2020 Integrated annual report

barco.com

ENABLING BRIGHT OUTCOMES

BARCO

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

On the road to integrated reporting

Since 2017, Barco has been on a mission to enable bright outcomes. In line with that mission, we are happy to present our **very first integrated report**. It highlights our commitment to financial as well as non-financial outcomes, value and impact. Beyond accountability and reporting, we also consider integrated reporting a driving force for value creation and innovation. It will guide us further on our road to enabling bright outcomes – for customers, business partners, employees, shareholders and every other stakeholder.

Message from the CEO

Dear customers, business partners,
employees and shareholders,

A year to forget? An unforgettable year? Whatever option you choose, 2020 was an unprecedented year for each and every one of us.

Just like at many other organizations, the entire Barco team worked extraordinarily hard to navigate the human and business impacts of the covid-19 crisis. In spite of our efforts and the many measures we took, we could not prevent our results from dropping steeply, as disruptions in our markets knocked demand off balance. But we are confidently poised for renewed growth when our key markets in their "new normal" become fully active again.

A spirit of agility, creativity and resilience

When we'll look back upon 2020 within a decade, I hope we'll remember how we managed to turn that massive challenge into meaningful choices. To me, what really marked 2020 was the agility, creativity and resilience shown by each of us, individually and as a company. Many Barco employees shifted from office to remote working in no time. Others focused on keeping our factories and offices open for business, combining lots of creativity with timely, pragmatic safety protocols. We adjusted cost levels, redeployed teams to respond to market realities and ensured continuity towards our customers, helping them navigate through the market shocks.

> What really marked 2020 was the agility, creativity and resilience shown by each of us, individually and as a company.

Building on solid foundations

2020 confirmed the importance of a strong company culture. Our values, beliefs and attitude have guided us through the crisis.

Of course, it takes more than that to keep a business sailing through the heavy winds 2020 brought. While we were initially preparing for strong growth in 2020, the Barco ship was also ready for rough weather when the coronavirus hit, as we are a fit and lean company. Between 2016 and 2019, we had intensively focused on performance, boosting operational and commercial excellence, ensuring cost efficiency and building out our commercial footprint while we shaped our organization, product portfolio and product-market strategies. In last year's annual report, I wrote how pleased I was that Barco had a healthy, resilient platform for future growth. While the covid-19 virus left no room for growth, these solid foundations did support us in these heavy winds.

Facing head- as well as tailwinds

All three Barco markets have been impacted by the covid-19 crisis, with varying degrees of severity. We experienced some tailwinds but many headwinds. As cinemas closed down and events got cancelled, our Entertainment business faced significant downturn. In Healthcare, the pressure on hospitals initially sent demand for our diagnostic displays and remote diagnostic tools soaring. This growth, however, was offset by lower demand for healthcare solutions in the second half of the year, as elective procedures in hospitals were postponed. Enterprise sales also declined as offices locked down, but began to show signs of recovery with steady progress in the second half of the year.

Navigating through the crisis: defense and offense

Facing diminishing sales in a number of our markets, we decided to combine both offensive and defensive plays during the crisis. Variable cost structures, cost control measures and government support all helped keep our business running. To ensure a strong rebound from the downturn – or rather, to make sure we emerge from the pandemic even stronger – we kept investing in research and development, continued to launch new products and stepped up well defined investments in customer engagement in 2020.

> To ensure we'd emerge even stronger from the downturn we kept investing in research and development, kept launching new products and invested big in customer engagement in 2020.

Recipe for recovery

We are confident that we will harvest the fruits of that approach. After all, our markets hold promising opportunities for growth in 2021 and beyond:

- Our strong healthcare visualization solutions perfectly cater to the need for increased care capacity and to elective surgery once it returns to normal levels;
- Clickshare Conference meets the needs of corporates who are now looking for the right technology to enable their hybrid workplaces;
- Our next-generation laser projection technologies will help cinema exhibitors differentiate themselves from the competition while saving costs.

In addition, we have reinforced our commercial footprint and our In China For China position, thus increasing our competitive strength across the globe. Last but not least, the covid-19 crisis has pushed Barco to operate in new ways, accelerating digitization. We're shifting gears in that respect too. By welcoming Marc Spenlé, our new Chief Digital and Information Officer, as well several other new colleagues with seasoned technology experience and skills, we will create value through digital innovation.

Continued focus on sustainability

While 2020 was a very different year for our entire business, Barco stuck to its sustainability commitments. Since 2017, when we decided to integrate sustainability into every aspect of our business, sustainability has been increasingly pervading everything that Barco does. In 2020, we made progress in various new domains and reached our 2020 targets for 'planet', among other achievements. To highlight our dedication to sustainability, we replaced our familiar Annual and Sustainability reports by this Integrated report. It underlines the fact that sustainability-linked factors are just as important as financial factors in determining our performance and helping us create value.

> This Integrated report underlines the fact that sustainability-linked factors are just as important as financial factors in helping us create value.

Thank you!

This year, more than ever, I want to close my message with a big thank you. Thanks to all our colleagues who adapted rapidly to the new reality. Thank you to our clients, suppliers, investors and our Board of Directors, for supporting us and maintaining trust in our long-term potential. It has been a tough year and we are not at the end of this marathon yet, but we look towards the future with confidence and are committed to keeping Barco's performance on track.

Thanks for you continued support.

Jan De Witte
CEO

Since the outbreak of the covid-19 pandemic, we at Barco have been continuously adjusting to face the challenges posed by the virus. [Read more about our approach]

Key figures

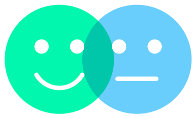
Eco score

48%

Percentage of new product releases with a Barco ECO label

NPS (Net Promoter Score)

47



Barco's standard customer experience metric, measured quarterly

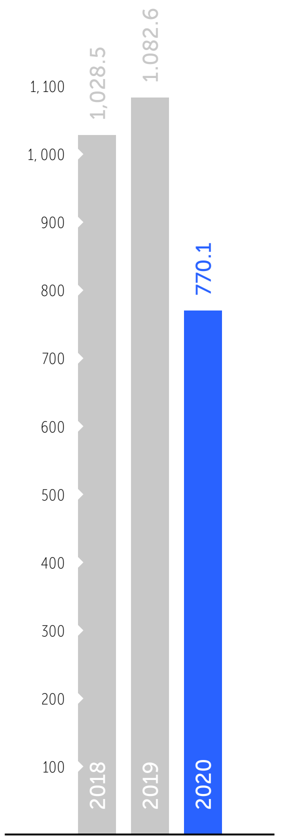
(upper quartile industry performance)

Employees

Reported in heads, excluding temporary workforce
(Database Corporate Associates per 31/12/2020)

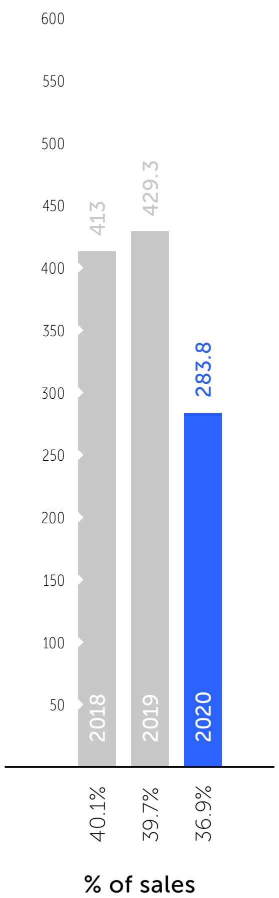
Sales

(in millions of euro)



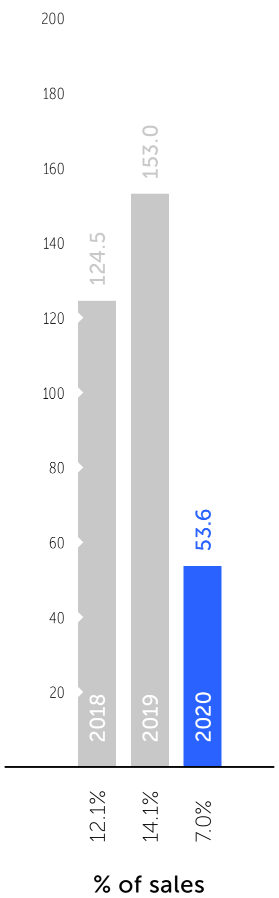
Gross profit

(in millions of euro)



Ebitda

(in millions of euro)



Highlights

JANUARY

Demetra wins Henry van de Velde Gold Award for Business Innovation 2020

More than revolutionizing skin imaging, our Demetra platform also excels in design. We were honored to receive Belgium's most prestigious design recognition – the Henry van de Velde Gold Award in 2020.
Read more

JANUARY

Traffic management center keeps 335,000 vehicles moving 24/7 at the Frankfurter Kreuz interchange

At the Hessen Traffic Center in Germany, a giant Barco UniSee LCD video wall (39 panels) provides a continuous overview of the traffic on no less than 2,000 km of highway. Our TransForm N controller secures the collection and distribution of all media sources to all the workstations.
Read more

FEBRUARY

New ClickShare Conference brings wireless conferencing to the workplace

The new ClickShare Conference works seamlessly – and wirelessly – together with videoconferencing software and any type of meeting room hardware to make remote meetings truly intuitive – just what users need in today's hybrid workplace.
Read more

MARCH

Barco stays open for business – also during the covid-19 pandemic

Throughout the covid-19 crisis, Barco focused on business continuity, keeping our production operational, reaching out to customers and implementing strict measures to safeguard the well-being of our people.
Read more

JUNE

New presentation switcher meets the needs of both live events industry and corporate meeting spaces

The PDS-4K full-screen presentation switcher is a new member of our industry-leading image processing platform. More than ensuring high-quality visual experiences, it also responds to users' demands for flexible, long-lasting and easy-to-use solutions.
Read more

Highlights

SEPTEMBER

Revealing immersive showpiece with Culturespaces: Bassins de Lumières

In Bordeaux (France), Culturespaces opened Bassins de Lumières: an amazing exposition that brings the fine art of Gustav Klimt and Paul Klee to life in a former World War II submarine base – thanks to over 100 Barco projectors.
Read more

SEPTEMBER

Achieving our first target to reduce carbon footprint of own operations one year in advance

In 2016, Barco had set a number of ambitious sustainability goals to be achieved by 2020. Thanks to our dedication to sustainability, we reduced the carbon footprint of our own operations by 20% in 2019, achieving our target one year in advance.
Read more

OCTOBER

Barco Insights: broadening our IoT-platform for projectors

No complex setup or network configuration, no local host PC and no software to install: Barco Insights, our new IoT-enabled cloud platform, makes the remote monitoring and serviceability of projectors easy.
Read more

OCTOBER

Enabling virtual presence for the digital operating room with Caresyntax

Together with Caresyntax, our Healthcare division launched a virtual presence technology for the digital operation room, meeting the global surge of remote work and remote collaboration.
Read more

NOVEMBER

Virtual classrooms: delivering world-class business education

When Mays Business School at Texas A&M University (US) decided to embrace online teaching, they chose weConnect. "Unlike other solutions, this is really a teaching platform. It lets me truly engage with participants," said senior advisor Jared Bleak.
Read more

Our company

Barco’s mission is to enable bright outcomes by transforming content into insight and emotion.

Our mission statement

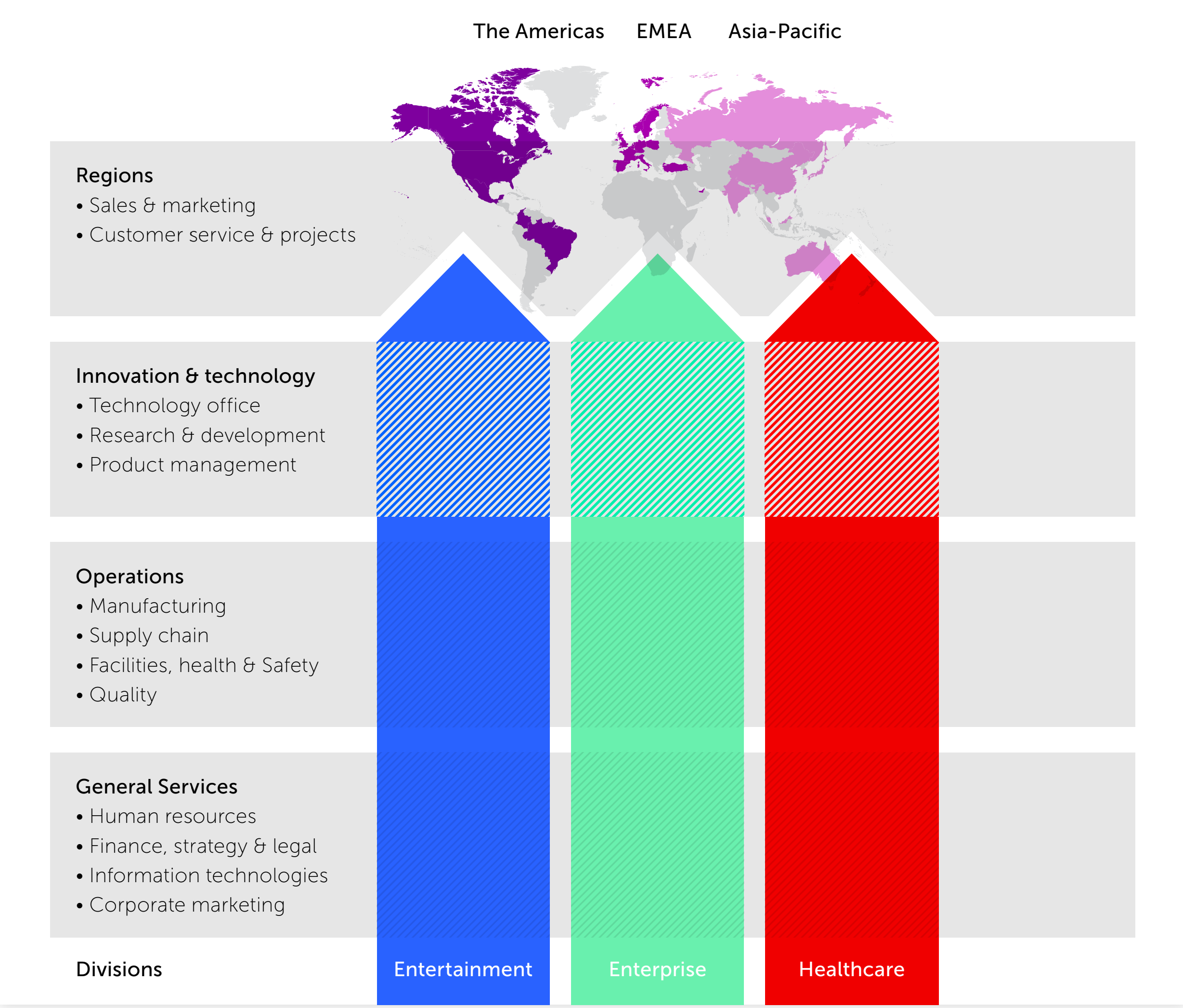
Imagine a way to see, sense, and share the intangible. It’s what happens when big data becomes knowledge. When images become insight. And when experiences come to life.

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

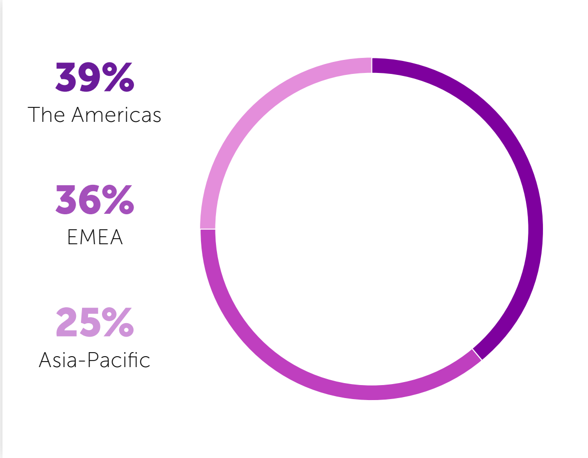
For us, it’s you - our customer - that counts. We help you achieve your goals, whether it’s protecting the health and safety of millions, creating unforgettable experiences, or supporting people to work smarter together. We help you get the most out of what you do every day. So together, we create brighter outcomes, around the world.

Our organisation

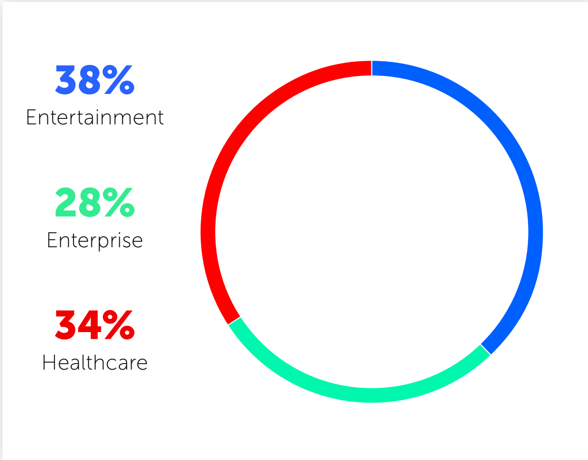
Organigram



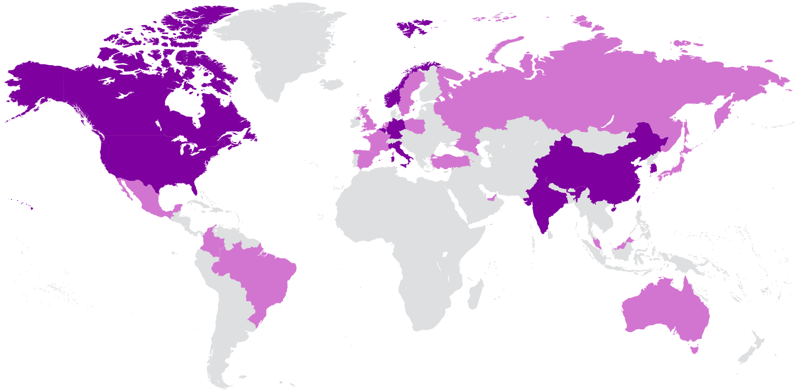
Geographical breakdown of sales



Sales per division



Geographical footprint



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

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

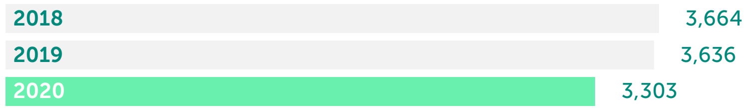
EUROPE & MIDDLE EAST
- **Belgium**
- France
- **Germany**
- **Italy**
- The Netherlands
- **Norway**
- Poland
- Russia
- Spain
- Sweden
- Turkey
- United Arab Emirates
- United Kingdom

● Sites
● R&D and/or manufacturing facilities

The people of Barco

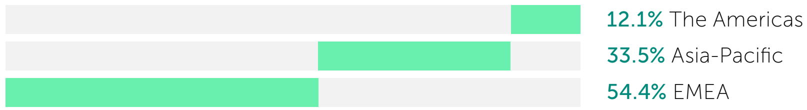
Our people are the driving force to our success. A team of over 3,300 employees, located around the globe, all join forces to enable bright outcomes;

Number of employees

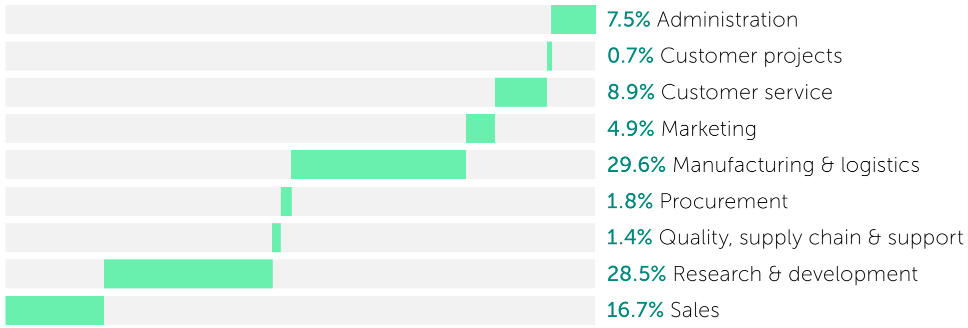


Gender

Geographical



Per functional group



Reported in heads, excluding temporary workforce (Database Corporate Associates per 31/12/2020)

Leadership

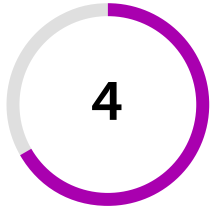
Barco believes that the role of its leadership team and its Board of Directors is not only to protect the corporation but also to ensure that Barco is able to create value for society at large.

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

Board of Directors

The composition of the Board of Directors meets the gender diversity requirements. All directors hold or have held senior positions in leading international companies or organizations.

In 2020, Mr Luc Missorten resigned from the Board of Directors, reducing the number of Board members from 7 to 6.

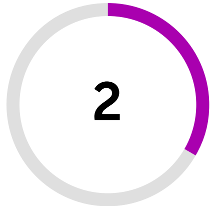


Directors with 5 years of seniority

Charles Beauduin
Chairman

Jan De Witte
CEO

Frank Donck

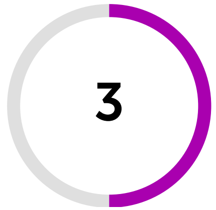


Female members of the Board

Ashok K. Jain

Hilde Laga

An Steegen



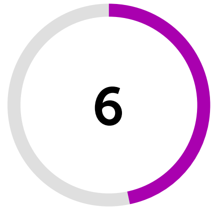
Independent directors

See our Corporate Governance section for the biographies.

Our Core Leadership Team

The CLT, which operates under the chairmanship of the Chief Executive Officer, comprises key officers from functions, businesses and regions.

Anthony Huyghebaert, Marc Spenlé and Kenneth Wang are the new faces in Barco's CLT in 2021.



CLT members with 5 years of Barco seniority

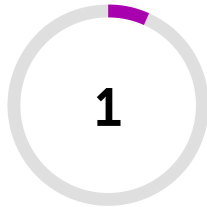
Jan De Witte
CEO

Wim Buyens
CEO Cinionic

Olivier Croly
APAC

Gerwin Damberg
Chief Technology Officer

Ann Desender
Chief Financial Officer



Female CLT member

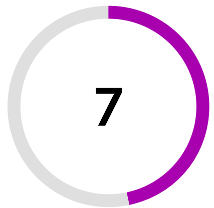
Stijn Henderickx
EMEA

Anthony Huyghebaert
Chief HR Officer

Rob Jonckheere
Global Operations

Filip Pintelon
GM Healthcare

Marc Spenlé
Chief Digital & Information Officer



Non-Belgian CLT members

George Stromeyer
GM Enterprise

Iain Urquhart
Americas

Nicolas Vanden Abeele
GM Entertainment

Kurt Verheggen
General Counsel

Kenneth Wang
MD Barco China

See our Corporate Governance for the biographies and the description of the changes in the CLT.

Culture & ethics

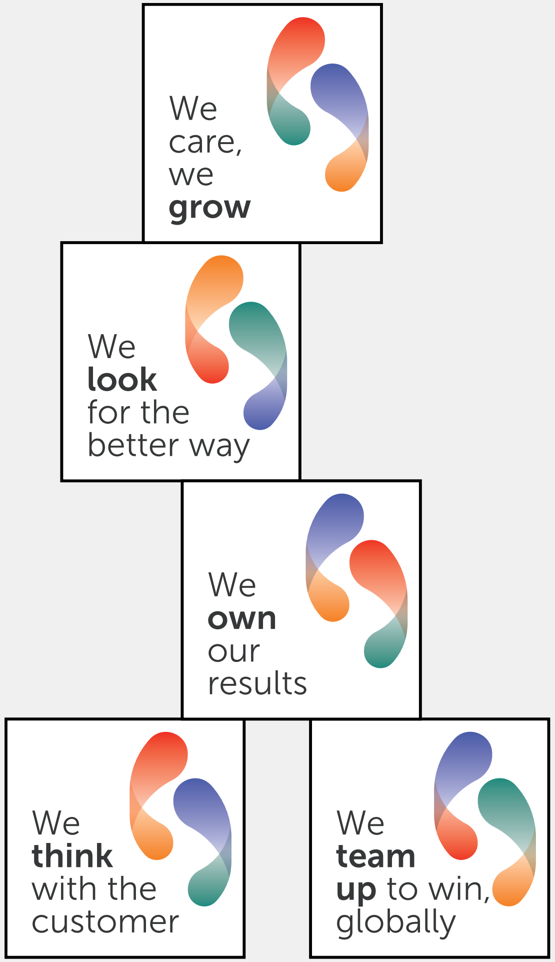
Every organization has a culture; implicit or explicit. It is its personality – a set of unwritten rules on how an organization behaves. And it reveals itself in many different forms. In 2019, Barco rejuvenated its corporate culture, defining the cultural traits that Barco must embrace to continue leading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

Barco culture: how we live our DNA

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

To come to a common understanding of the culture we envision, we have looked inside the company and **reverse engineered the Barco culture**. This 'meeting of minds' has crystallized into how we can live our DNA with **5 building blocks as the key elements of our Barco culture**.

Read more on the culture blocks



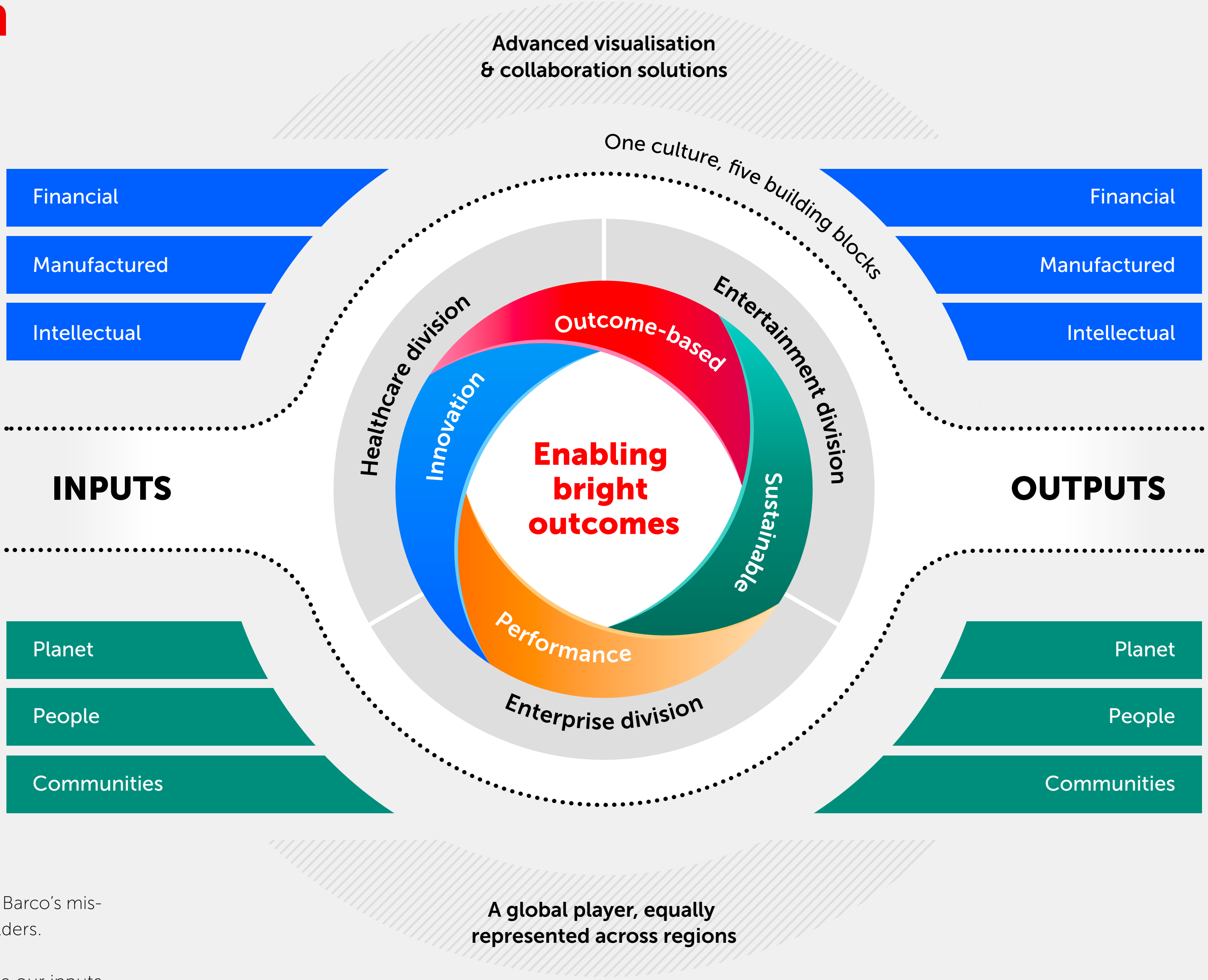
The importance of ethics and compliance

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

Read more on our approach of compliance and ethics

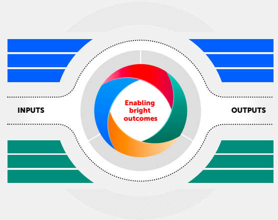
How we create value

Value creation model



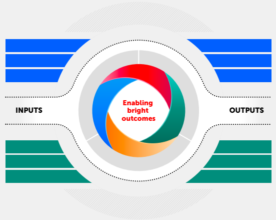
The concept of 'value creation' fits perfectly with Barco's mission of enabling bright outcomes for its stakeholders.

In the above "Value creation model" we describe our inputs and explain how, through our business model, we convert these to outputs that ensure sustainable value to all our stakeholders.



	Inputs		Outputs	
Financial	**193.5** Net cash (mio €)	**34%** Opex (in % of sales)	**-0.05** Earnings per share (€)	**-35.9** Free cash flow (mio €)
	68.5% Equity as percentage of balance sheet total		**7%** EBITDA margin	**770.1** Group sales (mio €)
Manufactured	**69.6%** Make (over hardware revenues)	**4** Countries with a manufacturing facility	**92%** iGemba improvement suggestions implemented	**3%** ROCE
	1.9% Capex (in % of sales)	**142** Number of key(+) & core suppliers (covering 81% of material cost)	**2.3** Inventory turns	
Intellectual	**28.5%** Employees in R&D		**9** Number of new patent filings	
	13.30% R&D spend (in % of sales)		**461** Number of patents at year-end	

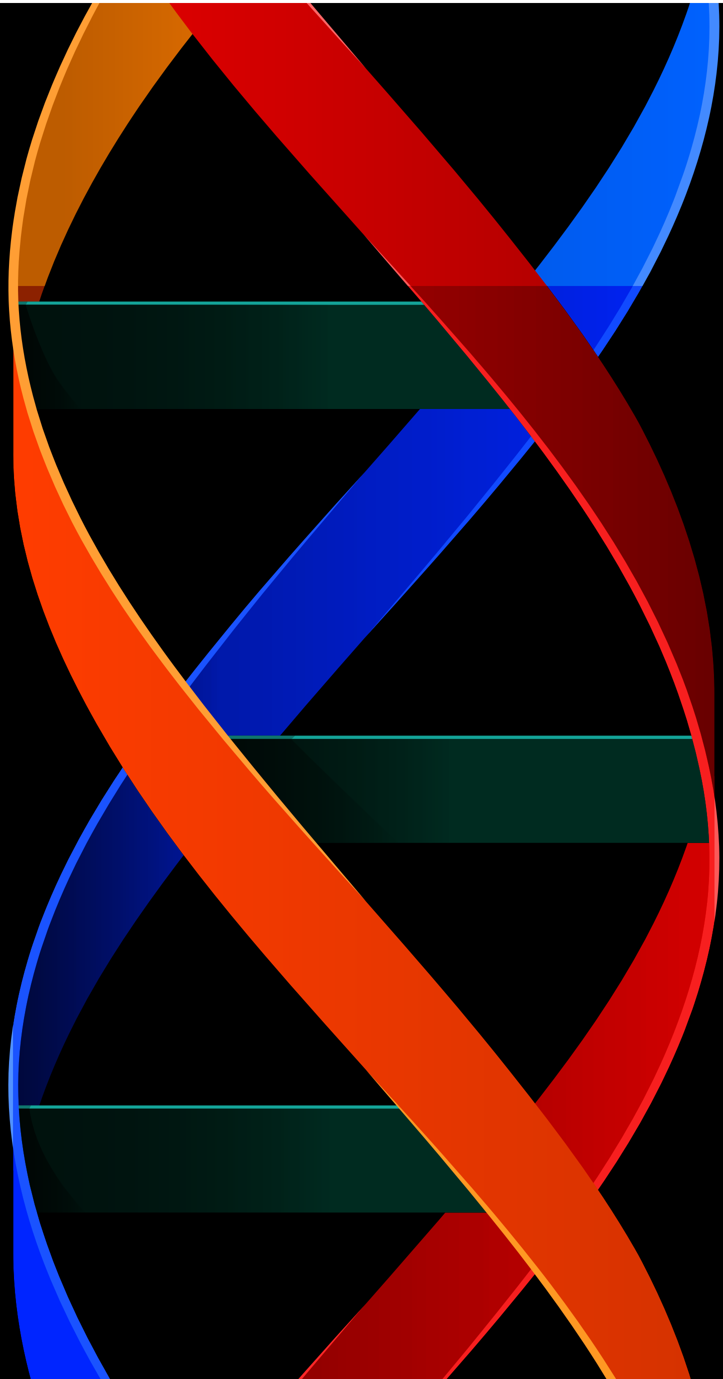
All definitions for alternative performance measures (APM's) are available in the glossary



	Inputs		Outputs	
Planet	**34.3** Total energy consumption (MWh/mio € revenues) (of which 53.5% renewable)	**4%** New products released with recycled plastics	**34%** Carbon footprint reduction of own operations (vs 2015)	**48%** New products released with Barco ECO label
			27% Energy footprint reduction of sold products (vs 2015)	**23%** Revenues from products with Barco ECO label
People	**3,303** Number of employees (# heads)	**374** Number of new (external) hires (# heads)	**17%** Women in senior management	**2.44** Lost time injury frequency rate
	11.3 Average training hours per employee (# hours)		**20%** Internal mobility (% of vacancies filled internally)	
Communities	**98%** Employees trained in Standards@Work	**98%** Key(+) and core suppliers that signed declaration of compliance with RBA Code of Conduct (Responsible Business Alliance)	**47** Customer Net Promotor Score (relationship NPS)	**2** Number of product lines in scope of ISO 27001
	1,184 Number of certified dealers/partners		**43%** Key+ and core suppliers with sustainability score higher than 80%	

All definitions for alternative performance measures (APM's) are available in the glossary

Shaping our strategy



On a mission to enabling bright outcomes

Barco is on a mission to enable bright outcomes by transforming content into insight and emotion. To guide us in pursuing that mission, we introduced a new strategy in 2017. Building on our strengths and inspired by a series of technological and socio-economic trends, our strategy outlines how we plan to maintain and build on our role in today's digitally accelerating world.

Three time horizons

The Barco strategy is a work in progress. It aims to maximize our business opportunities across three time horizons in three 'chapters'. Since 2019, we have been focusing on growth and expanding our hardware, software and service capabilities. Disruptions like the 2020 covid-19 pandemic, market dynamics, materiality and evolving risks are constantly shaping our strategy. Although they may impact the progress and timing of some strategic objectives, they will not change the course of our strategy

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 - 2023

- **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

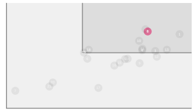
- **Objective:** focus on enabling bright outcomes by delivering a combination of hardware, software and services via new business models.
- **Target:** growth in recurring revenues and sustained topline and profit growth

On a mission to enabling bright outcomes

Four strategic levers

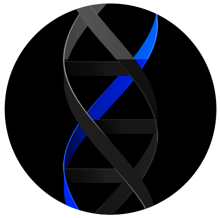
To cater to the rapid changes in today's markets, Barco is evolving from being a tech 'specs' vendor into a partner that enables bright outcomes. The commitment to **outcomes** is one of the four levers of the Barco strategy. It is intertwined with a zeal for **innovation**, a characteristic that has been shaping Barco since its earliest days, a permanent focus on **performance** and the resolute choice to go for **sustainable impact**.

1. Innovate for impact
2. Focus on performance
3. Offer outcome-based solutions
4. Go for sustainable impact



MATERIAL TOPICS

Strategic levers

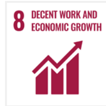


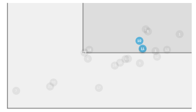
1. Innovate for impact

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

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 digital visualization products and services, however, we focus on **innovation for impact**, i.e. innovation that solves customers' real challenges and creates real value in mission-critical areas. 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**.

Focus areas		Proof points in 2020
Continuing to invest in R&D		• **13.3% of sales spent on R&D**, balancing long- and short-term R&D. • The **global software development structure** was further strengthened with GEAX, our Globally Empowered to Accelerate Experience team.
Innovation at Barco is innovation for impact		• Innovation award winner ClickShare Conference facilitates the **hybrid meetings** which will take a central role in the new way of working and collaborating. • WallConnect Cloud allows remote monitoring and diagnosing of video walls – **boosting efficiency, problem-solving and wall uptime**. • NexxisCare software helps hospitals manage ORs in multiple facilities remotely – to anticipate on issues and **improve efficiency in surgical environments**. • Barco Insights, our cloud-based IoT solution for enhanced projector management, **simplifies and facilitates remote monitoring and serviceability**. • With the new SP2k, the Barco Series 4 projector for smaller screens (6,000 to 15,000 lumens), Cinionic makes its **laser solutions accessible for every theater**. • New XT-series of LED tiles meet the **varying needs in our core segments**: control rooms, television studios , meeting rooms and 3D visualization. • UDM projector series expanded to meet the requirements of the events and ProAV market: **brightness in a light, compact design**. • SecureStream allows **secure and user-friendly streaming outside the control room**.
Innovation is more than introducing new products		• weConnect, Demetra and Synergi target the **new markets** of education, dermatology and oncology, respectively. • Demetra skin imaging platform officially launched in the US market as **SaaS solution**. • Cinionic launches **new business models**, in addition to Laser as a Service: Cinema as a Service and Premium as a Service. • ClickShare Alliance Program: **integrating ClickShare Conference** with meeting room technology of other leading players (Jabra, Logitech, Vaddio, Yamaga) to improve the hybrid meeting room experience.
Raising the return on our innovation investments by enhancing processes and organization		• New **Chief Digital & Information Officer** Mark Spenlé appointed. • Further strengthening **the global software development structure** with GEAX, Barco's Globally Empowered to Accelerate Experience team.





Strategic levers

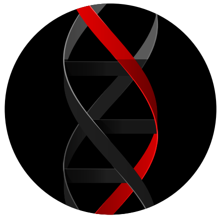
2. Focus on performance

To lead the way in changing times, we unceasingly focus on performance: we work hard to drive efficiency and agility, leveraging OneBarco scale and excellence, strengthen our commercial capabilities while building ICFC (In Country For Country) capabilities, and we apply 'value-focused thinking' in everything we do.

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. While in 2019 we were fit to focus on growth, the covid-19 crisis urged us to sharpen our focus on performance again.

Focus areas	Proof points in 2020
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**. • As part of a product-cost improvement opportunity, we started **outsourcing the production of the UniSee LCM component** and closed our Taiwan factory.
Focusing on R&D and operational efficiency	• **Accelerated value engineering** initiatives across the group led to gross margin growth progression for particular product lines. • All new hires (white collars) go through a **'continuous improvement' training course** as part of their onboarding program (2020 Belgium, global rollout 2021).
Commercial excellence	• Continued 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**. • Further rollout of **new service offerings**, e.g. break-fix scope and definition, dashboard and reporting processes, and improved interaction between divisions and commercial departments. • By **keeping our business open** during the **covid-19** lockdowns, we ensure business continuity and a strong market position once the impacted markets start to recover.

Strategic levers



3. Deliver outcome-based solutions

We want to be a reliable partner that provides its 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.

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 constantly improving customer services, delivering outcome-based solutions will also help us achieve predictable, recurring revenues. Step by step, we are making progress in this field.

Focus areas		Proof points in 2020
Strengthening capabilities and organization		• New initiatives and actions, incl. Standards@Work training, taken to further **boost security awareness** throughout the organization. • Continued build-out of **software and digital business capabilities**. • Appointment of Marc Spenlé as the **new Chief Digital & Information Officer**. • Barco's **software organization** was further **strengthened**. • Progress on **subscription-based services** (SaaS, incl. subscription, registration and license management), such as weConnect, Demetra and Synergi. • XMS Cloud Management Platform for remote control of the ClickShare and wePresent devices includes **analytics to drive the digital workplace**.
Exploring and launching outcome-based solutions, in new business models		• NexxisCare helps hospitals manage ORs in multiple facilities remotely – to anticipate on issues and **improve efficiency in surgical environments**. • Cinionic introduces 'Cinema **as a Service**' and 'Platform as a Service' and launches new, **flexible payment models**. • The cloud-based Barco Insights IoT solution for projector management **simplifies and facilitates remote monitoring and serviceability**.

Strategic levers

4. Go for sustainable impact

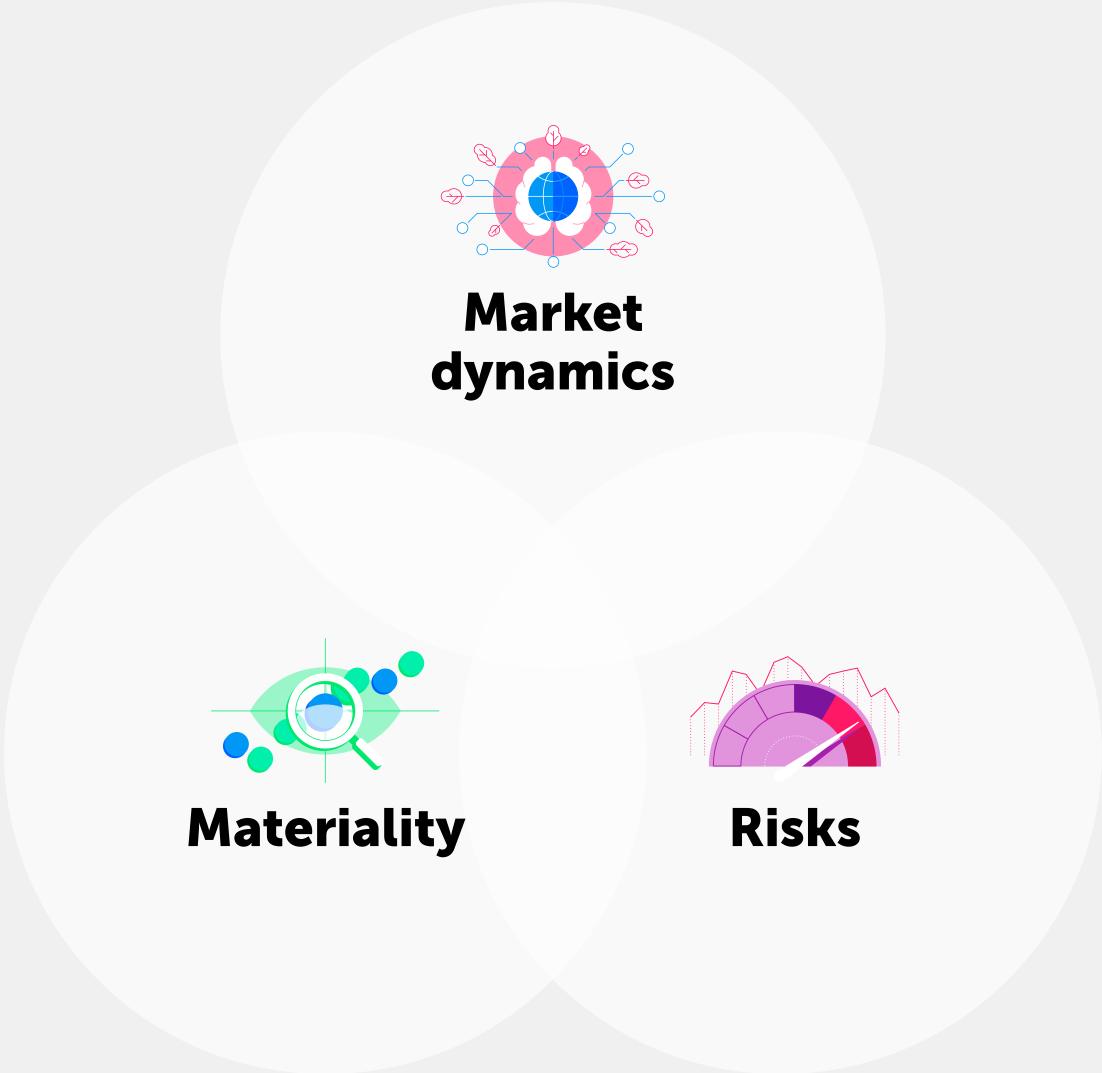
Barco is convinced that sustainable business is good business. That's why our sustainability strategy is an integral part of our corporate strategy. When deciding how to execute our strategy, we decided to work with respect for the **planet**, our **people** and the **communities** we operate in. For each of these three domains, which we call our sustainability pillars, we defined an overall ambition statement as well as several focus areas. Year after year, our commitment to 'go for sustainable impact' becomes more deeply embedded in Barco's corporate DNA.

Focus areas		Proof points in 2020
Strengthening governance and organization		• Strong overall directional management and clear accountability with **workstream leaders**. • We set up a strong **organization** to prepare future external assurance of sustainability KPIs. • Barco joined the **Science Based Targets initiative**, a global movement of leading companies that align their businesses with the most ambitious aim of the Paris Agreement.
Sustainability strategy		• Kick-off of **integrated reporting** at Barco. • **2020 materiality assessment**: more than 110 stakeholders and 70 Barco leaders participated. • **Science-based targets** defined (currently under validation) to further solidify our ambitious sustainability goals.
Improving sustainability performance in the domains of planet, people and communities		• Full focus on the health, safety and wellbeing of our **employees during the covid-19 crisis**. • Upgraded from A to AA in MSCI ESG rating, **ranking among the top 12%** of the Electronic Equipment, Instruments & Components industry. • Sustainalytics **ranking 3rd out of 110** in the Electronics equipment subindustry. • We reached the 2020 target to **reduce carbon footprint** of own operations **one year in advance**. • **2020 targets on product energy footprint and ecodesign** achieved. • Flagship product releases in 2020 received an **A or even A+ ecoscore**. • Barco's **customer Net Promotor Score (NPS)** rose from 37 to 47 in 2020, highlighting the increasing satisfaction/loyalty of Barco customers. • **Customer journey managers** in each division will support Barco's transformation towards increased customer centricity. • Five new **e-learning courses** on Standards@Work **(ethics and compliance)** were launched.

Keeping our strategy in shape

Our world and our markets are changing faster than ever. As these changes largely impact our customers' businesses as well as ours, it is key to understand today's dynamics and take them into account when implementing our strategy and monitoring process.

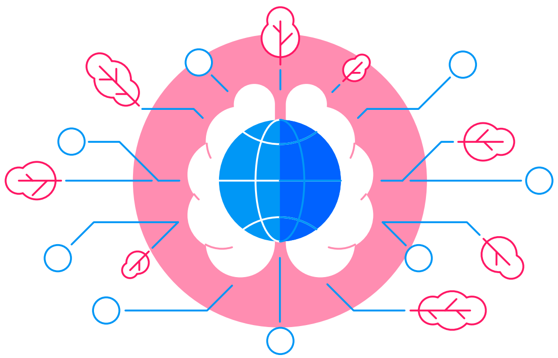
We also consider and keep track of evolutions in the material topics and risks that possibly affect Barco and Barco's capabilities to execute its strategy.



Market dynamics

We considered the prevailing market dynamics when we defined our new mission statement and strategy three years ago, and continue to take these into account as the topics evolve and we step up our strategy.

Technological as well as **global socio-economic** trends affect our roadmap for the future.



Technological trends

The rapidly accelerating pace of digitization

While digitization was already high on the agendas of most organizations, the covid-19 pandemic accelerated the paradigm shift towards digitization and servitization of the economy in 2020. In the heat of the crisis, operating digitally was the only way to stay in business. Digital services, remote working and e-commerce are now here to stay. Trends that are bound to gain importance in the coming years include:

61%

of enterprises show a high degree of IoT maturity

(source: Gartner, 2019)

80%

of consumer or industrial products containing electronics will perform on-device analysis by 2025

(source: Gartner, 100 data and analytics predictions through 2024)

14.2%

of the total global enterprise IT budget will be spent on cloud computing in 2024, up from 9.1% in 2020

(source: Gartner, November 2020)

3.9 million

USD is the average cost of a data breach

(source: IBM, 2020 Cost of a Data Breach Report)

Internet of Things (IoT) – sensors

IoT solutions have reached maturity. Used in a growing number of applications in every industry, they now deliver tangible business benefits, from creating new data sources to providing real-time performance updates.

Cloud computing

Cloud computing has been around for many years now. Today, almost everything is connected to the cloud in one way or another. According to Gartner, the proportion of IT spending that is shifting to the cloud will increase in the aftermath of the covid-19 crisis.

Analytics and AI

Leading organizations aim to become data driven as a way to accelerate business. Technologies like AI, machine learning and natural language processing have huge disruptive power, offering intelligence that may well surpass human insight.

Security and data protection

In today's digital, increasingly connected society, systems, networks and data must be protected from the rapidly accelerating threat of increasingly sophisticated cyberattacks, while also complying with data protection regulations.

Socio-economic trends

Read our 'markets' section to discover trends in events (Entertainment), in meeting rooms and in control rooms (Enterprise) as well as in radiology and operating rooms (Healthcare)

345 billion

USD will be the value of the as-a-service market by 2026

(source: Research Insights)

50%

of annual company revenues are derived from new products launched within the past 3 years

25%

of the world's largest companies is from emerging markets today (vs. 4% in 1995)

(source: www.agility.com)

x 3

Human consumption of the earth's natural resources more than tripled between 1970 and 2015 and is expected to more than double between now and 2050

(source: 'The World Counts')

Everything comes as a service

The advent of the cloud triggered a new business model: a rising number of services and applications are now available as a service, i.e. on demand over the internet, instead of delivered using on-premise hardware and software. Businesses are adopting the on-demand offering as it allows them to acquire new technology quickly with fewer up-front costs.

The shortening product life cycle

With the rapid advancement of technology and globalization and with the resulting tighter competition, product life cycles have been shortening significantly over the past few years. As a result, companies are under constant pressure to rapidly develop and launch new products and optimize revenue and profit.

The rise of emerging economies

By 2050, up to six of what are currently known as emerging nations could be among the seven largest economies in the world, according to projections by PwC and others. Among them is China, which is steadily assuming a new role at the epicenter of global technology and innovation.

The quest for sustainability

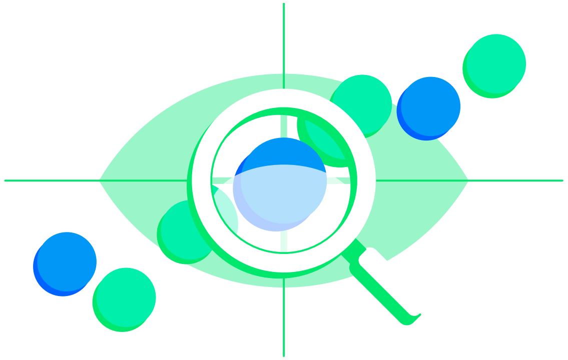
'Creating a more sustainable world' – and balancing that quest with economic interests – may well be one of the biggest challenges of today's society.

Materiality

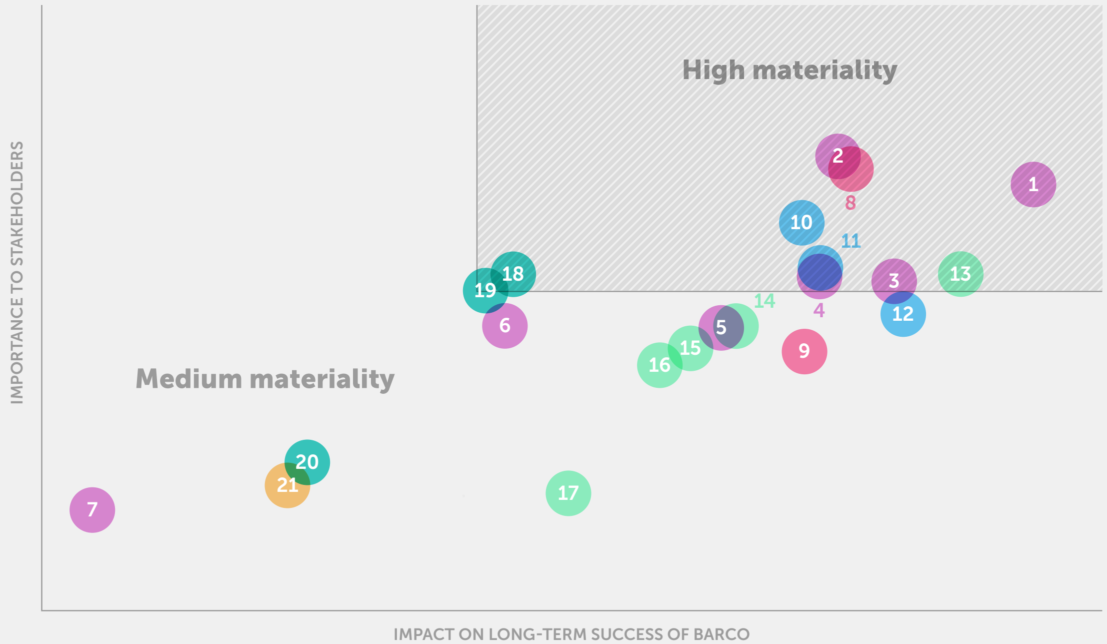
A materiality assessment helps organizations understand what topics matter most to its business and stakeholders. Barco regularly updates its materiality assessment to make sure it reflects changes in its business and the external environment.

Our 2020 materiality assessment

In 2020, we conducted a new, extensive materiality assessment, based upon and aligned with our integrated reporting approach, considering the six capitals. The resulting materiality matrix has three categories – low, medium and high materiality topics. The illustration reflects our medium and high material topics.



Read more on our materiality assessment



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

Intellectual
8. Innovation management
9. Brand

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

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

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

Manufactured
21. Long-term asset performance

How the UN SDGs guide our strategy

Defined in 2015 by the United Nations General Assembly, the Sustainable Development Goals (SDGs) consist of 17 global goals with a 2030 deadline.

We realize these goals cannot be met without support from the global business community. Our approach to supporting the SDGs is to focus on the goals where we can have the most impact, while screening and implementing actions that contribute to the other goals as well.

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

- **SDG 3: Good health & well-being:** Ensure healthy lives and promote well-being for all at all ages
- **SDG 7: Affordable and clean energy:** Ensure access to affordable, reliable, sustainable and modern energy for all
- **SDG 8: Decent work and economic growth:** Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
- **SDG 9: Industry, innovation and infrastructure:** Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
- **SDG 12: Responsible consumption and production:** Ensure sustainable consumption and production patterns
- **SDG 13: Climate action:** Take urgent action to combat climate change and its impacts

	Innovate for impact	Focus on performance	Offer outcome-based solutions	Go for sustainable impact
HIGH MATERIAL TOPICS	8. Innovation management	10. Financial resilience 11. Sustained profitable growth	1. Customer engagement 2. Product quality safety & security 3. Information security & data protection 18. Product stewardship	1. Customer engagement 2. Product quality safety & security 3. Information security & data protection 4. Business ethics 13. Employee engagement 18. Product stewardship 19. Climate change & energy
UN SDGs	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	8 DECENT WORK AND ECONOMIC GROWTH	3 GOOD HEALTH AND WELL-BEING 7 AFFORDABLE AND CLEAN ENERGY 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	3 GOOD HEALTH AND WELL-BEING 7 AFFORDABLE AND CLEAN ENERGY 8 DECENT WORK AND ECONOMIC GROWTH 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION

Stakeholder engagement

Barco attaches great importance to stakeholder engagement. After all, outside views help us identify and prioritize emerging issues and better align our strategy, actions and policies with the interests of our society and planet. In addition, stakeholders can provide valuable feedback on our performance and other aspects, like transparency.

2020 stakeholder engagement process

In 2020, we organized a comprehensive stakeholder engagement process, involving external as well as internal stakeholders, as input for our materiality assessment. In total, 111 stakeholders participated in surveys and interviews.

Top 5 material topics by stakeholder group (2020 assessment)

	Customers	Employees	Investors	Suppliers	(Non-) governmental organizations
1	Customer engagement	Customer engagement	Financial resilience	Innovation management	Climate change & energy
2	Product quality, safety & security	Employee engagement	Sustained profitable growth	Product quality, safety & security	Information security & data protection
3	Innovation management	Product quality, safety & security	Market reach	Business ethics	Innovation management
4	Financial resilience	Innovation management	Product quality, safety & security	Customer engagement	Product stewardship
5	Information security & data protection	Brand	Corporate governance	Financial resilience / Sustained profitable growth	Employee health, safety & wellbeing

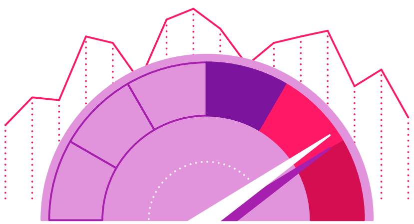
Read more on our stakeholder engagement approach

Risks

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

Risk management process

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



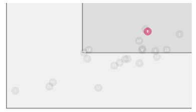
Read more on Barco's risk management

2020: main risks

Every year in the fourth quarter, Barco performs a company-wide risk assessment and compliance gap analysis. In 2020, 13 risks were identified and evaluated by CLT members and senior managers via an online questionnaire. The assessment and evaluation led to the following top risks:

	Risk	Trend	Material topics	Strategic levers
1	Macroeconomic, geopolitics and market	↗	• Market reach • Brand	• Focus on performance
2	Information security	↘	• Information security and data protection • Product quality, safety and security	• Focus on performance • Go for sustainable impact
3	Digital transformation and new technologies	↗↗	• Innovation management • Learning and development	• Innovate for impact • Offer outcome based solutions
4	Human capital and talent management	↗	• Employee engagement • Learning and development • Employee health, safety and wellbeing • Diversity and inclusion	• Focus on performance • Go for sustainable impact
5	Product quality	→	• Product quality, safety and security • Customer engagement • Brand	• Innovate for impact • Offer outcome based solutions
6	Data governance and privacy	→	• Innovation management • Information security and data protection	• Go for sustainable impact
7	Supply chain and 'Nth' party risk	→	• Responsible supply chain management • Sustained profitable growth • Product quality, safety and security	• Focus on performance • Go for sustainable impact

Our technology



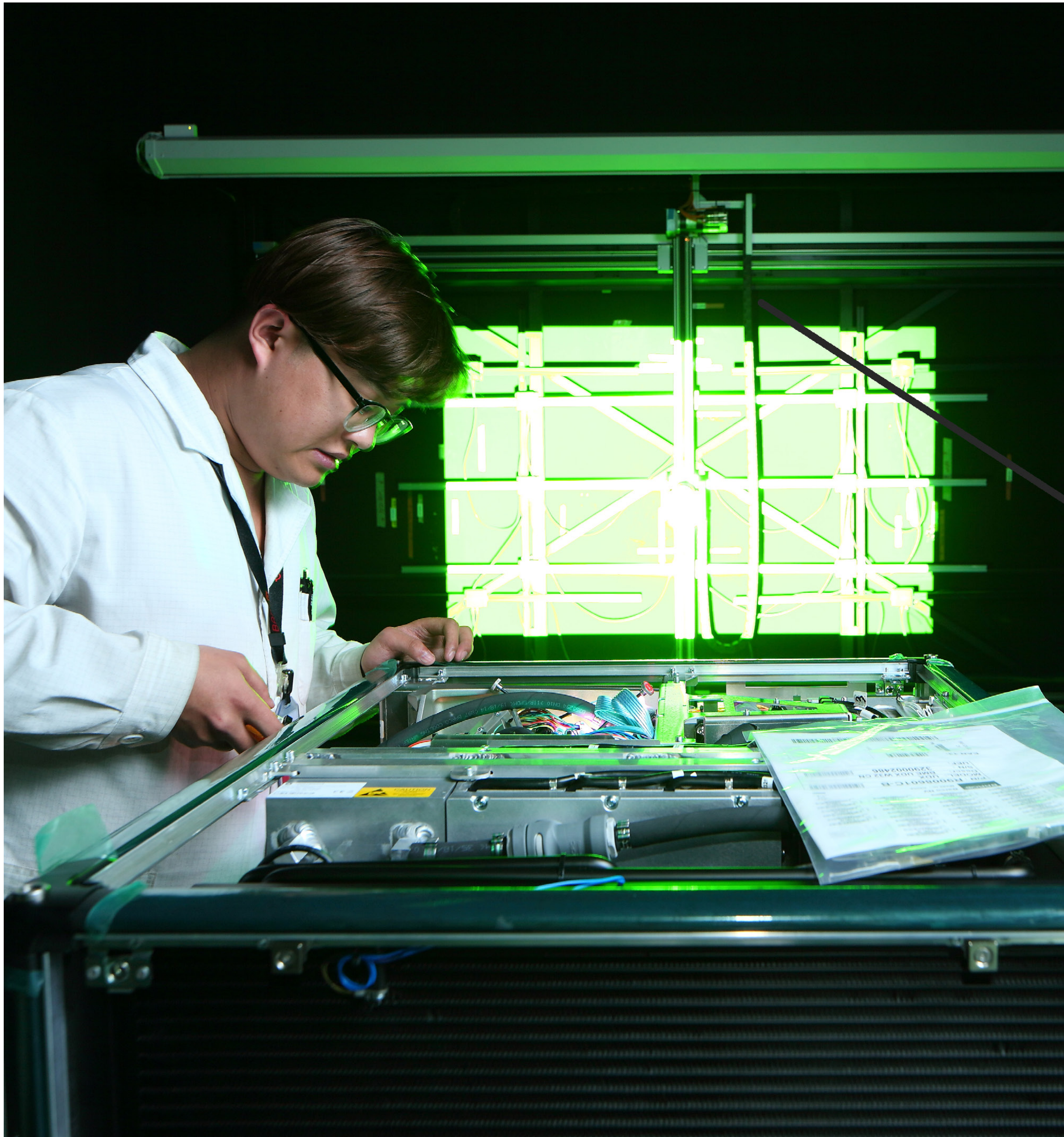
Our technology

Barco is and has always been a true technology company. Building on decades of experience and expertise in imaging and visualization, we continue to invest strong (on average 11% to 12% of turnover) in R&D in order to meet the rapidly evolving market demands. A disciplined and well-governed approach ensures that our innovation efforts pay off and can be turned into commercial reality.

