2021 Integrated annual report

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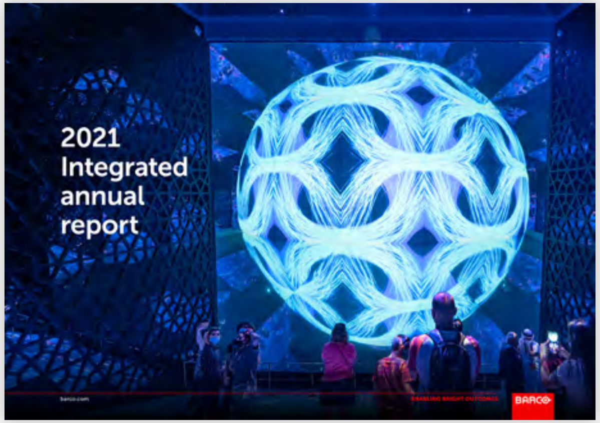
All definitions for alternative performance measures (APM's) as used in this report are available in the glossary as available on Barco's investor portal and in Annex of the Annual Report

This financial report in pdf format is only a supplementary document. The official ESEF (European Single Electronic Format) version prevails.



This is the core section of Barco's 2021 integrated annual report. Other sections are available via the download center at ir.barco.com/2021.

Continuing our journey towards integrated reporting

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

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

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

Interview with our CEOs

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

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

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

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

Look-back to a challenging 2021

Still, 2021 has not been the easiest year to build upon these strengths, I guess. How do you look back on this year?
An Steegen: Just like in 2020, the first priority for Barco has been the safety of our people and their families. The covid-19 crisis has left a permanent mark on all of us, requiring a great deal of mental strength, resilience and flexibility. We are proud of the commitment and engagement of every Barco employee and are doing our very best to deal with the impact of the pandemic. When looking at our business, we can't look away from the fact that the pandemic kept dampening our results for the second year in row. While there were meaningful signs of recovery, the strong order intake was not fully reflected in sales due to supply bottlenecks.

Supply chain shortages have been a common challenge for many businesses over the past year. What do you consider Barco's biggest challenges going forward?
Charles Beauduin: The covid-19 crisis has revealed a number of weaknesses, which we plan to turn into opportunities for growth and efficiency gains in the future. The supply disruptions that An mentioned point to weaknesses in our value chain. A stronger upstream value chain position will limit our dependency and allow for more competitive differentiation. That's why we want to strengthen and leverage our supply and manufacturing capabilities.

Opportunities revealed

Already in October 2021 you took the bold step to reorganize the company. Was that a way to speed up decision-making?
Charles Beauduin: Barco had a very complex organization structure with many competing centers of power, leading to slow decision-making and a lack of end-to-end accountability. That is why we decided to regroup sales, marketing, product management and R&D within our business units. That will boost efficiency and entrepreneurial dynamics: shorter reporting lines, faster decision-making and enhanced customer and market responsiveness.

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

Charles, what about Barco's plans for China?
Charles Beauduin: We absolutely have to expand our local presence there. The country shows great growth potential in markets like entertainment and healthcare, where Barco is active.

> By simplifying our organization, we will shorten reporting lines, speed up decision-making and enhance customer and market responsiveness.
>
> Charles Beauduin

2022 and beyond

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

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

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

2021 was also the year of the UN Climate Change Conference in Glasgow, putting more emphasis on making sustainability actionable and delivering impact. Do you have plans to accelerate efforts in that field too?
An Steegen: I've always been passionate about sustainable technology. I've seen that Barco has been working hard in this field, in the past few years, and I'm impressed with the progress. Now it's time to strengthen the impact of our sustainability approach, fostering engagement and ensuring it

> We need more groundbreaking, value-added solutions that ultimately set us apart. New star products.
>
> **An Steegen**

gets embedded into everything we do – in every division, every business unit, every department and every region. When prioritizing the domains in which we want to make an impact, we decided to focus on 'Planet' initiatives first: Barco is working on further lowering its carbon footprint and that of its customers. Next is sustainable employability, with a focus on diversity and inclusion.

