyclability, as well as on material efficiency. The ecodesign program also focuses on improving circularity of packaging. Product packaging is evaluated against criteria such a recyclability and use of recycled materials.

Next to our internal circular design efforts, we also joined the CEN-CENELEC Joint Technical Committee 10 on energy-related products. The goal of this committee is to establish an objective measuring methodology for repairability and recyclability of products. As an active member, we contribute to future standards that will improve the circularity performance of products in Europe.

3.2 Product recycling services

Dealing with electronic waste is a concern for industry and society. E-waste is one of the fastest growing waste streams, making it important for our products to be recycled at end of life. This is the very basic first step in a circular economy. For every product, we provide a recycling passport, which offers recycling information to recyclers. We allow our customers to turn in their used products free of charge to our recycling partners. This offering was started up in Europe in accordance with WEEE legislation and has now been expanded into important markets in Canada and the US. We demand that all our recycling partners are ISO 14001 certified and comply with legislation regarding the prohibition of e-waste export. More information can be found on our website

In 2019, we started a pilot project on the SCIP database (Substances of Concern In articles as such or in complex objects (Products)) reporting of ECHA (the European Chemicals Agency), which will become mandatory in 2021 under the EU Waste Framework Directive (WFD). This publicly accessible database gives recyclers insights about which substances are used and provides market safety authorities with policy guidelines.

3.3 Extending circular service offerings

We realize that before products are recycled, more valuable circular opportunities need to be grasped. That's why we're also looking into solutions for product life extensions, including upgrades and predictive maintenance options. In addition, we are starting to explore offerings where customers get access to – rather than ownership of – products. This opens new opportunities for the circular economy.

Cinionic introduces circular projection solutions via extended service

In 2019, Cinionic launched Laser as a Service, a new outcome-based offering that allows cinema exhibitors to upgrade existing Barco Series 2 xenon projectors with laser light sources. The Laser as a Service offering is a subscription-based model with guaranteed light output over the contractual period. This service dramatically increases the existing projector's lifespan while decreasing its power consumption by up to 70%. In addition, cinema exhibitors are doing away with traditional, hard-to-recycle xenon bulbs.

In 2020, Cinionic will open Cinionic Service Centers close to our customers. These centers will offer not just repair services, but also life-time extensions, upgrades, remanufacturing and recycling services. Cinionic Service Centers work alongside customers to give existing projectors a new life.

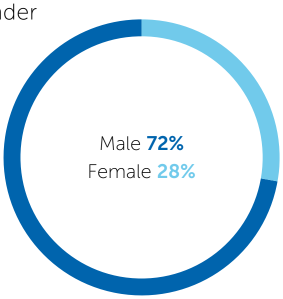
People

Our ambition

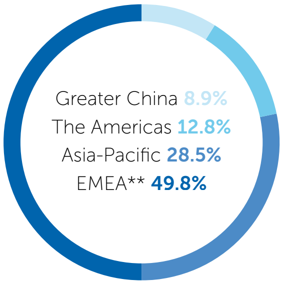
We will invest in sustainable employability by encouraging our people to learn and develop themselves. We will do so by engaging them and by investing in enhancing their health and safety. We will create an inclusive workplace that embraces the diversity of our people.

Number of employees: **3,636***

Gender



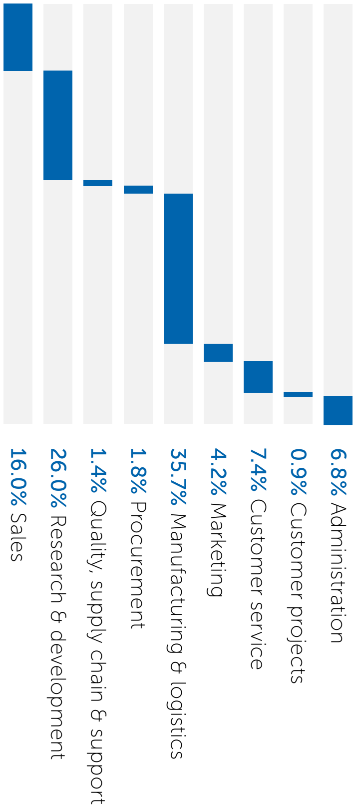
Geographical



* Number in heads. Number in FTE = 3,536. Only employees on Barco payroll (excl. externals like interim/temps and contractors) (Database Corporate Associates per 31/12/2019)

** EMEA: Europe & Middle East & Africa

Per functional group



People (key) performance indicators (1)

	INDICATOR	UNIT	2019	2018	2017	2016	2015
ENGAGEMENT	Employee net promotor score (NPS)	#	NA	NA	NA	17	NA
	Voluntary turnover rate	%	9.1	9.1	7.7	6.0	5.6
	# of iGemba improvement suggestions	#	6,079	6,031	6,751	6,610	5,332
	# of improvement suggestions per operator	#	6.0	7.3	8.6	8.4	6.7
	% implementation	%	94	86	85	84	86
LEARNING & DEVELOPMENT	% of vacancies filled internally	%	24	25	21	23	25
	% of employees receiving training	%	61	68	63	63	NA
	Average training hours/employee	hours	13.2	16.9	14.7	17.2	20.7
	Average training investment/employee	€	354	NA	NA	NA	NA
	% of leaders(2) in annual talent development review	%	44	NA	NA	NA	NA
HEALTH & SAFETY	% of employees in long-term sick leave (>1 yr)	%	0.5	0.6	0.7	0.7	0.9
	Lost-time injury frequency rate (3)	#	2.7	3.0	1.9	3.3	1.0
	Lost-time injury severity rate (4)	#	0.05	NA	NA	NA	NA
DIVERSITY & INCLUSION	% women Barco overall	%	28.4	28.1	28.4	28.2	28
	% women senior management	%	15.0	16.6	15.2	14.5	14.0
	% employees <30 yrs	%	10	10	11	11	11
	% employees between 30 and 50	%	69	69	70	70	72
	% employees >50 yrs	%	22	21	19	18	18
	Number of nationalities in Headquarters	#	25	26	25	18	17

(1) Figures reported are in heads (not FTE) Cinionic employees are excluded.
(2) Leaders are defined as employees with direct reports.
(3) Number of lost-time injuries per million hours worked. Lost-time injuries are accidents that result in at least one lost day of work. When recording lost-time injuries, we use applicable national definitions for incidents as work-related.
(4) Number of lost days due to injuries per 1000 hours worked.

People are the driving factor behind a company's success. That is why we create an environment in which our employees can be at their best. We want to allow them to develop themselves and their careers by offering opportunities to learn and grow, with clear roles and responsibilities. We strongly believe this is a direct investment in sustainable employability and the best guarantee for future success.

An Dewaele
Chief HR officer

"We **team up** to win globally"

is An's favorite culture building block:
"Because we can achieve so much more as a team! We have an enormous advantage as a global company where we can leverage on all the energy, expertise and experience available across all functions, regions and divisions. By working together and supporting each other in achieving our goals, we feel connected and have fun!"

Employee learning and development

Our mission is to promote and support employee development and organizational effectiveness by providing high-quality **training programs and development opportunities that are aligned with the strategic needs of our company.** Training sessions are designed to meet individual, group or departmental, and company needs and objectives. We strive to enhance individual learning and development as the means for creating a better workplace environment and building a stronger community. We investigate optimal channels for learning and development by offering classroom training courses and online learning and by investing equally in job-related experiential learning and learning via interactions with others. This includes promoting **internal mobility**, creating a **feedback culture**, investing in **people leadership**, mentoring and coaching. We are open to reevaluate our company culture and provide the tools to management and employees needed to measure employee engagement and respond to the results.

Fostering a frequent feedback culture

Scope: all employees.

What: At Barco, we want to move towards a culture of frequent feedback because we believe this will increase motivation and performance. Feedback helps people understand how they can contribute, know where they are and where they are heading, and to ensure people feel connected. This means we encourage and support managers in giving feedback to their employees on a frequent, consistent and open basis. We also invite all employees to ask for or give feedback to their manager and colleagues. We still start from clear performance expectations between managers and team members and recurrent check-ins on achievements and development actions.

Status and result: in 2020, we will encourage every employee to have at least four performance check-ins every year. Based on this evaluation and in close cooperation with their direct leaders and HR business partners, employees can define a personal development and career path. They also have access to career counseling on a voluntary basis. In this way, employees are encouraged to own their own careers and actively grasp opportunities.

Adapting training programs to strategic needs

Scope: all employees worldwide, with specific focus in 2019-2020 on employees in marketing, product management, service and software.

What: to ensure that Barco University's initiatives proactively support employee development and organizational effectiveness in a continuously transforming business environment, Barco University has put Governance Boards in place. These consist of several key Barco stakeholders from the different regions and divisions with a senior leader as sponsor. Together, members identify the most important strategic needs our businesses are facing and translate these into relevant learning and development programs.

Within marketing and product management, services and software, new organizational blueprints resulted in newly defined roles and positions. This led to descriptions of the needed skills and competences. Based on this, we listed the required training courses for individual employees and teams to meet the future requirements. Training courses can be followed both internally (through Barco University) and externally.

Status and result: on average, people in Barco received 13.2 hours of training in 2019. This figure is smaller than that of 2018 due to a shift towards shorter courses and online learning moments. The average amount spent per employee on training was €354. Regarding the different blueprints and the related training programs, all roles have been defined, the training needs assessment is complete and the first courses have been delivered. A further rollout plan is in place.

Promoting internal mobility

Scope: all employees.

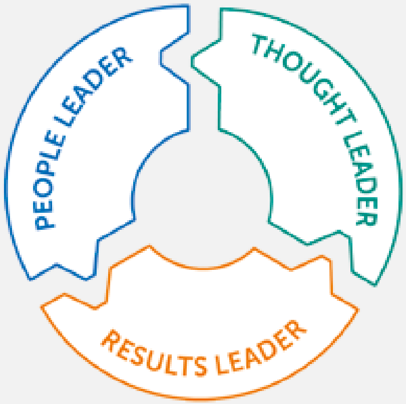
What: whenever a vacancy occurs, the job is posted internally and where relevant, Barco's internal mobility forum actively discusses possible internal candidates with the needed skillset. This benefits both parties: employees can expand their horizons and explore new experience and possibilities, and Barco can leverage the available expertise and keep talent in house.

Status and result: globally, 24% of vacancies were filled internally in 2019. In Belgium, where the number of positions is the biggest (creating more opportunities to move people internally), this amounted to about half of the positions.

Outplacement support

Scope: where relevant in case of contract termination.

What: when an employee's contract is terminated, Barco offers assistance in guiding them to a new job. There are several legal regulations a company must comply with when terminating a contract. Barco offers former employees the possibility of entering into a reorientation process, guiding them towards a new job outside the company.



BARCO LEADERSHIP
COMPASS

Leadership development

Scope: worldwide, focus on current leaders, future leaders and newly promoted leaders.

What: It is our ambition to have all leaders participating in an annual talent development review that assesses their performance and potential over the years. The Barco Leadership Compass provides the framework for this by outlining clear expectations in three domains: thought leadership, result leadership and people leadership. In this way, all leaders at Barco know what is expected from them and can develop their leadership skills based on a set of well-defined competences. This leads to a personal development plan.

Employees who are not yet in a leadership position but with strong leadership talent are invited to join the global emerging leadership program. It helps them develop on various aspects of business and leadership, creating a strong foundation to become the leaders of tomorrow.

Senior leaders are invited to leadership summits where change, culture and leadership are on the agenda.

Status and result: In 2019, 44% of Barco leaders (i.e. employees with direct reports) were assessed and got a personal set of practical tools to sharpen their skills and capabilities. 30 emerging leaders graduated from the emerging leadership program and in China and APAC, 30 new leaders went through a new manager learning program. 80 senior leaders attended the leadership summits.

Employee engagement

People are key to the success of our company. Barco wants its employees to feel inspired in their work environments and to come to work with energy and engagement. We therefore continuously invest in initiatives that maximize employee engagement. By embarking on the **culture journey**, Barco unites all employees to move towards a common goal. This adds to a motivating working atmosphere. It's no coincidence that **Barco India was certified as a 'Great place to work'**. Furthermore, a **new way to measure employee engagement is being developed** and will be piloted in first half of 2020.

Culture journey

Scope: worldwide.

When: three first steps took place from February to December 2019, next steps in 2020.

What: at the beginning of 2019, Barco reevaluated the way employees work together and how its strategic priorities will be met. We started this cuture journey by inviting all employees to listening sessions. A total of 250 people from all over the company and from different fuctions divisions and countries participated. During these listening sessions, we looked for the drivers within, the connection to, and ultimately, the success factors of the company. Five culture building blocks were formulated based on all the data gathered during the listening sessions and validated by the leadership team. From September onwards, we started organizing workshops to connect our employees to these culture building blocks.

Status and result: the five culture building blocks were defined and extensively promoted throughout the organization's internal communication channels. In 2019, 900 people enrolled in interactive workshops explaining and promoting these building blocks, ensuring they become part of the Barco workforce's mindset.

6,079

iGemba: driving engagement in operations

For over six years now, Barco has been encouraging operators to share their improvement ideas via the iGemba program. The goal: to establish a culture of continuous improvement and move the organization forward each and every day. Year after year, the program continuous to gain momentum.

In 2019, Barco operators came up with 6,079 improvement ideas (six per operator). 94% were implemented.

Working towards a new way to measure employee satisfaction

Scope: all employees.

What: We prepared to a new way of measuring employee satisfaction in 2019. By moving from biannual surveys to pulse surveys that allow almost continuous employee feedback throughout the year, we will gain a much more reliable image of the organization's status. In this way, we will be closer to our employees and be able to respond more quickly to their questions and remarks.

Status and result: this new approach, which focuses on continuous engagement measurement and concrete activation, is ready to be unrolled from 2020 onwards

Barco India certified as a 'Great Place to Work'

Scope: Barco India.

What: the Great Place to Work® Institute has certified Barco India as one of the 'Great Places to Work' in 2019 in the high-tech category.

Status and result: this certification confirms that we are moving in the right direction in many of the initiatives taken.

"We **look** for the better way"

is Senior Vice President Global Operations, Rob Jonckheere's favorite culture building block:

"Challenging the status quo and enabling creativity are means to assure great outcomes. In Operations, we use Gemba walks to achieve these new insights. They boost employee engagement and allow employees to come up with new and better solutions for day-to-day problems."

Employee health & wellbeing

At Barco, we care about people. That's part of our company DNA and something we want to propagate at every level and in every branch of the company. Employee health and wellbeing is a priority at all times. That is why Barco has installed a number of **measures to better balance work and personal life**. In 2019, we also kept investing in enhancing **health and safety of our employees** around the world. If things do go wrong (either on the job or outside working hours), **reintegration after long-term sickness** is there as a safety net.

Measures to better balance work and personal life

Scope: all countries where local legislation permits working flexibility.

What: Barco offers multiple means to help employees balance their time at work and their time at home within the limits of business organization and local legislation. This can include a more flexible organization of working time or home office. Depending on local legislation Barco facilitates also additional parental leave and short-term leave to care for family members during sickness or educate themselves.

On a constant quest to enhance employee health and safety

What: In line with the 'we care' culture building block, Barco continues to invest in the employee's health – both physically and mentally.

In 2019, a range of health and safety inspired projects were kicked off:

- Two voluntary **workshops, CPR and AED**, attracted over 200 employees from all departments at our sites in Belgium.
- To bring our employees together and **enhance their physical health**, we organized fun initiatives

around the world. As part of the Barco B-Energized program, Barco teams in China, Italy, and India have organized walking and running events as a way to promote a healthy lifestyle. In China, employees were challenged to walk the whole distance from the Bejing plant to One Campus, 9000 km, in thirty days. In just one week, the goal was met.
- During the Green Campus Day in June, awareness was raised on **cycling safety**.
- In Belgium, a **new traffic plan** was installed at the campus to increase the safety of all employees and visitors to the campus.

Next to these projects, we continued with the programs that are in place since several years:

- In line with Barco's Environment, Health, Safety and Security policy (see our website) and our ambition for zero accidents, safety risks across our business are assessed and controlled through clear safety practices, instructions and procedures. Employees are properly trained for the tasks they are performing. Concrete guidelines for subcontractors working on Barco premises are in place.
- The **formal joint management-worker health and safety committee** in Belgium has many mandates, including advising the company on actions to improve the health and safety of employees, reacting as first when an issue occurs, investigating (at least annually) all divisions of the company together with the prevention advisor, and propagate health and safety improvement matters to all employees.
- **Chemical safety** is a top priority throughout Barco. Every person using the chemical lab has to follow a training course on chemical safety. Approved chemicals get a special Barco number. In this way, we avoid any unapproved chemicals from entering Operations. Workstations are equipped with safety cards, which contain the information about chemical substances provided by suppliers. The cards present the info in a clear and straightforward way, so employees know what the risks are and which equipment they should be wearing during their task. In addition, a 'whitelist' of chemicals that are needed for everyday operations at Barco is maintained. For every chemical needed, we look for the safest option available. The list is available for anyone using the Chemical portal on our BarcoZone intranet. Changes to the list are communicated to line managers immediately.
- The **laser safety** committee ensures that the strict laser safety procedures are followed and that laser technology is always handled in dedicated rooms.
- To uncover and mitigate **psychosocial risks**, we apply the health & wellbeing survey. It enables us to assess departments or groups on their potential for psychosocial risks and provides input for action plans. Through dedicated training courses, we help supervisors and HR business partners develop their coaching and leadership skills so they can motivate their teams, communicate openly and spot the warning signs of stress.

- At several Barco sites, **trained confidants** can be approached by employees at all times. They are the primary go-to in case of problems with supervisors, psychosocial issues, sexual discrimination and harassment, etc. In India, a formal system for the awareness and reporting of sexual harassment is embedded in line with the POSH Act. This includes the establishment of an Internal Complaints Committee.
- Belgian employees struggling with psychosocial issues can get professional advice and counseling through the **employee assistance program**. In times of crisis, they can call a dedicated hotline 24/7 and reach a competent professional to receive discrete and confidential advice or support with professional or personal questions or difficulties. In addition, we also offer the 'FitforLife' training program, which provides tips and tricks (via Skype or phone) to deal with stress in a proactive manner.

Status and results: In 2019, the worldwide lost-time injury frequency rate was 2.7 and the lost-time injury severity rate 0.05. 0.53% of employees are in long-term sick leave (>1 yr).

Reintegration of employees after long-term illness

Scope: Belgium.

What: As an organization, Barco has established a clear vision and policy regarding the reintegration of employees after long-term sickness. From the moment the employee reports an illness to the moment of reintegration he or she can rely on internal support. When the employee is (partly) fit for work again, the reintegration process starts, which consists of different steps and includes close follow-up by the manager, HR business partner and occupational physician.

In the context of the reintegration, Barco's health & wellbeing officer convenes the welfare working group. This working group elaborates the reintegration policy and carries out an annual evaluation. In addition, the health & wellbeing officer is part of the Social Medical Team (SMT). Together with the occupational physician and HR business partner, they investigate which of the employees in long-term illness can resume work.

Diversity & inclusion

At Barco, every employee is valued for their merits. For us, equality is not a hollow phrase and we take measures to preserve a good balance throughout the company. We strive for **diverse teams** throughout the organization and keep an eye on the **equal pay monitor** to optimize equality. A dedicated **Women in Technology campaign** encourages girls to pursue technical careers to ensure a better gender balance in the future.

Barco also **works towards zero discrimination and harassment**. Our Code of Ethics is a formal document that describes proper behavior, which all Barco employees have pledged to honor.

Diversifying teams

Scope: all employees.

What: In the 2019 talent development review with the Core Leadership Team, gender diversity was highlighted to generate awareness of the current situation and to define how we can improve our diversity and inclusion efforts in the company. For example, when selecting participants for specific programs like the Emerging Leadership program, Barco always strives for a diverse and balanced mix of participants. To build an inclusive working culture and leverage the diversity we have in our teams, we chose to work with Insights Discovery, a tool that allows people to discover their styles, strengths and the value they bring to the team. This not only leads to self-awareness, but also helps to put together better-balanced teams that incorporate all needed competences.

More than priding ourselves on the diversity level of our workforce, we also steer actively towards diversity within the highest governance bodies. We monitor, assess and evaluate gaps and areas for improvement in the composition of our Board of Directors and of the Core Leadership Team in terms of gender, age, capabilities, expertise, educational and professional experience as well as nationality. Barco's approach in view of diversity at management level can be found in part A of the Company report (pages A/56- A/60).

Status and result: 28.4% of Barco employees are women. In senior management, women account for 15% of positions. We have 25 different nationalities working at our headquarters.

Equal pay monitoring

Scope: Belgium.

What: Barco values equality between men and women, and this should be reflected in rewards. Annually, a sanity check is done on the salaries of men and women, monitoring the equal pay strategy per function level.

Status and result: the pay gap between men and women is below national average.

Working towards zero discrimination and harassment

Scope: all employees.

What: Barco's Code of Ethics is a formal description of how employees are expected to behave. This includes a clear and extensive indication that we do not allow any form of harassment or discrimination. If this code is violated, employees can confidentially report any case of (suspected) harassment or discrimination to the whistleblower e-mail address of the Ethics Committee. Every occurrence is investigated with necessary urgency and respect and remediation is handled in the most appropriate way and in line with national legislation if applicable.

Status and result: 99.3% of Barco employees have received mandatory training in the Code of Ethics, which is a part of the Standards@Work program (see page B/59).

Women in technology campaign

Scope: worldwide.

What: a 2019 campaign, including a high-profile video, encouraged girls and women to pursue careers in technology.

Status and result: the video was a success, with over 2,600 views. The campaign will continue into 2020.

Communities

Our ambition

We will play an active role in the communities we operate in by upholding the highest ethical business standards and expecting the same from our suppliers. We help ensure that more people can participate in and benefit from a prospering society regardless of their backgrounds.

Our targets

100%

100% of our employees[1] are trained in Barco's Standards@Work[2]

STATUS

99% 2019

100%

100% of our key and core suppliers[3] have signed the declaration of compliance with the RBA Code of Conduct[4]

STATUS

98% 2019

[1] [2] [3] [4] See footer next page

Communities (key) performance indicators

	INDICATOR	UNIT	TARGET	2019	2018	2017	2016	2015
CUSTOMER SATISFACTION	Customer loyalty index	#		NA	83	NA	83	NA
ETHICS & COMPLIANCE	% of employees [1] trained in Barco's Standards@Work [2]	%	100%	99%	94%	92%	92%	NA
	% employees covered by collective agreements	%		100%	100%	100%	100%	100%
SUPPLIER ASSURANCE ON SUSTAINABIL-ITY	% key and core suppliers [3] that signed declaration of compliance with RBA Code of Conduct [4]	%	100%	98%	95%	100% core	100% core	100% core
	% in-scope [5] suppliers that responded to Conflict Minerals Reporting Template (CMRT)	%		100%	NA	NA	NA	NA
COMMUNITY ENGAGEMENT	Community investment	€		163,400	102,000	125,000	NA	NA
	Community involvement	# heads		+230	+100	+600	NA	NA

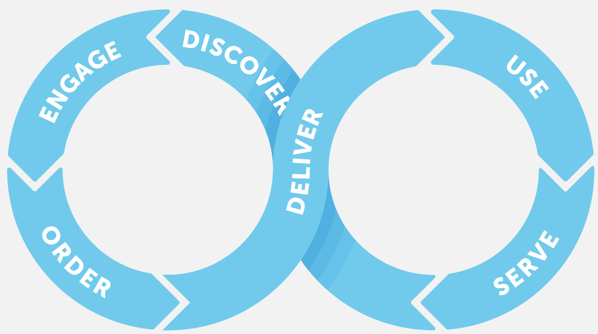
(1) White-collar employees
(2) Standards@Work modules covered in 2019: Ethics, Cybersecurity, Quality
(3) Core supplier: supplier of strategic importance to Barco in terms of quality criticality, technology and annual spend. Key supplier: supplier that has a major annual spend, is important for its technology or requires special focus due to quality criticality.
(4) The Responsible Business Alliance (RBA) Code of Conduct establishes standards to ensure that working conditions in the electronics industry supply chain are safe, that workers are treated with respect and dignity, and that business operations are environmentally responsible. We use the RBA Code of Conduct to serve as the sustainability standard for our suppliers.
(5) In-scope suppliers are suppliers that deliver products or components containing tungsten, tantalum, tin or gold.

Our roadmap towards sustainable impact: key initiatives and action plans

1. Customer satisfaction

'Enabling bright outcomes' also means offering an excellent customer journey experience. In 2018, we kicked off the customer journey program in the Enterprise division with the goal of improving customer satisfaction and retention by improving the experience in every phase of their interaction with Barco.

Six phases have been identified in the customer journey across all our products:



This model allows us to think about the customer journey in the same way throughout the company. By journey phase, selected KPIs provide us with a comprehensive view of the customer. These KPIs are collected and shared across all functions and teams (marketing, R&D, service, etc.).

We use a mix of internal KPIs (e.g. first response time), which we can calculate from our systems, and external KPIs that we gather by measuring customer sentiment through relationship and transactional Net Promotor Score (NPS) surveys.

The combination of the external and internal KPIs makes it possible to correlate customer sentiment to Barco processes. Before, we only measured overall customer sentiment through a two-year extensive survey. By increasing the frequency of customer base surveys from once every two years to every quarter, we can be closer to our customers and act more quickly on their questions and remarks. This new way of working was lauded in the latest ISO 9001 audit.

In 2019, we worked particularly hard on these areas and achieved the following wins:

- we created a dedicated user experience team;
- all employees in the Enterprise division have been given a customer journey 2019 bonus target;
- we drastically reduced first-response times in presales and aftersales;
- we simplified our pricing models.
- we made clear agreements between the teams to send updates to customers on a more regular basis in case of complex issues;
- in case of negative feedback given via a transactional NPS survey, the customer care manager immediately contacts the customer to inquire how we can do better;
- we started embedding the customer journey in new product development, including a formalized beta testing program and consistent quarterly software releases;

Thanks to these and other efforts, we have witnessed a decrease in service complaints and an uptick in positive remarks. Relational NPS improved in the course of 2019, to an NPS score of 37 (for the Enterprise division) at the end of the year.