Technology: approach

Successful innovation is innovation that creates both **value for the customer** and true **business value**. Barco increasingly adopts a disciplined approach to innovation, ensuring that our ideas are tightly connected to our strategy and can be turned into both revenue growth potential and brighter outcomes for our customers.

Barco as a technology company invests generously in innovation: every year more than 10% of our top-line sales are reinvested in R&D.



INTERVIEW WITH GERWIN DAMBERG,
CHIEF TECHNOLOGY OFFICER

Innovate for impact: how do we do that at Barco?

Barco has adopted an increasingly disciplined approach to investing in innovation in order to balance risk and potential returns. Part of the innovation process is validating that our programs and initiatives are focused on uncovering and solving real customer pain points, have a clear path to revenue growth potential and are tightly connected to our technology strategy. CTO Gerwin Damberg explains.

> Fast-paced and focused innovation in product development requires a disciplined, well-governed approach to innovation investments across time horizons.

In 2019, Barco reviewed its technology portfolio. Why the change?

While hardware-centric solutions such as display and projection applications are still at the core of many of our businesses, connectivity, workflow improvements and content insights are becoming increasingly important in almost all of Barco's product offerings. As such, Barco took action to broaden and deepen our expertise in some of the younger fields such as computational optics and photonics as well as rendering, parallel computing, and machine learning. In 2019 we took the strategic decision to review our technology tool chest and include a broader range of building blocks to cover all those enabling technologies. This was complemented with some finetuning of our overall approach to innovation to link new ideas even closer to customer and business. 2020 of course was a challenging year, but in spite of the changes in some of our markets we were able to accelerate the innovation pace to come out as a stronger technology company when the markets bounce back.

What's new in Barco's approach to innovation?

Barco as a technology company invests generously in innovation: every year more than 10% of our top-line sales are reinvested in R&D. Yet, fast-paced and focused innovation in product development requires a disciplined, well-governed approach to innovation investments, especially for early innovation. So, we took a step back and thought about how to approach R&D and tackle innovation at Barco in a more structured way, both for our existing portfolio and for the brand-new technologies, solutions and services in the works. When it comes to the latter, we want to instill elements of a start-up and VC-like investment mentality.

What marks a start-up approach?

Start-ups need investors, so they adopt a holistic approach to innovation. First, they gauge the desires of the customer, exploring what the customer really needs, what problem(s) need solving. You'd be surprised at how much customer needs can differ from the features that tech innovators have in mind! A second criterium is early validation points of business value: how can this idea can help us grow our company? Last but not least, new ideas have to be technologically feasible and align with the overall Barco strategy.

In 2020, we rolled out an innovation approach that takes into account these steps: innovators come up with an idea and pitch it, we check if it ticks all the boxes (desirability, viability, feasibility and strategy) and only then will we work on a proof of concept in Barco Labs. The next, sometimes challenging step is to maintain this startup pace and mentality all the way through the different growth stages until an initiative is successful enough to stand on its own feet or as part of a product division.

How does this approach differ from innovation of existing solutions?

When upgrading existing solutions or adding new solutions to an existing stack, you build on a lot of experience, existing customers and well-known expectations. The most important thing here is not to fall into the trap of investing too heavily in product maintenance and updates but maintain a fast pace in evolving and disrupting our own product portfolios. We have to keep challenging ourselves to prevent competitors from passing us: we encourage our teams to identify disruptive solutions to our own product lines.

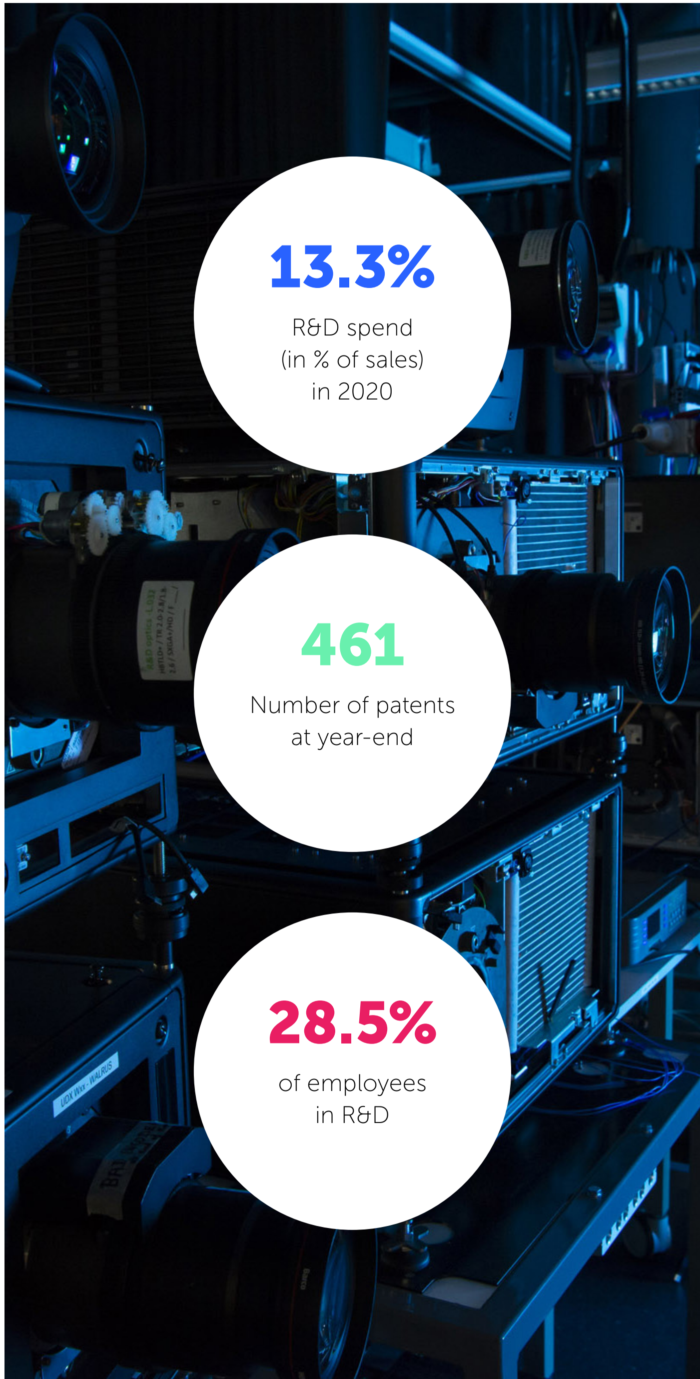
> To remain a technology leader, we have to approach innovation more systematically, always keeping the customer and business value in mind from the moment our innovation ideas surface.

Does Barco need new technology skills to retain the innovation dynamics?

When I joined Barco, I was impressed with the broad technology expertise present across the company. We can tap into a wide pool of engineers with deep expertise, particularly in display, projection, networking and imaging technology. In other fields there is a lot of healthy curiosity and eagerness to learn. So, we're harnessing all our in-house talent and scouting for new people across all our technology domains, with a focus on new fields like computational optics or video analytics.

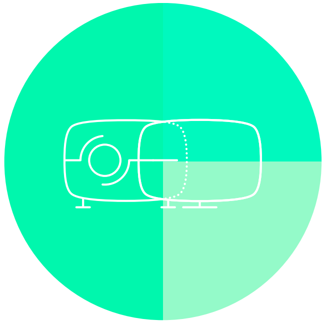
How do you see Barco developing in the coming five years?

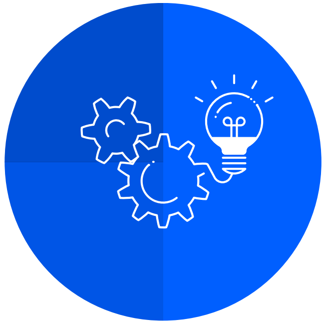
Our goal is to remain a global technology leader that delivers innovation with impact. To achieve that, we approach innovation much more systematically, always keeping the customer and business value in mind from the moment our innovation ideas surface. The steps we have taken in the past year are a solid starting point. If we continue along this road, we will be able to innovate for true impact and enable ever-brighter outcomes for our employees, our customers and our investors!

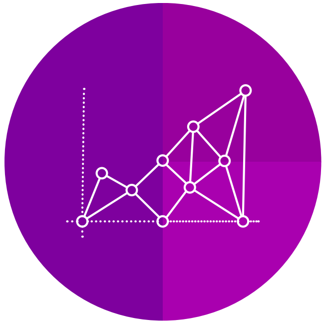


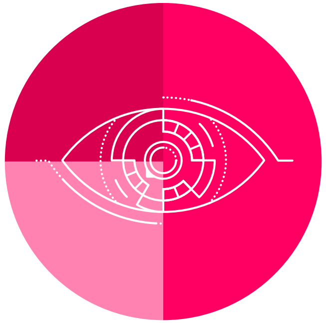
Technology: domains

In 2019, Barco reorganized its technology map. Four key domains now 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 data-driven approaches. Barco's 'image processing & insights' technology domain covers image and video capture, enhancements, processing, understanding and rendering as well as techniques to enhance human-machine interaction. Increasingly important is the implementation of high-performance software solutions on modern hardware such as graphics processing units.

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

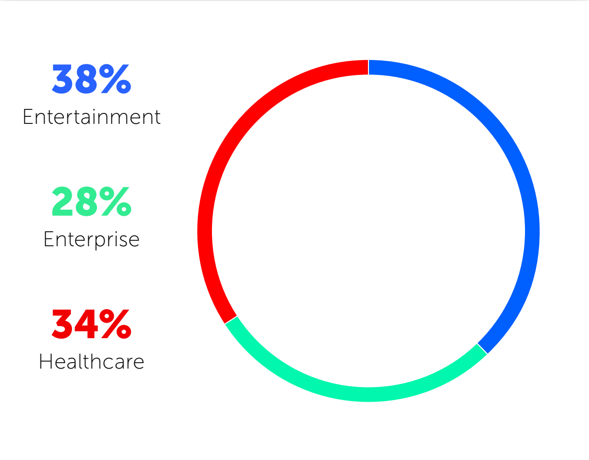
Computational optical technology exploits the properties of light to enable visual experiences that cannot be delivered using traditional optical systems alone. This technology opens the door to a spectrum of new solutions with functionalities or value that cannot be delivered by other visualization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

Our markets

Our markets

Barco's business activities focus on three core markets: Enterprise, Healthcare and Entertainment, which are managed in three different divisions. While each division has its own goals, targets and focus areas, they are all committed to Barco's corporate strategy – in order the enable bright outcomes.

Sales per division



Entertainment division

Enterprise division

Healthcare division

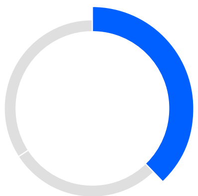
Entertainment

Creating moments, enriching lives

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.

Respective weight in the group 2020 sales

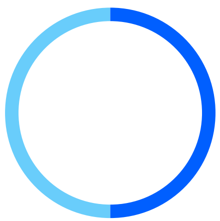
38%
Entertainment



Approximate subsegment distribution based on sales

50%
Cinema

50%
Venues & Hospitality



AN INTERVIEW WITH NICOLAS VANDEN ABEELE, GENERAL MANAGER ENTERTAINMENT

People will always want to be entertained. We are in pole position to cater to those needs

When the covid-19 pandemic impacted every industry in 2020, it sent – and continues to send – immense earthquakes through the entertainment world. "2020 was a reset," says Nicolas Vanden Abeele, General Manager of our Entertainment division, but he sees many prospects for the future.

You joined Barco at the end of 2017 with a clear ambition to boost topline growth. What were your focal points?

Well, 2018 was a milestone year as it marked the launch of Cinionic. All our cinema-related sales and services activities are now delivered through the subsidiary, which is totally dedicated to the cinema market. Thanks to Cinionic, we have been able to strengthen our ties with our cinema customer/partners and excel in what we do best: selling and servicing our projectors, and developing our new businesses. For Venues & Hospitality, our other entertainment markets, we sharpened our go-to-market strategy and made clear portfolio choices. All these decisions led to solid growth for cinema, Venues & Hospitality in 2019 – which gave us the resilience to survive the challenging year of 2020.

> In spite of the current challenges, we keep investing in technology – and ever more services – to retain our market leadership.

With many movie theaters still closed and events cancelled, what is the way forward?

We firmly believe that our markets are resilient and we expect to see the start of the bounce back in 2021, and that Barco has a leading role to play in entertainment. So, in spite of the challenges, we keep investing big in technology to retain our market leadership. Our laser projection portfolio, for example, is unequaled in the world. In 2020, we further stepped up our laser offering with the Series 4 cinema projectors. In addition, we expanded our popular and versatile UDX and UDM laser phosphor platforms for Venues & Hospitality. That portfolio is also now the broadest on the market. In addition, we keep upgrading our image processing solutions and launching services to make our customers' lives easier. Insights, the IoT-enabled projector management platform that we introduced in 2020, is a perfect example of that.

What about technologies that are relatively new to Barco, like LED and light steering?

Here, too: as a technology leader, we must keep innovating – even in challenging times. That's why we are building further on our partnership with Unilumen to drive our LED efforts forward. I see opportunities for LED in many places, yet our main focus is now on large video walls, while we will also explore LED in cinema. Moreover, we are keeping up our research efforts in HDR light steering technology, as it has huge potential to completely overhaul the cinema experience and set the new standard for cinema. There is a lot more to come on HDR light steering in 2021 and 2022.

With the meteoric rise of streaming, does cinema still have a future?

Cinema is here to stay. After all, it is the most affordable out-side-of-home entertainment experience and completely different than streaming a film from home. Yet, when people go to the movies, they expect a premium experience – so exhib-itors must ensure outstanding image quality, among other things, to differentiate themselves from home entertainment. Of course, when cinemas reopen, streaming will coexist. But it's an and-and story, not an or-or story.

> China and the entire Asian continent will be a growth driver in the coming years, for cinema as well as for venues and hospitality.

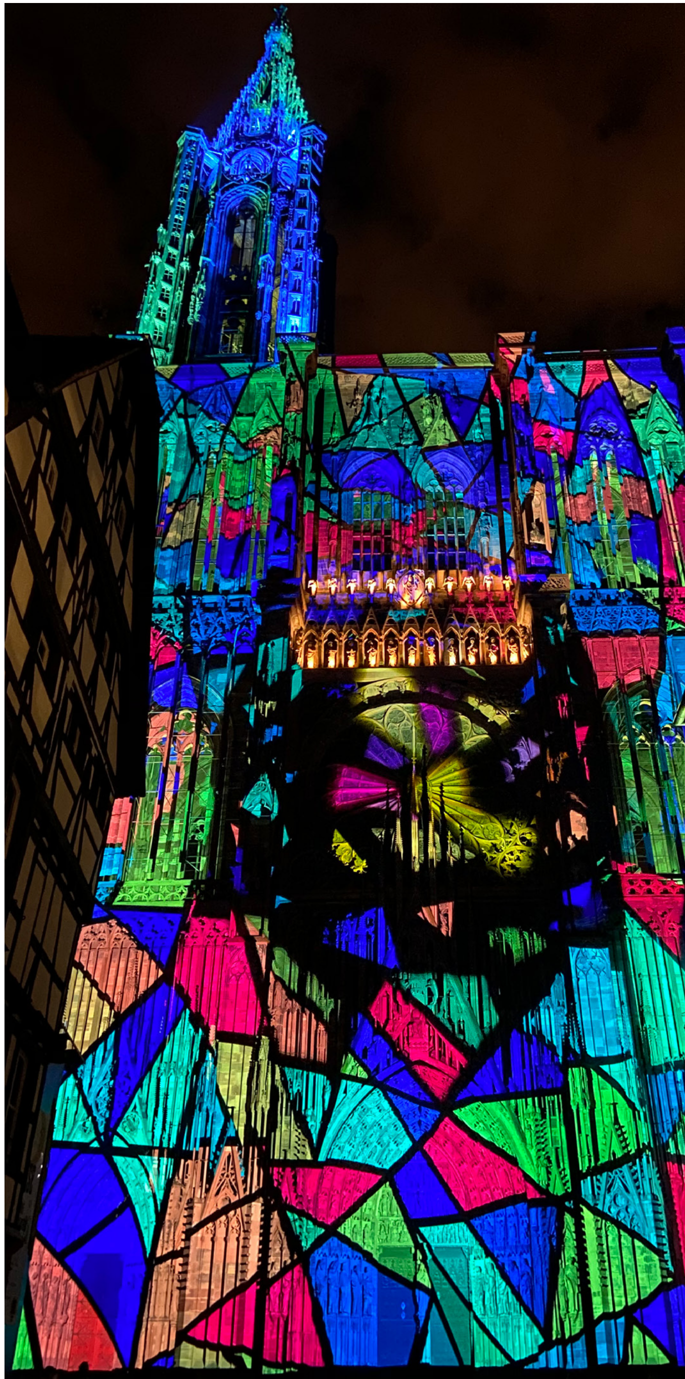
Chinese cinemas opened pretty quickly after the lockdown. Is China a focus market for the Entertainment division?

The covid-19 pandemic battered China's movie industry in early 2020, but rebounded strongly in the second half of the year. We expect the same to happen around the world: the movie industry's revenue will rebound over 2021 and we expect strong growth to previous levels in 2022. That said, in China, the cinema market has been in transition for a while, with growth shifting to multiplexes in smaller cities. The potential for Barco remains big, though, both for replacement and for new projectors. Our 'in China for China' strategy, which helps us strengthen our sales, R&D and manufacturing capabilities in this country, helps us to further capitalize on those oppor-tunities. China and the entire Asian continent will be a growth driver for Barco in the coming years, for cinema as well as for events and hospitality.

Where do you see the Entertainment business in three years?

Our strategy still stands: after this crisis, people will want to be entertained again and our entertainment markets are resilient. In cinema, I expect a delay of one to two years: the replacement wave that had started in 2019 will resume by late 2021., We expect events and hospitality to pick up somewhat sooner, particularly the fixed install market and markets in China and the APAC region. What I do know is that the winners of this crisis will be the companies that are able to leverage their offerings to deliver distinct entertainment experiences at competitive cost. In addition, the number of hybrid events is sure to climb. Barco is in pole position to cater to all these trends. So, we'll keep investing in state-of-the-art projectors with a focus on laser and the 4K series, in our outstanding imaging solutions, and in ever more services to help Barco and our customers stay ahead of the curve – while strictly managing cost, of course. 2020 has shown us that we must never lose our focus on growth and performance.

> The winners of this crisis will be the companies that are able to leverage their offerings to deliver distinct entertainment experiences.



AN INTERVIEW WITH WIM BUYENS, CEO CINIONIC

We keep investing in technologies, services and customer intimacy to ensure we're at the forefront when the market recovers

'Helping cinema exhibitors deliver a world-class cinema experience': that is the mission of Cinionic, the cinema joint venture of Barco that was launched in 2018. How does the company progress on that mission in times of crisis, and does the covid-19 pandemic change the future of cinema? We asked CEO Wim Buyens.

2019, Cinionic's first full year in business was a milestone year. What were the keys to that kick-start?

2019 was characterized by strong frame agreements globally driven by the renewal wave in cinema. Barco had proactively invested in laser technology, leading to a wide portfolio of high-quality laser projectors. The benefits of laser are multiple, including reduced cost of ownership over the projector lifetime and increased sustainability, as no more lamps are needed. This resulted in a commitment from the cinema exhibitors in 2019 and early 2020 as part of trusted long-term partnerships. A strong course was set – and then the pandemic hit.

> Our number 1 priority is to stay in close touch with our customers, to act as a trusted partner and prepare together for the moment when the market picks up again.

How do you respond to a crisis this overwhelming?

We stay focused and keep our eyes on the ball, that being our customers and their ecosystems. Our number 1 priority is to stay in close touch with our customers through our compelling thought leadership, to act as a trusted partner and prepare together for the moment when the market picks up again. In fact, our most valuable asset, especially in times like these, is our people. They make a difference with their deep industry knowledge and their flexibility in thinking outside the box. We launched new products and service solutions and introduced cutting-edge business models to cater to evolving market needs.

The cinema market will have to change to conform to new realities, won't it?

The covid-19 crisis has accelerated a series of changes that were bound to happen. The shrinking of the theatrical release window is one example. In the past, theaters had an exclusivity window of more than 90 days before a movie could be released in the homes. Dynamic theatrical windows will be more beneficial for all parties involved and more sustainable.

Going to the movies must be a really exciting night out, hence the importance of delivering a premium cinema experience.

How big a threat is streaming?

Streaming is a new trend in the consumption of entertainment content, but it is not a threat to cinema. People cook dinners at home but still go to restaurants because it is a totally different experience. The same comparison can be made for streaming versus cinema. When the lockdowns end, people will be craving out-of-home entertainment and social contact. Cinemas will, however, have to reinvent themselves to motivate people to get off of their couches. Going to the movies must be a really exciting night out, hence the importance of delivering a premium cinema experience.

How does Cinionic cater to that trend?

We can deliver technology and services for the full premium cinema experience based on bright laser technology and immersive sound for every size of screen. In addition, we offer exhibitors flexible financing, ranging from upfront payment and vendor financing to monthly installments, thus providing peace of mind. This model also works for so-called micro-cinemas to deliver a boutique cinema experience where moviegoers can watch content on demand with their friends or families."

Is the market ready for these business models?

The cinema market has traditionally been a conservative market. It took some time for customers to embrace laser-as-a-service, but it is now gaining momentum. The same thing goes for our other cinema- and premium-as-a-service solutions. The changed market reality has resulted in huge benefits for the exhibitor. Cinionic is leading with a major shift in the industry, which I believe is a crucial, valuable investment in our future."

How will that future look for Cinionic and your customers?

People want to consume entertainment outside of their homes, so the moviegoing business will recover. Once it bounces back, 100,000 screens will be ready for a technology renewal. By staying close to the cinema industry and its ecosystem, we will be ready to deliver renewed innovative experiences. The key for all of us right now is to be patient, stay hungry and remain innovative...

A short recap: why Cinionic?

Wim Buyens: "Over the past few years, the cinema market has been changing rapidly. It switched from analog to digital, reaching full digital conversion. We understood that the future of cinema would be completely different. Innovative cinema technologies at a low cost of ownership were a must to provide the audience with wow experiences in a post-VPF (Virtual Print Fee) world.

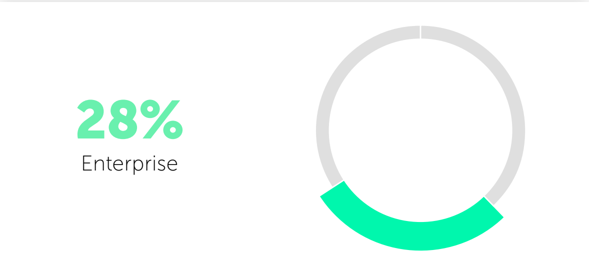
While Barco had been delivering state-of-the-art digital cinema projectors for over decades, we knew we had to expand the product offering with a full solutions and services approach. In other words: we needed new business models too. That's why Cinionic was born."

Enterprise

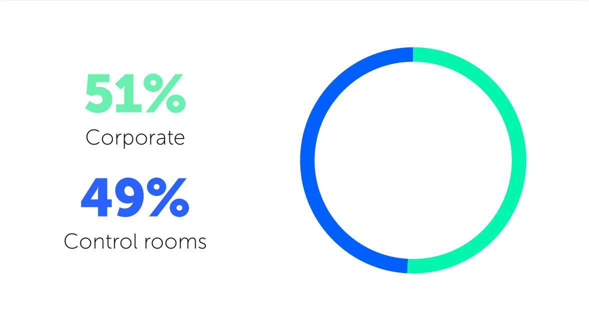
Engaging you to unleash the power of shared knowledge

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

Respective weight in the group 2020 sales



Approximate subsegment distribution based on sales



AN INTERVIEW WITH GEORGE STROMEYER

With a focus on 'collaboration' and 'connectivity', our solutions are more than relevant in the new, hybrid normal

Enabling collaboration in order to improve productivity: that is at the core of everything our Enterprise division does. In 2020, the word 'collaboration' got a whole new dimension, as meeting rooms and classrooms moved to bedrooms and living rooms. Is our Enterprise team ready to facilitate collaboration in the new normal? We asked general manager George Stromeyer.

The covid-19 crisis accelerated the need for collaboration – and in new forms. Is that good news for the Enterprise division?
In the past few years, we have finetuned our purpose and strategy as well as our product portfolio. And indeed, collaboration with enhanced visualization is really at the core of our business – in workplaces as well as in classrooms and control rooms. The pandemic has now accelerated the need for remote and hybrid collaboration. That too, is right up our alley, as our solutions include (cloud) connectivity to provide the enterprise market with more engaging and futureproof collaboration experiences. So, in fact, the crisis validated our business: all that we do is really relevant.

> The pandemic has now accelerated the need for remote and hybrid collaboration. That is right up our alley.

Nevertheless, 2020 was challenging, wasn't it?
We can't look away from the impact of the crisis. No matter how relevant our offering is, as offices closed, demand for our ClickShare presentation system plummeted. That is tough, as ClickShare has been the star of our business for years. ClickShare Conference, the brand-new wireless conferencing system that that we had announced in early 2020, was, we have to admit, a bit slow off the mark with covid-19 being thrown in the game. It is an ideal solution for unified communications and collaboration and for hybrid meetings but it was ready for launch just when the pandemic hit and everyone started to work from home...

The ease of accommodating hybrid meetings must hold huge potential for the future of ClickShare Conference?
The product is really fantastic and interest clearly rose when people started returning to their offices. The market is pretty crowded: many organizations are jumping on this opportunity, including the world's leading tech companies. There is, however, definitely a place for ClickShare Conference in the market. Its major trump card is that it's technology agnostic: it works seamlessly with all major collaboration platforms and together with most meeting room peripherals, such as microphones, displays, etc., We're building an ecosystem around it in order to broaden our reach. In addition, just like ClickShare, ClickShare Conference ensures an awesome user experience, which is simply essential for a successful workplace solution.

What about the control room business, how did that fare in 2020?

We had returned to profitability in 2019, thanks to a sharp focus on performance and the success of professional-quality products like the UniSee LCD video wall. In this market, our triple-play display strategy is key: by combining our existing rear-projection offering with LCD and LED, we can address all market segments and technology preferences. In 2020, the control room business was more resilient than we had expected. Projects were pushed out in time or reduced in scope but not cancelled. We even managed to gain market share – and are determined to fuel that trend. For example, in China we delivered our largest by far deployment of OpSpace operator workstations for a large new airport control center. And the new solutions that we launched for control rooms, like WallConnect and Secure Stream, help us extend our offering: they meet demand for remote display management.

> The main action point is to do more with what we have and shape our own destiny.

'Remote' is also the new normal in education now. Did weConnect gain traction?

While business picked up more slowly than we had hoped, 2020 was marked by several very prominent wins which are making us a reference in this market. Let me highlight that weConnect doesn't target high schools and universities but rather business schools and corporate learning and development centers. There too, it was all hands-on deck to switch to remote learning in record time. We expect demand for weConnect to pick up in the post-pandemic world, when people are looking for a remote learning solution that really replicates the classroom and enables true interaction between teachers and students.

In summary: the potential and opportunities look huge. How do you want to capitalize on them?

The main action point is to do more with what we have. We have a great, broad and relevant portfolio of top-notch solutions and services, so there's an offer for every need and preference. Of course, we'll keep investing in these. Exciting new products for the control rooms market are planned for the first half of 2021, for example. But in addition, we have to advance sales and marketing by shifting our commercial skills to higher levels, widening our markets to include the workplace experience, embracing an omnichannel business model, tapping into virtual selling to improve our go-to-market, etc. Between 2018 and 2020, we mapped the customer journey, so we know how we can further elevate customer satisfaction. That will also be a focus moving forward. In addition, we will accelerate our work on outcome-based solutions. We've taken steps forward in all these fields in the past but accelerating these initiatives will definitely help us seize the opportunities of the new, hybrid normal.

> Just like ClickShare, ClickShare Conference ensures an awesome user experience, which is simply essential for a successful workplace solution.

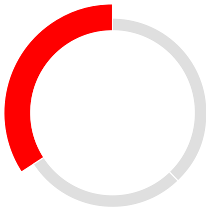
Healthcare

Enabling better healthcare outcomes for more people

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.

Respective weight in the group 2020 sales

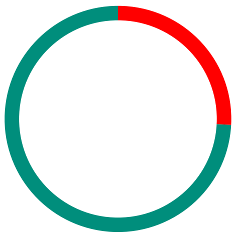
34%
Healthcare



Approximate subsegment distribution based on sales

74%
Diagnostic imaging

26%
Surgical



FILIP PINTELON, GENERAL MANAGER OF BARCO HEALTHCARE SHARES HIS VISION AND FUTURE OUTLOOK

We have all the right solutions and services to prosper in a post-pandemic world

Much more than being a display manufacturer, our Healthcare division is committed to helping solve healthcare issues. Never before has this mission sounded more relevant than it was in 2020. When the covid-19 crisis hit, part of the business increased sharply, yet another part suffered. General manager Filip Pintelon is confident about the future, though: "This crisis created new opportunities to innovate and new ways to create value in this evolving healthcare world."

> For a couple of years, we'd seen a growing trend for radiologists in the US to read medical images from home. When covid-19 hit, European radiologists quickly embraced our solution.

How did the pandemic impact Barco's healthcare business?

Well, initially demand for our diagnostic display systems skyrocketed as hospitals converted floors or even operating rooms into dedicated units for covid-19 patients. The upsurge took us by surprise and components were hard to get, yet we successfully met the needs of our customers thanks to the resilience and flexibility of everyone involved in our supply chain. In the meantime, demand for our mammography displays and modality solutions declined. That trend persisted throughout the third quarter due to strained hospital finances and a sharp drop in volumes of surgery procedures and diagnostic screenings. On the other hand, as many radiologists started working from home, there was an upswing in demand for the remote radiology reading solution we had launched in 2019.

2019, a year before the teleworking trend?

In the US, a growing number of radiologists were already reading medical images from home in 2019. To respond to their needs, we built a solution based on an innovative graphics box that ensures the same quality, security and performance radiologists get inside the hospital reading room – but at home. It soon found its way to European radiologists too during the covid-19 crisis. Today, no one doubts that this trend is here to stay.

Remote working requires good connectivity, more than good hardware?

We've made giant leaps forward in the field of software and services in the past few years. In 2020, we launched three new connected services: Barco DisplayCare and Barco ManagedCare help hospitals manage their display fleets via virtual onboarding, online training sessions, remote support and checks, etc. NexxisCare supports OR integrators in monitoring and managing operating rooms remotely.

Talking surgical: in 2018 and 2019 you had high expectations for the surgical business. Did the covid-19 crisis stand in the way?

Our Nexxis digital operating room solution gained global access, but mainly in the fourth quarter. This trend towards

digital ORs was also accelerated by the pandemic. In the midst of the crisis, operating rooms had to be converted into emergency Covid-19 centers. Hospitals understood that digital ORs are more flexible. Moreover, thanks to our years of solid investments in Nexxis, the healthcare industry sees Barco as the reference when it comes to solutions for the digital OR.

Is China ready for digital ORs as well?

The Chinese healthcare market is booming enormously and looking to upgrade its infrastructure. Our diagnostic business grew, and indeed, our surgical solutions started gaining traction there in 2020 as hospitals are leaning towards digital solutions.. Opening a healthcare hub in Suzhou was really a smart decision. We'll keep increasing our investments and strengthening our footprint there to support further growth.

> Opening a healthcare hub in China was a smart decision. We'll keep increasing our investments and strengthening our footprint there to support further growth.

Did the division keep its R&D spend up in spite of the crisis?

Absolutely. One result of these efforts is the Nio 12MP that we launched in January 2021. The new display system is a bit less high-end than Coronis Uniti™ but enables 12MP and multimodality imaging: just what radiologists need to optimize their workflows and ensure confident diagnosis. I am sure it will appeal to many radiologists, who are reading more and more images from home. Apart from that, we kept investing in both Synergi™, our cloud-based collaboration technology, and our Demetra skin scanner. 2020 was not the ideal year to commercialize these solutions, but their potential is big in a post-pandemic world. While Synergi™ supports remote collaboration between specialists, the images scanned by Demetra can easily be read by a dermatologist working remotely. In 2021, we absolutely want to sharpen the go-to-market strategy for Demetra and raise awareness around the globe.

It sounds like the health crisis created a heap of opportunities for the Healthcare division?

I'd say that it has turbocharged many trends, like the trend towards 'remote everything'. Yet, it also raised a series of concerns and awareness around the importance of healthcare. Will authorities prioritize spend in healthcare infrastructure? Will hospitals adapt to this 'new normal' or try to go back to the 'old ways'? Will they remember the importance of flexibility and the need to raise productivity? Barco has the right solutions and services to increase flexibility and productivity, enabling hospitals to respond to the shortage of healthcare workers.

What sets Barco apart from its competitors?

We understand the market really well, which is reflected in every Barco medical solution. Apart from that, hospitals choose Barco because they love our services. Moreover, we work hard to put our customers at the heart of everything we do. The efforts that we made to meet peak demand at the start of the crisis, for example, have helped us build trust and loyalty. You do need solid resources, both the financials and the people, to be able to go that extra mile, as well as a great deal of resilience. We are fortunate to have all that. I am sure we'll emerge from this crisis much stronger, leaving quite a few competitors behind us.

> We understand the market really well, which is reflected in every Barco medical solution.

Our results

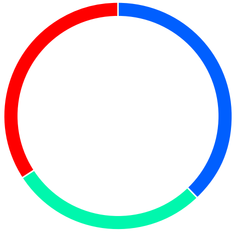
Group results

Distribution based on sales

38% Entertainment

28% Enterprise

34% Healthcare



Eco score

48%

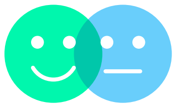
Percentage of new product releases with a [Barco ECO label]

NPS (Net Promoter Score)

47

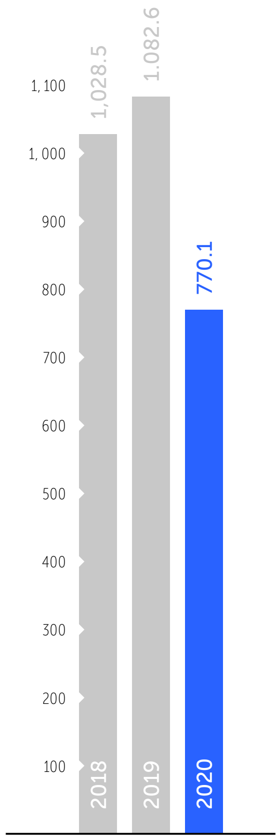
Barco's standard customer experience metric, measured quarterly

(upper quartile industry performance)



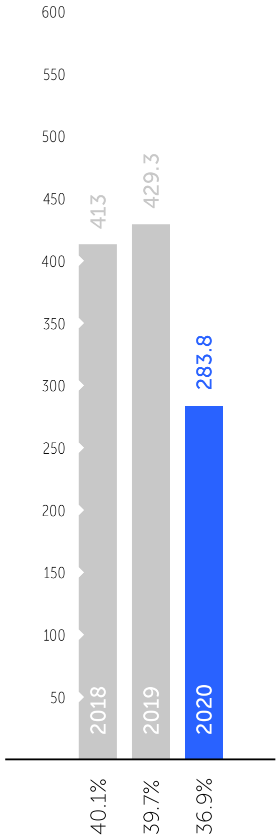
Sales

(in millions of euro)



Gross profit

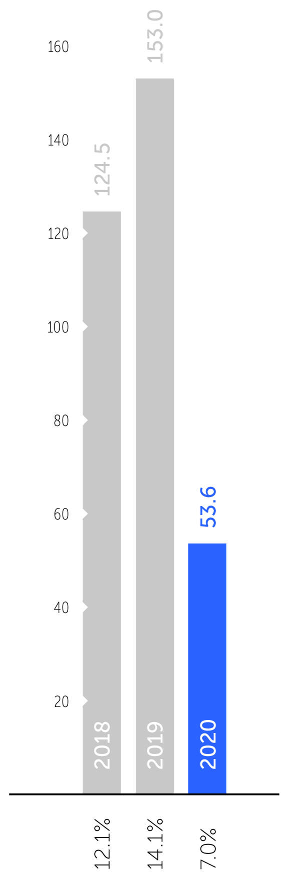
(in millions of euro)



% of sales

Ebitda

(in millions of euro)



% of sales

Comments on the group results

Sales for the year of € 770 million, EBITDA margin of 7%
Encouraging improvements in Q4 across all divisions

Financial highlights fiscal year 2020 and 4Q20[(1)]

- **Orders FY20** of **€ 746.0 million**, -32.3% versus FY19
- **Sales** FY20 at **€ 770.1 million**, -28.9% versus FY19
- **Year-end orderbook** at **€ 281.5 million** down 13% versus FY19

- **FY20 EBITDA** of **€ 53.6 million** versus € 153 million in 2019
- **FY20 EBITDA** margin at **7.0%** of sales versus 14.1% in 2019
- **FY20 Adjusted EBIT of € 10.2 million**, resulting in full year **net loss of € -4.4 million**, after € 14.5 million restructuring and impairment charges

- **Orders 4Q20 versus 3Q20**, increased by **+20.3%**
- **Sales 4Q20 versus 3Q20** increased by **+16.7%**

Group topline

Sales for the year were € 770 million, down 29%, reflecting the covid-19 pandemic impacts on our end-markets across all regions.

Profitability & free cash flow

Gross profit margin for the year declined 3 percentage points to 37% mainly due to unfavorable product mix. As operating expenses for 2020 were managed down to 20% below 2019, while sustaining investments in priority projects, EBITDA amounted to 54 million euro for a 7% EBITDA margin.
Over the second half the company continued to execute on its plan to reset indirect costs for 2021 to levels below 2019, resulting in a full year restructuring and impairment charge of 15 million euro.

Free cash flow for 2020 was -36 million euro, reflecting lower EBITDA, cash-outlays associated with the restructuring actions and higher working capital compared to 2019. Working capital improved in second half versus first half, with a second half free cash flow of +15 million euro.

(1) All definitions for alternative performance measures (APM's) are available in the glossary

Staying the strategic course

Despite the covid-19 impact, Barco continued to invest in strategic and commercial initiatives, including next generation technologies, channel expansion and building out its China presence. This positions the company to strengthen its leadership when markets recover.

Additionally, for 2020, Barco delivered on its sustainability targets: the operations carbon footprint as well as the product energy footprint were reduced by more than the stated goals of -20% and -25% versus the 2015 baseline, and multiple new products with the Barco ECO label rating were launched in each division.

Outlook 1H21

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

Management expects business conditions to be defined by the pandemic for at least the first half of the year and therefore does not have visibility to offer quantitative guidance for 2021 at this time.

If we assume a recovery for Entertainment only to start in the second half, a steady dynamic in Healthcare and a stronger back-to-office activity leading to improved demand for ClickShare as of the second quarter, then topline for the first semester will move toward the first half of last year.
Under this assumption, and given the reset of Barco's cost structure, management expects a mid-plus single digit EBITDA margin for the first half of 2021.

Dividend

Barco's Board of Directors will propose to the General Assembly to distribute a gross dividend of 0.378 euro per share. Barco's shareholders will be offered the choice between payment in cash or dividend in shares, enabling Barco's shareholders to reinvest in the company.

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

Consolidated results for the fiscal year 2020

Order intake

Order intake was 746.0 million euro, a decrease of 32% compared to last year reflecting material impact of the pandemic in Entertainment as well as in Enterprise, mainly in the Americas and EMEA region. Order intake for Healthcare was flat year-over-year.

Order book

Order book at year end was 281.5 million euro, compared to 322.2 at FY19 year-end, a decrease of 12.7% mainly driven by order book decreases in the Entertainment division.

Order intake

IN MILLIONS OF EURO	FY20	FY19	CHANGE
Order intake	746.0	1,102.2	-32.3%
Order intake at constant currencies			-31.8%

Order book

IN MILLIONS OF EURO	31 DEC 2020	31 DEC 2019	CHANGE
Order book	281.5	322.3	-12.7%

Order intake by division

IN MILLIONS OF EURO	FY20	FY19	CHANGE
Entertainment	268.7	491.0	-45%
Enterprise	215.2	350.9	-39%
Healthcare	262.1	260.2	+1%
Group	746.0	1,102.2	-32%

Order intake breakdown by region

IN MILLIONS OF EURO	FY20	FY19	CHANGE*
The Americas	39%	41%	-37%
EMEA	35%	36%	-33%
APAC	26%	23%	-23%
Global	100%	100%	-32%

* Change in nominal value

Sales

Full year sales decreased 29% driven by the Entertainment and Enterprise divisions. Healthcare was slightly down mainly as a result of a soft 3rd quarter.

After decreasing 18% in the first semester, sales fell 38% in comparison with a strong 2H19, as a result of the global spreading and deepening of the pandemic.

Sales declined in all regions.

Sales

IN MILLIONS OF EURO	FY20	FY19	CHANGE
Order intake	770.1	1,082.6	-28.9%
Order intake at constant currencies			-28.4%

Sales by division

IN MILLIONS OF EURO	FY20	FY19	CHANGE
Entertainment	291.4	455.1	-36%
Enterprise	216.8	358.7	-39%
Healthcare	261.9	268.8	-3%
Group	770.1	1,082.6	-29%

Sales by region

IN MILLIONS OF EURO	FY20	FY19	CHANGE*
The Americas	39%	39%	-30%
EMEA	36%	37%	-30%
APAC	25%	24%	-24%
Global	100%	100%	-29%

* Change in nominal value

Profitability

Gross profit

After 5 years of continued profit improvement, gross profit dropped with 34% to 283.8 million on a sales decline of 29% reflecting adverse impacts of the pandemic. Gross profit margin declined 2.8 percentage points to 36.9% from 39.7% last year reflecting mainly unfavorable product mix, a spike in logistics cost and indirect overhead weighing on lower volumes.

Indirect expenses & other operating results

Total indirect expenses decreased 17% to 265.3 million euro compared to 319.5 million euro a year earlier. The Entertainment and the Enterprise divisions accounted for most of the variance.

As a percentage of sales, indirect expenses were 34.5% of sales compared to 29.5% for 2019.

- Research & development expenses decreased to 102.6 million euro compared to 119.4 million euro last year, reflecting a more selective approach. As percentage of sales, R&D expenses were 13.3% compared to 11.0% a year earlier.
- Sales & marketing expenses decreased to 112.3 million euro compared to 142.5 million euro for 2019, in part reflecting the impact of the covid-19 pandemic on the company's sales and part reflecting actions taken to align spending to revenue generation. As a percent of sales, sales & marketing expenses were 14.6% of sales compared to 13.2% in 2019.
- General & administration expenses amounted to 50.4 million euro compared to 57.6 million euro last year and were 6.5% as a percentage of sales compared to 5.3% in 2019.

Other operating results were a negative of 8.3 million euro versus a positive of 0.3 million euro in 2019 mainly driven by lower results in the joint venture BarcoCFG and by increased bad debt and other provisions.

EBITDA & adjusted EBIT

The reduction in operating expenses partially offset the decrease in gross profit and as a result EBITDA was 53.6 million euro compared to 153.0 million euro for the prior year, and EBITDA margin was 7.0% versus 14.1% for 2019.

EBITDA margin declined by approximately 10 percentage points in both Entertainment and Enterprise driven by negative operational leverage. Healthcare maintained profitability in line with 2019.

FY20 IN MILLIONS OF EURO	SALES	EBITDA	EBITDA %
Entertainment	291.4	0.3	0.1%
Enterprise	216.8	18.2	8.4%
Healthcare	261.9	35.0	13.4%
Group	770.1	53.6	7.0%

EBITDA by division 2020 versus 2019 is as follows:

IN MILLIONS OF EURO	FY20	FY19	CHANGE
Entertainment	0.3	43;3	-99.3%
Enterprise	18.2	74.0	-75.4%
Healthcare	35.0	35.7	-1.9%
Group	53.6	153.0	-65.0%

Adjusted EBIT was 10.2 million euro or 1.3% of sales compared to 110.0 million euro, or 10.2% of sales for 2019.

As a result of cost adjustment actions in both the first half (outsourcing the UniSee LCM-component and closing the Taiwan factory) and the second half (mainly related to reorganizations in Entertainment and Enterprise), Barco booked 14.5 million euro restructuring and impairments.

As a result, EBIT was -4.3 million euro.

Income taxes

Taxes in 2020 are zero on a pre-tax negative result, compared to an effective tax rate of 18% in 2019.

Net income

Full year net income attributable to the equity holders was -4.4 million euro.

Net income per ordinary share (EPS) was -0.05 euro versus a 1.09 euro in 2019. Fully diluted earnings per share were also -0.05 euro compared to 1.07 in 2019*.

Cash flow & balance sheet

Free cash flow and working capital

Free cash flow for 2020 was -36 million euro reflecting lower EBITDA, cash-outlays associated with the restructuring and working capital, while reduced compared to 1H20, still higher than end of year 2019 at approximately 10% of sales.

IN MILLIONS OF EURO	FY20	FY19	FY18
Gross operating free cash flow	**43.9**	**139.8**	**120.9**
Changes in trade receivables	41.4	-32.2	-11.2
Changes in inventory	-12.3	-33.0	0.3
Changes in trade payables	-59.9	23.4	-1.3
Other changes in net working capital	-24	15.6	-12.7
Change in net working capital	**-54.8**	**-26.1**	**-24.9**
Net operating free cash flow	**-10.8**	**113.7**	**96.0**
Interest income/expense	-0.1	5.8	4.3
Income taxes	-10.4	-13.1	-12.5
Free cash flow from operating activities	**-21.4**	**106.4**	**87.9**
Purchase of tangible and intangible FA	-15	-20.2	-25.6
Proceeds on disposal of tangible and intangible FA	0.5	2.4	0.9
Free cash flow from investing	**-14.5**	**-17.8**	**-24.7**
FREE CASH FLOW	**-35.9**	**88.7**	**63.2**

* Earnings per share, restated for the stock split as implemented on 1/07/2020.

Working capital

Inventory + Accounts Receivables – Accounts Payables over sales was 32.6% compared to 21.7% in 2019. Net working capital was 10% of sales compared to 3% in 2019.

While year-end working capital was higher than 2019, it improved relative to 108 million euro at mid-year reflecting reduced inventory levels and reduced DSO from 82 days sales outstanding to 67 at the end of the year.

IN MILLIONS OF EURO	FY20	FY19	FY18
Trade Receivables	146.1	195.4	161.8
DSO	**67**	**55**	**52**
Inventory	175.4	169.0	135.1
Inventory turns	**2.3**	**3.2**	**3.8**
Trade Payables	-70.3	-128.9	-105.1
DPO	**53**	**71**	**59**
Other Working Capital	-170.6	-205.2	-189.3
TOTAL WORKING CAPITAL	80.6	30.2	2.5

Capital expenditure

Capital expenditure was 15 million euro compared to 20.2 million euro in 2019 as the company saw the timeline of a number of investment projects or phases pushed out as a result of pandemic lock-downs and shifted priority on selected projects.

ROCE

ROCE for the year was 3% versus 25% for 2019.

Goodwill

Goodwill on group level remained at 105.6 million euro, equal to the end of 2019.

Cash position

Net financial cash position, including net cash held in Cinionic, was 193.5 million euro compared to 329.4 million euro end of 2019.

The direct available net cash position amounted to 127.7 million euro compared to 253.4 million euro last year, reflecting negative free cash flow (35.9 million euro), distributed dividends (33.4 million euro), investments (55.5 million euro) and currency impact.

These investments are related to acquired minority stakes and are measured at market price. The remeasurement at fair value at the end of 2020 amounted to 18.3 million euro in 2020 and is reflected in other comprehensive income.

Divisional results for the fiscal year 2020

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.

- **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.

Entertainment division

Enterprise division

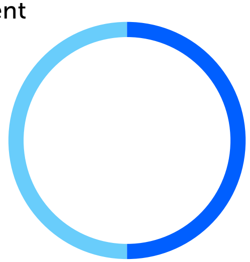
Healthcare division

Results of the Entertainment division

Approximate subsegment distribution based on sales

50%
Cinema

50%
Venues & Hospitality



Eco score

67%

Percentage of new product releases with a Barco ECO label

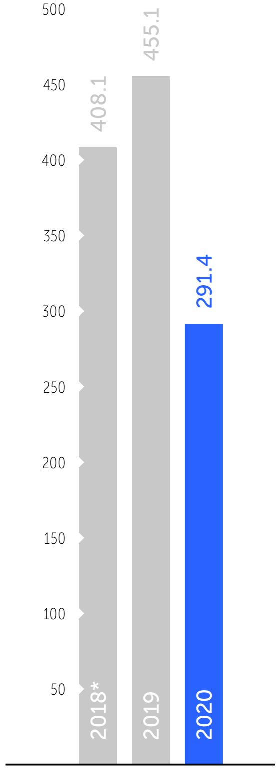
Customer net promoter score

30

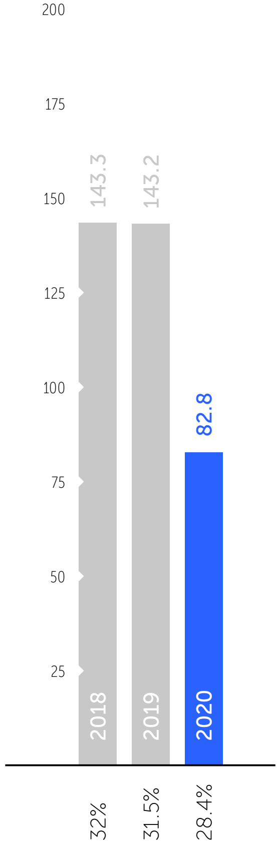
Barco's standard customer experience metric, measured quarterly

(upper quartile industry performance)

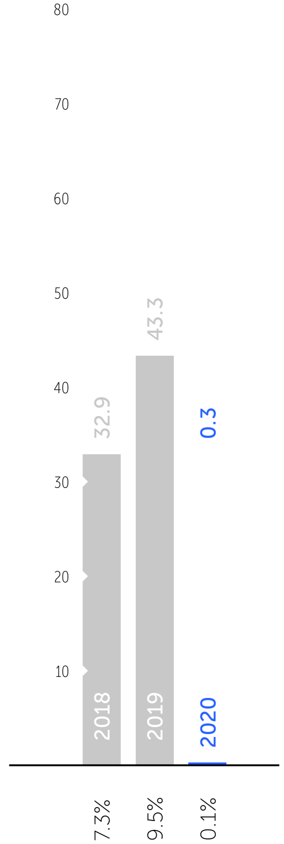
Sales
(in millions of euro)



Gross profit
(in millions of euro)



Ebitda
(in millions of euro)



* Entertainment sales 2018 are restated for BarcoCFG

Entertainment division

IN MILLIONS OF EURO	FY20	FY19	CHANGE VS FY19
Orders	268.7	491.0	-45.3%
Sales	291.4	455.1	-36.0%
EBITDA	0.3	43.3	-99.3%
EBITDA margin	0.1%	9.5%	

Quarter-over-quarter sales

IN MILLIONS OF EURO	4Q20	3Q20	2Q20	1Q20	CHANGE 3Q VS 4Q
Sales	77.3	58.0	56.5	99.7	+33.3%

> 2020 was a reset but we firmly believe that our markets are resilient and we expect to see the start of the bounce back in 2021.
>
> Nicolas Vanden Abeele
> GM Barco Entertainment

As a result of contractions in business activity in all regions related to the pandemic beginning in Q2, sales declined 36% for the year.

The fourth quarter topline reflects marked recovery mainly driven by projects in the ProAV and Cinema-market led by China.

The Cinema activity accounted for approximately 50% of the divisional sales in 2020 down from 58% in 2019.

Within Cinema, the primary causes of weakness were material push-outs of replacement projects as a result of cinema lock-downs and movie slate push outs. This subsegment activity is expected to remain soft for the next few quarters. While many replacement contracts have been pushed out, no contract has been cancelled.

New build projects in EMEA and China resumed gradually in the second half of the year. During the first half of the year, the division expanded its market share and technology leadership position, with one of its competitors exiting the cinema market, and gaining solid traction with its laser-based projection solutions.

The topline of the Venues and Hospitality subsegments was particularly impacted by weakened demand in the events market resulting from event cancellations related to covid lockdown measures. Barco expanded its product portfolio in the ProAV (fixed install) subsegment with selected product releases, including a new compact laser-based UDM and G-100 series-projector and new LED-solutions. The combination of an expanded product portfolio and an intensified commercial focus, resulted in a recovery beginning in the third quarter. While sales for the Simulation segment were slightly down, order intake was flat year-over-year and sizeable long-term frame-agreements with reference customers indicate a strengthening market position.

In line with the corporate strategy to expand share of wallet with our installed base through services offerings, the division launched and started selling "Insights-connectivity services", a cloud-based solution for enhanced and remote projector management.

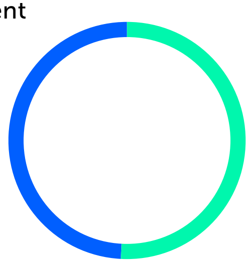
EBITDA was break-even on the decline in gross profit and a negative operating leverage effect on fixed costs due to weaker divisional sales.

Results of the Enterprise division

Approximate subsegment distribution based on sales

51%
Corporate

49%
Control rooms



Eco score

43%

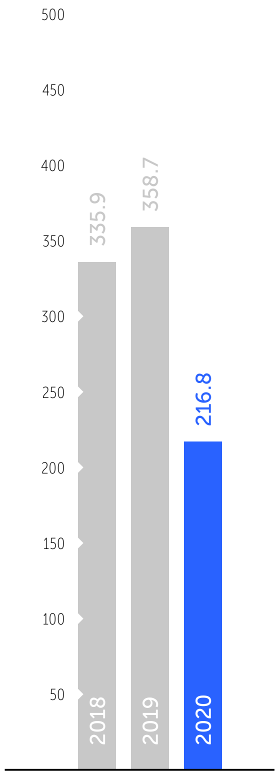
Percentage of new product releases with a Barco ECO label

Customer net promoter score

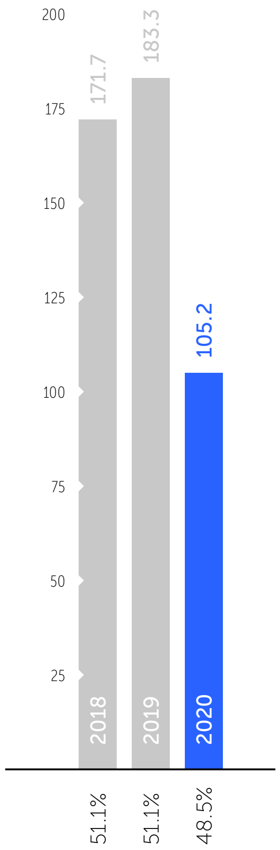
48

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

Sales
(in millions of euro)

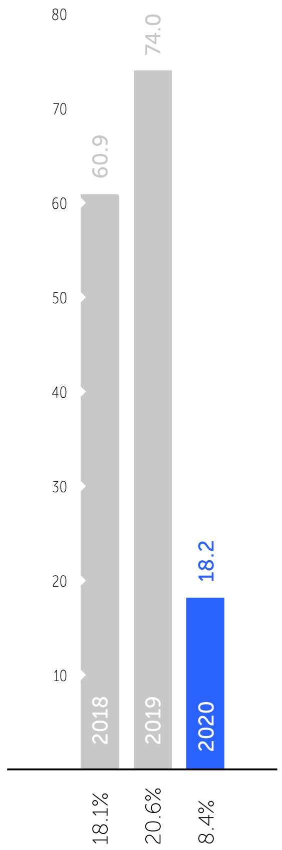


Gross profit
(in millions of euro)



% of sales

Ebitda
(in millions of euro)



% of sales

Enterprise division

IN MILLIONS OF EURO	FY20	FY19	FY18	CHANGE VS FY19
Orders	215.2	350.9	336.6	-38.7%
Sales	216.8	358.7	335.9	-39.6%
EBITDA	18.2	74.0	60.9	-75.4%
EBITDA margin	8.4%	20.6%	18.1%	

Quarter-over-quarter sales

IN MILLIONS OF EURO	4Q20	3Q20	2Q20	1Q20	CHANGE 3Q VS 4Q
Sales	53.9	50.0	45.6	67.2	+7.8%

> We can't look away from the impact of the covid-19 crisis. Yet, accelerating all the initiatives that we initiated will definitely help us seize the opportunities of the new, hybrid normal.
>
> **George Stromeyer**
> GM Barco Enterprise

The Enterprise division posted a 40% decline in sales and orders for the year and an 8% EBITDA margin down from 22%. Enterprise sales began to recover in the third and fourth quarter with gradual pick-up in both the Control Rooms and the Corporate subsegments.

In terms of the sales mix, the Corporate activity accounted for about 51% of Enterprise sales for 2020 versus 58% of Enterprise sales for 2019.

Demand for the ClickShare portfolio fell steeply in the second quarter as a result of pandemic related lockdowns and offices being closed. Activity began to resume in the summer in certain geographies as some offices and organizations re-opened and installed hybrid workplace practices after the first lock-down wave. While staff at many companies worked remotely intermittently during the 2nd half of the year, the division's efforts to build awareness for the value proposition of ClickShare Conference which was launched in January began to bear fruit, especially in EMEA. The new ClickShare Conference has created a new industry category, perfectly positioned for the hybrid way of working, as testified by industry awards, contract wins with reference customers and good initial demand with almost 20.000 units shipped and installed during the year. ClickShare Conference accounted for 25% of the ClickShare sales in the second half of 2020. Barco strengthened and broadened its channels, trained more resellers and expanded coverage in selected regions and purchasing routes. The division also established an industry-wide alliance program with 20+ leading meeting room equipment vendors including Logitech, Vaddio, Jabra to create interoperable bundles of offers for the equipping of meeting rooms.

The company continued to invest strongly in market awareness around ClickShare Conference, to ensure the solution further penetrates the market as corporates start to bring people back to office.

Control rooms started the year with a weak first quarter and full year sales fell below last year, due to project push-outs and installation delays resulting from the pandemic mainly in the Oil & Gas and Corporate markets. After the first quarter, however, the topline improved quarter-over-quarter as customers responded favorably to the strengthening value proposition of the expanded product portfolio. The subsegment enforced its position with its differentiating triple-play video-wall hardware strategy (rear-projection, LCD and LED) and is gaining traction with LED evidenced by first sizeable project wins. The segment also made progress in maturing and commercializing its software workflow and networking portfolio with remote management solutions such as Secure Stream and WallConnect Cloud services.

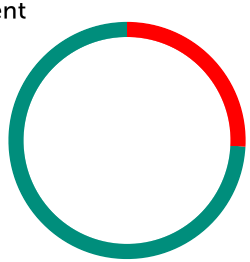
With a growing need for high quality hybrid and remote learning solutions for education and corporate learning, the Enterprise virtual classroom growth initiative increased its install base with the addition of distinguished references across regions.

Results of the Healthcare division

Approximate subsegment distribution based on sales

26%
Surgical

74%
Diagnostic imaging



Eco score

38%

Percentage of new product releases with a Barco ECO label

Customer net promoter score

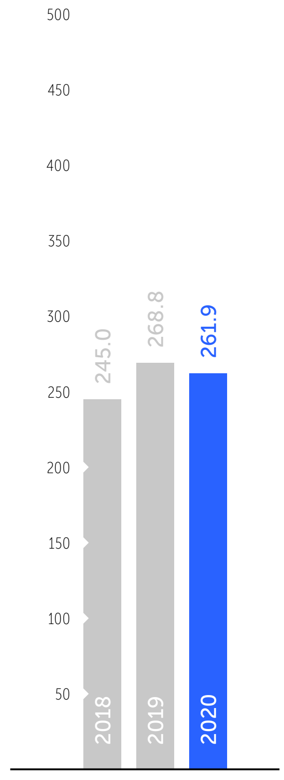
52

Barco's standard customer experience metric, measured quarterly

(upper quartile industry performance)

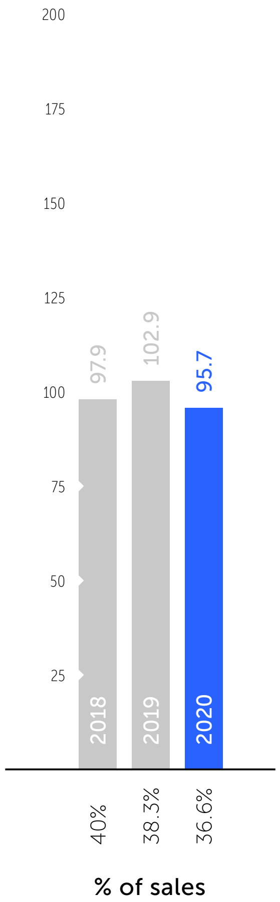
Sales

(in millions of euro)



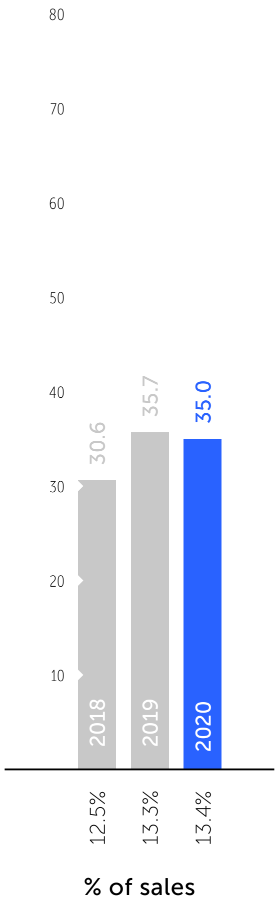
Gross profit

(in millions of euro)



Ebitda

(in millions of euro)



Healthcare division

IN MILLIONS OF EURO	FY20	FY19	FY18	CHANGE VS FY19
Orders	262.1	260.2	256.9	0.7%
Sales	261.9	268.8	245.0	-2.6%
EBITDA	35.0	35.7	30.6	-1.9%
EBITDA margin	13.4%	13.3%	12.5%	

Quarter-over-quarter sales

IN MILLIONS OF EURO	4Q20	3Q20	2Q20	1Q20	CHANGE 3Q VS 4Q
Sales	64.3	59.3	69.4	68.8	+8.4%

> The covid-19 crisis created new opportunities to innovate and new ways to create value in this evolving healthcare world. I am sure we'll emerge from this crisis stronger.
>
> **Filip Pintelon**
> GM Barco Healthcare

Healthcare posted stable year-over-year results with orders slightly up, sales slightly down and EBITDA margin essentially flat.