Building a promising future

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

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

Our Chairman Frank Donck on the leadership changes

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

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

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

Frank Donck

The future of Barco: 3 'burning questions' every stakeholder is asking

1.
Is there a future for cinema?

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

» Read more

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

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

» Read more

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

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

» Read more

Key figures

Eco score

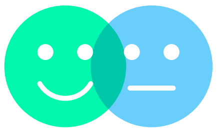
31%

% revenues from products with Barco ECO label

Customer NPS

(Net Promoter Score)

47



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

Employees

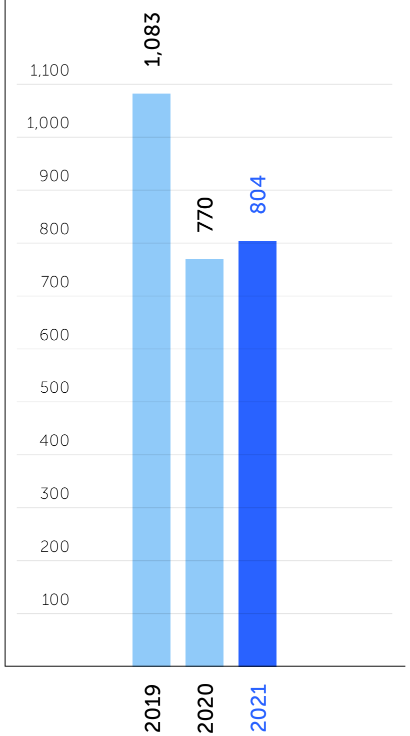
Reported in heads, excluding temporary workforce

2019	3,636
2020	3,303
2021	3,141

(Database Corporate Associates per 31/12/2021)

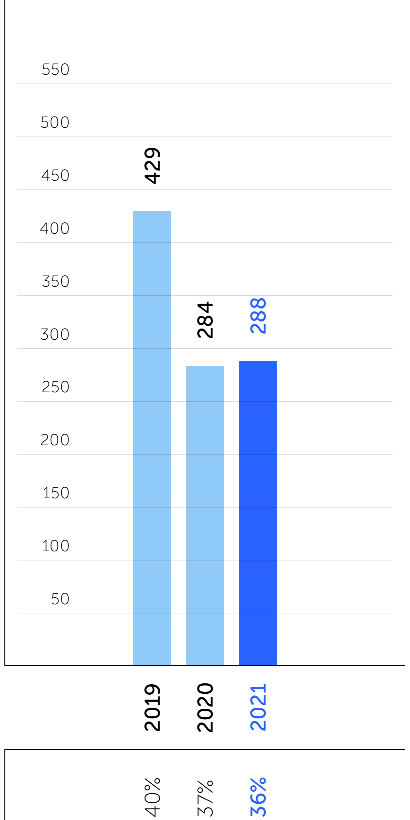
Sales

In millions of euro



Gross profit

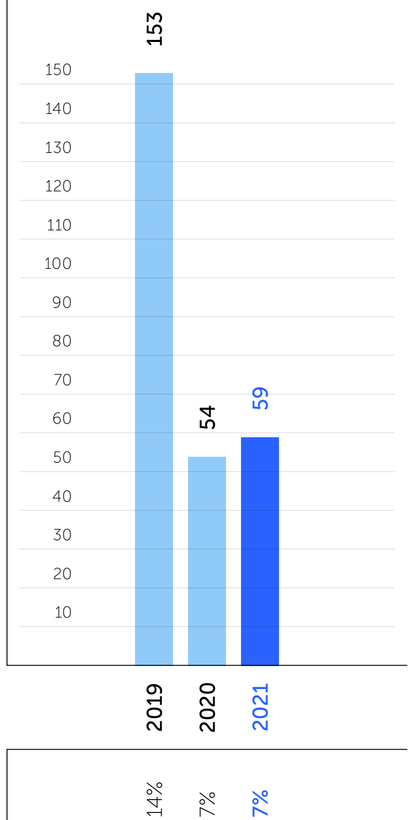
In millions of euro



Gross profit margin

EBITDA

in millions of euro



EBITDA margin

Highlights

JANUARY

Making (remote) reading versatile with new 12 MP diagnostic display

The versatile Nio Fusion 12MP puts diagnostic flexibility and reliability at radiologists' fingertips. It boosts the workflows of the radiologists, while helping them take confident decisions.