Next steps and long-term ambitions

In 2020, we will continue the global roll-out of the customer journey program across all divisions. Customer journey managers will be appointed worldwide to keep track of customer insights and determine how we can act on them. The relationship NPS will remain a key driver in our continuous efforts to improve customer satisfaction across the company. Our ambition is to reach the top quartile for our industry in 2020 and continue this NPS growth over the next years. Our goal remains the same as ever: to give our customers what they want, when and how they want it.

2. Customer protection

As a high-tech company, we have a duty to our customers to ensure that the products we develop and bring into the world are safe and secure.

2.1 Product safety

All Barco products are assessed, tested and certified to eliminate risk of injury or damage. The application of various safety standards ensures that we reach this goal. As early as the concept and prototyping phase, a review of the applicable safety standards takes place. The result of this review is a list of requirements for critical components, suppliers, product design, use cases, and manufacturing, obsolescence, and component change management.

Throughout all product life-cycle stages, the product safety engineer provides necessary input and executes tests against the applicable standards in our company lab, according to the ISO 17025 standard for test laboratories. The assessment is successful only when the product passes on each requirement and the test reports are approved by our external certification partners. As a consequence, we CE-label our products with the backup of a third-party certification mark such as CEBEC or DEMKO.

As long as the product is manufactured and/or sold, we ensure compliance with updated safety standards and requirements. During that time, reports and certification marks serve as proof that our products adhere to the latest iterations of continuously evolving safety standards.

The activities of the in-house safety lab also support product safety protocols regarding production processes. Procedures concerning the control of nonconformance and corrective and preventive actions are in place, which meets one of the requirements of the ISO 9001 certification that Barco holds. Our employees are continuously trained on safety aspects of the new technologies that Barco uses in its products, as well as on changing regulatory requirements.

2.2 Product security

Our secure software development lifecycle follows the shift-left security approach: the integration of security controls as early as possible in the design and development phases of a product.

To integrate these security controls, Barco uses source code management platforms, bug tracking systems, threat modeling, static application security testing, open source security and compliance management tools, dynamic application security testing and vulnerability scanners. Furthermore, we work together with independent security specialists to train our developers and test the security of our products.

While we believe our security performance is above average and despite our efforts to ensure Barco products are as secure as possible, vulnerabilities can still be present in our products. That is why our corporate website includes a responsible disclosure policy (www.barco.com/psirt). This policy provides security researchers with clear guidelines on how to reach out to us about security vulnerabilities detected in our products. The reports are carefully handled using a risk-based approach by our product security incident response team (PSIRT).

Just like other professional software firms, we provide regular software updates and patches. Patched security vulnerabilities in each release are communicated in the release notes, which can be found on our corporate website. If there are public references (CVE-identifier) defined for the patched vulnerabilities, they are also added to the release notes. Customers can subscribe to receive news alerts about the products they are interested in by visiting our corporate website.

In 2019, we obtained our first ISO/IEC 27001:2013 certificate. It covers the business processes, infrastructure and tools related to software development, sales, deployment and support of our ClickShare wireless collaboration product line in our Kortrijk, Noida and Taipei locations.

See www.barco.com/en/about-barco/legal/certificates

Barco receives ISO 27001 certification covering ClickShare wireless collaboration

As a product that integrates directly with a company's workspace, ClickShare has to adhere to the most stringent security requirements. To obtain an ISO 27001 certification covering ClickShare, Barco undertook a root-and-branch audit of the development, sales, deployment and support of the product at its development centers in Kortrijk, Noida and Taipei.

From examining information security management in the development processes to checking physical security aspects like badging and door procedures: security controls have been implemented based on an extensive risk assessment and reviewed during the audit. The effectiveness of the security controls has been verified as well.

3. Ethics and compliance

Excellent financial performance does not conflict with high ethical standards. The DNA that drives business efficiency and compliance is the same: 100% say-do ratio, focus on solving issues rather than pushing them out or cutting corners, and a relentless drive for process improvement. Barco's reputation and continued success depends on the conduct of its employees as well as its business partners. That's why we put great emphasis on building a company culture in which ethical conduct and compliance with Barco's policies and the applicable regulations are at the core of how we do business.

3.1 Building a true ethics and compliance culture

Over the past few years, Barco has continuously invested in building a structured, company-wide compliance program. Our Code of Ethics outlines the basic principles of compliant and ethical behavior when dealing with colleagues, business partners, company assets, information, infrastructure, etc. Every manager is required to sign off on the Code of Ethics. In 2017, the Code of Ethics was thoroughly revised to include new compliance trends, such as IT security, data protection, open-source software and social media.

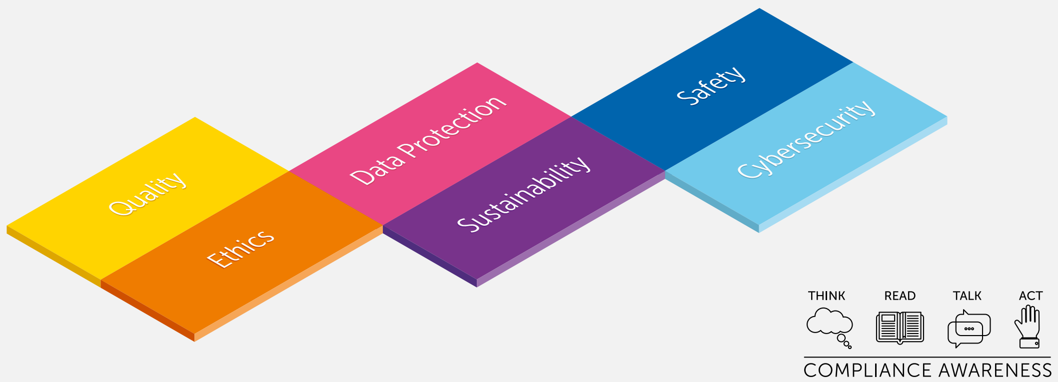
Every year, Barco employees are reminded of the importance of the Code of Ethics throughout June, which is Compliance Awareness Month. Posters are distributed in all our facilities and offices and blog posts covering ethical topics and the 'Compliance Year in Review' letter from the compliance officer are published on our intranet. This letter, translated into major international languages and distributed to all employees, contains a high-level overview of all ethics and compliance issues the company faced in the past year. The Compliance Challenge, a live quiz with compliance-related questions, consistently achieves an attendance rate of more than 50% of our white-collar workers. The team with the highest score can proudly exhibit the Compliance Cup in its office.

In 2019, Barco has reorganized the roles and responsibilities within its Legal, Risk & Compliance department and created the role of global compliance manager, who will implement, monitor and continuously fine-tune the company-wide compliance management system. The focus for 2020 will be on strengthening the company's anti-trust and anti-corruption policies and raising awareness in this field, particularly among regional sales teams and business partners.

3.2 Standards@Work

The annual awareness campaign is now complemented by a company-wide training program hosted by Barco University, our in-house training and development center. A consistent and uniform set of e-learning courses covering cybersecurity, data protection, sustainability, quality, safety and ethics has been developed. Every two months, a new course is rolled out. During these courses, Barco employees learn the standards they must adhere to every day, hence Standards@Work. Every employee must take these courses within the deadlines set. We strive for a 100% participation rate and actively follow up on employees with overdue learning assignments. The e-learning courses on cybersecurity, ethics and quality achieved completion rates of 99.6%, 99.3% and 99% respectively. Only employees who are on long-term sick leave or will leave Barco in the near future did not take these courses. The e-learning courses on data protection, sustainability and safety are scheduled for 2020.

Barco's Standards@Work



3.3 Increased awareness for information security and data protection

As a technology leader that develops devices capable of connecting to the internet and related software solutions, Barco is fully aware of the importance of information security and data protection. Increasing security threats require Barco to take all possible measures to keep its IT network and the data, particularly personal data, hosted there secure from inadvertent transfers, leaks and cyberattacks. Moreover, legislative initiatives in this area have recently increased with the GDPR, the NIS directive and the EU Cybersecurity Act.

Barco has a clear leadership commitment to cybersecurity and data privacy, which translates into a Security Office and a data protection officer.

Security Office

Barco's Security Office is headed by our chief information security officer (CISO) and drives our Cybersecurity program. This program consists of a cybersecurity roadmap created in line with Barco's security objectives. We regularly perform cybersecurity maturity assessments using the NIST Cybersecurity Framework (CSF) to identify any new and remaining security gaps. Our roadmap is continuously evolving due to ever-changing threats and findings from internal and external security audits conducted using a risk-based approach.

Barco has an information security management system (ISMS) which complies with the ISO 27001 standard, covering policies, management involvement, business processes, third-party relationships (including cloud service supplier security assessments), technology, compliance with local laws, security awareness and security best practices. We are gradually working to contain all processes, locations and products within the scope of our ISMS and ISO/IEC 27001:2013 certification.

In addition to the Standards@Work e-learning and the Compliance Challenge, we also organize the annual Cybersecurity Month and offer voluntary courses through Barco University.

Data protection officer

Barco places a high priority on protecting and managing data in accordance with GDPR and similar data privacy legislation outside the EU. Barco employs a data protection officer in charge of managing the company's data privacy compliance program. As part of this program, the data protection officer performed data protection risk assessments on several software products in 2019, and reviewed 33 security incidents which could have potentially led to a personal data breach – none of which required reporting to the data protection authorities. Moreover, 41 cloud service suppliers have been assessed from a data protection perspective, and numerous data processing agreements have been signed with our third-party data processors. These agreements are required to pass the data protection requirements on to these third-party data processors and their sub-processors. Furthermore, several new Barco software products have been added to our product privacy statement at www.barco.com. Finally, GDPR guidelines, instructions and forms have also been reviewed and updated.

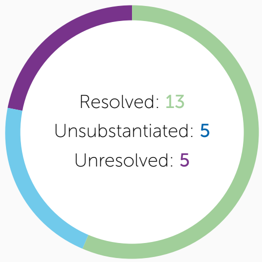
3.4 Promoting a 'speak up' culture

Barco wants to actively promote a genuine 'speak up' culture where ethical questions or dilemmas can be raised without fear of retaliation. Employees who have questions or want to raise concerns or issues can do so via several channels. Their direct supervisor or HR business partner is the first line of contact. In addition, any employee can reach out to a member of the Legal, Compliance & Risk team or the Internal Audit team. Questions and/or concerns can also be communicated via the Ethics mailbox (ethics@barco.com).

All questions or concerns addressed to the Ethics mailbox are reviewed by the Ethics Committee, which consists of the general counsel, the chief HR officer and the internal auditor. This committee reviews incoming questions or concerns, and assigns them to one of its members, depending on the subject matter. This member is responsible for analyzing the question or concern and proposing a satisfactory solution to the other committee members. The Ethics Committee decides on the solution, any remedial actions that may need to be taken and prepares a response to the person that raised the question or concern. Appropriate records are kept of all questions and concerns raised via the Ethics mailbox.

Overview of the matters addressed via the Ethics mailbox in 2019

Supplier events & gifts	8
Competition	1
Conflicts of interest	4
Inappropriate behavior or misconduct	6
Marketing materials	1
Customs formalities	1
Tenders	2
Total	**23**



3.5 Governmental investigations

Since Barco conducts business across the world, its operations are scrutinized by governmental authorities in different countries from time to time.

- Chinese customs authorities investigated import practices by Barco and distributors of Barco products, systems and spare parts into the PRC in the early 2000s. Over the past several years, a total of five investigations were opened, all of which were closed after payment of the import duties and associated penalties.
- In India, the Directorate of Revenue Intelligence is investigating the export of components from Barco's factory in India, which allegedly fall under the scope of Indian SCOMET export regulations and would require an export license.
- In Japan, Barco has voluntarily disclosed the import of electrical appliances without having completed the proper formalities and is taking corrective actions to remediate the defective process.
- Finally, the Norwegian Crime Department has requested information on payments received from a Russian customer for products sold by Norwegian firm Projectiondesign in 2008. Projectiondesign was acquired by Barco in 2012. These payments were suspected to be part of a money laundering scheme. The Norwegian Crime Department notified Barco that this matter has been closed.

4. Supplier assurance

In order to meet our customers' expectations for high-quality, innovative products, we work with service and manufacturing partners from around the world. Together, we continue to drive responsible and ethical behavior and high standards across our supply chain.

4.1 Setting clear standards for our suppliers

As a very first step, our suppliers need to know what we expect from them, including in the field of sustainability. We adhere to three important sustainability standards: the RBA Code of Conduct (for all suppliers), the Product Compliance Requirement Code (for suppliers of components) and the Dodd-Frank Act on conflict minerals (for suppliers that deliver components containing tungsten, tantalum, tin or gold).

4.1.1 RBA Code of Conduct

We expect our suppliers to comply with standards as set out in the RBA Code of Conduct (Responsible Business Alliance). Formerly known as the EICC Code of Conduct, the RBA Code of Conduct is a set of standards covering social, environmental and ethical topics relevant to the electronics industry supply chain. The standards reference international norms and standards, including the Universal Declaration of Human Rights, International Labor Standards (ILO), OECD Guidelines for Multinational Enterprises, ISO and SA standards, etc. Topics covered include:

- **Labor:** freely chosen employment, humane treatment, non-discrimination, freedom of association,...
- **Health and safety:** occupational safety, machine safety, health and safety communication,...
- **Environment:** greenhouse gas emissions, hazardous substances, environmental permits and reporting,...
- **Ethics:** business integrity, fair business, advertising and competition, responsible sourcing of materials, privacy.

All suppliers are required to adhere to the RBA Code of Conduct. The share of key and core suppliers (which account for up to 90% of the direct spend) having committed to the RBA Code of Conduct or having a similar code, is tracked as a monthly KPI in the Global Procurement dashboard. In 2019, 98% key and core suppliers signed the declaration of compliance with the RBA Code of Conduct.

4.1.2 Product Compliance Requirement Code

Every component that our suppliers deliver to Barco must comply with the Barco Product Compliance Requirements Code, which includes worldwide regulations (such as RoHS10 and REACH), industry standards and additional criteria that we have defined. More details on supplier product compliance requirements can be found on our website.

We request suppliers to provide full material declarations (FMDs) of their supplied components so that we can guarantee future compliance of our products with environmental regulations worldwide, including the forthcoming SCIP ECHA database. Due to our large coverage of FMDs (82% of active components in 2019) we are able to proactively phase out substances from our products in line with our ecodesign program and industry initiatives. A team of in-house experts performs risk-based assessment of compliance data provided by suppliers and requires in-depth compliance data for high-risk parts.

4.1.3 Dodd-Frank Act on conflict minerals

Responsible sourcing of minerals is an important part of our supplier sustainability commitment. Our suppliers are required to comply with the Dodd-Frank Act on conflict minerals. Barco is not directly impacted by the Dodd-Frank Act regulation, since we do not report to the U.S. Securities and Exchange Commission (SEC). However, because we are indirectly impacted through our supply chain, we commit to due diligence on the use of conflict minerals by suppliers. In addition to Dodd-Frank, we're also preparing for the upcoming European Conflict Minerals Regulation.

Barco fully supports the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High Risk Areas. In following the OECD due diligence guidance, we request our in-scope suppliers (i.e. suppliers of components containing the minerals tungsten, tantalum, tin or gold) to investigate their supply chain to determine the origin of metals contained in products supplied to Barco. Our suppliers cascade this request into the next tiers of the supply chain until the smelter level can be identified. In-scope suppliers are required to complete the Conflict Minerals Reporting Template (CMRT) of the Responsible Mineral Initiative (RMI). Our supply chain is very responsive. Nevertheless, a dedicated escalation flow involving procurement is available, forcing actors in the supply chain to provide the required data. In 2019, 100% of in-scope suppliers responded to the CMRT. We perform a detailed conflict minerals risk analysis on the data received through cross referencing and close collaboration with members of the RMI.

In case the supplier has no due diligence program in place, the supplier is asked to set up a due diligence program regarding conflict minerals according to the OECD guidelines and to agree on a deadline for compliance. The procurement executive will follow up with the supplier until a due diligence program has been set up. In case a supplier sources from a smelter at risk, the supplier is asked to change the identified smelter.

4.2 Integrating sustainability in the procurement process

In order to ensure that our suppliers share our values and strive to meet our mandatory ethical, labor and environmental standards, we are gradually integrating sustainability into every step of the procurement process.

1. Supplier scouting

The supplier self-assessment document includes sustainability-related questions.

2. Supplier selection

In 2019, sustainability criteria have been added to the supplier selection document for new component suppliers.

	SCOUTING	SELECTION	PURCHASE	PERFORMANCE MONITORING	CAPACITY BUILDING
Scope	All potential component suppliers	New component suppliers with important spend	All suppliers	All key and core suppliers	All key and core suppliers
Tools	Supplier self-assessment document, including sustainability questions	Supplier selection document including mandatory sustainability criteria	Terms and conditions of purchase, including sustainability clause (all purchase orders) Contract including sustainability clause (for important spends)	Supplier performance review including sustainability score	Webinars Supplier innovation days

3. Purchase contracts

Sustainability clauses are part of Barco's terms and conditions (T&Cs) for purchase as well as our master supply agreements (MSAs) (i.e. contracts with key and core suppliers). 100% of key and core suppliers signed contracts with sustainability clauses, i.e. MSAs or signed T&Cs, in 2019.

4. Supplier performance monitoring

Sustainability is now also a dedicated part of our supplier performance review. Suppliers are scored annually on their performance in sustainability domains such as product compliance requirements, adherence to RBA Code of Conduct and transparency (the provision of CMRTs and FMDs). The sustainability score is communicated to suppliers during business review meetings. Dedicated improvement actions are agreed upon and tracked by the procurement delegate.

During these meetings, we also share our sustainability ambitions and highlight the importance of our suppliers in achieving our targets. Suppliers are encouraged to proactively share their progress regarding sustainability in their operations and supply chains, and to share innovations that could help us to improve the sustainability impact of our products.

5. Capacity building

We also want to ensure that our suppliers understand our sustainability standards and learn how to act upon them. Through different communication channels, we train suppliers and inform them about developments in several sustainability domains such as environmental compliance, ecodesign and conflict minerals.

4.3 Training our staff

The entire global procurement team received general sustainability training in 2019. In addition, more than 75% of our global procurement team received specific training on green product compliance requirements and conflict minerals.

4.4 Plans for 2020 and beyond

We will publish a sustainable procurement policy in 2020, sharing our vision for a sustainable supply chain. Activities in 2020 will further be focused on increasing awareness on sustainability within the global procurement team as well towards our suppliers. We will also embed zero tolerances (i.e. minimum requirements) in the selection of new suppliers and aim to set a minimum sustainability score in the supplier performance review in order to remain preferred supplier to Barco. In 2020, the scope of the KPI on adherence to the RBA Code of Conduct will be expanded beyond the key and core suppliers.

On a mid- and long-term basis, we aim to upgrade the supplier sustainability program to an advanced level. This includes engaging with suppliers to improve their sustainability maturity through on-site assessments and support as well.

5. Community engagement

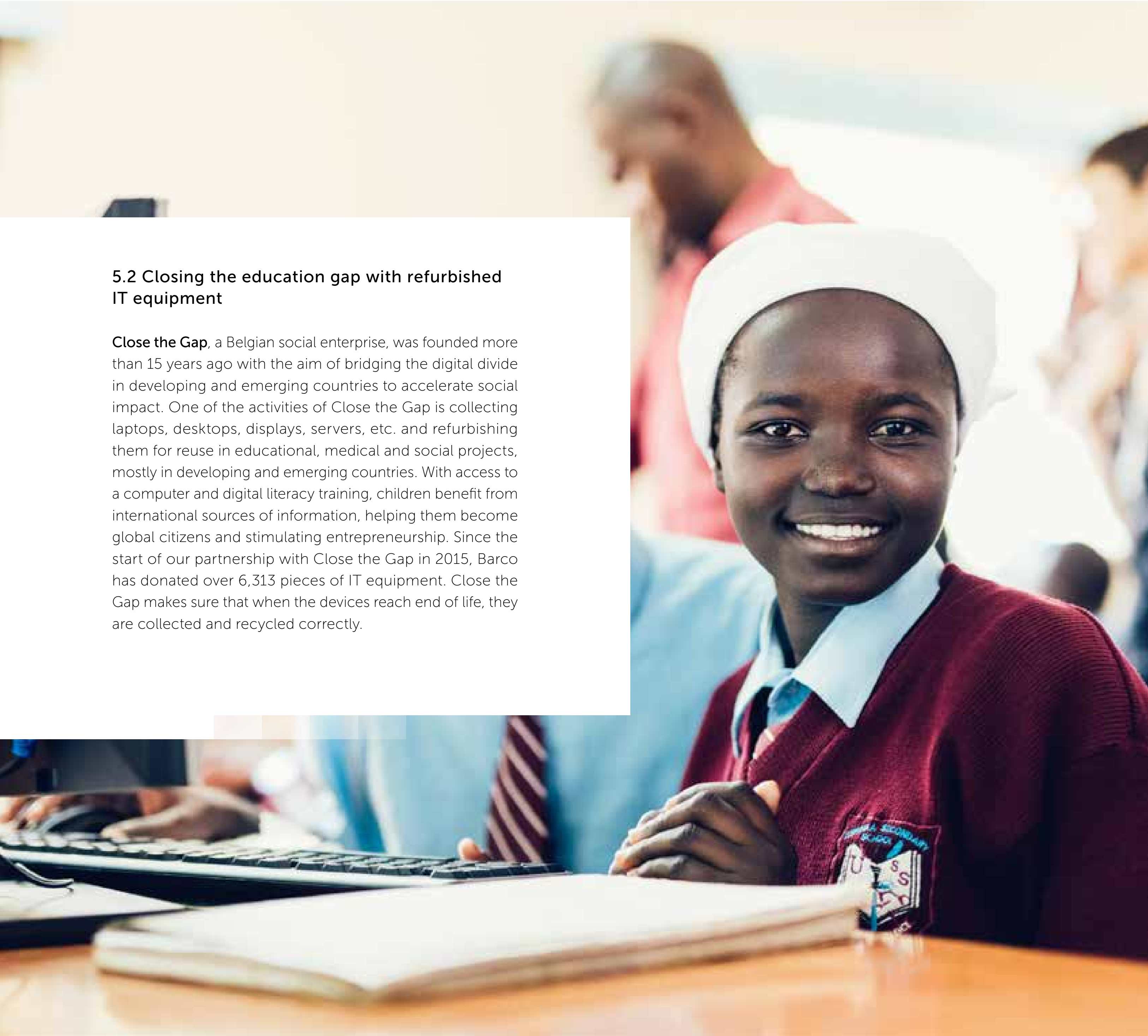
At Barco, it is our ambition to help ensure more people can participate in and benefit from a prospering society, regardless of their backgrounds. We focus our support on the areas of education and entrepreneurship. We therefore connect our employees with purpose, leveraging their engagement, expertise and skills, and partner with non-profits and social enterprises, targeting long-lasting impact. Beneficiary groups are young and underserved people, with the prime focus on the communities where we live and work.

In 2019, we invested €163,400 in several community engagement initiatives around the globe, with more than 230 employees volunteering.

5.1 Closing the education gap in India

In 2009, the Indian Parliament passed a law stating that 25% of entering class seats in unaided private schools should be opened to children from weak and disadvantaged groups for free. This policy has the potential to change the lives of 10 million underprivileged children across India. However, the social barriers to the implementation of this plan have proved persistent. **Indus Action**, a non-government organization anchored in New Delhi, is bridging the gap between law and action. The organization is currently active in 19 Indian states and focuses on a mix of technology-based interventions and policy advocacy. Next to contributing financially to Indus Action, Barco volunteers, particularly from the software team, also helped them in designing and testing their mobile application.

For many children in the region of Noida, where our site is located, it is a challenge to get access to quality education. **Sakshi**, an Indian NGO concentrating on education, health and community development, founded a new school for underprivileged children in 2017 with the support of Barco: the Barco Sakshi Education Center. The school now has 150+ children. Barco continued supporting the school in 2019 through various initiatives, such as hosting a day out for 30 children at the Swaminarayan Akshardham temple.



5.2 Closing the education gap with refurbished IT equipment

Close the Gap, a Belgian social enterprise, was founded more than 15 years ago with the aim of bridging the digital divide in developing and emerging countries to accelerate social impact. One of the activities of Close the Gap is collecting laptops, desktops, displays, servers, etc. and refurbishing them for reuse in educational, medical and social projects, mostly in developing and emerging countries. With access to a computer and digital literacy training, children benefit from international sources of information, helping them become global citizens and stimulating entrepreneurship. Since the start of our partnership with Close the Gap in 2015, Barco has donated over 6,313 pieces of IT equipment. Close the Gap makes sure that when the devices reach end of life, they are collected and recycled correctly.

5.3 Emerging Leadership Program helps bring education to street children

For its Emerging Leadership Program (see page B/43), Barco partnered up with StreetwiZe, a unique talent development provider, to bring essential skills to emerging leaders as part of their leadership development. StreetwiZe invests 100% of their profits in **Mobile School**, an organization that provides non-formal education to street youth and helps them grow into positive contributors to society.

As part of the program, Barco emerging leaders and youngsters from the community institution for special youth assistance De Zande created a prototype for a Mobile School, a street-proof education system.

5.4 Barco Play Days

Each year, we organize Barco Play Days at several sites. Underprivileged children from the neighborhood are invited for an unforgettable day of fun, games and workshops facilitated by a team of Barco volunteers. By giving the children a glimpse behind the scenes of a technology company, we hope to inspire them to seek education in this field and to improve their chances for a better future.

MOBILE SCHOOL

© StreetwiZe

BARCO PLAY DAYS - INDIA

THE WARMEST WEEK

5.5 One Campus opens its doors for charity during De Warmste Week

Every year around the holiday period, the Belgian radio station Studio Brussel organizes De Warmste Week (the warmest week); a nation-wide initiative engaging young and old to collect money for a charity of their own choice. In 2019, the radio station's pop-up studio was located in Kortrijk, Barco's hometown in Belgium.

To celebrate this occasion and contribute to the cause, Barco welcomed external visitors to its landmark headquarters and organized its own Barco Winter Fair. For a small fee, visitors could enjoy live music, festive projection mappings and convivial stalls selling home-made cookies, drinks and gifts, in addition to a guided tour of our renowned Experience Center. During this event, 55 Barco volunteers collected €15,000. Barco then doubled the amount to €30,000, which was given to local charities. One of these is **Oranjehuis**, a local organization that supports the reintegration of underprivileged youth into society.

5.6 Supporting good health and wellbeing

In close alignment with its healthcare empowerment purpose, Barco also supports several initiatives in the area of health and wellbeing.