After a strong first half with high single digit growth in sales, the third quarter slowed down as customers reset delivery schedules based on shifts in hospital spending priorities. The fourth quarter reflected a rebound driven partially by deployments of projects pushed out from the third quarter and partially by stabilizing of the Healthcare supply chain.

The diagnostics activity saw mixed results during the year with intensified demand for radiology and home reading stations offset by softer demand for mammography and modality solutions. Surgical saw demand picking up in the fourth quarter after a softer Q3. The Nexxis-solution gained additional global access, expanding the partner-base globally as the operating room infrastructure market increasingly opens up for digital solutions. Barco also expanded its surgical offering with the addition of Nexxis care, a cloud-based remote management platform.

Under the "In China for China"-program, the division is expanding its local Healthcare hub in Suzhou. The hub was initially opened in March 2019, and draws together business development, product management, research and development and Healthcare display production. As the healthcare market in China further expands in both the diagnostic and surgical subsegments, Barco is further increasing investment levels and strengthening its footprint, to support further market share gains.

At the same time the division also invested in a number of new solutions including the Demetra skin cancer screening solution, which was commercially launched in the US in the fourth quarter 2020

2020 Integrated annual report

Governance & Risk Report

Table of contents

This is the Governance & Risk Report section of Barco's 2020 Integrated annual report. Other sections are available via the download center at ir.barco.com/2020.

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• Financial report

ANNEX
• Assurance report
• GRI Content index
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Corporate governance

Declaration regarding the information given in the Annual Report 2020

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 Spring 2019, the Belgian legislator adopted a new Code of Companies and Associations. Further, in the same timeframe, the Corporate Governance Commission adopted the 2020 Belgian Code on Corporate Governance which the Belgian legislator subsequently designated as the reference code for listed companies www.corporategovernancecommittee.be. Both entered into force on 1 January 2020.

Following this entry into force, Barco has updated its articles of association as well as its corporate governance charter. The Board of Directors decided not to submit to the shareholders' approval some of the novelties introduced by the new code, such as a two-tier governance structure or dual voting rights for certain shareholders. At their meetings of 30 April 2020, the shareholders have approved the revised drafts of the articles of association and corporate governance charter. Both are available for download at www.barco.com/corporategovernance.

In accordance with article 3:6, §2 of the Code of Companies and Associations, Barco applies the 2020 Belgian Code on Corporate Governance.

Barco deviates from the 2020 Belgian Corporate Governance Code as follows:

Art . 7.6: The Board of Directors decided not to grant shares to non-executive board members as part of their remuneration. Such grant requires further analysis of the practical ramifications thereof, both for the company and its board members.

Art. 7.9: The Board of Directors has not set a minimum threshold of shares to be held by the executives as their remuneration package is sufficiently balanced with various components to incentivize the executives to pursue a strategy of sustainable profitable growth.

Art. 7.12: The Board of Directors endeavors to insert a 'clawback provision' in contract of employment with executives to the extent permissible by the law governing such contract.

Board of Directors


Charles Beauduin

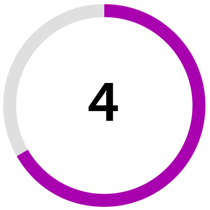

Jan De Witte


Ashok K. Jain

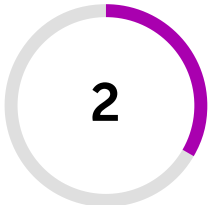

Hilde Laga


Frank Donck

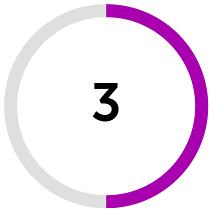

An Steegen



Directors with
5 years of seniority



Female members of
the Board



Independent
directors

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. He is member of the Board of Directors of Barco NV since January 2015.

Jan De Witte (°1964)

is CEO of Barco and member of the Board as of September 2016. He is a global leader who has served in a variety of global operational and business leadership roles over the past 30 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 its 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. He holds several positions in educational and business incubation organizations and is a member of the Board of Directors of ResMed Inc.

Mr. De Witte holds a Master's degree in Electromechanical Engineering from KU Leuven (Belgium), and an MBA from Harvard Business School (USA).

Ashok K. Jain (°1955)

is member of the Board of Directors of Barco NV since October 2012. He 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 FSMA (formerly CBFA) until 2014.

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, as non-executive director of KBC Group NV and as independent director of Elia System Operator NV and Luxempart SA. 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 chairman and board member for several listed and privately owned companies. He is also vice-chairman of Vlerick Business School and is a member of Belgium's Corporate Governance Commission. Mr. Donck is member of the Board of Directors of Barco NV since April 2015.

An Steegen (°1971)

is member of the Board of Directors of Barco NV since April 2017. Dr. Steegen 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 Metal Deposition Solutions business units.

Board of Directors

Situation on 8 February 2021		
Chairman	**Charles Beauduin**	2023*
Directors	**Jan De Witte**	2023*
	An Steegen (1)	2023*
	Adisys Corporation (represented by **Ashok K. Jain**)	2023*
	Hilde Laga (1)	2021*
	Frank Donck (1)	2023*
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 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 here.

Changes to the Board of Directors

Mr Luc Missorten decided to resign from the Board of Directors of Barco in April 2020, while continuing to provide his support as senior advisor to the company. As a result, the number of Board members reduced from 7 to 6.

The General Meeting of 30 april 2020 has re-appointed Mr. Charles Beauduin, Mr. Jan De Witte, Mr. Frank Donck, Mrs. An Steegen and Adisys Corporation, represented by Mr. Ashok Jain, as directors for a period of three (3) years until the closing of the ordinary General Meeting of 2023.

Mr. Frank Donck and Mrs. An Steegen are re-appointed as independent directors.

Core Leadership Team


Jan De Witte


Wim Buyens


Olivier Croly

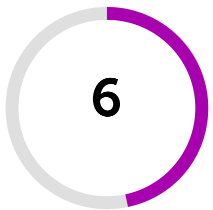

Gerwin Damberg


Ann Desender

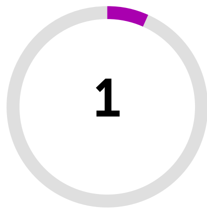

Stijn Henderickx


Anthony Huyghebaert


Rob Jonckheere



CLT members with 5 years of Barco seniority



Female CLT member

Non-Belgian CLT members

Filip Pintelon

Marc Spenlé

George Stromeyer

Iain Urquhart

Nicolas Vanden Abeele

Kurt Verheggen

Kenneth Wang

Jan De Witte **CEO**

See biographies of Board of Directors (Page 9)

Wim Buyens (°1966) **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 (°1965) **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 (°1978) **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 (°1971) **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.

Stijn Henderickx (°1980) **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 a Master in Business Engineering from the University of Antwerp.

Anthony Huyghebaert (°1974) **Chief HR Officer**
will join Barco on April 1, 2021. He started his career as a lawyer with Landwell and KPMG, before moving to Alcatel-Lucent and Nokia. He worked in multiple senior HR roles covering the breadth of functional domains in Human Resources, working as HR functional expert as well as in HR business partnership roles across regions, technology and operational organizations, while being stationed in Belgium and Singapore.

Mr. Huyghebaert holds a Law Degree from the KU Leuven and a DES International and European Law from the UC Louvain.

Rob Jonckheere (°1964) **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 .

Filip Pintelon (°1964) **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.

Marc Spenlé (°1972) **Chief Digital & Information Officer**
joined Barco as Chief Digital & Information Officer in August 2020. During his 25+ years of international professional experiences in companies like IBM, Vodafone, and smaller IT service companies, he has lead projects in customer centric business transformation, operating of SaaS business models, Software development and IT technology.

Mr. Spenlé holds a degree in Process Engineering from the University of Applied Sciences in Niederrhein (Germany).

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 (°1970) **Americas**
joined Barco in 2019 as Senior Vice President of the Americas. Prior to joining Barco, he led the cloud transformation of Oracle America's SaaS applications channel business. Before Oracle, Iain 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 (°1972) **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 (°1970) **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. He is a judge in entreprise matters with the Enterprise Court in Kortrijk and a clinical teacher at the law faculty of the KU Leuven.

Kenneth Wang (°1972) **MD Barco China**

rejoins Barco as SVP for the China region as of March 2021. He originally joined Barco in 2015 as Sales Director for the China Entertainment and Clickshare business, and in 2018 moved as General Manager to the CFG-Barco JV in Digital Cinema for China. Prior to joining Barco, he held several commercial and business leadership roles in multinational companies in China including Philips, Dell and British American Tobacco.

Mr. Wang holds an Engineering degree from Beijing University of Technology, and an EMBA from University of Texas at Arlington.

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 2020:

- An Dewaele, Chief HR Officer, left at the end of 2020. Anthony Huyghebaert will join Barco on April, 1st 2021 as new Chief HR Officer and succeed An Dewaele
- Marc Spenlé joined Barco in August 2020 as Chief Digital & Information Officer, leading Barco's Digital Organization, combining IT and the GEAX organization, Barco's global software development team.
- Xavier Bourgois, Senior Vice President Information Technologies left Barco at the end of January 2021 and left the CLT in September 2020. His responsibilities are taken over by Marc Spenlé.
- Johan Heyman, head of Barco's Program Management Office "fit to lead" left the CLT at the end of October 2020 and will be reporting to the Chief HR Officer as Vice President Organizational excellence.
- Tet Jong Chang, Managing director for Barco China since 2017, will retire from Barco at the end of the first quarter 2021 and will be succeeded by Kenneth Wang.

Annual General Meeting

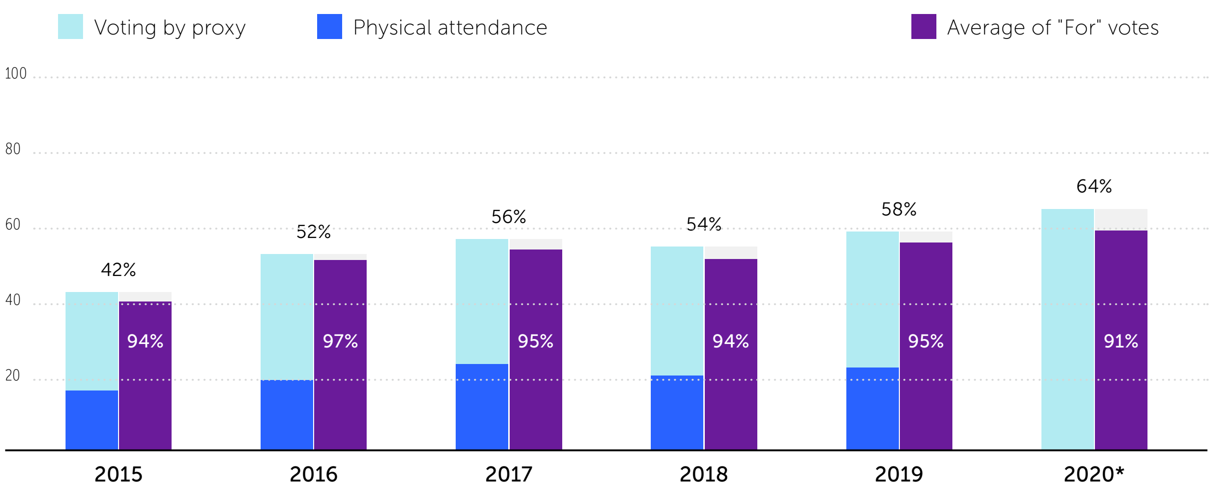
The annual general meeting (AGM) is held on the last Thursday of April. Shareholders can normally attend the meeting in person or vote by proxy. However, due to the corona virus outbreak in Spring 2020 and the government imposed measures to combat the epidemic, such as the prohibition on gathering, the Board of Directors has urged the individual shareholders not to physically attend the annual meeting but to submit their voting instructions in writing to the company secretary. Although the Belgian legislator exceptionally allowed listed companies to hold the general meetings behind closed doors, the Board of Directors organized virtual meetings whereby shareholders could attend the meetings remotely and ask live questions, using Barco's weConnect technology.

Next to the ordinary general meeting, the Board of Directors also convened an extra-ordinary general meeting to approve the updated articles of association as well as the split of the existing share into 7 new shares.

The company is open to discussions with proxy voting agencies to better understand their policies and align the company's governance practices therewith, considering its size, profile, jurisdiction as well as the geographical scope of its activities .

Over the last years, shareholders' participation has gradually increased. Almost two thirds of the shareholders participated in the 2020 AGM.

Participation rate & Average of "For" votes



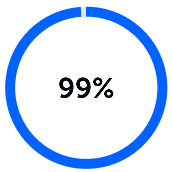
* In 2020, physical attendance was not possible due to Covid-19.

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		5	4	100%
Jan De Witte	6	7	5	4	100%
Frank Donck (1)	6	7	4		100%
Ashok K. Jain	6			4	100%
Hilde Laga (1)	5	5	5		100%
Luc Missorten	1	1	1		100%
An Steegen (1)	6	6		4	95%

(1) independent directors



Average total attendance rate

Board of Directors

Title 1 and 2 of Barco's Corporate Governance Charter describe 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 2020.

Intermediate meetings are held via teleconference call if need be. All the Board of Directors meetings took place in Belgium with some of the directors attending the meetings via videoconference due to covid-related travel and sanitary restrictions.

One 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 2019 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 2021 financial budget.

The Board closely monitored the impact of the corona epidemic on the company's operations and financial results.

Finally, the Board reflected on the novelties introduced by the new company code and brought the articles of association in line with the new law.

Board Committees

Audit Committee

The Audit Committee is composed of three members. An Steegen, who acts as Chairman, Frank Donck and Hilde Laga. All members are independent directors. The Audit Committee's members have relevant expertise in financial, accounting and legal matters as shown in the biographies on pages 7 / 12.

Changes to the composition of the Audit Committee during 2020: Luc Missorten was member and acted as Chairman of the Audit Committee until his resignation as board member of Barco on April 9th 2020. As a result Hilde Laga joined the Committee as a new member and An Steegen was appointed Chairman of the Audit Committee.

The Audit Committee met seven times during 2020. All Audit Committee members were present during all the meetings, except for Ann Steegen who was present in six of the seven meetings.

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 was present in 2 meetings and the Group's external auditor PwC Bedrijfsrevisoren/Accountants bcvba was present in 3 meetings. The overview below indicates a number of matters that were reviewed and/or discussed in Audit Committee meetings throughout 2020:

Overview of the Board and Committee meetings in 2020

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
Board of Directors		●		●		●	●			●	●	
Audit Committee		●		●			●		● ●	●		●
Remuneration Committee		●					●		●	●	●	
Strategic & Technology Committee		●		●		●				●		

- The Company's 2019 annual and 2020 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.
- Quarterly review of critical accounting judgements and uncertainties, including potential impact of covid-19.
- Each quarter, the Committee reviewed the Company's free cash flow generation and working capital ratios.
- The Committee monitored potential impairment indicators, reviewed the goodwill impairment test performed, financial impact of strategic investments and risk management (covid-19, cyber security, global and Healthcare compliance, currency & treasury instruments, health, safety & environmental, insurance, GDPR, sustainability program).
- 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 23 Related party transactions in the Financial Statements 2020.
- 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 composition of the Remuneration & Nomination Committee has been reviewed. Effective April 9, Mr. Luc Missorten has resigned as director and Mr. Frank Donck has joined the Committee as a new member, next to Mr. Charles Beauduin, who continues to act as Chairman and Mrs. Hilde Laga.

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 cul- tural and gender diversity in particular. For further reference on how the company deals with diversity and equal oppor- tunities we refer to Report on Planet, people and communities..

In 2020, the Remuneration and Nomination Committee met six times.

In 2019, the Board of Directors instructed a reputable consultancy firm to conduct an in-depth board review and to prepare a report with recommendations on how to further improve the effectiveness of the Board of Directors and the different Committees. On the first meeting of the Remuneration and Nomination Committee in February 2020, the findings of the review on the functioning of the Remuneration and Nomination Committee was presented by the Chairman and discussed, resulting in an agreement about a few adjustments.

The Remuneration and Nomination Committee has reviewed the results on the 2019 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 salary review. The members of the Remuneration and Nomination Committee received detailed data for each individual CLT member before giving final approval on bonus and merit.

The allocations of Stock Options for 2020 has been prepared and brought to the Board for approval.

As from Q2, an update was given at each Remuneration and Nomination Committee meeting about the covid-19 crisis where topics such as employee health and wellbeing, temporary and structural measures taken and impact on short and long term incentives were discussed.

The Remuneration and Nomination Committee discussed and decided to use the legal options available for payback in case of fraud or other types of misconduct or irregularities in the results of the Company would be discovered in a period of 2 years following the payment of the bonus.

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 support 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.

Technology Committee

The 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 Technology Committee assists the Board of Directors in fulfilling its oversight responsibilities by preparing technology related matters that could influence Barco's strategy, such as the identification of major investment opportunities in future technologies through internal resources or technology acquisitions, technology roadmap strategy, operational performance and technology trends that may affect portfolio performance.

Major technology investments relate 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 might also include technology acquisitions.

In 2020, the 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 Code as well as Title 1 (1.5) of the company's Corporate Governance Charter.

See www.barco.com/corporategovernance

End of 2019, the Board of Directors had instructed a reputable consultancy firm to conduct an in-depth board review consisting of an online, tailormade questionnaire, to be completed by all directors, the CFO and the Company Secretary, and personal interviews of each respondent.

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 .

In February 2020, the consultancy firm presented its findings to the Remuneration and Nomination Committee, and subsequently to the Board of Directors.

It concluded that the company has a well-functioning and cohesive board, adding real value to the company and operating in an atmosphere of trust and good collaboration. It also identified a few actions to further improve the functioning of the Board of Directors, which meanwhile have been implemented to the extent possible.

In 2020, the Audit Committee instructed the secretary of the Audit Committee to gather self-review feedback with the members of the audit committee and management. The feedback was gathered using an audit committee self-review questionnaire from PwC. The results of this questionnaire were shared in the Audit Committee meeting of July 2020. The conclusion of both the members as well as management were very positive on the functioning of the Audit Committee, which is operating in an atmosphere of mutual trust and good collaboration. A couple of recommendations linked to non-finance and compliance topics were agreed upon and implemented to the extent possible.

Remuneration report for financial year 2020

General introduction

By law of 28 April 2020, new rules have been introduced in Belgian company law, implementing the EU Directive 2017/828 as regards the encouragement of long-term shareholder engagement.

These new rules require inter alia the company to have a remuneration policy, on which the shareholders have the right to vote at the general meeting. At the time of preparation of this report the company's remuneration policy, as historically grown, is spread over several policy documents. These will be combined into one remuneration policy which will be submitted to the shareholders for their approval at the general meeting of 29 April 2021.

Where the new rules require the remuneration report to link up with the remuneration policy, such link will for this transition year be made to the various policy documents in existence at the time of the preparation of this report.

Also in the context of the transition, the company has decided to provide the information required in the remuneration report with respect to previous years only to the extent that this information was readily available.

This report covers the 2020 remuneration of the non-executive board members (Part A), of the Chief Executive Officer (CEO), who is also a member of the board and thus an executive director (Part B) and other members of the Core Leadership Team (CLT) who are not members of the board (Part C).

Part 1 :
Introduction to the 2020 remuneration report

The covid-19 pandemic had wide-ranging impacts on our company, our markets and our people. Our remuneration policy was also directly impacted by the crisis, with consequences for executive pay (management, CEO and CLT) as well as on the wages of the wider workforce.

In response to the crisis, Barco took a number of measures to reset expense levels, such as relying on temporary unemployment, redeploying people, a continued discretionary spending stop, hiring freezes and scaling back. While the impact on fixed remuneration was limited, we took salary/bonus actions and decided not to raise short-term incentive payment regardless of the achievements of group, divisional, regional, functional or individual targets. Also the long-term incentive cash bonus was affected by the pandemic, as it is directly linked to the annual business objectives, which Barco had defined.

Part 2 :
Remuneration report on the non-executive board members, CEO and CLT-members

Part 2, A
Remuneration of the non-executive board members

On 30 April 2020, pursuant to article 17 of the Articles of Association, the General Meeting set the aggregate annual remuneration of the entire Board of Directors at 2,144,575 euro for the year 2020. Next to the board fees of the non-executive directors this amount includes the remuneration package of the CEO. Details on the CEO's remuneration are provided in section 2, B hereinafter.

Part 2, A, 1
Total remuneration

TABEL 1 - TOATAL REMUNERATION NON-EXECUTIVE DIRECTORS

Name - Position	FIXED REMUNERATION			VARIABLE REMUNERATION		EXTRA-ORDINARY ITEMS	PENSION EXPENSE	TOTAL REMUNE-RATION	PROPORTION OF FIXED AND VARIABLE REMUNERATION	
	BASE COMPENSATION	ATTENDANCE FEES	OTHER BENEFITS	ONE-YEAR VARIABLE	MULTI-YEAR VARIABLE				FIXED	VARIABLE
Charles Beauduin Chairman of the Board	€120,000	€0,00	NA	NA	NA	NA	NA	€120,000	100%	0%
Frank Donck Member of the Board	€30,000	€40,800	NA	NA	NA	NA	NA	€70,800	100%	0%
Ashok K. Jain Member of the Board	€30,000	€21,300	NA	NA	NA	NA	NA	€51,300	100%	0%
Hilde Laga Member of the Board	€30,000	€38,250	NA	NA	NA	NA	NA	€68,250	100%	0%
Luc Missorten Member of the Board *	7€,500	€10,225	NA	NA	NA	NA	NA	€17,725	100%	0%
An Steegen Member of the Board	€30,000	€44,350	NA	NA	NA	NA	NA	€74,350	100%	0%
Total	**€247,500**	**€154,925**	**NA**	**NA**	**NA**	**NA**	**NA**	**€402,425**	100%	0%

(*) resigned from the Board with effect as of 9 April 2020

The remuneration paid to non-executive directors consists solely of an annual fixed component plus the fee received for each meeting attended. Considering the substantial 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 2020 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 Technology Committee for each meeting of the committee attended
- 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

At the company's request, the following directors have taken up specific punctual assignments outside the scope of their directorship for which they have been compensated as described hereafter:
- Adisys Corporation, represented by Ashok K Jain: based on its director's extensive experience in Silicon Valley, Adisys Corporation is requested to invest additional time in technology assessments and potential M&A identification as well as contract initiation: 3,000 euro (2 days at 1,500 euro per day)

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 (see comment in the Corporate Governance statement on page 7 regarding the application of Principle 7 of the 2020 Belgian Corporate Governance Code), nor to any supplementary pension scheme.

Part 2, B
Remuneration of the CEO

Part 2, B, 1
Total remuneration

The remuneration package of the CEO consists of a base salary, a variable remuneration, stock options, a pension contribution, and other components. There were no shares granted (see comment in the Corporate Governance statement on on page 7 regarding the application of Principle 7 of the 2020 Belgian Corporate Governance Code).

The remuneration package aims to be competitive and is aligned with the responsibilities of a CEO leading a globally operating industrial group with various business platforms.

The amount of the remuneration and other benefits granted directly or indirectly to the CEO, by the Company or its subsidiaries, in respect of 2020 for his CEO role is set forth below.

TABEL 1 - TOTAL REMUNERATION OF CEO

Name - Position	FIXED REMUNERATION			VARIABLE REMUNERATION		EXTRA-ORDINARY ITEMS	PENSION EXPENSE	TOTAL REMUNE-RATION	PROPORTION OF FIXED AND VARIABLE REMUNERATION	
	BASE SALARY	FOREIGN DIRECTOR FEES	OTHER BENEFITS	ONE-YEAR VARIABLE	MULTI-YEAR VARIABLE				FIXED	VARIABLE
Jan De Witte CEO	€339,500	€240,000	€56,510	€0,00	€339,000	NA	€287,673	€1,262,683	73.15%	26.85%

Base Salary

The base salary of the CEO consists of the actual salary paid by the company as well as of a fixed director's fee paid by Barco, Inc. and by Barco China (Holding) Ltd.

Variable remuneration

The variable remuneration of the CEO consists of an annual bonus. The CEO is, contrary to other members of the CLT, not entitled to a long term incentive (LTI), other than stock options (see below).

Variable remuneration, if any, vests on 31 December of the performance year. Therefore such variable remuneration is reported for the year it vests and not for the (subsequent) year it is paid.

The amount of annual bonus is paid in cash and is subject to a deferral period of three years, i.e. the bonus for performance year N is paid out as follows:

- 50% during N+1
- 25% during N+2
- 25% during N+3

The deferred amounts are subject to the achievement of the Company's sustained EBITDA performance over the deferral periods and are therefore subject to upwards or downwards and capped at 130% (upwards) and 70% (downwards). These parts are reported as multi-year variable.

For the reasons explained in Part 1 of this report and in alignment with the different salary actions, and cost reduction measures, taken across Barco's workforce over 2020, the CEO base salary was reduced versus 2019 and the CEO renounced his bonus for 2020. No bonus for 2020 was vested in the hands of the CEO on 31 December 2020, except for the deferred payments of 2018 and 2019. Given the exceptional, and largely exogenous, impact of the Covid-19 pandemic on Barco's results the Board of Directors decided to not apply the adjustments to the 2018 and 2019 deferred payments.

Pension

The pension benefit of the CEO is an individual defined contribution pension arrangement, which also includes a death cover.

Other components of remuneration

The other components comprise the total cost of ownership of a company car, a hospitalization insurance as well as a guaranteed income insurance in case of disability.

Relative weight of base pay and variable remuneration

Following what is stated above, the CEO's entire 2020 pay consisted of 73.15% fixed remuneration and 26.85% (deferred) variable remuneration. This relative weight is exceptional as it is heavily impacted by the fact that no STI vested for 2020.

Part 2, B, 2
Share based remuneration

In line with the company's stock option policy, stock options were offered to the CEO during 2020 as detailed in the table below. The stock options granted under the 2017 scheme vested in the course of 2020. No stock options were exercised during 2020. For more detail, see the table below.

TABLE 2 - STOCK OPTIONS										
	MAIN PROVISIONS OF THE STOCK OPTION PLAN						INFORMATION RELATED TO THE FINANCIAL YEAR 2020			
Name Position	PLAN IDENTI-FICATION	GRANT DATE	VESTING DATE	END OF RETEN-TION PERIOD	EXERCISE PERIOD	EXERCISE PRICE	A) NUMBER OF OPTIONS GRANTED B) VALUE UNDER-LYING SHARES @ GRANT DATE	A) NUMBER OF OPTIONS VESTED B) VALUE @ EXCERSISE PRICE	A) NUMBER OF OPTIONS EXERCISED B) DATE OF EXERCISE	NUMBER OF OPTIONS EXPIRED
Jan De Witte CEO	SOP 2020-CEO	29/10/20	31/12/23	NA	1/01/2024-28/10/2030	12.76 €	a) 182,000 b) 2,322,320 €			
	SOP 2017-CEO	20/10/17	31/12/20	NA	1/01/2021-19/10/2027	12.54 €		a) 210,000 b) 2,633,400 €		

Since the grant nor the exercise of the stock options is linked to performance conditions, this item of compensation is not considered as variable remuneration in the sense of the Belgian Corporate Governance Code. Therefore, it is also not included in the calculation of the above relative weight of base pay and variable remuneration.

Part 2, C
Remuneration of the CLT-members

The Core Leadership Team under analysis of this chapter includes 15 persons .

NAME	POSITION	EMPLOYER LEGAL ENTITY	JOINED/LEFT CLT 2020
Xavier Bourgois	CIO	Barco nv (BE)	left CLT : 30/09/2020
Tet Jong Chang	SVP China	Barco Visual Electronics Co., Ltd. (CN)	
Olivier Croly	SVP APAC	Barco Singapore Pte Ltd. (SG)	
Gerwin Damberg	CTO	MTT Innovation Inc. (CA)	
Ann Desender	CFO	Barco nv (BE)	
An Dewaele	CHRO	Barco nv (BE)	left CLT : 31/12/2020
Stijn Henderickx	SVP EMEA	Barco nv (BE)	
Johan Heyman	SVP Organizational Excellence	Barco nv (BE)	left CLT : 30/09/2020
Rob Jonckheere	SVP Operations	Barco nv (BE)	
Filip Pintelon	SVP Healthcare Division	Barco nv (BE)	
Marc Spenlé	CDIO	Barco nv (BE)	joined CLT : 15/08/2020
George Stromeyer	SVP Enterprise Division	Barco Inc. (USA)	
Iain Urquhart	SVP Americas	Barco Inc. (USA)	
Nicolas Vanden Abeele	SVP Entertainment Division	Barco nv (BE)	
Kurt Verheggen	General Counsel	Barco nv (BE)	

The CLT-members are employed by local Barco companies in their respective countries of residence. Their compensation package therefor takes local market remuneration and benefit practice into account.

Part 2, C, 1
Total remuneration

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 in the technology market space with various business platforms.

There were no shares granted.

The amount of the remuneration and other benefits granted directly or indirectly to the CLT-members, by the Company or its subsidiaries, in respect of 2020 is set forth below.

TABLE 1 - TOTAL REMUNERATION OF CLT (EXCLUDING CEO)

Name - Position	FIXED REMUNERATION			VARIABLE REMUNERATION		EXTRA-ORDINARY ITEMS	PENSION EXPENSE	TOTAL REMUNE-RATION	PROPORTION OF FIXED AND VARIABLE REMUNERATION	
	BASE SALARY	FOREIGN DIRECTOR FEES	OTHER BENEFITS	ONE-YEAR VARIABLE	MULTI-YEAR VARIABLE				FIXED	VARIABLE
Core Leadership Team	€3,686,339	€150,000	€325,019	€0,00	€0,00	€256,326	€401,461	€4,819,145	100%	0%

Base Salary

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

Variable salary

Variable salary consists of an STI component and a Long Term Incentive (LTI) component, both delivered in cash.

Variable remuneration, if any, vests on 31 December of the performance year. Therefore such variable remuneration is reported for the year it vests and not for the (subsequent) year it is paid.

Annual Bonus

It is Barco's ambition to continue to build a culture where group, team and individual performance make a difference and are truly recognized and rewarded with an annual bonus as set forward by the global Barco Bonus Policy. The individual bonus for the CLT members is governed by the same policy.

The main conditions for the annual bonus are (i) the creation of the bonus pool and (ii) the achievement of bonus targets:

- Profitability of the Barco group is the base for creating the bonus pool. A minimum of 70% of the 2020 Profit Plan EBITDA (excluding results on divestments and discontinued operations and excluding growth initiatives) should be achieved on group level before bonuses are paid.
- A strong focus on performance 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.

Payment is capped at 150% of the target award.

	BONUS TARGET CLUSTERS	WEIGHT	BUSINESS DIVIONS	REGIONAL SALES & SERVICE ORGANISATIONS	FUNCTIONAL DEPARTMENTS
1) Threshold for bonus pool		100%		70% of Group Ebitda PP target : yes / no	
2) bonus targets	company	20%		Ebitda	
		20%		FCF	
	business	30%	- Division EBITDA - Division Sales - Division Working Capital %	- Regional Sales - Regional Sales Cost vs Sales %	- Group Sales - WW functional budget
	individual	30%		Individual performance targets: operational excellence, people leadership (engagement, culture), personal development	
	total	100%			

As explained in Part 1 of this report, no 2020 STI was vested in the hands of the CLT on 31 December 2020 as the condition for creating the bonus pool was not met.

Long-term incentive Plan

In 2018 Barco implemented its revised LTI policy that exists of a combination of a LTI Cash Plan and stock options. The latter are dealt with in section 2, C, 2 below.

The LTI 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 as determined by the Board: 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. Payment is capped at 150% of the target award.

For the reasons set out in Part 1 above, no STI was earned in 2020. For the same reasons, the LTI under the 2018-2020 LTI plan did not vest. As the Board of Directors feels that it is important to still incentivize executives for leading performance over a multi-year period, the vesting period for the 2018-2020 LTI, has been exceptionally extended with an additional year (thus extending the vesting period till 31 December 2021). No change was made to the performance criteria. This extension coincides with the start of the new 2021-2023 LTI plan.

Pension

The CLT is entitled to a complementary pension benefit on the basis of the provisions of the defined contribution plans for senior executives in their base countries.

Other components of remuneration

The main other components for all CLT-members are company car or car allowance, hospitalization or medical insurance and a guaranteed income insurance in case of disability, next to occasional local benefits in accordance with local market practice.

Relative part of base pay and variable pay

Following what is stated above, the CLT's entire 2020 pay consisted only of fixed remuneration and no variable remuneration. This relative weight is exceptional as it is heavily impacted by the fact that no STI nor LTI vested for 2020.

Part 2, C, 2
Share based remuneration

As stated above, part of the LTI is delivered as stock options.

No shares were granted to the CLT-members, nor was any other share based remuneration provided to the CLT-members, during 2020. Reference is made to the explanation given in the Corporate Governance Statement on page 7 above regarding the reason for this deviation from article 7.9 of the Belgian Corporate Governance Code.

In 2020, following authorization by the general meeting and at the proposal of the Remuneration and Nomination Committee, the Board of Directors allotted stock options to 12 members of the CLT. The exercise price amounts to EUR 12,76 per option, with a three-year vesting period. The number of options to be offered to each individual beneficiary is variable in part. The options are offered to the beneficiaries for no consideration.

220,650 stock options were granted to and accepted by the members of the CLT.

All details on the stock options granted, vested and exercised are provided in the table below.

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Ann Desender, CFO	SOP 2020-P	29/10/20	31/12/23	NA	1/01/2024-28/10/2030	12.76 €	a) 29,400 b) 375,144 €			
	SOP 2017-EEA	20/10/17	31/12/20	NA	1/01/2021-19/10/2027	12.54 €		a) 42,000 b) 526,680 €		
Marc Spenlé, CDIO	SOP 2020-P	29/10/20	31/12/23	NA	1/01/2024-28/10/2030	12.76 €	a) 19,600 b) 250,096 €			
Filip Pintelon, SVP Healthcare Division	SOP 2020-P	29/10/20	31/12/23	NA	1/01/2024-28/10/2030	12.76 €	a) 16,100 b) 205,436 €			
	SOP 2017-EEA	20/10/17	31/12/20	NA	1/01/2021-19/10/2027	12.54 €		a) 35,000 b) 438,900 €		
George Stromeyer, SVP Enterprise Division	SOP 2020-P	29/10/20	31/12/23	NA	1/01/2024-28/10/2030	12.76 €	a) 21,000 b) 267,960 €			
Nicolas Vanden Abeele, SVP Entertainment Division	SOP 2020-P	29/10/20	31/12/23	NA	1/01/2024-28/10/2030	12.76 €	a) 21,700 b) 276,892 €			
Tet Jong Chang, SVP China	SOP 2020-P	29/10/20	31/12/23	NA	1/01/2024-28/10/2030	12.76 €	a) 14,000 b) 178,640 €			
Olivier Croly, SVP APAC	SOP 2020-P	29/10/20	31/12/23	NA	1/01/2024-28/10/2030	12.76 €	a) 21,000 b) 267,960 €			
	SOP 2017-EEA	20/10/17	31/12/20	NA	1/01/2021-19/10/2027	12.54 €		a) 28,000 b) 351,120 €		
Stijn Henderickx, SVP EMEA	SOP 2020-P	29/10/20	31/12/23	NA	1/01/2024-28/10/2030	12.76 €	a) 15,500 b) 197,780 €			
	SOP 2017-EEA	20/10/17	31/12/20	NA	1/01/2021-19/10/2027	12.54 €		a) 4,200 b) 52,668 €		

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Iain Urquhart, SVP Americas	SOP 2020-P	29/10/20	31/12/23	NA	1/01/2024-28/10/2030	12.76 €	a) 21,150 b) 269,874 €			
An Dewaele, CHRO	SOP 2017-EEA	20/10/17	31/12/20	NA	1/01/2021-19/10/2027	12.54 €		a) 28,000 b) 351,120 €		
Gerwin Damberg CTO	SOP 2020-P	29/10/20	31/12/23	NA	1/01/2024-28/10/2030	12.76 €	a) 16,100 b) 205,436 €			
Rob Jonckeere, SVP Operations	SOP 2020-P	29/10/20	31/12/23	NA	1/01/2024-28/10/2030	12.76 €	a) 12,500 b) 159,500 €			
Johan Heyman, SVP Organizational Excellence	SOP 2017-EEA	20/10/17	31/12/20	NA	1/01/2021-19/10/2027	12.54 €		a) 3,500 b) 43,890 €		
	SOP 2016-EEA	24/10/16	31/12/19	NA	1/01/2020-23/10/2026	10.40 €			a) 2,100 b) 19 and 20 May	
Kurt Verheggen	SOP 2020-P	29/10/20	31/12/23	NA	1/01/2024-28/10/2030	12.76 €	a) 12,600 b) 160,775 €			
	SOP 2017-EEA	20/10/17	31/12/20	NA	1/01/2021-19/10/2027	12.54 €		a) 21,000 b) 263,340 €		

Reference is made to page 66-69 in the Financial Statements for an overview of the stock options exercisable under the stock option plans.

Part 3
Redundancy payments
No such payments were made to the CEO nor to other CLT-members during 2020.

Part 4
Use of the right to reclaim
There was no reason for the board to reclaim any previously paid variable remuneration to CEO or to any of the CLT-members.

Part 5
Deviations from the remuneration policy
All of the above was determined and paid in line with the existing company reward policies. It also reflects the measures taken by the Board of Directors at the initiative of the Remuneration and Nomination Committee as stated in Part 1 above.

In alignment with these measures the CEO renounced his bonus for 2020 and the Board of Directors decided to not apply the adjustments to the 2018 and 2019 CEO bonus deferrals and pay the deferred bonus parts at 100%.

With reference to the LTI Plan for CLT, the board has exceptionally extended the plan with an additional year (thus extending the vesting period till 31 December 2021) as stated above.

Part 6
Evolution of remuneration and company performance

IN THOUSANDS OF EURO	2015	2016	2017	2018	2019	2020
Remuneration of Non-Executive Directors (1)						
Total annual remuneration	483,667	499,175	512,725	430,449	416,825	402,425
Year-on-year difference (%)		3%	3%	-16%	-3%	-3%
Number of Non-Executive Directors under review	9	9	11	9	6	6
Remuneration of CEO						
Jan De Witte						
Total annual remuneration (EUR)			1,209,183	1,424,544	1,672,362	1,262,683
Year-on-year difference (%)			-	18%	17%	-24%
CEO remuneration						
Total annual remuneration (EUR)	1,587,988	1,600,800	1,209,183	1,424,544	1,672,362	1,262,683
Year-on-year difference (%)		1%	-24%	18%	17%	-24%
Remuneration of CLT						
Total annual remuneration (EUR)	3,683,587	4,169,396	4,570,778	5,866,025	6,163,243	4,819,145
Year-on-year difference (%)		13%	10%	28%	5%	-22%
Number of CLT Members under review	9	10	14	13	15	15
Barco Group Performance						
NET SALES (M euro)	1,029,969	1,102,342	1,084,706	1,028,531	1,082,570	770,083
Year-on-year difference (%)		7%	-2%	-5%	5%	-29%
EBITDA (M euro)	74,080	88,002	107,126	124,466	153,022	53,563
Year-on-year difference (%)		19%	22%	16%	23%	-65%
"Net income attributable	-29,563	11,023	24,776	74,965	95,363	-4,393
Year-on-year difference (%)		137%	125%	203%	27%	-105%
Average remuneration per FTE employee (2)						
average employee cost per FTE (EUR)	76,316	76,316	76,821	76,505	77,192	65,570
Year-on-year difference (%)		0.0%	0.7%	-0.4%	0.9%	-15.1%

(1) as indicated in Part 2,A of the Remuneration Report the remuneration for non-executive directors is depending only on the number of meetings and is reported aggregated for this table
(2) Average remuneration of employees is calculated on basis of "wages and direct social benefits", including company cars, divided by the number of employees on year over year bases

As requested by the Belgian Company Law, Barco reports the pay ratio of the CEO remuneration versus the lowest FTE employee remuneration in its legal entity Barco nv. The 2020 pay ratio is 29.97.

Part 7
Vote of the shareholder
As no comments were made to the previous remuneration report in the general meeting of 30 April 2020, during which that report was approved, there were no such comments to be considered for the remuneration paid or vested during 2020.

Policies of conduct

Transparency of transactions involving shares or other financial instruments of Barco

The company has issued a Market Abuse Prevention Policy which is being enforced as part of its compliance management program, 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

The company has laid down the rules for conflicts of interest, applicable to its directors and executive managers, in its Corporate Governance Charter.

These rules complement the procedures set by the Code of Companies and Associations for conflicts of interest of a financial nature and related party transactions (Article 7:96 and 7:97 CCA).

In 2020, no conflicts of interest of a financial nature or related party transactions falling within the scope of these procedures arose.

Managing sustainability

At Barco, we see sustainability as one of the drivers of our corporate strategy. We design and act towards sustainable outcomes for our planet, the community we operate in and our colleagues. Governance keeps our corporate sustainability strategy on track, ensuring that our strategy remains effective, and that accountability for our results sits right at the top of our company. A more detailed description of our sustainability governance is available in our Planet-People-Communities chapter.

Statutory auditor

Barco refers to note 23 Related party transactions in Financial Statements 2020.

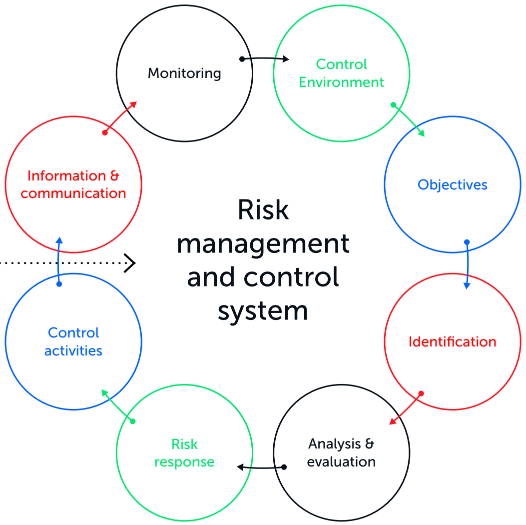
Risk management and control processes

Within the context of its business operations, Barco is exposed to a wide variety of risks that can affect its ability to achieve its objectives and to execute its strategy successfully. To anticipate, identify, prioritize, manage and monitor the risks that impact its organization, Barco put a sound risk management and control system into place in accordance with the Code of Companies and Associations and the 2020 Corporate Governance Code. Our risk management and control processes are actively supported by the Board of Directors. They understand the risks that Barco faces, and assure that these risks are effectively managed by requiring that the CEO and the Core Leadership Team (CLT) are fully engaged in risk management. Risk control is a core task of the executive management and all employees with managerial responsibilities.

Objectives

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 strong 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.

Every year in the fourth quarter, Barco performs a company-wide risk assessment and compliance gap analysis. This exercise, which involves the CLT members, the managers of the subsidiaries and other key employees, **aims to strengthen and formalize risk awareness throughout Barco**. It encourages the employees with managerial responsibilities to actively think about the risks that impact our business and provides them with a clear view on how their peers around the world perceive risk.

The Risk Manager and the Global Compliance Manager, supported by Internal Audit, are in charge of the yearly risk assessment and compliance gap analysis.

Identification.

Barco identifies the risks to its organization based on risk interviews, market research, the results of the material assessment and the outcome of earlier risk assessments.

For 2020, the results were consolidated in 13 well-defined risks for Barco.

Barco risk universe:
The following risks are taken into consideration.

- Information security
- Business Ethics
- Product quality
- Supply chain & 'Nth' party
- Financial & liquidity risk
- Data governance & privacy
- Macroeconomic, geopolitics and market
- Human capital & talent management
- Contingency & crisis response
- Local compliance & regulatory change
- Corporate governance & strategy
- Sustainability & environmental impact
- Digital transformation & new technologies

* Nth' party risk: An order of magnitude broader than the traditional third-party risk. Every party that a company utilizes is likely to have a large number of other parties of its own. This becomes a chain of downstream relationships with fourth, fifth parties, and Nth parties, introducing a new risk factor to the ecosystem.

Analysis

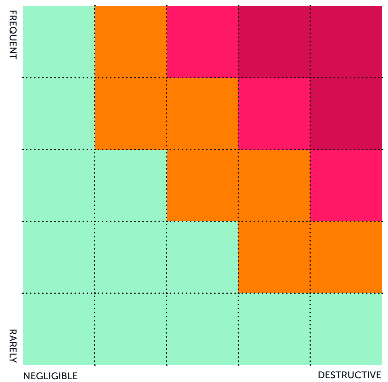
Once identified, the risks are scored using inherent risk ('likelihood' and 'impact) and control level scales. The scales for impact, likelihood and control level are based on the acceptable level of risk exposure determined by the Board of Directors and laid down in the Barco corporate risk evaluation system.

In 2020, the **scoring of Barco's risks** was done via an online questionnaire, which was completed by all 15 CLT members as well as 20 senior managers from different subsidiaries.

Evaluation

In the 'evaluation' phase, a **risk matrix** is drawn up, resulting in Barco's inherent and residual risk profile.

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



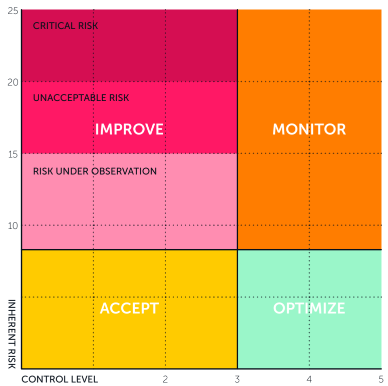
The **residual risk** level is then determined by taking into account the control level (control measures and their effectiveness) of each risk.

The results are then **reviewed by the CLT**. The top risks are identified and divided into risks to be monitored in light of the existing mitigation measures, and risks to be further improved. For each top risk, a risk owner is nominated.

The outcome is summarized in a report that is presented to the Audit Committee and made available to the Board of Directors.

Risk response

Management response to the top risks



- **'Risks to improve'** are contained by means of an enhanced mitigation plan next to the continuous improvement actions and existing control measures. This plan must minimize the effect of these risks on the organization's ability to achieve its objectives and results. These types of risks, if any, reside under the ownership of the CEO.
- **'Risks to monitor'** are contained by means of the ongoing continuous improvement actions and existing control measures. These type of risks reside under the ownership of a CLT member and are monitored by the CEO.
- **'Acceptable risks'** and 'risks to optimize' are recorded in the risk register of the related process.

The Risk Manager supports the adoption of clear processes and procedures for a wide range of business operations. 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.

Monitoring

Risk monitoring helps to ensure that mitigation plans and internal controls continue to operate effectively. Progress of action plans and related status KPIs are tracked on a regular basis to remediate gaps in mitigation and monitoring activities.

Risks in the 'improve' and 'monitor' quadrants are subject to a bi-monthly review by the risk owner, the Risk Manager and a delegation of CLT members. A semi-annual review is conducted during a CLT meeting which is formalized by Internal Audit and reported to the Audit Committee.

Control activities

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 and their assessment of key internal controls.
- **Compliance Officer** – within the framework of the company's Corporate Governance charter.
- **Risk Manager** – plays a pivotal role in the organization by ensuring appropriate coordination and follow-up of risk management activities.
- **Global Compliance Manager** – coordinates between different compliance roles, functionally and regionally. The compliance status and gaps are mapped on a regular basis in order to define compliance risks, priorities and mitigations as needed.
- **Audit Committee** – the Board of Directors, assisted by its Audit Committee has the final responsibility with respect to internal control and risk management.

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, or the company's code of ethics or policies.

Extra risk section regarding the consequences and impact of the covid-19 pandemic

Since Q1 2020, the covid-19 pandemic has been affecting businesses all over the world – including Barco.

Risk description

The public health crisis caused by the covid-19 pandemic, as well as measures taken in response to contain or mitigate the pandemic, have had, and are expected to continue to have, certain negative impacts on Barco's business including, without limitation, the following:

- The demand, reflected by impact on orders and sales mainly in Barco's Entertainment and Enterprise division
- The profit and loss and operating results
- The financial condition
- Cash flows

Approach:

In this section, Barco addresses its risk mitigation plan related to the covid-19 pandemic impact.

Overall approach

Since the start of the corona virus outbreak (in China in January 2020) Barco has set up a dedicated global response team that is monitoring and supporting Barco's operations and is focusing both on the safety and health of its employees, as well as on ensuring business continuity.

Measures to keep employees safe

- **Hygiene, social distancing and track-and-trace measures**
  As of February-March 2020 timeframe and taking into account local or regional sanitary & health regulations, the company strengthened personal hygiene measures throughout the organization, as well as business travel restrictions. Barco also expanded its home-work protocol and implemented social distancing measures for employees in all its facilities. In addition, a track-and-trace system has been put in place to slow down a possible future spread of the virus. In 2020, Barco registered approximately 110 infected cases among its global employee force for which none of the infection sources appear to be within the company. All related people have meanwhile recovered.

- **Hybrid way of working**
  Some of Barco's offices have been closed for short periods during the year but have gradually reopened. As far as regulations and the local situation allowed, the company applied unlocking measures and started bringing back employees while still taking into account local or regional regulations and recommendations. The company implemented a hybrid way of working with an alternate home-work protocol for its white collars. All offices have been updated according to the strengthened social distancing and sanitary measures to ensure a covid-proof and flexible work environment.

Operations and supply chain

Mainly in the first half of 2020, Barco has experienced disruptions to its ability to operate its production facilities in some countries, and in the future, further disruptions to Barco's ability to operate production facilities or distribution operations cannot be excluded as a result of regulatory restrictions, safety protocols and heightened sanitation measures.

While the Company experienced disruptions, Barco's proactive approach limited the delays towards our customers.

- Barco's parts supply base, its subcontractor operations and the logistics chain has seen disruption mainly in the months March and April 2020 but recovered near full operational capacity.

- For Barco's operations:
  - In China, operations were disrupted during February but recovered to near full capacity by the end of the first quarter 2020.
  - For the manufacturing sites in Europe, the operations team has organized production in order to match regulatory requirements with the objective of ensuring manufacturing capacity needed to support market demand. The respective logistics teams were able to secure a continued receiving of components and shipping of finished goods.
  - The India site (manufacturing of videowalls) was closed for a limited number of weeks in 2020 as a result of the regulatory lockdown-measures but production recovered and was able to meet market demand.

<u>Business health</u>

In the first quarter and as a result of lockdowns in China, Barco's sales in China were halted during February and gradually resumed as of March. Since then, the covid-19 pandemic has spread internationally, with negative effects mainly in Barco's Entertainment and Enterprise markets.

The negative impact was caused by both the economic impact of the pandemic on some of its markets as well as by the lockdown measures and related restrictions.

Barco remained focused on business continuity and protection of the business health.

The company executed on a plan to align both its activity rate and spending with the impacts of the pandemic by resetting indirect cost levels, next to temporary measures and resource redeployments.

- **Aligning activity rate with market realities and customer demand**
  Consequently, the company has implemented temporary work arrangements and economic unemployment measures for both white and blue collars, in conformity with country specific legal frameworks, support mechanisms and regulations.

  The new work conditions varied depending on the region, and Barco's covid-19 response team reviewed the situation site by site, with the same objective to ensure business continuity while also considering all applicable covid regulations.

  The activity rate and cost containment measures also include ensuring a strong commitment to our customers through sales and servicing.

- **Adjusting the cost base and discipline in discretionary spending**
  These measures – which can be adjusted again in line with future changes in the pandemic situation - also entail shifts in the planned investment patterns on selected long-term initiatives and a sustained strict discipline on discretionary spending.

  The Company made deliberate choices on the continuation and timetable of selected development projects based on current needs in the market and adjusting internal support levels in function of the focus shift.
  Furthermore, the Company was able to apply for wage subsidies under the newly enacted covid-19 relief legislation in APAC, Canada and Cinionic US.

<u>Strong funding and liquidity structure in place</u>

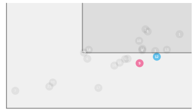
Barco has a strong balance sheet and ample liquidity. We refer to note 14 for more details on Barco's net cash position. Barco has sufficient headroom to enable it to conform to covenants on its existing borrowings. The Group complied with all requirements of the loan covenants on its available credit facilities throughout the reporting period.

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

Top risks

Below are the top risks identified by the 2020 risk management process, along with the trends and related material topic/ strategic lever. Certain risks are slightly regrouped and renamed compared to last year following the most recent risk identification process and market intelligence.

RISK	TREND	MATERIAL TOPIC	STRATEGIC LEVER
MACROECONOMIC, GEOPOLITICS AND MARKET	▲	Market Reach Brand	Focus to perform
INFORMATION SECURITY	▼	Information security and data protection Product quality, safety and security	Focus to Perform & Go for sustainable impact
DIGITAL TRANSFORMATION AND NEW TECHNOLOGIES	▲ ▲	Innovation management Learning and development	Innovate for Impact & Offer outcome-based solutions
HUMAN CAPITAL AND TALENT MANAGEMENT	▲	Employee engagement Learning and development Employee health, safety and wellbeing Diversity and inclusion	Focus to Perform & Go for sustainable impact
PRODUCT QUALITY	=	Product quality, Safety and security Customer engagement Brand	Innovate for Impact & Offer outcome-based solutions
DATA GOVERNANCE AND PRIVACY	=	Innovation management Information security and data protection	Go for sustainable impact
SUPPLY CHAIN AND 'Nth' PARTY RISK	=	Responsible supply chain management Sustained profitable growth Product quality, safety and security	Focus to Perform & Go for sustainable impact



Macroeconomic, geopolitics & market risk

Risk description

All Barco divisions face **competition** due to lower barriers for entry following the further globalization of our markets. Competitors could outperform Barco in terms of product innovation, time to market, product quality, cost price or new business models, leading to loss of revenue, margins and profit. Moreover, Barco's competencies could be perceived as less valuable to its customers compared to those of other players on the market. Competition risk could also be impacted by prospects for additional government stimuli and any provisions that would benefit an organization or sector.

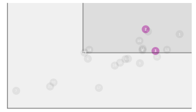
In addition, serious **political and (macro) economic evolutions and fluctuations** can heavily impact the investment climate and could even completely stop business in a country or region. Geopolitical tensions, deteriorating trade relations and trade policy uncertainties impact global economic activity and could translate into constraints to Barco's operations (tariffs, intellectual property restrictions, data ownership, investment restrictions, staff mobility restrictions due to travel limitations but also quarantine restrictions impacting the company and its people).

Trend:

Market/competition risk and geopolitics/macroeconomic risk were identified as main risks in 2019 and topped the risk ranking in 2020 driven by covid-19 which has since priorities in 2020 as a result of the covid-19 impact. Since 1Q2020, the covid-19 impact has been affecting business all over the world – including Barco. We refer to the separate chapter 'Extra Risk-section regarding the consequences and impact of the covid-19 pandemic' in the beginning of this risk chapter.

2020 main actions:

- Barco developed a **strategic management plan (SMP)**, a roadmap on how to further roll out the customer journey program across all divisions.
- We **increased our focus on market and competitor insights** to face and outperform competition.
- We regularly **assess supply chain flexibility** by considering the manufacturing footprint of Barco and its suppliers to enable risk spreading for any critical event that could cause business interruption.



Information security

Risk description

Barco relies considerably on its IT systems: infrastructure, networks, operating systems, applications and databases. **Failure of an information technology system** due to an internal or external event (terrorism, crime, violence, vandalism, theft or human error) could impact employees, sites, assets, critical information, or intellectual property and have negative consequences for the business (business interruption, reputational damage and/or liability claims).

Ensuring information security includes, among others, processes that:

- protect IT infrastructure, IT governance, prevention and remediation of IT failure and security awareness;
- ensure the development and sale of secure products.

Trend:

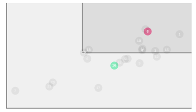
Cyber risk was identified as a main risk in 2019 and remained a top priority in 2020, bearing in mind the increasing number of cyberattacks and threats.

2020 main actions:

To mitigate the higher inherent risk, Barco increased its control level via diverse security improvements:

- Expansion of the **Barco Security Council** – a multidisciplinary council of experts who coordinate, monitor and manage all information security efforts – with representatives of the divisions.
- Raising security levels to adapt to the new normal with **safe remote working** through VPN and multi-factor authentication (MFA) for all employees.
- Finalizing the **IT disaster recovery plan** and making it available to ensure Barco is well prepared in case of an emergency due to an information security incident.
- Closing an updated **agreement with Microsoft** to enable additional security via its Microsoft365 toolset, including cloud solutions.
- Extending **ISO27001 certification** for ClickShare products to cloud-related products.
- Launching several initiatives to **educate employees** on information security, such as a cyber hygiene e-learning course and one covering fake phishing emails.
- **Highlighting challenges** through a red team and the use of penetration tests. Periodic external reviews of the cybersecurity risk showed improvements over the past year on diverse identified weaknesses.

Read more on “Corporate security and data privacy” and “Customer and product responsibility”



Digital transformation & new technologies

Risk description

The inability to **embrace technological advancements quickly** could impact Barco's ability to accelerate growth. Technologies such as machine learning, robotics, artificial intelligence and the use of big data and analytics can improve business processes and increase efficiency. The failure to adopt these will impair operational resilience and the ability to face current and future challenges and may result in missed revenue and missed business opportunities. In Barco's environment, a rapid time to market is the key to ensuring competitiveness.

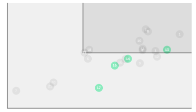
Trend:

The covid-19 pandemic has increased the importance of digital transformation and new technologies, which was already identified as a risk in 2019.

2020 main actions:

- Our organizational structure was transformed by **merging the software and IT departments** into one Digital Organization.
- The role of **Chief Digital & Information Officer ('CDIO')** was created and filled through external recruitment. The new CDIO has extensive experience in operating SaaS models, software development, data management and analytics, IT technology, cross-functional business transformation and change leadership.
- The new CDIO further identifies and integrates digital skills and competences via **cross-functional teams** within the Digital Organization, which is responsible for accelerating our offering of true end-to-end experiences for our customers and end users.
- In response to the growing number of people working and learning remotely to combat the covid-19 pandemic, Barco **repositioned its product offerings** and accelerated its marketing campaigns for conferencing and digital technologies like ClickShare Conference and weConnect.

The ongoing engagement, commitment and sense of urgency in converting strategic decisions into practice will help Barco in this journey.



Human capital & talent mamagement

Risk description

A skilled workforce and agile organization are essential for the continued success of our business. Difficulties in attracting, retaining and developing employees could lead to continued vacancies in certain critical areas, higher employee dissatisfaction and turnover, lower performance and underutilization of existing skills. **Staffing issues** could result in a skillset not able to meet all competency requirements in view of rapidly moving technologies, changing business models and operational agility.

In times when employees are required to work from home and may become disconnected from the work environment, leading to mental fatigue, stress and anxiety, it is crucial to **protect employees' health and wellbeing** to avoid labor incidents, burnouts and long-term sickness.

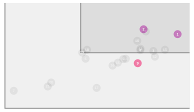
Trend:

Human resources management was identified as an increasingly important risk in 2019 and was confirmed as one of the main risks in 2020.

2020 main actions:

- Timely and emphatic communication and a solid company culture, employee-manager relationships and remote digital working conditions became key to ensuring **employee wellbeing** during the covid-19 pandemic.
- The broader human resources action plan consists of 3 main pillars: 'attract', 'develop & retain' and 'reward' with 'strengthen the foundation as general support base for all pillars. In 2020, Barco's HR team focused primarily on **'strengthening the foundation'** by communicating candidly and in a timely way about the impact of the pandemic, offering support and insights on how to engage in strong employee-manager relationships and staying connected with(in) the teams in a remote or hybrid work system.
- Barco **increased internal mobility and redeployment** to create individual opportunities and to adapt to changing market conditions.
- To boost efficiency in the recruitment process and better engage hiring managers in the total flow, the **recruitment flow** is now integrated in **new integrated human capital management software**.
- In the field of learning, we increased learning posibilities via Barco University through **remote training sessions**.
- Two new 'Pulse' surveys were launched to **measure employee engagement** and to identify critical areas that require further actions.
- To gain insight into capability needs for the short and long term, **human resources is more involved in Barco's strategic management plan**.
  This proactive position seeks to enable a healthy organizational design where people with the right skillsets can be found both through internal development and external recruitment.
- The **culture rejuvenation project** to revive Barco's DNA via five building blocks was successfully introduced and implemented before the global lockdowns, helping the organization to be more resilient in crisis situations.

Read more in the "Report on People"



Product quality

Risk description

Barco's reputation as a business partner relies heavily on its ability to supply high quality products. **Failure to comply with the development process and stage gate requirements** can lead to the market introduction of immature products – resulting in loss of sales and market share, additional cost and reputational damage. Product quality issues and **delivery issues** such as the inability to fulfill orders in a timely way lead to reputational damage, customer dissatisfaction and loss of business.

Trend:

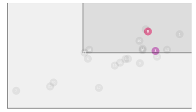
Quality – new product introduction (NPI) was one of our main risks in 2019 and remains so in 2020.

2020 main actions:

Five focus areas had to ensure that our product quality was and remained at the desired level.

- **We took efforts to safeguard product reliability:** the reliability of the deviating products was brought to the desired level and the reliability of new products was assured.
- **Software quality assurance was fully integrated** in the software development teams. Cyber security expertise was in-sourced and we achieved IEC62304 certification in Noida, India.
- We strengthened **adherence to processes and quality requirements** in new product introduction stage gates and global process owners were coached on to integrate processes within the quality management system (QMS) and take up the correct level of process accountability.
- **Key performance indicator (KPI) dashboards** were monitored and missing dashboards were implemented. The global audit program was monitored to have better control over the overdue actions.
- A **quality assurance and regulatory assurance organization and process** was developed for our new medical device product base in Suzhou, China.