» Read more

FEBRUARY

Frost and Sullivan award for ClickShare Conference

With the award, Frost and Sullivan recognize Barco's leadership position in the market and the innovative character of our one-click wireless conferencing solution.

» Read more

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

MARCH

Science Based Targets initiative formally approves our carbon reduction target

Our carbon reduction target is confirmed to be consistent with the levels required to keep global warming to below 1.5°C – the most ambitious goals of the Paris Agreement – a great acknowledgment of the ambitious journey we have been accelerating since 2016.

» Read more

APRIL

Enabling surgical teams to collaborate remotely with game-changing platform

Meeting the growing need for hybrid collaboration, NexxisLive enables participants to talk, chat and annotate as if they're all in the same OR, with excellent audio and video quality and minimal latency.

» Read more

APRIL

IMAX reconfirms its trust in Barco

As a long-term partner, Barco and IMAX will optimize the use of our laser light source technology to help power IMAX systems globally.

» Read more

JUNE

Leading through innovation with the world's first stand-alone digital pathology display

Our new ultra-high definition MDPC-8127 display offers pathologists an exceptionally high-quality digital tool to alleviate their growing workloads, while ensuring the best health outcomes.

» Read more

SEPTEMBER

Barco weConnect accredited as top-quality learning solution

The Learning and Performance Institute (LPI) officially accredited Barco with the Gold Standard for providing top-quality learning products, solutions and services via our teaching and training solution.

» Read more

SEPTEMBER

Performance meets sustainability in new LED rear-projection cube

Ensuring a 55% increase in light output at the same power consumption, the MVL-721 is an impressive re-engineered version of our successful LED RPC video wall, answering all the needs of modern control rooms.

» Read more

SEPTEMBER

Celebrating the prestigious 100,000 digital cinema projectors milestone

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

» Read more

OCTOBER

Tianfu International Airport takes off with Barco OpSpace in 14 control rooms

The new Tianfu International Airport in Chengdu (China) sets a milestone for intelligent transportation. An impressive stack of Barco technology helps controllers keep the skies – and the airport – safe.

» Read more

NOVEMBER

Barco F400-HR is the world's first single-chip native 4K simulation projector

Native 4K resolution, up to 240Hz processing speed, laser illumination and extreme reliability: the new F400-HR ticks all the boxes for use in even the most demanding training and simulation applications.

» Read more

Our company

Introduction to Barco

About Barco

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

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

Our mission: enabling bright outcomes

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

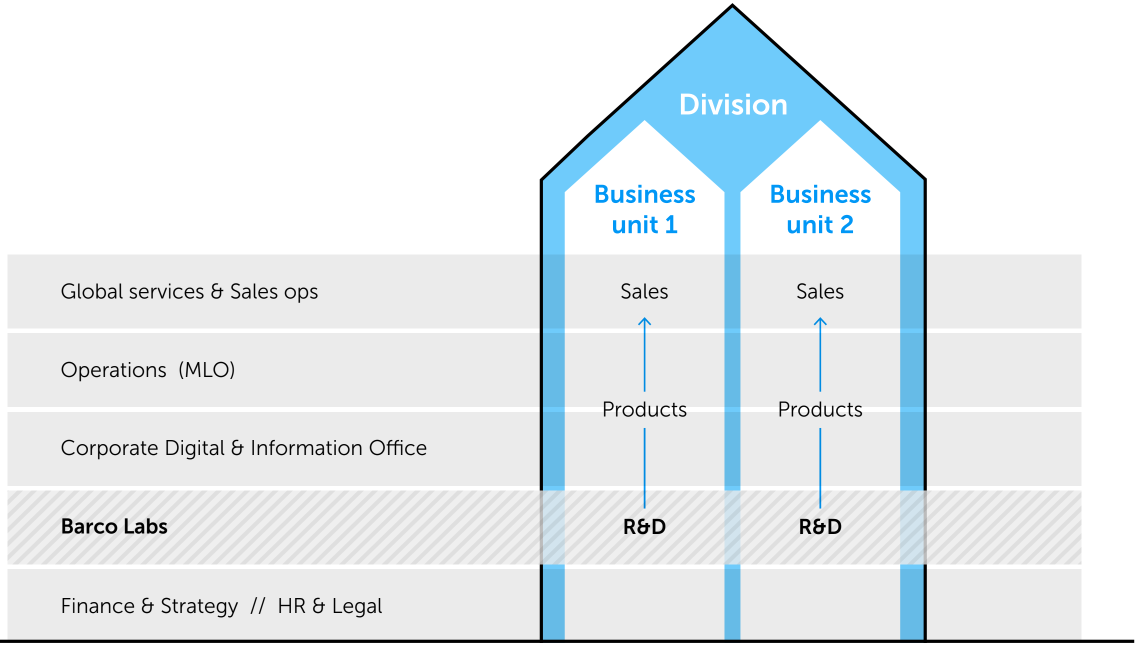
That's what Barco is all about. In a world where data and rich content are expanding exponentially, we empower people with inspired sight, sound and sharing solutions to help them make meaningful connections.