Barco provides financial aid to **CanSupport**, India's largest free home-based palliative care program. The money is used to fund three mobile teams, each comprising a doctor, a nurse and a counselor. In addition, Barco colleagues volunteer at CanSupport daycare centers or organize fun activities with young cancer patients.

In India, Barco contributes financially to **Urja**, a local project to raise awareness of, boost health education in and support safe menstrual hygiene management.

Qualitative remote meetings help us reduce business travel, while also improving the ability of employees to maintain a healthy work-life balance.

Our sustainability management

[about the visual]

BRINGING WIRELESS CONFERENCING TO THE WORKPLACE
ClickShare Conference

Sustainability governance and responsibility

Governance keeps our corporate sustainability strategy on track. It ensures that our strategy remains effective, and that accountability for our results sits right at the top of our company.

Sustainability workstreams

Sustainability focus areas are owned by the business. Within the relevant business functions, **sustainability workstream leaders** are responsible for delivering sustainability targets, managing the sustainability plans and measuring performance. They ensure that sustainability is integrated into ongoing business strategy and planning. Each workstream leader is supported by a sponsor, i.e. a senior manager who serves as a sounding board, facilitates decision-making and removes obstacles for the workstream leader.

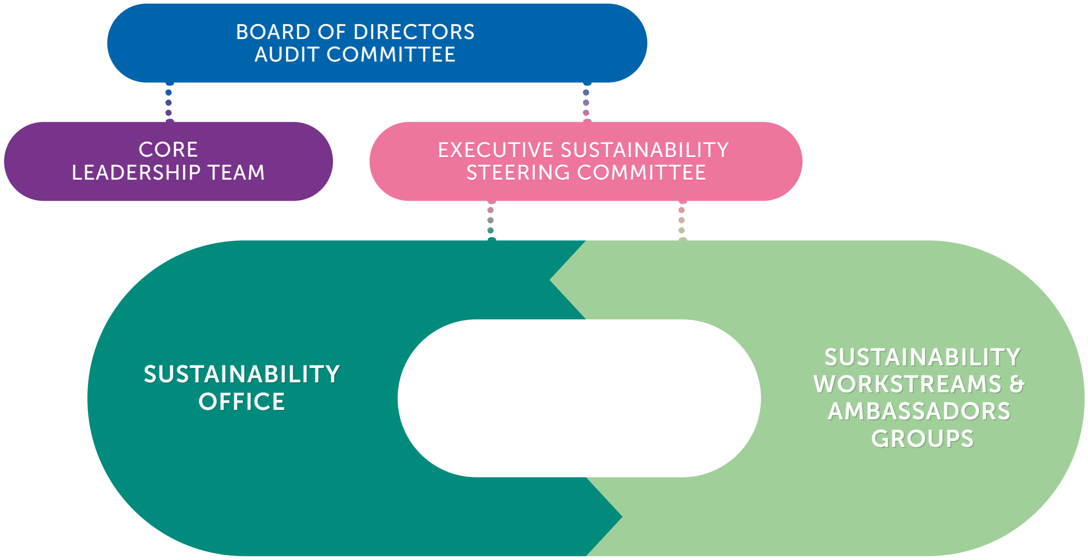
Sustainability ambassadors groups

- The ambassadors groups are cross-functional groups of highly motivated employees, including the sustainability workstream leaders.
- The groups discuss ongoing initiatives and partnerships, suggest new ideas, etc. Led by the sustainability office, the groups meet at least once every quarter. They also communicate and amplify the accomplishment of key initiatives to all relevant stakeholders.

Sustainability office

The sustainability office, which is part of the finance department, champions our company-wide commitment to sustainability performance and transparency towards stakeholders. The office conducts reporting activities and engages with internal and external stakeholders to assess, prioritize, and monitor sustainability focus areas. The office establishes the corporate sustainability strategy, drives processes for sustainability governance, and provides guidance and coordination across business functions. It also sets corporate sustainability targets based on the targe ts set by the business functions.

→ Note: All Barco's corporate governance structures can be found in the 'Governance' section of the Company Report.



Executive sustainability steering committee

Members:

- Chief Executive Officer
- Chief Human Resources Officer
- Chief Financial Officer
- Group General Counsel
- Senior Vice President, Healthcare
- Senior Vice President, Operations
- Senior Vice President, Organizational Excellence

Meeting frequency: at least four times per year

Responsibility: reviews Barco's sustainability strategy and the progress made and helps make sure that sustainability is integrated into our business – supporting Barco's overall goals. The sustainability office reports directly to the executive sustainability steering committee.

Core leadership team (CLT)

At least twice a year, sustainability is on the CLT meeting's agenda. The sustainability strategy and progress status are shared and discussed.

Board of Directors

Audit Committee

At least once a year, sustainability is on the agenda of Barco's Audit Committee (see page A/68 for information on composition of the Audit Committee). Progress status is shared and discussed. The Committee also oversees Barco's whistleblower policy and related integrity cases.

In case the Audit Committee considers it appropriate, they further report issues and topics to the Board of Directors.

Stakeholder engagement

We continuously build connection and trust with our key stakeholders through regular dialogue. Outside views help us identify and prioritize emerging issues and better align our strategy, actions and policies with society's and the planet's needs. We also encourage our stakeholders to provide feedback on our performance and transparency.

By continuing to standardize the process of interacting with our stakeholders, we can mitigate risks, identify new business opportunities and improve financial results. We understand that stakeholder involvement supports our long-term success and innovation capability.

At Barco, every department is responsible for identifying and engaging with its own stakeholders (i.e. those they affect or are affected by). Barco's corporate functions provide the departments with a framework for how to tackle stakeholder engagement (i.e. stakeholder identification and classification, guidelines for stakeholder communication, etc.).

From informal dialogues to contractual partnerships, our engagement with stakeholders takes many different forms. Engagement is not undertaken specifically as part of the report preparation process but happens throughout the year. Barco actively engages over a broad range of topics and channels to promote participative and integrated decision-making.

Barco's main stakeholder groups are: customers and partners, employees, suppliers, sector federations, policymakers, NGOs, academic institutions, and investors.

STAKEHOLDER GROUP	SPOC
Customers & partners	• Sales • Corporate and segment marketing • Customer service • External communication • Product management
Employees	• Chief Human Resources Officer • Internal communication
Suppliers	• VP procurement • Eco-office
Public organizations (sector federations, NGOs, policy-makers, academic institutions)	• Global leadership team
Investors	• VP investor relations

	ENGAGEMENT METHOD	SPECIFIC ORGANIZATIONS/TOOLS
	• NPS (Net Promotor Score) surveys • Customer questionnaires • Partner summits • Daily contacts in the field (sales, segment marketing, customer service, ...) • Press releases • Digital interaction via social media, website,	• EcoVadis, CDP, or customer specific questionnaires • Entertainment: UNIC, GL Events, VERPRG, • Healthcare/Enterprise: key account management
	• Involve key teams in action plan development • YOU+ program: B-inspired, B-engaged, B-involved • Intranet, Yammer, CEO blog, town hall meetings (straight-ups) • Leadership summits • Performance evaluation reviews • Frequent feedback sessions • Ethics mailbox • Sustainability inspiration sessions	• Involve employees in continuous improvement (iGemba) • Involve employees in ideation (Barco STREAM) • Strategy roadshow
	• Communicate expectations on social, environmental and ethical topics through RBA Code of Conduct, Product Compliance Requirements Code, Dodd Frank Act on conflict minerals • Audit system to evaluate supplier performance • Business reviews with core and key suppliers • Training	• Product Compliance Requirements Code • RBA/EICC Code of Conduct • Dodd Frank Act on conflict minerals • Barco Substances List • Data collection through Greensoft • Bomcheck.net
	• Participation in (governmental) workings groups of policymakers • Meetings, roundtables and conferences • Participation in global networks • Internships, lectures	• European Commission – CENELEC • Laser-illuminated Projector Association (LIPA) • NGOs: Close the Gap, Oranjehuis, Sakshi, Indusaction, CanSupport, Urja, Mobile School • Sustainability networks: The Shift, We Mean Business,... • Universities: Kulak, Howest, VIVES, UGent, KU Leuven, TU Delft,... • Hangar K: co-creation space with educational institutions • Sector federations: VBO, Flemish Network of Enterprises (VOKA), Agoria (Belgian multi-sector federation for the technology industry), ETION
	• Symmetrical information dispersion through different deliverables • Bilateral contact via investor roadshows, conferences, communities • Support on equity research by brokers • ESG questionnaires	• Annual report, press releases, investor portal • Capital Market Days (investor days) • Conference calls • Equity research documents • MSCI, ISS-oekom, and other questionnaires

External initiatives (platforms and commitments)

We Mean Business

A coalition of organizations working with thousands of the world's most influential businesses and investors to accelerate the transition to a low-carbon economy. As a member, Barco is committed to the initiatives and commitments put forward by the We Mean Business Coalition.

The Shift

Barco is a member of The Shift, Belgium's largest corporate sustainability network. The aim of the organization is to realize the transition to a more sustainable society and economy.

Biodiversity Green Deal

A Green Deal is a voluntary partnership between (private) companies and the Government of Flanders (Belgium) who commit themselves to setting up a green project together. This particular Green Deal aims to increase biodiversity in business parks and to rally public support for the initiative. More than 60 companies and organizations have already signed up to participate in this Green Deal, including Barco.

Sign for My Future

Our CEO Jan De Witte supported Sign for My Future, a Belgian initiative launched by the not-for-profit organization 'Klimaatmandaat' to resolutely put climate on the political agenda in the runup to the elections in May 2019. By collecting signatures, Klimaatmandaat wants citizens and CEOs to put pressure on Belgian politicians to pursue a more ambitious climate policy and include this policy in the new coalition agreement.

Be The Change

What will our labor market look like in 2030? In the study 'Shaping the future of work', Belgian technology sector federation Agoria defined four strategies for a sustainable labor market. These four strategies can be categorized as: activating unemployed people or students, upskilling and retraining employees and further developing and investing in technology. In 2019, Barco endorsed the Be The Change Charter, committing to adapting its personnel policy to the challenges of the labor market of tomorrow. We took on four challenges:

- Mapping travel and travel time from employees to customers, suppliers and within the company and reducing these trips by at least 20% by 2022 (technology).
- Investing at least 1/5th of our research & development resources in technological solutions to facilitate remote services in health care, education or companies (technology).
- Sponsoring and having Barco employees take part in the 'Take the Lead' program to encourage and stimulate the digital transformation in the company (upskilling and technology).
- Organizing company visits and technology workshops for at least 15 teachers and students in three levels of education, on a yearly basis (activation and upskilling).

Take the Lead

Vlerick Business School and business newspapers De Tijd & L'Echo joined forces in developing Take the Lead as a social commitment to respond to the increasing need for digital knowledge in the business world. It is a learning program that aims to create digital leaders. Barco is partner in this program, enabling it to be offered to a maximum number of participants.

Hangar K

Barco is a proud partner of Hangar K, a co-creation hub that was inaugurated in October 2017 in Kortrijk, Belgium. More than just a workspace, Hangar K is a competence center as well as an incubator: a place where start-ups, scale-ups, established companies and the academic world come together to inspire each other and embrace the opportunities of the digital age to build new, successful businesses.

Certifications

In order to assure our stakeholders that our management systems meet international industry-specific standards, we have obtained the following ISO certifications:

- ISO 9001 quality management system (for Barco sites in US, Germany, India, Italy, Taiwan, China, Norway and Belgium)
- ISO 13485 quality management system specifically for the medical devices industry (for Barco sites in US, China, Belgium, Italy and South Korea)
- ISO 14001 environment management system (for Barco sites in Belgium, China, India and Italy)
- ISO 27001 information security management system (for Barco sites in Belgium, India and Taiwan)

External evaluations

Barco is rated by several independent organizations on its sustainability performance. We actively participate in the following initiatives:

CDP

	2018	2017	2016	2015
CDP	B	B	C	B

CDP, the former Carbon Disclosure Project, runs the global disclosure system that enables companies, cities, states and regions to measure and manage their environmental impacts. They have built a comprehensive global collection of self-reported environmental data. By scoring businesses from A to D, they take organizations on a journey from disclosure to awareness, management, and finally leadership, on several environmental topics such as climate change.

Every year, Barco measures and reports its carbon footprint to CDP, benchmarking its sustainability performance to peer groups suggested by CDP. We commit to the feedback program as organized by CPD and set up action plans to mitigate the risks and capitalize on the opportunities that CPD points out.

EcoVadis

	2019	2018	2017	2016	2015
ecovadis	GOLD	SILVER	NA	NA	NA

In recognition of its commitment to corporate social responsibility (CSR), Barco has been awarded the Gold CSR Rating by EcoVadis, placing us among the top 5% of companies evaluated. EcoVadis' independent sustainability rating platform monitors and improves the environmental, ethical and social performance of companies worldwide. EcoVadis provides sustainability performance audits for 20,000 companies across 150 sectors and in more than 100 countries.

MSCI

	2019	2018	2017	2016	2015
MSCI	A	A	A	A	BBB

MSCI ESG ratings help investors identify ESG risks and opportunities within their portfolio. They research and rate companies on a 'AAA' to 'CCC' scale according to their exposure to industry specific ESG risks and their ability to manage those risks compared to peers.

ISS-oekom

	2019	2018	2017	2016	2015
ISS-oekom	C+ (PRIME)	NA	NA	NA	NA

ISS-oekom is one of the world's leading rating agencies for sustainable investments. The ISS-oekom rating considers environmental, social and governance (ESG) aspects by evaluating more than 100 industry-specific indicators with grades from A+ (best grade) to D-. Companies that achieve the best ESG scores among their sector peers are recognized as 'Prime'. Barco was evaluated for the first time in 2019. We obtained a C+ score and are rated as a Prime company. With that result, we rank among the top 20% companies of the Electronic Devices & Appliances industry.

About this sustainability report

Reporting period, cycle and scope

We published our first corporate Sustainability Report on 18 February 2016 ('Sustainability Report 2015') and will continue to report on an annual basis. This report provides a clear overview of our most relevant intentions, achievements and objectives in the field of corporate sustainability in 2019, unless stated otherwise.

GRI standards

This report has been prepared in accordance with the GRI Standards: 'Core option'. Barco has not conducted external assurance for this report.

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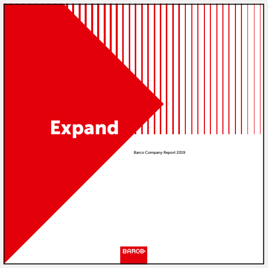
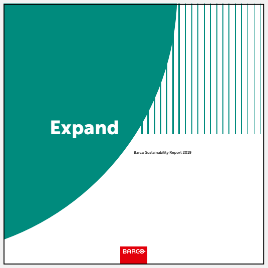
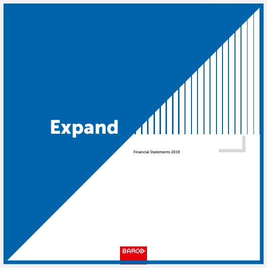
Financial Statements 2019



Section A.
Company Report
2019



Section B.
Sustainability Report
2019



Section C.
Financial Statements
2019

This is section C of Barco's 2019 annual report. Other sections are available via the download center at ar.barco.com/2019.

IFRS Financial Statements

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 'Comments on the results' (see page A/100) provides an analysis of trends and results of the 2019 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	2019	2018	2017
Sales		4	1,082,570	1,028,531	1,084,706
Cost of goods sold		4	-653,274	-615,578	-680,554
Gross profit		4	**429,295**	**412,953**	**404,152**
Research and development expenses		4(a)	-119,389	-120,279	-122,305
Sales and marketing expenses		4(b)	-142,517	-147,723	-146,802
General and administration expenses		4(c)	-57,632	-57,464	-58,095
Other operating income (expense) - net		4(d)	280	2,488	-3,710
Adjusted EBIT	(a)	4	110,038	89,974	73,241
Restructuring and impairments		6	-	-17,000	-32,404
Gain on change in control		3	-	16,384	-
EBIT		4	110,038	89,358	40,836
Interest income			7,648	5,915	4,666
Interest expense			-1,866	-1,566	-2,653
Income before taxes		7	**115,820**	**93,708**	**42,849**
Income taxes		7	-20,848	-16,586	-11,355
Result after taxes			**94,973**	**77,121**	**31,494**
Share in the result of joint ventures and associates		9	1,566	191	1,290
Net income			**96,539**	**77,312**	**32,784**
Net income attributable to non-controlling interest		18	**1,176**	**2,347**	**8,008**
Net income attributable to the equity holder of the parent			**95,363**	**74,965**	**24,776**
Earnings per share (in euro)		8	7.60	6.03	2.01
Diluted earnings per share (in euro)		8	7.51	5.98	1.99

(a) Management considers adjusted EBIT to be a relevant performance measure in order to compare results over the period 2017 to 2019, as it excludes adjusting items. Adjusting items include restructuring costs and impairments and one-time gains such as on the sale of 9% shares of BarcoCFG in 2018. There are no adjusting items in 2019.

Statement of comprehensive income

IN THOUSANDS OF EURO		2019	2018	2017
Net income		96,539	77,312	32,784
Exchange differences on translation of foreign operations	(a)	5,250	952	-24,201
Cash flow hedges				
Net gain/(loss) on cash flow hedges		-165	95	535
Income tax		30	-17	-142
Net gain/(loss) on cash flow hedges, net of tax		-135	78	393
Other comprehensive income/(loss) to be recycled through profit and loss in subsequent periods		**5,114**	**1,031**	**-23,808**
Remeasurement gains/(losses) on defined benefit plans	20	-11,337	-5,676	5,223
Deferred tax on remeasurement gains/(losses) on defined benefit plans	12	2,834	1,419	-2,284
Actuarial gains or losses, net of tax		-8,503	-4,256	2,940
Changes in the fair value of equity investments through other comprehensive income	9	1,852		
Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods		**-6,650**	**-4,256**	**2,940**
Other comprehensive income/(loss) for the period, net of tax effect		**-1,536**	**-3,226**	**-20,869**
Attributable to equity holder of the parent		-1,075	-3,303	-19,574
Attributable to non-controlling interest		-461	77	-1,294
Total comprehensive income/(loss) for the year, net of tax		**95,003**	**74,086**	**11,915**
Attributable to equity holder of the parent		94,288	71,662	5,201
Attributable to non-controlling interest		715	2,424	6,714

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 2019, the positive exchange differences in the comprehensive income line were mainly booked on foreign operations held in US Dollar, Chinese Yuan and Hong Kong Dollar. In 2018, the positive exchange differences in the comprehensive income line were mainly booked on foreign operations held in US Dollar and Hong Kong Dollar. In 2017, the negative exchange differences in the comprehensive income line were mainly booked on foreign operations held in US Dollar, Chinese Yuan, Indian Rupee, Hong Kong Dollar and Norwegian Krone.

Consolidated balance sheet

IN THOUSANDS OF EURO		NOTE	31 DEC 2019	31 DEC 2018	31 DEC 2017
Assets					
Goodwill		10	105,612	105,612	105,385
Other intangible assets		11,1	44,469	47,397	63,361
Land and buildings		11,2	83,665	57,777	57,964
Other tangible assets		11,2	51,804	51,003	47,366
Investments		9	43,288	19,105	7,906
Deferred tax assets		12	60,116	67,478	69,859
Other non-current assets		14	4,018	9,732	12,887
Non-current assets			**392,972**	**358,103**	**364,729**
Inventory		13	168,983	135,111	132,754
Trade debtors		14	195,358	161,787	149,438
Other amounts receivable		14	25,669	19,567	19,368
Short term investments		15	24,748	112,795	-
Cash and cash equivalents		15	357,035	251,807	254,130
Prepaid expenses and accrued income			9,409	8,131	5,041
Assets held for sale		3	-	-	139,536
Current assets			**781,203**	**689,197**	**700,267**
Total assets			**1,174,176**	**1,047,301**	**1,064,996**
Equity and liabilities					
Equity attributable to equityholders of the parent		17	700,060	633,267	579,449
Non-controlling interests		18	40,590	1,777	14,065
Equity			**740,650**	**635,044**	**593,514**
Long-term debts		15	40,225	29,882	41,036
Deferred tax liabilities		12	7,575	3,140	4,647
Other long-term liabilities	(a)	16	27,031	24,557	4,555
Long-term provisions		20	42,428	34,265	24,607
Non-current liabilities			**117,259**	**91,845**	**74,845**
Current portion of long-term debts		15	12,469	7,500	10,000
Short-term debts		15	-	686	686
Trade payables		19	128,914	105,148	102,943
Advances received from customers		19	69,515	53,747	67,040
Tax payables			9,893	11,370	9,752
Employee benefit liabilities	(b)		54,652	51,314	49,983
Other current liabilities	(c)		13,268	48,532	10,586
Accrued charges and deferred income	(a)		8,795	10,082	18,074
Short-term provisions		20	18,759	32,032	26,904
Liabilities directly associated with the assets held for sale		3	-	-	100,669
Current liabilities			**316,266**	**320,412**	**396,637**
Total equity and liabilities			**1,174,176**	**1,047,301**	**1,064,996**

The accompanying notes are an integral part of this statement.

(a) Other long-term liabilities presented in 2019 and 2018 include a reclassification of deferred income mainly on maintenance contracts, which is not reflected in the 2017 financial statement. We refer to note 16.
(b) Employee benefit liabilities are short term obligations and consist mainly of salaries, bonuses and holiday payments.
(c) In 2018, other current liabilities include the contribution of the three minority shareholders in the capital of Cinionic Ltd., totaling 45% of the total capital contributions of USD 100 million. We refer to note 1.1 and the consolidated statement of cash flow for further information.

Consolidated statement of cash flow

IN THOUSANDS OF EURO	NOTE	2019	2018	2017
Cash flow from operating activities				
Adjusted EBIT		110,038	89,974	73,241
Restructuring	20	-13,717	-2,882	-4,244
Gain on sale of divestments	4(d)	-	-743	-513
Depreciation of tangible and intangible fixed assets	4,11	42,984	34,492	33,877
(Gain)/Loss on tangible fixed assets	4(d)	-1,024	-149	362
Share options recognized as cost	4(d), 17	2,147	2,050	1,549
Share in the profit/(loss) of joint ventures and associates	9	1,566	191	1,290
Gross operating cash flow		141,995	122,933	105,560
Changes in trade receivables		-32,160	-11,209	-7,326
Changes in inventory		-32,989	334	-3,577
Changes in trade payables		23,404	-1,306	-19,660
Other changes in net working capital		15,618	-12,722	-8,113
Change in net working capital		-26,126	-24,903	-38,677
Net operating cash flow		**115,868**	**98,030**	**66,883**
Interest received		7,648	5,915	4,666
Interest paid		-1,866	-1,566	-2,653
Income taxes		-13,053	-12,460	-4,395
Cash flow from operating activities		108,597	89,919	64,501
Cash flow from investing activities				
Purchases of tangible and intangible fixed assets	11	-20,169	-25,627	-23,160
Proceeds on disposals of tangible and intangible fixed assets		2,379	922	168
Proceeds from (+), payments for (-) short term investments	15	88,047	-112,795	-
Acquisition of Group companies, net of acquired cash	1.3, 3, 25	-3,272	-5,621	-5,889
Disposal of Group companies, net of disposed cash	1.3, 3, 25	-	-32,558	6,437
Other investing activities (a)		-41,285	-2,972	-3,729
Dividends from joint ventures and associates		7,284	10,499	8
Cash flow from investing activities (including acquisitions and divestments)		32,982	-168,152	-26,166

IN THOUSANDS OF EURO		NOTE	2019	2018	2017
Cash flow from financing activities					
Dividends paid			-28,680	-25,975	-23,292
Capital increase			360	132	433
Sale of own shares			6,428	5,928	5,314
Payments (-) of long-term liabilities			-22,359	-8,363	-17,532
Proceeds from (+), payments of (-) short-term liabilities			3,033	-4,430	1,401
Advances on capital contribution from non-controlling interest	(b)		-	37,906	-
Dividend distributed to non-controlling interest			-	-	-17,893
Cash flow from financing activities			-41,218	5,198	-51,569
Net increase (decrease) in cash and cash equivalents			100,362	-73,035	-13,234
Cash and cash equivalents at beginning of period			251,807	321,514	353,549
Cash and cash equivalents (CTA)			4,866	3,328	-18,801
Cash and cash equivalents at end of period	(c)		357,035	251,807	321,514
Cash assets held for sale (BarcoCFG)	(c)	15	-	-	67,385
Cash and cash equivalents at end of period excluding assets held for sale	(c)		357,035	251,807	254,130

The accompanying notes are an integral part of this statement.

(a) 'Other investing activities' include the net effect of capital contributions in and results of other investments (41.3 million euro in 2019, 3.0 million euro in 2018 and 3.7 million euro in 2017) (see note 9 and 11.1)
(b) We refer to notes 1.1 for the explanation on the cash contribution of the three minority shareholders in Cinionic Ltd.
(c) Cash and cash equivalents at the end of 2017 of 321.5 million euro include 67.4 million euro cash in BarcoCFG which is classified as asset held for sale in the balance sheet. Excluding BarcoCFG, cash and cash equivalents amount to 254.1 million euro (balance sheet).