Read more on "Customer and product responsibility"



Data governance & privacy

Risk description

Insufficient governance regarding data assets, data confidentiality and data ownership could lead to loss or improper use of business-critical or personal data, causing a loss of process efficiency, vulnerabilities, prosecution, fines and reputational damage.

As a technology company, 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 they are granted.

Insufficient IP awareness and a lack of IP strategy can lead to the inability to safeguard and monetize our IP and a disconnected strategy towards filing and protection. Other risks could come from IP infringements by suppliers or unclear IP agreements. Critical IP or know-how may get lost when key employees or consultants leave the organization.

Barco monitors changes in intellectual property rights. However, it cannot exclude the possibility of inadvertently infringing on a party's intellectual property rights, which could result in claims and litigation.

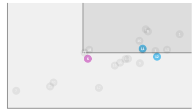
Trend:

Data protection was one of our main risks in 2019 and ranks among the top risks in 2020.

2020 main actions:

- We implemented a **simplified and strengthened innovation process for new technologies**, including increased focus on early-stage patenting in a more strategic way.
- **Patent delegates** ensure better visibility and tracking of the IP status for new innovations.
- We continued to **invest in awareness on the importance of data and IP governance**. To further highlight the importance of confidentiality and the value of IP, we developed and refreshed role-based courses that touch on our IP rights (principle aspects, incl. non-disclosure agreements (NDAs), confidential information, patents, trademarks, copyrights, design rights, trade secrets and know-how). Designated training plans are being developed through Barco University to provide tailored key learnings by target group.
- Data governance and data strategy are key in Barco's digital business transformation journey.

Read more on "Corporate security and data Privacy"



MATERIAL TOPICS

Supply chain & 'Nth' party risk

Risk description

A **strong dependency** on suppliers, manufacturers, or the technology or knowledge of consultants and suppliers, partners, integrators, distributors or end customers creates a vulnerability that might impact our product portfolio and the competitive pricing of Barco products, disruptions in the supply chain, market share and profitability of our business. The covid-19 pandemic has put **high pressure on the global supply chain** and caused financial constraints, forcing some suppliers to phase out products or even relocate activities. This caused an additional burden on Barco's resources and inventory.

Trend:

Dependency and contingency risks were identified as main risks in 2019 and remained important in 2020, especially in light of the trade wars and regional/global lockdowns.

2020 main actions:

- **War rooms and day-to-day alignment processes** across our global operations were installed to ensure business continuity.
- The procurement team **further improved and extended the supplier contingency plans** for its key and core suppliers, including those which are 'single source'. The covid-19 pandemic urged the team to bring the plans, which include financial exposure, back-up suppliers and decision trees defining the way forward in case of failure, to life. We took advantage of strategic stock, consignment models, liabilities in different parts of the product lifecycle and regional and global dual sourcing.
- Geopolitical risks and trade wars leading to additional certifications and regionalization requirements have pushed us to **rethink our supply base** in certain segments. We enabled multi-site production for our main products, of which the manufacturing is outsourced, also addressing the certification requirements of specific countries.
- To foster 'early supplier involvement' (ESI) in the introduction stage of any new products, we **extended the involvement of supplier quality assurance (SQA)** in the new product introduction process. We added the **supplier readiness assessment** as part of the review criteria to underpin output, quality and yield.
- Business review meetings (BRM) and supplier performance ratings (SPR) were enhanced with **sustainability and cyber security ratings**. To date, the cybersecurity behavior of more than 60 key and core Barco suppliers has been monitored by using external cybersecurity screening data and consumer audits. The audits did not highlight any major findings.

More information can be found in "Supply chain responsibility"

Risks to be disclosed pursuant to the rules regarding non-financial information.

Environmental impact

Risk description

Climate transition and the environmental footprint in general holds a series of risks for Barco. The inability to meet (future) environmental legislation to limit CO_2 emissions and increase energy and material efficiency could lead to **regulatory fines** (such as a carbon tax). More importantly, failure to adapt to changing customer behavior and address environmental concerns could **negatively impact Barco's reputation** with customers and investors, thus leading to **loss in sales or even capital**. Physical climate change risks include impacts of extreme weather events on production facilities and/or equipment and disruptions in the supply chain due to these events.

Approach:

- Barco has set ambitious targets to reduce greenhouse gas emissions, increase the energy efficiency of its products and increase revenues from products with improved eco-design.
- To highlight our dedication to improving sustainability, we joined the Science Based Targets initiative and signed the business ambition for 1.5°C commitment.
- Each year, we respond to the CDP Climate Change questionnaire, disclosing our climate transition risks and low carbon opportunities.

Read more in the Report on planet, people and communities

Business ethics

Risk description

Insufficient fair practice and business behavior (according to the ethical standards and principles set by the Barco Code of Ethics), including fraud, corruption, bribery, abuse and violations of human rights leads to reputational damage, decrease of sales and legal investigations and prosecutions.

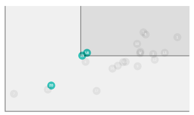
Barco is directly exposed to **risks in the area of human rights** as an employer in the first place, but also through its operations in the regions where it conducts business. Barco may source raw materials from suppliers which may not respect their employees' human rights, such as the freedom of association.

The increased pressure on management and employees could raise the temptation to deal with unscreened partners without any diligence procedures. The inability to foster an environment of equality and equal opportunities regardless of gender, race, ethnicity, age or sex could harm Barco's reputation and could lead to noncompliance with applicable laws and regulations.

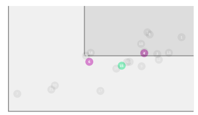
Approach:

Code of Ethics:

- 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.
- The mandatory training on "Standards at Work" help educate our people and remind them about the Group's ethical principles and values.
- The ethics mailbox is available to everyone who wishes to report, even anonymously, any issue to the Ethics Committee.



MATERIAL TOPICS



MATERIAL TOPICS

Supplier assurance:

- Our suppliers must comply with the Responsible Business Alliance (RBA) code of Conduct, including labor, ethics and health and safety standards. Before engaging in a business relationship, we **screen new suppliers**, considering the risk profile and reputation of each partner as well as their adherence to ethical standards. **Existing key partners are screened periodically**. Key principles such as the four-eyes principles ensure segregation of duties in our procurement and buying processes.

Human rights and anti-discrimination:

- 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). Our anti-discrimination policy is available on our intranet (BarcoZone) and governed by the HR department.
- Both the HR department in the headquarters and the Internal Audit team -regularly check labor practices and human rights with the local HR teams.
- Barco includes all employees in collective bargaining agreements by complying with all necessary **local workforce regulations** in the countries where Barco operates. Barco handles specific workforce-related topics by closing off company-specific collective bargaining agreements. Where applicable, Barco organizes workers' councils (both national and international).
- We promote **equal opportunity** and do not discriminate against any employee, candidate, contractor or supplier based on nationality, race, age, physical disability, social, political or religious preference or other personal characteristics. Barco encourages social and cultural diversity, and our recruitment, remuneration, evaluation and supplier tender processes are based solely on professional qualifications.

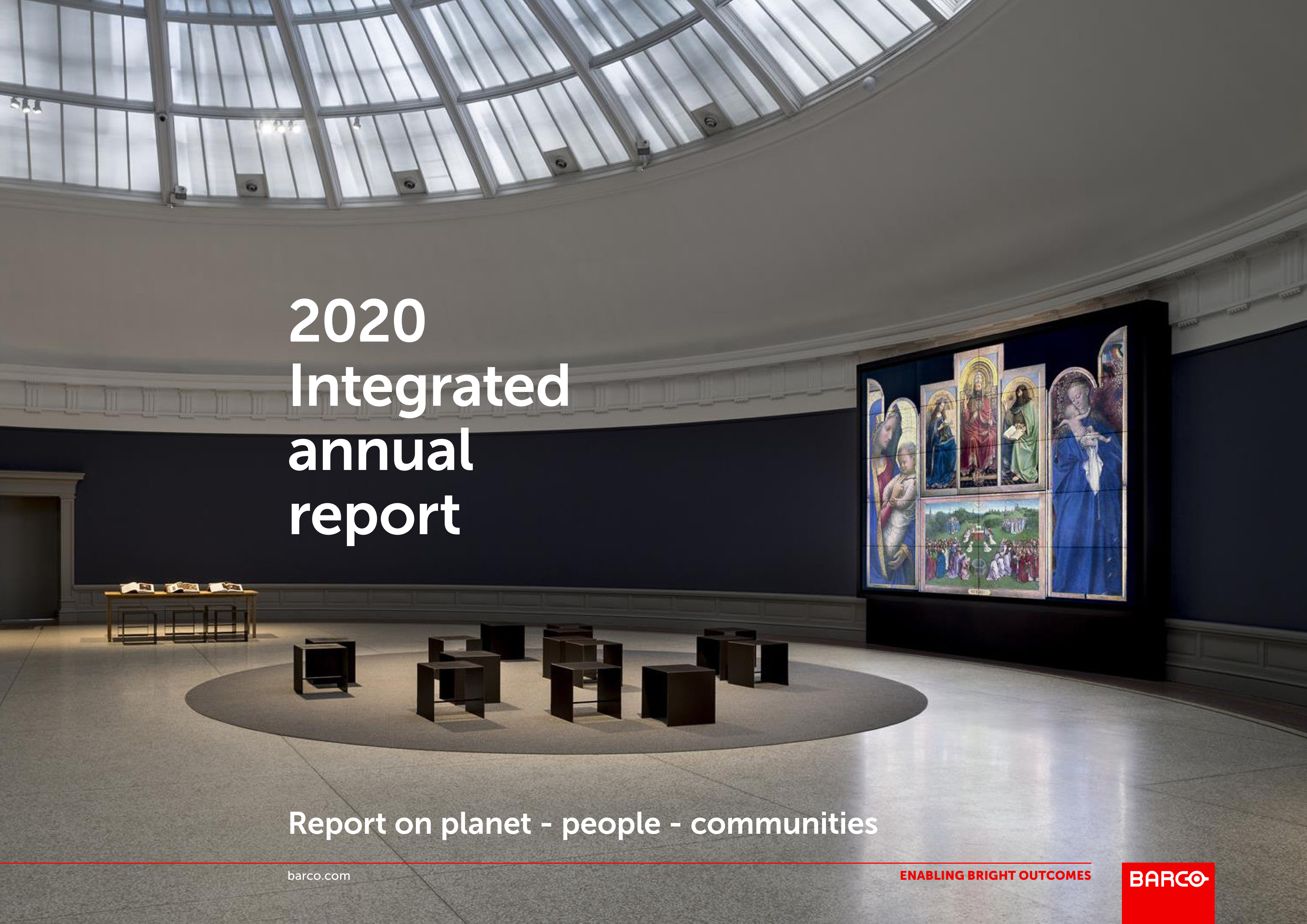
Anti-corruption:

- In order to limit the risk of money laundering, a process to **screen incoming payments** is in place under the Payment Processing Policy.

Read more on "Ethics and compliance" and "Supplier assurance"

Financial risk management and internal control

- **Finance and accounting manual**s, which are available to key accounting sections, ensure the accurate and consistent application of accounting rules throughout the company.
- 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 the 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** concerning 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** throughout the organization ensures a consistent flow of financial information, which allows the detection of potential anomalies.
- To provide Barco's stakeholders with the information necessary for making sound business decisions, financial reporting is shared with the outside world. The **external financial calendar** is planned in consultation with the Board of Directors and the CLT and then announced to external stakeholders.



2020 Integrated annual report

Report on planet - people - communities

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This is the planet - people - communities section of Barco's 2020 Integrated annual report. Other sections are available via the download center at ir.barco.com/2020.

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• Report on planet - people - communities
• Financial report

ANNEX
• Assurance report
• GRI Content index
• Glossary

Our sustainability ambition statement

In line with our ambition to fully integrate sustainability into our corporate DNA, Barco designs and acts towards sustainable outcomes for our 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 and by creating the conditions for a healthy working environment – both physically and mentally. We engage in creating an inclusive workplace that embraces the diversity of our people.

3. We will play an active role in the communities we operate in by upholding the highest ethical and quality standards and expecting the same from our business partners.
   We always aim to deliver added value to our customers through our solutions, services and capabilities. In addition, we help ensure more people can participate in and benefit from the innovation society.

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

Jan De Witte
CEO Barco

Our sustainability strategy

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 for us, as we are convinced that sustainable business is good business.

Barco's Sustainable Impact strategy is focused on three pillars: planet, people and communities. For each pillar, we defined an overall ambition statement and linked the relevant material topics. Material topics were updated based on the 2020 materiality assessment. Every pillar is discussed in dedicated chapters in this Integrated report.

Barco's sustainability pillars, ambitions and material topics

	Planet	People	Communities
AMBITION	We will lower our ecological footprint and those of our customers.	We will invest in sustainable employability by encouraging our people to learn and develop themselves and by creating the conditions for a healthy working environment – both physically and mentally. We engage in creating 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 and quality standards and expecting the same from our business partners. We always aim to deliver added value to our customers through our solutions, services and capabilities. In addition, we help ensure more people can participate in and benefit from the innovation society
MATERIAL TOPICS	• Climate change & energy* • Product stewardship* • Waste management	• Employee engagement* • Learning & development • Employee health, safety & well-being • Diversity & inclusion • Labor practices & human rights	• Customer engagement* • Product quality, safety & security* • Information security & data protection* • Business ethics* • Responsible supply chain management • Corporate governance • Community engagement

* High material topics

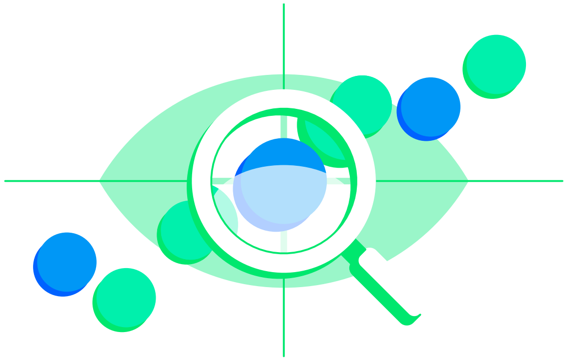
Materiality

A materiality assessment helps organizations understand what topics matter most to its business and stakeholders. Every three to four years, Barco conducts a comprehensive materiality assessment to make sure it reflects the latest developments in its business and external environment and reflects these in the strategy, risk and business process of the company.

A topic is material to Barco if it meets two conditions:

- it impacts Barco's business significantly in terms of growth, cost or risk (X-axis of the materiality matrix);
- it is important to Barco's stakeholders – customers, investors, (non-) governmental organizations, suppliers and employees (Y-axis of the matrix).

In determining if a topic is material, we consider Barco's impacts across the value chain.



2020 materiality assessment: a 3-step approach

In 2020, we conducted a new, extensive materiality assessment, based upon and aligned with our integrated reporting approach, considering the six capitals. Compared to the previous materiality assessment, a number of topic names have changed, or topics have been added to cover all capitals.

1. Longlist

Composing a longlist of potential material topics through **desk research** covering the UN Sustainable Development Goals, reporting standards (GRI, SASB), ESG ratings, sector federations and Barco's own risk assessment.

2. Shortlist

Reducing the longlist to a shortlist by gathering **direct feedback** through employee surveys, external stakeholder surveys and interviews, including a survey distributed among the top 100 Barco leaders.

3. Review

Review and validation of the results by the Executive Sustainability Steering Committee and the Core Leadership Team.

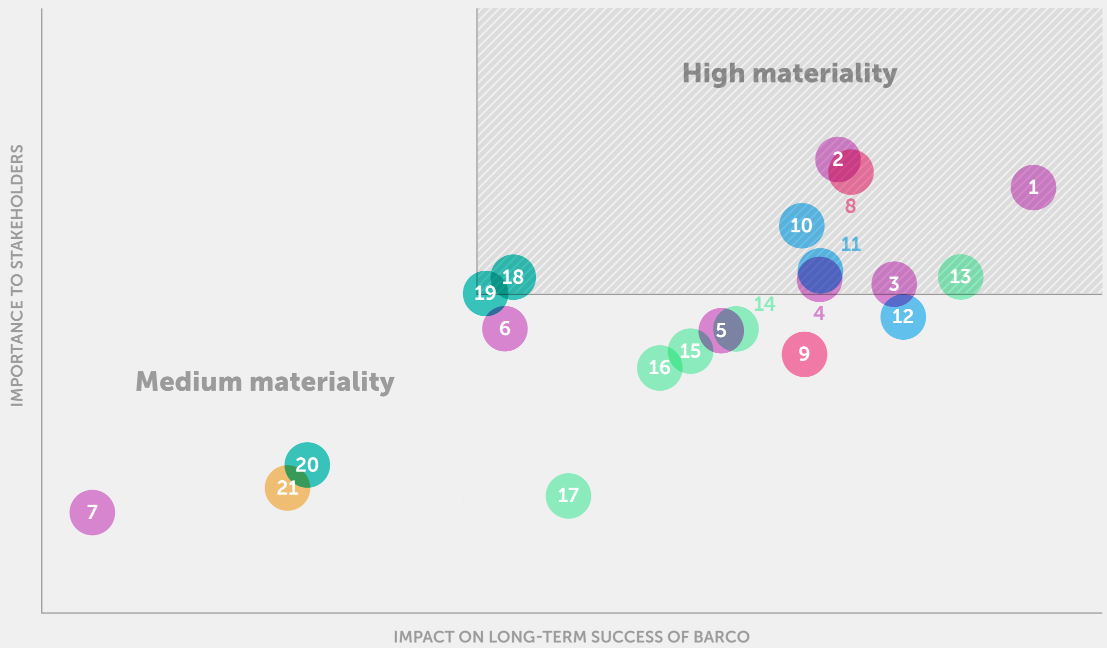
2020 materiality matrix

Barco's materiality matrix has three categories – low, medium and high material topics. The illustration reflects our medium and high material topics.

Changes compared to the previous materiality

- In the previous annual report, materiality only included topics of the natural, human and social and relationship capitals (Planet, People, Communities). In line with our step-up to **integrated reporting**, we included topics of the three other capitals (**financial, intellectual and manufactured)** too.
- **People:** 'Labor practices & human rights' is new.
- **Planet:**
  - 'Climate change & energy' replaces 'Greenhouse gas emissions' and 'Energy efficiency of operations'
  - 'Product stewardship' replaces 'Energy efficiency of products'
  - 'Circular economy' is replaced by 'Product stewardship' and 'Waste management'.
- **Communities:** 'Corporate governance', 'Information security & data protection' and 'Product quality, safety & security' are new topics.

Overview of the topics that might affect Barco's ability to create value for its stakeholders - linked to the six capitals of integrated reporting



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

Intellectual
8. Innovation management
9. Brand

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

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

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

Manufactured
21. Long-term asset performance

Description of the medium and high material topics

FINANCIAL

Financial resilience (high) 10
Solvency, long-term financial stability, the capacity to withstand market-related or financial headwinds.

Market reach (medium) 12
The company's ability to reach its customers across the globe through channels, indirect or direct sales and services. This topic also covers the company's competitive position in its different markets.

Sustained profitable growth (high) 11
The company's ability to deliver structural growth in combination with profitability ensures healthy cash flow generation.

MANUFACTURED

Long-term asset performance (medium) 21
Performance of fixed assets such as the company's property, buildings, equipment and infrastructure, but can also include other assets such as long-term investments or patents.

INTELLECTUAL

Innovation management (high) 8
Management focus, effectiveness and efficiency of Barco's innovation process (including but not limited to R&D and product management) to ensure outcome-based solutions and safeguard intellectual property (IP).

Brand (medium) 9
The company's brand is an intangible asset distinguishing its solutions from others. It builds on a combination of factors such as name, term, design, symbol or any other features, and determines how the organization is perceived by those who experience it.

PLANET

Climate change and energy (high) 19
Addressing risks and opportunities related to climate change. It includes but is not limited to reduction of greenhouse gas emissions, implementing energy efficiency measures and working towards a low carbon footprint.

Product stewardship (high) 18
Incorporating criteria into the design, development and life cycle management of products, services and business models to reduce the environmental footprint. It includes energy efficiency, material use intensity, management of hazardous substances, packaging and end-of life optimization (including circularity).

Waste management (medium) 20
Reducing, appropriately disposing of and optimizing opportunities for recovery, recycling and re-use of solid waste in operations. It does not include waste from end-of-life of products.

PEOPLE

Diversity and inclusion (medium) 17
Diversity is representation of gender and minority groups at all levels of the organization. An inclusive workplace is one where individuals from different backgrounds are culturally and socially accepted and equally treated.

Employee engagement (high) 13
The level of enthusiasm and dedication an employee feels toward their job, the organization and its goals, and the effect it has on well-being and productivity.

Employee health, safety and well-being (medium) 14
Occupational health and safety and promotion of well-being of Barco's employees.

Labor practices and human rights (medium) 15
Promoting fair labor practices, decent working conditions and respect for human rights. It includes but is not limited to prohibiting child, forced or bonded labor, ensuring fair wages and overtime pay, minimum wages, provision of benefits and freedom of association.

Learning and development (medium) 16
Training and upgrading the capabilities, skills and competencies of employees based on the strategic needs of the organization, employee performance and career development reviews.

COMMUNITIES

Business ethics (high) 4

Promoting high ethical standards and combating corruption in business interactions, including in joint ventures and with business partners, customers, suppliers, and distributors.

Community engagement (medium) 7

Supporting employee volunteering and charitable giving, and providing corporate financial and in-kind contributions for communities in which the company has a presence or impact.

Corporate governance (medium) 5

Conducting operations in accordance with internationally accepted principles of good governance and best practice. These include but are not limited to the roles and responsibilities, transparent reporting and remuneration of the supervisory and managing boards, board independence and the positions and rights of shareholders.

Customer engagement (high) 1

Meeting or surpassing customer expectations, building successful relationships with customers, encouraging co-creation.

Information security and data protection (high) 3

Protecting the collection, analysis, use, storage, transfer, and sharing of information from unwanted parties, unauthorized access, and security threats, including cyberattacks. Collecting, using, storing, transferring and sharing information in ways that uphold the right to privacy and personal data protection.

Product quality, safety and security (high) 2

Offering solutions and services that are healthy, safe and secure to use. It includes but is not limited to liability, management of recalls, product testing to eliminate risk of injury or damage and integrating security controls.

Responsible supply chain management (medium) 6

Management of environmental, social and governance risks in the supply chain. It includes but is not limited to labor practices and human rights, business ethics, energy and climate change and waste management. It also includes the management of supply chain disruptions and conflict minerals.

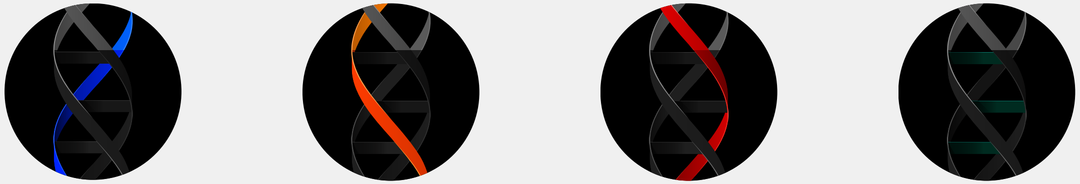
How the UN Sustainable Development Goals guide Barco's strategy

We use the United Nations Sustainable Development Goals (SDGs) as a guideline to shape our strategy and 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.

We realize these goals cannot be met without support from the global business community. Our approach to supporting the SDGs is to focus on the goals where we can have the most impact, while screening and implementing actions that contribute to the other goals as well.

To identify the SDGs where Barco can make the most impactful difference, we start from Barco's strategy and material topics. We have selected six SDGs that are closely linked to Barco's high material topics and the overall Barco strategy:

- **SDG 3: Good health & well-being:** Ensure healthy lives and promote well-being for all at all ages
- **SDG 7: Affordable and clean energy:** Ensure access to affordable, reliable, sustainable and modern energy for all
- **SDG 8: Decent work and economic growth:** Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
- **SDG 9: Industry, innovation and infrastructure:** Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
- **SDG 12: Responsible consumption and production:** Ensure sustainable consumption and production patterns
- **SDG 13: Climate action:** Take urgent action to combat climate change and its impacts



	Innovate for impact	Focus on performance	Offer outcome-based solutions	Go for sustainable impact
HIGH MATERIAL TOPICS	8. Innovation management	10. Financial resilience 11. Sustained profitable growth	1. Customer engagement 2. Product quality safety & security 3. Information security & data protection 18. Product stewardship	1. Customer engagement 2. Product quality safety & security 3. Information security & data protection 4. Business ethics 13. Employee engagement 18. Product stewardship 19. Climate change & energy
UN SDGs	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	8 DECENT WORK AND ECONOMIC GROWTH	3 GOOD HEALTH AND WELL-BEING 7 AFFORDABLE AND CLEAN ENERGY 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	3 GOOD HEALTH AND WELL-BEING 7 AFFORDABLE AND CLEAN ENERGY 8 DECENT WORK AND ECONOMIC GROWTH 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION

Our sustainability performance

Planet

Our ambition

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

Targets & KPIs

1. Targets 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% of new products* released have the Barco ECO label****
+ 100% of new products released will be ecoscored
+ no new products will have a D score

STATUS 2020

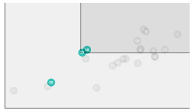
-34% Achieved

-27% Achieved

48% Achieved

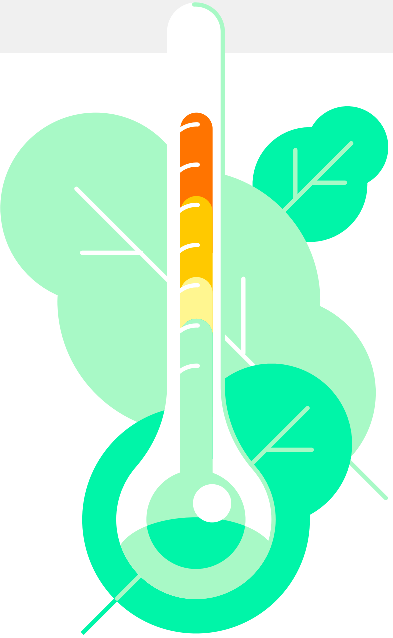
* Products = hardware products ** ECO label = products with A ecoscore or higher

7 AFFORDABLE AND CLEAN ENERGY
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION


MATERIAL TOPICS

Commitment to Science Based Targets

Barco is committed to setting Science Based Targets as a way to further solidify our ambitious sustainability goals. We commit to aligning our business with the most ambitious aim of the Paris Agreement: to limit the global temperature rise to 1.5°C above pre-industrial levels. Our carbon reduction targets have been submitted to and are currently under validation by the Science Based Targets initiative.



2. New targets 2023

	-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*** **
STATUS 2020	-34%	-27%	23%
SUPPORTING TARGETS	• Reduce the energy use of our own operations by **15%** (baseline 2015) — STATUS 2020: -22% • **Zero** waste to landfill — STATUS 2020: 29% • **80%** recycling rate in own operations — STATUS 2020: 52%		• 75% of new products** released have a Barco ECO label*** — STATUS 2020: 48%

* This target remains the same for 2023 as for 2020. We recognize that, in the near future, it will be hard to further reduce the energy footprint of our product base, as the adoption of laser projectors will slow down, and customers tend to prefer video wall technology that is less energy efficient.

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

3. Planet (key) performance indicators*

MATERIAL TOPIC	INDICATOR	UNIT	TARGET 2023	TARGET 2020	2020	2019	2018
Climate change & energy	Greenhouse gas emissions** of our own operations	tCO_2e/mio € revenues	52.3	64.4	53.4	64.3	67.9
	Energy consumption	MWh/mio € revenues	37.6		34.3	33.7	41.1
	% energy consumption from renewable sources	%			53.5	28.9	28.8
	% electricity use from renewable sources	%			97.0	52.7	57.3
	Renewable electricity production	MWh/mio € revenues			0.79	0.30	0.36
Waste management	Total solid waste	tonnes/mio € revenues			2.52	2.32	1.54
	% hazardous waste of solid waste	%			1.16	1.73	0.60
	Recycling & composting rate of solid waste	%	80		52	61	70
	% of solid waste to landfill	%	0		29	26	14
	Water withdrawal	m^3/ mio € revenues			50.2	47.5	NA
Product stewardship	% ecoscored products of total new products released	%	100	100	100	80	***
	% of new products released with Barco ECO label (hardware)	%	75	25	48	23	***
	% revenues from products with Barco ECO label (hardware)	%	70		23	NA	***
	% of active components covered by Full Material Declarations	%			82	82	NA
	Energy efficiency index of sold products	#	0.75	0.75	0.73	0.80	0.86
	Greenhouse gas emissions** of sold products (i.e. Product use emissions)	tCO_2e/mio € revenues			306.7	359.0	480.9
	% of new products released with recycled plastics (hardware)	%			4	NA	NA
	% of countries where products are sold with Barco return and recycling programs	%			26	NA	NA

* For definitions on indicators: see glossary
** Calculation of greenhouse gas emissions is explained on the next page
*** Ecoscoring has been rolled out in 2019, therefore 2018 data are not available

4. Other indicators

MATERIAL TOPIC	INDICATOR	UNIT	TARGET 2023	TARGET 2020	2020	2019	2018
Climate change & energy	greenhouse gas emissions scope 1	tCO_2e/mio € revenues			4.1	3.7	5.0
	greenhouse gas emissions scope 2	tCO_2e/mio € revenues			0.3	4.7	4.5
	greenhouse gas emissions scope 3 incl product use emissions	tCO_2e/mio € revenues			355.8	414.8	539.3
	Total greenhouse gas emissions	tCO_2e/mio € revenues			360.1	423.3	548.8
	Total greenhouse gas emissions	tCO_2e			277,335	458,441	564,753

MEASURING CARBON FOOTPRINT OF OUR OWN OPERATIONS	
Methodology	• Bilan Carbone® methodology • Compliant with ISO 14064 standard • Sources of emission factors: emission factors from internationally recognized emission factor databases, 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 (3,211 FTEs) in 2020
Baseline	• For targets and performance comparison, Barco selects FY 2015 as a baseline

MEASURING OUR CARBON FOOTPRINT RELATED TO PRODUCT USE EMISSIONS	
Methodology	• **GHG Protocol Methodology** Formula to be used: ∑ (total lifetime expected uses of product × number sold in reporting period × electricity consumed per use (kWh) × 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 2020

Our roadmap towards sustainable impact: key initiatives and action plans

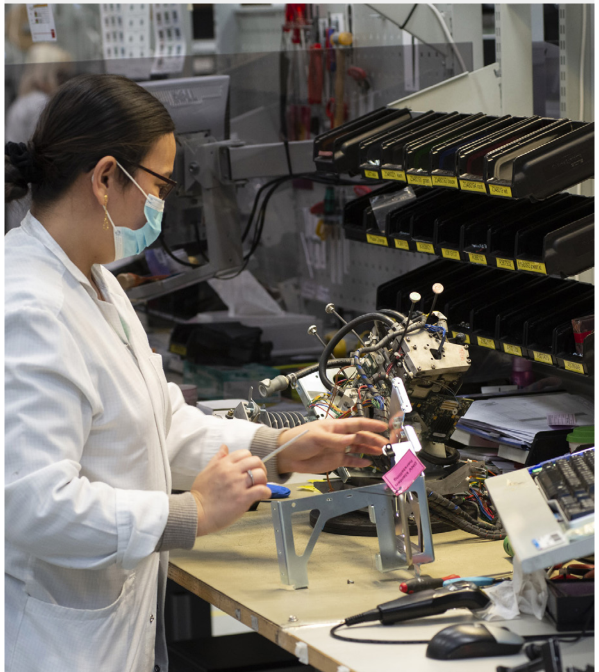
2020 is the first year that Barco is taking an integrated approach to reporting, explaining how the organization creates value over time – in a wide range of fields. To ensure that our 2020 Integrated report includes the 2020 results for each and every capital described, we decided to **accelerate data collection and processing on our performance relating to 'planet'**. Thanks to these efforts, the 2020 results for planet were available upon drafting the 2020 Integrated report – while in previous years, we always reported on the year before. Below is an overview of our results for planet in 2019 as well as 2020. From 2021 onwards, planet results will be on par with all the other financial and non-financial results in the Integrated report.

1. Footprint of our own operations

2020 carbon footprint reduction target for own operations achieved in 2019

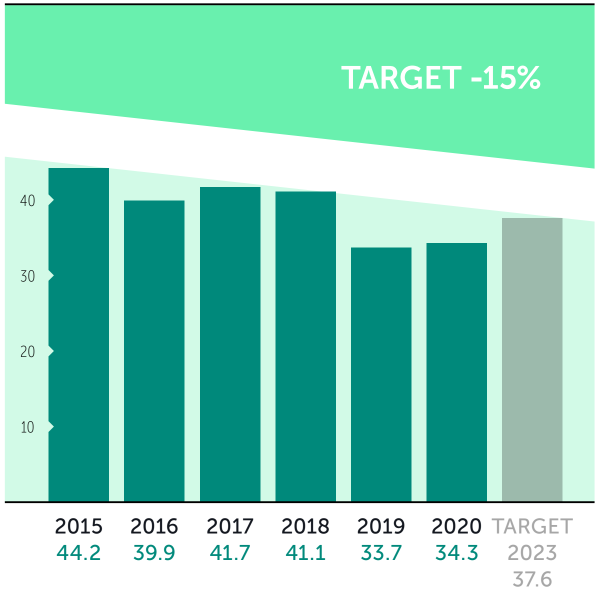
In 2016, Barco set an ambitious sustainability goal: to reduce the carbon footprint of our own operations by 20% compared by 2020. We reached that goal one year in advance.

In 2019, we managed to strongly reduce our carbon emissions in mobility and infrastructure, with a year-on-year reduction of 13% and 12% respectively compared to 2018. The main drivers are a strong reduction of business travel and the centralization of manufacturing activities (including the relocation of production activities to the state-of-the-art factory in Kortrijk).



1.1 Energy use in our own operations

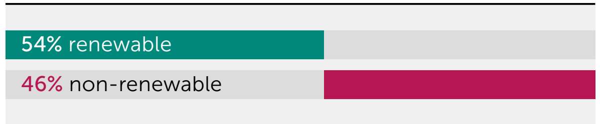
Energy consumption in own operations
(MWh/mio € revenues)



In **2019**, Barco drastically its energy consumption in Belgium due to the move of our production activities from an older site to the state-of-the-art factory in Kortrijk. Also in our US offices, several measures were taken to cut energy consumption, such as installing LED lighting, implementing motion-activated light switches, enabling sleep and power-saving modes on most of the demo equipment and using smart power strips that turn off equipment when not in use. More than investing in eco-friendly equipment, we also work on raising awareness and train our employees on the importance of energy savings. Through our internal communication channels, employees regularly receive tips on how to save energy. Energy is also a topic in the mandatory Sustainability Standards@work training and the Compliance Challenge.

In the beginning of **2020**, we switched to renewable electricity at the majority of our sites. The result: 97% of our total electricity consumption is from renewable sources - a major improvement compared to 2019 (53% renewable). When looking at Barco's total energy consumption (elecricity and fuel use) 54% is from renewable sources.

Energy consumption, split by source (2020)

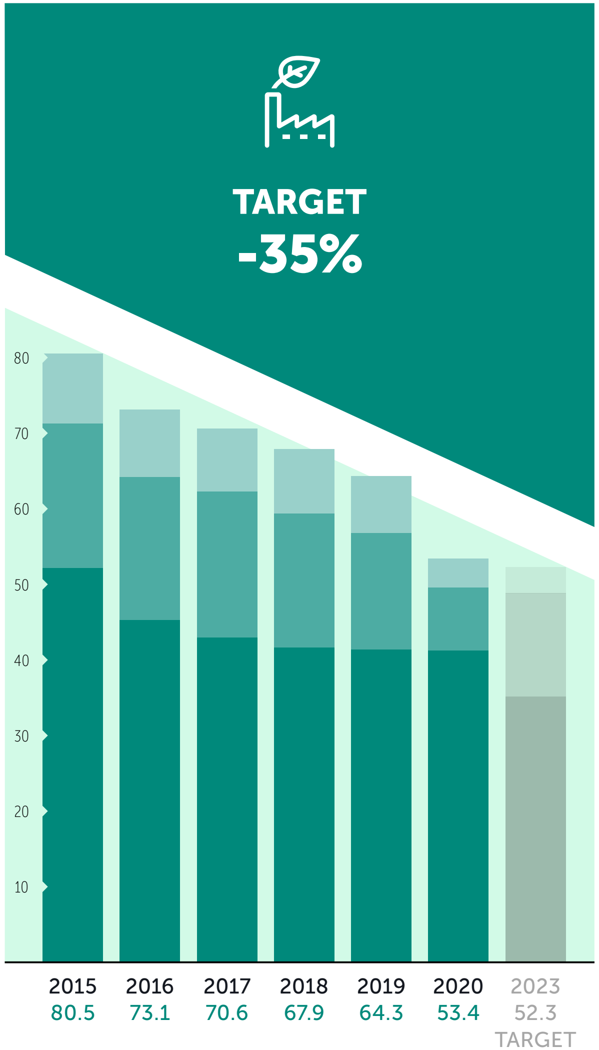


In 2020, the company fleet's fuel use dropped significantly, as working from home became the norm in the covid-19 context. We realize that fuel use will go up again after the pandemic, but expect that hybrid working is here to stay, which will result in reduced fuel use in the future.

We closed 2020 with energy consumption (including fuel use for company cars) amounting to 34,3 MWh/mio € revenues. That is a 22% decrease compared to our 2015 baseline, meaning we have already reached our target of 15% reduced energy consumption by 2023.

97%

of Barco's electricity consumption is from renewable sources



Carbon footprint of own operations 2015–2020, inl. 2023 target
(All figures in tCO_2e/mio € revenues)

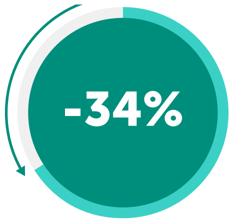
Logistics Mobility Infrastructure

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.

We are proud that Barco achieved the -20% target by 2020 (baseline 2015) in **2019**.

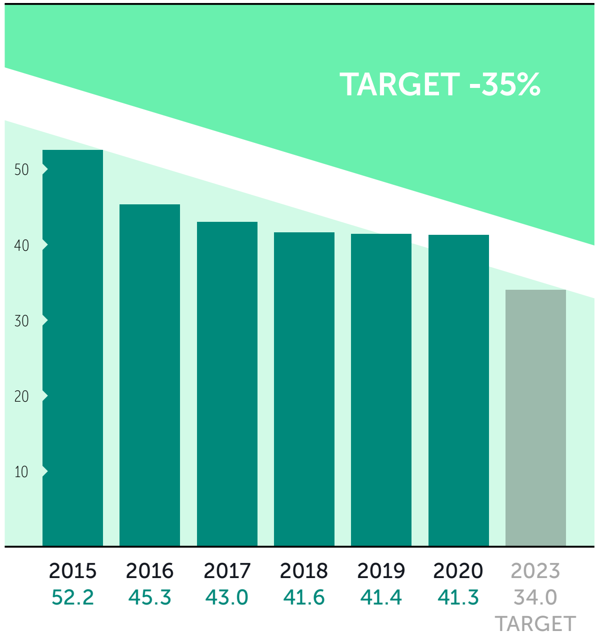
2020 was an exceptional year, with different impacts on our greenhouse gas emissions (see the following pages) as well as on our revenues. The overall relative reduction in greenhouse gas emissions from our own operations is -34% versus the 2015 baseline.



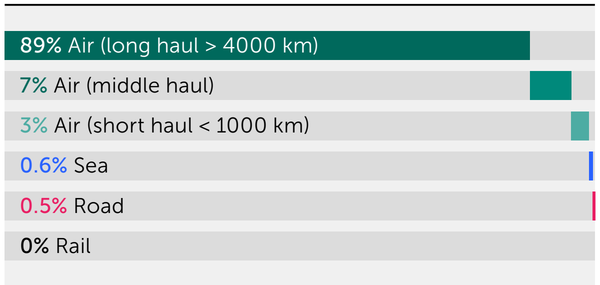
Greenhouse gas emissions from our own operations (in tCO_2e/mio € revenues) decreased by 34% between 2015–2020

1.2.1 Greenhouse gas emissions from logistics

Carbon footprint of logistics 2015-2020, incl. 2023 target
All figures in tCO_2e/mio € revenues



Breakdown of logistics emissions by source (2020)



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.

In **2019**, we accelerated the following initiatives:

- **Healthcare division:** by moving medical display manufacturing for the Chinese market from Italy to our new manufacturing plant in China, CO_2 emissions drop.
- **Entertainment division:** to avoid 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.

In **2020**, the covid-19 pandemic disrupted our supply chain, but we managed to keep our relative CO_2 emissions at the same level as 2019. The split between air and see shipments was the same as in 2019:

- 56% of Barco's total tkms (Metric tonnes * distance shipped) has been 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.

Logistics was responsible for 77% of Barco's own CO_2 emissions in 2020. Overall logistics related greenhouse gas emissions dropped by 21% between 2015 and 2020.

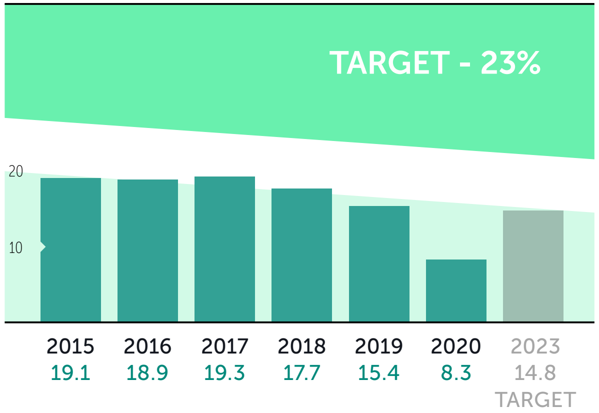
Other initiatives in logistics:
Next to avoiding transport and shifting towards more environmentally friendly transport modes, we continue to work on:

- **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].
- **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.

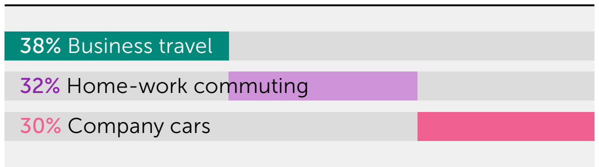
Logistics related greenhouse gas emissions dropped by 21% between 2015–2020

1.2.2 Greenhouse gas emissions from mobility

Carbon footprint of mobility 2015-2020, incl. 2023 target
All figures in tCO_2e/mio € revenues



Breakdown of mobility emissions by source (2020)



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.

In 2019 the share of mobility in Barco's CO_2 emissions from own operations was 24% - most of which was caused by business travel. We managed to further cut back on business travel by promoting virtual collaboration and training and invested firmly in our hybrid working capabilities by, for example, installing Clickshare Conference in many of our meeting rooms. In that sense, we were well prepared for the lockdown in 2020.

2020 was an exceptional year featuring severe travel restrictions, resulting in a large drop in our mobility related emissions. The share of mobility in Barco's own CO_2 emissions was only 16% in 2020. Overall mobility related greenhouse gas emissions dropped by 56% between 2015 and 2020. We realize that this is a temporary picture as business travel and commuting will increase again.

In order to be prepared for a future where our employees will commute again more regularly, we took the first steps in electrifying our fleet in Belgium.

Mobility related greenhouse gas emissions dropped by 56% between 2015–2020

Training during travel bans? Yes, we can, thanks to weConnect

In 2020, severe travel restrictions had a positive impact on our carbon footprint. Yet, engaging with our partners and resellers became difficult.As they were no longer able to visit our training centers or the number of participants to in-person courses was very limited in 2020, we brought our courses to them: thanks to the weConnect platform, Barco University successfully offered a substantial part of its course offering in the form of shorter, topical virtual classes.

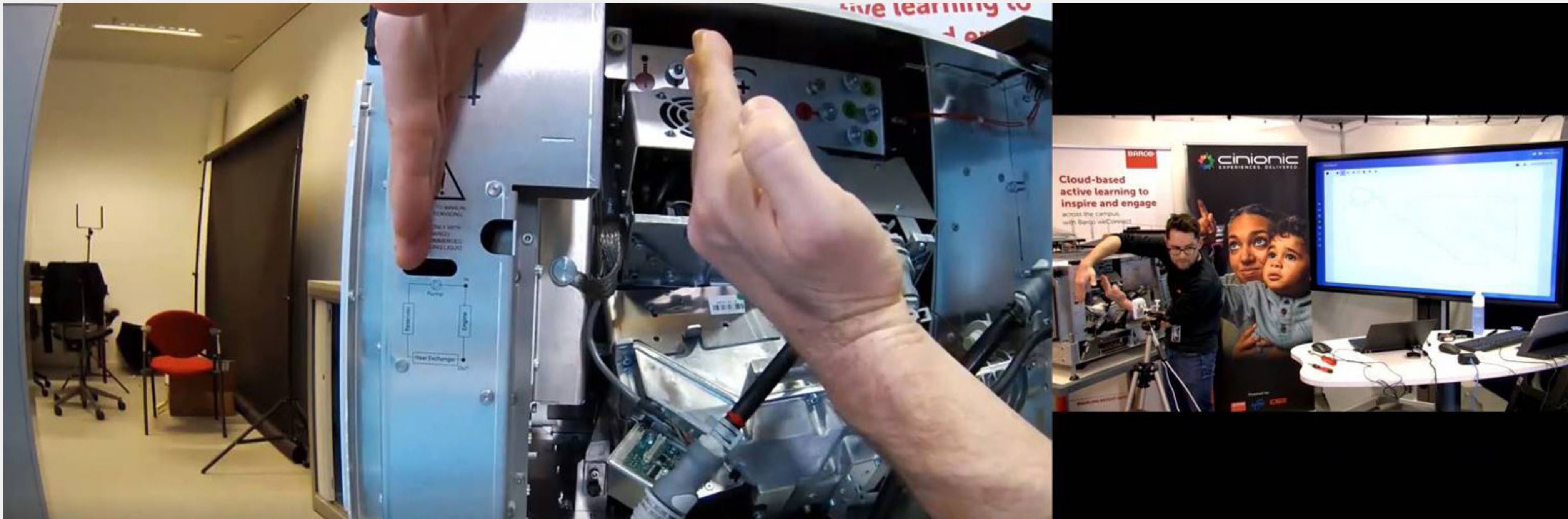
Participants are impressed and feel truly 'connected' with both the teacher and their fellow participants:

- direct visual and audio connectivity with all participants ensures a **'near in-class' experience**, enabling teachers to guide participants through hands-on parts of the training;
- whiteboarding and annotation and quick polling/quizzing make **sessions interactive**;
- thanks to multiple camera feeds, students get a clear view of more **practical aspects**, for example, when we cover more hardware-related training topics.

In 2020, over 2,000 external participants from our worldwide partner and reseller network took Barco University courses via weConnect. The virtual approach helps us keep our partners and resellers "connected" with Barco as well as keeping them "competent" when it comes to the Barco-powered solutions they keep introducing to their markets!

2,000+

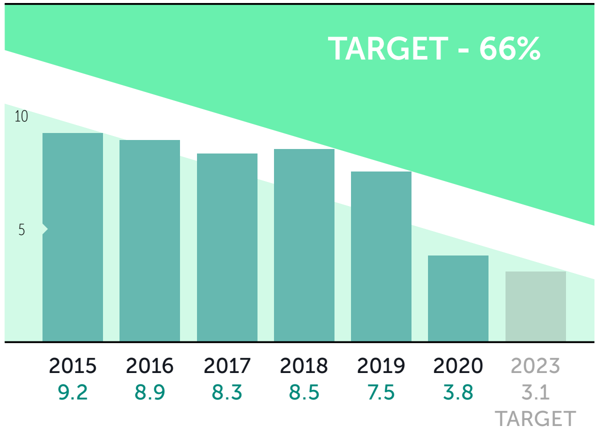
participants from our worldwide partner and reseller network followed virtual courses via weConnect, thus restricting business travel.



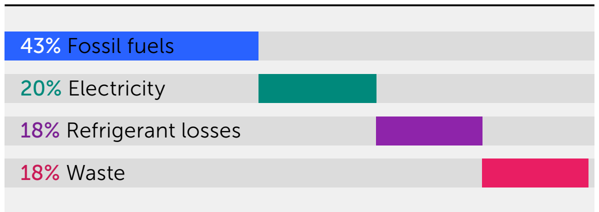
1.2.3 Greenhouse gas emissions from infrastructure

Carbon footprint of infrastructure 2015-2020, incl. 2023 target

All figures in ton tCO_2e/mio € revenues



Breakdown of infrastructure emissions by source (2020)



The third source of greenhouse gas emissions from our own operations is infrastructure. This includes emissions from the use of electricity, fossil fuels (excl. company cars), the treatment of waste and the leakage of refrigerant gases from cooling equipment.

In **2019** we took several measures to further reduce the carbon footprint of our facilities:

- **Centralizing manufacturing activities:** in Belgium, we finalized the relocation of our production activities from the old Kuurne site to our state-of-the-art, energy-efficient manufacturing plant in Kortrijk.
- **Switching to green electricity** at our site in Atlanta.

In **2020** our emissions decreased drastically because

- We extended the **renewable electricity** procurement program to the majority of our sites, including US, China, India, Italy and Norway.
- We installed **solar panels** on the roof of our R&D site in Germany.
- We took several measures to **reduce energy consumption** in the US sites, such as enabling sleep and power saving modes on most of the demo equipment, implementing motion light switches, using smart power strips that turn off equipment when not in use and installing LED lighting in most locations

In 2020, the share of infrastructure in Barco's own CO_2 emissions was 7%, which was mainly attributable to the use of fossil fuels. Overall infrastructure related greenhouse gas emissions dropped by 59% between 2015 and 2020.

Plans to further reduce emissions from infrastructure in 2021 include moving to more energy-efficient buildings.

Infrastructure related greenhouse gas emissions dropped by 59% between 2015–2020

1.3 Circularity in our own operations

First and foremost, we aim to keep waste from operations to a minimum, especially non-sorted waste.

Our employees are trained on how to **separate waste** using different bins. Waste recycling is part of our 5S audit system, where the presence of the different waste collectors is checked. We also work hard to **reduce the amount of waste** generated by the packaging of incoming components and products. Suppliers receive guidance on how to reduce packaging and which packaging materials Barco prefers in order to raise recycling rates.

By the end of **2020**, total solid waste was 2.5 tonnes/mio € revenues, with a recycling rate of 52%. The negative evolution in both figures compared to 2019 (in 2019 total waste was 2.3 tonnes/mio € revenues and recycling rate was 61%) is mainly caused by construction works at our US sites and new local depot repair activities at the Atlanta site.

By 2023, we aim to:
- recycle 80% of operational waste
- send zero operational waste to landfills

In 2021, we aim to reduce landfilling by 50% compared to previous years.

iGemba: employee-driven improvement ideas to continuously enhance our environmental footprint in operations

One of our culture blocks is "We look for the better way". So, continuous improvement is very important at Barco. It is also a requirement of the ISO 14001 Environmental Management System*.

In 2020, we celebrated the 10th anniversary of iGemba, a program that fits perfectly within our 'continuous improvement' commitment, as it encourages operators to share their own improvement ideas. "These employee-driven improvements (EDIs) boost quality, safety and efficiency and play an important role in decreasing our environmental footprint," explains Marc Cattoir, Continuous Improvement Coach.

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, everyone is encouraged to share their ideas or proposals with their colleagues and managers.

A couple of examples

"The Enigma boards, which are mounted onto the HD-SDI boards, lose power when the projectors run, which reduces their lifetime. Until recently, there was no way to recharge the Enigma. When it reached end of life, we had to dispose of the battery and replace the board. So, I developed a power supply to charge the board and re-use it over and over again."
Steven Christiaens, Repair specialist, Kortrijk

"We came up with a very simple solution to safely remove residues of glue from our digital mirror device (DMD). By using a caliper when scraping the surface, our hand now rests on the table. That's safer, more ergonomic and the glue is more easily removed."
Vanessa Sabbe, Mount optical assemblies, Kortrijk

* Barco obtained the ISO 14001 certificate for Barco sites in Belgium, China, India and Italy

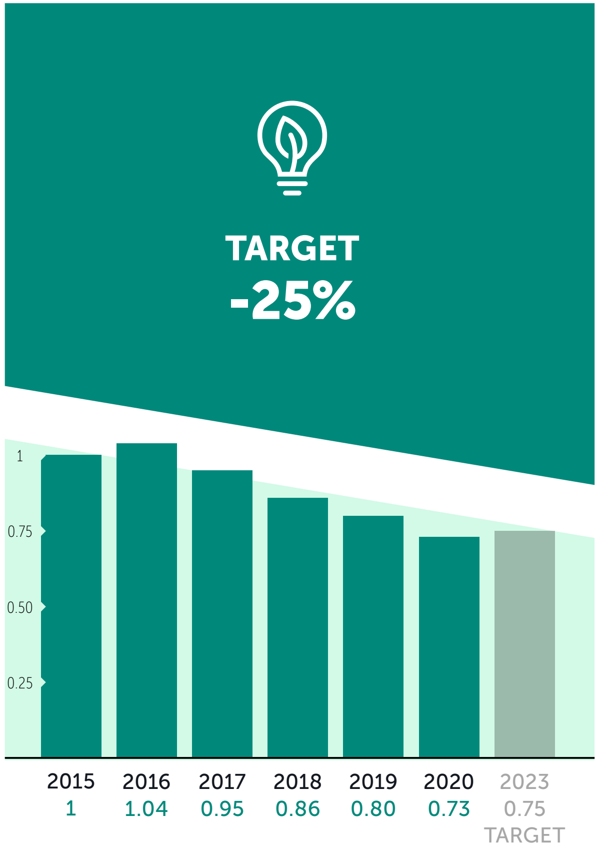
2. Footprint of our products

Exceeding 2020 targets on energy footprint and product ecodesign

Our focus on improving the environmental footprints of our products stayed sharp in 2020. Thanks to the full implementation of ecodesign in our New Product Introduction process and the high engagement of our R&D teams, 48% of new products bore **the Barco ECO label** upon launch – an impressive increase compared to 2019 and also exceeding the 2020 target of 25%.

In addition, a favorable product mix with a high proportion of laser projectors and laser rear-projection video walls led to a 27% **drop in the energy footprint** of our products versus base year 2015. This too is exceeding the 2020 target (25%).

of new products released in 2020 have the Barco ECO label



Energy efficiency index* of sold products

* For definition of energy efficiency index: see glossary

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.

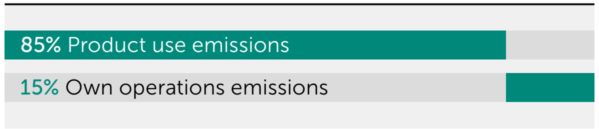
At the same time, market trends and customer preferences are shifting towards ever-higher performance (brightness, resolution, etc.), which requires higher energy consumption. That's why we measure energy consumption relative to brightness, resolution, luminance, etc. as watt/delivered capability.*

In 2016, we set the target of reducing the energy footprint of our products by 25% by 2020 (compared to 2015). We have reached that target: the average energy efficiency index decreased by 27% between 2015 (baseline) and 2020, 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.

We recognize that, in the near future, it will be hard to further reduce the energy footprint of our product base, as the adoption of laser projectors will slow down, and customers tend to prefer video wall technology that is less energy efficient. Both trends will probably negatively impact the energy efficiency index. That is why our target for 2023 stays at -25% compared to 2015.

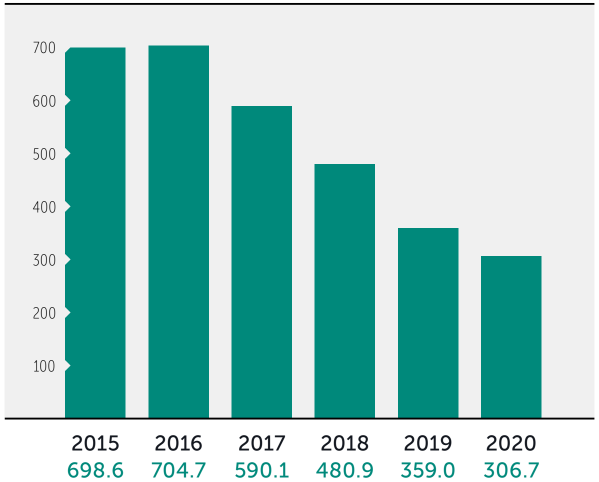
The average energy footprint of sold products fell by 27% between 2015–2020

Breakdown of total emissions of Barco by source (2020)

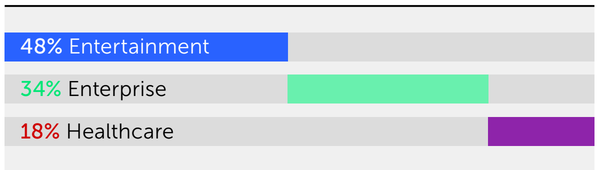


Product use emissions

All figures in tCO_2e/mio € revenues



Breakdown of product use emissions by division (2020)



2.2 Greenhouse gas emissions of our products (product use emissions)

Product use emissions are emissions resulting from the energy use of sold Barco products on our customers' premises. They are by far the largest source of emissions for Barco.

In **2020**, total product use emissions amounted to 307 tCO_2e/mio € revenues. This is 85% of our total carbon footprint. The largest portion of product use emissions is generated by our projectors (Entertainment division). Product use emissions decreased by 56% between 2015 and 2020. In 2020, the Entertainment division was hit heavily by the covid-19 crisis, resulting in less sales of projectors. In 2021 we expect product use emissions to increase again due to the higher projector sales.

TARGET
70%

Ensure that at least 70% of our revenues*** comes from products with the **Barco ECO label****

+ 75% of new products* released have a Barco ECO label**

23%

23% of our revenues*** comes from products with the Barco ECO label**

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

2.3 Ecodesign

Improving the energy performance is just one way of lowering the ecological footprints of our products. 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 eco-friendliness in product creation through our ecodesign program.

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)

2019–2020

- 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
- Start using plastics that contain post-consumer recycled content
- Embed revised EU ecodesign requirements for electronic displays and for computer servers and data storage products

2021

- Proactively select parts that do not employ RoHS 10 exemptions.
- Create products that meet the objective upgradability and circularity criteria in the ecoscore tool V5

Continuous endeavors

- We proactively update 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, which is frequently updated, can be found on our website. In 2020 we put special emphasis on the use of chemicals in adhesives.
- We proactively look for **opportunities in ecodesign** such as low-impact materials, energy-efficiency improvements, enhancing repairability, modularity etc.
- We **train** internal and external **stakeholders** (R&D, NPI project managers, product managers, suppliers) in ecodesign and the ecoscoring tool.

2.3.2 Ecoscoring: the tool to evaluate 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 a first pilot project.

To improve the value of our tool for external stakeholders, we submitted it to an **external audit** under the framework of the ISO 14021:2006 standard (limited assurance) in 2019. In this way, we aim to ensure that our ecoscoring methodology is complete, reliable, objective and based on relevant product aspects.

In **2020**, the tool was **updated to the more stringent V5 version** – with more objective criteria – and revalidated under ISO 14021:2006. Highlights of the new tool include: push for bulk shipment, increased transparency on presence of critical raw materials (as defined by the European Commission), EU conflict minerals regulation, halogen-free materials, minimum content of recycled metals and further alignment with external ecolabels and competition.

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

In **2020** we successfully **ecoscored 100% of newly developed platforms** across all Barco R&D development centers worldwide. No products where scored D, and 48% of new products released received the Barco ECO label. This means that we reached the 2020 target to have at least 25% of products launched with the Barco ECO label. And we continue to raise the bar. Our target for 2023 is that at least 75% of new product releases should have the Barco ECO label and that at least 70% of our hardware revenues comes from Barco ECO labeled products. In 2020, revenues coming from these products was 23%.

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 efficiency
- Performance efficiency
- Standby mode
- Power management

MATERIAL USE

- Full Material Declarations
- Critical Raw Materials
- Halogens
- Product weight
- Recycled materials

PACKAGING & LOGISTICS

- Recyclability
- Recycled content
- Optimized packaging design
- Optimized logistics & stacking
- Limit accessories waste

END-OF-LIFE OPTIMIZATION

- Lifetime extension
- Repairability (service model, spare parts)
- Design for disassembly/repair
- Modularity/upgradeability

Learn more about our ecoscoring methodology on our website

Enabling eco-conscious cinema experiences with new A+ projector range

The Barco projection division is on a roll when it comes to sustainability. The new **SP2K laser projector** is the second projector range to receive an **A+ ecoscore**. More than bringing numerous benefits to enhance the moviegoer experience and creating peace of mind for exhibitors, the projector series also meets **high eco requirements**:

- **Energy** A : The SP2K smartly manages its power consumption and is an energy-efficient product thanks to its low-power standby-mode and ECO-mode – great for the environment, but also for the utility bills.

- **Packaging** B : The packaging of the projector and its peripherals is kept to a minimum. Moreover, the design is further optimized for efficient logistics and transport.

- **Materials** A : After the release of the other Series 4 projectors, Barco raised the bar even more in its use of eco-friendly materials. The SP2K projector is the first Barco cinema product with a housing that's made of halogen-free plastics and contains post-consumer recycled plastics.

- **End-of-life optimization** A : Just like its 4K nephews, the SP2K is designed with maximum modularity in mind to enable serviceability, upgradeability and lifetime extension.

The SP2K projector is the first Barco cinema product with a housing that contains recycled plastics.

First A+ ecoscore for a Barco medical display system

The **A+ ecoscore** obtained by the new **Nio Fusion 12MP** demonstrates that Barco is advancing well in making sustainability a core aspect of our product development. The following aspects contributed to the score:

- **Energy** A : The Nio Fusion 12MP is praised for its overall energy efficiency and has a power management function enabled by default.
- **Packaging** A : Optimized for transport and customer experience, the contents of each package is adapted to the destination region, reducing carbon footprint and waste.
- **Materials** B : We strive to avoid using materials that are harmful to people and nature. Only halogen-free materials are used.
- **End-of-life optimization** B : Although it lasts for many years, the Nio Fusion 12MP is designed with eventual disassembly in mind, contributing to an environmentally friendly end-of-life.