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

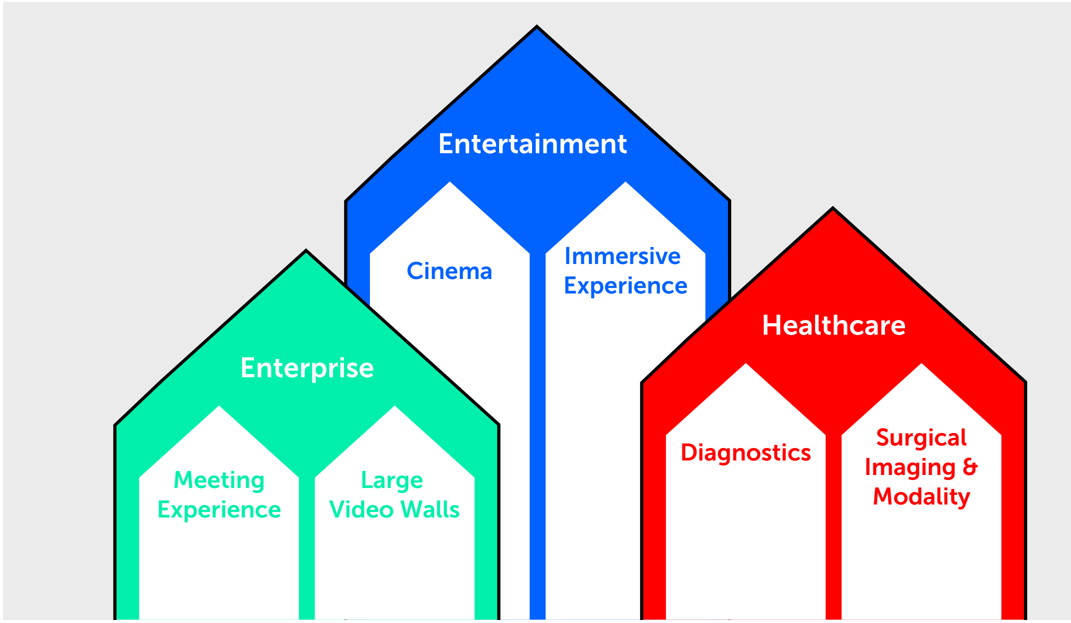
Our organization

Reviewing our organizational structure

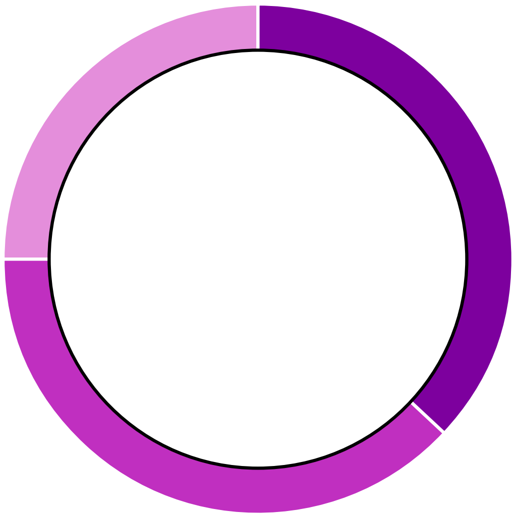
In October 2021, Barco decided to replace its fully-fledged matrix organization by a more focused model. In the past, geographic regions handled sales, marketing and customer service functions and interacted with business units in the operational divisions. Under the revised structure, regional sales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