Consolidated statement of changes in equity

IN THOUSANDS OF EURO	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 2017	201,476	452,629	6,230	-20,811	-1,493	-47,787	590,243	25,244	615,487
Net income attributable to equityholders of the parent	-	24,776	-	-	-	-	24,776	8,008	32,784
Dividend	-	-23,292	-	-	-	-	-23,292	-	-23,292
Dividend distributed to non-controlling interest	-	-	-	-	-	-	-	-17,893	-17,893
Capital and share premium increase	433	-	-	-	-	-	433	-	433
Other comprehensive income (loss) for the period, net of tax	-	2,940	-	-22,907	393	-	-19,573	-1,294	-20,868
Share-based payment	-	-	1,549	-	-	-	1,549	-	1,549
Exercise of options	-	-	-268	-	-	5,582	5,314	-	5,314
Balance on 31 December 2017	201,908	457,053	7,511	-43,717	-1,100	-42,205	579,449	14,065	593,514
Balance on 1 January 2018	201,908	457,053	7,511	-43,717	-1,100	-42,205	579,449	14,065	593,514
Net income attributable to equityholders of the parent	-	74,965	-	-	-	-	74,965	2,347	77,312
Dividend	-	-25,955	-	-	-	-	-25,955	-	-25,955
Dividend distributed to non-controlling interest	-	-	-	-	-	-	-	-7,724	-7,724
Capital and share premium increase	132	-	-	-	-	-	132	4	136
Other comprehensive income (loss) for the period, net of tax	-	-4,256	-	875	78	-	-3,303	77	-3,226
Share-based payment	-	-	2,050	-	-	-	2,050	-	2,050
Exercise of options	-	-	-515	-	-	6,443	5,928	-	5,928
Gain on change in control								-6,992	-6,992
Balance on 31 December 2018	202,041	501,807	9,046	-42,842	-1,022	-35,762	633,267	1,777	635,044

IN THOUSANDS OF EURO	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 2019	202,041	501,807	9,046	-42,842	-1,022	-35,762	633,267	1,777	635,044
Net income attributable to equityholders of the parent	-	95,363	-	-	-	-	95,363	1,176	96,539
Dividend	-	-28,680	-	-	-	-	-28,680	-	-28,680
Capital and share premium increase	360	-	-	-	-	-	360	-	360
Other comprehensive income (loss) for the period, net of tax	-	-6,260	-	5,320	-135	-	-1,075	-461	-1,536
Deferred tax liability recognized on adoption IFRIC 23 (a)	-	-6,500	-	-	-	-	-6,500	-	-6,500
Share-based payment	-	-	2,147	-	-	-	2,147	-	2,147
Exercise of options (b)	-	-	-	-	-	6,428	6,428	-	6,428
Dividend received	-	366	-	-	-	-	366	-	366
Increase in ownership interest, without change in control (c)		-1,617					-1,617	-1,815	-3,431
Decrease in ownership interest, without change in control (d)								39,913	39,913
Balance on 31 December 2019	202,401	554,479	11,193	-37,522	-1,157	-29,334	700,060	40,590	740,650

The accompanying notes are an integral part of this statement.

(a) We refer to note 1 Significant IFRS accounting principles for explanation on IFRIC 23 Uncertainty over income tax treatments applied as of 1 January 2019.
(b) See note 17.
(c) See note 18.
(d) Mid December 2018, three minority shareholders have contributed in the capital of Cinonic Ltd, totaling 45% of total contributions of USD 100 million. As of 1 January 2019, these capital contributions all give right to 45% in the Cinionic legal entities' equity and result. Barco remains in control. Per 1 January 2019, the 45% stake in the capital contribution of USD 100 million is shown as non-controlling interest (39.9 million euro). See note 18.

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 2018 and adopted by the European Union are applied by Barco.

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 10 February 2020. The chairman has the power to amend the financial statements until the shareholders' meeting of 30 April 2020.

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 interest

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.

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'.

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 IAS 38 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 IAS 38.57. As the criteria of IAS 38.57 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 derecognition of the asset is included in profit or loss in the year the asset is derecognized.

6. Leases

The Group has adopted IFRS 16 Leases on the Group's financial statements from 1 January 2019 and has applied the modified retrospective approach from 1 January 2019.
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.

Accounting principle applied until 31/12/2018

Finance leases, which effectively transfer to the Group substantially all risks and benefits incidental to ownership of the leased item, are capitalized as property, plant and equipment at the fair value of the leased property, or, if lower, at the present value of the minimum lease payments. The corresponding liabilities are recorded as long-term or current liabilities depending on the period in which they are due. Lease interest is charged to the income statement as a financial cost using the effective interest method. Capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating leases, where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term, are classified as operating leases. Operating lease payments are expressed in the income statement on a straight-line basis over the lease term.

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 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'.

The short term investment 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 amortized 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 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, the percentage of completion method is used, provided that the outcome of the project can be assessed with reasonable certainty. These projects generally have a lifetime of less than one year. The Group adopted IFRS 15 as from 1 January 2018, using the full retrospective method. The transition to IFRS 15 has not had a significant impact.

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 2019 the minimum guaranteed rate of return remains the same as in 2018 and 2017, i.e. 1.75% on employer contributions and employee contributions. We refer to note 20 for more detailed information.

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.

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.

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.

	DECEMBER 31, 2019		DECEMBER 31, 2018		DECEMBER 31, 2017	
CURRENCY	CLOSING RATE	AV. RATE YEAR	CLOSING RATE	AV. RATE YEAR	CLOSING RATE	AV. RATE YEAR
CNY	7.81	7.73	7.87	7.81	7.80	7.63
INR	80.08	78.83	79.80	80.72	76.62	73.50
USD	1.12	1.12	1.15	1.18	1.20	1.13

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 for staff and non-executive directors as well as for individuals who play an important role in the company. According to the publication of IFRS 2, the cost of share-based payment transactions is reflected in the income statement. The warrants 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.

27. Discontinued operations and non-current assets held for sale

A discontinued operation is a component of the Group that either has been disposed of or is classified as held for sale and represents a separate major line of business and is part of a single coordinated plan to dispose of a separate major line of business or is a subsidiary acquired exclusively with a view to resale.

The Group classifies a non-current asset (or disposal group) as held for sale if it carrying amount will be recovered principally through a sale transaction rather than through continuing use. The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale expected within one year from the date of the classification. Property, plant and equipment and intangible assets are not depreciated or amortized once classified as held for sale. Immediately before classification as held for sale, the Group measures the carrying amount of the asset (or all the assets and liabilities in the disposal group) in accordance with applicable IFRSs. Then, on initial classification as held for sale, non-current assets and disposal groups are recognized at the lower of their carrying amounts and fair value less costs to sell. Impairment losses are recognized for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell.

IFRS accounting standards adopted as of 2019

The Group applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2019. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Although these new standards and amendments apply for the first time in 2019, they do not have a material impact on the annual consolidated financial statements of the Group. The nature and the impact of each of the following new standards, amendments and/or interpretations are described below:

- IFRIC 23 Uncertainty over income tax treatments, effective 1 January 2019
- FRS 16 Leases, effective 1 January 2019

IFRIC 23 Uncertainty over income tax treatments

Uncertainty over income tax treatments has been applied from 1 January 2019. The Group has reviewed their tax positions taken in the financial statements and in the tax filings and how these are supported. In addition, the Group has assessed 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 was recorded in equity for an amount of 6.5 million euro on January 1st, 2019.

IFRS 16 Leases

Adjustments recognized on adoption of IFRS 16

This note explains the impact of the adoption of IFRS 16 Leases on the Group's financial statements and discloses the new accounting policies that have been applied from 1 January 2019. The Group has applied the modified retrospective approach from 1 January 2019, not restating comparatives for the 2018 reporting period. The reclassifications and the adjustments arising from the new leasing rules are therefore recognized in the opening balance sheet on 1 January 2019.

On adoption of IFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 2.84%. The Group did not have material finance leases. Below is the reconciliation from IAS 17 to IFRS 16:

IN THOUSANDS OF EURO	1 january 2019
Non-cancellable operating lease commitments as at December 2018	30,897
Cancellable operating lease commitments as at 31 December 2018	5,160
Additional finance lease liabilities recognized as at 31 December 2018	83
Discounted using the Group's incremental borrowing rate	33,759
Short-term leases recognized on a straight-line basis as expense	-496
Low-value leases recognized on a straight-line basis as expense	-17
Foreign exchange difference	192
Lease liability recognised as at 1 January 2019	**33,438**

The right-of-use assets for all assets were measured at the amount equal to the lease liability. The recognized right-of-use assets relate to the following types of assets:

IN THOUSANDS OF EURO	31/dec/19	1/jan/19
Buildings	23,210	27,715
Vehicles	4,807	5,723
Total right-of-use assets	**28,017**	**33,438**
Total lease liabilities	**28,259**	**33,438**

Adjusted EBITDA, segment assets and segment liabilities per 31 December 2019 all increased as a result of the change in accounting policy. The following segments were affected by the change in policy:

IN THOUSANDS OF EURO	Adjusted EBITDA	Segment assets	Segment liabilities
Entertainment	4,502	1,021	1,020
Enterprise	3,336	1,026	1,023
Healthcare	2,145	1,432	1,437
Total	**9,983**	**3,479**	**3,480**
Other non-allocated assets & liabilities		24,538	24,780
Total right-of-use assets		**28,017**	**28,259**

There is no material impact on earnings per share per 31 December 2019 as a result of the adoption of IFRS 16.

Accounting principles applied on adoption of IFRS 16

In applying IFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics.
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 are short term leases, hence excluded.
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

Barco does not have onerous contracts.

The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

IFRS accounting standards issued but not yet effective as of 2019

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 References to the Conceptual Framework in IFRS Standards[1], effective 1 January 2020
- Amendments to the guidance of IFRS 3 Business Combinations[1], effective 1 January 2020
- Amendments to the definition of material in IAS 1 and IAS 8[1], effective 1 January 2020
- Amendments to IFRS 9, IAS 39 and IFRS 7[1], effective 1 January 2020
- IFRS 17 Insurance contracts[1], effective 1 January 2022

[1] Not yet endorsed by the European Union as at 31 December 2019

Critical accounting judgments and key sources of estimation uncertainty

General business risks

We refer to the chapter 'Risk factors' on C/74 for an overview of the risks affecting businesses of the Barco Group.

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 takes into account elements such as long-term business strategy and tax planning opportunities (see note 12 'Deferred tax assets – deferred tax liabilities').

- 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 12 ' 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 10.'Goodwill').

- 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.

Accounting treatment of development expenses

- Shorter life cycles, unpredictability of which development projects will be successful, and the volatility of technologies (more and more software development) and markets in which Barco operates led the Board of Directors to conclude that Barco's development expenses do not meet the criteria of IAS 38.57. As the criteria of IAS 38.57 are not fulfilled, our accounting policy, with respect to research and development costs, does not allow the capitalization of development expenses.

Defined benefit obligations

- Defined benefits: the cost of the defined benefit pension plan (see note 20) 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.

Assets held for sale

We refer to Note 3.

1. Consolidated companies

1.1. List of consolidated companies on 31 December 2019

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 bvba	Beneluxpark 21, 8500 Kortrijk BELGIUM	55	
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 Monferrato 7, 20094 Corsico-MI ITALY	100	
ITALY	FIMI S.r.l.	c/o Studio Ciavarella, via Vittor Pisani n. 6, 20124 Milano ITALY	100	
NETHERLANDS	Barco B.V.	Helmond NETHERLANDS	100	
NORWAY	Barco Fredrikstad AS	Habornveien 53, 1630 Gamle Fredrikstad NORWAY	100	
POLAND	Barco Sp. z o.o.	Annopol 17, 03-236 Warsaw POLAND	100	
RUSSIA	Barco Services OOO	Office 1, Floor 3 Kondratyuka, 3, 129515 Moscow RUSSIAN FEDERATION	100	
SPAIN	Barco Electronic Systems, S.A.	Travesera de las Corts 371, 08029 Barcelona SPAIN	100	
SWEDEN	Barco Sverige AB	c/o Grant Thornton, Box 2230, 403 14 Göteborg SWEDEN	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	
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	Barco Cine Appo Mexico, S.A. de C.V.	Mariano Escobedo No. 476 Piso 10 Col. Anzures, C.P. 11590 D.F. México MEXICO	55	
UNITED STATES	Barco, Inc.	1209 Orange Street, 19801 Wilmington DE UNITED STATES	100	
UNITED STATES	Cinionic Inc.	3078 Prospect Park Drive, 95670 Rancho Cordova CA UNITED STATES	55	

COUNTRY OF INCORPORATION	LEGAL ENTITY	REGISTERED OFFICE	%
Asia-Pacific			
AUSTRALIA	Barco Systems Pty. Ltd.	2 Rocklea Drive, VIC 3207 Port Melbourne AUSTRALIA	100
CHINA	Barco Trading (Shanghai) Co., Ltd.	Rm501, 180 Hua Shen Road, Wai Gao Qiao Free Trade Zone, 200031 Shanghai CHINA	100
CHINA	Barco Visual (Beijing) Electronics Co., Ltd.	No. 16 Changsheng Road, Chang Ping Park, Zhong Guan Cun Science Park, Chang Ping District, 102200 Beijing CHINA	100
CHINA	Barco Visual (Beijing) Trading Co., Ltd.	No. 16 Changsheng Road, Chang Ping Park, 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
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	Barco Cinionic Limited	Unit 2607-10, 26/F, Prosperity Center, 25 Chong Yip Street, Kwun Tong, Kowloon HONG KONG	55
HONG KONG	Barco CEC (Hong Kong) Limited	Unit 2607-10, 26/F, Prosperity Center, 25 Chong Yip Street, Kwun Tong, Kowloon HONG KONG	100
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	No. 10 Changi South Lane #04-01, 486162 Singapore SINGAPORE	100
SOUTH KOREA	Barco Korea Ltd.	42 Youngdong-daero 106-gil, Gangnam-gu, 06172 Seoul KOREA, REPUBLIC OF	100
TAIWAN	Barco Limited	33F., No. 16, Xinzhan Rd., Banqiao Dist., 220 New Taipei City TAIWAN, PROVINCE OF CHINA	100
TAIWAN	Barco Taiwan Technology Ltd.	No. 5, Ti Tang Gang Rd., Feng Hua Village, Xin Shi District, 74148 Tainan City TAIWAN, PROVINCE OF CHINA	100

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

1.2. List of equity accounted companies on 31 December 2019

COUNTRY OF INCORPORATION	LEGAL ENTITY	REGISTERED OFFICE	%
Americas			
UNITED STATES	Audience Entertainment LLC - participation Barco, Inc	108 West 13th Street, 19801 Wilmington, Delaware UNITED STATES	18.9
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, Chang Ping Park, 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 2019:
- Barco GmbH
- Barco Control Rooms GmbH

These companies are included in the consolidation scope of Barco Consolidated 2019 as listed above.

Exemption of publishing Financial Statements and management report according UK legislation section 479A of the Companies Act 2006:

Following subsidiary-companies will be released of publishing their financial statements and management report 2019:
- Barco Ltd.

1.3. Acquisitions/investments and divestments

2019

Investment in caresyntax

On April 9th, 2019 Barco announced a joint development, a software distribution and integrator agreement, with caresyntax®, leader in vendor-neutral software solutions for surgical automation, analytics and AI, alongside participating in the company's round of growth equity financing.
The investment payment is recorded as an intangible asset (acquired know-how) on our Consolidated Balance Sheet, which will be amortized over 5 years. No equity instrument has been recognized because of the premium paid over the fair value of the shares.

Investment in Unilumin

On September 10th Barco announced a strategic collaboration with Unilumin, a listed Chinese company and leading LED manufacturer and technology leader. As part of this collaboration agreement Barco acquired a minority stake of 2% into Unilumin through a share transfer.

2018

Divestment of X2O Media

On March 28th, 2018 Barco reached an agreement with US-based market leader in digital signage Stratacache to sell 100% of its shares in the Montréal-based X2O Media entity for an amount of 0.9 million US dollar (0.8 million euro), of which 0.3 million US dollar (0.2 million euro) was put in escrow over a period of twenty-four months (with projected full release on April 2020). This escrow amount was not recognized in profit and loss in 2018. Closing of the transaction happened on April 13, 2018. The transaction was cash and debt free. The purchase agreement includes a price correction linked to the closing net working capital for a calculated total of 0.9 million euro. The operating results of the X2O Media (part of the Enterprise division) entity including the gain on the transaction resulted in 0.5 million euro result in 2018.

We refer to note 25 'Cash flow statement: effect of acquisitions and disposals' for impact on the cash flow of the Group.

2017

Acquisition of assets of P2M

On 31 August 2017, Barco acquired the assets of P2M, former distribution agent of Barco for wePresent - an Awind solution- in EMEA and the Americas. The total acquisition cost amounted to 2.6 million euro upfront payment and a contingent consideration of expected 0.5 million euro. The full cost was allocated to customer list. IFRS 3 was not applicable as the acquisition of the asset did not constitute a business.

Acquisition of Habornveien 53 AS

On 15 December 2017, Barco acquired 51% extra shares in the real-estate company of which Barco previously owned 42%. The total acquisition cost amounted to 1.9 million euro and was mainly allocated to land and buildings. IFRS 3 was not applicable as the acquisition was not a business combination. In 2018 Barco acquired the remaining shares in the entity for 0.3 million euro, resulting in 100% of the shares owned by Barco, after which the entity was merged into Projectiondesign AS.

Divestment of Barco Lighting Systems

On April 1st, 2017 Barco reached an agreement with US-based lighting company ETC to sell its Lighting activity, Barco Lighting Systems (also known as High End Systems) for an amount of 7.5 million dollar (7 million euro), of which 0.75 million dollar (0.7 million euro) was put in escrow over a period of eighteen months (with projected full release on October 1st, 2018). This escrow amount was not recognized in profit and loss in 2017. Closing of the transaction happened on the same day. In addition, a price correction caused by an adjustment on the closing net working capital in comparison to the agreed target working capital of 0.7 million euro was paid to ETC in May 2017. The operating results of the Lighting segment including the gain on the transaction resulted in a break-even result in 2017. We refer to note 25 'Cash flow statement: effect of acquisitions and disposals' for impact of the disposal on the cash flow of the Group.

Divestment of Barco Silex SA

On December 22, 2017 Barco reached an agreement with the Belgian company Anseribus NV regarding the sale of 100% of the shares of Barco Silex for an amount of 0.5 million euro, without any escrow. The transaction was cash and debt free. Closing of the transaction happened on the same day. The result on the transaction was break-even. We refer to note 25 'Cash flow statement: effect of acquisitions and disposals' for impact of the disposal on the cash flow of the Group.

2. Operating segments information

2.1. Basis of operating segments information

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

- **Entertainment:** the Entertainment division is the combination of the Cinema and Venues & Hospitality activities, which includes Professional AV, Events and Simulation activities.
- **Enterprise:** the Enterprise division is the combination of the Control Rooms activities and the Corporate activities. ClickShare is the main contributor to the Corporate activity.
- **Healthcare:** the Healthcare division includes the activities in Diagnostic Imaging (Diagnostic and Modality Imaging) and in Surgical.

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

The CEO and his core leadership team 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 A/25 for more explanation on the activities performed by each division.

2.2. Entertainment

IN THOUSANDS OF EURO	2019		2018		2017		Variance 2019 - 2018	Variance 2018 - 2017
Net sales	**455,125**	**100.0%**	**447,611**	**100.0%**	**533,345**	**100.0%**	**1.7%**	**-16.1%**
- external sales	455,125	100.0%	447,611	100.0%	533,285	100.0%	1.7%	-16.1%
- interdivision sales	-	0.0%	-	0.0%	61	0.0%	-	-99.2%
Cost of goods sold	-311,955	-68.5%	-304,273	-68.0%	-370,428	-69.5%	2.5%	-17.9%
Gross profit	**143,170**	**31.5%**	**143,337**	**32.0%**	**162,917**	**30.5%**	**-0.1%**	**-12.0%**
EBITDA	**43,310**	**9.5%**	**32,879**	**7.3%**	**38,922**	**7.3%**	**31.7%**	**-15.5%**
Depreciation TFA and (acquired) intangibles	18,292	4.0%	15,906	3.6%	15,718	2.9%	15.0%	1.2%
Adjusted EBIT	**25,019**	**5.5%**	**16,974**	**3.8%**	**23,205**	**4.4%**	**47.4%**	**-26.9%**
Capital expenditures TFA and software	7,515	1.7%	11,445	2.6%	10,890	2.0%	-34.3%	5.1%
Investments in associates	18,253		18,927		7,591			
Segment assets	**307,832**		**239,194**		**235,762**			
Segment liabilities	**169,700**		**140,225**		**145,780**			

The lower sales from 2019 to 2017 can be explained by the fact that BarcoCFG is no longer consolidated as of the second half year of 2018 (we refer to note 3 'Assets held for sale' for more explanation on the change in control in BarcoCFG). Projector sales of Barco to BarcoCFG are as of 1 July 2018 part of sales, while the external sales of Barco CFG to their customers are no longer included (impact of 39.5 million euro on sales in 2019, compared to 2018 and impact of 50 million euro on sales in 2018, compared to 2017). As of July 1st, 2018, the results of BarcoCFG are accounted for under the equity method and are presented as part of the Group and Entertainment EBITDA (2019: 6.2 million euro, 2H18: 2.8 million euro (49% of net result BarcoCFG). For the investments in associates we refer to note 9.

Segment assets and liabilities for Entertainment exclude the assets held for sale of BarcoCFG in 2017.

In 2018, Barco took a strategic decision to strengthen the cinema of the future by moving global, excluding China, cinema related sales, marketing and service activities to Cinionic. We refer to note 1.1 for the Cinionic legal entities incorporated in 2018. Mid December 2018, three minority shareholders have contributed in the capital of Barco Ltd. Hong Kong, totaling 45% of the total contributions of USD 100 million. As of 1 January 2019, these capital contributions all give right to 45% in the Cinionic legal entities' equity and result. Barco remains in control. Therefore, the non-China cinema sales, marketing and service activities remain consolidated in the Entertainment results in 2019. The 45% stake is shown as non-controlling interest as of 1 January 2019.

2.3. Enterprise

IN THOUSANDS OF EURO	2019		2018		2017		Variance 2019 - 2018	Variance 2018 - 2017
Net sales	358,671	100.0%	335,914	100.0%	308,161	100.0%	6.8%	9.0%
- external sales	358,671	100.0%	335,914	100.0%	308,161	100.0%	6.8%	9.0%
- interdivision sales	-	0.0%	-	0.0%	-	0.0%	-	-
Cost of goods sold	-175,402	-48.9%	-164,237	-48.9%	-159,264	-51.7%	6.8%	3.1%
Gross profit	183,269	51.1%	171,677	51.1%	148,898	48.3%	6.8%	15.3%
EBITDA	74,051	20.6%	60,944	18.1%	40,662	13.2%	21.5%	49.9%
Depreciation TFA and (acquired) intangibles	15,339	4.3%	13,525	4.0%	13,295	4.3%	13.4%	1.7%
Adjusted EBIT	58,712	16.4%	47,420	14.1%	27,368	8.9%	23.8%	73.3%
Capital expenditures TFA and software	8,428	2.3%	8,436	2.5%	7,807	2.5%	-0.1%	8.1%
Segment assets	168,275		158,563		149,633			
Segment liabilities	78,147		81,605		71,224			

2.4. Healthcare

IN THOUSANDS OF EURO	2019		2018		2017		Variance 2019 - 2018	Variance 2018 - 2017
Net sales	268,774	100.0%	245,006	100.0%	243,260	100.0%	9,7%	0.7%
- external sales	268,774	100.0%	245,006	100.0%	243,259	100.0%	9,7%	0.7%
- interdivision sales	-	0.0%	-	0.0%	-	0.0%	-	-
Cost of goods sold	-165,918	-61.7%	-147,070	-60.0%	-150,922	-62.0%	12,8%	-2.6%
Gross profit	102,856	38.3%	97,936	40.0%	92,337	38.0%	5,0%	6.1%
EBITDA	35,660	13.3%	30,642	12.5%	27,533	11.3%	16,4%	11.3%
Depreciation TFA and (acquired) intangibles	9,354	3.5%	5,062	2.1%	4,865	2.0%	84,8%	4.0%
Adjusted EBIT	26,307	9.8%	25,580	10.4%	22,668	9.3%	2,8%	12.8%
Capital expenditures TFA and software	4,225	1.6%	5,745	2.3%	4,464	1.8%	-26,5%	28.7%
Segment assets	126,199		107,725		104,373			
Segment liabilities	60,913		56,149		63,654			

2.5. Reconciliation of segment information with group information

IN THOUSANDS OF EURO	2019		2018		2017	
External sales						
Entertainment	455,125		447,611		533,285	
At a point in time	425,186	93%	407,677	91%	479,067	90%
Over time	29,939	7%	39,934	9%	54,198	10%
Enterprise	358,671		335,914		308,161	
At a point in time	271,953	76%	222,793	66%	197,129	64%
Over time	86,715	24%	113,121	34%	111,033	36%
Healthcare	268,774		245,006		243,259	
At a point in time	264,580	98%	240,327	98%	238,017	98%
Over time	4,193	2%	4,679	2%	5,227	2%
Total external sales segments	1,082,570		1,028,531		1,084,706	
At a point in time	961,720	89%	870,797	85%	914,212	84%
Over time	120,847	11%	157,734	15%	170,457	16%
Net Income						
EBITDA						
Entertainment	43,310		32,879		38,922	
Enterprise	74,051		60,944		40,662	
Healthcare	35,660		30,642		27,533	
Depreciation and other amortizations						
Entertainment	18,292		15,906		15,718	
Enterprise	15,339		13,525		13,295	
Healthcare	9,354		5,062		4,865	
Adjusted EBIT						
Entertainment	25,019		16,974		23,205	
Enterprise	58,712		47,420		27,368	
Healthcare	26,307		25,580		22,668	
Total adjusted EBIT	110,038		89,974		73,241	
Restructuring and impairments	-		-17,000		-32,404	
Gain on change in control	-		16,384		-	

IN THOUSANDS OF EURO	2019	2018	2017
EBIT	110,038	89,358	40,836
Interest income (expense) - net	5,782	4,350	2,013
Income/(loss) before taxes	115,820	93,708	42,849
Income taxes	-20,848	-16,586	-11,355
Result after taxes	94,973	77,121	31,494
Share in the result of joint ventures and associates	1,566	191	1,290
Net income	96,539	77,312	32,784
Net income attributable to non-controlling interest	1,176	2,347	8,008
Net Income attributable to the equity holder of the parent	95,363	74,965	24,776

The total over time revenues relate to project sales mainly in the Enterprise division (Control Rooms activities) and to recurring service revenues generated on maintenance contracts.

IN THOUSANDS OF EURO	2019	2018	2017
Assets			
Segment assets			
Entertainment	307,832	239,194	235,762
Enterprise	168,275	158,563	149,633
Healthcare	126,199	107,725	104,373
Total segment assets	602,306	505,482	489,767
Deferred tax assets	60,116	67,478	69,859
Short term investments	24,748	112,795	-
Cash and cash equivalents	357,035	251,807	254,130
Other non-allocated assets	129,971	109,740	111,703
Assets held for sale	-	-	139,536
Total assets	1,174,176	1,047,301	1,064,996
Liabilities			
Segment liabilities			
Entertainment	169,700	140,225	145,780
Enterprise	78,147	81,605	71,224
Healthcare	60,913	56,149	63,654
Total segment liabilities	308,760	277,979	280,658
Equity attributable to equityholders of the parent	700,060	633,267	579,449
Non-controlling interest	40,590	1,777	14,065
Long-term debts	40,225	29,882	41,036
Deferred tax liabilities	7,575	3,140	4,647
Current portion of long-term debts	12,469	7,500	10,000
Short-term debts	-	686	686
Other non-allocated liabilities	64,496	93,070	33,787
Liabilities directly associated with the assets held for sale	-	-	100,669
Total equity and liabilities	1,174,176	1,047,301	1,064,996

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, Americas (North-America and LATAM) and Asia-Pacific (APAC).