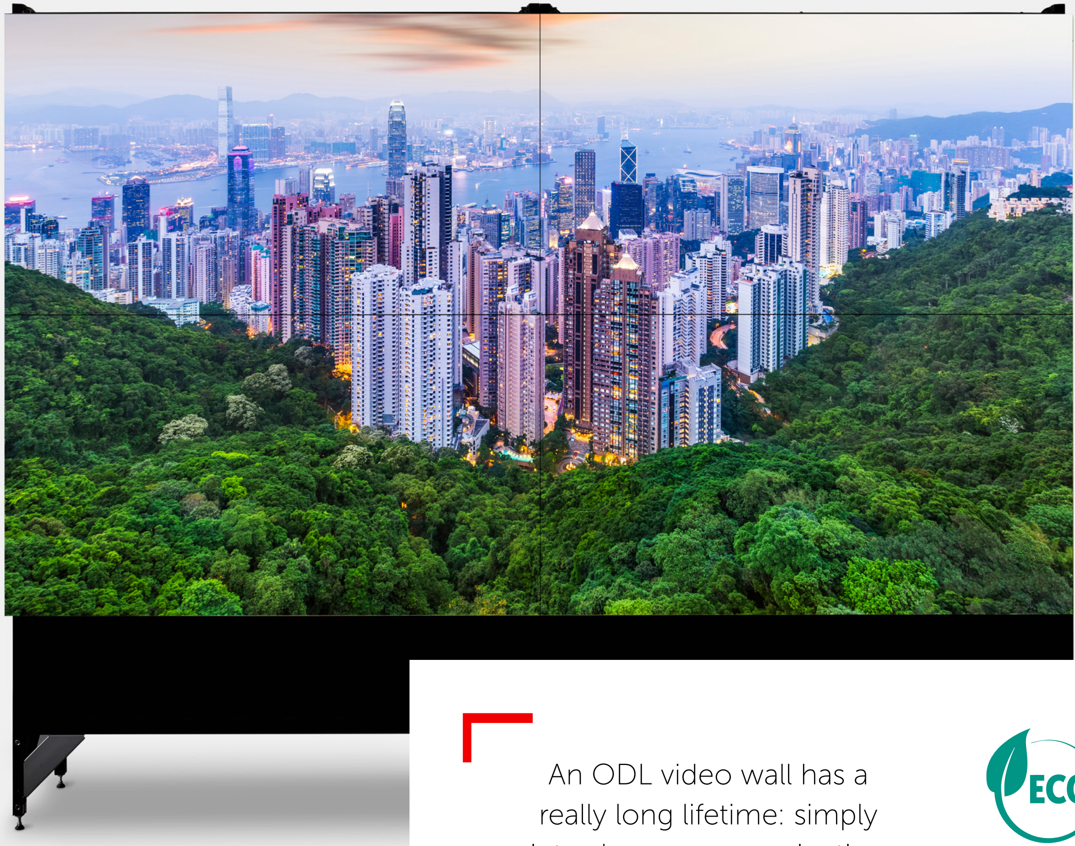
Albert Xthona, product manager diagnostic displays, comments: "We strive to incorporate learnings from previous medical devices, such as the Coronis Fusion 6MP which received an A ecoscore, and then add further improvements, such as those found in the Nio Fusion 12MP. Our focus on the unboxing experience and reducing discarded components was hard work, but produced a result that each customer actually feels."

> Our focus on the unboxing experience and reducing discarded components was hard work, but produced a result that each customer actually feels.
>
> **Albert Xthona**
> Product manager diagnostic displays

Latest laser technology further optimizes the ecoscore of RGB Laser ODL video walls

RGB Laser projection is the most energy-efficient technology for rear-projection cube (RPC) video walls. That is why Barco's ODL range was already a high-runner when it comes to ecodesign. With the introduction of the **latest generation of RGB lasers**, performance got even better, resulting in an **A ecoscore**.

- **Energy** A : With highly energy-efficient laser projection technology, backed by the needed design optimizations (including a standby/off-mode, a power management function and a high power supply efficiency), the ODL engine minimizes energy consumption.
- **Packaging** B : The packaging design was optimized, and only the essentials are shipped – which reduces the size of the packaging.
- **Materials** B : The ODL range excels in the use of recycled materials.
- **End-of-life optimization** A : An ODL video wall is easily repairable, has all spare parts available for a long time, and can drastically extend its lifetime by simply introducing a new projection engine. Long-term maintenance contracts (up to 10 years) are available for RGB laser RPC video walls.



An ODL video wall has a really long lifetime: simply introduce a new projection engine and the video wall will last for many more years.

ECO

2.4 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.

2.4.1 Circular product design

To enable circular solutions for our customers, we engage in **circular design**. Several criteria are embedded in the ecodesign program to improve the circularity of our products, such as longevity, repairability and recyclability, as well as on material efficiency. In 2020, we ramped up the use of post-consumer recycled plastics in our products. 4% of new products launched contained post-consumer recycled plastics, and we aim to increase that figure significantly in the coming years.

The ecodesign program also focuses on improving **circularity of packaging**. Product packaging is evaluated against criteria such a recyclability and (re)use of recycled materials.

Next to our internal circular design efforts, we are active in 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. Barco fully supports setting out clear, objective criteria that drive the industry toward more circular products.

4%

4% of new products launched in 2020 contained postconsumer recycled plastics. We aim to increase that number significantly in the coming years.

2.4.2 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 user manual, which includes information for customers on how to handle the product at end-of-life stage, and 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 been expanded into important markets in Canada and the US. We participate in and offer **product collection and recycling programs** in 26% of the countries in which we sell products. Where no structured program is in place yet, we offer ad hoc recycling and collection services. We demand that all our recycling partners are ISO 14001 certified and comply with legislation regarding the prohibition of e-waste export. Read more 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 became 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. Barco was proactively involved in testing the prototype database through the SCIP IT user group and our industry partners. 208 product families were registered prior to the deadline, making Barco a pioneering company when it comes to providing transparent and up-to-date info to customers and regulators.

2.4.3 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.

Circularity in action: Barco's rear-projection cube video wall upgrades

Rear-projection video walls consist of multiple cubes stacked in a matrix structure. Each cube contains a projector (facing upwards), a mirror reflecting the image, and a projection screen integrated in a mechanical structure. While electronic parts, cooling units and light sources (although they can be separately replaced) age, the mechanical structure, mirror and screens can last a lot longer. That is why Barco offers its customers the possibility to **introduce a new projection module** into their legacy video walls. This not only upgrades the system to the latest solid-state projection technology, but also **minimizes waste and effort** by leaving the mechanics, screens and mirrors untouched. This fast, easy and low-cost operation is offered in both CAPEX and OPEX models.

In **2020**, 25% of installations were upgrades of existing rear-projection cubes. What's more, the legacy projection engine and lenses are, under certain conditions, also being refurbished. For example, in 2020, 148 lenses were refurbished from rear-projection cubes.

25%

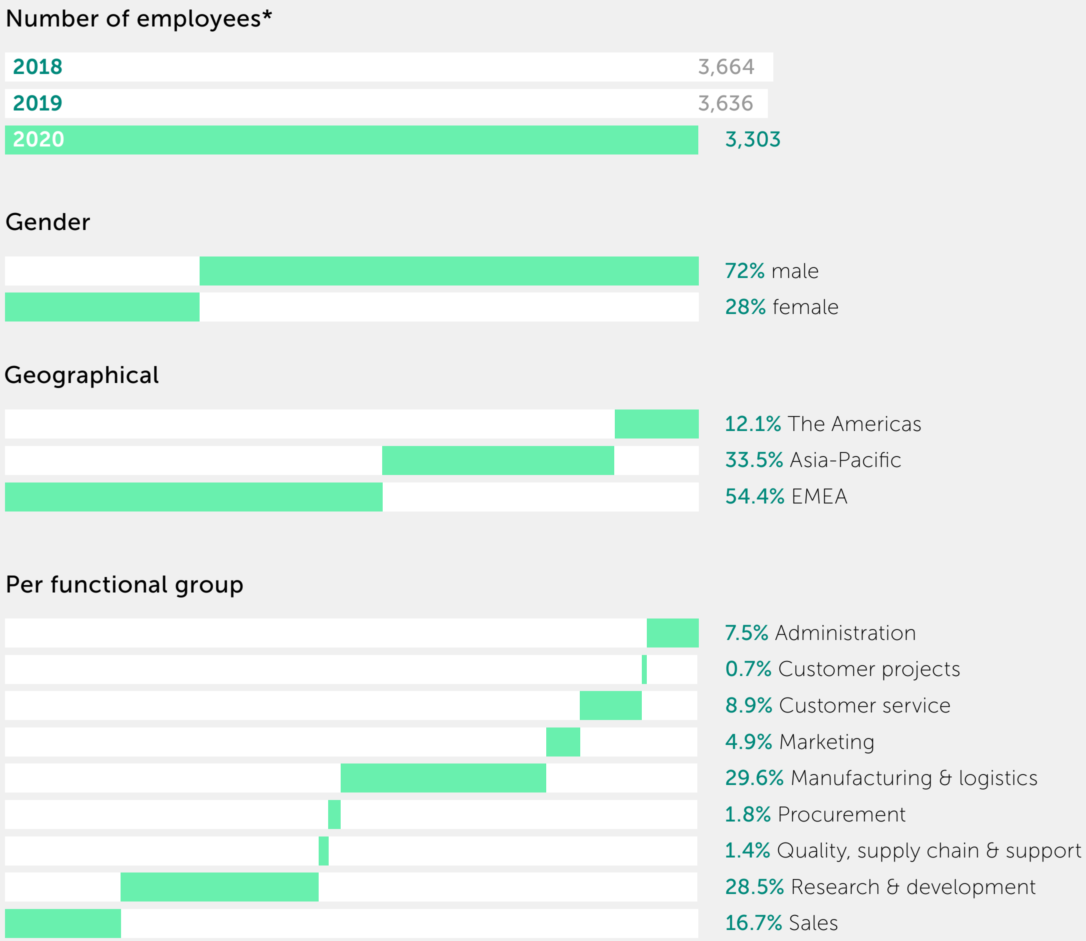
of video wall installations in 2020 were upgrades of existing rear-projection cubes.

People

Our ambition

We invest in sustainable employability by creating the right conditions for our employees to have an engaging, enriching and healthy career at Barco. We do this by encouraging our people to learn and develop themselves and by creating the conditions for a healthy working environment – both physically and mentally. We engage in creating an inclusive workplace that embraces the diversity of our people.

Targets and KPIs



* Reported in heads, excluding temporary workforce(Database Corporate Associates per 31/12/2020)

1. People (key) performance indicators*

MATERIAL TOPIC	INDICATOR	UNIT	2020	2019	2018
Employee engagement	Voluntary turnover rate	%	9.6	9.1	9.1
	Number of iGemba improvement suggestions	#	3,485	6,079	6,031
	Number of iGemba improvement suggestions per operator	#	4.1	6	7.3
	% implementation	%	92	94	86
	Employee net promotor score (NPS)	#	NA	NA	NA
Learning & development	% of vacancies filled internally	%	20	24	25
	% of employees receiving training	%	85	61	68
	Average training hours/employee	hours	11.3	13.2	16.9
	Average training investment/employee	€	354	354	NA
	% of leaders in annual talent development review	%	30	44	NA
Employee health, safety & well-being	% of employees in long-term sick leave (> 1 yr)	%	0.7	0.5	0.6
	Lost time injury frequency rate	#	2.4	2.7	3.0
	Lost time injury severity rate	#	0.07	0.05	NA
Diversity & inclusion	% women Barco overall	%	27.6	28.4	28.1
	% women senior mgt	%	17.0	15.0	16.6
	% employees <30 yrs	%	9	10	10
	% employees between 30 and 50	%	67	69	69
	% employees > 50	%	24	22	21
	Number of nationalities at headquarters	#	24	25	26
Labor practices & human rights	% of employees covered by formal collective agreements	%	100	100	100

* Figures reported are in heads (not FTE), Cinionic employees are excluded. For definitions on indicators: see glossary

Our roadmap towards sustainable impact: key initiatives and action plans

Introduction

People are key to the success of our company. This is a truth that is even more important in challenging times. As the entire world was hit by covid-19 in 2020, so were the many Barco teams around the world. But we all try to move beyond this massive disruption as well as possible. Minimizing and balancing the impact of the corona crisis on our employees has been a global priority of the whole company in general, and the HR department in particular.

HR invested heavily in timely communication, in offering support and insights on how to engage in strong employee-manager relations, and in staying connected with(in) teams in a remote and/or hybrid work system. In addition, everyone worked hard to ensure both the safety and the well-being (both physically and mentally) of our employees during the pandemic – without, of course, neglecting running projects.

With many challenges still ahead, we want to keep delivering the best possible working conditions to our people. This means ensuring **employee engagement**, providing a **safe and healthy workspace**, offering continuous **training and development** opportunities and making **diversity and inclusion** priorities.

> To me, what really marked 2020 was the agility, creativity and resilience shown by of each of us, individually and as a company.
>
> **Jan De Witte**
> CEO

A human-centered approach to reorganizations

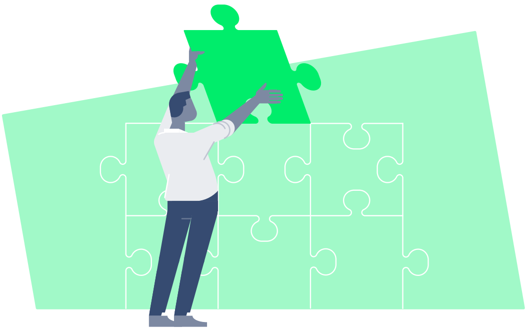
More than complying with legal regulations when terminating a contract, Barco always tries to exceed these, **taking a human-centric approach** to reorganizations – in line with our 'we care' company culture. We follow best practices and ensure a fair approach, which varies according to the region. In many cases, we offer our former employees help with their career transitions or provide outplacement services, guiding them towards new jobs outside the company.

In spite of our efforts to use temporary work arrangements and economic unemployment measures for both white and blue collars where possible, the covid-19 crisis led to a reduction in our workforce. Between 150 to 200 people were impacted, of which approximately 50 people were redeployed within the company. In addition, the Barco factory in Taiwan, where approximately 250 people were employed, was closed, as we decided to outsource the UniSee LCM component that was produced there.

We **communicated transparently** on the why, what and how of the changes via meetings, our intranet and other dedicated channels, taking care to always inform internal stakeholders first. Only after explaining the background, the content and the scope of the program to social partners did we make announcements public. We ensured a **timely engagement** with employee representatives around the world to start constructive dialogues.

Aware of the impact that eventual lay-offs have on our people, we always try to restrict the number of job losses to the absolute minimum. In 2020, all impacted employees received a severance package in line with or above the (legal) standards.

1. Employee engagement



During the 2020 covid-19 pandemic, it was a priority to keep employees engaged and connected to our company and each other, as many were working from home for a significant amount of the time. We therefore continuously invested in initiatives that maximize employee engagement. **Pulse surveys** to measure employee engagement during the covid-19 lockdown allowed us to understand how our employees were feeling and enabled us to identify concrete actions we needed to take to work on to retain a motivating working atmosphere.

1.1 Culture journey

Scope: worldwide

What: in 2019, Barco embarked upon a journey to rejuvenate its culture – in order to keep leading the pack in today's rapidly changing world. The journey continued in 2020, despite the difficult circumstances.

Status and result: a large group of employees worldwide attended workshops on the five culture building blocks, and we continue to use these building blocks in the internal communication channels and in company-wide training sessions. Culture workshops were temporary suspended during the covid-19 lockdown, but will start up again in 2021.

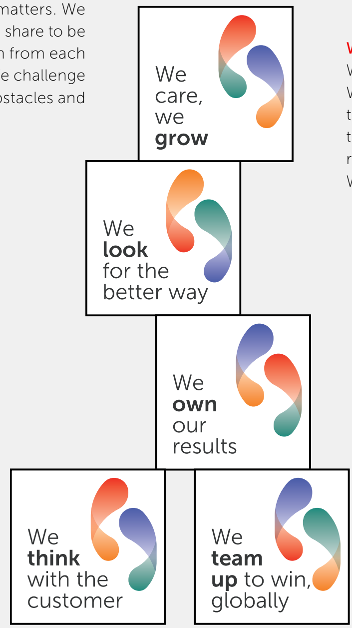
Living our DNA: Barco's five culture building blocks

Next to 'we care, we grow', my favourite block is 'we team up to win globally' because I'm a firm believer in global thinking and local action. This leads to real value when combined with our cohesive culture and our focus on diversity and inclusion. For me, the words 'team' and 'globally' are the keys to this building block.

Anthony Huyghebaert
Chief HR Officer

We care, we grow
It all starts with us. We support each other to be the best we want to be. We build upon our talent to be ready for tomorrow. We ask and give feedback to become stronger. We leave room for vulnerability and expect authenticity and integrity. We learn from each other and invest in our growth, enabled by our leaders.

We look for the better way
Continuous improvement brings us where it matters. We are creative and stay curious. We reflect, coach, share to be the leader in our markets. We take time to learn from each other, our mistakes and the world around us. We challenge ourselves and the status quo. We take down obstacles and don't fear change.



We own our results
We get energy from moving forward and winning. We agree on goals and bring together the means to drive for full implementation, in a decisive and transparent way. We include the right people at the right time to make the best call along the journey. We are self-empowered to make a positive impact.

We think with the customer
Our customer is everywhere. It's our end-users, our resellers, our colleagues who depend on us to deliver. We prioritize customer value & experience in everything we do. To do so, we embrace our suppliers & partners as part of our eco system. We are empowered to explore ideas beyond today's market needs. We look for scalable & innovative solutions that add value for our customer, be it an internal or an external customer.

We team up to win, globally
We build the best team to take the leap from ideas to proof points, to execution. We truly understand what it is we want to achieve together. We regard diversity of background, experience and skills as our strength. We focus on helping each other, across regions & functions, to reach our goals. We celebrate success together and have fun while getting there. That's how we live our DNA.

1.2. A new way to measure employee satisfaction

Scope: All employees

What: in early 2020, Barco moved away from biannual employee satisfaction surveys and introduced '**Pulse surveys**' instead. These short polls allow us to measure employee satisfaction multiple times a year, so we know exactly what lives in the company at a certain point in time.

Status and result: the Pulse surveys proved to be a very handy tool to keep up to date on employee engagement during the covid-19 crisis, when many people were working remotely. We conducted two surveys: a worldwide survey linked to the first covid-19 outbreak (April 2020) and a survey for EMEA related upon the return to the office (end of June 2020). The response rate for the global survey was over 70% and the outcome was very positive: although 75% of respondents worked from home for 100% of the time, engagement and connection to the company was still very high – 85% of our employees indicated they were doing okay or great.

85%

of our employees participating in the worldwide Pulse survey said they were 'doing okay or great' during the covid-19 lockdown

iGemba: driving engagement in operations

For the 10th year in a row, Barco encouraged operators to share their improvement ideas via the iGemba program. iGemba's goal has remained unaltered since the establishment of the program: to establish a culture of continuous improvement. Improvement ideas can be in many domains: quality, safety, ergonomics, environment, ... every suggestion that moves the organization forward is welcomed.

In 2020, 3,485 suggestions were made (4 per operator), of which 3,206 were implemented. The drop in suggestions compared to 2019 (6,079) is largely due to the covid-19 situation.

3,485

improvement suggestions were made in 2020 – 4 per operator

Barco India certified as a 'Great Place to Work' for two years in a row

In 2020, the Great Place to Work® Institute certified Barco India as one of the 'Great Places to Work' in the high-tech category for the second year in a row.

"In today's turbulent times, we believe it's more important than ever to create a working environment in which people feel safe and cared for. Our team continues to live by our culture building blocks," said Rajiv Bhalla, managing director of Barco India, upon receiving the award. "This certification confirms that we are moving in the right direction in many of the initiatives taken."

> In today's turbulent times, we believe it's more important than ever to create a working environment in which people feel safe and cared for. Our team continues to live by our culture building blocks.
>
> **Rajiv Bhalla**
> Managing director, Barco India

2. Employee health, safety & well-being

Caring about people is in our company's DNA. We aim to **establish a culture that places top priority on safety and on health**, as is declared in our [Environment, Health, Safety and Security Pledge]. In 2020, our focus was inevitably on covid-19. Furthermore, Barco also engages in health and safety management activities in line with relevant laws, regulations and company-specific issues.

2.1 Making all workplaces safe during the covid-19 pandemic

Scope: worldwide

What: ensuring health and safety in the working environment has been a top priority in 2020. Because Barco is a global company, with offices and production sites around the world, not every site was in the same phase of the covid-19 outbreak. This enabled us to learn from the experiences of other sites and prepare all needed measures in an agile, upfront way. A **global response team** was set up which reviewed the worldwide pandemic impact, the legal obligations and the global communication on measures taken within the Barco premises. This team focused on:

- Guaranteeing compliance with the (constantly changing) legal requirements in the different countries, e.g. working from home;
- Constantly monitoring infected employees, and tracing who they could have contacted within the company;
- Guaranteeing the supply of protective equipment (e.g. hand gels, mouth masks);
- Organizing work in the office in line with social distancing rules;
- Updating travel advice in function of the different rules in the different countries;
- Regularly communicating with employees.

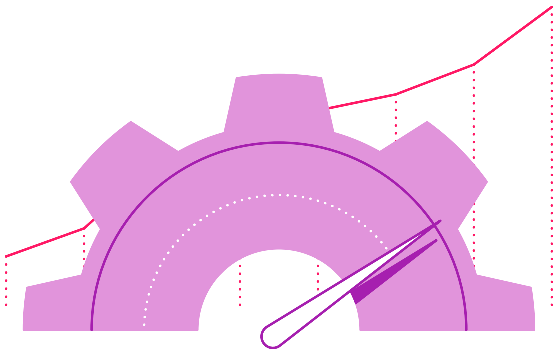
Result: preparing and transforming the sites in a fast way allowed us to keep all branches open. Thanks to a wide range of measures aimed at avoiding the spread of the covid-19 virus and warning employees in the case of an infection – from following up on people's health status and continuous tracing to quarantining – contact tracing did not reveal any transmissions of the covid-19 virus on the Barco premises.

2.2 Continuous improvement

Scope: worldwide

What: In line with our ambition for zero accidents, each Barco site creates a Plan-Do-Check-Act cycle based on the group's requirements for safety and health management. This includes, among other relevant activities, the development of a management framework in each site governed by a safety and health supervisor, and the implementation of risk assessments. Some important actions for the mid-term are:

- **Preparing for a health and safety management system in the corporate headquarters:** Barco Belgium has started taking the necessary preparations to achieve the ISO45001 standard. The first step was a gap analysis on legislation for health and well-being and an 'EHS Zero Audit' conducted by Agoria, the Belgian federation for the technology industry.
- **Chemical safety is a top priority throughout Barco.** Every person using the chemical lab needs to take a training course on chemical safety. All chemicals used must be screened by the chemical safety committee and get a specific Barco number. In this way, we avoid any unapproved chemicals from entering operations. Workstations are equipped with safety instructions which contain the information about chemical substances provided by suppliers. These instructions present the info in a clear and straightforward way, so employees know what the risks are and which safety equipment they should be wearing during their task. For every chemical needed, we look for the safest and healthiest option available. All information about chemicals is available on our BarcoZone intranet.
- **Ensuring laser safety.** The laser safety committee ensures that the strict laser safety procedures are respected and that laser technology is always handled in dedicated rooms.
- **Placing the safety of Barco operators at the heart of improvement ideas through the iGemba program:** for over ten years now, our iGemba program has encouraged Barco operators around the globe to continuously improve processes. iGemba promotes a safety culture as one of the most important values.



2.3 Training and communication

Scope: worldwide

What: Barco employees and subcontractors working on Barco premises are properly informed and trained for the tasks they are performing – not only on a technical level, but also when it comes to health, safety and well-being. We also actively communicate on the subject with employees through meetings with labor unions and the joint management-worker Health and Safety Committee at the headquarters.

Status and result: a specific mandatory Standards@Work e-learning session on safety was launched in 2020. 99% of white collar employees followed the course.

2.4 Monitoring and measuring

Scope: worldwide

What: the Health & Safety Office at the Barco headquarters regularly collects data on occupational accidents (lost-time injury frequency rate + severity rate) at Barco manufacturing and R&D sites. This allows Barco to have a full overview of safety at the company, enabling a global and focused strategy. The data is aggregated in a scorecard, which is presented to the Audit Committee. Next to the metrics, information on the health and safety activities carried out at our sites is collected, providing insights into best practices.

Status and result: in 2020, the worldwide lost-time injury frequency rate was 2.4 and the lost-time injury severity rate 0.07.

2.5 Promoting mental health and well-being

Scope: worldwide

What: multiple actions are undertaken to promote the health and well-being of all Barco employees:

- 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 the more flexible organization of working time or a flexible combination of working from home and at the office. Depending on local legislation, Barco also facilitates additional parental leave and short-term leave to enable employees to care for family members during sickness or to educate themselves.

- To uncover and mitigate psychosocial risks, we apply the **Health & Well-being 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, employees can approach **trained confidants** at all times. They are the primary go-to people in case of problems with supervisors, psychosocial issues, sexual discrimination and harassment, etc.

- Belgian employees and their family members struggling with psychosocial issues can **get free professional advice and counsel through the employee assistance program**. In times of crisis, they can call a dedicated hotline 24/7 and reach out to 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.

- 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 & well-being officer convenes the welfare working group. This group elaborates the reintegration policy and carries out an annual evaluation. In addition, the health & well-being 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.

Status and result: also in 2020, people with psychosocial issues were able to follow virtual guidance sessions, in accordance with government advice to restrict physical presence. In the worldwide Pulse survey (April 2020), 90% of all respondents said they have access to and are satisfied with the information on health and well-being. 87% considered communication to be very good. 0.7% of employees were on long-term sick leave (i.e. > 1 year) in 2020.

3. Employee learning and development

Maximizing the talent of our people is one of the main focus points of Barco's HR department. We invest in hiring, developing and retaining talented employees, with a focus on sustainable employability.

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 the company**. Training sessions are designed to meet individual, group or departmental, and company needs and objectives. We investigate optimal channels for learning and development by offering online and hybrid training courses 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. If a contract ends, Barco supports employees as well as possible to find a new challenge.

In spite of the restrictions that the covid-19 pandemic imposed in 2020, Barco kept investing in employee learning and development, replacing our in-person courses with remote, virtual training sessions.

3.1 Adapting training programs to strategic needs

Scope: all employees worldwide

What: in today's continuously transforming business environment, it is key to ensure that learning and development initiatives proactively support employee development and organizational effectiveness. Barco University therefore regularly adapts its training plans, taking into account urgently needed skills and competences in different job domains throughout the organization. Plans are drafted with input from different **'Governance Boards'**, which consist of Barco stakeholders from different regions and divisions. Together, they identify the most important strategic needs our businesses are facing and translate these into relevant learning and development programs. With this approach, we can train, reskill and recruit our people in a more focused and proactive way. The Governance Boards also follow up on the balance between the effort, cost and effectiveness of these programs.

In a growing number of Barco divisions, new organizational blueprints lead to newly defined roles and positions, which require new skill sets. Barco University enlists the training courses – internal courses, Barco University courses, and external trainings – that individual employees and teams need to meet future requirements.

Status and result: 85% of Barco employees took training courses in 2020. On average, they received 11.3 hours of training. The average amount spent per employee on training was €354. Leveraging our weConnect virtual training solution, many in-person courses were replaced with remote, virtual courses. Moreover, an increasing number of employees in remote offices participated in trainings through either weConnect or via other virtual training platforms.

3.2 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 looks for an internal candidate with the needed skillset – in line with Barco's internal recruitment policy. In this way, we strive to **keep talent in-house**. Internal mobility is not bound to a certain site, but is instead company-wide, enabling employees to move to other countries to pursue their ambitions within Barco.

Status and result: the covid-19 pandemic triggered some unexpected circumstances in 2020. While some divisions and job functions saw an increase in demand and activities, others faced a significant decrease. This allowed Barco to leverage opportunities for internal mobility and redeployment, either on a temporary or a permanent basis. In addition, it opened up opportunities to further invest in development and attract new talent. Globally, 20% of vacancies were filled internally in 2020. This number does not take into account the temporary redeployment resulting from covid-19.

of vacancies were filled internally in 2020

3.3 Fostering a frequent feedback culture

Scope: all employees

What: at Barco, we invest in a culture of frequent feedback because we believe this increases engagement, motivation and performance. Feedback helps people understand how they can contribute to the achievement of a shared goal, get a feel for where they are and where they are heading, and ensures that people feel connected. This means we encourage and support managers in giving feedback to their employees on a frequent, consistent and open basis, and we encourage employees to give and ask feedback to their managers, peers and project teams. Feedback moments include check-ins to set performance expectations and to evaluate the performance of the employee.

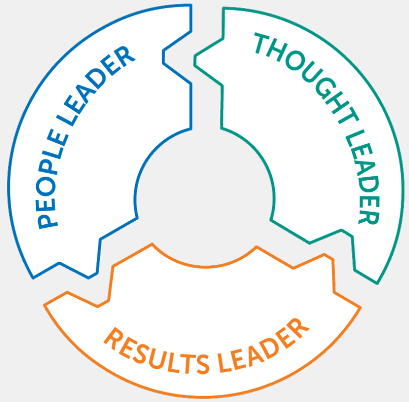
Status and result: despite the challenging working environment in 2020, which involved plenty of remote working, the frequent feedback culture and frequent check-ins still flourished. Based on – mostly virtual – evaluations and in close cooperation with their direct leaders and HR business partners, employees were able to define their personal development plans, training needs and career paths.

3.4 Leadership development

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

What: Barco leaders participate in an **annual talent review** that assesses their performance and potential over the years, which leads to a **personal development plan**. The Barco Leadership Compass provides the worldwide 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. Employees who are not yet in a leadership position but have strong leadership talent and ambition are invited to apply for the global **emerging leadership program**. The program enables them to develop their skills in various aspects of business and leadership, creating a strong foundation for them to develop into the leaders of tomorrow.

Status and result: in spite of the covid-19 crisis, we were able to assess 30% of Barco leaders during the annual talent review and offer a personal set of practical tools to help them sharpen their skills and capabilities. When life returns to normal after the pandemic, it is Barco's ambition to drastically expand this group. 30 emerging leaders graduated from the emerging leadership program in 2020 – which was redesigned to comply with a 100%-digital format, after a face-to-face kick-off week in February. Our ambition for 2021 is to further foster leadership development, also bringing senior leaders into programs that focus on resilience, change and adaptability.

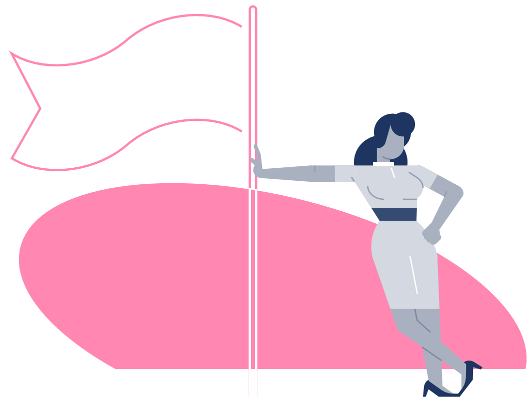


BARCO LEADERSHIP COMPASS

Leveraging our virtual education possibilities

In 2020, we made full use of weConnect, our own powerful platform for virtual and hybrid education, for our own training sessions. Most of the Barco University courses as well as other programs like the onboarding 'Welcome Day' for new employees were organized using weConnect. The virtual platform also made it easier for employees from remote teams to be involved in training sessions. During the covid-19 pandemic, we opened our virtual classrooms to Belgian organizations, companies, universities and schools, supporting them to offer remote training opportunities to their students, colleagues and employees. This way we helped organizations in our community and made them aware of the opportunities and added value of a virtual classroom. The returns of these sessions were donated to charity.

4. Diversity & inclusion



At Barco, every employee is valued for their merits. For us, equality is not a hollow phrase and we take measures to ensure a balanced workforce. We strive for **diverse teams** and keep an eye on the equal pay monitor to optimize equality. A dedicated **'Women in Technology' campaign** continued to encourage 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.

4.1 Diversifying teams

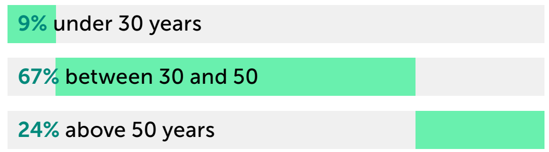
Scope: all employees

What: to build an inclusive working culture and leverage the diversity we have in our teams, we offer a number of **tools and workshops** that help people discover their styles, strengths and the value they bring to the team. This not only leads to self-awareness and self-understanding, but also helps people to understand others and make the most of the relationships that impact them in the workplace. When selecting participants for specific programs (e.g. the emerging leadership program), Barco always strives for a **diverse and balanced mix** that represents the Barco population worldwide. 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.

Status and result: the covid-19 pandemic had a positive effect on the inclusiveness of our teams. Team spirit and proximity between team members in different locations improved as we embraced videoconferencing and started to use a default meeting tool.

Diversity by gender

Diversity by age



Diversity by nationality

4.2 Equal pay monitoring

Scope: Belgium

What: Barco values equality between men and women and believes this should be reflected in rewards. Our **Job Grading Policy** dictates that the salaries be based on a function level and not assigned individually, ensuring that the wage gap between women and men is negligible. Furthermore, promotions and new hires are a **shared responsibility** between the HR department and the managers. This extra pair of eyes watching over all processes is another sanity check for equal payment. 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 in an equal grade is below national average.

4.3 Working towards zero discrimination and harassment

Scope: all employees

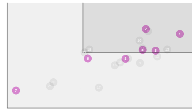
What: Barco's Code of Ethics is a formal description of how employees are expected to behave. This includes a clear and extensive indication that we do not allow any form of harassment or discrimination. Well-known by all employees, this code not only serves as a guide for proper behavior, but is also an element of different policies, for example, in recruitment and internal mobility. If the code is violated, employees can confidentially report any case of (suspected) harassment or discrimination to the **whistleblower e-mail address** of the ethics department. Every occurrence is investigated with necessary urgency and respect. A remediation procedure in line with national legislation is foreseen, if applicable.

Status and result: in 2020, 98% of Barco white collar employees were trained on the Code of Ethics, which is a part of the Standards@Work program. All senior managers sign off the Code of Ethics annually.

Women in technology campaign

In 2019, Barco introduced a campaign encouraging girls and women to pursue careers in technology. We expanded the campaign in 2020, launching a series of video testimonials on social media.

Meet Carla, Evelien, Jana and Melanie – our tech girls



Communities

Our ambition

We will play an active role in the communities we operate in by upholding the highest ethical and quality standards and expecting the same from our business partners. We always aim to deliver added value to our customers through our solutions, services and capabilities. In addition, we help ensure more people can participate in and benefit from the innovation society.

Targets & KPIs

1. Targets

Target		STATUS 2020
100%	100% of our employees are trained in Barco's Standards@Work	98%
100%	100% of our key(+) and core suppliers have signed the declaration of compliance with the RBA* Code of Conduct	98%
50	Reach a customer Net Promotor Score (NPS) of 50 by 2022	47

* RBA: Responsible Business Alliance

2. Communities (key) performance indicators*

MATERIAL TOPIC	INDICATOR	UNIT	TARGET	2020	2019	2018
Customer engagement	Customer loyalty index	#		NA	NA	83
	Customer Net Promotor Score (NPS)	#	50	47	NA	NA
	Number of certified dealers/partners	#		1,184	579	555
Product quality, safety & security	Number of product lines in scope of ISO 27001	#		2	1	NA
Business ethics	% of employees trained in Barco's Standards@Work**	%	100	98	99	94
Responsible supply chain management	% of key(+) and core suppliers that signed declaration of compliance with RBA Code of Conduct	%	100	98	98	95
	% in-scope suppliers that responded to Conflict Minerals Reporting Template (CMRT)	%		100	100	NA
	% of key+ and core suppliers who received sustainability score in Supplier Performance Review	%		78	NA	NA
	% of key+ and core suppliers with sustainability score higher than 80%	%		43	NA	NA
	Number of supplier quality audits	#		35	38	30
	% of procurement employees trained in sustainable procurement	%		100	NA	NA
Community engagement	Community investment	€		141,920	163,400	102,000
	Community involvement	# heads		+130	+230	+100

* For definitions of indicators: see glossary
** Standards@Work modules covered in 2020: Ethics, Cybersecurity, Quality, Safety, Sustainability, Data protection

Our roadmap towards sustainable impact: key initiatives and action plans

1. Customer engagement

"We think with the customer" is one of Barco's core culture building blocks. And rightly so: to succeed in our mission of enabling bright outcomes, we have to fully understand what our customers want and offer the relevant value propositions to deliver outstanding customer experiences. That's why we put great focus on becoming a more customer-centric company.

1.1 Kicking off our customer journey program

In 2018, we kicked off a customer journey program in the Enterprise division, mapping the customers' experience **at every phase of their journey with Barco**: from the moment they discover our products and decide to buy them, all the way to renewal and services. These efforts led to really positive results.

In 2020, we started rolling out the **customer journey program in the entire Barco organization**. In spite of the covid-19 crisis in 2020, we managed to accelerate our efforts to drive customer centricity across Barco.

A great willingness to make the customers and their needs a priority

Marc Spenlé traded his role of CIO at Vodaphone for that of Barco's Chief Digital and Information Officer in the summer of 2020. A true believer in the importance and impact of customer centricity, he will help Barco to put customers firmly at the heart of our organization: "No matter how good our solutions are, we have to offer mind-blowing services and build and foster outstanding customer relationships to retain our position in today's rapidly evolving markets."

When asked about Barco's customer experience roadmap, he is positive: "Things are really moving. The transformation will take time, but from what I see now, there's a great willingness to make the customers and their needs a priority in what we do."

> No matter how good our solutions are, we have to offer mind-blowing services and build and foster outstanding customer relationships to retain our position in today's rapidly evolving markets.

Marc Spenlé
Chief Digital and Information Officer

1.2 Customer engagement initiatives

- To think about the customer journey in a uniform way across the company, we had identified six phases in the customer journey. For every phase, we selected **KPIs** that provide us with a comprehensive view of the customer experience.
- In 2020, all our divisions started conducting **quarterly NPS surveys**. By combining KPIs that we gather through these surveys and internal KPIs (e.g. first-response time) we gain powerful insights that we use to steer improvement decisions and boost customer centricity.
- As customer centricity is a topic that involves everyone, we are **embedding the customer-centric mindset in the entire organization**, including sales, marketing and service teams.
- In 2020, we laid the foundations of **our customer journey operating model**, which includes different roles and functions that were/will be filled out in the course of 2021 – from divisional customer journey managers and regional customer journey spokespersons to a customer insights specialist within our corporate marketing team. To ensure full support of the customer journey initiative by our Core Leadership Team, **sponsorship** of the program will reside in our **global CLT**.

is the NPS score for Barco at the end of 2020 – positioning us in the top quartile for our industry

Net Promotor Score (NPS) as a customer experience metric

Until 2018, Barco measured overall customer sentiment through an in-depth biannual survey. The results of the survey were summarized in the customer loyalty index.

Today, we gauge customer feedback (for end customers as well as partners) every quarter using the **relational Net Promotor Score** (NPS) as our standard customer experience metric. NPS measures the loyalty of customers to Barco with a single question: "how likely is it that you would recommend Barco to a friend or colleague?".

Committed to constantly improving, we have set an **NPS target of 50 by 2022**. At the end of 2020, we achieved an NPS score of 47.

More than measuring the relational NPS, we also increasingly measure **transactional NPS** for key contact points, such as sales and services. By combining both, our teams get the best possible view of customer perception and loyalty and understand what areas need improvement:

- **Relational NPS** gives a high-level overview of customer satisfaction and loyalty by gauging how customers feel about Barco in general. We send this survey on a quarterly basis.
- **Transactional NPS** reflects customer satisfaction on a more granular level through customer feedback following a specific interaction, for instance when an order has been placed.

Virtual forums with customers and consultants

More than gauging customer needs through surveys, we want to keep up with market trends, developments and needs by meeting up with our ecosystem of customers and partners. In addition to the partner summits, we launched several new initiatives to collect customer and user feedback. In EMEA, for example, 40 of our core end customers regularly get together in the '**inner circle forum**' to discuss trends and roadmaps. In the US, consultant round tables help us understand the needs of our markets.

1.3 Outlook for 2021 and beyond

In 2021 and beyond, we will accelerate all the above efforts to further boost customer engagement. **2021 focus areas** include:

- Further rollout of the **customer journey operating model**.
- Installing a **customer journey report** to retain an overview of KPIs, actions taken and progress made.
- Expanding the use of **transactional NPS** measurements.
- Putting a **powerful marketing database** into place based on real-time, **high-quality data** in order to refine segmentation and targeting.
- Further **digitizing** the end-to-end customer engagement process.

2. Customer and product responsibility

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

2.1 Product quality

In line with our mission to enable bright outcomes, Barco aims to offer products and solutions that ensure top quality over their entire lifetimes. Barco has always been considered an A brand that delivers quality, yet we want to **continuously raise the bar** in order to consistently meet and even exceed customers' quality expectations. That commitment is strongly expressed in our global Quality Policy.

Barco's global Quality Policy

At Barco we are committed to

- **delivering innovative** and **highly reliable outcome-based solutions** that meet customer, legal, regulatory and security requirements;
- **inspiring and engaging our people** through clear roles and responsibilities, with **focus on performance** and **customer satisfaction**;
- continually **monitoring and improving** the speed, efficiency and effectiveness of our **processes** throughout the organization.

Quality management system

The drive to realize our quality policy and ensure that every product – hardware and software – that we launch is of the highest quality, is ingrained in a company-wide quality management system.

This system defines the standard Barco processes – from product planning, design and development, manufacturing and sales all the way to customer service. One of the key aspects of the system is the definition of **clear roles and responsibilities** and the authority of those responsible for product quality throughout the product life cycle.

Barco's quality management system is audited annually and certified according to international **certification standards**:

- **ISO 9001 quality management system** (for Barco sites in US, Germany, India, Italy, China, Norway and Belgium);
- **ISO 13485 quality management system** specifically for the medical device industry (for Barco sites in US, China, Belgium, Italy and South Korea).

Quality organization

Our commitment to quality and customer satisfaction is also reflected in Barco's **quality organizational structure**. Each division has dedicated quality assurance responsibles who supervise process and product quality. In close collaboration with the divisional management teams, they monitor quality-related indicators and spearhead improvement initiatives to enhance the quality of our products and services. Together with the quality responsibles assigned to each manufacturing plant and the supplier quality responsibles, they form an engaged team that is wholeheartedly committed to continuously improving product quality for all our customers.

Quality by design

The sustained product quality levels are a result of Barco's standardized product design processes, focusing on:

- **Compliance with the applicable standards,** laws and regulations, even exceeding them;
- **"Security by design principle"** to ensure protection against the rising number of cyberattacks;
- **Agile software development principles** to ensure that high-quality software is delivered at the right cadence;
- Close monitoring of **key product quality indicators** during the different design stages;
- Early and automated product integration and **validation**;
- Reliable and mature **supplier management** and manufacturing processes.

Closing the loop

The quality journey continues after product launch through a set of different processes and initiatives to integrate feedback into existing and new products, including:

- iGemba initiatives initiated by **employees to raise product quality**;
- The **monitoring of customer feedback** and satisfaction by the divisional and regional service team;
- Regular **cross-functional quality meetings** between quality, R&D, procurement and service to monitor and assess product quality indicators. When needed, improvement activities are initiated in response to quality-related issues;
- A **monthly quality dashboard** visualizing overall quality performance and customer feedback.

Main achievements of 2020

- Gradual transition to one **Barco-wide multisite ISO 9001** certificate;
- Successful completion of **ISO 13485** certification in **Suzhou**;
- **IEC 62304 certification in Noida**, ensuring compliance with medical device regulations for software development;
- Transition of the medical devices to the new **EU medical device regulation (MDR)**. We are on track to ensure business continuity when the MDR comes into force in May 2021.

2.2 Product safety

All Barco products are assessed, tested and certified to eliminate risk of injury or damage. However, technology evolves rapidly these days – faster than the applicable standards that are currently in place to ensure the safe use and servicing of our products. New design methods merge various functionalities into the same product. That is why, in the past few years, Barco has set up a **major program** to ensure that our complete **active product database complies with the hazard-based safety standard** that covers an integrated way of assessing joint functionalities and risks.

Software as a potential critical component

By assessing software as a potential critical component in product safety, we ensure the correct design, implementation and updates of software by integrating it into software life cycle processes and assessments.

Safety throughout the product lifecycle

As early as the **concept and prototyping phase**, we review the applicable safety standards. 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 lifecycle stages, our product safety engineers provide necessary input and execute 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 support of a third-party certification mark such as CEBEC or DEMKO.

As long as our products are 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.

Production process safety

The activities of our in-house safety lab also support product **safety protocols regarding production processes**. Procedures concerning the control of nonconformity and corrective and preventive actions are in place, thus meeting 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.

2.3. Product security

With the number of cyberattacks rising exponentially and the attacks getting increasingly sophisticated, it is vital to embed product security in every step of a product's lifecycle – from design and development through to support and maintenance. At Barco, **product security architects and experts** are the first line of defense within the product business unit. They are responsible for closely monitoring the implementation of technical security controls in products and improvements of the secure software development lifecycle.

Secure software development

Our secure software development lifecycle follows the **shift-left security approach**: we aim to integrate security controls as early as possible in the design and development phases of our products. This is industry best practice and becoming increasingly important in complying with regulations that focus on security by design, such as the United States Health Insurance Portability and Accountability Act (HIPAA) and Medical Device Regulation (MDR).

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 experts** to train our developers and test the security of our products. Thanks to these efforts, we increasingly embrace the 'security by design' principle.

Next to that, we also implement privacy controls in our products to comply with and allow our customers to comply with privacy regulations, such as the General Data Protection Regulation (GDPR) and HIPAA.

Software updates and patches

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 (Common Vulnerabilities and Exposures (CVE) identifiers) 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.

Responsible disclosure policy

While we believe our security performance is above average and despite our efforts to ensure that 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, which provides security researchers with clear guidelines on how to reach out to us about security vulnerabilities detected in our products. The feedback is carefully handled using a risk-based approach by our product security incident response team (PSIRT). In 2020, we received 116 notifications about potential vulnerabilities (including duplicates) in products or services, reported by customers, ethical hackers and third-party pen-testers contracted by Barco.

Read more on our security-by-design approach

ISO/IEC 27001 certification

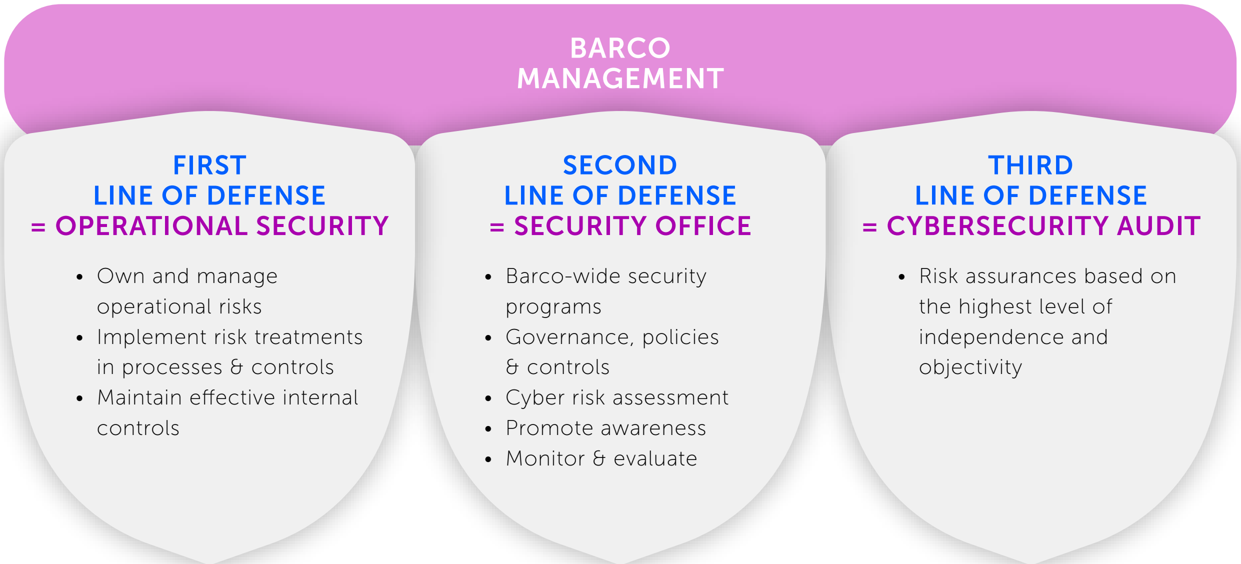
In 2019, Barco obtained its first ISO/IEC 27001:2013 certificate. It covers business processes, infrastructure and tools related to software development, sales, deployment and support of our **ClickShare** wireless collaboration product line in our Kortrijk, Noida and Taipei locations. In 2020, the **XMS cloud platform** to manage the ClickShare install base has been added to the scope of the certificate.

3. Corporate security, data governance and privacy

As a technology leader that develops devices capable of connecting to the internet and related software solutions, Barco is fully aware of the growing importance of corporate security. In addition, we set great store by proper data governance, in order to protect our data and that of our customers and comply with regulations like GDPR and similar data privacy legislation outside the EU.

3.1 Corporate security

Increasing security threats urge us to take all possible measures to keep our IT network, products and data, particularly personal data, secure from inadvertent transfers, leaks and cyberattacks. Moreover, legislative initiatives in this area have increased with the GDPR, the directive on security of network and information systems (NIS Directive), MDR, HIPAA and the EU Cybersecurity Act, among others. Barco has a **clear leadership commitment to cybersecurity**, which translates into a **Security Organization** that operates along three lines of defense.



Security Office

Barco's Security Office, the second line of defense, is headed by our **chief information security officer (CISO)** and drives our cybersecurity program. At the core of this program is the cybersecurity roadmap developed in line with Barco's security objectives. To identify new and remaining security gaps, we regularly perform **cybersecurity maturity assessments** using the NIST Cybersecurity Framework (CSF). Our roadmap is continuously evolving due to ever-changing threats (e.g. ransomware attacks) and findings from internal and external security audits and security tests conducted using a risk-based approach. In addition, we take into account (potential) security incidents reported by Barco employees. In 2020, they reported a high number of potential phishing incidents.

+50%

The number of registered potential phishing incidents rose by 50% in 2020 compared to 2019. This rise can be explained by an increase in external threats as well as by the growing security awareness of Barco employees, based on the knowledge they obtained during our periodic phishing simulation tests.

Information security management system

Barco has an information security management system (ISMS) which complies with the **ISO 27001 standard**, covering policies, management involvement, business processes, technology, compliance with local laws, security awareness and security best practices. In collaboration with the data protection officer, we **assess a growing number of high-risk third parties** based on security and privacy requirements. In addition, we continuously monitor our key vendors' external security activities. We are gradually working to contain all processes, locations and products within the scope of our ISMS and ISO/IEC 27001:2013 certification.

In 2020, we extended the scope of our ISO 27001 certificate successfully with our **eXperience Management Suite (XMS)** cloud offering, including additional controls from the ISO/IEC 27017:2015 and ISO/IEC 27018:2019.

> The scope of Barco's ISO/IEC 27001:2013 certificate has been extended to include the eXperience Management Suite (XMS).

Ensuring secure remote working in 2020

The properly prepared move of collaboration tools to the cloud allowed us to work securely and efficiently, even though an unprecedented number of employees worked remotely in 2020. The linked security risks were properly assessed beforehand and mitigated by numerous **additional controls,** such as the enforcement of multi-factor authentication (MFA) for all Barco employees and additional security awareness about **cyber hygiene at home**.

Raising employee awareness about security

In addition to the Standards@Work e-learning, Barco also organizes the annual Cybersecurity Month. Throughout the month, we provide ad hoc security tips and offer voluntary online courses.

3.2 Data governance and privacy

Barco prioritizes the protection and management of personal data in accordance with GDPR and similar data privacy legislation outside the EU. Our **data protection officer** is in charge of managing our data privacy compliance program, which is governed by several procedures and frameworks.

Highlights in 2020 included:

- HIPAA compliance
  As our healthcare offering includes a growing number of connected services and software, we must step up our efforts to remain compliant with the United States Health Insurance Portability and Accountability Act (HIPAA) and its related regulations. Barco is strengthening its compliance efforts: several administrative, physical and technical measures are required to assure the confidentiality, integrity and availability of electronically protected health information.

- Data privacy breaches
  Since May 2018, an incident procedure has been in place related to data privacy breaches. It includes details on how and when to communicate with the impacted individuals, affected customers and relevant authorities. Barco did not receive any formal complaints from outside parties or regulatory bodies concerning customer privacy breaches.

- Sub-processors of personal data
  Barco ensures that sub-processors involved in the processing of personal data comply with the minimum data privacy and security requirements. The Security Office, together with the data protection officer, evaluate sub-processors based on security and privacy requirements. Numerous data processing agreements have been signed with sub-processors. These agreements are required to pass the data protection requirements on to these sub-processors.

- Product privacy statement
  Barco's product privacy statement explains what data Barco may collect through its products and how Barco uses that data. When Barco processes personal data on behalf of its customers in providing online services to these customers, this is governed by a data processing addendum to ensure the data receives the appropriate level of protection. Both the product privacy statement and data processing addendum are available on the Barco website.

- Privacy policy
  Individuals using Barco products and individuals visiting the Barco website can exercise their privacy rights in accordance with the privacy policy on our website.

In 2020, we established a document retention policy, which provides guidelines for the retention and destruction of records in compliance with regulatory and management requirements. Implementation of this policy is scheduled for 2021.

4. 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 depend 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.

4.1 Building a true ethics and compliance culture

Barco continuously invests in building a structured, company-wide compliance program. Its foundation is based on our **Code of Ethics**, which 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 annually.

4.2 Compliance Awareness Month

To raise awareness about the Code of Ethics, Barco organizes a series of activities in the month of June – which is called 'Compliance Awareness Month'. We distribute posters in all our facilities and offices and publish blog posts covering ethical topics on the intranet. In addition, the compliance officer shares the 'Compliance Year in Review' letter with employees around the world. Translated into the most important languages, the letter contains a high-level overview of all the ethics and compliance issues the company faced in the past year.

Last but not least, we also organize the **Compliance Challenge**, a live quiz with compliance-related questions. Over 50% of all white-collar workers participate in the quiz each year. The team with the highest score can proudly exhibit the Compliance Cup in its office. Unfortunately, the covid-19 crisis prevented us from organizing the Challenge in 2020.

4.3 New global compliance manager

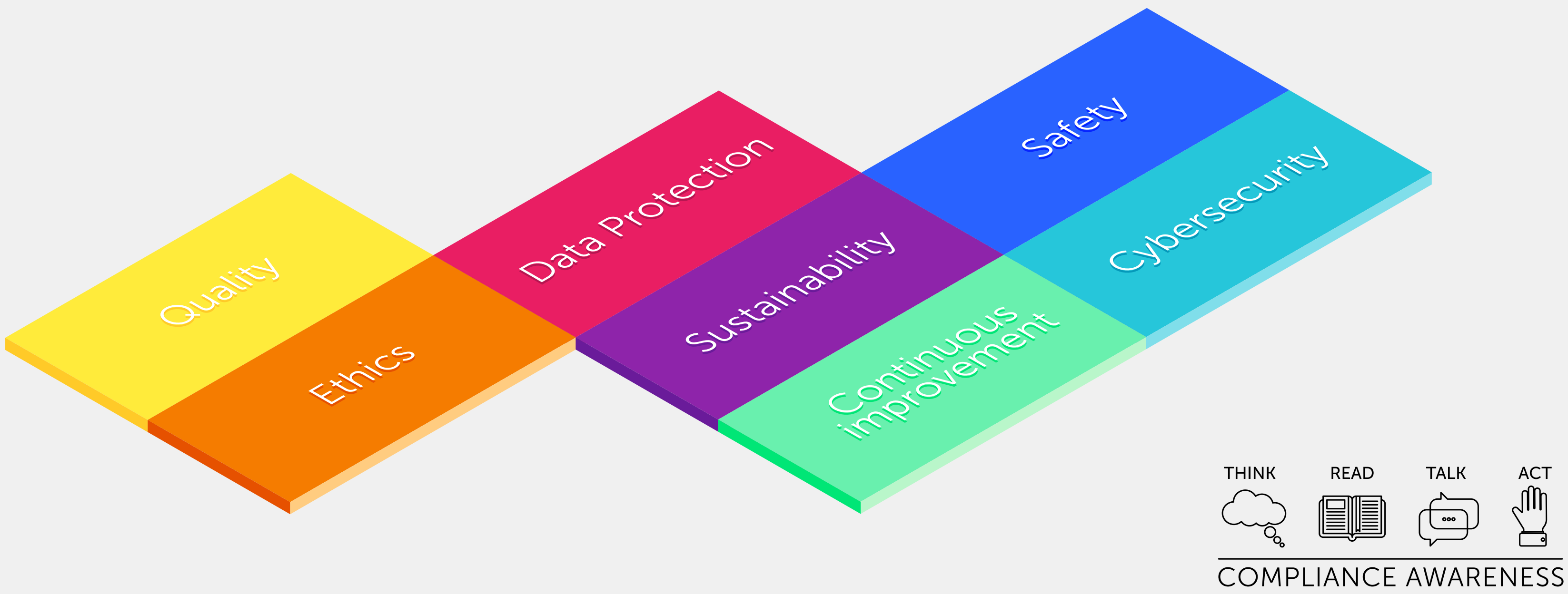
In January 2020, Barco designated a global compliance manager tasked with implementing, monitoring and continuously fine-tuning the company-wide compliance management system. During the past year, she mapped the achievements, weaknesses and improvement actions for each pillar of the compliance management system and launched different initiatives across the company to implement compliance strengthening measures in each of the pillars.

4.4 Company-wide Standards@Work training

As part of its compliance program, Barco has developed a company-wide training program hosted by Barco University, its in-house training and development center. A consistent and uniform set of **e-learning courses** covering cybersecurity, data protection, sustainability, quality, safety, ethics and continuous improvement 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 the name of the program – 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 achieve completion rates well above 98%. Only employees who are on long-term sick leave or will leave Barco in the near future did not take these courses. In mid 2020, an updated series of e-learning courses was launched.

Barco's Standards@Work

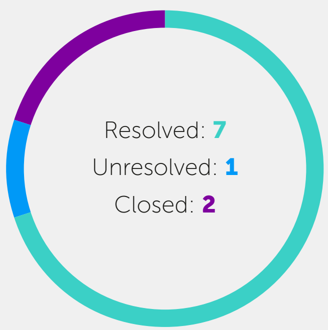


4.5 Promoting a 'speak up' culture

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, Risk & Compliance 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 2020	
Data privacy	1
Inappropriate behavior	4
Conflicts of interest	4
Diversity	1
Total	10



4.6 Governmental investigations

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

- 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. Barco contests the applicability of SCOMET export regulations and filed a writ with the High Court of Delhi. Due to the covid-19 epidemic, the hearing has been repeatedly delayed.

4.7 Membership of associations

Barco is strongly integrated into **local and professional initiatives as well as communities** that are relevant for its activities. It supports these initiatives and communities in various ways – as a founding partner, through directorship, delegation of employees to work groups, membership fees, etc. Below is a non-exhaustive list of the various organizations and associations we are a member of:

- **industry and trade associations and professional networks:**
  Agoria, Society of Motion Picture and Television Engineers (SMPTE), Radio Equipment Directive Compliance Assocation (REDCA), Committee of European Accredited Bodies and Laboratories in Electrotechnics (CE- ABLE), Belgisch Elektrotechnisch Comité (BEC), Deutsches Flachdisplay Forum, Techwatch, European University Information Systems (EUNIS), Manufacturers Association for Information Technology (MAIT), National Association of Software and Service Companies (NASSCOM), EIT Health, Society for Imaging science & technology, COCIR, Laser Illuminated Projector Association (LIPA), Inter Society Digital Cinema Forum, International Association Of Amusement Parks, Themed Entertainment Association, Belir, Belrim, Beltug, IBJ, VONK, Kortrijk IN, Executive Global Network, Guberna, Communication Community.

- **non-profit organizations supporting:**
  - local entrepreneurship, like Hangar K Start-up Incubator;
  - innovative research within technology or sustainability sector, like Flanders Make, Medtech Flanders, The Shift and Valipac;
  - international exchange and trade: Flemish-Chinese, American, Belgo-Indian, Gwinnet County, Metro Atlanta, Belgian American Chambers of Commerce, Belgian Luxembourg Chamber of Commerce for Russia & Belarus and CanCham Belux;
- **advocacy organizations**, like Voka.

The **membership fees** for most of the above organizations and associations range from €250 to €5,000. Only a few require membership fees ranging between €20,000 and €30,000. The largest contribution amounts to €50,000, the required capital contribution for a founding member of the local non-profit organization Hangar K, a joint initiative with education institutions and the city of Kortrijk that supports start-ups and young entrepreneurs in the educational and gaming technology domain.

Barco does not make donations or other contributions of any kind to political parties.

5. Supply chain responsibility

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

5.1 Barco's supply base

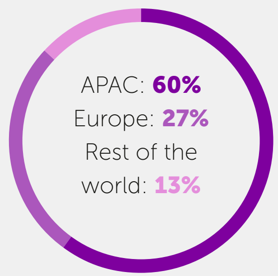
At Barco, we buy a wide range of components, from plastics, electronic components and sheet metal to finished products, from many different suppliers. Because we deal with so many suppliers, we have categorized them into four categories: **core, key+, key and non-key suppliers**, based upon spend and their strategic technology importance to Barco. The categorization enables us to define a clear scope and supplier management activities for each category. For each category, we have established different levels of engagement.