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



Geographical breakdown of sales



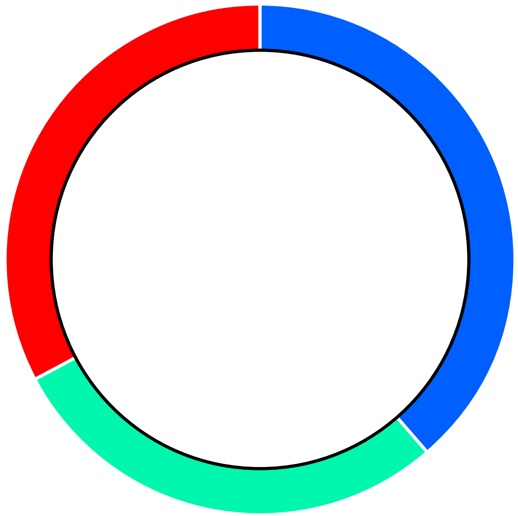
25%* Asia-Pacific

38% EMEA*

37% The Americas

* EMEA: Europe & Middle East & Africa

Sales per division



39%* Entertainment

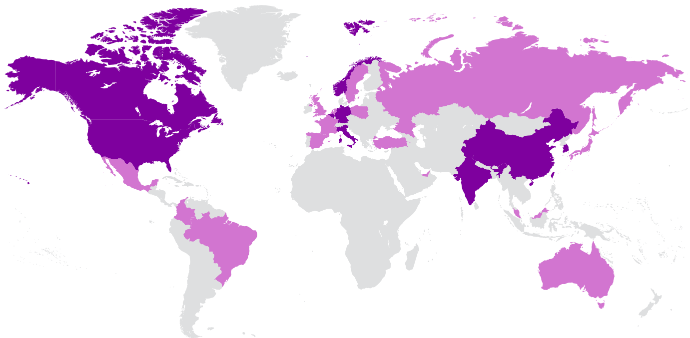
29% Enterprise

33% Healthcare

* Breakdown based on sales 2021

Geographical footprint

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



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

Asia-Pacific
- Australia
- **China**
- Hong Kong
- **India**
- Japan
- Malaysia
- Singapore
- **South Korea**
- **Taiwan**

Europe, Middle East & Africa
- **Belgium**
- France
- **Germany**
- **Italy**
- The Netherlands
- **Norway**
- Poland
- Russia
- Spain
- Sweden
- Turkey
- United Arab Emirates
- United Kingdom

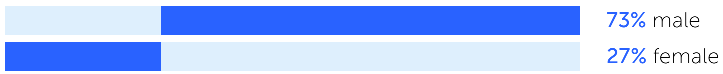
● Sites
● R&D and/or manufacturing facilities

The people of Barco

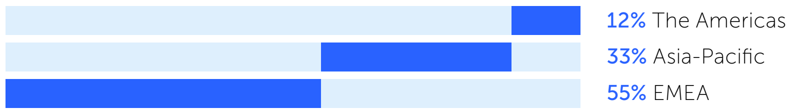
Our people are the driving force to our success. A team of over 3,000 employees, located around the globe, all join forces to enable bright outcomes;