We refer to the 'Comments on the results' on page A/100 for a split of revenue from external customers based on the geographical location of the customers to whom the invoice is issued.

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 36 million euro of the Group revenues in 2019 versus 32.3 million euro in 2018 and 38.3 million in 2017.

In 2019, Belgium's non-current assets amount to 165.5 million euro (rest of the world 227.3 million euro); in 2018 163.2 million euro (rest of the world 195.2 million euro) and in 2017 170.6 million euro (rest of the world 194.1 million euro).

Below table gives an overview of the assets per region and the most important capital expenditures in non-current assets per region:

IN THOUSANDS OF EURO	2019		2018		2017	
Net sales						
Europe	402,149	37.1%	367,488	35.7%	339,526	31.3%
Americas	426,806	39.4%	369,834	36.0%	394,509	36.4%
Asia-Pacific	253,614	23.4%	291,210	28.3%	350,671	32.3%
Total	1,082,570	100%	1,028,531	100%	1,084,706	100%
Total assets						
Europe	513,884	43.8%	451,713	43.1%	458,383	43.0%
Americas	247,345	21.1%	200,037	19.1%	185,006	17.4%
Asia-Pacific	412,947	35.2%	395,551	37.8%	421,607	39.6%
Total	1,174,176	100%	1,047,301	100%	1,064,995	100%
Purchases of tangible and intangible fixed assets (excl. IFRS 16)						
Europe	9,977	49.5%	16,898	71.0%	22,094	82.0%
Americas	3,546	17.6%	2,234	9.4%	1,578	5.9%
Asia-Pacific	6,645	32.9%	4,677	19.6%	3,272	12.1%
Total	20,169	100%	23,809	100%	26,944	100%

3. Assets held for sale

Barco announced on 4 December 2017, that it has reached an agreement with China Film Group (CFG) to change the ownership structure of BarcoCFG.

Barco agreed to sell 9% of its shares in BarcoCFG to China Film Group in exchange for 175 million CNY (or 22.2 million euro), thereby reducing its stake in the subsidiary from 58% to 49% and losing control once the transaction was completed. Operations of BarcoCFG were classified as a disposal group held for sale at 31 December 2017 and 30 June 2018.

Barco received the 175 million CNY per July 5th, 2018 after obtaining the required regulatory approvals, triggering the transfer in control as of July 1st. Barco has realized a gain on the change in control of 16.4 million euro in 2018. As of July 1st, 2018 the results of BarcoCFG are reported using the equity method and presented as part of the Group's EBITDA. We refer to note 9.
In connection with the held for sale classification per 31 December 2017, Barco allocated goodwill to BarcoCFG. We refer to note 10 for the judgements applied for this allocation.

The assets and liabilities of BarcoCFG per July 1st, 2018, the date of disposal and the major classes of assets and liabilities per 31 December 2017, classified as held for sale, are shown below:

IN THOUSANDS OF EURO		1 JUL 2018	31 DEC 2017
ASSETS			
Goodwill	(a)	8,000	8,000
Deferred tax assets		6,216	10,174
Other non-current assets		695	-
Non-current assets		**14,911**	**18,174**
Inventory	(b)	19,466	21,309
Trade debtors		38,113	32,668
Cash and cash equivalents		56,669	67,385
Other current assets		800	-
Current assets		**115,048**	**121,362**
Total assets		**129,959**	**139,536**
LIABILITIES			
Non-current accrued charges and deferred income		16,741	6,167
Non-current liabilities		**16,741**	**6,167**
Trade payables		11,371	11,605
Advances received from customers		20,760	21,814
Tax payables		3,266	13,600
Employee benefit liabilities		809	1,179
Accrued charges and deferred income		34,835	42,696
Provisions		2,662	3,608
Other current liabilities		18,533	-
Current liabilities		**92,237**	**94,502**
Total liabilities		**108,977**	**100,669**

IN THOUSANDS OF EURO	1 JUL 2018		31 DEC 2017
Total net assets	21,092		38,867
- Net assets directly assigned to BarcoCFG ((a) goodwill and profit on inventory part of (b))	-4,308	A	-1,659
Total local net assets	**16,784**		**37,207**
% of shares sold (i.e. 9%) x total local net assets	1,511	B	3,349
Total net assets sold (-A+B)	**5,819**		**5,008**

Reconciliation of the gain on the change in control of 16.4 million euro is shown below:

Reconciliation of the gain on the change in control:	
Cash proceeds	22,203
Total net assets sold	5,819
Gain on change in control	16,384

Per 30 June 2018, -2.2 million euro CTA was included in equity for BarcoCFG, which is recycled through profit and loss upon deconsolidation, included in the gain on change in control.

The net cash flow on the sale of the 9% shares is shown below.

Cash flow on sale of 9% shares BarcoCFG	
Cash proceeds	22,203
Cash sold	-56,669
Cash sold (net)	-34,466

We refer to note 25 for the effect on the Group's cash flow.

4. Income from operations (EBIT)

IN THOUSANDS OF EURO	2019	2018	2017
Sales	1,082,570	1,028,531	1,084,706
Cost of goods sold	-653,274	-615,578	-680,554
Gross profit	**429,295**	**412,953**	**404,152**
Gross profit as % of sales	**39.7%**	**40.1%**	**37.3%**
Indirect costs	-319,538	-325,467	-327,201
Other operating income (expenses) - net	280	2,488	-3,710
Adjusted EBIT	**110,038**	**89,974**	**73,241**
Adjusted EBIT as % of sales	**10.2%**	**8.7%**	**6.8%**
Restructuring and impairments	-	-17,000	-32,404
Gain on change in control	-	16,384	-
EBIT	**110,038**	**89,358**	**40,836**
EBIT as % of sales	**10.2%**	**8.7%**	**3.8%**

Topline increased 5.3% from 2018 to 2019 and decreased 5.2% from 2017 to 2018, impacted by the deconsolidation of BarcoCFG. After restating for the deconsolidation, sales are up 9.5% and up 6.4% in constant currencies (mainly impact of US dollar). In 2018, after restating for the deconsolidation, sales are close to flat (-0.5% yoy) and up 3.4% excluding the negative currency impact.

A strong gross profit margin improvement has been realized, from 37.3% in 2017 to 39.7% in 2019. A positive mix effect, value engineering and other cost efficiency efforts yielding into results across the 3 divisions are contributors to this improvement. The slightly lower gross profit margin in 2019 compared to 2018, in Entertainment and Healthcare, is due to cost of quality related to factory transfers and volume ramp-up transition costs.

The solid gross profits together with lower indirect costs, as a result of the execution of the in 2018 announced restructuring plan, result in an EBIT margin of 10.2% in 2019, a step-up of 1.5 percentage points vs 2018 (2018: 8.7%, 2017: 3.8%).

EBIT in 2019 does not include any adjusting items. In 2018 EBIT includes following adjusting items: restructuring costs (17 million euro) and gain realized on the sale of 9% of the shares of BarcoCFG (16.4 million euro), totaling net -0.6 million euro (2017: adjusting items: -32.4 million euro (5.2 million euro restructuring costs and 27.2 million non-cash impairment charges)).

For more details on adjusting items we refer to note 6. Restructuring and impairment.

The restructuring costs in 2018 relate to the on November 7th 2018 announced restructuring plan to align the organization with changing market demands and growth opportunities while enhancing the company's long term profitability. This comprehensive plan addressed specific aspects of Barco's organizational structure and effectiveness, and agility, particularly in the areas of product management and commercial and service delivery processes.

The execution of the restructuring that was announced in November 2018 was expected to affect around 240 positions across the organization over the course of 2019 and 2020, representing a total cost of 17 million euro (in 2017: 5.2 million euro, the announced relocation of the production of the Norway plant to Belgium and the decision to stop loss-making activities mainly in the Entertainment division). We refer to note 6 for more details on restructuring charges recorded.

IN THOUSANDS OF EURO	NOTE	2019	2018	2017
Adjusted EBIT		110,038	89,974	73,241
Depreciations and amortizations	11	42,984	34,492	33,877
EBITDA		153,022	124,466	107,118
EBITDA as % of sales		14.1%	12.1%	9.9%

Continued profit improvement, across the three divisions, resulting in EBITDA margin up 2 percentage points to 14.1% on sales in 2019, compared to 12.1% in 2018 and 9.9% in 2017.

IN THOUSANDS OF EURO	2019		2018		2017	
Product sales	905,366	84%	835,779	81%	888,753	82%
Project sales	75,776	7%	96,382	9%	96,016	9%
Service sales	101,428	9%	96,369	9%	99,936	9%
Sales	1,082,570		1,028,531		1,084,706	

Major part of the sales relates to product sales (in 2019: 84%, in 2018: 81%, 2017: 82%). Project sales include combined sales from products, installations and services and were declining from 2018 to 2019 as a result of declining project sales in the control rooms business after the launch of Unisee (product sales) in 2018.

In 2018 project sales have remained at the same level as 2017. Most of these project sales have a lifetime of less than one year. The share of service sales remains stable, at 9% of total sales.

We refer to note 2.Segment Information and to the chapter 'Comments on the results' for more explanation on sales and income from operations (see page A/100).

Indirect costs and other operating income (expenses) - net

IN THOUSANDS OF EURO	2019	2018	2017
Research and development expenses (a)	-119,389	-120,279	-122,305
Sales and marketing expenses (b)	-142,517	-147,723	-146,802
General and administration expenses (c)	-57,632	-57,464	-58,095
Indirect costs	-319,538	-325,467	-327,201
Other operating income (expenses) - net (d)	280	2,488	-3,710
Indirect costs and other operating income (expenses) - net	-319,258	-322,979	-330,911

Indirect costs declined over the last year representing 29.5% of sales in 2019 versus 31.6% of sales in 2018, net after redeployments and restructuring.

(a) Research and development expenses

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

IN THOUSANDS OF EURO	2019	% of sales	2018	% of sales	2017	% of sales
Entertainment	49,398	11%	49,216	11%	50,142	9%
Enterprise	42,137	12%	43,751	13%	48,768	16%
Healthcare	27,853	10%	27,312	11%	23,395	10%
Total Research & development expenses	119,389		120,279		122,305	

In 2019, research and development expenses represent 11.0% of sales in 2019 (11.7% in 2018; 11.3% in 2017).

(b) Sales and marketing expenses

IN THOUSANDS OF EURO	2019	% of sales	2018	% of sales	2017	% of sales
Sales and marketing expenses	142,517	13.2%	147,723	14.4%	146,802	13,5%

Sales and marketing expenses include all indirect costs related to the sales and customer service 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.

In 2019, decreased sales and marketing expenses are a result of the executed restructuring plan in the areas of product management and commercial and service delivery processes.

In 2018, increased sales and marketing expenses were mainly linked to Clickshare landgrab and Healthcare in China.

(c) General and administration expenses

IN THOUSANDS OF EURO	2019	% of sales	2018	% of sales	2017	% of sales
General and administration expenses	57,632	5.3%	57,464	5.6%	58,095	5.4%

General and administration expenses include the costs related to information technology, finance and accounting, general and divisional management, human resources, legal and investor relations. Expenses have decreased as percentage of sales to 5.3% of sales in 2019, net after further investing in IT infrastructure and executing the 2018 restructuring plan, compared to 5.6% in 2018 and 5.4% in 2017. Steady investments in IT systems over the past years have led to IT costs (including also amortizations on SAP ERP system) representing the major part of G&A expenses (40%).

(d) Other operating income (expense) – net

IN THOUSANDS OF EURO	NOTE	2019	2018	2017
Share in the result of BarcoCFG	(a)	6,296	2,799	-
Gain on divestments	(b)	-	743	513
Financial customer discounts		-773	-762	-588
Reversal other long term liability	(c)	-	106	2,246
Bad debt provisions (net of write-offs and reversals of write-offs)		103	996	-674
Cost of share-based payments		-2,147	-2,050	-1,549
Exchange gains and losses (net)		-3,319	-794	-2,291
Bank charges		-759	-728	-705
Other provisions (net of additions and reversals of provisions)		502	782	-2,325
Gains/(Loss) on disposal of tangible fixed assets		1,349	529	-362
Other (net)		-972	866	2,025
Total		**280**	**2,488**	**-3,710**

(a) As of July 2018, BarcoCFG is accounted for under the equity method. The 49% share in the net result of BarcoCFG is represented in EBITDA. See note 9.

(b) In 2018 gain on divestment relates to the sale of X2O Media. In 2017 this mainly relates to the divested Lighting activities. We refer to note 1.3. Acquisitions and divestments for more explanation.

(c) In 2018 and 2017 this concerned the loan on the former DAT business. For further information, see note 16.

5. 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	2019		2018		2017		VARIANCE 2019-2018	VARIANCE 2018-2017
Sales	1,082,570		1,028,531		1,084,706		5%	-5%
Material cost	-530,733	-49%	-501,664	-49%	-560,388	-52%	6%	-10%
Services and other costs	-111,772	-10%	-122,953	-12%	-135,309	-12%	-9%	-9%
Personnel cost	-287,323	-27%	-281,936	-27%	-278,181	-26%	2%	1%
Depreciation property, plant, equipment and software	-42,984	-4%	-34,492	-3%	-33,877	-3%	25%	2%
Other operating income (expense) - net (note 4)	280	0%	2,488	0%	-3,710	0%		
Adjusted EBIT	**110,038**	**10%**	**89,974**	**9%**	**73,241**	**7%**	**22%**	**23%**

Personnel cost includes the cost for temporary personnel for an amount of 5.3 million euro (in 2018: 4.1 million euro, in 2017: 5.3 million euro).

Average number of employees in 2019 was 3,590 (versus 3,592 in 2018; 3,515 in 2017), including 2,688 white-collars (in 2018: 2,715, in 2017: 2,683) and 902 blue-collars (in 2018: 877, in 2017: 832).

6. Restructuring and impairment costs

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

IN THOUSANDS OF EURO	NOTE	2019	2018	2017
Total restructuring (cash):		**-**	**-17,000**	**-5,200**
Lay-off costs		-	-17,000	-5,200
Total impairments (non-cash):		**-**	**-**	**-27,204**
Impairment on goodwill	10	-	-	-10,870
Impairment on investments	9	-	-	-9,074
Write off on inventories		-	-	-4,400
Impairment (in)tangible fixed assets	11	-	-	-2,860
Total restructuring and impairments		**-**	**-17,000**	**-32,404**

Please refer to note 10 for explanation on impairment on goodwill, note 9 for explanation on the impairment on investments and note 11 for impairment of (in)tangible fixed assets.

Restructuring costs include lay off costs (2018: 17 million euro, 2017: 5.2 million euro). Non-cash impairment costs relate to impairment on intangible and tangible fixed assets (2017: 2.9 million euro), goodwill (2017: 10.9 million euro), write off on inventories (2017: 4.4 million euro) and investments (2017: 9 million euro).

There are no restructuring and impairment costs in 2019.

The restructuring costs in 2018 relate to the on November 7th, 2018 announced restructuring plan to align the organization with changing market demands and growth opportunities while enhancing the company's long term profitability. This comprehensive plan addressed specific aspects of Barco's organizational structure and effectiveness, and agility, particularly in the areas of product management and commercial and service delivery processes.

The execution of the restructuring announced in November 2018 was expected to affect around 240 positions across the organization over the course of 2019 and 2020, representing a total cost of 17 million euro. In 2019 major part of the plan was executed and on plan to be fully completed in 2020.

Restructuring and impairment costs in 2017 relate to Barco's decision to move the production activities in Norway to Belgium, leading to a provision for lay off costs as well as an impairment on the building (in Entertainment division), and to Barco's decision to revisit the future of certain growth initiatives (in Entertainment division) and the X2O business (in Enterprise division). Based on the latter decision, management assessed additional write offs on inventories (growth initiatives), impairment on goodwill and know-how (X2O) and provision for lay-off costs. The move of the production from Norway to Belgium was ongoing in 2018 and completed in the course of 2019. X2O was divested in 2018 (see notes 1.3 and 25).

The decision to revisit the future of the Lighting business, resulted in additional write offs on inventories of 3 million euro. The Lighting business was divested in 2017 (see notes 1.3 and 25).

7. Income taxes

IN THOUSANDS OF EURO	NOTE	2019	2018	2017	
Current versus deferred income taxes					
Current income taxes		-12,394	-9,409	-11,779	
Deferred income taxes		-8,454	-7,177	424	
Income taxes		-20,848	-16,586	-11,355	
Income taxes versus income before taxes					
EBIT		110,038	89,358	40,836	
Interest income (expense) - net		5,782	4,350	2,013	
Income before taxes		115,820	93,708	42,849	
Income taxes		**-20,848**	**-16,586**	**-11,355**	
Effective income tax rate	%	18,0%	17.7%	26.5% (*)	
Income before taxes		**115,820**	**93,708**	**42,849**	
Theoretical tax rate		30%	30%	34%	
Theoretical tax credit/(cost)		**-34,260**	**-27,719**	**-14,565**	
Innovation income deduction (IID)		7,398	7,291	8,243	
Effect of different tax rates in foreign companies		4,772	3,452	4,463	
Changes in deferred tax on undistributed earnings	(a)	-2,100	-	-	
Uncertain tax treatment	(b)	1,260	-	-	
Gain on sold shares	(c)	-	3,719	-	
Capital loss on shares	(d)	-	-	1,636	
Other income exempt from tax (mainly government grants)		2,068	1,390	1,726	
Non deductible expenses					
Dividends received	(e)	-3,595	-1,574	-1,523	
Goodwill impairments non-deductible	(f)	-	-	-3,695	
Impairment on investment	(g)	-	-	-3,364	
Other non-deductible expenses		-2,440	-1,829	-1,873	
Effect of change in expected tax rate on deferred taxes	(h)	291	-1,055	-15,562	A
Tax adjustments related to prior periods		2,155	-495	1,728	
Deferred tax assets, derecognized in current year	(i)	-102	-335	-487	
Set-up/use of deferred tax assets, not recognized in prior years	(j)	3,688	270	11,063	A
Investment allowances		-	211	854	
Notional interest deduction (NID)	(k)	19	89	-	
Taxes related to current income before taxes		-20.848	-16,586	-11,355	

(*) Adjusted tax rate 2017 = 16% (Taxes related to current income before taxes - non-recurring tax items (sum of A))/income before taxes) = (-11,355 – (-15,562 + 11,063))/42,849. Adjusted tax rate is the tax rate used in the calculation of ROCE (see page C/85).

(a) Deferred tax recognized on undistributed earnings of subsidiaries which are expected to be distributed in the foreseeable future.
(b) See note 12.
(c) In 2018, the gain realized on the sale of the 9% shares of BarcoCFG is tax exempt.
(d) In 2017, the sale of the Lighting activities resulted in a capital loss for which part could be carried back to the gain realized on the sale of the assets of the DAT business in 2015 in the US.
(e) Withholding tax on dividends received in 2018 and 2019.
In 2017, this is the net effect of deferred taxes on DRD (dividends received deduction) carried forward and 5% taxable income on dividends received.
(f) See note 10 for more details on goodwill impairments recorded in 2017. The 2017 goodwill impairments were non-deductible.
(g) For more details on impairment on investments recorded in 2017, please see note 6. Impairments on investments are non-tax deductible.
(h) & (j) In 2017, impact of the change in tax regulation in Belgium and US was -4.5 million euro cost, net of -15.6 million euro (h) reduction on deferred tax assets in Belgium and US due to a lower enacted tax rate; and 11 million euro (j) new deferred tax assets set-up on uncapped or faster deductible tax credits in Belgium, in combination with higher than anticipated taxable results in Belgium.
(i) Deferred tax assets not recognized on tax losses or tax losses carried forward when assessment shows it is not probable that these tax benefits can be utilized in the near future. See note 12.
(k) Decrease of the allowed notional interest percentage over the years – small usage of NID in 2018 and 2019, no usage of NID in 2017.

8. Earnings per share

IN THOUSANDS OF EURO		2019	2018	2017
Net income/(loss) attributable to the equity holder of the parent		95,363	74,965	24,776
Weighted average of shares		12,548,085	12,437,153	12,328,663
Basic earnings per share		**7.60**	**6.03**	**2.01**
Net income/(loss) attributable to the equity holder of the parent		95,363	74,965	24,776
Weighted average of shares (diluted)		12,694,210	12,531,299	12,428,453
Diluted earnings per share	(a)	**7.51**	**5.98**	**1.99**

(a) The difference between the weighted average of shares and weighted average of shares (diluted) is due to exercisable warrants, 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 warrants, we refer to note 17.

9. Investments and interest in associates

IN THOUSANDS OF EURO	2019	2018	2017
Investments	23,215	178	315
Interest in associates	20,073	18,927	7,591
Investments and interest in associates	43,288	19,105	7,906

Investments

IN THOUSANDS OF EURO	2019		
	Unilumin	Other	Total
Opening net assets 1 January		178	178
Additions	21,185		21,185
Other comprehensive income	1,852		1,852
Closing net assets 31 December	23,038	178	23,215

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. Both are fully allocated to the Entertainment division.

The increase in investments from 2018 to 2019 is related to the on September 10th announced strategic collaboration with Unilumin, a listed Chinese company and leading LED manufacturer and technology leader. As part of this collaboration agreement Barco acquired a minority stake of 2% into Unilumin through a share transfer. As Unilumin is stock quoted in an active market, the quoted market price is the best measure of fair value. The remeasurement at fair value per 31 December 2019 versus the carrying amount is reflected in other comprehensive income (1.9 million euro).

Interest in associates

Interest in associates, in 2019, reflects the equity investment in BarcoCFG and CCO. The increase in interest in associates from 2017 to 2018 is related to the sale of 9% of the shares in BarcoCFG, reducing Barco's shareholder's percentage from 58% to 49% and is since then consolidated in accordance with the equity method, as the sale resulted in the loss of control upon completion of the transaction for Barco. The fair value of the retained 49% investment in the former subsidiary was calculated based on a discounted cash flow analysis and resulted in a fair value close to book value.

Barco has realized a gain on the change in control of 16.4 million euro, reflected as a separate line in the income statement 'gain on change in control' in 2018.

The Group's share of the assets and liabilities as at 31 December 2019 and 2018 and income and expenses of the joint ventures and associates for the year ended 31 December 2019 and 2018, which are accounted for using the equity method:

SUMMARIZED BALANCE SHEET IN THOUSANDS OF EURO	BARCO CFG 31 DEC 2019	CCO 31 DEC 2019	TOTAL 31 DEC 2019	BARCO CFG 31 DEC 2018	CCO 31 DEC 2018	TOTAL 31 DEC 2018
Cash and cash equivalents	44,828	12,924	57,752	65,586	2,207	67,793
Other current assets	51,365	9,625	60,990	40,683	11,215	51,898
Total current assets	**96,193**	**22,548**	**118,741**	**106,270**	**13,421**	**119,691**
Non-current assets	**7,994**	**15,602**	**23,595**	**7,692**	**18,505**	**26,196**
Other current liabilities	83,356	9,853	93,209	91,963	8,963	100,926
Total current liabilities	**83,356**	**9,853**	**93,209**	**91,963**	**8,963**	**100,926**
Other non-current liabilities	-	13	13	-	-316	-316
Total non-current liabilities	-	110	110	-	-316	-316
Net assets	**20,831**	**28,187**	**49,018**	**21,998**	**23,279**	**45,277**
Reconciliation to carrying amounts:						
Opening net assets 1 January (1)	21,998	23,279	45,277	16,784	21,689	38,472
Profit/loss for the period	12,849	4,476	17,325	5,712	545	6,257
Other comprehensive income (CTA)	161	433	593	-498	1,046	548
Dividends paid	-14,178	-	-14,178	-	-	-
Closing net assets	20,831	28,187	49,018	21,998	23,279	45,277
Group's share in %	49%	35%		49%	35%	
Group's share	10,207	9,866	20,073	10,779	8,148	18,927
Carrying amount	10,207	9,866	20,073	10,779	8,148	18,927

(1) Opening net assets of BarcoCFG as of July 1st 2018, date of change in control (see note 3)

SUMMARIZED STATEMENT OF COMPREHENSIVE INCOME IN THOUSANDS OF EURO	BARCO CFG 31 DEC 2019	CCO 31 DEC 2019	TOTAL 31 DEC 2019	BARCO CFG 31 DEC 2018	CCO 31 DEC 2018	TOTAL 31 DEC 2018
Profit/loss for the period	**12,849**	**4,476**	**17,325**	**5,712**	**545**	**6,257**
Other comprehensive income (CTA)	161	433	593	-498	1,046	548
Total comprehensive income	13,010	4,908	17,918	5,215	1,590	6,805
Group's share in %	49%	35%		49%	35%	
Group's share	6,296	1,566	7,863	2,799	191	2,990
Share in the result of joint ventures and associates	-	1,566	1,566	-	191	191
Included in other operating income	6,296		6,296	2,799		2,799

The Group has no contingent liabilities or capital commitments in relation to its associates as at 31 December 2019 and 2018. 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.

10. Goodwill

IN THOUSANDS OF EURO	2019	2018	2017
At cost			
On 1 January	179,775	179,548	187,548
Acquisitions	-	-	-
Transfer to assets held for sale	-	-	-8,000
Translation (losses)/gains	-	227	-
On 31 December	179,775	179,775	179,548
Impairment			
On 1 January	74,163	74,163	63,292
Impairment losses	-	-	10,870
On 31 December	74,163	74,163	74,163
Net book value			
On 1 January	105,612	105,385	124,255
On 31 December	105,612	105,612	105,385

In 2019, there are no changes to goodwill.

Barco announced on 4 December 2017, that it had reached an agreement with China Film Group (CFG) to change the ownership structure of BarcoCFG (we refer to assets held for sale in note 3 and critical accounting judgments estimate on page C/34 for more explanation). The announcement resulted in the presentation of the net assets of BarcoCFG as assets held for sale.