2020: a test for supply chain resilience

2020 proved to be a real test for Barco's supply chain resilience, given the trade wars and regional/global lockdowns resulting from the covid-19 pandemic. All in all, Barco was able to weather the storm, thanks to our agile reaction to sudden changes in demand, logistics and suppliers. By taking advantage of strategic stock and consignment models and regional and global dual sourcing, we put our contingency plans to the test. Our strong, long-term supplier relationships contributed to the success of that approach.

The pandemic gave us insights into new opportunities to enhance our supply base resilience, resulting in a number of new initiatives in our risk management strategy.

In 2020, Barco had **142 core, key+ and key group level suppliers**, covering 81% of our total direct spend for components and finished products. Up to 60% of our **direct spend** is located in APAC, 27% in Europe and 13% in the rest of the world.



5.2 Setting clear standards for our suppliers

The key to a high standard supply chain is ensuring that our suppliers know our expectations, including those in the field of sustainability. We adhere to three important **sustainability standards**: the RBA Code of Conduct, the Product Compliance Requirements and the Responsible Minerals Policy.

RBA Code of Conduct

We require all our suppliers to comply with 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 Code is aligned with international norms and standards including the Universal Declaration of Human Rights, ILO International Labor Standards, OECD Guidelines for Multinational Enterprises, ISO and SA standards. Topics covered include:

- **Labor and human rights:** 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 and privacy.

The share of key(+) and core suppliers (which account for more than 80% of the direct spend) who have committed to the RBA Code of Conduct or have a similar code, is tracked as a monthly KPI in the Global Procurement dashboard. In 2020, 98% key(+) and core suppliers signed the declaration of compliance with the RBA Code of Conduct. A new version of the code will be applicable in 2021, which will trigger suppliers to renew their commitments to the code.

Product Compliance Requirements

Every component that our suppliers deliver to Barco must comply with the Barco Product Compliance Requirements (available on our website), which includes compliance with worldwide regulations (such as RoHS10 and REACH, ecodesign requirements, WEEE), industry standards and additional criteria that we have defined. Barco also requires compliance with the **Barco substance list**, in which we restrict the use of specific chemicals or require declaration of specific substances. With the implementation of the Barco substance list, we go beyond current legislation.

In 2020, we rolled out a **worldwide chemical substances risk managing process** with the purpose of safeguarding our employees and the environment from harmful adhesives. The process also validates chemicals that are defined by Barco to be used at our assembly suppliers, phasing out high-risk chemicals and providing safe use instructions.

We strongly urge 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** (database for information on Substances of Concern In articles as such or in complex objects (Products)). Thanks to our large coverage of FMDs (82% of active components in 2020) and RoHS certificates with the applicable exemptions we are able to upload our product families on time in the SCIP database. In addition, the database helps us 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 assessments of compliance data provided by suppliers and requires in-depth compliance data for high-risk parts.

Responsible Minerals Policy

Managing our obligations in the field of conflict minerals is part of Barco's corporate responsibility. We and many of our stakeholders are concerned about human rights violations in different forms (child labor, human trafficking, forced labor etc.) as well as armed conflicts causing extreme violence across so-called "conflict-affected and high-risk areas" (CAHRAs). We recognize the risk related to illegal extraction and trade of materials such as tin, tungsten, tantalum, gold and cobalt.

We align our Responsible Minerals Policy and practices with the "OECD Due Diligence Guidance for Responsible Chains of Minerals from Conflict-Affected and High-Risk Areas" (OECD Due Diligence Guidance). In addition, Barco has obligations addressed by the legislators in various regions, including the US and the European Union.

We support and comply with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas affected by the risks defined in Annex 2 of the OECD Due Diligence Guidance. We are committed to avoiding the purchase of products and materials containing conflict minerals directly from conflict mines.

Furthermore, we rolled out a uniform and enterprise-wide process to determine the **use, source and origin of the relevant minerals in our supply chain** ("Supply Chain Due Diligence"), including "Responsible Minerals Assurance Process" (RMAP) in line with the OECD guidelines.

We engage with suppliers in order to remediate risks and perform additional due diligence so that we can continue to source responsibly and safeguard the supply chain.

Our in-scope suppliers (i.e.. suppliers of components containing the minerals tungsten, tantalum, tin or gold) are expected to source from responsible sources and start actively cascading this request to the next tiers of Barco supply chain. We require our suppliers to establish and maintain a publicly available **Responsible Minerals Sourcing Policy** that aligns with the OECD Guidelines.

In following the OECD Due Diligence Guidance, we request our in-scope suppliers to investigate their supply chains to determine the origins of metals contained in products supplied to Barco. 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 2020, 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 2020, we started mapping the **transparency of our supply chain regarding cobalt** in anticipation of future regulation and customer expectations.

5.3 Further embedding sustainability in the procurement process

We encourage our suppliers to share our values and require for them to meet our mandatory ethical, labor and environmental standards. In order to ensure the level of engagement required, we have further integrated sustainability into every step of the procurement process.

a. Supplier scouting

The supplier self-assessment document includes sustainability-related questions, which are reviewed and form the basis for open discussions when a gap between supplier behavior and our expectations is detected at first glance.

b. Supplier onboarding

In 2020, more **sustainability criteria** were added to the new supplier selection report for new component suppliers.

c. 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 2020.

	SCOUTING	ONBOARDING	PURCHASE	PERFORMANCE MONITORING	CAPACITY BUILDING
Scope	All potential component suppliers	New critical component suppliers	All suppliers	All key+ & core suppliers	All key(+) & core suppliers
Tools	Supplier self assessment document including sustainability questions	New supplier selection report including mandatory sustainability criteria	Terms & conditions of Purchase including sustainability clause (all purchase orders) Contract including sustainability clause (for important spends)	Supplier Performance Review including sustainability score	Webinars and e-learnings Supplier innovation days

d. Supplier performance monitoring

78% of our targeted key+ and core suppliers received a **sustainability score** in their performance review in 2020: suppliers are scored 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). In 2020, 43% of our key+ and core suppliers in scope for sustainability performance reviews got a score of >80%, which is the requirement to be a Barco preferred supplier. 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, sustainability is a fixed topic of the agenda: we share our sustainability ambitions and highlight how important it is for our suppliers to help us achieve 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 improve the sustainability impact of our products.

e. 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.

5.4 Training our staff

In 2020, we organized a dedicated training course **for our procurement team** on the Barco sustainability program, the roadmap to a sustainable supply chain and the RBA Code of Conduct. 100% of our procurement colleagues completed the training.

5.5 Plans for 2021 and beyond

In 2020, we drafted a **sustainable procurement policy**, which will be published in early 2021. Activities in 2021 will still focus on **increasing awareness of sustainability** within the global procurement team as well among our suppliers. We continue our journey from awareness to cooperative improvement of the sustainability performance of our suppliers. The underwriting of the **new RBA Code of Conduct** will facilitate the discussion with our suppliers.

Our ambition for 2021 and beyond is to **upgrade our supplier sustainability program** to an advanced level, as defined in our sustainability roadmap.

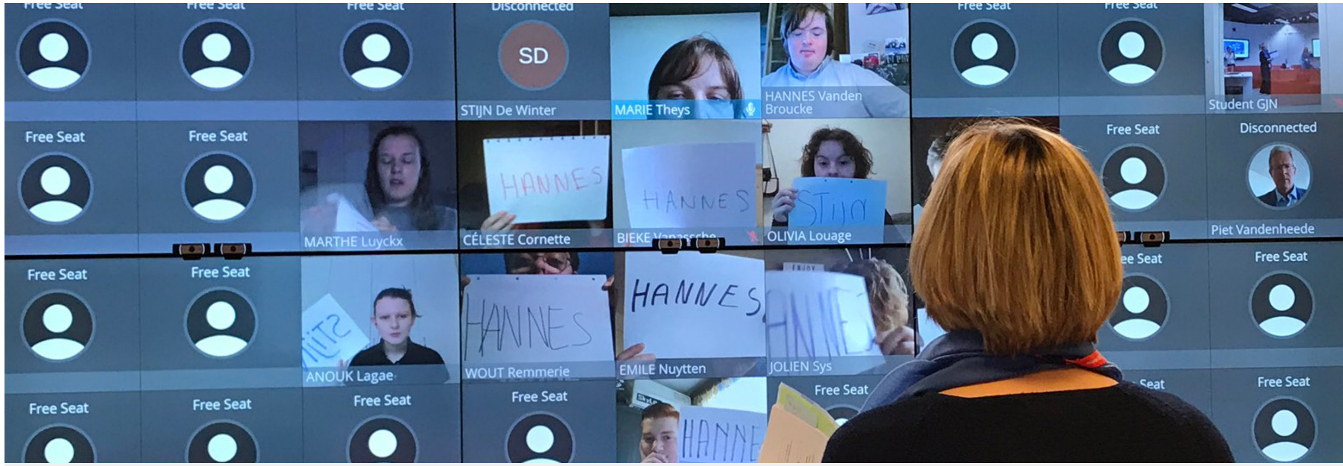
6. Community engagement

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.

6.1 2020: an unequaled year that called for special support

With the coronavirus raging across the globe, we saw heart-warming solidarity at many Barco sites. From donating medical display systems and personal protective equipment in order to help healthcare professionals battle the virus through to installing a rental program for our virtual classrooms, here's a brief overview of some of the initiatives we launched:

- In **Italy**, we donated about 150 white suits and other protective clothing to two nearby care centers.
- **Barco Belgium** raised money to buy protective clothing, gloves and goggles for two Chinese hospitals.
- 38 medical display systems were donated to hospitals in Beijing and in the provinces of Hebei and Hubei (**China**).
- In **Belgium**, we bought cloth **face masks from Think Pink, the Belgian national breast cancer campaign**. More than protecting our people, the comfort masks showcase our commitment to supporting the fight against breast cancer.



Opening up our weConnect virtual classroom to other organizations during lockdowns

In March 2020, when the first confinement measures and travel bans came into play, a lot of organizations were forced to find alternatives for their on-site training courses and educational programs. Barco immediately decided to open up its weConnect virtual classroom so that local companies could stay in touch with their employees around the globe, for a small rental fee. In addition, we also made the virtual classroom available to surrounding schools and universities.

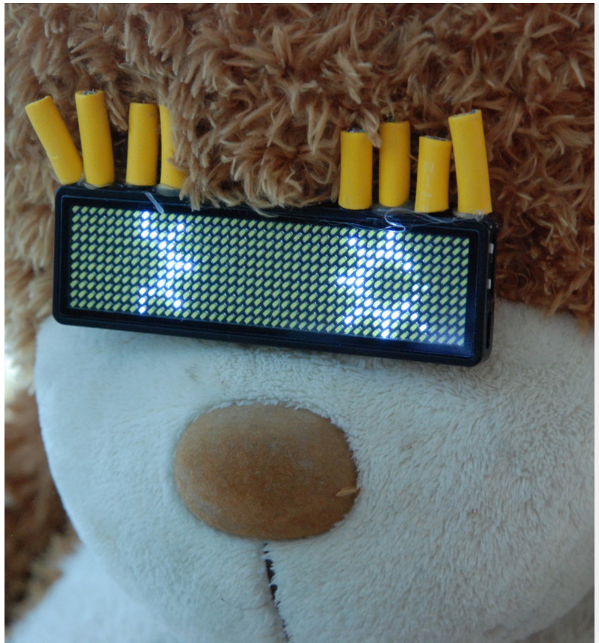
€9,500
was raised through our virtual classroom rental initiative during the covid-19 lockdown.

The benefits were legion! All 497 virtual attendees who participated in the virtual sessions were enthusiastic about this unique opportunity. For Barco, this was a great chance to receive insightful feedback on our weConnect solution. Moreover, the proceeds from the use of the virtual classrooms went entirely to charity: in November 2020, we donated €9,500 to AZ Groeninge hospital in Kortrijk. The hospital will use the funds to purchase telemedicine equipment which allows healthcare professionals to remotely monitor blood pressure, weight or other patient parameters from home.

6.2 Closing the education gap around the world

Education is one of the keys to escaping poverty. Over the past decade, major progress was made on increasing access to education and school enrollment rates around the globe, yet there is still a long way to go. Barco helps close the education gap in order to improve the lives of underprivileged children in a number of ways:

- **Indus Action**, a non-governmental organization anchored in New Delhi, India, truly believes that when children from different backgrounds and abilities study together in one classroom, they can achieve their highest potential. Currently active in 19 states, the organization focuses on a mix of technology-based interventions and policy advocacy to provide disadvantaged children with legitimate **access to education**. Next to contributing financially to Indus Action, Barco volunteers, particularly from the software team, also help them design and test their software.
- In 2017, **Sakshi, an Indian NGO concentrating on education, health and community development**, founded Barco Sakshi Education Center – a new school for underprivileged children in Noida, where our site is located. Barco supported the foundation and continues helping the school through various initiatives. In 2020, 28 Barco associates provided virtual classes for the school children.
- Through the **iGemba Scholarship Fund**, Barco India is giving back to its employees (blue collar in particular), giving their **children access to the innovation society** through good education. The concept is simple: for each improvement suggestion that operators make through our iGemba program, Barco contributes €3, which is collected in a scholarship fund. Since the start of the program in 2014, 84 children of Barco employees received the scholarship till date.
- For its emerging leadership program, Barco partners up with StreetwiZe, a unique talent development provider that develops high-impact learning products to companies, inspired by the complex and competitive reality of street communities. 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.
- On the occasion of the 'All In Virtual' event, Barco US donated $500 to **Girls Who Code**, an organization that is committed to **closing the gender gap in tech jobs** around the world.



Barco Play Day – a 2020 alternative

Each year since 2013, Barco has been organizing Barco Play Day – a day of fun, games and workshops for underprivileged children at Barco offices – first in Belgium and later also in India and Germany.

"More than offering the children a fun day away from their worries, we introduce them to the world of technology," explains Elsje Declercq, who is one of the driving forces behind the initiative in Belgium. "By giving them a glimpse behind the scenes of our company, we hope to inspire these children to seek education in technology. It's so rewarding to hear that some of them have actually chosen a STEM (science, technology, engineering and mathematics) education because we inspired them and they would love to work here."

The success of Barco Play Day is due to the hard work of many volunteers and contributions from a series of organizations, including Barco. While the pandemic prevented the team from organizing Barco Play Day in 2020, Elsje and her Belgian colleagues decided to still collect money as well as children's clothes, toys and school equipment among Barco colleagues – to help local organizations improve the lives of vulnerable children in the neighborhood.

Closing the education gap with refurbished IT equipment

With access to a computer and digital literacy training, children benefit from international sources of information, helping them become global citizens and stimulating entrepreneurship. That's why Barco decided to support **Close the Gap**, a Belgian social enterprise that was founded over 15 years ago with the aim of bridging the digital divide in developing and emerging countries. 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.

Since the start of our partnership with Close the Gap, Barco has donated over 6,500 pieces of IT equipment. In 2020, we donated approximately 200 laptops and computers to **Digital For Youth**, a Belgian organization founded by Close the Gap and DNS that collects laptops from companies, refurbishes them and distributes them to vulnerable young people. The computers were donated to secondary school children to help them take online courses during the covid-19 lockdown.

200 laptops and computers were donated to secondary school children to help them follow online courses during the covid-19 lockdown.

6.3 Ensuring healthy lives and promoting well-being

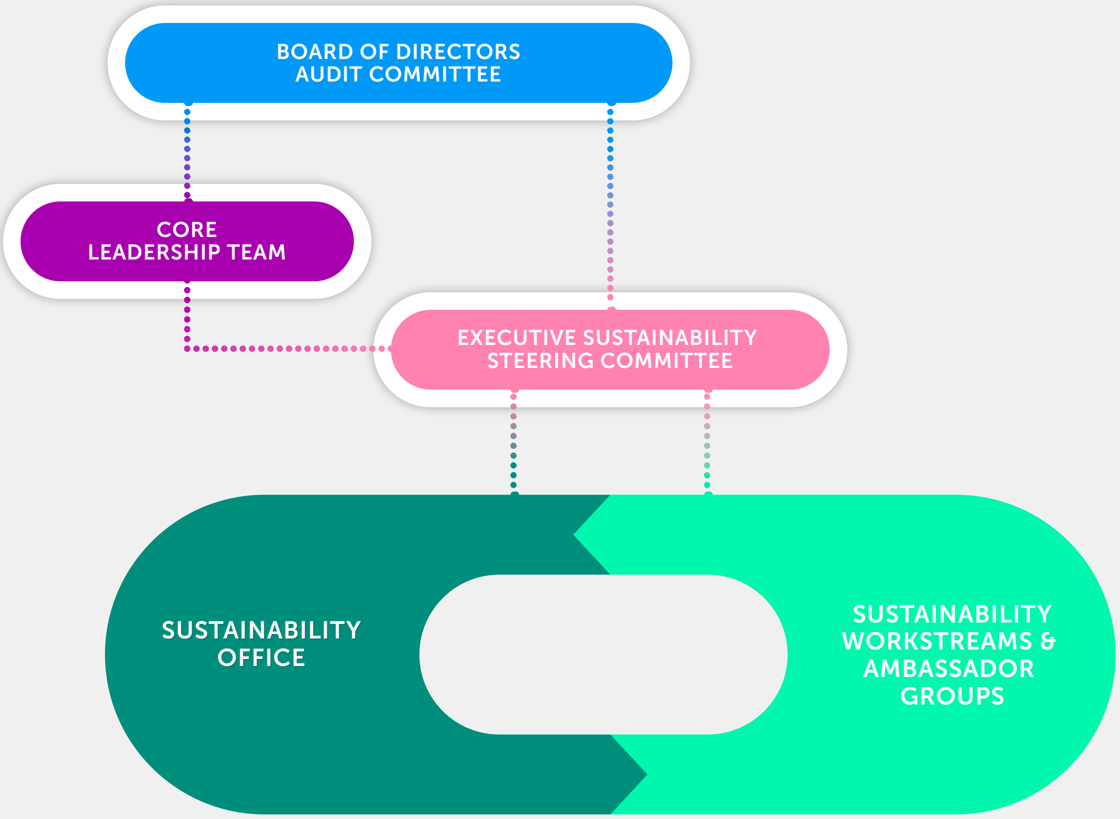
More than ensuring good health outcomes by delivering first-class healthcare solutions and services, Barco wants to help provide access to good healthcare services around the world. In addition to the covid-19-related support, we supported the following initiatives in 2020:

- We provided financial aid to **CanSupport, India's largest free home-based palliative care program**. The money is used to fund 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.
- We also keep contributing financially to **Urja Energy.** The NGO tries to eradicate the taboo of menstruation, by educating women about menstrual hygiene. In addition, they opened a unit for the production of 100% biodegradable sanitary pads, where local women are employed.
- In Norway, we supported organizations like **Blue Cross**, which helps people with drug related problems, and the **National Association for Stopping Child Violence**.

Managing sustainability

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



Board of Directors - Audit Committee

At least once a year, sustainability is on the agenda of Barco's Audit Committee. The committee shares and discusses strategic progress on Barco's overall sustainability program as it is an integral part of Barco's corporate strategy. The committee also reviews sustainability-related risks as part of it risk management process and is informed about the issues and concerns raised via the Ethics mailbox. In case the Audit Committee considers it appropriate, they further report issues and topics to the Board of Directors. In 2020, the Audit Committee discussed sustainability during the December meeting.

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.

Executive sustainability steering committee

The members of this committee are our Chief Executive Officer, Chief Human Resources Officer, Chief Financial Officer, Group General Counsel, Senior Vice President Healthcare, Senior Vice President Operations and Senior Vice President Organizational Excellence. They review the corporate sustainability strategy, approve targets and monitor execution, helping to ensure that sustainability is integrated into our business – supporting Barco's overall goals. The committee meets at least once every quarter. The sustainability office reports directly to this committee.

Sustainability office

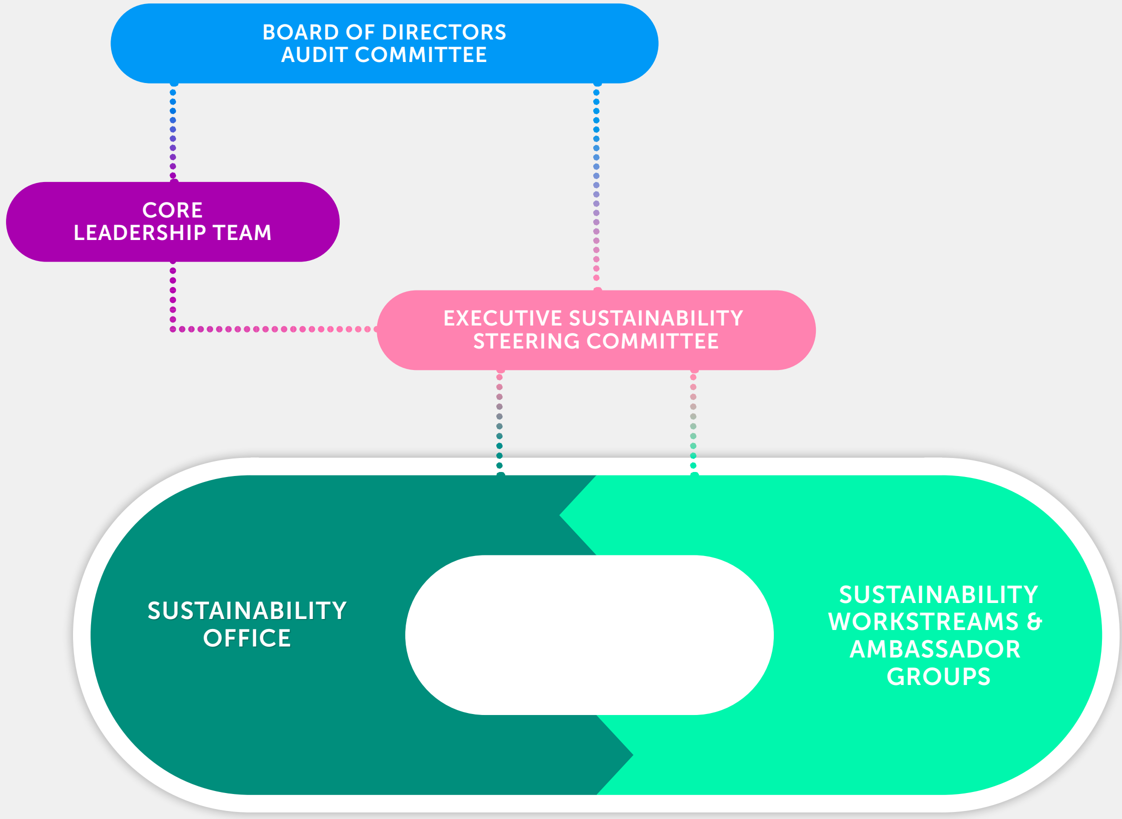
The sustainability office, which is part of the finance department, champions our company-wide commitment to sustainability performance and transparency towards stakeholders. The office conducts reporting activities and engages with internal and external stakeholders to assess, prioritize, and monitor 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 targets set by the business functions.

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 Barco's 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. The workstream leaders share progress on sustainability focus areas to the Executive sustainability steering committee.

Sustainability ambassador groups

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



Stakeholder engagement

Barco attaches great importance to stakeholder engagement. After all, external perspectives help us identify and prioritize emerging issues and better align our strategy, actions and policies with the interests of society and the planet. In addition, stakeholders can provide valuable feedback on our performance and other aspects of our activities, like transparency. In short: **stakeholder engagement supports our long-term success**.

Dedicated channels and processes

We have set up a series of dedicated channels and processes to ensure we meet the expectations of all our key stakeholders: customers, employees, investors, suppliers and (non-) governmental organizations. By continuing to standardize the process of interacting with our stakeholders, we can mitigate risks, identify new business opportunities and improve financial results.

2020 stakeholder engagement process

In 2020, we organized a comprehensive stakeholder engagement process, involving external stakeholders of all categories as well as internal stakeholders as input for our materiality assessment. Through one-on-one interviews and online surveys, we reviewed stakeholder expectations to develop Barco's materiality matrix. The results are also being used to shape our activities in 2021 and beyond. In total, 111 stakeholders participated in the surveys and interviews.

Top 5 material topics by stakeholder group (2020 assessment)

	Customers	Employees	Investors	Suppliers	(Non-) governmental organizations
1	Customer engagement	Customer engagement	Financial resilience	Innovation management	Climate change & energy
2	Product quality, safety & security	Employee engagement	Sustained profitable growth	Product quality, safety & security	Information security & data protection
3	Innovation management	Product quality, safety & security	Market reach	Business ethics	Innovation management
4	Financial resilience	Innovation management	Product quality, safety & security	Customer engagement	Product stewardship
5	Information & data protection	Brand	Corporate governance	Financial resilience / Sustained profitable growth	Employee health, safety & well-being

A description of these topics can be found the 'materiality' section of our Integrated report.

Continuous stakeholder interaction

Our day-to-day activities also enable stakeholder interaction. At Barco, every department is responsible for identifying and engaging with its stakeholders (i.e. those they affect or are affected by). Barco's corporate functions provide the departments with a framework for 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.

Customers

"We think with the customer" is one of Barco's core cultural building blocks. To succeed in our mission of enabling bright outcomes, we have to fully understand what our customers want and offer the relevant value propositions to deliver outstanding customer experiences. That's why we are constantly raising the bar on customer experience – to become a truly customer-centric company.

We engage with our customers via:
- NPS (Net Promotor Score) surveys;
- Daily contacts in the field (sales, segment marketing, customer service, ...);
- (Virtual or live) events and partner summits;
- Digital interaction via social media, website, etc.;
- Press releases.

Read more about our 2020 activities in the field of customer engagement

Employees

People are key to the success of our company. We want to deliver the best-possible working conditions to our people. This means ensuring employee engagement, providing a safe and healthy workspace, offering continuous training and development opportunities and making diversity and inclusion priorities.

We engage with our employees via:
- Townhall meetings and Q&A sessions for all employees;
- Regular updates on internal news portals (BarcoZone intranet, Yammer and video walls in our offices);
- Inspiration sessions on several topics (including sustainability);
- Frequent feedback sessions.

In case an employee wishes to report or discuss an issue, even anonymously:
- They can talk to trained confidants;
- They can report the issue to the Ethics mailbox.

Read more about our 2020 employee engagement activities

Investors

We value the essential role that our capital providers play in the success and prosperity of the company, as they allow us to pursue long-term value creation. This should also lead to a continuous increase of the company's valuation for the benefit of its shareholders. We actively seek engagement with investors, as well as with financial advisors who cover Barco on behalf of their financial market clients and ESG rating agencies.

We engage with investors via:
- The investor relations section on the company website;
- The Annual General Meeting of Shareholders;
- Events like the Capital Markets Day, investor conferences and roadshows;
- Quarterly conference calls, one-on-one telephone and video calls.

Suppliers

In order to meet our customers' expectations for high-quality, innovative products, we rely on service and manufacturing partners from around the world. Barco maintains frequent contact with suppliers, evaluates and trains them to ensure that we continue to drive responsible and ethical behavior and high standards across our supply chain.

We engage with suppliers via:
- Clear communication about our standards and their updates (RBA Code of Conduct, Product Compliance Requirements and the Responsible Minerals Policy);
- Monitoring and audit system to evaluate supplier performance;
- Business reviews with key+ and core suppliers;
- Trainings (webinars and e-learnings);
- Supplier innovation days.

Read more about our 2020 efforts to ensure supplier engagement

(Non-) governmental organizations

Barco is a member of several associations that operate on global, regional, and national levels and enters into dialogue with public authorities, policymakers, etc.

We engage with associations via:
- Participation in working groups of policymakers;
- Meetings, roundtables and conferences;
- Participation in global networks;
- Internships and lectures.

More information about our memberships can be found in 'ethics & compliance'

In addition, we contribute to various charitable institutions and community projects around the globe. Structural partnerships include those with Close the Gap, Sakshi, Indusaction, Can-Support and Urja Energy.

Discover our 2020 charity initiatives

External initiatives (platforms and commitments)

Science Based Targets initiative

The Science Based Targets initiative (SBTi) is a collaboration between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the World Wildlife Fund (WWF). The SBTi is the only global initiative that directly links a company's carbon-emission targets to the Paris Agreement and associated global efforts, in order to keep the rise in global temperature below 1.5°C. Barco has signed the Business Ambition for 1.5°C Commitment Letter in 2020. Targets are currently under validation.

Belgian Alliance for Climate Action

In 2020, Barco joined the Belgian Alliance for Climate Action (BACA), a collective of organizations that commit to aligning their activities with the goals of the Paris Agreement: to keep global warming under 2°C and pursue efforts to limit it to 1.5°C.

The Belgian Alliance for Climate Action is an initiative of WWF Belgium and The Shift. It unites many Belgian organizations that pledge to take the necessary steps towards a CO_2-neutral economy. This entails lowering the emission of greenhouse gases, show more climate ambitions, and use Science Based Targets (SBT) to reach the sustainability goals.

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.

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 R&D resources in **technological solutions to facilitate remote services** in healthcare, 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).

During 2020 Barco was able to deliver on three of the four challenges and is now in the running to apply for "Employer ready for the future of work".

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 a 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, 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:

	2020	2019	2018	RANKING
CDP DISCLOSURE INSIGHT ACTION	NA	B-	B	NA
ecovadis	NA	GOLD	SILVER	Top 5% of companies evaluated
MSCI	AA	A	A	Top 12% of the Electronic Equipment, Instruments & Components industry
ISS ESG	C+ (PRIME)	C+ (PRIME)	NA	Top 20% of the Electronic Devices & Appliances industry
SUSTAINALYTICS	11.2 (LOW RISK)	NA	NA	3rd out of 110 in the Electronics Equipment subindustry
The Voice for Clean Capitalism Corporate Knights	27,8%	NA	NA	80th out of 375 in Electronic products industry

CDP

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. Barco received a B- score on its 2019 data.

EcoVadis

In recognition of its commitment to corporate social responsibility (CSR), Barco has been awarded the **Gold Rating** by EcoVadis in November 2019, placing us among **the top 5% of companies evaluated**. The 2020 rating will be announced in the course of 2021.

EcoVadis' independent sustainability rating platform monitors and improves the environmental, ethical and social performance of companies worldwide. EcoVadis provides sustainability performance audits for 75,000+ companies across 200+ sectors and in more than 160 countries.

MSCI

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. We have an AA score and **rank among the top 12% of the Electronic Equipment, Instruments & Components industry**.

ISS ESG

ISS ESG is one of the world's leading rating agencies for sustainable investments. The ISS ESG 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 have 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.**

Sustainalytics

Sustainalytics' ESG risk ratings measure how exposed a company is to industry-specific ESG risks and how well it deals with these risks. The rating scale is made up of 5 risk levels ranging from severe risk to negligible risk. Based on the latest update (March 2020), the Barco rating is 11.2 (low risk). **We rank 3rd out of 110 in the Electronics Equipment subindustry**.

Corporate knights

Corporate Knights is a Canadian media and research company producing rankings and financial product ratings based on corporate sustainability performance. The annual Global 100, launched in 2005, recognizes successful corporations that have been world leaders in environmental, social, and governance issues. For this Corporate Knights analyzes 8080 publicly-trading corporations with a revenue of more than USD $1 billion and applies 21 red flags and 24 key indicators including the percentage of clean revenue and investment, as well as carbon productivity.

2020 Integrated annual report

Financial report

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This is the Governance & Risk Report section of Barco's 2020 Integrated annual report. Other sections are available via the download center at ir.barco.com/2020.

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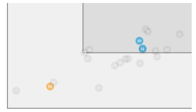

IFRS Financial Statements

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 ‘Our results’ provides an analysis of trends and results of the 2020 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	2020	2019	2018
Sales		3	770,083	1,082,570	1,028,531
Cost of goods sold		3	-486,300	-653,274	-615,578
Gross profit		3	**283,783**	**429,295**	**412,953**
Research and development expenses		3(a)	-102,610	-119,389	-120,279
Sales and marketing expenses		3(b)	-112,329	-142,517	-147,723
General and administration expenses		3(c)	-50,362	-57,632	-57,464
Other operating income (expense) - net		3(d)	-8,302	280	2,488
Adjusted EBIT	(a)	3	**10,180**	**110,038**	**89,974**
Restructuring and impairments		5	-14,513	-	-17,000
Gain on change in control			-	-	16,384
EBIT		3	**-4,332**	**110,038**	**89,358**
Interest income			1,845	7,648	5,915
Interest expense			-1,965	-1,866	-1,566
Income before taxes		6	**-4,453**	**115,820**	**93,708**
Income taxes		6	-	-20,848	-16,586
Result after taxes			**-4,453**	**94,973**	**77,121**
Share in the result of joint ventures and associates		11	-276	1,566	191
Net income			**-4,729**	**96,539**	**77,312**
Net income attributable to non-controlling interest		17	**-335**	**1,176**	**2,347**
Net income attributable to the equity holder of the parent			**-4,393**	**95,363**	**74,965**
Earnings per share (in euro)	(b)	7	-0.05	1.09	0.86
Diluted earnings per share (in euro)		7	-0.05	1.07	0.85

(a) Management considers adjusted EBIT to be a relevant performance measure in order to compare results over the period 2018 to 2020, 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. We refer to note 5 restructuring and impairment costs.

(b) Earnings per share, restated for the stock split as implemented on 1/07/2020.

Statement of comprehensive income

IN THOUSANDS OF EURO		2020	2019	2018
Net income		-4,729	96,539	77,312
Exchange differences on translation of foreign operations	(a)	-29,625	5,250	952
Cash flow hedges				
Net gain/(loss) on cash flow hedges		62	-165	95
Income tax		-15	30	-17
Net gain/(loss) on cash flow hedges, net of tax		46	-135	78
Other comprehensive income/(loss) to be recycled through profit and loss in subsequent periods		**-29,579**	**5,114**	**1,031**
Remeasurement gains/(losses) on defined benefit plans	19	37	-11,337	-5,676
Deferred tax on remeasurement gains/(losses) on defined benefit plans	10	-9	2,834	1,419
Actuarial gains or losses, net of tax		28	-8,503	-4,256
Changes in the fair value of equity investments through other comprehensive income	11	18,331	1,852	
Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods		**18,358**	**-6,650**	**-4,256**
Other comprehensive income/(loss) for the period, net of tax effect		**-11,221**	**-1,536**	**-3,226**
Attributable to equity holder of the parent		-8,764	-1,075	-3,303
Attributable to non-controlling interest		-2,457	-461	77
Total comprehensive income/(loss) for the year, net of tax		**-15,950**	**95,003**	**74,086**
Attributable to equity holder of the parent		-13,157	94,288	71,662
Attributable to non-controlling interest		-2,793	715	2,424

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 2020, the negative exchange differences in the comprehensive income line were mainly booked on foreign operations held in Hong Kong Dollar, US Dollar, Indian Rupee and Norwegian Krone (see note 16.4). 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.

Consolidated balance sheet

IN THOUSANDS OF EURO		NOTE	31 DEC 2020	31 DEC 2019	31 DEC 2018
Assets					
Goodwill		8	105,612	105,612	105,612
Other intangible assets		9.1	28,952	44,469	47,397
Land and buildings		9.1	74,220	83,665	57,777
Other tangible assets		9.1	49,254	51,804	51,003
Investments and interest in associates		11	106,942	43,288	19,105
Deferred tax assets		10	62,811	60,116	67,478
Other non-current assets		13	5,870	4,018	9,732
Non-current assets			**433,662**	**392,972**	**358,103**
Inventory		12	175,390	168,983	135,111
Trade debtors		13	146,138	195,358	161,787
Other amounts receivable		13	17,789	25,669	19,567
Short term investments		14	3,175	24,748	112,795
Cash and cash equivalents		14	235,402	357,035	251,807
Prepaid expenses and accrued income			6,646	9,409	8,131
Current assets			**584,542**	**781,203**	**689,197**
Total assets			**1,018,203**	**1,174,176**	**1,047,301**
Equity and liabilities					
Equity attributable to equityholders of the parent		16	659,309	700,060	633,267
Non-controlling interests		17	37,798	40,590	1,777
Equity			**697,107**	**740,650**	**635,044**
Long-term debts		14	35,854	40,225	29,882
Deferred tax liabilities		10	4,745	7,575	3,140
Other long-term liabilities		15	43,286	27,031	24,557
Long-term provisions		19	40,156	42,428	34,265
Non-current liabilities			**124,042**	**117,259**	**91,845**
Current portion of long-term debts		14	9,187	12,469	7,500
Short-term debts		14	86	-	686
Trade payables		18	70,299	128,914	105,148
Advances received from customers		18	42,375	69,515	53,747
Tax payables			7,478	9,893	11,370
Employee benefit liabilities	(a)		32,284	54,652	51,314
Other current liabilities	(b)		8,980	13,268	48,532
Accrued charges and deferred income			12,646	8,795	10,082
Short-term provisions		19	13,720	18,759	32,032
Current liabilities			**197,054**	**316,266**	**320,412**
Total equity and liabilities			**1,018,203**	**1,174,176**	**1,047,301**

The accompanying notes are an integral part of this statement.

(a) Employee benefit liabilities are short term obligations and consist mainly of salaries, bonuses and holiday payments.

(b) 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	2020	2019	2018
Cash flow from operating activities					
Adjusted EBIT			10,180	110,038	89,974
Restructuring		5	-9,536	-13,717	-2,882
Gain on sale of divestments		3(d)	-	-	-743
Depreciation of tangible and intangible fixed assets		3,9	43,383	42,984	34,492
(Gain)/Loss on tangible fixed assets			170	-1,024	-149
Share options recognized as cost		3(d), 16	2,907	2,147	2,050
Share in the profit/(loss) of joint ventures and associates		11	-276	1,566	191
Gross operating cash flow			46,829	141,995	122,933
Changes in trade receivables			41,391	-32,160	-11,209
Changes in inventory			-12,260	-32,989	334
Changes in trade payables			-59,936	23,404	-1,306
Other changes in net working capital			-23,960	15,618	-12,722
Change in net working capital			-54,764	-26,126	-24,903
Net operating cash flow			-7,936	115,868	98,030
Interest received			1,845	7,648	5,915
Interest paid			-1,965	-1,866	-1,566
Income taxes	(a)		-10,398	-13,053	-12,460
Cash flow from operating activities			-18,454	108,597	89,919
Cash flow from investing activities					
Purchases of tangible and intangible fixed assets			-14,980	-20,169	-25,627
Proceeds on disposals of tangible and intangible fixed assets			488	2,379	922
Proceeds from (+), payments for (-) short term investments		14	21,573	88,047	-112,795
Acquisition of Group companies, net of acquired cash		1.3, 24	-	-3,272	-5,621
Disposal of Group companies, net of disposed cash		1.3, 24	-	-	-32,558
Other investing activities	(b)		-55,530	-41,285	-2,972
Dividends from joint ventures and associates			2,492	7,284	10,499
Cash flow from investing activities (including acquisitions and divestments)			-45,958	32,982	-168,152

IN THOUSANDS OF EURO		NOTE	2020	2019	2018
Cash flow from financing activities					
Dividends paid			-33,354	-28,680	-25,975
Capital increase			482	360	132
Sale of own shares			2,371	6,428	5,928
Payments (-) of long-term liabilities		20	-11,235	-22,359	-8,363
Proceeds from (+), payments of (-) short-term liabilities		20	2,103	3,033	-4,430
Advances on capital contribution from non-controlling interest	(c)		-	-	37,906
Cash flow from financing activities			-39,634	-41,218	5,198
Net increase (decrease) in cash and cash equivalents			-104,045	100,362	-73,035
Cash and cash equivalents at beginning of period			357,035	251,807	321,514
Cash and cash equivalents (CTA)			-17,588	4,866	3,328
Cash and cash equivalents at end of period			235,402	357,035	251,807

The accompanying notes are an integral part of this statement.

(a) In 2020 € 5.9m withholding taxes were paid on dividends distributed from subsidiaries of Barco.
(b) 'Other investing activities' relate mainly to investments in entities in which Barco owns less than 20% of the shares (55.5 million euro in 2020, 41.3 million euro in 2019 and 3.0 million euro in 2018) (see note 11 and 9.1).
(c) We refer to notes 1.1 for the explanation on the cash contribution of the three minority shareholders in Barco Ltd.

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 2018		201,908	457,053	7,511	-43,717	-1,100	-42,205	579,449	14,065	593,514
Net income		-	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
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		-	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 IFRIC23	(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

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 2020		202,401	554,479	11,193	-37,522	-1,157	-29,334	700,060	40,590	740,650
Net income		-	-4,393	-	-	-	-	-4,393	-335	-4,729
Dividend		-	-33,354	-	-	-	-	-33,354	-	-33,354
Capital and share premium increase		482	-	-	-	-	-	482	-	482
Other comprehensive income (loss) for the period, net of tax		-	18,361	-	-27,171	46	-	-8,764	-2,457	-11,221
Share-based payment		-	-	2,907	-	-	-	2,907	-	2,907
Exercise of options	(b)	-	-	-	-	-	2,371	2,371	-	2,371
Balance on 31 December 2020		202,883	535,093	14,100	-64,693	-1,111	-26,962	659,309	37,798	697,107

The accompanying notes are an integral part of this statement.

(a) 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.
(b) See note 16.
(c) See note 17.
(d) 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. 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 17.

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 2019 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 8 February 2021. The chairman has the power to amend the financial statements until the shareholders' meeting of 29 April 2021.

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 and interest in associates'.

2. Goodwill

Goodwill represents the excess of the cost of the acquisition over the fair value of identifiable net assets and contingent liabilities of a subsidiary or associated company at the date of acquisition. Goodwill is carried at cost less any accumulated impairment losses.

3. Research and development costs

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

4. Other intangible assets

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

5. Property, plant and equipment

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

Estimated useful life is:

- buildings	20 years
- installations	10 years
- production machinery	5 years
- measurement equipment	4 years
- tools and models	3 years
- furniture	10 years
- office equipment	5 years
- computer equipment	3 years
- vehicles	5 years
- demo material	1 to 3 years

- leasehold improvements and finance leases: cfr underlying asset, limited to outstanding period of lease contract

A property, plant or equipment item is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on 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 income is determined at moment of initial recognition. For investments quoted in an active market, the quoted market price is the best measure of fair value. For investments not quoted in an active market, the carrying amount is the historical cost, if a reliable estimate of the fair value cannot be made. An impairment loss is recorded when the carrying amount exceeds the estimated recoverable amount. These investments are presented on the balance sheet on the line 'Investments and interest in associates'.

Short-term investments are cash deposits with a maturity at inception in excess of 3 months and are intended to be held to maturity less than one year (solely payment of principle and interest). They are recognized at 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 recognized 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 one 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 recognizes service revenue by reference to the stage of completion. The Group recognizes the services over time given that the customer simultaneously receives and consumes the benefits provided by the Group. Consequently, the Group recognizes 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.

4. 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 2020 the minimum guaranteed rate of return remains the same as in 2019 and 2018, i.e. 1.75% on employer contributions and employee contributions. We refer to note 19 for more detailed information. As a consequence, the defined contribution plans have been accounted for as defined benefit plan.

16. Equity – costs of an equity transaction

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

17. Interest-bearing loans and borrowings

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

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

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

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, 2020		DECEMBER 31, 2019		DECEMBER 31, 2018	
CURRENCY	CLOSING RATE	AVERAGE RATE YEAR	CLOSING RATE	AVERAGE RATE YEAR	CLOSING RATE	AVERAGE RATE YEAR
CNY	8.02	7.88	7.81	7.73	7.87	7.81
INR	89.66	84.74	80.08	78.83	79.80	80.72
USD	1.23	1.14	1.12	1.12	1.15	1.18

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 its 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 IFRS. 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 2020

The Group applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2020. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

- Amendments to References to the Conceptual Framework in IFRS Standards, effective 1 January 2020
- Amendments to the guidance of IFRS 3 Business Combinations, effective 1 January 2020
- Amendments to the definition of material in IAS 1 and IAS 8, effective 1 January 2020
- Amendments to IFRS 9, IAS 39 and IFRS 7, effective 1 January 2020
- Amendment to IFRS 16 Leases Covid 19-Related Rent Concessions, effective 1 June 2020, with early application permitted

None of these IFRS standards issued have an impact on Barco's financials.

IFRS accounting standards issued but not yet effective as of 2020

Standards issued but not yet effective

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

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2, effective 1 January 2021. These amendments address issues that might affect financial reporting after the reform of an interest rate benchmark, including its replacement with alternative benchmark rates. The amendments are effective for annual periods beginning on or after 1 January 2021, with earlier application permitted.
- Amendments to IAS 1 'Presentation of Financial Statements: Classification of Liabilities as current or non-current'[1], effective 1 January 2022
- Amendments to IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets as well as Annual Improvements[1], effective 1 January 2022

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

[1] Not yet endorsed by the European Union as at 31 December 2020

Critical accounting judgments and key sources of estimation uncertainty

General business risks

We refer to the chapter 'Risk management and control processes' for an overview of the risks affecting businesses of the Barco Group. Over the year 2020, the economic impact of the pandemic related to the covid-19 virus has been affecting businesses all over the world – Barco included and is therefore being addressed as additional risk.

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

Extra risk section regarding the consequences and impact of the covid-19 pandemic

Since Q1 2020, the covid-19 pandemic has been affecting businesses all over the world – including Barco.

Risk description

The public health crisis caused by the covid-19 pandemic, as well as measures taken in response to contain or mitigate the pandemic, have had, and are expected to continue to have, certain negative impacts on Barco's business including, without limitation, the following:

- The demand, reflected by impact on orders and sales mainly in Barco's Entertainment and Enterprise division
- The profit and loss and operating results
- The financial condition
- Cash flows

Approach:

In this section, Barco addresses its risk mitigation plan related to the covid-19 pandemic impact.

Overall approach

Since the start of the corona virus outbreak (in China in January 2020) Barco has set up a dedicated global response team that is monitoring and supporting Barco's operations and is focusing both on the safety and health of its employees, as well as on ensuring business continuity.

Measures to keep employees safe

- **Hygiene, social distancing and track-and-trace measures**
  As of February-March 2020 timeframe and taking into account local or regional sanitary & health regulations, the company strengthened personal hygiene measures throughout the organization, as well as business travel restrictions. Barco also expanded its home-work protocol and implemented social distancing measures for employees in all its facilities. In addition, a track-and-trace system has been put in place to slow down a possible future spread of the virus. In 2020, Barco registered approximately 110 infected cases among its global employee force for which none of the infection sources appear to be within the company. All related people have meanwhile recovered.

- **Hybrid way of working**
  Some of Barco's offices have been closed for short periods during the year but have gradually reopened. As far as regulations and the local situation allowed, the company applied unlocking measures and started bringing back employees while still taking into account local or regional regulations and recommendations. The company implemented a hybrid way of working with an alternate home-work protocol for its white collars. All offices have been updated according to the strengthened social distancing and sanitary measures to ensure a covid-proof and flexible work environment.

<u>Operations and supply chain</u>

Mainly in the first half of 2020, Barco has experienced disruptions to its ability to operate its production facilities in some countries, and in the future, further disruptions to Barco's ability to operate production facilities or distribution operations cannot be excluded as a result of regulatory restrictions, safety protocols and heightened sanitation measures.

While the Company experienced disruptions, Barco's proactive approach limited the delays towards our customers.

- Barco's parts supply base, its subcontractor operations and the logistics chain has seen disruption mainly in the months March and April 2020 but recovered near full operational capacity.

- For Barco's operations:
  - In China, operations were disrupted during February but recovered to near full capacity by the end of the first quarter 2020.
  - For the manufacturing sites in Europe, the operations team has organized production in order to match regulatory requirements with the objective of ensuring manufacturing capacity needed to support market demand. The respective logistics teams were able to secure a continued receiving of components and shipping of finished goods.
  - The India site (manufacturing of videowalls) was closed for a limited number of weeks in 2020 as a result of the regulatory lockdown-measures but production recovered and was able to meet market demand.

<u>Business health</u>

In the first quarter and as a result of lockdowns in China, Barco's sales in China were halted during February and gradually resumed as of March. Since then, the covid-19 pandemic has spread internationally, with negative effects mainly in Barco's Entertainment and Enterprise markets.

The negative impact was caused by both the economic impact of the pandemic on some of its markets as well as by the lockdown measures and related restrictions.

Barco remained focused on business continuity and protection of the business health.

The company executed on a plan to align both its activity rate and spending with the impacts of the pandemic by resetting indirect cost levels, next to temporary measures and resource redeployments.

- **Aligning activity rate with market realities and customer demand**
  Consequently, the company has implemented temporary work arrangements and economic unemployment measures for both white and blue collars, in conformity with country specific legal frameworks, support mechanisms and regulations.

  The new work conditions varied depending on the region, and Barco's covid-19 response team reviewed the situation site by site, with the same objective to ensure business continuity while also considering all applicable covid regulations.

The activity rate and cost containment measures also include ensuring a strong commitment to our customers through sales and servicing.

- Adjusting the cost base and discipline in discretionary spending
  These measures – which can be adjusted again in line with future changes in the pandemic situation - also entail shifts in the planned investment patterns on selected long-term initiatives and a sustained strict discipline on discretionary spending.

  The Company made deliberate choices on the continuation and timetable of selected development projects based on current needs in the market and adjusting internal support levels in function of the focus shift. Furthermore, the Company was able to apply for wage subsidies under the newly enacted covid-19 relief legislation in APAC, Canada and Cinionic US.

Strong funding and liquidity structure in place

Barco has a strong balance sheet and ample liquidity. We refer to note 14 for more details on Barco's net cash position. Barco has sufficient headroom to enable it to conform to covenants on its existing borrowings. The Group complied with all requirements of the loan covenants on its available credit facilities throughout the reporting period.

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

Key sources of estimation uncertainty

In view of the ongoing uncertainty surrounding the covid-19 global pandemic and the extent and duration of the impacts that it may have in particular on the global cinema, events and Enterprise business as well as the Company's customers, suppliers and employees, there is heightened potential for future credit losses on receivables, inventory write downs, impairments of goodwill (see note 8) and valuation allowances against deferred tax assets that are based on future performance of the Company's business.

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

- Impairment of goodwill: the Group tests the goodwill for impairment annually or more frequently if there are indications that goodwill might be impaired. As a result of the events and factors described above, the Company performed a quantitative goodwill impairment test in June 2020 and the annual impairment test in the last quarter of 2020. (see note 8.'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. On top of the minimum rules, more severe rules are applied in case of for example the decision to stop a business unit or product line. The remaining inventory on hand is in that case analyzed and reserved as appropriate. Inventory allowances are only reversed in case the above rules no longer apply or the written off inventory is sold or scrapped. (see note 12. Inventory)

- Current expected credit losses: 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 ability of the Company to collect its accounts receivable balances is dependent on the viability and solvency of its business partners, distributors and resellers, which is influenced by business behavior, which is on its turn influenced by consumer behavior and general economic conditions. Customers may experience financial difficulties that could cause them to be unable to fulfill their payment obligations to the Company.

  The Company develops its estimate of credit losses by type of business and customer type, number of days overdue and historical loss rates which are then adjusted for specific receivables that are judged to have a higher than normal risk profile after taking into account management's internal credit assessment, as well as macro-economic and industry risk factors. Moreover, the Company has a credit insurance in place for specific higher risk cinema contracts.

  For most of its cinema customers the Company was able to reach extended payment plans which most of its customers were honoring.

  For the year ended December 31, 2020, the Company recorded a provision for current expected credit losses of 1.5 million euro reflecting a reduction in the credit quality of specific cinema customers related accounts receivable as a result of the covid-19 global pandemic. Management's judgements regarding expected credit losses are based on the facts available to management.

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

Notes to the consolidated financial statements

1. Consolidated companies

1.1. List of consolidated companies on 31 December 2020

COUNTRY OF INCORPORATION	LEGAL ENTITY	REGISTERED OFFICE	%
Europe, Middle-East and Africa			
BELGIUM	Barco Coordination Center NV	Beneluxpark 21, 8500 Kortrijk BELGIUM	100
BELGIUM	Barco Integrated Solutions NV	Beneluxpark 21, 8500 Kortrijk BELGIUM	100
BELGIUM	Cinionic bv	Beneluxpark 21, 8500 Kortrijk BELGIUM	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.	Zuidplein 126, WTC Tower H, Floor 15, 1077XV Amsterdam 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 str., 3, 129515 Moscow RUSSIAN FEDERATION	100
SPAIN	Barco Electronic Systems, S.A.	Travessera de les Corts 241, Entlo. 3a, 08028 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 Cine Appo Mexico, S.A. de C.V.	Mariano Escobedo No. 476 Piso 10 Col. Anzures, C.P. 11590 D.F. México MEXICO	55
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
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.	Room 702, No. 138, Fenyang Road, 200031 Shanghai CHINA	100
CHINA	Barco Visual (Beijing) Electronics Co., Ltd..	No. 16 Changsheng Road, Zhong Guan Cun Science Park, Chang Ping District, 102200 Beijing CHINA	100
CHINA	Barco 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
CHINA	Barco Visual (Suzhou) Electronics Co., Ltd .	Room 402, No. 179, Suhong West Road, Suzhou Industrial Park, 215021 Suzhou CHINA	100
HONG KONG	Barco Ltd.	Suite 2607-2610, 26/F, Prosperity Center, 25 Chong Yip Street, Kwun Tong, Kowloon HONG KONG	100
HONG KONG	Barco Visual Electronics Co., Ltd.	Suite 2607-2610, 26/F, Prosperity Center, 25 Chong Yip Street, Kwun Tong, Kowloon HONG KONG	100
HONG KONG	Barco China (Holding) Ltd.	Suite 2607-2610, 26/F, Prosperity Center, 25 Chong Yip Street, Kwun Tong, Kowloon HONG KONG	100
HONG KONG	Cinionic Limited	Suite 2607-2610, 26/F, Prosperity Center, 25 Chong Yip Street, Kwun Ton, Kowloon HONG KONG	55
HONG KONG	Barco CEC (Hong Kong) Limited	Suite 2607-2610, 26/F, Prosperity Center, 25 Chong Yip Street, Kwun Ton, 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	100G Pasir Panjang Road Interlocal Center, 118523 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 2020

COUNTRY OF INCORPORATION	LEGAL ENTITY	REGISTERED OFFICE	%
Americas			
UNITED STATES	CCO Barco Airport Venture LLC	Corporation Trust Center, 1209 Orange Street, 19801 Wilmington DE UNITED STATES	35
Asia-Pacific			
CHINA	CFG Barco (Beijing) Electronics Co., Ltd. -	No. 16 Changsheng Road, 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 2020:

- Barco GmbH
- Barco Control Rooms GmbH

These companies are included in the consolidation scope of Barco Consolidated 2020 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 2020:

- Barco Ltd.

1.3. Acquisitions/investments and divestments

2020 and 2019

Barco did not close any acquisition or divestment agreements in 2020 and 2019.

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 24 'Cash flow statement: effect of acquisitions and disposals' for impact 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, which is also reflected in its divisional structure: Entertainment, Enterprise and Healthcare.

- **Entertainment**[1]**:** 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 'Our markets' for more explanation on the activities performed by each division.

[1] The projection activity related to virtual reality solutions has been transferred from the Enterprise division to the Entertainment division to further optimize the development and commercialization. With a sales contribution of approximately 8 million euro per semester, this transfer is not considered material, and therefore the 2019 financials are not restated.

2.2. Entertainment

IN THOUSANDS OF EURO	2020		2019		2018		Variance 2020 - 2019	Variance 2019 - 2018
Net sales	291,433	100.0%	455,125	100.0%	447,611	100.0%	-36.0%	1.7%
Cost of goods sold	-208,584	-71.6%	-311,955	-68.5%	-304,273	-68.0%	-33.1%	2.5%
Gross profit	82,849	28.4%	143,170	31.5%	143,337	32.0%	-42.1%	-0.1%
EBITDA	287	0.1%	43,310	9.5%	32,879	7.3%	-99.3%	31.7%
Depreciation TFA and (acquired) intangibles	19,989	6.9%	18,292	4.0%	15,906	3.6%	9.3%	15.0%
Adjusted EBIT	-19,702	-6.8%	25,019	5.5%	16,974	3.8%	-178.7%	47.4%
Capital expenditures TFA and software	8,177	2.8%	7,515	1.7%	11,445	2.6%	8.8%	-34.3%
Interest in associates	19,713		20,073		18,927			
Segment assets	285,370		307,832		239,194			
Segment liabilities	117,648		169,700		140,225			

As a result of contractions in business activity in all regions related to the pandemic beginning in Q2, Entertainment sales declined 36% for the year. The fourth quarter topline evolution however reflects first signs of recovery mainly driven by projects in the ProAV and Cinema-market led by China. During 2020, the Cinema activity accounted for approximately 50% of the divisional sales down from 58% in 2019. EBITDA for 2020 was break-even, as the lower topline has led to a decline in gross profit and a negative operating leverage effect on fixed costs.

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

As of the second half year of 2018 BarcoCFG is no longer consolidated. Projector sales of Barco to BarcoCFG are as of 1 July 2018, part of sales, while the external sales of BarcoCFG to their customers are no longer included (impact of 39.5 million euro lower sales in 2019 compared to 2018; excluding this impact Entertainment sales in 2019 are 11.5% higher than in 2018). 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 (2020: 3.5 million euro, 2019: 6.2 million euro, 2H18: 2.8 million euro (49% of net result BarcoCFG).

For the investments in associates we refer to note 11.

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	2020		2019		2018		Variance 2020 - 2019	Variance 2019 - 2018
Net sales	216,794	100.0%	358,671	100.0%	335,914	100.0%	-39.6%	6.8%
Cost of goods sold	-111,601	-51.5%	-175,402	-48.9%	-164,237	-48.9%	-36.4%	6.8%
Gross profit	105,193	48.5%	183,269	51.1%	171,677	51.1%	-42.6%	6.8%
EBITDA	18,246	8.4%	74,051	20.6%	60,944	18.1%	-75.4%	21.5%
Depreciation TFA and (acquired) intangibles	10,033	4.6%	15,339	4.3%	13,525	4.0%	-34.6%	13.4%
Adjusted EBIT	8,214	3.8%	58,712	16.4%	47,420	14.1%	-86.0%	23.8%
Capital expenditures TFA and software	3,436	1.6%	8,428	2.3%	8,436	2.5%	-59.2%	-0.1%
Segment assets	137,786		168,275		158,563			
Segment liabilities	53,299		78,147		81,605			

The Enterprise division posted a 40% decline in sales and orders for the year and an 8% EBITDA margin down from 22%. While Control Rooms started the first half weaker due to project delays and a softer Oil & Gas market, demand for the ClickShare portfolio fell steeply in the second quarter as a result of pandemic related lockdowns and offices being closed. Overall Enterprise sales began to recover in the third and fourth quarter with gradual pick-up in both the Control Rooms and the Corporate subsegments. In terms of the sales mix, the Corporate activity accounted for about 51% of Enterprise sales for 2020 versus 58% of Enterprise sales for 2019.

2.4. Healthcare

IN THOUSANDS OF EURO	2020		2019		2018		Variance 2020 - 2019	Variance 2019 - 2018
Net sales	261,856	100.0%	268,774	100.0%	245,006	100.0%	-2.6%	9,7%
Cost of goods sold	-166,115	-63.4%	-165,918	-61.7%	-147,070	-60.0%	0.1%	12,8%
Gross profit	95,741	36.6%	102,856	38.3%	97,936	40.0%	-6.9%	5,0%
EBITDA	35,030	13.4%	35,660	13.3%	30,642	12.5%	-1.8%	16,4%
Depreciation TFA and (acquired) intangibles	13,362	5.1%	9,354	3.5%	5,062	2.1%	42.9%	84,8%
Adjusted EBIT	21,668	8.3%	26,307	9.8%	25,580	10.4%	-17.6%	2,8%
Capital expenditures TFA and software	3,368	1.3%	4,225	1.6%	5,745	2.3%	-20.3%	-26,5%
Segment assets	127,180		126,199		107,725			
Segment liabilities	49,398		60,913		56,149			

Healthcare posted stable year-over-year results with orders slightly up, sales slightly down and EBITDA margin essentially flat. After a strong first half with high single digit growth in sales, the third quarter slowed down as customers reset delivery schedules based on shifts in hospital spending priorities. The fourth quarter reflected a rebound driven partially by deployments of projects pushed out from the third quarter and partially by stabilizing of the Healthcare markets.

Impact of covid-19 on Healthcare topline was limited, fueled by sustained demand in diagnostic imaging, while hospitals postponed elective surgeries and surgical investments. We refer to 'Our results' and 'Risk management and control processes' for more explanation.

2.5. Reconciliation of segment information with group information

IN THOUSANDS OF EURO	2020		2019		2018	
External sales						
Entertainment	291,433		455,125		447,611	
At a point in time	255,694	88%	410,883	90%	407,677	91%
Over time	35,739	12%	44,242	10%	39,934	9%
Enterprise	216,794		358,671		335,914	
At a point in time	153,435	71%	271,956	76%	222,793	66%
Over time	63,359	29%	86,715	24%	113,121	34%
Healthcare	261,856		268,774		245,006	
At a point in time	258,026	99%	264,580	98%	240,327	98%
Over time	3,830	1%	4,193	2%	4,679	2%
Total external sales segments	770,083		1,082,570		1,028,531	
At a point in time	667,155	87%	947,420	88%	870,797	85%
Over time	102,928	13%	135,150	12%	157,734	15%
Net Income						
EBITDA						
Entertainment	287		43,310		32,879	
Enterprise	18,246		74,051		60,944	
Healthcare	35,030		35,660		30,642	
Depreciation and other amortizations						
Entertainment	19,989		18,292		15,906	
Enterprise	10,033		15,339		13,525	
Healthcare	13,362		9,354		5,062	
Adjusted EBIT						
Entertainment	-19,702		25,019		16,974	
Enterprise	8,214		58,712		47,420	
Healthcare	21,668		26,307		25,580	
Total adjusted EBIT	10,180		110,038		89,974	
Restructuring and impairments	-14,513		-		-17,000	
Gain on change in control	-		-		16,384	

IN THOUSANDS OF EURO	2020	2019	2018
EBIT	-4,332	110,038	89,358
Interest income (expense) - net	-121	5,782	4,350
Income/(loss) before taxes	-4,453	115,820	93,708
Income taxes	-	-20,848	-16,586
Result after taxes	-4,453	94,973	77,121
Share in the result of joint ventures and associates	-276	1,566	191
Net income	-4,729	96,539	77,312
Net income attributable to non-controlling interest	-335	1,176	2,347
Net Income attributable to the equity holder of the parent	-4,393	95,363	74,965

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	2020	2019	2018
Assets			
Segment assets			
Entertainment	285,370	307,832	239,194
Enterprise	137,786	168,275	158,563
Healthcare	127,180	126,199	107,725
Total segment assets	550,336	602,306	505,482
Deferred tax assets	62,811	60,116	67,478
Short term investments	3,175	24,748	112,795
Cash and cash equivalents	235,402	357,035	251,807
Other non-allocated assets	166,479	129,971	109,740
Total assets	1,018,203	1,174,176	1,047,301
Liabilities			
Segment liabilities			
Entertainment	117,648	169,700	140,225
Enterprise	53,299	78,147	81,605
Healthcare	49,398	60,913	56,149
Total segment liabilities	220,344	308,760	277,979
Equity attributable to equityholders of the parent	659,309	700,060	633,267
Non-controlling interest	37,798	40,590	1,777
Long-term debts	35,854	40,225	29,882
Deferred tax liabilities	4,745	7,575	3,140
Current portion of long-term debts	9,187	12,469	7,500
Short-term debts	86	-	686
Other non-allocated liabilities	50,880	64,496	93,070
Total equity and liabilities	1,018,203	1,174,176	1,047,301

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 group results' 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 23 million euro of the Group revenues in 2020 versus 36 million euro in 2019 and 32.3 million in 2018.