Number of employees

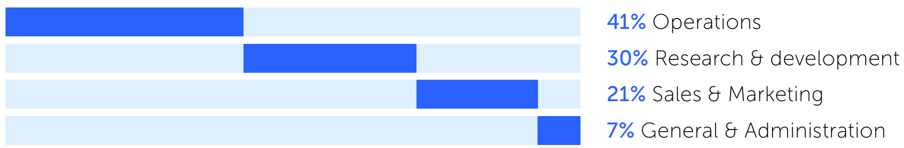
Gender



Geographical



Per functional group



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

Leadership

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

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

Board of Directors

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

Frank Donck
Chairman

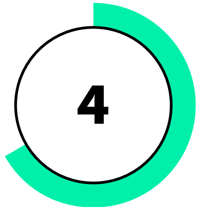
An Steegen
CEO

Charles Beauduin
CEO

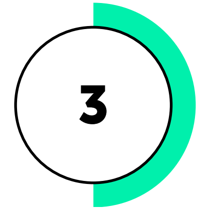
Ashok K. Jain

Hilde Laga

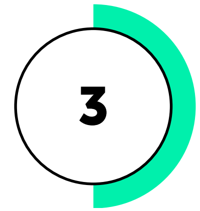
Lieve Creten



Directors with 5 years of seniority



Female members of the Board



Independent directors

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

Our Core Leadership Team

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

An Steegen
CEO

Charles Beauduin
CEO

Wim Buyens
Cinionic

Geert Carrein
Diagnostics

Olivier Croly
Meeting & Learning Experience

Gerwin Damberg
Cinema & Acting CTO

Ann Desender
Chief Financial Officer

Johan Fornier
Surgical & Modality

Stijn Henderickx
Immersive Experience

Anthony Huyghebaert
Chief HR Officer

Rob Jonckheere
Global Operations

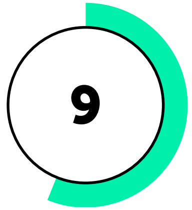
Chris Sluys
Large Video Wall Experience

Marc Spenlé
Chief Digital & Information Officer

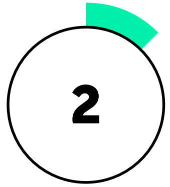
Iain Urquhart
Global Services & Sales Operations

Kurt Verheggen
General Counsel

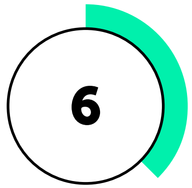
Kenneth Wang
MD Barco China



CLT members with 5 years of seniority



Female CLT members



Non-Belgian CLT members

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

Culture & ethics

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

Barco culture: how we live our DNA

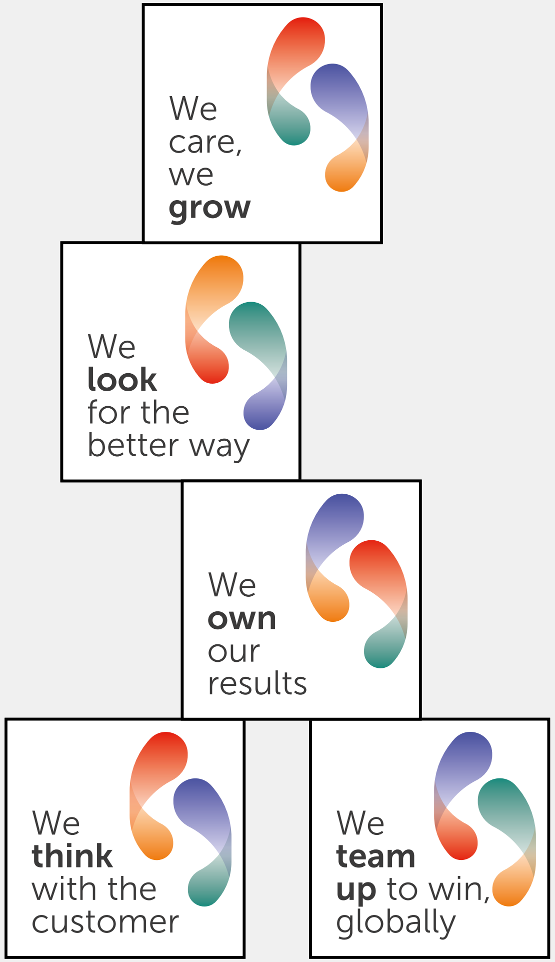
Corporate culture is everywhere. It comes alive in how we act towards our customers and how we talk and listen to them. It becomes visible in the way we design our processes: have we designed them from our perspective or from the perspectives of those who are affected by them? It guides us in creating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