BarcoCFG was included in the cash generating unit Entertainment, which had a total allocated goodwill of 43.6 million euro per end of 2017. BarcoCFG was established in 2011 and contributed to the cash generating unit (CGU) Entertainment since 1 January 2013, from the date on which Barco obtained control in BarcoCFG. At acquisition date, no goodwill was recognized on BarcoCFG but following the acquisition the entity contributed significantly to the sales and net income of the CGU.

At the announcement of the disposal, goodwill was allocated at the level of the Entertainment CGU and Barco disposed of an operation within this CGU. Therefore, in accordance with IAS 36.86, it needed to determine the goodwill associated with that operation in order to include it in the result of the disposal. Barco applied the relative value based on the sales of the Entertainment CGU because most of the China Entertainment sales were done through BarcoCFG. This led to an allocation of 8 million euro goodwill to BarcoCFG, presented as assets held for sale at the end of 2017.

Per 1 July 2018 the change in ownership structure of BarcoCFG was completed and the assets held for sale were disposed.

In 2019 and 2018, the impairment tests on goodwill did not result in any impairment.

In 2017, an impairment loss was recorded for an amount of 10.9 million euro, following management's decision to reorganize the Enterprise cash-generating unit by revisiting the future or disposing of X2O. Barco considered IAS 36.12(f) and concluded that based on this decision there were clear impairment indicators. The goodwill allocated to the cash-generating unit Enterprise has been re-allocated as Barco believed that an arbitrary method as permitted by IAS 36.87 would better reflect the goodwill associated with the re-organized units. In order to support this, Barco considered the facts and circumstances relating to the acquisition of X2O.

The legal entity X2O has been acquired (100% of the shares) on 18 March 2014. The acquisition reflected Barco's strategy to move beyond display and projection technology and expanded Barco's portfolio with a complete solution to deliver enhanced and cross-divisional content distribution and workflow, based on advanced networking and connectivity capabilities.

Of the total acquisition price of 13.3 million euro, 3.2 million euros was allocated to intangibles (know-how; 1.5 million euros remaining book value per end of 2017) and 10.9 million euro was allocated to residual goodwill. Barco believed that the method of allocating goodwill after the re-organization of the Enterprise cash-generating unit best reflected the goodwill associated with the remaining Enterprise cash-generating unit, i.e. the previous goodwill of 52.7 million euro less the goodwill associated with the X2O acquisition of 10.9 million euro. Consequently, Barco allocated 10.9 million euro goodwill to the operations of X2O which was immediately impaired together with the remaining book value of the acquired know-how (1.5 million euro) because Barco estimated that the recoverable amount of the X2O operations was insufficient to cover. In April 2018, X2O was sold to Stratacache. We refer to note 1.3 Acquisitions and divestments for further explanation.

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 units which are expected to benefit from that business combination. These cash-generating units correspond to the division level for Entertainment, Healthcare and Enterprise. 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 follows (in thousands of euro):

Cash generating units

IN THOUSANDS OF EURO	2019	2018	2017
Entertainment	35,564	35,564	35,564
Healthcare	28,263	28,263	28,036
Enterprise	41,785	41,785	41,785
Total goodwill (net book value)	**105,612**	**105,612**	**105,385**

The Group performed its annual impairment test in the fourth quarter of 2019 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 2019, the market capitalization of the Group was more than three 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 divisional 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 6.5% (2018: 8.9%, 2017: 8.9%) and cash flows beyond the five year period are extrapolated using a conservative growth rate of 0% (2018: 0%, 2017: 0%). The amount by which the unit's recoverable amount exceeds it carrying amount is 188 million euro in Entertainment (76 million euro in 2018), 590 million euro in Enterprise (262 million euro in 2018) and 260 million euro (130 million euro in 2018) in Healthcare.

In 2019, the carrying amounts include the impact of the right-of-use assets resulting from the first year application of IFRS 16. 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 after the impairment test.

Impairment losses recorded (in previous years) are shown in a separate line 'Restructuring and impairments' on the face of the income statement. We refer to note 6 Impairment and restructuring costs for a detailed break-down of the amounts shown in this line of the income statement.

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 rates;

The assumptions are shown in below table:

	ENTER-TAINMENT	HEALTH-CARE	ENTER-PRISE
Sales growth rate used during the projection period	0%	0%	0%
EBITDA as % of sales	8.2%	11.9%	17.6%
Growth rate estimates	0%	0%	0%
Discount rates	6.5%	6.5%	6.5%

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 three years preceding the start of the budget period for all divisions and has been kept conservatively flat over the projected period. In none of the divisions, the positive impact on EBITDA, coming from the implementation of IFRS 16 Leasing (see IFRS accounting standards adopted as of 2019 on page C/20) was considered in the projected EBITDA percentages used, as even then there is no risk for impairment.

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

Discount rates – Discount rates reflect 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 2019, only the 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 Entertainment, Enterprise and Healthcare a reduction of the EBITDA percentage in the last year of the projected period of respectively more than 4%, 15% and 8% 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.

11. Other intangible assets and tangible fixed assets

11.1 Other intangible assets

IN THOUSANDS OF EURO	2019						2018	2017
	SOFTWARE	CUSTOMER RELATIONS	KNOW HOW	OTHER INTAN-GIBLE ASSETS	OTHER INTANGIBLE ASSETS UNDER CONSTRUC-TION	TOTAL	TOTAL	TOTAL
At cost								
On 1 January	68,024	21,209	44,024	10,126	312	143,696	145,300	140,663
Expenditure	2,452	-	-	29	642	3,122	3,710	6,634
Sales and disposals	-929	-	-	-	-	-929	-4,581	-462
Acquisition of subsidiaries	-	-	8,900	-	-	8,900	-	3,202
Disposal of subsidiaries	-	-	-	-	-	-	-405	-124
Transfers	851	-	-	-	-850	-	-	-
Translation (losses)/gains	39	332	2,054	35	-	2,461	-329	-4,612
On 31 December	70,436	21,541	54,979	10,191	104	157,250	143,696	145,300
Amortization and impairment								
On 1 January	36,297	18,983	31,317	9,702	-	96,299	81,939	64,898
Depreciation	7,746	2,242	5,502	33	-	15,523	19,032	18,481
Impairment	-	-	-	-	-	-	-	1,536
Sales and disposals	-670	-	-	-	-	-670	-4,554	-462
Acquisition of subsidiaries	-	-	-	-	-	-	-	-
Disposal of subsidiaries	-	-	-	-	-	-	-153	-114
Transfers	-	-	-	-	-	-	-	-
Translation (losses)/gains	32	315	1,263	19	-	1,629	35	-2,400
On 31 December	43,406	21,541	38,082	9,753	-	112,781	96,299	81,939
Carrying amount								
On 1 January	31,727	2,226	12,708	425	312	47,397	63,361	75,765
On 31 December	27,031	0	16,897	438	104	44,469	47,397	63,361

Barco's intangibles mainly include SAP ERP software and intangibles acquired in acquisitions.

In 2019, capital expenditures for intangible assets amount to 3.1 million euro (2018: 3.7 million euro; 2017: 6.6 million euro) of which 1 million euro for the implementation of SAP ERP software for the automated warehouse in Belgium

(2018: 1.5 million euro; 2017: 5.4 million euro), 0.6 million euro for the implementation of CRM software in Cinionic and 0.4 million euro for the roll-out of SAP BYD in the sales offices in EMEA and APAC. The SAP capital expenditures are amortized as roll out is performed successfully pro rata the number of licenses used. For the total scope of the OnePlatform SAP project Barco foresaw 2,600 licenses. Per successful roll-out (India, Belgium, Germany, US, China) a part of the licenses were activated and used. These SAP capital expenditures are amortized over 7 years conform the valuation rules for intangible fixed assets. This was done as of April 2014 in India, July 2015 in Belgium, July 2016 in Germany, July 2017 in the US and October 2018 in China. All planned SAP roll-outs were completed in 2018.

In 2019, the acquired know how for caresyntax (8.9 million euro) is included in 'acquisition of subsidiaries'. In 2017 this is related to the customer list from the P2M asset deal (3.0 million euro). The impairment in 2017 of 1.5 million euro relates to the acquired know-how on the X2O acquisition, which resulted from Barco's decision to revisit the future of X2O. We refer to note 6 restructuring and impairments.

We refer to Note 1.3 on "Acquisitions and divestments" and Note 25 on "Cash flow statement: effect of acquisitions and disposals" for more details on these transactions.

Barco does not hold intangible assets with indefinite lifetime.

11.2 Tangible fixed assets

IN THOUSANDS OF EURO	2019							2018	2017
	LAND AND BUILDINGS	PLANT, MACHINERY AND EQUIPMENT	FURNITURE, OFFICE EQUIPMENT AND VEHICLES	OTHER PROPERTY, PLANT AND EQUIPMENT	ASSETS UNDER CON-STRUCTION	TOTAL OTHER TANGIBLE ASSETS	TOTAL	TOTAL	TOTAL
At cost									
On 1 January	91,850	87,504	36,191	12,776	11,690	148,161	240,011	237,667	238,959
Expenditure *	4,110	5,274	4,994	1,937	5,429	17,635	21,745	20,099	20,311
Sales and disposals	-3,037	-10,844	-4,323	-1,650	-	-16,817	-19,854	-15,820	-13,324
Change in accounting principle (IFRS 16)	27,715		5,723			5,723	33,438		
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	836
Disposal of subsidiaries	-	-	-	-	-	-	-	-1,990	-3,042
Transfers	6,345	7,860	707	409	-15,322	-6,346	-	-	-
Translation (losses)/gains	537	540	183	197	65	984	1,522	55	-6,071
On 31 December	127,520	90,335	43,474	13,670	1,862	149,342	276,861	240,011	237,668
Depreciation and impairment									
On 1 January	34,073	57,967	28,563	10,628	-	97,158	131,231	132,337	135,024
Depreciation	11,961	8,349	5,650	1,506	-	15,506	27,466	15,458	15,397
Impairment	-	-	-	-	-	-	-	-	1,324
Sales and disposals	-2,350	-10,128	-3,989	-1,580	-	-15,698	-18,048	-15,075	-12,794
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-
Disposal of subsidiaries	-	-	-	-	-	-	-	-1,460	-2,664
Transfers	-18	-1	19	-	-	18	-	-	-
Translation (losses)/gains	190	304	134	116	-	553	743	-29	-3,950
On 31 December	43,855	56,491	30,376	10,670	-	97,537	141,393	131,231	132,337
Carrying amount									
On 1 January	57,777	29,537	7,628	2,148	11,690	51,003	108,780	105,330	103,935
On 31 December	83,665	33,843	13,098	3,000	1,862	51,804	135,467	108,779	105,330

(*) Expenditure also includes the additions for IFRS 16.

The main capex realized in the period 2015 – 2019 relates to the new headquarters of Barco and the extended operations facility for 79.1 million euro (spread over 2019: 1.4 million euro, 2018: 8.2 million euro; 2017: 11.1 million euro; 2016: 14.2 million euro; 2015: 44.2 million euro) and the factory in Taiwan 9.9 million euro (spread over 2019: 4.1 million euro; 2018: 2.1 million euro; 2017: 1.6 million euro; 2016: 2.1 million euro).

The total capex further includes machinery and tooling for the new Cinema products (1.5 million euro), machinery for the new factory in China (Suzhou) for 0.8 million euro (2018: 1.0 million euro) as well as the renovation of the Duluth facility in the US (2019: 2 million euro; 2018: 1.6 million euro). Disposals in 2019 mainly relate to old machinery & equipment, which are no longer in use and to the sale of the remaining part of the land and building in Poperinge.

Leases

This note provides information for leases where the Group is a lessee. The balance sheet shows the following amounts relating to leases:

IN THOUSANDS OF EURO	31 DEC 2019	1 JAN 2019*
Buildings	23,210	27,715
Vehicles	4,807	5,723
Total right-of-use assets	**28,017**	**33,438**
Total lease liabilities	**28,259**	**33,438**
Current	8,969	9,453
Non-current	19,290	23,985

(*) In the previous year, the Group only recognized lease assets and lease liabilities in relation to leases that were classified as 'finance leases' under IAS 17 Leases. The assets were presented in property, plant and equipment and the liabilities as part of the Group's borrowings. For adjustments recognized on adoption of IFRS 16 on 1 January 2019, please refer to note IFRS accounting standards adopted as of 2019.

Additions to the right-of-use assets during 2019 were 4.4 million euro. The statement of profit or loss shows the following amounts relating to leases:

IN THOUSANDS OF EURO	31 DEC 2019
Buildings	-7,702
Vehicles	-2,281
Total depreciation charge of right-of-use assets	**-9,983**
Interest expense (included in finance cost)	-1,085
Expense relating to short-term leases	-509
Expense relating to leases of low-value assets that are not shown above as short-term leases	-23

The total cash outflow for leases in 2019 was 10.6 million euro. We refer to 1.6. Leases for change in accounting principles.

12. Deferred tax assets – deferred tax liabilities

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

IN THOUSANDS OF EURO	ASSETS			LIABILITIES			NET ASSET/(LIABILITY)		
	2019	2018	2017	2019	2018	2017	2019	2018	2017
Tax value of loss carry forwards	22,622	20,367	23,531	-	-	-	22,622	20,367	23,531
Tax value of tax credits	11,505	18,980	21,558	-	-	-	11,505	18,980	21,558
Provisions	14,689	13,430	17,055	-	-2,336	-345	14,689	11,094	16,710
Inventory	10,247	12,001	15,089	-353	-278	-148	9,894	11,723	14,941
Deferred revenue	3,825	4,805	3,550	-979	-1,518	12	2,845	3,287	3,562
Tangible fixed assets and software	1,766	1,741	1,891	-960	-836	-519	806	905	1,372
Employee benefits	1,207	1,388	670	-1,000	-8	22	207	1,380	692
Other investments	558	408	416	-	-	-	558	408	416
Trade debtors	401	231	601	-	-4	3	401	228	604
Uncertain tax treatment	-	-	-	-5,240	-	-	-5,240	-	-
Patents, licenses, ...	-	-	1	-4,013	-4,159	-8,841	-4,013	-4,159	-8,840
Capitalized development cost	-	-	-	-	-	-	-	-	-
Other items	-1,561	293	972	-173	-170	-131	-1,734	124	841
Gross tax assets/(liabilities)	**65,260**	**73,646**	**85,334**	**-12,719**	**-9,308**	**-9,947**	**52,541**	**64,338**	**75,387**
Offset of tax	-5,143	-6,169	-5,300	5,143	6,169	5,300	-	-	-
Net tax assets/(liabilities)	**60,116**	**67,478**	**80,034**	**-7,575**	**-3,140**	**-4,647**	**52,541**	**64,338**	**75,387**
Transfer to assets held for sale	-	-	-10,174	-	-	-	-	-	-10,174
Net tax assets/(liabilities)	**60,116**	**67,478**	**69,860**	**-7,575**	**-3,140**	**-4,647**	**52,541**	**64,338**	**65,213**

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

IN THOUSANDS OF EURO	AS AT 1 JANUARY	RECOGNIZED THROUGH INCOME STATEMENT	"RECOGNIZED THROUGH EQUITY	EXCHANGE GAINS AND LOSSES	AS AT 31 DECEMBER
Tax value of loss carry forwards	20,367	2,132	-	123	22,622
Tax value of tax credits	18,980	-7,478	-	3	11,505
Patents, licenses, ...	-4,159	353	-	-207	-4,013
Tangible fixed assets and software	905	-111	-	12	806
Other investments	408	142	-	8	558
Inventory	11,723	-2,000	-	171	9,894
Trade debtors	228	167	-	6	401
Provisions	11,094	709	2,834	52	14,689
Employee benefits	1,380	-1,200	-	27	207
Deferred revenue	3,287	-507	-	65	2,845
Other items	124	-1,921	-	63	-1,734
Uncertain tax treatment	-	1,260	-6,500	-	-5,240
Net deferred tax	**64,338**	**-8,454**	**-3,666**	**322**	**52,541**

On top of the tax losses and tax credits for which a net deferred tax is recognized (net deferred tax asset of respectively 22.6 million euro and 11.5 million euro), The Group owns tax losses carried forward and other temporary differences on which no deferred tax asset is recognized amounting to 41.3 million euro as of 31 December 2019 (44.6 million euro in 2018) (resulting in a non-recognized deferred tax asset of 11.3 million euro (12.2 million euro in 2018)) and unutilized capital losses carried forward in the US on which no deferred tax asset is recognized amounting to 29.4 million euro (29.4 million euro in 2018) (resulting in a non-recognized deferred tax asset of 7.3 million euro (7.3 million euro in 2018)). Deferred tax assets have not been recognized on these items because it is not probable that taxable profit will be available in the near future against which the benefits can be utilized. The tax losses carried forward and other temporary differences on which no deferred tax asset is recognized have no expiration date, except for capital losses carried forward which expire after 5 years in the US.

Deferred tax assets recognized, primarily relate to the tax value of loss carry forwards and tax credits and almost fully relate to Belgium. 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 tax planning strategies in making this 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 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 as at 31 December 2019, it is probable that the Group will be able to recover these deductible temporary differences.

Impact of changes in tax regulations in Belgium and US in 2017 are explained in note 7.

Barco has not recognized income taxes on undistributed earnings of its subsidiaries which will not be distributed in the foreseeable future. The cumulative amount of undistributed earnings on which the Group has not recognized income taxes was approximately 436 million euro at December 31, 2019, 460 million euro at December 31, 2018 and 457 million euro at December 31, 2017.

13. Inventory

IN THOUSANDS OF EURO	2019	2018	2017
Raw materials and consumables	68,868	66,498	73,456
Work in progress	61,560	54,122	50,133
Finished goods	112,871	96,930	100,951
Write-off on inventories	-74,316	-82,439	-91,786
Inventory	**168,983**	**135,111**	**132,754**
Inventory turns	3.2	3.8	3.6

The write-offs recognized as expense in 2019 amounts to 4.4 million euro or 0.4% of sales (2018: 6.1 million euro; 0.6% of sales, 2017: 8.4 million euro; 0.8% of sales). In 2017 4.4 million euro write-offs resulting from the decision to phase out certain businesses were included in restructuring and impairment costs. See note 6.

The inventory turns decreased to 3.2 compared to 3.8 in 2018, mainly impacted by the launch and ramp-up of new products.

There is no inventory pledge as security for liabilities.

14. Amounts receivable and other non-current assets

IN THOUSANDS OF EURO		2019	2018	2017
Trade debtors - gross		198,232	165,201	153,920
Trade debtors - bad debt reserve	(a)	-2,874	-3,413	-4,481
Trade debtors - net	(b)	**195,358**	**161,787**	**149,439**
V.A.T. Receivable		8,574	7,054	7,461
Taxes receivable		3,266	3,313	4,787
Interest receivable		1,860	943	777
Currency rate swap (note 21)		5,879	2,380	677
Other		6,090	5,876	5,666
Other amounts receivable		**25,669**	**19,567**	**19,368**
Other non-current assets	(c)	**4,018**	**9,732**	**12,887**
Number of days sales outstanding (DSO)		55	52	55

Per 31 December 2019, the number of days sales outstanding is at 55 days (52 days in 2018 and 55 in 2017). The increase in number of days sales outstanding is the result of longer payment terms granted. In 2017 the DSO included the trade debtors of BarcoCFG which were presented in assets held for sale in 2017 (32.7 million euro). The bad debt reserve in proportion to the gross amount of trade debtors has decreased to 1.4% (2018: 2.1%, 2017: 2.9%).

(a) Movement in bad debt reserve:

IN THOUSANDS OF EURO	2019	2018	2017
On 1 January	**-3,413**	**-4,481**	**-5,558**
Sale of subsidiary	-	-	43
Additional provisions	-720	-1,922	-3,913
Amounts used	332	548	199
Amounts unused	972	2,458	3,472
Transfer to assets held for sale	-	-	1,021
Translation (losses) / gains	-45	-15	256
On 31 December	**-2,874**	**-3,413**	**-4,481**

(b) At 31 December 2019, the aging analysis of trade receivables is as follows:

IN THOUSANDS OF EURO	2019	2018	2017
Not due	168,432	139,634	120,603
Overdue less than 30 days	15,654	16,918	19,426
Overdue between 30 and 90 days	9,220	5,171	8,184
Overdue between 90 days and 180 days	2,904	1,042	2,331
Overdue more than 180 days	2,022	2,437	3,376
Total gross	**198,232**	**165,201**	**153,920**
Bad debt reserve	-2,874	-3,413	-4,481
Total	**195,358**	**161,787**	**149,439**

In 2019, total overdue trade receivables amount to 29.8 million euro (2018: 25.6 million euro, 2017: 33.3 million euro), resulting in 9 days overdue DSO (2018: 9 days). The bad debt reserve in 2019 amounts to 142% of the trade receivables overdue more than 180 days (2018: 140%, 2017: 133%).
In 2018, the Group applied the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables based on historical losses. The Group analyzed the impact of IFRS 9 and concluded there was no material impact on the bad debt reserve booked. The Group also assessed whether the historic pattern would change materially in the future and expected no significant impact.

(c) Other non-current assets

In 2018, the non-current assets include long-term receivables in the frame of vendor financing programs, amounting to 5.4 million euro, of which 5.4 million euro (see note 15) offset by long term debt of the same amount (2017: 8.3 million euro, of which 8.3 million euro offset by a long-term debt).

As this long term receivable expires in 2020, 3.2 million euro is included in other receivables in 2019. The other non-current assets also include cash guarantees for an amount of 3 million euro (2018: 3.4 million euro, 2017: 3.6 million euro)).

15. Net financial cash/debt

IN THOUSANDS OF EURO		2019	2018	2017
Short term investments	(a)	**24,748**	**112,795**	-
Deposits	(a)	176,438	114,901	88,043
Cash at bank	(b)	180,532	136,832	166,016
Cash in hand		65	74	71
Cash and cash equivalents		**357,035**	**251,807**	**254,130**
Long-term financial receivables	(c)	277	5,430	8,267
Long-term debts	(c) (d)	-40,225	-29,882	-41,036
Current portion of long-term debts	(d)	-12,469	-7,500	-10,000
Short-term debts	(e)	-	-686	-686
Net financial cash/(debt)		**329,366**	**331,964**	**210,676**
Cash held for sale		**-**	**-**	**67,385**
Total net financial cash / (debt)		**329,366**	**331,964**	**278,061**

The net financial cash in 2019 remained stable (329 million euro), net after generated positive free cash flow (88.7 million euro), distributed dividends (28.7 million euro), investments in Unilumin (21.1 million euro) and caresyntax (8.9 million euro) and increased financial debt (33.4 million euro) as a result of the implementation of IFRS 16.

The direct available net cash (excluding the cash of Cinionic) amounts to 253.4 million euro (2018: 247.4 million euro).

The net financial cash in 2018 (332 million euro) increased 121.3 million euro (excluding cash held for sale), as a result of the generated positive free cash flow (63.2 million euro), the proceeds received on the sale of 9% of the shares of BarcoCFG (22.2 million euro) and the advances on the capital contribution received from the three minority shareholders of Cinionic (39.2 million euro).

We refer to note 1.1 and note 3 for more explanation on BarcoCFG and Cinionic and to the supplementary statements for the free cash flow.

(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, all short term investments and deposits include:

IN THOUSANDS OF EURO	2019	AVERAGE INTEREST RATE	2018	AVERAGE INTEREST RATE	2017	AVERAGE INTEREST RATE
- deposits in INR	24,309	7.48%	21,709	7.20%	15,950	6.98%
- deposits in USD	120,666	1.73%	107,291	2.36%	5,469	1.37%
- deposits in CNY	53,622	4.06%	96,170	3.57%	64,728	4.03%
- deposits in other currencies	2,589		2,526		1,895	
Total short term investments and deposits	201,186		227,696		88,043	

(b) Cash at bank

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

	2019	2018	2017
- EUR	41.4%	49.4%	47.7%
- USD	12.7%	15.1%	25.8%
- CNY	30.7%	17.1%	12.8%
- Others	15.1%	18.3%	13.8%

(c) Long-term financial receivables

Barco entered into a number of vendor financing programs granted to a selective number of international customers. The purpose of vendor financing is to grant extended payment terms to such customers, while Barco continues to benefit from prompt payment of the open accounts receivable position, e.g. by having a financial institution or other third-party in the middle. The third-party will directly or following a receivable sale by Barco open a credit in favor of the customer, thereby assuming the risk of non-payment on the spread payment plan in all material respect.

In the case of a supplier credit, Barco continues to serve as collection agent after the sale of the accounts receivable on a non-recourse basis, which leads to a long-term financial receivable from the customer (in line "Other non-current assets") this being offset by a long-term financial debt position towards the third-party for the same amount (in line "Long-term debts"). Due to its non-recourse character, both positions are being eliminated in the net financial cash/(debt). As this long term receivable expires in 2020, per end of 2019 this long term receivable has decreased to 0.3 million euro (3.2 million euro is included in other receivables) compared to 5.4 million euro in 2018.

When the vendor financing takes the form of a buyer credit (direct financial contract between customer and financial institution, and no role for Barco as collection agent), no positions are being reflected in the balance sheet.

Where Barco assumes a small residual risk on the customer's payment behavior with recourse character (either in the form of supplier credit or buyer credit), provisions are being account for.

(d) Long-term financial debts

The Barco Group has a total of 98.6 million euro committed credit facilities available. The portfolio consists of 3 major tranches:

- Barco NV received a research, development and innovation (RDI) credit facility from the European Investment Bank of 7 million euro noting that the credit line is closed going forward for new drawings. The aim of the facility is to finance RDI activities for networked visualization connectivity and software. Drawings under the facility have a long-term tenor of minimum 4 years. An amount of 1.5 million euro is outstanding as per 31.12.2019
- Barco NV and Barco Coordination Center NV (as co-obligors) signed a number of bilateral committed credit facilities with a selected group of commercial banks for a total amount of 75 million euro. The credit facilities have an availability period till December 2020. Drawings under the facilities have a short-term tenor.
- Barco NV signed a number of bilateral committed credit facilities totaling 24 million euro, aiming at financing Barco's new 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 22 million euro is outstanding per 31.12.2019. These commitments carry either a variable interest rate or have been swapped via derivatives into fixed rate character.