In 2020, non-current assets in Belgium amount to 158.5 million euro (rest of the world 275.1 million euro); in 2019 165.5 million euro (rest of the world 227.3 million euro) and in 2018 163.2 million euro (rest of the world 195.2 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	2020		2019		2018	
Net sales						
Europe	280,280	36.4%	402,149	37.1%	367,488	35.7%
Americas	296,942	38.6%	426,806	39.4%	369,834	36.0%
Asia-Pacific	192,862	25.0%	253,614	23.4%	291,210	28.3%
Total	770,083	100%	1,082,570	100%	1,028,531	100%
Total assets						
Europe	455,930	44.8%	513,884	43.8%	451,713	43.1%
Americas	222,214	21.8%	247,345	21.1%	200,037	19.1%
Asia-Pacific	340,059	33.4%	412,947	35.2%	395,551	37.8%
Total	1,018,203	100%	1,174,176	100%	1,047,301	100%
Purchases of tangible and intangible fixed assets (excl. IFRS 16)						
Europe	7,315	48.8%	9,977	49.5%	16,898	71.0%
Americas	1,441	9.6%	3,546	17.6%	2,234	9.4%
Asia-Pacific	6,224	41.5%	6,645	32.9%	4,677	19.6%
Total	14,980	100%	20,169	100%	23,809	100%

3. Income from operations (EBIT)

IN THOUSANDS OF EURO	2020	2019	2018
Sales	770,083	1,082,570	1,028,531
Cost of goods sold	-486,300	-653,274	-615,578
Gross profit	283,783	429,295	412,953
Gross profit as % of sales	36.9%	39.7%	40.1%
Indirect costs	-265,300	-319,538	-325,467
Other operating income (expenses) - net	-8,302	280	2,488
Adjusted EBIT	10,180	110,038	89,974
Adjusted EBIT as % of sales	1.3%	10.2%	8.7%
Restructuring and impairments	-14,513	-	-17,000
Gain on change in control	-	-	16,384
EBIT	-4,332	110,038	89,358
EBIT as % of sales	-0.6%	10.2%	8.7%

The low 2020 topline (-28.9% year-over-year) is caused by the negative impact of the covid-19 pandemic on Barco's Entertainment and Enterprise markets. The lower gross profit margin in 2020, down with 2.8 percentage points versus 2019 is primarily resulting from negative mix effect (lower sales Enterprise), higher logistics costs and indirect overhead costs weighing on the lower topline. Lower indirect costs (-54 million euro), as a result of measures taken to align the activity rate with market realities and customer demand, could not compensate for the 145 million euro margin losses, resulting in an adjusted EBIT margin of 1.3% in 2020.

2019 sales were 5.3% higher than 2018 sales. The slightly lower gross profit margin in 2019 compared to 2018 is due to cost of quality related to factory transfers and volume ramp-up transition costs, in Entertainment and Healthcare. The solid gross profits together with lower indirect costs, as a result of the execution of the in 2018 announced restructuring plan, resulted in an EBIT margin of 10.2% in 2019, a step-up of 1.5 percentage points versus 2018 (2018: 8.7%)

EBIT in 2020 includes restructuring costs related to the closure of the Taiwanese Unisee Liquid Crystal Module (LCM) production factory and to reorganizations in the Entertainment and Enterprise divisions caused by the economic impact of the covid-19 pandemic (14.5 million euro).

EBIT in 2019 does not include any adjusting items. In 2018 EBIT included 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.

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

IN THOUSANDS OF EURO	NOTE	2020	2019	2018
Adjusted EBIT		10,180	110,038	89,974
Depreciations and amortizations	9	43,383	42,984	34,492
EBITDA		53,563	153,022	124,466
EBITDA as % of sales		7.0%	14.1%	12.1%

The negative impact of the pandemic on the company's topline and gross profit margins has halted the past years trajectory of continued profit improvement, with an EBITDA margin up 2 percentage points in both 2019 and 2018 versus the year before. In 2020 EBITDA margin is 7% on sales, compared to 14.1% in 2019 and 12.1% in 2018.

IN THOUSANDS OF EURO	2020		2019		2018	
Product sales	639,667	83%	905,366	84%	835,779	81%
Project sales	55,743	7%	75,776	7%	96,382	9%
Service sales	74,673	10%	101,428	9%	96,369	9%
Sales	770,083		1,082,570		1,028,531	

Major part of the sales relates to product sales (in 2020: 83%, in 2019: 84%, in 2018: 81%). 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 2020 the share of project sales remains stable compared to 2019. Most of these project sales have a lifetime of less than one year. The share of service sales in 2020 is 10% of total sales (2019, 2018: 9%).

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

Indirect costs and other operating income (expenses) - net

IN THOUSANDS OF EURO	2020	2019	2018
Research and development expenses (a)	-102,610	-119,389	-120,279
Sales and marketing expenses (b)	-112,329	-142,517	-147,723
General and administration expenses (c)	-50,362	-57,632	-57,464
Indirect costs	-265,300	-319,538	-325,467
Other operating income (expenses) - net (d)	-8,302	280	2,488
Indirect costs and other operating income (expenses) - net	-273,603	-319,258	-322,979

Indirect costs are significantly lower in 2020 compared to 2019 as a result of measures taken to align the activity rate with market realities and customer demand. The company has implemented temporary work arrangements and economic unemployment measures for both white and blue collars, in conformity with country specific legal frameworks, support mechanisms and regulations. These measures also entailed shifts in the planned investment patterns on selected long-term initiatives and a sustained strict discipline on discretionary spending.

Furthermore, the company was able to apply for wage subsidies under the newly enacted Covid-19 relief legislation in the APAC region, Canada and Cinionic US. The total impact on the 2020 full year result of those subsidies received amounts 3.4 million euro.

The negative impact on the company's topline was higher than the reduction in indirect costs via cost measures could compensate for. Consequently, indirect costs as percentage of sales, despite a decline of 54.2 million euro, increased over the last year representing 34.5% of sales in 2020 versus 29.5% of sales in 2019 and 31.6 % of sales in 2018.

(a) Research and development expenses

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

IN THOUSANDS OF EURO	2020	% of sales	2019	% of sales	2018	% of sales
Entertainment	40,533	14%	49,398	11%	49,216	11%
Enterprise	30,582	14%	42,137	12%	43,751	13%
Healthcare	31,495	12%	27,853	10%	27,312	11%
Total Research & development expenses	102,610		119,389		120,279	

In 2020 research and development expenses represent 13.3% of sales in 2020 (11.0% in 2019; 11.7% in 2018). The relative increase is explained by the lower 2020 sales, which cost saving measures could not fully compensate.

(b) Sales and marketing expenses

IN THOUSANDS OF EURO	2020	% of sales	2019	% of sales	2018	% of sales
Sales and marketing expenses	112,329	14.6%	142,517	13.2%	147,723	14.4%

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 2020 the relative increase and absolute decrease in sales and marketing expenses is explained by the impact of the covid-19 pandemic on the company's sales and related cost measures taken.

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.

(c) General and administration expenses

IN THOUSANDS OF EURO	2020	% of sales	2019	% of sales	2018	% of sales
General and administration expenses	50,362	6.5%	57,632	5.3%	57,464	5.6%

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 with 7.3 million euro as a result of the covid-related measures taken.

As percentage of sales, expenses have increased to 6.5% of sales as the topline decrease exceeded the impact of the cost measures. In 2019, general and administration cost amounted to 5.3% of sales, a year-over-year decrease, resulting from further investing in IT infrastructure and executing the 2018 restructuring plan (2018: 5.6%). 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 (2020: 45%, 2019: 40%).

(d) Other operating income (expense) – net

IN THOUSANDS OF EURO	NOTE	2020	2019	2018
Share in the result of BarcoCFG	(a)	3,507	6,296	2,799
Bad debt provisions (net of write-offs and reversals of write-offs)	(b)	-1,697	103	996
Cost of share-based payments		-2,907	-2,147	-2,050
Exchange gains and losses (net)		-3,109	-3,319	-794
Other provisions (net of additions and reversals of provisions)	(c)	-4,609	502	782
Bank charges		-902	-759	-728
Customer financial discounts		-628	-773	-762
Gain on divestments	(d)	-	-	743
Gains/(Loss) on disposal of tangible fixed assets		14	1,349	529
Other (net)		2,029	-972	866
Total		-8,302	280	2,488

(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 11. As a result of the covid-19 global pandemic impact on the cinema business, also the results of the Chinese cinema joint-venture are in 2020 lower than in 2019 and 2018. In 2018 only half year result is included in other operating income, as until June 2018, the results of BarcoCFG were consolidated.

(b) For the year ended December 31, 2020, the Company recorded a provision for current expected credit losses of 1.5 million euro reflecting mainly a reduction in the credit quality of specific cinema customers related accounts receivable as a result of the covid-19 global pandemic.

(c) We refer to note 19.Provisions

(d) In 2018 gain on divestment relates to the sale of X2O Media. We refer to note 1.3. Acquisitions and divestments for more explanation.

4. Revenues and expenses by nature

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

IN THOUSANDS OF EURO		2020		2019		2018		VARIANCE 2020-2019	VARIANCE 2019-2018
Sales		770,083		1,082,570		1,028,531		-29%	5%
Material cost		-393,761	-51%	-530,733	-49%	-501,664	-49%	-26%	6%
Services and other costs		-79,065	-10%	-111,772	-10%	-122,953	-12%	-29%	-9%
Personnel cost	(a)	-235,392	-31%	-287,323	-27%	-281,936	-27%	-18%	2%
Depreciation property, plant, equipment and software		-43,383	-6%	-42,984	-4%	-34,492	-3%	1%	25%
Other operating income (expense) - net (note 3(d))		-8,302	-1%	280	0%	2,488	0%		
Adjusted EBIT		10,180	1%	110,038	10%	89,974	9%	-91%	22%

Personnel cost in 2020 is 51.9 million euro lower than 2019 as a result of temporary measures and executed restructuring lay-offs (see note 5. Restructuring and impairments) to align costs with lower demand as a result of the impact of the covid-19 pandemic on the company's markets. The company has implemented temporary work arrangements and economic unemployment measures for both white and blue collars, in conformity with country specific legal frameworks, support mechanisms and regulations. The lower 2020 personnel costs is in part explained by the fact that there is no bonus included (see 'Remuneration report for financial year 2020').

These measures also entailed shifts in the planned investment patterns on selected long-term initiatives and a sustained strict discipline on discretionary spending (e.g. travel, marketing spend, consulting, ...). The company made deliberate choices on the continuation and timetable of selected development projects based on current needs in the market and future opportunities and adjusted internal support levels in function of the focus shift. This has resulted in 32.7 million lower services and other costs.

Furthermore, the company was able to apply for wage subsidies under the newly enacted Covid-19 relief legislation in the APAC region, Canada and Cinionic US. The total impact on the 2020 full year result of those subsidies received amounts 3.4 million euro.

(a) Personnel cost

IN THOUSANDS OF EURO	2020	2019	2018
Wages and salaries	-189,654	-231,990	-227,808
Social security contributions	-25,494	-28,829	-28,213
Pension expense for defined benefit plans	-13,339	-14,643	-13,870
Temporary labour	-2,388	-5,318	-4,319
Recruiting expenses	-1,552	-3,231	-2,486
Other personnel cost	-2,966	-3,312	-5,240
Personnel cost	-235,392	-287,323	-281,936

Personnel cost includes the cost for temporary personnel for an amount of 2.4 million euro (in 2019: 5.3 million euro, in 2018: 4.3 million euro).

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

	2020	2019	2018
Barco NV (parent company)	1,282	1,190	1,242
Other subsidiaries	2,237	2,400	2,350
Total average number of full time equivalents	3,519	3,590	3,592

Average number of employees in 2020 was 3,519 (versus 3,590 in 2019; 3,592 in 2018), including 2,738 white-collars (in 2019: 2,688, in 2018: 2,715) and 781 blue-collars (in 2019: 902, in 2018: 877).

Full time equivalents at year end 2020 was 3,317 (versus 3,646 end of 2019; 3,563 end of 2018), including 2,671 white collars (2019: 2,728, 2018: 2,699) and 646 blue collars (in 2019: 918, in 2018: 864).

5. Restructuring and impairment costs

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

IN THOUSANDS OF EURO	NOTE	2020	2019	2018
Restructuring (cash):	19	-7,171	-	-17,000
Impairments (non-cash):		-7,342	-	-
Total restructuring and impairments		-14,513	-	-17,000

Please refer to note 9.2 for impairment on tangible fixed assets.

Restructuring costs include cash costs (mainly lay-off costs) (2020: 7.2 million euro, 2019: 0 million euro, 2018: 17 million euro) and non-cash impairment costs (2020: 7.3 million euro, 2019 and 2018: 0 million euro).

Restructuring costs in 2020 related to the closure of the Taiwanese Unisee LCM production factory and to reorganizations in the Entertainment and Enterprise divisions caused by the economic impact on our markets of the pandemic with the purpose to adjust cost levels to the lower topline but also with the aim to have the right focus. All 412 people impacted have been informed before the end of 2020. Restructuring cash costs include a provision for severance of 3.7 million euro per 31 December 2020 (see note 19. Provisions), major part is expected to be paid in the first half of 2021. In 2020, 9.5 million euro of restructuring was paid.

As the company decided to move to a more cost competitive and next generation UniSee platform, the industrialization process came to a pivotal moment. After careful evaluation of the options, Barco's management decided to outsource UniSee LCM (Liquid Crystal Module)-production as of the second half of 2020 and to phase out the inhouse UniSee LCM-production activity in its Taiwanese factory in the second half of 2020. All impacted people (232) have left the company by the end of 2020. The decision has resulted in mainly non-cash restructuring costs related to the closure of the factory and impairment of the machinery and equipment (see note 9.2 Tangible fixed assets).

There are no restructuring and impairment costs in 2019.

The restructuring costs in 2018 relate to the in November 7, 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 completed in full in 2020.

6. Income taxes

IN THOUSANDS OF EURO	NOTE	2020	2019	2018
Current versus deferred income taxes				
Current income taxes		-6,886	-12,394	-9,409
Deferred income taxes	10	6,886	-8,454	-7,177
Income taxes		0	-20,848	-16,586
Income taxes versus income before taxes				
EBIT		-4,332	110,038	89,358
Interest income (expense) - net		-121	5,782	4,350
Income before taxes		-4,453	115,820	93,708
Income taxes		0	-20,848	-16,586
Effective income tax rate	%	0.0%	18.0%	17.7%
Income before taxes		-4,453	115,820	93,708
Theoretical tax rate		25%	30%	30%
Theoretical tax credit/(cost)		1,113	-34,260	-27,719
Innovation income deduction (IID)		5,302	7,398	7,291
Effect of different tax rates in foreign companies		968	4,772	3,452
Changes in deferred tax on undistributed earnings	(a)	-	-2,100	-
Uncertain tax treatment	(b)	1,840	1,260	-
Income not taxed				
Gain on sold shares	(c)	-	-	3,719
Other income exempt from tax (mainly government grants)		2,141	2,068	1,390
Non deductible expenses				
Dividends received	(d)	-4,265	-3,595	-1,574
Other non-deductible expenses		-2,042	-2,440	-1,829
Effect of change in expected tax rate on deferred taxes		-	291	-1,055
Tax adjustments related to prior periods		1,029	2,155	-495
Deferred tax assets, derecognized in current year	(e)	-6,895	-102	-335
Set-up/use of deferred tax assets, not recognized in prior years	(f)	809	3,688	270
Investment allowances		-	-	211
Notional interest deduction (NID)		0	19	89
Taxes related to current income before taxes		0	-20,848	-16,586

(a) Deferred tax recognized on undistributed earnings of subsidiaries which are expected to be distributed in the foreseeable future.
(b) Tax positions taken in the financial statements and in the tax filings and how these are supported, as well as how the taxation authorities might make their examinations and how issues that might arise from examinations could be resolved, are reviewed. Based on this assessment, a deferred tax liability is determined in line with IFRIC 23.
A reversal on the deferred tax liability is taken when the uncertain tax position is no longer in place as a result of an occurred tax examination or expiration of the examination period.
(c) In 2018, the gain realized on the sale of the 9% shares of BarcoCFG was tax exempt.
(d) Withholding taxes on dividends received.
(e) 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. In 2020, this also relates to an impairment on the deferred tax assets, resulting from tax losses carried forward in Barco Taiwan Technology Ltd., due to the decision to close the factory (see note 5. Restructuring and impairments) and liquidate the legal entity.
(f) In 2019, 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.

7. Earnings per share

IN THOUSANDS OF EURO		2020	2019	2018
Net income/(loss) attributable to the equity holder of the parent		-4,393	95,363	74,965
Weighted average of shares		88,265,478	87,836,593	87,060,073
Basic earnings per share		**-0.05**	**1.09**	**0.86**
Net income/(loss) attributable to the equity holder of the parent		-4,393	95,363	74,965
Weighted average of shares (diluted)		88,693,611	88,859,469	87,719,091
Diluted earnings per share	(a)	**-0.05**	**1.07**	**0.85**

(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 16.

At Barco's Extraordinary General Shareholder's Meeting, of 30 April 2020, the shareholders have approved the share split by a factor seven (7), effective as of 1 July 2020. The purpose of the share split is to enhance accessibility and to improve the liquidity of the Barco share. As a result of this share split, Barco's total capital shall be represented by 91,487,438 shares as from 1 July 2020. Each of these shares confers one voting right at the General Meeting. The new split shares (please note: new ISIN code BE0974362940) are traded on the Euronext Brussels regulated market from 1 July 2020 onwards. Therefore, the earnings and diluted earnings per share as of 31 December 2019 and 2018 are for comparison reasons recalculated for the new number of shares.

8. Goodwill

IN THOUSANDS OF EURO	2020	2019	2018
At cost			
On 1 January	179,775	179,775	179,548
Translation (losses)/gains	-	-	227
On 31 December	179,775	179,775	179,775
Impairment			
On 1 January	74,163	74,163	74,163
Impairment losses	-	-	-
On 31 December	74,163	74,163	74,163
Net book value			
On 1 January	105,612	105,612	105,385
On 31 December	105,612	105,612	105,612

In 2020 there are no changes to goodwill.

Over the last three years the impairment tests on goodwill did not result in any impairment.

As a result of the covid-19 global pandemic described in the section 'Critical accounting judgments and key sources of estimation uncertainty' on page 22 the Company performed a quantitative goodwill impairment test per 30 June 2020 and again per 31 December 2020.

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

The value-in-use of each reporting unit was assessed using a discounted cash flow model based on divisional management's revised budget for the year and estimated long-term projections covering a five-year period. Consistently with its yearly impairment test, the Company adjusts the divisional management cash flow projections for future years to more conservative levels in view of the level of uncertainty. An appropriate level of conservatism compared to previous reporting periods was applied to the updated impairment testing to take into account covid-19 related uncertainty. The outcome of the goodwill impairment tests performed did not result in any impairment loss.

See below for explanations on the impairment testing performed.

Goodwill by cash-generating unit

On acquisition, goodwill acquired in a business combination is allocated to the cash-generating 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:

Cash generating units

IN THOUSANDS OF EURO	2020	2019	2018
Entertainment	35,564	35,564	35,564
Healthcare	28,263	28,263	28,263
Enterprise	41,785	41,785	41,785
Total goodwill (net book value)	105,612	105,612	105,612

The Group performed its annual impairment test in the fourth quarter of 2020 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 2020, the market capitalization of the Group was more than two times the amount of equity of the Group. As such, this general test does not show an indication for impairment.

The annual impairment tests were performed for each cash-generating unit. The recoverable amount for each of the cash-generating units has been determined based on a value-in-use calculation using cash flow projections generated by 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 8.7% (2019: 6.5%, 2018: 8.9%) and cash flows beyond the five-year period are extrapolated using a conservative growth rate of 0% (2019: 0%, 2018: 0%). The amount by which the unit's recoverable amount exceeds its carrying amount is 27 million euro in Entertainment (188 million euro in 2019), 214 million euro in Enterprise (590 million euro in 2019) and 179 million euro (260 million euro in 2019) in Healthcare. The lower headroom in all three divisions is explained by the consistent level of conservatism applied starting from covid impacted 2020 results (see Sales growth rate used during the projection period in Key assumptions used in value-in-use calculations). In 2019 and 2020, the carrying amounts include the impact of the right-of-use assets resulting from the application of IFRS 16 as of 2019.

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 core report of this annual report.

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

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

Key assumptions used in value-in-use calculations

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

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

The assumptions are shown in below table:

	ENTER-TAINMENT	HEALTH-CARE	ENTER-PRISE
Sales growth rate used during the projection period	0.0%	0.0%	0.0%
EBITDA as % of sales	5.8%	13.4%	16.5%
Growth rate estimates	0.0%	0.0%	0.0%
Discount rates	8.7%	8.7%	8.7%

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. The EBITDA percentage has been kept conservatively flat over the projected period, except for Entertainment, where it is more realistic to take an average of the pre-covid EBITDA level of 2018 and 2019 as of 2022.

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 2020, only a change in EBITDA margin could result in impairment losses. The implications of the key assumptions for the recoverable amount are discussed below:

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

For Entertainment, Enterprise and Healthcare a reduction of the EBITDA percentage in the last year of the projected period of respectively more than 1.6%, 13% and 9% would result in an impairment.

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

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

9. Other intangible assets and tangible fixed assets

9.1 Other intangible assets

IN THOUSANDS OF EURO	2020						2019	2018
	SOFTWARE	CUSTOMER RELATIONS	KNOW HOW	OTHER INTANGIBLE ASSETS	OTHER INTANGIBLE ASSETS UNDER CONSTRUCTION	TOTAL	TOTAL	TOTAL
At cost								
On 1 January	70,436	21,541	54,979	10,191	104	157,250	143,696	145,300
Expenditure	1,690	-	-	8	252	1,951	3,122	3,710
Sales and disposals	-6,869	-1,054	-	-142	-	-8,064	-929	-4,581
Acquisition of subsidiaries	-	-	-	-	-	-	8,900	-
Disposal of subsidiaries	-	-	-	-	-	-	-	-405
Transfers	109	-	-	-	-109	-	-	-
Translation (losses)/gains	-44	-6,067	-10,382	-36	-	-16,529	2,461	-329
On 31 December	65,323	14,420	44,597	10,020	247	134,608	157,250	143,696
Amortization and impairment								
On 1 January	43,406	21,541	38,082	9,753	-	112,781	96,299	81,939
Amortization	7,889	-	5,471	28	-	13,388	15,523	19,032
Impairment	-	-	3,500	-	-	3,500	-	-
Sales and disposals	-6,862	-1,054	-	-37	-	-7,953	-670	-4,554
Disposal of subsidiaries	-	-	-	-	-	-	-	-153
Transfers	-	-	-6	6	-	-	-	-
Translation (losses)/gains	-129	-6,067	-9,840	-24	-	-16,061	1,629	35
On 31 December	44,303	14,420	37,206	9,726	-	105,655	112,781	96,299
Carrying amount								
On 1 January	27,031	-	16,897	438	104	44,469	47,397	63,361
On 31 December	21,020	-	7,391	295	247	28,952	44,469	47,397

Barco's intangibles mainly include SAP ERP software and intangibles acquired through acquisitions.

In 2020, capital expenditures for intangible assets amount to 2 million euro (2019: 3.1 million euro, 2018: 3.7 million euro), mainly related to SAP ERP software licenses (2019: 1 million euro; 2018: 1.5 million euro).

Disposals in 2020 relate to fully amortized IT software which is no longer used.

In 2019, the acquired know how for caresyntax (8.9 million euro) is included in the table above in the line 'acquisition of subsidiaries'. 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 was recorded as an intangible asset (acquired know-how) and is amortized over 5 years. No equity instrument has been recognized because of the premium paid over the fair value of the shares.

The Group performed its annual impairment review on acquired intangibles in the fourth quarter of 2020 consistently with prior years. Special attention was paid to the potential impact of covid-19. The impairment test resulted in an impairment of 3.5 million euro on the acquired know how for caresyntax. The impairment cost is included in research and development expenses.

Barco does not hold intangible assets with indefinite lifetime.

9.2 Tangible fixed assets

IN THOUSANDS OF EURO	2020							2019	2018
	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	127,520	90,335	43,474	13,670	1,862	149,342	276,862	240,011	237,667
Expenditure *	7,878	2,530	5,678	1,144	9,283	18,635	26,513	21,745	20,099
Sales and disposals	-7,229	-15,490	-3,759	-3,340	-29	-22,619	-29,847	-19,854	-15,820
Change in accounting principle (IFRS 16)	-	-	-	-	-	-	-	33,438	
Disposal of subsidiaries	-	-	-	-	-	-	-	-	-1,990
Transfers	-386	3,585	395	1,499	-5,094	386	-	-	-
Translation (losses)/gains	-3,260	-1,475	-1,005	-607	-77	-3,163	-6,423	1,522	55
On 31 December	124,524	79,485	44,784	12,366	5,945	142,580	267,104	276,861	240,011
Depreciation and impairment									
On 1 January	43,855	56,491	30,376	10,670	-	97,537	141,393	131,231	132,337
Depreciation	12,233	7,495	5,701	1,066	-	14,262	26,495	27,466	15,458
Impairment	-	5,136	-	621	-	5,757	5,757	-	-
Sales and disposals	-4,342	-15,363	-3,574	-3,067	-	-22,004	-26,346	-18,048	-15,075
Disposal of subsidiaries	-	-	-	-	-	-	-	-	-1,460
Transfers	-	2	9	-11	-	-	-	-	-
Translation (losses)/gains	-1,443	-1,076	-749	-401	-	-2,226	-3,669	743	-29
On 31 December	50,304	52,686	31,763	8,877	-	93,326	143,630	141,393	131,231
Carrying amount									
On 1 January	83,665	33,843	13,098	3,000	1,862	51,805	135,469	108,780	105,330
On 31 December	74,220	26,799	13,020	3,490	5,945	49,254	123,473	135,467	108,779

(*) Expenditures in 2020 also includes the additions for IFRS 16.

Capital expenditures for tangible assets in 2020, excluding the impact of IFRS16, amount to 15.5 million euro. Major facility related investments concern the new factory in China, Suzhou (2020: 3.3 million euro; 2019: 0.8 million euro), the new software lab in Noida (1.9 million euro) and heating, ventilation and airco investments in its Kortrijk and Duluth facilities (1.1 million euro). The facility related capex in 2018 and 2019 were in Barco's headquarters and extended operations facility (2019: 1.4 million euro, 2018: 8.2 million euro) and the Taiwan factory (2019: 4.1 million euro; 2018: 2.1 million euro).

In addition, capital expenditures include machinery and tooling linked to new development projects (2020: 3.6 million euro; 2019: 1.5 million euro) and the renovation of the Duluth facility in the US (2019: 2 million euro, 2018: 1.6 million euro).

Disposals in 2020 mainly relate to the closure of the Taiwan factory (impairment of 5.8 million euro), together with old machinery. The main capex on the balance sheet, realized in the period 2015 – 2019 relates to the headquarters of Barco and the extended operations facility for 79.1 million euro.

The closure of the Taiwanese Unisee LCM-production factory in the second half of 2020 resulted in an impairment of 5.8 million euro mainly related to the machinery and equipment (see note 5. Restructuring and impairments). The closure was linked to the decision to outsource the Unisee LCM panels.

The Company considered the potential impact of covid-19 on the utilization levels of its factories and potential impairment of its machinery and equipment. The analysis did not conclude an impairment. See 'Critical accounting judgements and key sources of estimation uncertainty' for more explanation on the impact of covid-19 on Barco's operations.

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 more information for leases where the Group is a lessee.
The balance sheet shows the following amounts relating to leases:

IN THOUSANDS OF EURO	2020			2019
	BUILDINGS	VEHICLES	TOTAL	TOTAL
On 1 January	30,884	7,081	37,965	33,438
New leases or extensions of currentleases	7,602	3,399	11,000	4,647
Termination of leases	-7,226	-1,064	-8,290	-165
Translation (losses)/gains	-1,653	-10	-1,663	44
On 31 December	29,607	9,406	39,013	37,965
Depreciation and impairment				
On 1 January	-7,674	-2,275	-9,948	-
Depreciation	-7,944	-2,390	-10,334	-9,983
Termination of leases	4,339	1,033	5,372	50
Translation (losses)/gains	489	6	495	-15
On 31 December	-10,790	-3,625	-14,415	-9,948
Right-of-use assets				
On 1 January	23,210	4,807	28,017	33,438
On 31 December	18,817	5,781	24,598	28,017 (*)

(*) Until 31 December 2018, 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 in the annual report of 2019.

Additions to the right-of-use assets during 2020 were 11 million euro (2019: 4.4 million euro) split over leased buildings (7.6 million euro) and leased vehicles (3.4 million euro). The additions are both renewals of existing lease agreements as well as new lease agreements in Singapore, China and India over a lease period of respectively 5 years, 5 years and 8 years.

We refer to note 14 for more information on the lease liabilities.
The statement of profit or loss shows the following amounts relating to leases:

IN THOUSANDS OF EURO	31 DEC 2020	31 DEC 2019
Buildings	-7,944	-7,702
Vehicles	-2,390	-2,281
Total depreciation charge of right-of-use assets	-10,334	-9,983
Interest expense (included in finance cost)	-1,000	-1,085
Expense relating to short-term leases	-41	-509
Expense relating to leases of low-value assets that are not shown above as short-term leases	-26	-23

The total cash outflow for leases in 2020 was 10.8 million euro (2019: 10.6 million euro).

10. 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)		
	2020	2019	2018	2020	2019	2018	2020	2019	2018
Tax value of loss carry forwards	22,854	22,622	20,367	-	-	-	22,854	22,622	20,367
Tax value of tax credits	13,616	11,505	18,980	-	-	-	13,616	11,505	18,980
Provisions	12,197	14,689	13,430	-142	-	-2,336	12,054	14,689	11,094
Inventory	9,133	10,247	12,001	-	-353	-278	9,133	9,894	11,723
Deferred revenue	5,082	3,825	4,805	-442	-979	-1,518	4,640	2,845	3,287
Tangible fixed assets and software	1,734	1,766	1,741	-925	-960	-836	809	806	905
Employee benefits	843	1,207	1,388	-525	-1,000	-8	318	207	1,380
Other investments	797	558	408	-	-	-	797	558	408
Trade debtors	407	401	231	-	-	-4	407	401	228
Uncertain tax treatment (IFRIC 23)	-	-	-	-3,400	-5,240	-	-3,400	-5,240	-
Patents, licenses, ...	-	-	-	-3,688	-4,013	-4,159	-3,688	-4,013	-4,159
Other items	589	-1,561	293	-64	-173	-170	525	-1,734	124
Gross tax assets/(liabilities)	67,253	65,260	73,646	-9,187	-12,719	-9,308	58,066	52,541	64,338
Offset of tax	-4,441	-5,143	-6,169	4,441	5,143	6,169	-	-	-
Net tax assets/(liabilities)	62,811	60,116	67,478	-4,745	-7,575	-3,140	58,066	52,541	64,338

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	22,622	274	-	-43	22,854
Tax value of tax credits	11,505	2,131	-	-20	13,616
Patents, licenses, ...	-4,013	126	-	199	-3,688
Tangible fixed assets and software	806	126	-	-123	809
Other investments	558	303	-	-64	797
Inventory	9,894	-193	-	-568	9,133
Trade debtors	401	42	-	-36	407
Provisions	14,689	-2,378	-9	-247	12,054
Employee benefits	207	165	-	-54	318
Deferred revenue	2,845	2,172	-	-377	4,640
Other items	-1,734	2,278	-	-19	525
Uncertain tax treatment (IFRIC 23)	-5,240	1,840	-	-	-3,400
Net deferred tax	52,541	6,886	-9	-1,352	58,066

On top of the tax losses and tax credits for which a net deferred tax is recognized (net deferred tax asset of respectively 22.9 million euro and 13.6 million euro), the Group owns tax losses carried forward and other temporary differences on which no deferred tax asset is recognized amounting to 42 million euro as of 31 December 2020 (32.3 million euro in 2019) (resulting in a non-recognized deferred tax asset of 11.5 million euro (9.2 million euro in 2019)) and unutilized capital losses carried forward in the US on which no deferred tax asset is recognized amounting to 30.5 million euro (29.4 million euro in 2019) (resulting in a non-recognized deferred tax asset of 7.4 million euro (7.3 million euro in 2019)). 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, or that tax assets will be utilized within their statue of limitations. 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 will expire in 2023.

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. In 2020, the covid-19 impact on future taxable profit was factored in in the realization assessment. A time period of 5 years is considered. In order to fully realize the deferred tax asset, the Group will need to generate future taxable profit in the countries where the net operating losses 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 2020, it is probable that the Group will be able to recover these deductible temporary differences.

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 478 million euro at December 31, 2020 (2019: 491 million euro, 2018: 460 million euro).

11. Investments and interest in associates

IN THOUSANDS OF EURO	2020	2019	2018
Investments	87,228	23,215	178
Interest in associates	19,713	20,073	18,927
Investments and interest in associates	106,942	43,288	19,105

Investments

IN THOUSANDS OF EURO	2020	2019
Opening net assets 1 January	23,215	178
Additions	52,273	21,185
Other comprehensive income	18,331	1,852
Translation losses	-6,591	
Closing net assets 31 December	87,228	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. Interest in associates are fully allocated to the Entertainment division.

The increase in investments from 2018 to 2020 is related to acquired minority stakes, below regulatory disclosure threshold levels. The investments are measured at market price. For investments that are publicly quoted in an active market, the quoted market price is the best measure of fair value. The remeasurement at fair value per 31 December 2020 versus the carrying amount, amounted to 18.3 million euro and is reflected in other comprehensive income (2019: 1.9 million euro).

Interest in associates

Interest in associates, in 2020 and 2019, reflects the equity investment in BarcoCFG and CCO.

The Group's share of the assets and liabilities as at 31 December 2020 and 2019 and income and expenses of the joint ventures and associates for the year ended 31 December 2020 and 2019, which are accounted for using the equity method:

SUMMARIZED BALANCE SHEET IN THOUSANDS OF EURO	BARCO CFG 31 DEC 2020	CCO 31 DEC 2020	TOTAL 31 DEC 2020	BARCO CFG 31 DEC 2019	CCO 31 DEC 2019	TOTAL 31 DEC 2019
Cash and cash equivalents	21,441	18,423	39,864	44,828	12,924	57,752
Other current assets	52,472	3,335	55,807	51,365	9,625	60,990
Total current assets	73,913	21,758	95,671	96,193	22,548	118,741
Non-current assets	7,943	10,535	18,479	7,994	15,602	23,595
Other current liabilities	59,532	7,217	66,749	83,356	9,853	93,209
Total current liabilities	59,532	7,217	66,749	83,356	9,853	93,209
Other non-current liabilities	-	7	7	-	13	13
Total non-current liabilities	-	7	7	-	110	110
Net assets	22,324	25,070	47,394	20,831	28,187	49,018
Reconciliation to carrying amounts:						
Opening net assets 1 January	20,831	28,187	49,018	21,998	23,279	45,277
Profit/loss for the period	7,156	-788	6,369	12,849	4,476	17,325
Other comprehensive income (CTA)	-578	-2,329	-2,908	161	433	593
Dividends paid	-5,085	-	-5,085	-14,178	-	-14,178
Closing net assets	22,324	25,070	47,394	20,831	28,187	49,018
Group's share in %	49%	35%		49%	35%	
Group's share	10,939	8,775	19,713	10,207	9,866	20,073
Carrying amount	10,939	8,775	19,713	10,207	9,866	20,073

SUMMARIZED STATEMENT OF COMPREHENSIVE INCOME IN THOUSANDS OF EURO	BARCO CFG 31 DEC 2020	CCO 31 DEC 2020	TOTAL 31 DEC 2020	BARCO CFG 31 DEC 2019	CCO 31 DEC 2019	TOTAL 31 DEC 2019
Profit/loss for the period	7,156	-788	6,369	12,849	4,476	17,325
Other comprehensive income (CTA)	-578	-2,329	-2,908	161	433	593
Total comprehensive income	6,578	-3,117	3,461	13,010	4,908	17,918
Group's share in %	49%	35%		49%	35%	
Group's share in profit/(loss) for the period	3,507	-276	3,231	6,296	1,566	7,863
Share in the result of joint ventures and associates	-	-276	-276	-	1,566	1,566
Included in other operating income	3,507		3,507	6,296		6,296

The Group has no contingent liabilities or capital commitments in relation to its associates as at 31 December 2020 and 2019. For all equity accounted investments, the parent's or other investor's consent is required to distribute its profits; which is not decided at the reporting date. The equity accounted investments did not recognize items in other comprehensive income.

12. Inventory

IN THOUSANDS OF EURO	2020	2019	2018
Raw materials and consumables	68,053	68,868	66,498
Work in progress	57,972	61,560	54,122
Finished goods	122,408	112,871	96,930
Write-off on inventories	-73,043	-74,316	-82,439
Inventory	**175,390**	**168,983**	**135,111**
Inventory turns	2.3	3.2	3.8

IN THOUSANDS OF EURO	2020	Turns	2019	Turns	2018	Turns
Entertainment	96,429	1.8	95,354	2.9	72,802	3.7
Enterprise	33,863	2.6	34,419	3.7	27,014	4.3
Healthcare	45,098	3.1	39,211	3.6	35,295	3.5
Total inventory and turns	**175,390**	**2.3**	**168,983**	**3.2**	**135,111**	**3.8**

While the Company has decelerated significantly on its purchases (see note 18), the combination of these impacts has resulted in high year-end inventory levels and lower inventory turns especially in the Entertainment division, where the cinema and events business were impacted the most. Inventory turns decreased to 2.3, compared to 3.2 in 2019.

Increased inventory in the Healthcare division is linked to customer committed orders for the China region for which the supplier decided to stop the production of raw materials and the Company therefore purchased the raw materials upfront under the form of a last-time buy order.

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

As a result of the covid pandemic crisis in 2020 the company experienced disruptions to its ability to operate production facilities in some countries in the months of March and April but recovered near full operational capacity afterwards. In order to anticipate on potential disruptions, safety stocks were temporarily increased. As from the second quarter onwards, the covid-19 pandemic started to spread internationally and impacted most of the markets Barco operates in, resulting in a lower and changing customer demand. As a result of the lock-down measures and related restrictions predictability of customer demand dropped.

We refer to chapter 'Critical accounting judgements and key sources of estimation uncertainty' for more explanation on the impact of covid-19.

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, both are impacted by the covid-19 pandemic in 2020 and resulted in higher write-offs recognized as expense in 2020: 11.6 million euro or 1.5% of sales (2019: 4.4 million euro; 0.4% of sales, 2018: 6.1 million euro; 0.6% of sales). The write-off balance remained stable in 2020, as the higher write-offs in profit and loss were offset by scrapped inventories.

The inventory turns decreased to 3.2 in 2019 compared to 3.8 in 2018, mainly impacted by the launch and ramp-up of new products in Entertainment.

13. Amounts receivable and other non-current assets

IN THOUSANDS OF EURO		2020	2019	2018
Trade debtors - gross		150,452	198,232	165,201
Trade debtors - bad debt reserve	(a)	-4,314	-2,874	-3,413
Trade debtors - net	(b)	146,138	195,358	161,787
V.A.T. Receivable		5,358	8,574	7,054
Taxes receivable		5,744	3,266	3,313
Interest receivable		24	1,860	943
Currency rate swap (note 20)		5,345	5,879	2,380
Other		1,319	6,090	5,876
Other amounts receivable		17,789	25,669	19,567
Other non-current assets	(c)	5,870	4,018	9,732
Number of days sales outstanding (DSO)		67	55	52

Per 31 December 2020, the number of days sales outstanding is at 67 days (55 days in 2019 and 52 in 2018). The increase in number of days sales outstanding is the result of higher overdues, mainly from cinema customers, caused by the covid-19 global impact on the cinema markets.

For the year ended December 31, 2020, the Company recorded a provision for current expected credit losses of 1.5 million euro reflecting a reduction in the credit quality of specific cinema customers related accounts receivable as a result of the covid-19 global pandemic.

The bad debt reserve in proportion to the gross amount of trade debtors has increased to 2.9% (2019: 1.4%, 2018: 2.1%).

(a) Movement in bad debt reserve:

IN THOUSANDS OF EURO	2020	2019	2018
On 1 January	-2,874	-3,413	-4,481
Additional provisions	-2,341	-720	-1,922
Amounts used	100	332	548
Amounts unused	645	972	2,458
Translation (losses) / gains	156	-45	-15
On 31 December	-4,314	-2,874	-3,413

(b) At 31 December 2020, the aging analysis of trade receivables is as follows:

IN THOUSANDS OF EURO	2020	2019	2018
Not due	111,020	168,432	139,634
Overdue less than 30 days	12,282	15,654	16,918
Overdue between 30 and 90 days	6,246	9,220	5,171
Overdue between 90 days and 180 days	12,899	2,904	1,042
Overdue more than 180 days	8,005	2,022	2,437
Total gross	150,452	198,232	165,201
Bad debt reserve	-4,314	-2,874	-3,413
Total	146,138	195,358	161,787

In 2020, total overdue trade receivables amount to 39.4 million euro (2019: 29.8 million euro, 2018: 25.6 million euro), resulting in 19 days overdue DSO (2019: 9 days). The increase in overdue amounts and long outstanding overdues is mainly from the Company's cinema customers. The Company has a credit insurance in place for specific higher risk cinema contracts and for cinema customers with overdues. The Company was able to reach extended payment plans which are closely monitored. Part of the overdue amounts are linked to service contracts, for which payments are delayed or service period was extended in view of the cinemas being closed for business. Potential payment risk and the actual service period were considered when recognizing revenue out of these service contracts.

In assessing the potential credit risk and the need for recording a bad debt reserve on expected credit losses, the Company has taken into account the credit insurance in place, payment plans being honored and revenue recognition, which explains the bad debt reserve in 2020 amounting to 54% of the trade receivables overdue more than 180 days (2019: 142%, 2018: 140%).

As of 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

The other non-current assets include cash guarantees for an amount of 5 million euro (2019: 3 million euro, 2018: 3.4 million euro).

In 2018, the non-current assets also 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 14) offset by long term debt of the same amount. As this long-term receivable expired in 2020, 3.2 million euro is included in other receivables in 2019.

14. Net financial cash/debt

IN THOUSANDS OF EURO		2020	2019	2018
Short term investments	(a)	3,175	24,748	112,795
Deposits	(a)	79,911	176,438	114,901
Cash at bank	(b)	155,426	180,532	136,832
Cash in hand		65	65	74
Cash and cash equivalents		235,402	357,035	251,807
Long-term financial receivables		-	277	5,430
Long-term debts	(c)	-35,854	-40,225	-29,882
Current portion of long-term debts	(c)	-9,187	-12,469	-7,500
Short-term debts	(d)	-86	-	-686
Net financial cash/(debt)		193,450	329,366	331,964

The net financial cash at the end of 2020 amounts to 193.5 million euro, 135.9 million euro lower compared to end 2019, a result of the negative free cash flow (-36 million euro), dividends paid out (-33 million euro), investments (-55 million euro) and currency impact. We refer to the supplementary statements, note 16 and note 11 for more explanation. Of the total net financial cash, 235 million euro is cash on the balance sheet. Additional financial flexibility is provided with 75 million euro of unused bilateral committed credit facilities with a selected group of commercial banks (see further c). In addition to significant liquidity, Barco has a well-balanced debt profile with debt limited to 45 million euro of which 9 million euro near-term maturities.

The direct available net cash, excluding the cash contributed by Barco and the minority shareholders of Cinionic (65.7 million euro)) amounts to 127.7 million euro.

The net financial cash in 2019 decreased slightly with 2.6 million euro, versus 2018, mainly due to the IFRS16 related debt of 33.4 million euro added in 2019. The net cash was also impacted by investments (21.1 million euro) and the increase in ownership in BTT and Barco BCV CEC Panda to 100%.

(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	2020	AVERAGE INTEREST RATE	2019	AVERAGE INTEREST RATE	2018	AVERAGE INTEREST RATE
- deposits in USD	71,839	0.70%	120,666	1.73%	107,291	2.36%
- deposits in CNY	6,232	1.88%	53,622	4.06%	96,170	3.57%
- deposits in INR	3,175	3.61%	24,309	7.48%	21,709	7.20%
- deposits in other currencies	1,839		2,589		2,526	
Total short term investments and deposits	83,086		201,186		227,696	

The decrease in foreign currency deposits in CNY and INR in 2020 compared to 2019, is a result of dividents distributed from the Company's affiliates in China and India. In view of the low interest rates on deposits, those dividends were kept in cash in Euro and Hong Kong Dollar (see b).

(b) Cash at bank

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

	2020	2019	2018
- EUR	34.7%	41.4%	49.4%
- HKD	28.8%	2.4%	4.4%
- CNY	15.3%	30.7%	17.1%
- USD	8.6%	12.7%	15.1%
- Others	12.5%	12.7%	13.9%

(c) Long-term financial debts

The Barco Group has a total of 95 million euro committed credit facilities available. The portfolio consists of 2 major tranches:

- 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 2023. Drawings under the facilities have a short-term tenor.
- Barco NV signed a number of bilateral committed credit facilities totaling 28 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 20 million euro is outstanding per end of 2020. 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	2020	2019	2018
- EUR	31,348	35,366	31,000
- USD	4,098	8,328	1,261
- INR	4,162	1,381	
- Other	5,434	7,620	5,121
Total	45,042	52,695	37,382

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 2020	31 DEC 2019	31 DEC 2018
Real estate financing:				
- variable, swapped into fixed (EU)	Later than 2025	10,838	12,113	13,388
- variable (EU)	Later than 2025	9,163	9,888	10,613
- variable, swapped into fixed (US)	Later than 2025	-	888	871
Research Development Innovation (RDI) financing:				
- fixed, European Investment Bank	2020	-	1,500	7,000
Vendor financing (offset by long-term receivable)		-	-	5,430
Leasing (IFRS 16)		24,929	28,259	-
Other		113	47	81
Total long-term financial debts		45,042	52,695	37,382

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

PER 31 DECEMBER 2020		PER 31 DECEMBER 2019		PER 31 DECEMBER 2018	
Payable in 2022	9,883	Payable in 2021	10,003	Payable in 2020	9,540
Payable in 2023	7,034	Payable in 2022	7,081	Payable in 2021	2,545
Payable in 2024	6,214	Payable in 2023	6,259	Payable in 2022	2,476
Payable in 2025	5,083	Payable in 2024	5,133	Payable in 2023	3,300
Later	13,168	Later	15,468	Later	15,352
Total long-term debts	41,381	Total long-term debts	43,945	Total long-term debts	33,213

The lease liabilites per 31 december are as follows:

IN THOUSANDS OF EURO	2020	2019
On 1 January	28,259	33,438
New leases or extensions of current leases	11,000	4,647
Payments or termination of leases	-13,132	-9,855
Translation (losses)/gains	-1,199	28
Total lease liabilities on 31 December	24,929	28,259
Current	7,187	8,969
Non-current	17,742	19,290

(d) Short-term financial debts

The below table gives an overview of the short-term financial debts on 31 December:

IN THOUSANDS OF EURO	2020		2019		2018	
	EFFECTIVE INTEREST RATE	BALANCE	EFFECTIVE INTEREST RATE	BALANCE	EFFECTIVE INTEREST RATE	BALANCE
- Other	0.0%	86	0.0%	0	0.0%	686
Total		86		0		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 2020.

15. Other long-term liabilities

IN THOUSANDS OF EURO		2020	2019	2018
Other amounts payable		75	106	-
Accrued charges		3,058	5,146	1,526
Deferred Income	(a)	40,016	21,676	22,097
Prepayment customers LT		138	103	934
Other long-term liabilities		43,286	27,031	24,557

(a) Deferred income which will be recognized in revenue over a longer period than one year, is shown in other long-term liabilities. It concerns mainly maintenance contracts sold in the Entertainment division which cover a long-term liability. The contracts start at the end of the two years standard warranty period. The increase in 2020, is caused by some large cinema contracts concluded in 2019 and 2020, for which major part of the extended warranty period will be recognized in revenue as of 2022. Some of these customers concluded yearly service contracts in the past, which were replaced by long term service contracts. Due to the impact of covid-19 on cinema markets globally, less one-year contracts were concluded in 2020.

16. Equity attributable to equity holders of the parent

IN THOUSANDS OF EURO	2020	2019	2018
Share capital	55,879	55,876	55,869
Share premium	147,003	146,524	146,171
Share-based payments	14,100	11,193	9,046
Acquired own shares	-26,962	-29,334	-35,762
Retained earnings	535,093	554,479	501,807
Cumulative translation adjustment	-64,693	-37,522	-42,842
Derivatives	-1,111	-1,157	-1,022
Equity attributable to equity holders of the parent	659,309	700,060	633,267

1. Share capital, share premium and own shares

A small capital increase took place in 2020 through the exercise of 5,250 warrants into the same number of new shares on 23 June 2020 with a resulting increase of the statutory capital of 3 ('000) euro and an increase of the share premium account of 35 ('000) euro.

As a result, the company's share capital amounts to 55.9 million euro on 31 December 2020, consisting of 91,487,438 fully paid shares.

Since 2016, Barco did not acquire own shares. In total, Barco owns now 3,160,032 own shares.

In 2020, Barco sold in total 216,614 own shares upon the exercise of 216,614 stock options with a resulting decrease of the own shares of 2,372 ('000) euro and an increase of the share premium account of 444 ('000).

As a result, thereof the company's share premium account amounts to 147 million euro, the share-based payments amount to 14.1 million euro and the number of own shares acquired by Barco NV up to 31 December 2020 therefore decreased to 3,160,032 own shares (2019:3,376,646; 2018: 4,184,530 own shares).

2. Share-based payments

On 29 October 2020, 2 new option plans have been approved by the Board of Directors. These 2 option plans entitle the granting of maximum 424,000 stock options before 31 December 2020. Each stock option gives right to the acquisition of one (1) share. In 2020, 424,000 stock options have been granted to employees and management of the group based upon these option plans. On 31 December 2020, no options remained available for distribution under the 2020 stock option schemes given the expiry dates of the plans per 31 December 2020.

Warrants exercisable under the warrant and stock option plans

The total number of outstanding warrants on 31 December 2020 amounted to 0. Since 2010, stock options have been granted. The total number of outstanding stock options on 31 December 2020 amounted to 2,727,834. The company's own shares will be used under the outstanding stock option plan to fulfill the commitment. During 2020, 5,250 warrants and 216,614 stock options have been exercised (in 2019, 11,200 warrants and 807,884 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 2019	GRANTED IN 2020	EXERCISED IN 2020	CANCELLED IN 2020	EXPIRED IN 2020	BALANCE ON 31 DEC 2020
Warrants								
11/12/07[1]	11/11/17	7.24	6,300	-	-5,250	-	-1,050	0
Total number of warrants			6,300	-	-5,250	-	-1,050	0

(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 2019	GRANTED IN 2020	EXERCISED IN 2020	CANCELLED IN 2020	EXPIRED IN 2020	BALANCE ON 31 DEC 2020
Stock options								
10/28/10	10/27/20	5.12	2,800	-	-1,400	-	-1,400	0
10/28/11	10/27/21	5.24	3,500	-	-	-	-	3,500
10/31/12	10/30/22	7.48	5,600	-	-1,400	-	-	4,200
10/31/12	10/30/20	7.48	18,900	-	-8,050	-	-10,850	0
10/31/12[2]	10/30/20	7.57	19,950	-	-12,950	-	-7,000	0
10/21/13	10/20/23	8.43	11,060	-	-	-	-	11,060
10/21/13	10/20/21	8.43	28,700	-	-	-	-	28,700
10/21/13[2]	10/20/21	8.71	28,350	-	-5,250	-	-	23,100
10/23/14	10/22/24	7.86	23,100	-	-2,800	-	-	20,300
10/23/14	10/22/22	7.86	26,439	-	-700	-	-	25,739
10/23/14[2]	10/22/22	7.91	22,274	-	-1,771	-	-	20,503
10/22/15	10/21/25	8.16	23,450	-	-7,000	-	-	16,450
10/22/15	10/21/23	8.16	40,425	-	-700	-	-	39,725
10/22/15[2]	10/21/23	8.26	31,850	-	-3,500	-	-	28,350
10/24/16	10/23/26	10.40	498,610	-	-87,500	-	-	411,110
10/24/16	10/23/24	10.40	42,917	-	-	-	-	42,917
10/24/16[2]	10/23/24	10.61	45,178	-	-14,693	-	-	30,485
10/20/17	10/16/27	12.54	605,675	-	-	-	-	605,675
10/20/17	10/16/25	12.54	88,200	-	-15,350	-	-	72,850
10/20/17[2]	10/16/25	12.67	207,900	-	-53,550	-	-2,100	152,250
10/23/18	10/22/28	14.40	424,900	-	-	-7,000	-	417,900
10/11/19	10/10/29	24.83	349,020	-	-			349,020
10/29/20	10/28/30	12.76	-	424,000	-	-	-	424,000
Total number of stockoptions			2,548,798	424,000	-216,614	-7,000	-21,350	2,727,834

(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 2.9 million euro in 2020 (2019: 2.1 million euro; 2018: 2.1 million euro).

3. Retained earnings

The change in retained earnings includes the net income of 2020, actuarial losses, change in the fair value of equity investments, and the distribution of 33.4 million euro dividend, as approved by the general shareholders meeting of 30 April 2020. The board of directors of Barco NV will propose in the shareholders meeting of April 2021 a gross dividend of 0.378 euro per share out of the available reserves per 31 December 2020. In 2020 a gross dividend of 0.378 euro per share was paid out on the results of 2019; in 2019 0.329 euro was paid out.

4. Cumulative translation adjustment

In 2020, the exchange differences on translation of foreign operations have a net negative impact of 30 million euro, mainly relating to foreign balances held in Hong Kong Dollar (-12.9 million euro), US Dollar (-7.8 million euro), Indian Rupee (-3.6 million euro), Chinese Yuan (-1.9 million euro) and Norwegian Krone (-1.3 million euro).

5. Derivatives

Derivative financial instruments are disclosed in note 20.

6. Main shareholders

	BEFORE DILUTION	
Public	63,798,580	69.73%
Titan Baratto NV	16,819,089	18.38%
Norges Bank	4,102,042	4.48%
3D NV	3,607,695	3.94%
Barco NV	3,160,032	3.45%
Total	91,487,438	100.00%

17. Non-controlling interest

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

NAME	COUNTRY OF INCORPORATION AND OPERATION	2020	2019	2018
Cinionic, Ltd	Hong Kong	45%	45%	-
Barco Taiwan Technology Ltd.	Taiwan	-	-	10%
Barco China Electronic Visualization Technology	China	-	-	35%
Barco CEC (HK), Ltd	China	-	-	35%

Overview of the equity attributable to non-controlling interest:

IN THOUSANDS OF EURO	2020	2019	2018
Cinionic Ltd.	37,798	40,590	-
Barco Taiwan Technology Ltd.	-	-	-1,085
Barco China Electronic Visualization Technology	-	-	2,819
Barco CEC (HK), Ltd	-	-	43
Total equity attributable to non-controlling interest	**37,798**	**40,590**	**1,777**

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 remaining contributor to the non-controlling interest in 2019 and 2020 is Cinionic Ltd. In 2018, Barco decided 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 Cinionic legal entities incorporated. 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 and 2020. 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 2020 and 2019.

ASSETS AND LIABILITIES CINIONIC JV IN THOUSANDS OF EURO	2020	2019
Total non-current assets	4,901	1,929
Total current assets	107,537	140,080
Total assets	**112,438**	**142,009**
Equity attributable to equityholders of the parent	46,197	49,610
Equity attributable to non-controlling interest	37,798	40,590
Total equity	**83,995**	**90,201**
Total non-current liabilities	24,420	6,601
Total current liabilities	24,186	61,139
Total liabilities	**132,601**	**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	2020		2019		2018
Cinionic Ltd.		618		592		-
Cinionic bvba		-741		867		-
Cinionic Inc.		-389		1,123		-
Barco Cine Appo Mexico, S.A. de C.V.		-233		32		-
CFG Barco (Beijing) Electronics Co., Ltd *		-		-		6,640
Barco Taiwan Technology Ltd.		-		-		-6,926
Barco China Electronic Visualization Technology		-		-		563
Barco CEC (HK), Ltd		-		-		107
Net income		**-745**		**2,614**		**384**
Cinionic Ltd.	45%	278	45%	267		-
Cinionic bvba	45%	-334	45%	390		-
Cinionic Inc.	45%	-175	45%	505		-
Barco Cine Appo Mexico, S.A. de C.V.	45%	-105	45%	14		-
CFG Barco (Beijing) Electronics Co., Ltd *	0%	-	0%	-	42%	2,805
Barco Taiwan Technology Ltd.	0%	-	0%	-	10%	-693
Barco China Electronic Visualization Technology	0%	-	0%	-	35%	197
Barco CEC (HK), Ltd	0%	-	0%	-	35%	37
Net income attributable to non-controlling interest		**-335**		**1,176**		**2,347**

(*) 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 -2.5 million euro in 2020, -0.5 million euro in 2019 and 0.1 million euro in 2018. Total comprehensive income for the year, net of tax, part attributable to non-controlling interest amounts to -2.8 million euro in 2020, 0.7 million euro in 2019 and 2.4 million euro in 2018.

18. Trade payables and advances received from customers

IN THOUSANDS OF EURO		2020	2019	2018
Trade payables	(a)	70,299	128,914	105,148
Days payable outstanding (DPO)		53	71	59
Advances received from customers	(b)	42,375	69,515	53,747

(a) Decreased trade payables in 2020 compared to 2019 is the result of significant lower purchases, linked to the lower demand over 2020. 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) The lower cinema sales and the financial impact on the Company's cinema customers of the closed cinemas worldwide as a result of the covid-19 pandemic have resulted in lower advances received in 2020. 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. All prepaid amounts are expected to be recognized in revenues over the coming 12 months.

19. Provisions

IN THOUSANDS OF EURO		BALANCE SHEET 2020	ADDITIONAL PROVISIONS MADE	AMOUNTS USED	UNUSED AMOUNTS REVERSED	TRANSFERS	REMEASUREMENT GAINS/(LOSSES) ON DBO	TRANSLATION (LOSSES) / GAINS	BALANCE SHEET 2019	BALANCE SHEET 208
Total long-term provision		40,156	3,330	-1,474	-5,392	1,766	37	-539	42,428	34,265
Defined benefit obligations	(b)	31,282	3,331	-600	-1,199	-	37	-112	29,826	18,757
Technical warranty	(a)	8,857	-	-874	-4,192	1,766	-	-419	12,577	14,097
Other claims and risks	(d)	18	-	-	-	-	-	-8	25	1,412
Total short-term provision		13,720	13,884	-11,201	-5,739	-1,766	-	-217	18,759	32,032
Technical warranty	(a)	4,922	-	-	-1,926	-1,766	-	-185	8,799	8,092
Restructuring provision	(c)	3,743	9,882	-10,425	-2,711	-	-	-	6,997	20,714
Other claims and risks	(d)	5,055	4,002	-777	-1,103	-	-	-31	2,963	3,226
Provisions		53,876	17,214	-12,676	-11,131	-	37	-756	61,187	66,298

(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 2020, 2019 and 2018, the defined benefit obligations are composed of:

IN THOUSANDS OF EURO	2020	2019	2018
Pension plans in Belgium	26,190	24,231	13,143
Early retirement plans in Belgium	213	166	783
Local legal requirements (mainly Italy, Korea, Japan, Germany, France)	4,754	5,136	4,580
A small number of individual plans	125	294	251
Total	31,282	29,826	18,757

Belgian regulations require as from 2016 onwards that 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.