» Learn more about our corporate culture

The importance of ethics and compliance

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

The 5 building blocks that summarize the Barco culture



Planet, people and communities

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

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

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

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

Planet

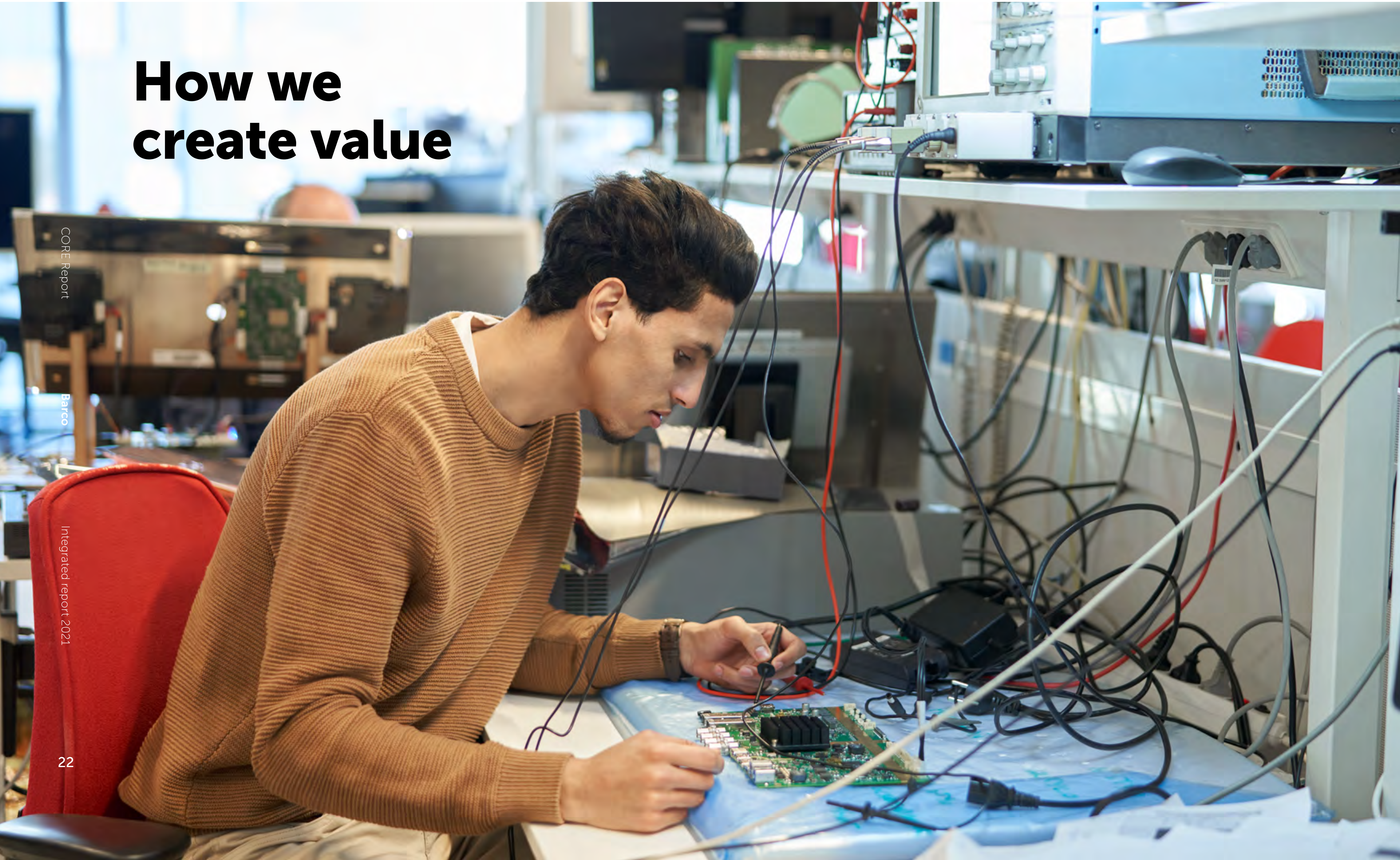
We will lower our environmental footprint and those of our customers.

People

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 ensuring a healthy working environment – both physically and mentally. We engage in building an inclusive workplace that embraces the diversity of our people.

Communities

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.