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

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

IN THOUSANDS OF EURO	2019	2018	2017
- EUR	35,366	31,000	41,000
- USD	8,328	1,261	2,745
- Other	9,001	5,121	7,291
Total	52,695	37,382	51,036

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 2019	31 DEC 2018	31 DEC 2017
Real estate financing:				
- variable, swapped into fixed (EU)	Later than 2024	12,113	13,388	14,663
- variable (EU)	Later than 2024	9,888	10,613	11,338
- variable, swapped into fixed (US)	Later than 2024	888	871	1,666
RDI financing:				
- fixed, European Investment Bank	2021	1,500	7,000	15,000
Vendor financing (offset by long-term receivable)	2020	-	5,430	8,268
Leasing (IFRS 16)		28,259	-	-
Other		47	81	103
Total long-term financial debts		52,695	37,382	51,036

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

PER 31 DECEMBER 2019		PER 31 DECEMBER 2018		PER 31 DECEMBER 2018	
Payable in 2021	10,003	Payable in 2020	9,540	Payable in 2019	16,592
Payable in 2022	7,081	Payable in 2021	2,545	Payable in 2020	4,129
Payable in 2023	6,259	Payable in 2022	2,476	Payable in 2021	2,561
Payable in 2024	5,133	Payable in 2023	3,300	Payable in 2022	4,184
Later	15,468	Later	15,352	Later	17,802
Total long-term debts	43,945	Total long-term debts	33,213	Total long-term debts	45,267

(e) Short-term financial debts

The below table gives an overview of the short-term financial debts on 31 December:

IN THOUSANDS OF EURO	2019		2018		2017	
	EFFECTIVE INTEREST RATE	BALANCE	EFFECTIVE INTEREST RATE	BALANCE	EFFECTIVE INTEREST RATE	BALANCE
- Other	0.0%	0	0.0%	686	0.0%	686
Total		0		686		686

The available 75 million euro bilateral credit facilities that when used translate in a short term debt position are undrawn per end of December 2019.

16. Other long-term liabilities

IN THOUSANDS OF EURO		2019	2018	2017
Other amounts payable	(a)	106	-	4,555
Accrued charges	(b)	5,146	1,526	-
Deferred Income	(c)	21,676	22,097	-
Prepayment customers LT		103	934	–
Other long-term liabilities		27,031	24,557	4,555

(a) The MTT long-term liability, in 2017, consisted of a deferred payment and patent earn-outs linked to the MTT acquisition.

(b) In 2018 Barco implemented its revised long-term incentive policy that exists of a combination of long-term incentive cash plan and stock options. The long-term incentive cash bonus is a conditional right to receive a cash payment upon the achievement of certain long-term company performance indicators (sales CAGR, EBITDA margin and cumulated net earnings) over the respective plan period comprising 3 financial years (2018, 2019 and 2020) and continued employment on the last day of the plan period. Accrued charges include the pro rata part of the expected long-term incentive bonus pay-out based on the achieved results to date and expected 2020 results.

(c) Other long-term liabilities in 2019 and 2018 include a reclassification of long term deferred income mainly on maintenance contracts, which is not reflected in the 2017 financial statements. As of 2018, deferred income which will be recognized in revenue over a longer period than one year, is shown in other long term liabilities while before this was part of advances received from customers and accrued charges and deferred income. It concerns mainly maintenance contracts sold in the Entertainment division which cover a long term liability.

17. Equity attributable to equity holders of the parent

IN THOUSANDS OF EURO	2019	2018	2017
Share capital	55,876	55,869	55,857
Share premium	146,524	146,171	146,051
Share-based payments	11,193	9,046	7,511
Acquired own shares	-29,334	-35,762	-42,205
Retained earnings	554,479	501,807	457,053
Cumulative translation adjustment	-37,522	-42,842	-43,717
Derivatives	-1,157	-1,022	-1,100
Equity attributable to equity holders of the parent	700,060	633,267	579,449

1. Share capital, share premium and own shares

The following capital increases took place in 2019:

- Through the exercise of 1,570 warrants into the same number of new shares on 21 June 2019 with a resulting increase of the statutory capital of 7 ('000) euro and an increase of the share premium account of 76 ('000) euro.
- Through the exercise of 30 warrants into the same number of new shares on 16 December 2019 with a resulting increase of the statutory capital of 0 ('000) euro and an increase of the share premium account of 2 ('000) euro.

As a result, the company's share capital amounts to 55.9 million euro on 31 December 2019, consisting of 13,068,884 fully paid shares.

Since 2016, Barco did not acquire own shares. In total, Barco owns now 482,378 own shares.

Barco sold 92,858 own shares upon the exercise of 92,858 stock options per 19 June 2019 with a resulting decrease of the own shares of 5,583 (000) euro and a decrease of the share premium account of 267 (000) euro and 14,059 own shares through the exercise of 14,059 stock options per 16 December 2019 with a resulting decrease of the own shares of 845 ('000) euro and a decrease of the share premium account of 8 ('000) euro.

As a result, thereof the company's share premium account amounts to 146.5 million euro, the share-based payments amount to 11.2 million euro and the number of own shares acquired by Barco NV up to 31 December 2019 therefore decreased to 482,378 own shares (2018: 597.790; 2017: 704,949 own shares).

2. Share-based payments

On 11 October 2019, 2 new option plans have been approved by the Board of Directors. These 2 option plans entitled the Board of Directors to grant maximum 49,860 stock options before 31 December 2019. Each stock option gives right to the acquisition of one (1) share. In 2019, 49,860 stock options have been granted to employees and management of the Group based upon these option plans. On 31 December 2019, no options remained available for distribution under the 2019 stock option schemes given the expiry dates of the plans per 31 December 2019.

Warrants exercisable under the warrant and stock option plans

The total number of outstanding warrants on 31 December 2019 amounted to 900 which can lead to the creation of 900 new shares. Since 2010, stock options have been granted. The total number of outstanding stock options on 31 December 2019 amounted to 363,964. The company's own shares will be used under the outstanding stock option plan to fulfill the commitment. There were 900 warrants and 363,964 stock options exercisable at year-end. During 2019, 1,600 warrants and 115,412 stock options have been exercised (in 2018, 2,820 warrants and 107,159 stock options).

These warrants and 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. The cost of the awards is recognized over the vesting period on a straight-line basis. Below is an overview given of the outstanding warrant and stock option plans:

Table on warrants

ALLOCATION DATE	END TERM	EXERCISE PRICE (IN EURO)	BALANCE ON 31 DEC 2018	GRANTED IN 2018	EXERCISED IN 2019	CANCELLED IN 2019	EXPIRED IN 2019	BALANCE ON 31 DEC 2019
Warrants								
11/09/06[1]	11/08/16	65.05	2,985	-	-1,100	-	-1,885	-
11/12/07[1]	11/11/17	50.68	1,000	-	-100	-	-	900
05/28/09	05/27/16	19.62	3,200	-	-300	-	-2,900	-
05/28/09	05/27/16	24.00	950	-	-100	-	-850	-
Total number of warrants			8,135	-	-1,600	-	-5,665	900

(1) For a number of warrants this last exercise date was extended with three (3) years according to article 407 of the law of 24 December 2002

Table on warrants

ALLOCATION DATE	END TERM	EXERCISE PRICE (IN EURO)	BALANCE ON 31 DEC 2018	GRANTED IN 2019	EXERCISED IN 2019	CANCELLED IN 2019	EXPIRED IN 2019	BALANCE ON 31 DEC 2019
Stock options								
10/28/10	10/27/20	35.85	1,400	-	-1,000	-	-	400
10/28/11	10/27/21	36.65	1,050	-	-550	-	-	500
10/31/12	10/30/22	52.37	1,450	-	-650	-	-	800
10/31/12	10/30/20	52.37	3,450	-	-750	-	-	2,700
10/31/12[2]	10/30/20	53.00	4,900	-	-2,050	-	-	2,850
10/21/13	10/20/23	59.03	5,800	-	-4,220	-	-	1,580
10/21/13	10/20/21	59.03	5,150	-	-1,050	-	-	4,100
10/21/13[2]	10/20/21	60.94	9,066	-	-4,866	-	-150	4,050
10/23/14	10/22/24	55.00	4,875	-	-1,575	-	-	3,300
10/23/14	10/22/22	55.00	6,660	-	-2,883	-	-	3,777
10/23/14[2]	10/22/22	55.40	7,300	-	-4,118	-	-	3,182
10/22/15	10/21/25	57.10	45,825	-	-42,475	-150	-	3,200
10/22/15	10/21/23	57.10	10,625	-	-4,750	-	-100	5,775
10/22/15[2]	10/21/23	57.85	8,950	-	-4,400	-	-	4,550
10/24/16	10/23/26	72.80	72,030	-	-	-800	-	71,230
10/24/16	10/23/24	72.80	18,360	-	-12,229	-	-	6,131
10/24/16[2]	10/23/24	74.24	34,300	-	-27,846	-	-	6,454
10/20/17	10/16/27	87.75	87,025	-	-	-500	-	86,525
10/20/17	10/16/25	87.75	12,600	-	-	-	-	12,600
10/20/17[2]	10/16/25	88.70	30,400	-	-	-700	-	29,700
10/23/18	10/22/28	100.80	60,700	-	-	-	-	60,700
10/11/19	10/10/29	173.80	-	49,860	-	-	-	49,860
Total number of stockoptions			431,916	49,860	-115,412	-2,150	-250	363,964

(2) Deviation of exercise price as a result of the implementation of the US sub plan

The cost of these warrant/stock option plans is included in the income statement in other operating expense. The warrants/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 warrant/stock option cost is taken into result on a straight-line basis from the grant date until the first exercise date. The share-based payment expenses amounted to 2.1 million euro in 2019 (2018: 2.1 million euro; 2017: 1.5 million euro).

3. Retained earnings

The change in retained earnings includes the net income of 2019, actuarial losses, change in the fair value of equity investments, change in the deferred tax liability recognized on adoption of IFRIC 23 and the distribution of 28.7 million euro dividend, as approved by the general shareholders meeting of 25 April 2019. The board of directors of Barco NV proposed a gross dividend of 2.65 euro per share relating to the result as of 31 December 2019. In 2019 a gross dividend of 2.3 euro per share was paid out on the results of 2018; in 2018 2.1 euro was paid out.

4. Cumulative translation adjustment

In 2019, the exchange differences on translation of foreign operations have a net positive impact of 4.5 million euro, mainly relating to foreign operations held in US Dollar (1.3 million euro), Hong Kong Dollar (1.2 million euro) and Chinese Yuan (1.2 million euro).

5. Derivatives

Derivative financial instruments are disclosed in note 21.

6. Main shareholders

	BEFORE DILUTION	
Public	9,090,282	69.56%
Titan Baratto NV	2,394,833	18.32%
Barco NV	482,378	3.69%
Norges Bank	586,006	4.48%
3D NV	515,385	3.94%
Total	13,068,884	100.00%

18. Non-controlling interest

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

NAME	COUNTRY OF INCORPORATION AND OPERATION	2019	2018	2017
Cinionic, Ltd	Hong Kong	45%	-	-
CFG Barco (Beijing) Electronics Co., Ltd	China	-	0%*	42%
Barco Taiwan Technology Ltd.	Taiwan	-	10%	10%
Barco China Electronic Visualization Technology	China	-	35%	35%
Barco CEC (HK), Ltd	China	-	35%	-

(*) 42% of non-controlling interest was held in BarcoCFG until 30 June 2018. On July 7th, 2018, Barco sold 9% of its shares in BarcoCFG, resulting in Barco owning 49% of the shares of BarcoCFG, transfer of control as of July 1st and the results of BarcoCFG accounted for in accordance with the equity method.

Overview of the equity attributable to non-controlling interest:

IN THOUSANDS OF EURO	2019	2018	2017
Cinionic Ltd.	40,590	-	-
CFG Barco (Beijing) Electronics Co., Ltd	-	-	11,793
Barco Taiwan Technology Ltd.	-	-1,085	-374
Barco China Electronic Visualization Technology	-	2,819	2,646
Barco CEC (HK), Ltd	-	43	-
Total equity attributable to non-controlling interest	**40,590**	**1,777**	**14,065**

In the course of 2019, Barco acquired the remaining shares in Barco Taiwan Technology Ltd, Barco China Electronic Visualization Technology and Barco CEC (HK), Ltd from their minority shareholders.

The main contributor to the non-controlling interest in 2019 is Cinionic Ltd. In 2018, Barco decided, in order to set up a strategic partnership, whereby global, excluding China, cinema related sales, marketing and service activities were moved to Cinionic. We refer to note 1.1 for the new Cinionic legal entities incorporated in 2018. Mid December 2018, three minority shareholders have contributed in the capital of Cinionic Ltd, totaling 45% of total contributions of USD 100 million.

As of 1 January 2019, these capital contributions all give right to 45% in the Cinionic legal entities' equity and result. Barco remains in control. Therefore, the non-China cinema sales, marketing and service activities remain consolidated in the Entertainment results in 2019. The 45% stake is shown as non-controlling interest as of 1 January 2019.

Below is the consolidated balance sheet of the Cinionic legal entities as at 31 December 2019.

IN THOUSANDS OF EURO	2019
Total non-current assets	1,929
Total current assets	140,080
Total assets	**142,009**
Equity attributable to equityholders of the parent	49,610
Equity attributable to non-controlling interest	40,590
Total equity	**90,201**
Total non-current liabilities	6,601
Total current liabilities	61,139
Total liabilities	**157,941**

We refer to note 1.1 for more details on the Cinionic legal entities: Cinionic Limited, Cinionic bvba, Barco CineAppo Mexico, S.A. de C.V. and Cinionic Inc.

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

IN THOUSANDS OF EURO	% non-controlling	2019		2018	2017
Cinionic Ltd.		592		-	-
Cinionic bvba		867		-	-
Cinionic Inc.		1,123		-	-
Barco Cine Appo Mexico, S.A. de C.V.		32		-	-
CFG Barco (Beijing) Electronics Co., Ltd *		-		6,640	20,025
Barco Taiwan Technology Ltd.		-		-6,926	-4,650
Barco China Electronic Visualization Technology		-		563	178
Barco CEC (HK), Ltd		-		107	-
Net income		**2,614**		**384**	**15,553**
Cinionic Ltd.	45%	267	0%	-	-
Cinionic bvba	45%	390	0%	-	-
Cinionic Inc.	45%	505	0%	-	-
Barco Cine Appo Mexico, S.A. de C.V.	45%	14	0%	-	-
CFG Barco (Beijing) Electronics Co., Ltd *	0%	-	42%	2,805	8,411
Barco Taiwan Technology Ltd.	0%	-	10%	-693	-465
Barco China Electronic Visualization Technology	0%	-	35%	197	62
Barco CEC (HK), Ltd	0%	-	35%	37	-
Net income attributable to non-controlling interest		**1,176**		**2,347**	**8,008**

(*) 42% non-controlling interest on BarcoCFG included until June 30th, 2018.
Other comprehensive income/(loss) for the period, net of tax effect, part attributable to non-controlling interest amounts to -0.5 million euro in 2019, 0.1 million euro in 2018 and -1.3 million euro in 2017.
Total comprehensive income for the year, net of tax, part attributable to non-controlling interest amounts to 0.7 million euro in 2019, 2.4 million euro in 2018 and 6.7 million euro in 2017.

19. Trade payables and advances received from customers

IN THOUSANDS OF EURO		2019	2018	2017
Trade payables	(a)	128,914	105,148	102,943
Days payable outstanding (DPO)		71	59	58
Advances received from customers	(b)	69,515	53,747	67,040

(a) Increased trade payables in 2019 compared to 2018 is the combined effect of higher fourth quarter purchases, as a result of increased sales volume, together with longer payment terms obtained from our suppliers.

(b) In 2019, the higher sales and renewed large cinema contracts in Cinionic have resulted in higher advances received from customers. Most payment terms of customers define that 30% of the total invoice needs to be prepaid before delivery of the goods. The decrease in advances received in 2018 compared to 2017 is partly due to lower advances received in Enterprise in China and partly due to the reclass of deferred income on maintenance contracts to long-term (see note 16 other long-term liabilities).

20. Provisions

IN THOUSANDS OF EURO		BALANCE SHEET 2019	ADDITIONAL PROVISIONS MADE	AMOUNTS USED	UNUSED AMOUNTS REVERSED	TRANSFERS	REMEASUREMENT GAINS/(LOSSES) ON DBO	TRANSLATION (LOSSES) / GAINS	BALANCE SHEET 2018	BALANCE SHEET 2017
Total long-term provision		**42,428**	**7,266**	**-7,139**	**-3,316**	**-158**	**11,337**	**174**	**34,265**	**24,607**
Defined benefit obligations	(b)	29,826	261	-557	15	-	11,337	13	18,757	12,596
Technical warranty	(a)	12,577	7,004	-5,548	-2,983	-125	-	132	14,097	12,011
Other claims and risks	(d)	25	-	-1,034	-348	-33	-	29	1,412	-
Total short-term provision		**18,759**	**701**	**-13,725**	**-466**	**158**	**-**	**59**	**32,032**	**26,904**
Technical warranty	(a)	8,799	701	-8	-160	125	-	49	8,092	12,011
Restructuring provision	(c)	6,997	-	-13,717	-	-	-	-	20,714	6,596
Other claims and risks	(d)	2,963	-	-	-306	33	-	10	3,226	8,297
Provisions		**61,187**	**7,967**	**-20,864**	**-3,782**	**-**	**11,337**	**232**	**66,298**	**51,512**

(a) Technical warranty

Provisions for technical warranty are based on historical data of the cost incurred for repairs and replacements. Additional provisions are set up when a technical problem is detected.

There are three different technical warranty provisions: provisions related to 'normal' (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 2019, 2018 and 2017, the defined benefit obligations are composed of:

IN THOUSANDS OF EURO	2019	2018	2017
Pension plans in Belgium	24,231	13,143	7,405
Early retirement plans in Belgium	166	783	869
Local legal requirements (mainly Italy, Korea, Japan, Germany, France)	5,136	4,580	4,079
A small number of individual plans	294	251	243
Total	29,826	18,757	12,596

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.

As from 2016 onwards the minimum guaranteed rate of return on employer and participant contributions is 1.75% and is annually recalculated based on a risk free rate of 10-year government bonds. According to IAS 19, Belgian defined contribution plans that guarantee a specified return on contributions are 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, for which we show below the aggregated view as these do not differ materially from geographical location, characteristics, regulatory environment, reporting segment or funding arrangement. In accordance with IAS 19 the disclosure is in the form of a weighted average.

2019, 2018 and 2017 changes in the Belgian defined benefit obligation and fair value of plan assets:

IN THOUSANDS OF EURO	2019			2018			2017		
	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	**105,122**	**-91,980**	**13,143**	**94,077**	**-86,672**	**7,405**	**92,041**	**-79,722**	**12,318**
Service cost	6,685		**6,685**	6,602		**6,602**	6,556		**6,556**
Net interest expense	1,526	-1,379	**146**	1,358	-1,308	**50**	1,047	-944	**104**
Decrease due to curtailment	-447		**-447**						
Sub-total included in profit or loss	**7,764**	**-1,379**	**6,385**	**7,960**	**-1,308**	**6,652**	**7,603**	**-944**	**6,660**
Benefits paid	-1,020	1,020	-	-2,844	2,844	-	-484	484	-
Remeasurement gains/losses in OCI									
Increase due to effect of transfers	-19	9	**-10**	-	-	**-**	-	-	**-**
Return on plan assets (excluding amounts included in net interest expense)	-	-1,254	-1,254	-	-752	-752	-	-1,882	**-1,882**
Actuarial changes arising from changes in demographic assumptions	-479		**-479**			**-**	-	-	**-**
Actuarial changes arising from changes in financial assumptions	12,199		**12,199**	281		**281**	-3,567	-	**-3,567**
Actuarial changes arising from changes in methodology	-172	33	**-139**	4,821		**4,821**	-	-	**-**
Actuarial changes arising from experience adjustments	1,020		**1,020**	1,325		**1,325**	226	-	**226**
Sub-total included in OCI	**12,549**	**-1,212**	**11,337**	**6,427**	**-752**	**5,676**	**-3,341**	**-1,882**	**-5,223**
Contributions by employer	-	-6,633	**-6,633**	-	-6,590	**-6,590**	-	-6,198	**-6,198**
Disposal of subsidiaries	-	-	**-**	-498	498	**0**	-1,743	1,591	**-152**
On 31 December	**124,416**	**-100,185**	**24,231**	**105,122**	**-91,980**	**13,143**	**94,077**	**-86,672**	**7,405**

In 2019 the 12.2 million euro actuarial change arising from changes in financial assumptions concerns a change in the discount rate assumption (see below table). The remeasurement was reflected in other comprehensive income. In 2018 the 4.8 million euro actuarial change arising from change in methodology concerns a change in death in service methodology. The remeasurement went through other comprehensive income. The fair value of the plan assets (100.2 million euro) are fully invested in insurance policies. The target asset mix consists of 66.5% government bonds (69.1% in 2018), 16% real estate (12.4% in 2018), 7.5% corporate bonds (7.0% in 2018), 6% corporate loans (5.7% in 2018) and 4% shares (5.9% in 2018).

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

	2019	2018	2017
Discount rate	0.42%	1.30%	1.51%
Future salary increases	2.59%	2.58%	2.58%
Future consumer price index increases	1.75%	1.90%	1.90%

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	2019	2018	2017
Discount rate:			
0.25% decrease	3,190	2,537	2,032
0.25% increase	-3,033	-2,384	-2,019
Future salary change:			
0.25% decrease	-1,181	-924	-564
0.25% increase	1,268	989	762
Future consumer price index change:			
0.25% decrease	-680	-519	-253
0.25% increase	702	535	557

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	2019	2018	2017
Within the next 12 months	3,071	3,926	3,684
Between 2 and 5 years	24,802	17,893	16,393
Between 5 and 10 years	42,210	22,915	29,748
Total expected payments	70,083	44,734	49,826

The average duration of the defined benefit plan obligation at the end of the reporting period is 12.5 years (13.7 years in 2018 and 13.8 years in 2017). The expected employer contributions to the plan for the next annual reporting period amounts to 6.6 million euro (6.2 million euro in 2018 and 6.6 million euro in 2017); the employee contributions are expected to amount to 1.1 million euro (1.1 million euro in 2018 and 2017).

(c) Restructuring provision

See note 6 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 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, until May 25, 2026. Per end 2019, no payments occurred under this earn-out.

21. 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. As at 31 December 2019, 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 in recent 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 8 million euro when the weighted average rate of a foreign currency basket that has an overall overweight of CNY and USD, changes by 3.5% versus the euro in a year. The overall natural hedge ratio of foreign currencies reached a level of 78% in 2019.
- 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 has an outstanding variable loan of 1.0 million US dollar (0.9 million euro equivalent) in place, of which variable interest rate conditions have been swapped into a fixed 3.86%.

Barco also concluded a series of interest rate swaps with an outstanding notional amount of 12.1 million euro by means of a partial hedge for the bilateral committed Credit Facilities (currently outstanding at 22.0 million euro) that aim at financing Barco's HQ campus. 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

Management doesn't expect the short-term interest rate to increase significantly in the immediate foreseeable future, which limits the interest exposure on the short-term debt portfolio.

With reference to the Fair Values table below, just over 57% 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 close to 81% 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 2019, Barco continued to conclude credit insurances in order to cover credit risks on specific customers with whom Barco entered into vendor financing agreements. Such vendor financing agreements are concluded and monitored 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 below 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.

IN THOUSANDS OF EURO	2019	2018	2017
	Carrying amount/Fair value (approx.)		
Financial assets			
Trade receivables	195,358	161,787	149,438
Other receivables	25,669	19,567	19,368
Loan and other receivables	21,257	16,835	17,913
Interest rate receivable	1,860	1,800	777
Currency rate swap	2,552	931	677
Other non-current assets	4,018	9,732	12,887
Other short term investments	24,748	112,795	-
Cash and cash equivalents	357,035	251,807	254,130
Total	606,829	555,688	435,822
Financial liabilities			
Financial debts	45,390	28,583	39,302
Floating rate borrowings	26,258	26,615	31,159
Fixed rate borrowings	19,132	1,967	8,143
Other long-term liabilities	27,031	24,557	4,555
Short-term debts	-	686	686
Trade payables	128,914	105,148	102,943
Other current liabilities	13,268	48,532	10,586
Other short term amounts payable	7,947	43,588	5,771
Dividends payable	2,301	2,323	2,347
Currency rate Swap	1,894	958	515
Interest rate swap	1,126	1,663	1,953
Total	214,603	207,506	158,072

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.
- 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 2019, 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 2019, 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 2019, the Group held the following financial instruments measured at fair value:

IN THOUSANDS OF EURO	2019	2018	2017
Assets measured at fair value			
Financial assets at fair value through profit or loss			
Foreign exchange contracts - non-hedged	2,552	931	677
Financial assets at fair value through equity			
Investments	23,038	-	-
Liabilities measured at fair value			
Financial liabilities at fair value through profit or loss			
Foreign exchange contracts - non-hedged	3,020	958	515
Interest rate swap	888	673	884
Financial liabilities at fair value through equity			
Interest rate swap	1,126	991	1,069

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 (binding agreement of third party investor).

During the reporting period ending 31 December 2019, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

Capital Management

Management evaluates its capital needs based on following data:

IN THOUSANDS OF EURO	NOTE	2019	2018	2017
Net financial cash/(debt)	15	329,366	331,964	210,676
Equity		740,650	635,044	593,514
% Net financial cash (debt)/equity		44.5%	52.3%	35.5%

IN THOUSANDS OF EURO		2019	2018	2017
Equity		740,650	635,044	593,514
Total equity and liabilities		1,174,176	1.047,301	1,064,996
% Equity/Total equity and liabilities		63.1%	60.6%	55.7%

In 2019, the net cash position ended at a level of 329.4 million euro compared to 332.0 million euro as per end of 2018.

The solvency position and other current ratios consolidated at very healthy levels. Together with the existing committed credit facilities, management considers that it has secured a very 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			NON-CASH CHANGES		
	1 January 2019	Cash flows	Change in accounting principle - IFRS 16	Foreign exchange movement	31 December, 2019
Long-term borrowings	24,761	-3,890	-	17	20,888
Short-term borrowings	8,186	4,267	-	16	12,469
Lease liabilities	5,121	-19,705	33,654	267	19,337
Total liabilities from financing activities	**38,069**	**-19,327**	**33,654**	**299**	**52,695**

The long-term borrowings and lease liabilities are together the long-term debts as shown in the balance sheet. The short-term borrowings are the total of current portion of long-term debts and short-term debts, as shown in the balance sheet.