2020, 2019 and 2018 changes in the Belgian defined benefit obligation and fair value of plan assets:

IN THOUSANDS OF EURO	2020			2019			2018		
	DEFINED BENEFIT OBLIGA-TION	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	124,416	-100,185	24,231	105,122	-91,980	13,143	94,077	-86,672	7,405
Service cost	7,929		7,929	6,685		6,685	6,602		6,602
Net interest expense	585	-474	111	1,526	-1,379	146	1,358	-1,308	50
Decrease due to curtailment	-		-	-447		-447			
Sub-total included in profit or loss	8,513	-474	8,039	7,764	-1,379	6,385	7,960	-1,308	6,652
Benefits paid	-1,285	1,285	-	-1,020	1,020	-	-2,844	2,844	-
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)	-	-2,733	-2,733	-	-1,254	-1,254	-	-752	-752
Actuarial changes arising from changes in demographic assumptions	-	–	-	-479		-479			-
Actuarial changes arising from changes in financial assumptions	1,698		1,698	12,199		12,199	281		281
Actuarial changes arising from changes in methodology	-	-	-	-172	33	-139	4,821		4,821
Actuarial changes arising from experience adjustments	998		998	1,020		1,020	1,325		1,325
Sub-total included in OCI	2,696	-2,733	-37	12,549	-1,212	11,337	6,427	-752	5,676
Contributions by employer	-	-6,043	-6,043	-	-6,633	-6,633	-	-6,590	-6,590
Disposal of subsidiaries	-	-	-	-	-	-	-498	498	-
On 31 December	134,340	-108,150	26,190	124,416	-100,185	24,231	105,122	-91,980	13,143

In 2020 2 million euro net increase in P&L is caused by the increased service cost as a result of a low discount rate compared to the minimum guaranteed future rate of return, for which additional employer contributions will be requested. In 2019 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 (108.2 million euro) are fully invested in insurance policies. In 2020, the target asset mix consists of 67.50% government bonds (66.5% in 2019), 14% real estate (16% in 2019), 7.5% corporate bonds (7.5% in 2019), 6% corporate loans (6% in 2019) and 5% shares (4% in 2019).

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

	2020	2019	2018
Discount rate	0.29%	0.42%	1.30%
Future salary increases	2.44%	2.59%	2.58%
Future consumer price index increases	1.75%	1.75%	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	2020	2019	2018
Discount rate:			
0.25% decrease	3,324	3,190	2,537
0.25% increase	-3,868	-3,033	-2,384
Future salary change:			
0.25% decrease	-1,212	-1,181	-924
0.25% increase	596	1,268	989
Future consumer price index change:			
0.25% decrease	-711	-680	-519
0.25% increase	735	702	535

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	2020	2019	2018
Within the next 12 months	3,197	3,071	3,926
Between 2 and 5 years	20,865	24,802	17,893
Between 5 and 10 years	46,857	42,210	22,915
Total expected payments	70,919	70,083	44,734

The average duration of the defined benefit plan obligation at the end of the reporting period is 12.6 years (12.5 years in 2019 and 13.7 years in 2018). The expected employer contributions to the plan for the next annual reporting period amounts to 7.1 million euro (6.6 million euro in 2019 and 6.2 million euro in 2018); the employee contributions are expected to amount to 1.2 million euro (1.1 million euro in 2019 and 2018). Early retirement plans are recognized as liability and expensed when the company is committed to terminate the employment of the employees affected before the normal retirement date.In Belgium, a multi-employer plan exists for some blue collars where payments go into a sectoral fund. As Barco does not have access to information about the plan that satisfies the requirements of the standard, the plan is further classified as a defined contribution plan and expensed as incurred.

(c) Restructuring provision

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

d) Other claims and risks

This provision relates to disputes with suppliers, pending litigations and specific customer warranty disputes. Barco cannot provide details on the specific cases, as this could cause considerable harm to Barco in the particular disputes. With respect to the contingent liabilities related to former acquisitions, there is one earn-out capped at 15 million euro linked to the retention of the former shareholders and future results for which the future results could not be reliably estimated at acquisition. The earn-outs will flow through profit and loss at moment of payment over the earn-out period, until May 25, 2026. Per end 2020, no payments occurred under this earn-out.

20. Risk management - derivative financial instruments

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

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

Foreign currency risk

Recognized assets and liabilities

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

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

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

Forecasted transactions

Barco selectively designates forward contracts to forecasted sales. Hedge accounting is applied to these contracts. The portion of the gain or loss on the hedging instrument that will be determined as an effective hedge is recognized directly in comprehensive income. As at 31 December 2020, there were no forward contracts outstanding under hedge accounting treatment.

Estimated sensitivity to currency fluctuations

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

- The fair value of foreign currency monetary items is impacted by currency fluctuations. In order to eliminate most of these effects in foreign currencies, Barco uses monetary items and/or derivative financial instruments as described above, which are meant to offset the impact of such results to a major extent.
- As the Company has no cash flow hedges in place that aim at hedging forecasted transactions, a similar fluctuation in foreign currencies would not have any effect on the equity position of Barco.
- Profit margins may be negatively affected because an important part of sales are realized in foreign currencies, while costs are incurred in a smaller part in these currencies. Barco has done great efforts throughout the years to increase its natural hedging ratio in USD (being its main foreign currency in terms of sales) by increasing its operational costs and by purchasing more components in this currency. Impact on adjusted EBIT is currently estimated at -0.5 million euro when the weighted average rate of a foreign currency basket that has an overall overweight of USD, CNY and NOK changes by 10% versus the euro in a year. The overall natural hedge ratio of foreign currencies reached a level of 85% in 2020.
- Another impact is the fact that some of Barco's main competitors are USD-based. Whenever the USD decreases in value against the euro, these competitors have a worldwide competitive advantage over Barco. This impact on operating result cannot be measured reliably.

Interest rate risk

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

Swap on outstanding or anticipated borrowing

Barco concluded a series of interest rate swaps with an outstanding notional amount of 12.1 million euro by means of a partial hedge for the bilateral real estate leasing (currently outstanding at 20.0 million euro) for the financing of Barco's HQ campus starting in 2016. This instrument swaps the variable interest rate into a fixed 1.76%.

These swaps are determined as an effective hedge of outstanding or anticipated borrowings and meet the hedging requirements of IAS 39. The fair values of the effective portion of the hedging instrument are therefore recognized directly in comprehensive income under hedge accounting treatment.

Estimated sensitivity to interest rate fluctuations

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 55% 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 79% 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 2020, Barco continued to conclude credit insurances in order to cover credit risks on specific customers or large contracts on a case by case basis.

Credit risk on liquid securities and short-term investments

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

Fair values

Set out 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	2020	2019	2018
	Carrying amount/Fair value (approx.)		
Financial assets			
Investments at fair value through equity	86,651	23,038	-
Trade receivables	146,138	195,358	161,787
Other receivables	17,789	25,669	19,567
Loan and other receivables	12,420	17,930	15,386
Interest rate receivable	24	1,860	1,800
Currency rate swap	5,345	5,879	2,380
Other non-current assets	5,870	4,018	9,732
Other short term investments	3,175	24,748	112,795
Cash and cash equivalents	235,402	357,035	251,807
Total	495,026	629,866	555,688
Financial liabilities			
Financial debts	20,000	45,390	28,583
Floating rate borrowings	10,838	26,258	26,615
Fixed rate borrowings	9,163	19,132	1,967
Other long-term liabilities	43,286	27,031	24,557
Short-term debts	86	-	686
Trade payables	70,299	128,914	105,148
Other current liabilities	8,980	13,268	48,532
Other short term amounts payable	80	2,825	42,066
Dividends payable	2,290	2,301	2,323
Currency rate Swap	5,529	7,016	2,541
Interest rate swap	1,080	1,126	1,663
Total	142,650	214,603	207,506

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

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

- Cash and cash equivalents and short-term investments, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Investments are measured at market price. For investments that are publicly quoted in an active market, the quoted market price is the best measure of the fair value. The remeasurement at fair value per 31 December 2020 versus the carrying amount is reflected in other comprehensive income.
- Long term fixed rate and variable rate other assets are evaluated by the Group based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are made to account for the expected losses of these receivables. As at 31 December 2020, 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 2020, 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 2020, the Group held the following financial instruments measured at fair value:

IN THOUSANDS OF EURO	2020	2019	2018
Assets measured at fair value			
Financial assets at fair value through profit or loss			
Foreign exchange contracts - non-hedged	5,345	5,879	2,380
Financial assets at fair value through equity			
Investments	86,651	23,038	-
Liabilities measured at fair value			
Financial liabilities at fair value through profit or loss			
Foreign exchange contracts - non-hedged	5,529	7,016	2,541
Interest rate swap	-	888	673
Financial liabilities at fair value through equity			
Interest rate swap	1,080	1,126	991

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.

During the reporting period ending 31 December 2020, 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	2020	2019	2018
Net financial cash/(debt)	14	193,527	329,366	331,964
Equity		697,107	740,650	635,044
% Net financial cash (debt)/equity		27.8%	44.5%	52.3%

IN THOUSANDS OF EURO		2020	2019	2018
Equity		697,107	740,650	635,044
Total equity and liabilities		1,018,203	1,174,176	1.047,301
% Equity/Total equity and liabilities		68.5%	63.1%	60.6%

In 2020, the net cash position ended at a level of 193.5 million euro compared to 329.4 million euro as per end of 2019.

We refer to note 14 for the details on the movement.

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

Changes in liabilities arising from financing activities

IN THOUSANDS OF EURO			NON-CASH CHANGES		
	1 January 2020	Cash flows	IFRS 16 movements	Foreign exchange movement	31 December, 2020
Long-term borrowings	20,888	-2,871	-	-16	18,000
Short-term borrowings	12,469	2,103	-	-5,299	9,273
Lease liabilities	19,337	-8,364	8,083	-1,202	17,854
Total liabilities from financing activities	**52,695**	**-9,133**	**8,083**	**-6,517**	**45,127**

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. The non-cash changes include impacts from fluctuations in the translation of foreign operations balances, including inter-company borrowings of which the balances are eliminated at Group level.

21. Operating leases

IN THOUSANDS OF EURO	2018
Non-cancellable operating leases are payable as follows:	
Less than one year	8,723
Between one and five years	20,608
More than five years	1,567
Total	**30,897**

Non-cancellable operating leases in 2018 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, of which 9.1 million euro relating to rent of buildings.

As of 1 January 2019, Barco has applied IFRS 16 Leases. We refer to the chapter of Significant IFRS accounting principles and IFRS standards applied as of 2019.

22. Rights and commitments not reflected in the balance sheet

IN THOUSANDS OF EURO		2020	2019	2018
Guarantees given to third parties	(a)	3,850	5,037	4,901
Mortgage obligations given as security	(b)	30,000	30,000	30,000
- book value of the relevant assets		36,527	40,460	43,791
Sales commitment		-	-	1,600

(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.

23. 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' 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 2020, remuneration approved by the Audit Committee to the statutory auditor for auditing activities amounted to 331,106 euro. Remuneration paid to the statutory auditor for special assignments was 130,215 euro.

24. 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	2018
Non-current assets	-	-	139
Software	-	-	3
Tangible assets and other intangible assets	-	-	136
Current assets	-	-	1,486
Trade debtors & other receivables	-	-	1,486
Current liabilities	3,272	5,621	1,019
Trade payables	-	-	217
Other payables	3,272	5,621	802
Net-identifiable assets and liabilities	-3,272	-5,621	605
Net assets held for sale (9% BarcoCFG)	-	-	5,819
Gain on sale of divestments	-	-	17,127
Acquired/(sold) cash	-	-	-56,669
Received consideration / Cash sold (net)	-	-	-32,558
Purchase price	3,272	5,621	-

There were no acquisitions and disposals in 2020.

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 in 2018 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. Next to the BarcoCFG transaction, 1.3 million euro was received on the sale of the X2O Media entity.

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.

25. 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	2020	2019	2018
Adjusted EBIT	10,180	110,038	89,974
Restructuring	-9,536	-13,717	-2,882
Gain on sale of divestments	-	-	-743
Depreciation of tangible and intangible fixed assets	43,383	42,984	34,492
Gain/(Loss) on tangible fixed assets	170	-1,024	-149
Share in the profit/(loss) of joint ventures and associates	-276	1,566	191
Gross operating Free Cash Flow	43,921	139,848	120,882
Changes in trade receivables	41,391	-32,160	-11,209
Changes in inventory	-12,260	-32,989	334
Changes in trade payables	-59,936	23,404	-1,306
Other changes in net working capital	-23,960	15,618	-12,722
Change in net working capital	-54,764	-26,126	-24,903
Net operating Free Cash Flow	-10,843	113,721	95,979
Interest received	1,845	7,648	5,915
Interest paid	-1,965	-1,866	-1,566
Income taxes	-10,398	-13,053	-12,460
Free Cash flow from operating activities	-21,361	106,451	87,869
Purchases of tangible & intangible FA	-14,980	-20,169	-25,627
Proceeds on disposals of tangible & intangible fixed assets	488	2,379	922
Free Cash flow from investing activities	-14,493	-17,790	-24,705
FREE CASH FLOW	-35,854	88,661	63,164

Free cash flow for 2020 was -36 million euro reflecting lower EBITDA, cash-outlays associated with the restructuring and working capital, while reduced compared to 1H20, still higher than end of year 2019 at approximately 10% of sales.

At the end of December 2020, Barco's net cash position reaches 193.5 million euro, a decrease compared to last year (2019: 329.4 million euro, 2018: 332 million euro) as a result of the negative free cash flow (-36 million euro), dividends paid out (-33 million euro), investments (-55 million euro) and currency impact.

Balance Sheet

Inventory + accounts receivable – accounts payable over sales was 32.6% compared to 21.7% in 2019. Net working capital was 10% of sales compared to 3% in 2019.

While year-end working capital was higher than 2019, it improved relative to 108 million euro at mid-year reflecting reduced inventory levels and reduced DSO from 82 days sales outstanding to 67 at the end of the year.

Inventory levels remained high in 2020, mainly in Entertainment, a combined effect of build-up safety stocks at the start of and lower and changing customer demand after the international spread of the covid-19 pandemic.

Return on Operating Capital Employed

IN THOUSANDS OF EURO		2020	2019	2018
Trade debtors		146,138	195,358	161,787
Inventory		175,390	168,983	135,111
Trade payables		-70,299	-128,914	-105,148
Other working capital		-170,620	-205,246	-189,289
Working capital		80,610	30,181	2,462
Other long term assets & liabilities		210,493	232,479	220,515
Operating capital employed		291,102	262,661	222,977
Goodwill		105,612	105,612	105,612
Operating capital employed (incl goodwill)		396,714	368,272	328,589
Adjusted EBIT		10,180	110,038	89,974
ROCE after tax (%)	(a)	3%	25%	23%

(a) Tax rate used is the effective tax rate (in 2020: 0%; 2019: 18% and 2018: 17.7%).

The return on capital employed is at 3% in 2020 (2019: 25%, 2018: 23%), due to the lower operational result and increased working capital, both impacted by the global covid-19 pandemic.

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 2020 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	2020	2019	2018
Fixed assets	362,928	414,029	449,835
Intangible fixed assets	27,260	40,540	41,612
Tangible fixed assets	67,267	71,092	74,363
Financial fixed assets	268,401	302,397	333,860
Current assets	255,249	320,602	278,871
Amounts receivable after more than one year	-	-	390
Inventory	109,712	104,210	70,228
Amounts receivable within one year	109,517	173,061	156,383
Investments (own shares)	27,143	28,991	35,943
Cash and cash equivalents	295	933	1,435
Deferred charges and accrued income	8,582	13,407	14,492
Total assets	618,177	734,631	728,706
Capital and reserves	276,033	326,746	336,693
Capital	55,880	55,877	55,870
Share premium account	146,776	146,741	146,663
Reserves	34,207	36,054	42,156
Accumulated profits	38,977	87,771	91,373
Investment grants	193	303	631
Provisions	11,739	15,818	24,059
Provisions for liabilities and charges	11,739	15,818	24,059
Creditors	330,404	392,066	367,954
Amounts payable after more than one year	18,000	20,000	23,890
Amounts payable within one year	312,404	372,066	344,064
Total liabilities	618,177	734,631	728,706

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 2018 and 2019 related to the extended operations facility at the headquarters in Kortrijk.

Financial fixed assets in 2020 decreased 34 million euro, as a result of statutory impairments on the participations in Barco Ltd. (Taiwan) and in Barco Fredrikstad AS (Norway), both as a result of the integration of the business into Barco NV, and on Barco Taiwan Technology Ltd (Taiwan) because of the closure of the Taiwan factory and the decision to liquidate the legal entity.

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. Inventory levels remained high in 2020, mainly in Entertainment, a combined effect of build-up of safety stocks at the start of and lower and changing customer demand after the international spread of the covid-19 pandemic. Amounts receivables are lower in 2020 because of the lower sales.

Amounts payable are lower in 2020 due to braked purchases as a result of the lower demand.

Income statement

IN THOUSANDS OF EURO	2020	2019	2018
Sales	583,172	772,944	674,159
Recurring operating income/(loss)	-15,954	70,795	38,810
Recurring financial result	44,514	-2,973	1,515
Non-recurring financial result	-41,784	-43,604	-2,861
Income taxes	-4,030	-568	-333
Transfer to untaxed reserves	-	-850	-
Profit/(loss) for the year	**-17,254**	**22,800**	**37,131**

Barco NV sales in 2020 decreased 25% to 583 million euro, due to lower sales in Entertainment (-34%) and Enterprise (-31%), as a result of the negative impact of the covid-19 pandemic on Barco's Entertainment and Enterprise markets. The lower high margin Enterprise sales are the main reason for the lower gross profit margin in 2020. Cost measures were taken to align the activity rate with market realities and demand, resulting in 23% lower operating charges. Barco continued to invest in strategic and commercial initiatives, in order to strengthen its leadership position when markets recover. As such, cost measures did not fully compensate for the decrease in gross margins, which has led to an operating loss of -16 million euro, compared to a profit of 70.8 million euro in 2019.

The recurring financial income in 2020 includes intercompany dividends received from Barco Electronic Systems Pvt. Ltd. (India), Barco Fredrikstad AS (Norway), Barco Limited (Taiwan) and Barco Inc (US).

The non-recurring financial result consists of impairments booked on financial fixed assets (see above). In 2019 this was the result of the impairment on Barco Fredrikstad and Barco Taiwan.

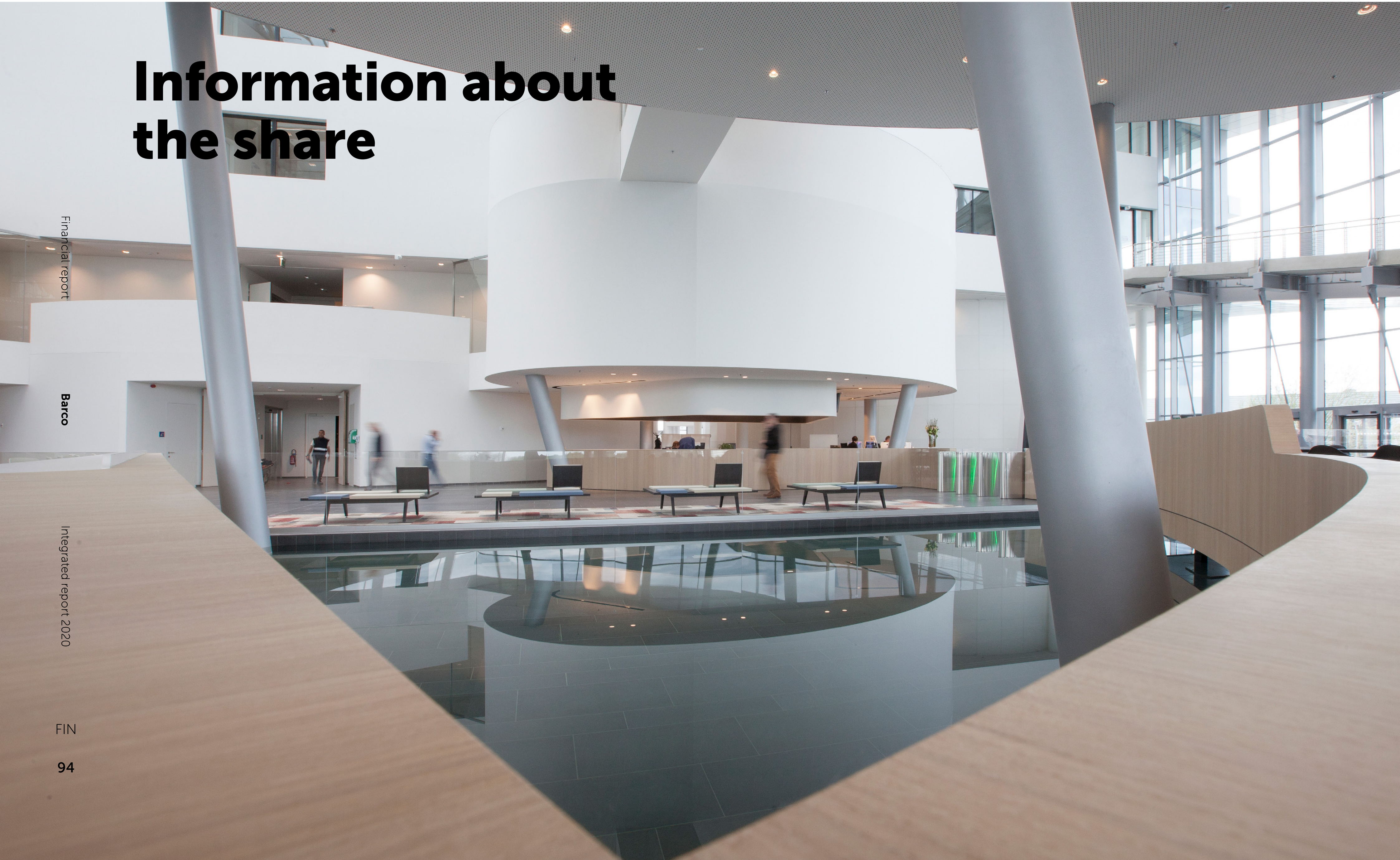
The income taxes relate to withholding taxes on received dividends. In 2019 this relates to the cost of investment in the Belgian tax shelter regime. The transfer to untaxed reserves is also linked to this tax shelter regime in 2019.

Proposed appropriation of Barco NV result

IN THOUSANDS OF EURO	2020	2019	2018
Profit/(loss) for the year for appropriation	-17,254	22,800	37,131
Profit brought forward	87,771	91,374	76,480
Profit to be appropriated	70,517	114,174	113,611
Transfer from other reserves	-1,848	-6,951	-6,443
Profit to be carried forward	38,977	87,771	91,374
Gross dividends	33,388	33,354	28,680
Total	70,517	114,174	113,611

The board of directors of Barco NV will propose to the General Assembly to distribute a gross dividend of 0.378 euro per share. Barco's shareholders will be offered the choice between payment in cash or dividend in shares, enabling Barco's shareholders to reinvest in the company.

Information about the share



Key figures for the shareholder

Number of shares (in thousands):		91,487	91,482	91,471
PER SHARE (IN EURO)		**2020**	**2019**	**2018**
EPS		-0.05	1.09	0.86
Diluted EPS		-0.05	1.07	0.85
Gross dividend		0.378	0.378	0.329
Net dividend		0.26	0.26	0.23
Return on Equity (ROE)		-0.7%	13.0%	12%
Gross dividend yield	(a)	2.1%	1.2%	2.3%
Yearly return	(b)	-41.8%	123.8%	13.2%
Pay-out ratio	(c)	-787.1%	36.3%	40.1%
Price/earnings ratio	(d)	-358.0	28.8	16.4

(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

Values for 2018 & 2019 restated following to the 7:1 share split, see press release

Share price performance

Share price

PER SHARE (IN EURO)	2020	2019	2018	2017	2016
Average closing price	21.22	23.80	15.09	12.42	9.41
Highest closing price	35.21	31.71	17.66	13.62	11.50
Lowest closing price	12.76	14.37	12.84	11.28	7.77
Closing price 31/dec	17.82	31.29	14.13	12.75	11.43
Average number of shares traded daily (*)	**279,797**	**171,185**	**162,505**	**118,032**	**153,448**
Stock market capitalization on 31 December (in millions)	**1,630.31**	**2,862.09**	**1,292.35**	**1,166.00**	**1,045.05**

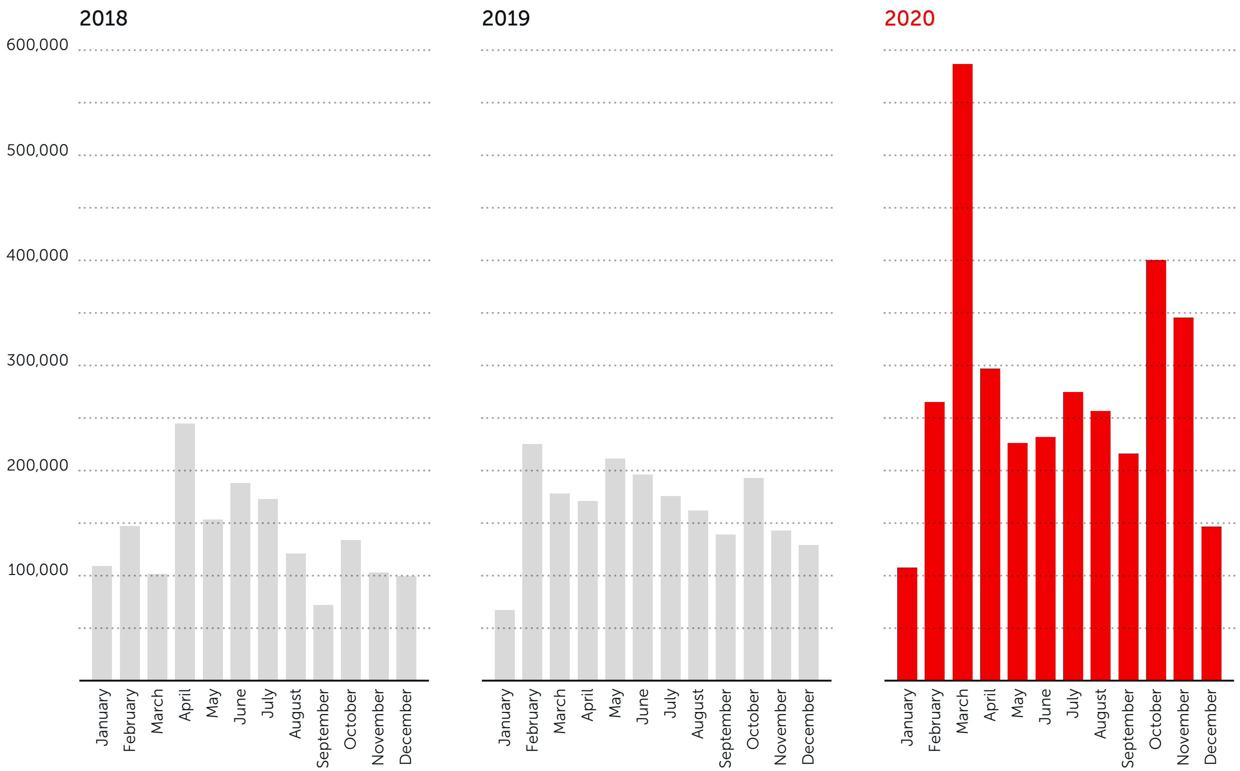
(*) The average number of shares traded daily is taking into account the trades as registered and disclosed by Euronext.

Values for 2018 & 2019 restated following to the 7:1 share split, see press release

Liquidity

SOURCE	SOURCE	2020	2019	2018
Total yearly volume (shares)	Euronext Brussels	71,907,829	42,274,925	34,975,857
Daily average number of shares traded	Euronext Brussels	279,797	171,185	162,505
Total yearly volumes (turnover) in million euro	Euronext Brussels	1,459.92	1,008.55	528.20
Velocity	Euronext Brussels	77.56%	45.99%	38.16%

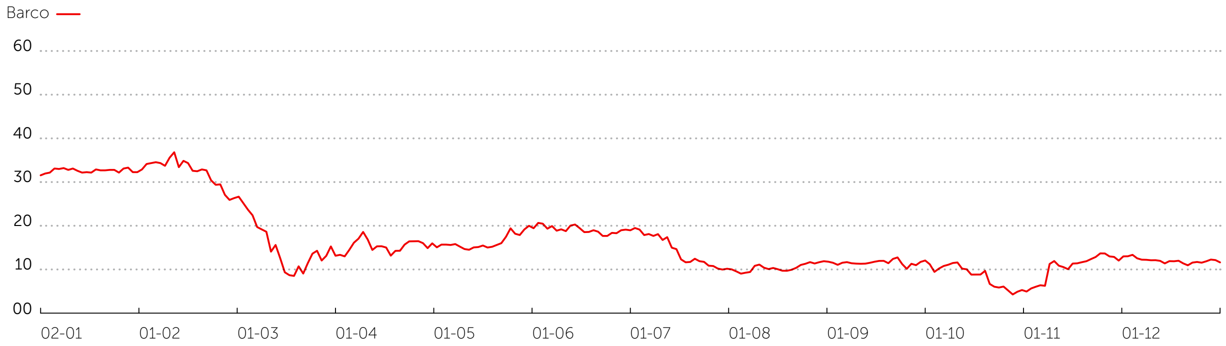
Daily average shares traded



Values for 2018 & 2019 restated following to the 7:1 share split, see press release

Barco share price 2020

Barco share price 2020



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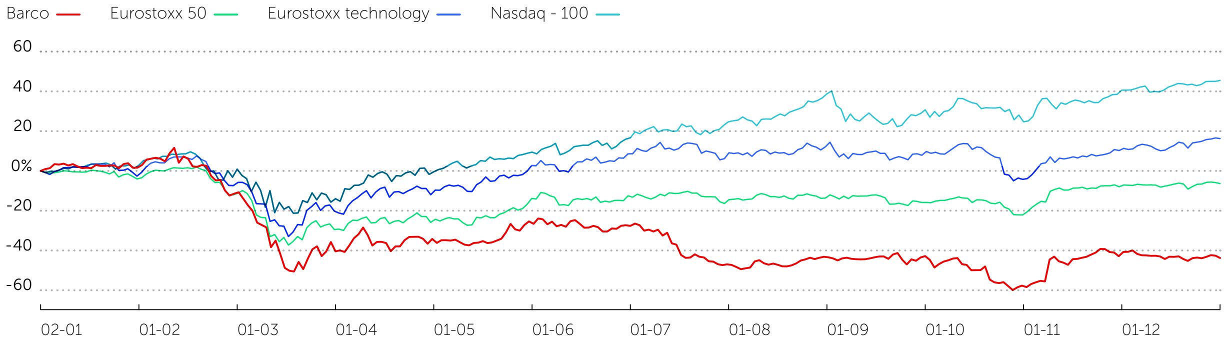

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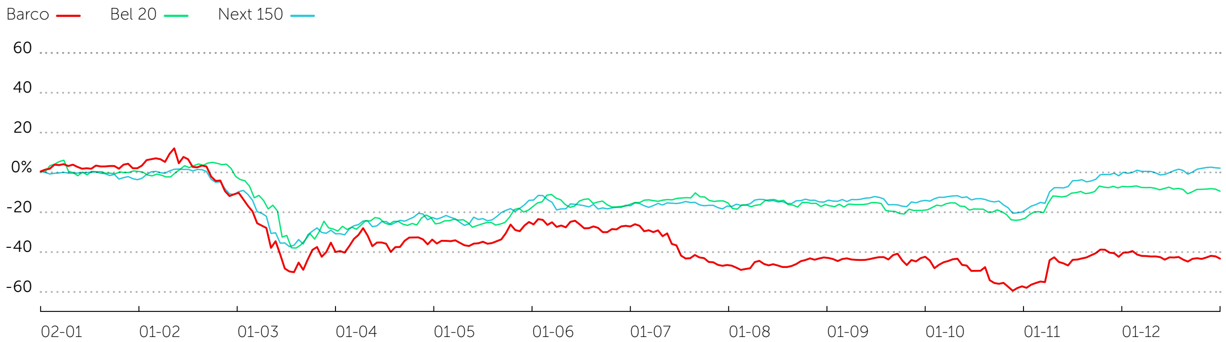


Shareholder structure

Shareholders

A study of Barco's global shareholdership, carried in December 2020, plotted almost 98% of the company's shareholder composition[1], compared to 97% a year earlier.

Identified institutional investors hold almost 75% of all shares (compared to 76% the year before). Treasury shares held by the company are good for 3.5% of the shares and approximately 14.5% of the shares are held by retail investors, up from 13% a year ago.

Geographic distribution

Belgium remains the dominant investment region in Barco's institutional shareholder base, with a strong proportional representation versus peers and industry averages. Over 2020 domestic investors were net buyers of the stock, fueled by some new entrants, to hold now 45% of the institutional shares compared to 40% at the end of 2019. US remain the second largest region in institutional ownership with a 21%, down from 25% the year before. The decline was partly influenced by the exit of some quant driven funds. France jumped over the UK to become the third region of institutional investors, increasing their exposure with 2.5 percentage points. United Kingdom was a net seller with ownership moving from 9% in 2019 to 7.7% at the of 2020.

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

Investment style

Especially in the first half of the year value type ownership give in to land at 14% from 20% a year before.

While a number of growth oriented investors featured amongst the top buyers and sellers and were the most active in the panel, growth ownership remained quiet stable at 17.6%; compared to 18% a year ago. GARP-type investors strengthened their position from 11% to hold approximately 13% at the end of 2020.

As the company has a large proportion of "other investment style" owners, all other main categories remain underweight when compared to Nasdaq Technology Base benchmark.

Index type investors decreased their position, compared to the year before, owning now almost 7% compared to 8 % the year before.

Investing responsibly

According to the analysis, 20% of the institutional shares is held by SRI (Social Responsible Investment) funds (mainly Europe and mainly Core SRI), an increase of 10 percentage points compared to 2019 and 2018 levels. 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.

Concentration

Overall concentration level amongst Barco top holders increased over 2020 with the major shifts taking place in the first half of the year.

All categories (Top-10, 25 and 50) increased over this analysis period.

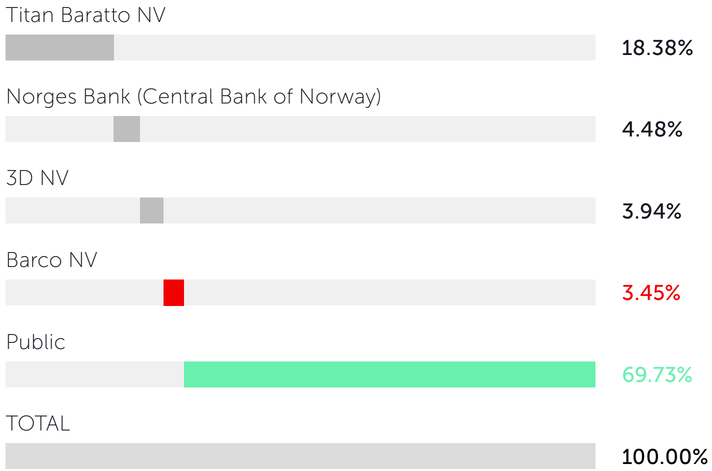
The categories now account for:
- Top 10: 51 % compared to 45%
- Top 25: 73% compared to 61%
- Top 50: 88% compared to 69%

Compared to the average observed in the mid cap client base benchmark, Barco's concentration levels are slightly overweight on the top 50 and 25 and underweight compared to top 10.

(1) Shareholder analysis performed by Nasdaq Advisory services in December 2020 and January 2021

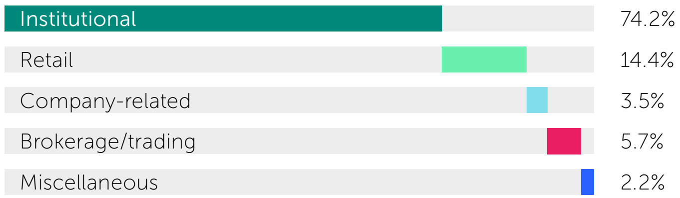
Ownership of Barco's shares 2020

(per 31 December 2020)

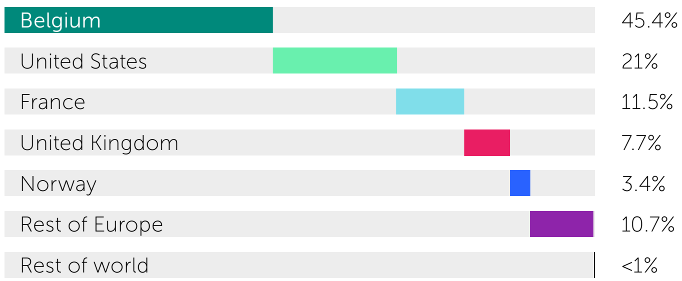


91,487,438 total amount of shares

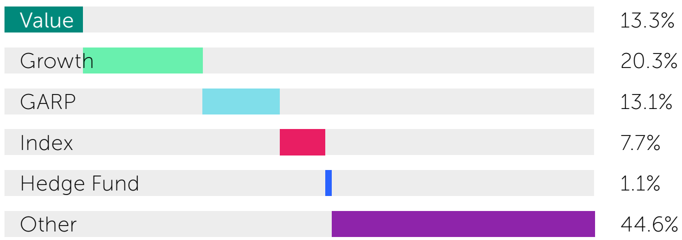
Shareholder structure



Geographic distribution



Investment style



Shareholder remuneration

Dividend

Barco's board of directors will propose to the General Assembly to distribute a gross dividend of 0.378 euro per share. Barco's shareholders will be offered the choice between payment in cash or dividend in shares, enabling Barco's shareholders to reinvest in the company.

Chairman of the board, Mr. Charles Beauduin and director, Mr. Frank Donck, have confirmed the intent of respectively Titan Baratto NV and 3D D NV, to opt for the stock dividend. This is year-over-year a stable dividend. Modalities for the dividend as well as ex-, record and payment date will be announced at the latest with the convening of the Annual General Assembly 2021.

Dividend policy

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

- Board believes that **consistency and reliability towards the investment community** is key, and considers a consistent dividend pay-out as a key contributor, reflecting the long term confidence in the company & its future growth and opportunities
- The Board wants to also protect the strong balance sheet of the company and Barco's capability to invest in the future.

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%. In 2020 the company faced a weak year due to pandemic-impacts resulting in a strong decline of sales and profits. The company is confident to recapture growth again in its markets when the recovery sets in and to get back to its path towards its long-term financial objectives.

Except for 2020, Barco booked 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 implemented its 'fit to lead' program, a capability building and efficiency plan and is determined to resume topline growth across the different business segments when the recovery sets in.

Shareholder trust

Barco has a stable international shareholder base with a predominance of value-oriented investors. Since 2015, both Titan Barato NV and 3D NV are represented in the Board of Directors. Together, they now own more than 22% of Barco's shares.

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

Analysts covering Barco

Bank Degroof Petercam sa	Kris Kippers
Berenberg	Trion Reid
De Belegger	Geert Smet
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 2021

Announcement of results 4Q20 and FY20	Tuesday 26 January 2021
Trading update 1Q21	Wednesday 21 April 2021
Extra-ordinary shareholders meeting	Friday 26 March 2021
Annual general and extra-ordinary shareholders meeting	Thursday 29 April 2021
Announcement of results 1H21	Monday 19 July 2021
Trading update 3Q21	Wednesday 20 October 2021

Share info

Barco share	BAR	ISIN BE0974362940
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

BARCO NV

Statutory auditor's report to the general shareholders' meeting on the consolidated accounts for the year ended 31 December 2020

10 February 2021

STATUTORY AUDITOR'S REPORT TO THE GENERAL SHAREHOLDERS' MEETING OF THE COMPANY BARCO NV ON THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

We present to you our statutory auditor's report in the context of our statutory audit of the consolidated accounts of Barco NV (the "Company") and its subsidiaries (jointly "the Group"). This report includes our report on the consolidated accounts, 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 3 consecutive years.

Report on the consolidated accounts

Unqualified opinion

We have performed the statutory audit of the Group's consolidated accounts, which comprise the consolidated balance sheet as at 31 December 2020, 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 1,018,203 and a net loss attributable to the equity holder of the parent of EUR '000 4,393.

In our opinion, the consolidated accounts give a true and fair view of the Group's net equity and consolidated financial position as at 31 December 2020, 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 accounts"* 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.

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BTW/TVA BE 0429.501.944 / RPR Brussel - RPM Bruxelles / ING BE43 3101 3811 9501 - BIC BBRUBEBB / BELFIUS BE92 0689 0408 8123 - BIC GKCC BEBB

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated accounts of the current period. These matters were addressed in the context of our audit of the consolidated accounts 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 8

Description of key audit matter

The carrying value of the Group's goodwill amounts to EUR'000 105,612 at 31 December 2020.

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 10

Description of key audit matter

Deferred tax assets on tax losses carried forward and tax credits amounts to EUR'000 36,470 (note 10). 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 10 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 accounts

The board of directors is responsible for the preparation of consolidated accounts 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 accounts, 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 accounts

Our objectives are to obtain reasonable assurance about whether the consolidated accounts 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 accounts.

In performing our audit, we comply with the legal, regulatory and normative framework applicable to the audit of the consolidated accounts in Belgium. A statutory audit does not provide any assurance as to the Group's future viability nor as to the efficiency or effectiveness of the board of directors' current or future business management at Group level.

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 accounts, 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 accounts 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 accounts, including the disclosures, and whether the consolidated accounts 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 accounts 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 accounts, 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 accounts, the separate report on non-financial information and the other information included in the report on the consolidated accounts 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 accounts, this report is consistent with the consolidated accounts 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 accounts. 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 accounts.

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, 10 February 2021

The statutory auditor
PwC Reviseurs d'Entreprises SRL / PwC Bedrijfsrevisoren BV
Represented by

Lien Winne	Peter Opsomer
Réviseur d'Entreprises / Bedrijfsrevisor	Réviseur d'Entreprises / Bedrijfsrevisor

2020 Integrated annual report

GRI Content index

GRI Content index

Reporting period, cycle and scope

This integrated report provides an overview of our most relevant intentions, achievements and objectives in 2020, unless stated otherwise. The scope of the report is Barco worldwide, unless stated otherwise. The report is published annually. Date of previous report: Febuary 2020.

GRI standards

This report has been prepared in accordance with the GRI Standards: 'Core option'.

GRI Content index

Pages without prefix refer to the Core integrated report. PPC refers Planet-People-Communities report. FIN refers to Financial report. CCG refers to Corporate governance report. GRI refers to GRI index. GLO refers to the Glossary. ASR refers to Assurance report.

This is the GRI Content index of Barco's 2020 Integrated annual report. Other sections are available via the download center at ir.barco.com/2020.

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GRI 303 Water and effluents 2018	
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2020 Integrated annual report

Glossary

Glossary

Financial Terms, Alternative Performance Measures (APM) and Non-financial KPI's	Unit of measure	Definition
% of key+ and core suppliers who received sustainability score in Supplier Performance Review	%	Key+ and core suppliers who received a sustainability score in the Supplier Performance Review / total key+ and core suppliers who received a Supplier Performance Review.
% ecoscored products of total new products released	%	Number of newly introduced hardware products that have received a Barco ecoscore/total number of newly introduced hardware products. Definition "hardware product": Barco branded finished electronic hardware product, either designed inhouse or outsourced to OEM suppliers, that can deliver standalone its intended function. Definition "newly introduced hardware product": commercial launch of first member of product family covered by one dedicated hardware development project. Options or modules are not in scope of the definition. Definition "commercial launch": projects for which Formal Quality Review (FQR) is granted and or is available on Barco.com. The Barco ECO label is granted to products that have received an ecoscore of A, A+ or A++. The ecoscoring methodology, which is validated against the ISO 14021 standard, is explained on our website https://www.barco.com/en/page/sustainability/ecoscore.
% electricity from renewable sources	%	Electricity consumption from renewable sources/total electricity consumption of the considered Barco sites. Renewable electricity is either achieved by own production using a renewable source (e.g. PV panels) or by having renewable electricity contracts (e.g. Guarantees of Origin, RECs). Renewable energy sources are sources which have zero direct CO2e-emissions (e.g. solar power, wind turbines).
% employees < 30 yrs	%	Number of personnel with age < 30 years/total number of personnel at year-end.
% employees > 30 yrs < 50 yrs	%	Number of personnel with age >=30 years and =<50 years/total number of personnel at year-end.
% employees > 50 yrs	%	Number of personnel with age > 50 years/total number of personnel at year-end.
% employees covered by formal collective agreements	%	Barco applies an active formal collective agreements policy in these countries and industries where collective agreements are mandatory, relevant or customary. For the scope of this definition, we take into consideration the number of employees captured by collective agreement for these sites and regions where a formal collective agreements policy is applicable. In Belgium where the company has its headquarter as well as its main manufacturing site, Barco applies interprofessional, industry as well as company-specific formal collective agreements. In the rest of the EMEA region as well as the Latin American region Barco applies interprofessional and industry collective agreements. In other regions such as APAC-region; where collective agreements are less common, the company is typically subject of regulatory requirements in this domain. In addition to the regulatory framework the respective topics are typically captured in local policies and employee handbooks.
% employees trained in Standards@Work	%	Total white-collar employees trained in Standards@Work /total number of white-collar personnel at year-end (averaged over all modules).
% energy consumption from renewable sources	%	Energy consumption from renewable sources/total energy consumption at the considered Barco sites. Renewable energy sources are sources which have zero direct CO2e-emissions (e.g. solar power, wind turbines).
% hazardous waste of solid waste	%	Tonnes hazardous waste/ total tonnes of solid waste generated at the considered Barco sites. Note that the classification of "hazardous" is dependant on the legal framework of the country considered.
% in-scope suppliers that responded to Conflict Minerals Reporting Template	%	Number of in-scope suppliers that responded to Conflict Minerals Reporting Template (CMRT)/Total number of in-scope suppliers. In-scope suppliers are suppliers that deliver products or components containing tungsten, tantalum, tin or gold. The CMRT is provided by the Responsible Minerals Initiative (RMI).
% make (over hardware revenues)	%	Product revenue (excl services) of materials inhouse manufactured / total product revenue (excl services).
% of employees in R&D	%	Total number of personnel included in R&D expenses/ total number of personnel at year-end.

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% of active components covered by Full Material Declarations	%	Number of active components that are coverd by FMD-A or FMD-B material declarations/total number of active components.
% of countries where products are sold with Barco dedicated return and recycling programs	%	Number of countries to which products were shipped where specific structural extended producer responsibility measures have been implemented like take back and WEEE reporting / total number of countries to which products were shipped.
% of employees having received training	%	Number of employees who had followed a training course within the year/ total number of personnel at year end.
% of employees in long-term sick leave (>1 yr)	%	Number of personnel on long term sick leave (> 1 year)/total number of personnel at year-end.
% of iGemba improvement suggestions implemented	%	Implemented suggestions/total improvement suggestions. iGemba is the name of Barco's continuous improvement system. An improvement suggestion is an idea, improvement, solution, ... that is registered by an operator on an iGemba improvement card.
% of key(+) and core suppliers who signed declaration of compliance with RBA Code of Conduct (Responsible Business Alliance)	%	Number of key/key+/core component suppliers that have commited formally to the RBA code of conduct or equivalent.
% of key+ and core suppliers with sustainability score higher than 80%	%	Key+ and core suppliers who received a sustainability score of >80% in the Supplier Performance Review / total key+ and core suppliers who were scored on sustainability.
% of leaders in Annual Talent Development Review	%	Number of leaders in annual talent development review/total number of leaders. Leaders are employees with direct reports. A talent development review maps the individual's sustained contribution and behavior and his/her potential and identifies actions needed with regards to development, career paths and internal moves.
% of new products released with Barco ECO label (hardware)	%	Number of newly introduced hardware products that have received the Barco ECO label/total number of newly introduced hardware products. Definition "hardware product": Barco branded finished electronic hardware product, either designed inhouse or outsourced to OEM suppliers, that can deliver standalone its intended function. Definition "newly introduced hardware product": commercial launch of first member of product family covered by one dedicated hardware development project. Options or modules are not in scope of the definition. Definition "commercial launch": projects for which Formal Quality Review (FQR) is granted and or is available on Barco.com. The ecoscoring methodology, which is validated against the ISO 14021 standard, is explained on our website https://www.barco.com/en/page/sustainability/ecoscore.
% of new products released with recycled plastics (hardware)	%	Number of newly introduced hardware products containing recycled plastics/total number of newly introduced hardware products. Definition "hardware product": Barco branded finished electronic hardware product, either designed inhouse or outsourced to OEM suppliers, that can deliver standalone its intended function. Definition "newly introduced hardware product": commercial launch of first member of product family covered by one dedicated hardware development project. Options or modules are not in scope of the definition. Definition "commercial launch": projects for which Formal Quality Review (FQR) is granted and or is available on Barco.com. Definition "containing recycled plastics": product containing a minimum mass percentage recycled content in plastic parts larger than 25 grams. The minimum mass percentage is defined in the applied Barco ecoscore tool version.
% of procurement employees trained in sustainable procurement	#	Number of employees within the worldwide functional domain of procurement (Function-Subfunction=PRO-*) who completed the training 'Sustainable Procurement' / total number of employees within the worldwide procurement team.
% revenues from products with Barco ECO label (hardware)	%	Revenues from hardware products that received the Barco ECO label/ total hardware product revenues. Definition ""hardware product"": Barco branded finished electronic hardware product either designed inhouse or outsourced to OEM suppliers, that can deliver standalone its intended function. The Barco ECO label is granted to products that have received an ecoscore of A, A+ or A++. The ecoscoring methodology, which is validated against the ISO 14021 standard, is explained on our website https://www.barco.com/en/page/sustainability/ecoscore.
% waste to landfill	%	Tonnes of waste sent to landfill/total tonnes of solid waste generated at the considered Barco sites.

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% women Barco overall	%	Number of female personnel/total number of personnel at year-end.
% women in senior management	%	Number of female personnel with hay grade >= 18/total number of personnel with hay grade >= 18 at year-end.
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 of control in a subsidiary). Results out of divestments or acquisitions are included in EBIT(DA). Reconciliation from EBIT to adjusted EBIT can be found in the income statement.
Adjusted return on operating capital employed (ROCE)		Adjusted EBIT after tax relative to operating capital employed (including goodwill). ROCE = (Adjusted) EBIT*(1- tax rate)/Operating capital employed (including goodwill).
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.
Average training hours per employee	# hours	Total hours or learning /total number of personnel at year end.
Average training investment per employee	€	Total 'out of pocket' expenses for learning & development / total number of personnel at year end.
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 2020.
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.
Community investment	€	The expenses related to charity projects, in €. It does not include in-kind donations.
Community involvement	# heads	The number of Barco volunteers who participated in charity projects.
Customer Net Promotor Score (relationship NPS)	#	Calculation of the Net Promotor Score is based on the answer of customers to the question: "On a scale from 0-10, how likely are you to recommend Barco to a friend or colleague?" Detractors score 0-6, passives score 7-8, promotors score 9-10. Calculation of NPS result = % promotors - % detractors.
Direct available net cash		Net financial cash excluding the cash in Cinionic.
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
DSO		Days sales outstanding calculated as ((Trade debtors / (sales past quarter)) * 90
Earnings per share (€)	€	Net income/(loss) attributable to the equity holder of the parent divided by weighted average of shares

Financial Terms, Alternative Performance Measures (APM) and Non-financial KPI's	Unit of measure	Explanation
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).
EBITDA margin	%	EBITDA as percentage of sales.
EMEA		Europe, Middle-East and Africa.
Employees per functional group	%	Personnel at year-end (in heads) per functional group (9 functional groups).
Employees per region	%	Personnel at year-end (in heads) per region (3 regions).
Energy efficiency index of sold products (#)	#	The energy efficiency index of our products is calculated by taking into account the energy consumption/delivered capability of the most important product groups in terms of energy consumption: projectors & LED products in the Entertainmaint division and large video walls from the Enterprise division. The energy performance of these product groups is calculated and formulated as Watt/delivered capability. Within the Entertainment division the average energy use/delivered capability is weighted on revenues from the considered product groups (i.e. projectors & LED since 2018). Within each division the energy performance is normalised versus the 2015 baseline value (which has the default value 1,0). The final energy efficiency index is then calculated by weighing the average of the Entertainment division's and the Enterprise division's normalized energy performance. The weighing is done on revenues per division.
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 cash flow		Gross operating cash flow excluding share options recognized as cost + change in net working capital + Interest (expense)/income + income taxes + purchase of tangible and intangible fixed assets + proceeds on disposals of tangible and intangible fixed assets.
Greenhouse gas emissions infrastructure	Tonnes CO2 e / mio € revenues	Total Greenhouse gas emissions of the considered Barco sites covering own operations emissions from infrastructure in tonnes of CO2e per turnover (mio € revenues). Infrastructure covers total emissions from infrastructure energy, refrigerant losses and waste generated at the facilities. All Kyoto & Non-Kyoto greenhouse gases are accounted for and converted to CO2-equivalents.
Greenhouse gas emissions logistics	Tonnes CO2 e / mio € revenues	Total Greenhouse gas emissions of the considered Barco sites covering own operations emissions from logistics in tonnes of CO2e per turnover (mio € revenues). Logistics covers all emissions from transport of goods (in- & outbound) paid for by Barco. All Kyoto & Non-Kyoto greenhouse gases are accounted for and converted to CO2-equivalents.
Greenhouse gas emissions mobility	Tonnes CO2 e / mio € revenues	Total Greenhouse gas emissions of the considered Barco sites covering own operations emissions from mobility in tonnes of CO2e per turnover (mio € revenues). Mobility covers owned/leased fleet emissions, commuting and business travel emissions. All Kyoto & Non-Kyoto greenhouse gases are accounted for and converted to CO2-equivalents.

Financial Terms, Alternative Performance Measures (APM) and Non-financial KPI's	Unit of measure	Explanation
Greenhouse gas emissions of our own operations	Tonnes CO2 e / mio € revenues	Total Greenhouse gas emissions of the considered Barco sites covering own operations emissions from infrastructure, mobility and logistics in tonnes of CO2e per turnover (mio € revenues). Infrastructure covers total energy emissions from infrastructure energy, refrigerant losses and waste generated at the facilities; mobility covers owned/leased fleet emissions, commuting and business travel emissions; Logistics covers all emissions from transport of goods (in- & outbound) paid for by Barco. All Kyoto & Non-Kyoto greenhouse gases are accounted for and converted to CO2-equivalents.
Greenhouse gas emissions of sold products (product use emissions)	Tonnes CO2 e / mio € revenues	Total Greenhouse Gas emissions of the considered Barco sold products in tonnes of CO2e per turnover (mio € revenues). All Kyoto & Non-Kyoto greenhouse gases are accounted for and converted to CO2-equivalents.
Greenhouse gas emissions scope 1	Tonnes CO2 e / mio € revenues	Total Greenhouse gas emissions of the considered Barco sites covering scope 1 as defined by the Greenhouse Gas Protocol in tonnes of CO2e per turnover (mio € revenues). Scope 1 covers the direct emissions from combustion of fossil fuels on site and by company vehicles and emissions from refrigerant losses. All Kyoto & Non-Kyoto greenhouse gases are accounted for and converted to CO2-equivalents.
Greenhouse gas emissions scope 2	Tonnes CO2 e / mio € revenues	Total Greenhouse gas emissions of the considered Barco sites covering scope 2 as defined by the Greenhouse Gas Protocol in tonnes of CO2e per turnover (mio € revenues). Scope 2 covers the direct emissions from purchased electricity or district heating. Note that the market based approach is used here. All Kyoto & Non-Kyoto greenhouse gases are accounted for and converted to CO2-equivalents.
Greenhouse gas emissions scope 3 incl. product use emissions	Tonnes CO2 e / mio € revenues	Total Greenhouse gas emissions of the considered Barco sites and Barco sold products covering scope 3 as defined by the Greenhouse Gas Protocol in tonnes of CO2e per turnover (mio € revenues). Scope 3 covers the direct emissions from waste generated on site, home-work commuting, business travel, logistics operations and product use emissions. All Kyoto & Non-Kyoto greenhouse gases are accounted for and converted to CO2-equivalents.
Indirect costs/expenses		Research & development expenses, sales and marketing expenses and general and administration expenses; including depreciations and amortizations.
Indirect expenses (internally – OPEX%)	%	(Research & development expenses, sales and marketing expenses and general and administration expenses; including depreciations and amortizations) as percentage of sales.
Innovation awards	#	Awards are registered throughout the year via publications on the newsroom site and / or press releases. Some awards are noted on the product page of the specific product.
Internal mobility (% of vacancies filled internally)	%	Number of internally recruited filled in vacancies/total number of vacancies filled.
Inventory turns	#	Inventory turns = 12 / [Inventory / (average monthly sales last 12 months x material cost of goods sold %)].
Lost Time Injury Frequency rate	#	Number of lost-time injuries multiplied with 1,000,000 and divided by total hours worked by all employees. 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.
Lost Time Injury Severity rate	#	Number of lost days of work of all employees multiplied with 1,000 and divided by total hours worked by all employees.
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.
New product releases (FQRs - hardware)	#	Commercial launch of the first member of a product family covered by one dedicated hardware development project. Options or modules are not in scope of the definition. Definition "commercial launch": projects for which Formal Quality Review (FQR) is granted and or is available on Barco.com

Financial Terms, Alternative Performance Measures (APM) and Non-financial KPI's	Unit of measure	Explanation
New software releases (MRDs)	#	Commercial launch of a software product. Definition "commercial launch": projects for which Formal Quality Review (FQR) or Market Review Decision (MRD) is granted.
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.
Nth party risk		An order of magnitude broader than the traditional third-party risk. Every party that a company utilizes is likely to have a large number of other parties of its own. This becomes a chain of downstream relationships with fourth, fifth parties, and Nth parties, introducing a new risk factor to the ecosystem.
Number of certified dealers/partners	#	Number of SAP accounts for which one or more employees have followed a Barco University certified training course. Definition "Partner": Barco recognized account through which we place products into the market ; Definition "Certified": can be based on a test at the end or throughout the instructer-lead training course or as having completed an E-learning on a particular (range of) product(s) in full.
Number of employees (FTEs)	# FTEs	Number of personnel at year-end, in fulltime equivalents.
Number of employees (heads)	# heads	Number of personnel at year-end, in heads
Number of iGemba improvement suggestions	#	Total number of iGemba improvement suggestions received in the considered year. iGemba is the name of Barco's continuous improvement system. An improvement suggestions is an idea, improvement, solution, ... that is registered by an operator on an iGemba improvement card.
Number of iGemba improvement suggestions per operator	#	Total number of iGemba improvement suggestions received in the considered year/total number of operators. iGemba is the name of Barco's continuous improvement system. An improvement suggestions is an idea, improvement, solution, ... that is registered by an operator on an iGemba improvement card. An operator is a blue-collar employee.
Number of key(+) & core suppliers (covering X% of material cost)	#	Number of key, key+ and core suppliers registered in Barco. Total material cost equals the total direct spend. Differentiations between key/Key+ and core is done based upon annual spend and technological/quality importance to Barco.
Number of new (external) hires	# heads	Number of externally recruited filled in vacancies.
Number of new patent filings	#	New patent applications filed in the indicated year.
Number of patents at year-end	#	Total number of granted patents at year-end (of the indicated year).
Number of product lines in scope of ISO 27001	#	Product lines are products found on the public Barco.com website.
Number of supplier quality audits	#	Number of supplier quality audits performed during reporting year.
Operating capital employed (including goodwill)		Operating capital employed + goodwill.
Operating capital employed (OCE)		Working capital + other long term assets and liabilities
Operating expenses (OPEX)		Research & development expenses, sales and marketing expenses and general and administration expenses; excluding depreciations and amortizations

Financial Terms, Alternative Performance Measures (APM) and Non-financial KPI's	Unit of measure	Explanation
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 9 and 10 for the amounts.
Other working capital		Other working capital includes 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)'.
R&D spend (in % of sales)	%	R&D spend in percentage of sales.
Recycling & composting rate of solid waste (%)	%	Tonnes recycled or composted waste/ total tonnes of solid waste generated at the considered Barco sites.
Regional spread of key(+) & core suppliers (% spend of material cost)	%	% Spend of material cost per region (in SAP)
Renewable electricity production	MWh/mio € revenues	Renewable electricity generated at the considered Barco sites (e.g. PV panels) in MWh per turnover (mio € revenues).
Return on operating capital employed (ROCE)		Adjusted EBIT after tax relative to operating capital employed (including goodwill). 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 BarcoCineAppo Limited Hong Kong.
ROCE	%	Return on operating capital employed. EBIT after tax relative to operating capital employed (including goodwill). 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.
Sales per region (growth)	mio €	Sales per region.
Split of shares per July20		At Barco's Extraordinary General Shareholder's Meeting, of 30 April 2020, the shareholders have approved the share split by a factor seven (7), effective as of 1 July 2020. The purpose of the share split is to enhance accessibility and to improve the liquidity of the Barco share. As a result of this share split, Barco's total capital shall be represented by 91,487,438 shares as from 1 July 2020. Each of these shares confers one voting right at the General Meeting. The new split shares (please note: new ISIN code BE0974362940) are traded on the Euronext Brussels regulated market from 1 July 2020 onwards. Therefore, the earnings and diluted earnings per share as of 31 December 2019 and 2018 are for comparison reasons recalculated for the new number of shares.
Subsidiaries		Companies in which Barco exercises control.

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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 as of 2020 is 25% (2019 & 2018: 29.58%).
Total energy consumption	MWh/mio € revenues	Total energy consumption (MWh) per turnover (mio € revenues) of the considered Barco sites, covering both infrastructure energy consumption and owned/leased fleet energy consumption. Regarding infrastructure energy this covers both fossil fuel consumption (natural gas, fuel), purchased energy (grey or green electricity, district heating) as well as produced renewable electricity (e.g. by means of PV panels).
Total greenhouse gas emissions	Tonnes CO2 e / mio € revenues	Total Greenhouse Gas emissions of the considered Barco sites and Barco sold products for the complete covered scope (own operations emissions + product use emissions) in tonnes of CO2e per turnover (mio € revenues). All Kyoto & Non-Kyoto greenhouse gases are accounted for and converted to CO2-equivalents.
Total greenhouse gas emissions	Tonnes CO2 e	Total Greenhouse Gas emissions of the considered Barco sites and Barco sold products for the complete covered scope (own operations emissions + product use emissions) in tonnes of CO2e. All Kyoto & Non-Kyoto greenhouse gases are accounted for and converted to CO2-equivalents.
Total solid waste	Tonnes/mio € revenues	Total amount of solid waste generated at the considered Barco sites in tonnes of waste per turnover (mio € revenues). Solid waste is all reported waste at the Barco sites in solid state, excluding liquid waste streams such as wastewater.
Voluntary turnover rate	%	Number of voluntary exits/total number of personnel at year-end.
Water withdrawal	m^3/mio € revenues	Direct purchased water at the considered Barco sites in m^3 per turnover (mio € revenues). Typically this is called "city water", "tap water", "mains water". It excludes water use from other sources (e.g. captured rainfall or groundwater).
Working capital (net)		Trade debtors + inventory - trade payables - other working capital.

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