22. Operating leases

IN THOUSANDS OF EURO	2018	2017
Non-cancellable operating leases are payable as follows:		
Less than one year	8,723	7,457
Between one and five years	20,608	11,281
More than five years	1,567	3,202
Total	**30,897**	**21,941**

Non-cancellable operating leases in 2018 and 2017 mainly relate to leases of factory facilities and warehouses and sales offices.

During 2018 the total rent expenses recognized in the income statement amounted to 20 million euro (2017: 18 million euro), of which 9.1 million euro relating to rent of buildings (2017: 9.3 million euro).

As of 1 January 2019, Barco has applied IFRS 16 Leases. We refer to our accounting principles applied, and accounting standards adopted as of 2019 for more explanation.

23. Rights and commitments not reflected in the balance sheet

IN THOUSANDS OF EURO		2019	2018	2017
Guarantees given to third parties	(a)	5,037	4,901	2,567
Mortgage obligations given as security	(b)	30,000	30,000	30,000
- book value of the relevant assets		40,460	43,791	48,152
Buy back obligations	(c)	-	-	996
Purchase commitment	(d)	-	-	7,507
Sales commitment	(e)	-	1,600	1,151

(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 2017 is due to depreciation.
(c) Barco appeals on a vendor-lease program with the obligation to take back sold goods, in case of insolvency of the client. No buy-back provision is set up for this risk as all risks and rewards are transferred upon the sale. Total possible value of the obligation to take back sold goods amounted to 1 million euro in 2017. As of 2018, there are no buy-back obligations anymore.
(d) Commitments relating to the extended production facility at the headquarter in Belgium in 2017. There are no purchase commitments on intangible or tangible fixed assets in 2019 and 2018.
(e) Commitments relating to preliminary sales agreements of parts of the land on the Poperinge site in Belgium, which was sold in 2019.

24. Related party transactions

Barco NV has entered into arrangements with a number of its subsidiaries and affiliated companies in the course of its business. These arrangements relate to service transactions and financing agreements and were conducted at market prices.

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’ on page A/55 for information with respect to remuneration of directors and members of the core leadership team.

At the annual shareholders meeting of 26 April 2018, PWC Bedrijfsrevisoren cvba, Woluwedal 18, 1932 Sint-Stevens-Woluwe, was appointed as statutory auditor of the company for a period of three years. In 2019, remuneration approved by the Audit Committee to the statutory auditor for auditing activities amounted to 336,370 euro. Remuneration paid to the statutory auditor for special assignments was 129,401 euro.

25. 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	ACQUISITIONS			DIVESTMENTS		
	2019	2018	2017	2019	2018	2017
Non-current assets	-	-	5,724	-	139	451
Customer list	-	-	3,036	-	-	-
Software	-	-	-	-	3	10
Know-how	-	-	166	-	-	-
Buildings and (leased) building	-	-	836	-	-	2
Tangible assets and other intangible assets	-	-	-	-	136	374
Deferred tax assets	-	-	-	-	-	-93
Other non-current assets	-	-	1,687	-	-	158
Current assets	-	-	-	-	1,486	6,079
Inventory	-	-	-	-	-	2,595
Trade debtors & other receivables	-	-	-	-	1,486	3,484
Non-current liabilities	-	-	697	-	-	331
Other long term liabilities	-	-	500	-	-	-
Deferrred tax liabilities	-	-	197	-	-	-
Provisions	-	-	-	-	-	331
Current liabilities	3,272	5,621	-861	-	1,019	274
Trade payables	-	-	-	-	217	349
Other payables	3,272	5,621	-861	-	802	-75
Net-identifiable assets and liabilities	-3,272	-5,621	5,888	-	605	5,925
Net assets held for sale (9% BarcoCFG)	-	-	-	-	5,819	-

IN THOUSANDS OF EURO	ACQUISITIONS			DIVESTMENTS		
	2019	2018	2017	2019	2018	2017
Goodwill on acquisitions/disposals	-	-	-	-	-	-
Gain on sale of divestments	-	-	-	-	17,127	513
Acquired/(sold) cash	-	-	6	-	-56,669	727
Received consideration / Cash sold (net)	-	-	-	-	-32,558	7,165
Purchase price	3,272	5,621	5,894	-	-	-

The total purchase price in 2019 relates to the last deferred consideration and payment of the last two patent earn-outs on the 2016 MTT acquisition.

The total purchase price in 2018 relates to the second deferred consideration and the payment of earn-outs on the issuance of four patents on the 2016 MTT acquisition.

The received consideration contains mainly the 22.2 million euro received for the sale of the 9% shares in BarcoCFG, resulting in a change in control and corresponding deconsolidation of the underlying net assets. The cash flow statement 'disposal of group companies' shows net of disposed cash, since as a result of the deconsolidation, the BarcoCFG cash of 56.7 million euro is disposed. We refer to note 3. Next to the BarcoCFG transaction, 1.3 million euro was received on the sale of the X2O Media entity.

The total purchase price in 2017 relates mainly to the acquisition of the P2M assets for 2.6 million euro, the first deferred consideration on the MTT acquisition and the increased investment in Habornveien. The 2017 divestment relates to the sale of the Lighting business and Barco Silex.

We refer to the Cash flow statement and note 1.3 on acquisitions and divestments.

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.

26. 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.

Supplementary statements

Free Cash Flow

IN THOUSANDS OF EURO	2019	2018	2017
Adjusted EBIT	110,038	89,974	73,241
Restructuring	-13,717	-2,882	-4,244
Gain on sale of divestments	-	-743	-513
Depreciation of tangible and intangible fixed assets	42,984	34,492	33,877
Gain/(Loss) on tangible fixed assets	-1,024	-149	362
Share in the profit/(loss) of joint ventures and associates	1,566	191	1,290
Gross operating Free Cash Flow	**139,848**	**120,882**	**104,011**
Changes in trade receivables	-32,160	-11,209	-7,326
Changes in inventory	-32,989	334	-3,577
Changes in trade payables	23,404	-1,306	-19,660
Other changes in net working capital	15,618	-12,722	-8,113
Change in net working capital	**-26,126**	**-24,903**	**-38,677**
Net operating Free Cash Flow	**113,721**	**95,979**	**65,334**
Interest received	7,648	5,915	4,666
Interest paid	-1,866	-1,566	-2,653
Income taxes	-13,053	-12,460	-4,395
Free Cash flow from operating activities	**106,451**	**87,869**	**62,952**
Purchases of tangible & intangible FA (excl One Campus)	-20,169	-25,627	-23,160
Proceeds on disposals of tangible & intangible fixed assets	2,379	922	168
Free Cash flow from investing activities	**-17,790**	**-24,705**	**-22,992**
FREE CASH FLOW	**88,661**	**63,164**	**39,960**

Positive Free Cash Flow of 88.7 million euro generated in 2019 (2018: 63.2 million euro, 2017: 40 million euro) coming from a steady improvement in gross operating cash flow, while keeping working capital under control. Total working capital as percentage of sales remains low at 2.8% of sales (2018: -0.2%; 2017: -3.8%).

As a result of the on July 5th, 2018, executed sale of 9% of the shares in BarcoCFG and the change in control, the free cash flow of BarcoCFG is only included for the first half year of 2018 compared to full year free cash flow of BarcoCFG in 2017. We refer to note 3 for more background on the sale of 9% of Barco's stake in BarcoCFG.

At the end of December 2019, Barco's net cash position reaches 329.4 million euro, which is in line with last year (2018: 332 million euro, 2017: 278.1 million euro). As of end 2017 the Group's net cash position excludes the net cash of BarcoCFG (end of 2017 part of assets held for sale).

Balance Sheet

Per year-end 2019, DSO slightly increased to 55 days versus 52 days end of 2018 and are equal to the 55 days per year-end 2017. Inventory turns decreased to 3.2 (versus 3.8 in 2018 and 3.6 in 2017), mainly impacted by the launch and ramp up of new products.

DPO at year-end increased to 71 days (versus 59 days in 2018 and 2017), the combined effect of higher fourth quarter purchases, as a result of increased sales volume, together with longer payment terms obtained from our suppliers.

Note: The 2017 ratios include assets held for sale of BarcoCFG. We refer to note 3 for more background on the sale of 9% of Barco's shares in BarcoCFG.

Return on Operating Capital Employed

IN THOUSANDS OF EURO		2019	2018	2017
Trade debtors		195,358	161,787	182,106
Inventory		168,983	135,111	154,063
Trade payables		-128,914	-105,148	-114,548
Other working capital		-205,246	-189,289	-263,270
Working capital		**30,181**	**2,462**	**-41,649**
Other long term assets & liabilities		232,479	220,515	244,079
Operating capital employed		**262,661**	**222,977**	**202,430**
Goodwill		105,612	105,612	113,385
Operating capital employed (incl goodwill)		**368,272**	**328,589**	**315,815**
Adjusted EBIT		**110,038**	**89,974**	**73,241**
ROCE after tax (%)	**(a)**	**25%**	**23%**	**19%**

(a) Tax rate used is the effective tax rate in 2019 (18%), the effective tax rate in 2018 (17.7%) and adjusted tax rate in 2017 (16%). See note 7 for the calculation of the 2017 adjusted tax rate.

The return on capital employed further improved in 2019 to 25% (2018: 23%, 2017: 19%), as a result of the steady improved operational result over the past years.

The operating capital employed includes the assets held for sale of BarcoCFG in 2017.

Glossary

Financial term or APM	Explanation
Adjusted EBIT	EBIT excluding restructuring costs and impairments relating to reorienting or stopping certain activities, business or product lines, as well as impairments on goodwill and revenues resulting from a single material transaction not linked to current business activities (e.g. change in control in a subsidiary) and other non-operating income/(expense). Results out of divestments or acquisitions are included in EBIT(DA).
Adjusted return on operating capital employed (ROCE)	Adjusted EBIT after tax relative to operating capital employed (including goodwill), including the assets held for sale. ROCE = (Adjusted) EBIT*(1- (adjusted) tax rate)/Operating capital employed (including goodwill)
Adjusted tax rate	(Taxes related to current income before taxes - non current items in 2017 (effect of change in expected tax rate on deferred taxes+ set up of deferred tax assets, not recognized in prior years))/Income before taxes.
Associates	Companies in which Barco has a significant influence, generally reflected by an interest of at least 20%. Associates are accounted for using the equity method.
BarcoCFG	Full name is CFG Barco (Beijing) Electronics Co., Ltd. BarcoCFG is the entity where Barco joined forces with China Film Group to address the Chinese cinema market. Barco holds a 49% stake in this entity at the end of December 2019.
Book value per share	Equity attributable to the Group divided by number of shares outstanding at balance sheet date.
Capital ratio	Equity relative to total assets
Direct available net cash	Net financial cash excluding the cash in Cinionic (76 million euro)
Dividend yield	Gross dividend as a percentage of the share price on 31 December.
DPO	Days payable outstanding calculated as Trade Payables / (Material cost + Services and other costs) x 365; including assets held for sale.
DSO	Days sales outstanding calculated as ((Trade debtors + trade debtors BarcoCFG (see note 3 assets held for sale), net) / (sales past quarter)) * 90; including assets held for sale.
EBIT	Operating result (earnings before interest and taxes), calculated as gross profit less research & development expenses, sales and marketing expenses, general and administration expenses, other operating income (expense) - net and plus or minus adjusting items.
EBITDA	Adjusted EBIT + depreciation, amortization and impairments (if any).
Equity method	Method of accounting whereby an investment (in an associate) is initially recognized at cost and subsequently adjusted for any changes in the investor's share of the associate's net assets (i.e. equity). The income statement reflects the investor's share in the net result of the investee.
Free cashflow	Gross operating cash flow excluding share options recognized as cost + change in networking capital + Interest (expense)/income + income taxes + purchase of tangible and intangible fixed assets + proceeds on disposals of tangible and intangible fixed assets.
Indirect costs / expenses	Research & development expenses, sales and marketing expenses and general and administration expenses; including depreciations and amortizations.
Inventory turns	Inventory turns = 12 / [Inventory / (average monthly sales last 12 months x material cost of goods sold %)], including assets held for sale.

Financial term or APM	Explanation
Net financial cash/(debt)	Short term investments + cash and cash equivalents + long-term financial receivables - long-term debts - current portion of long-term debts - short-term debts.
Non-recurring tax items	Effect of change in expected tax rate on deferred taxes + innovation income deduction (IID) + tax adjustments related to prior periods + capital loss carried back/gain on sold share deal entities.
Operating capital employed (including goodwill)	Operating capital employed + goodwill including assets held for sale.
Operating capital employed (OCE)	Working capital + other long term assets and liabilities, including assets held for sale.
Operating expenses (OPEX)	Research & development expenses, sales and marketing expenses and general and administration expenses; excluding depreciations and amortizations.
Order	An order can only be recognized if a valid purchase order has been received from the invoice-to customer. An order is only valid if it is: - In writing. This includes electronic version of the purchase order out of the customer's ERP system. - The contract needs to be signed by an authorized person from the business partner. Next to this, a minimum number of fields need to be mentioned on the order like customer name, address, reference to sales quotation or business partner sales agreement of Barco, etc.
Orderbook	Orderbook are previously received orders, which still fulfill all the conditions of an order, but are not deliverd yet and hence not taken in revenue.
Other long term assets and liabilities	Other long term assets & liabilities include the sum of other intangible assets, land and buildings, other tangible assets, deferred tax assets (net). We refer to note 11 and 12 for the amounts.
Other working capital	Other working capital include the net of other non-current assets, other amounts receivable, prepaid expenses and accrued income and other long term liabilities, advances received from customers, tax payables, employee benefits liabilities, other current liabilities, accrued charges and deferred income and provisions. See remark on the 2018 other working capital in definition of 'Return on operating capital employed (ROCE)'.
Return on operating capital employed (ROCE)	EBIT after tax relative to operating capital employed (including goodwill), including assets held for sale. ROCE = EBIT*(1- effective tax rate)/Operating capital employed (including goodwill). In the 2018 calculation of return on operating capital employed, the other working capital doesn't include the other current liabilities related to the contribution of the three minority shareholders in the capital of BarcoCine Appo Limited Hong Kong.
Subsidiaries	Companies in which Barco exercises control..
TFA	Tangible fixed assets.
Theoretical tax rate	The theoretical tax rate is the corporate tax rate applied in the country of origin of the parent legal entity (i.e. Belgium). The Belgian corporate tax rate in 2019 is 29.58% (2018: 29.58% and 2017: 33.99%). As of 2020 the Belgian corporate tax rate is 25%.
Working capital (net)	Trade debtors + inventory - trade payables - other working capital.

Auditor’s report

STATUTORY AUDITOR'S REPORT TO THE GENERAL SHAREHOLDERS’ MEETING ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

We present to you our statutory auditor’s report in the context of our statutory audit of the consolidated financial statements of Barco NV (the “Company”) and its subsidiaries (jointly “the Group”). This report includes our report on the consolidated financial statements, as well as the other legal and regulatory requirements. This forms part of an integrated whole and is indivisible.

We have been appointed as statutory auditor by the general meeting d.d. 26 April 2018, following the proposal formulated by the board of directors and following the recommendation by the audit committee and the proposal formulated by the works’ council. Our mandate will expire on the date of the general meeting which will deliberate on the annual financial statements for the year ended 31 December 2020. We have performed the statutory audit of the consolidated financial statements of Barco NV for 2 consecutive years.

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Unqualified opinion

We have performed the statutory audit of the Group’s consolidated financial statements, which comprise the consolidated balance sheet as at 31 December 2019, the consolidated statement of income, the statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information, and which is characterised by a consolidated balance sheet total of EUR ‘000 1,174,176 and a profit for the year, Group share, of EUR ‘000 95,363.

In our opinion, the consolidated financial statements give a true and fair view of the Group’s net equity and consolidated financial position as at 31 December 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

Basis for unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Belgium. Furthermore, we have applied the International Standards on Auditing (ISAs) as approved by the IAASB which are applicable to the year- end and which are not yet approved at the national level. Our responsibilities under those standards are further described in the "Statutory auditor's responsibilities for the audit of the consolidated financial statements" section of our report. We have fulfilled our ethical responsibilities in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Belgium, including the requirements related to independence.

We have obtained from the board of directors and Company officials the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment testing of goodwill - Note 10

Description of key audit matter

The carrying value of the Group's goodwill amounts to EUR'000 105,612 at 31 December 2019.

These assets are subject to impairment testing on an annual basis or more frequently if there are indicators of impairment.

We consider this matter as key to our audit because the determination of whether or not an impairment charge is necessary involves significant judgement in estimating the future results of the business.

How our audit addressed the key audit matter

We evaluated the appropriateness of the Group's accounting policies and assessed compliance with the policies in accordance with IFRS.

We evaluated management's annual impairment testing and assessment of the indicators of impairment and challenged impairment calculations by assessing the future cash flow forecasts used in the models, and the process by which they were drawn up, including comparing them to the latest budgets approved by the board of directors.

We understood and challenged:

- Assumptions used in the Group's budget and internal forecasts and the long-term growth rates by comparing them to economic and industry forecasts;
- The discount rate by assessing the cost of capital and other inputs including benchmarking with comparable organizations;

- The historical accuracy of budgets to actual results to determine whether cash flow forecasts are reliable based on past experience;
- The mechanics of the underlying calculations.

In performing the above work, we utilized our internal valuation experts to provide challenge and external market data to assess the reasonableness of the assumptions used by management.

We evaluated the sensitivity analysis around the key drivers within the cash flow forecasts to ascertain the extent of change in those assumptions and also considered the likelihood of such a movement in those key assumptions arising.

Whilst recognizing that cash flow forecasting, impairment modeling and valuations are all inherently judgmental, we found that the assumptions used by management were within an acceptable range of reasonable estimates.

Valuation of deferred taxes and valuation allowance on deferred tax assets related to tax losses carried forward - Note 12

Description of key audit matter
Deferred tax assets on tax losses carried forward and tax credits amounts to EUR'000 34,127 (note 12). The valuation of the deferred tax positions at Barco involved significant judgement, more specifically in the determination of the recognition of deferred tax assets related to tax losses carried forward. The estimation of the future taxable basis is highly judgemental as well as the assessment of the impact of tax laws and regulations, tax planning action and strategies, rulings and transfer pricing.

The valuation and recoverability of deferred tax assets is key to our audit due to the magnitude of the amount recognized for these assets and because the assessment requires management estimates, mainly on the assumptions regarding expected future market and economic conditions and tax laws and regulation.

How our audit addressed the key audit matter
We challenged the assumptions made to assess the recoverability of deferred tax assets related to tax losses carried forward and the timing of the reversal of deferred tax positions. During our procedures, we used amongst others budgets, forecasts and tax laws and in addition we assessed the historical accuracy of management's assumptions. We involved tax specialists in our audit. An important management judgement was the period over which taxable profits can be reliably estimated and consequently, no deferred tax assets are recognised for tax losses used in any period beyond. We verified that the deferred tax position was calculated at the enacted tax rate for the year in which the deferred tax position is expected to reverse.

We also assessed the adequacy and completeness of the Company's disclosure included in Note 12 in respect of deferred taxes.

We found management's judgements in respect of the Group's deferred tax positions to be consistent and in line with our expectations.

Responsibilities of the board of directors for the preparation of the consolidated financial statements

The board of directors is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium, and for such internal control as the board of directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the board of directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Statutory auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

In performing our audit, we comply with the legal, regulatory and normative framework applicable to the audit of the consolidated financial statements in Belgium. A statutory audit does not provide any certainty in relation to the group's future viability nor the efficiency or effectiveness of the Board of Director's current and future business management.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors.
- Conclude on the appropriateness of the board of directors' use of the going concern basis of accounting and,

based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our statutory auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our statutory auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Responsibilities of the board of directors

The board of directors is responsible for the preparation and the content of the directors' report on the consolidated financial statements, the separate report on non-financial information and the other information included in the report on the consolidated financial statements.

Statutory auditor's responsibilities

In the context of our mandate and in accordance with the Belgian standard which is complementary to the International Standards on Auditing (ISAs) as applicable in Belgium, our responsibility is to verify, in all material respects, the directors' report on the consolidated financial statements, the separate report on non-financial information and the other information included in the report on the consolidated financial statements and to report on these matters.

Aspects related to the directors' report on the consolidated financial statements and to the other information included in the annual report on the consolidated financial statements

In our opinion, after having performed specific procedures in relation to the directors' report on the consolidated financial statements, this report is consistent with the consolidated financial statements for the year under audit, and it is prepared in accordance with article 3:32 of the Companies' and Associations' Code.

In the context of our audit of the consolidated financial statements, we are also responsible for considering, in particular based on the knowledge acquired resulting from the audit, whether the directors' report is materially misstated or contains information which is inadequately disclosed or otherwise misleading. In light of the procedures we have performed, there are no material misstatements we have to report to you.

The non-financial information required by virtue of article 3:32, §2 of the Companies' and Associations' Code is included in the directors' report on the consolidated financial statements. The Company has prepared the non-financial information, based on Global Reporting Initiative Standards. However, in accordance with article 3:80, §1, 5° of the Companies' and Associations' Code, we do not express an opinion as to whether the non-financial information has been prepared in accordance with the Global Reporting Initiative Standards as disclosed in the consolidated financial statements.

Statement related to independence

- Our registered audit firm and our network did not provide services which are incompatible with the statutory audit of the consolidated financial statements, and our registered audit firm remained independent of the Group in the course of our mandate.
- The fees for additional services which are compatible with the statutory audit of the consolidated financial statements referred to in article 3:65 of the Companies' and Associations' Code are correctly disclosed and itemized in the notes to the consolidated financial statements.

Other statements

- This report is consistent with the additional report to the audit committee referred to in article 11 of the Regulation (EU) N° 537/2014.

Ghent, 12 February 2020

The statutory auditor
PwC Réviseurs d'Entreprises SRL / PwC Bedrijfsrevisoren BV

Represented by

Lien Winne
Réviseur d'Entreprises /
Bedrijfsrevisor

Peter Opsomer
Réviseur d'Entreprises/
Bedrijfsrevisor

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 2019 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	2019	2018	2017
Fixed assets	414,029	449,835	450,198
Intangible fixed assets	40,540	41,612	42,113
Tangible fixed assets	71,092	74,363	71,094
Financial fixed assets	302,397	333,860	336,991
Current assets	320,602	278,871	240,533
Amounts receivable after more than one year	0	390	1,079
Inventory	104,210	70,228	69,326
Amounts receivable within one year	173,061	156,383	112,564
Investments (own shares)	28,991	35,943	42,386
Cash and cash equivalents	933	1,435	524
Deferred charges and accrued income	13,407	14,492	14,654
Total assets	734,631	728,706	690,731
Capital and reserves	326,746	336,693	328,165
Capital	55,877	55,870	55,858
Share premium account	146,741	146,663	146,543
Reserves	36,054	42,156	48,599
Accumulated profits	87,771	91,373	76,480
Investment grants	303	631	685
Provisions	15,818	24,059	21,506
Provisions for liabilities and charges	15,818	24,059	21,506
Creditors	392,066	367,954	341,060
Amounts payable after more than one year	20,000	23,890	36,641
Amounts payable within one year	372,066	344,064	304,419
Total liabilities	734,631	728,706	690,731

Financial fixed assets in 2019 decreased 31 million euro, as a result of statutory impairments on the participations in Barco Ltd (Taiwan) and Barco Fredrikstad AS, both as a result of the integration of the business into Barco NV.

Intangible fixed assets relate mainly to the implementation cost of SAP ERP software. These SAP capital expenditures are amortized over 7 years.

The main capex realized in the period 2016 – 2019 relates to the finalization of the new headquarters of Barco and the extended operations facility. Beginning of 2016, the new headquarter building in Kortrijk was taken in use for a total gross value of 44.2 million euro.

The increase of inventory in 2019 is the result of the transfer of business from Norway and the launch and ramp-up of new products. The receivables increased, in 2019, in line with the growth of revenues. As of 2018, the increase in current assets is linked to intercompany sales of Barco NV to the new affiliate Cinionic BVBA, funded by increased intercompany credit facility from Barco Coordination Center.

Creditors increase in 2019 as a result of the increased stocks and increased business.

Income statement

IN THOUSANDS OF EURO	2019	2018	2017
Sales	772,944	674,159	634.306
Recurring operating income/(loss)	70,795	38,810	27,153
Recurring financial result	-2,973	1,515	2,581
Non-recurring financial result	-43,604	-2,861	-40,917
Income taxes	-568	-333	-128
Transfer to untaxed reserves	-850	-	-
Profit/(loss) for the year	**22,800**	**37,131**	**-11,311**

Barco NV sales in 2019 increased to 772 million euro, up 15%, as a result of higher sales in all three divisions.

The operating income in 2019 is a profit of 70.8 million euro, compared to a profit of 38.8 million euro in 2018. Higher sales, while keeping costs under control, results in a higher operating income.

The lower gross profit margin, in 2019 compared to 2018, is the result of some margin pressure in Entertainment and Healthcare, impact of cost of quality related to the transfer of the Norway factory to Belgium and product ramp-ups.

Both in 2019 and 2018, the lower recurring financial income is mainly influenced by lower intercompany dividends received.

The non-recurring financial result in 2019 and 2018 consists of impairments booked on financial fixed assets (see above). In 2017 this is the result of the impairment on Barco Fredrikstad and a realized loss on the realization of the intercompany receivable from X2O.

The income taxes relate to withholding taxes on received dividends. In 2019 this also relates to the cost of investment in the Belgian tax shelter regime. The transfer to untaxed reserves is also linked to this tax shelter regime.

Proposed appropriation of Barco NV result

IN THOUSANDS OF EURO	2019	2018	2017
Profit/(loss) for the year for appropriation	22,800	37,131	-11,311
Profit brought forward	91,374	76,480	108,164
Profit to be appropriated	**114,174**	**113,611**	**96,853**
Transfer from other reserves	-6,951	-6,443	-5,582
Profit to be carried forward	87,771	91,374	76,480
Gross dividends	33,354	28,680	25,955
Total	**114,174**	**113,611**	**96,853**

The board of directors of Barco NV proposed a gross dividend of 2.65 euro per share relating to the result as of 31 December 2019. In 2019 a gross dividend of 2.3 euro per share was paid out on the results of 2018; in 2018 2.1 euro was paid out.

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