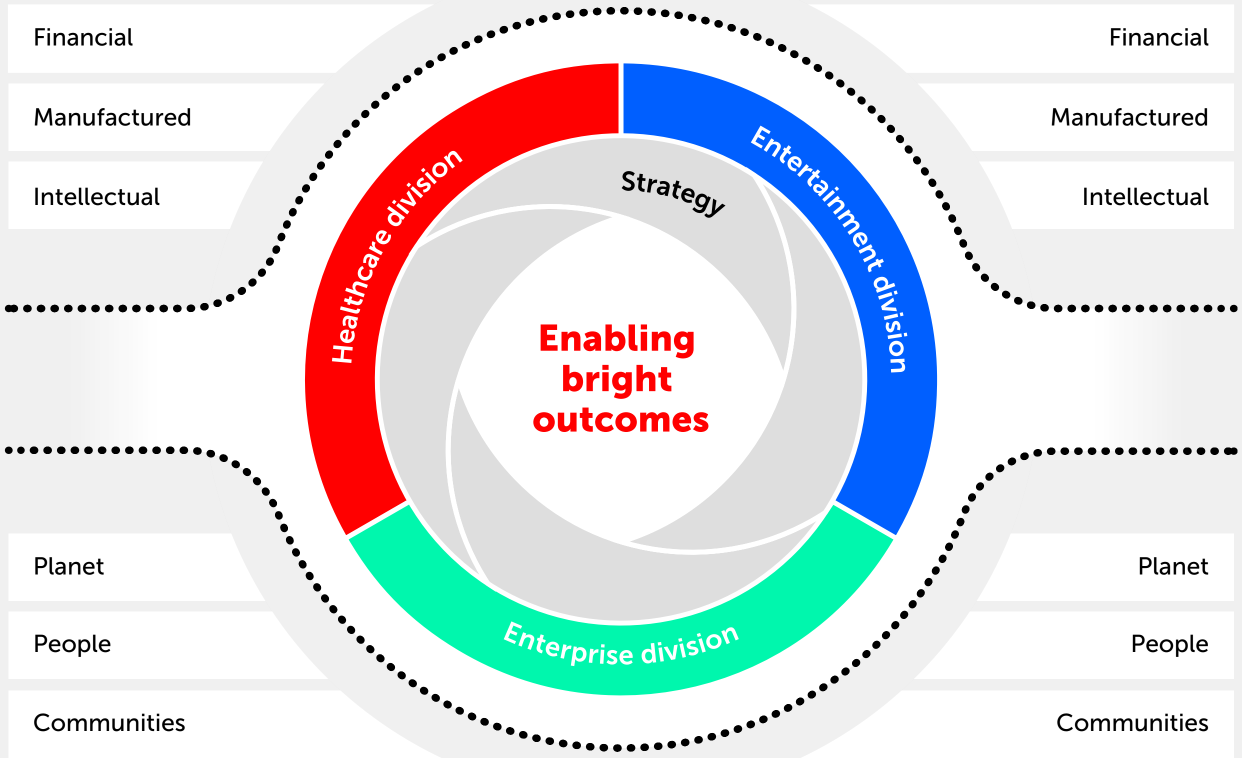


How we create value

Value creation model

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

» Check the full Value creation model on our website

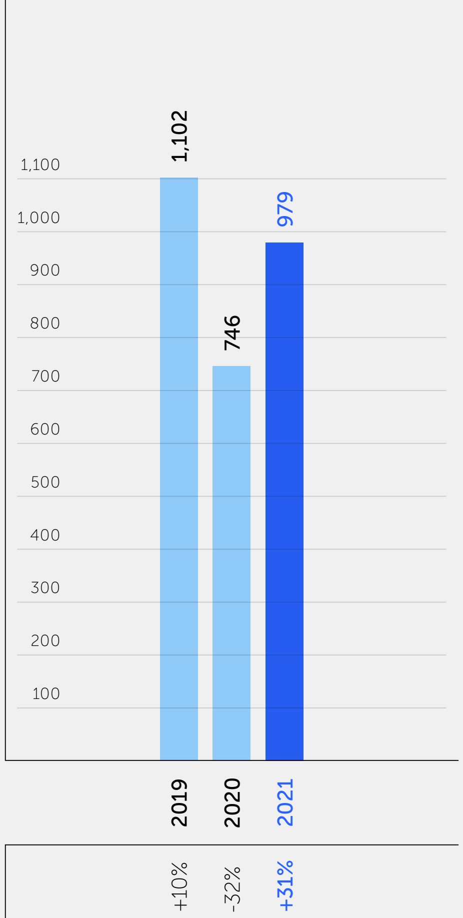


* Together these 6 capitals represent stores of value that are the basis of an organization's value creation. See background paper of International Integrated Reporting Council (IIRC).

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

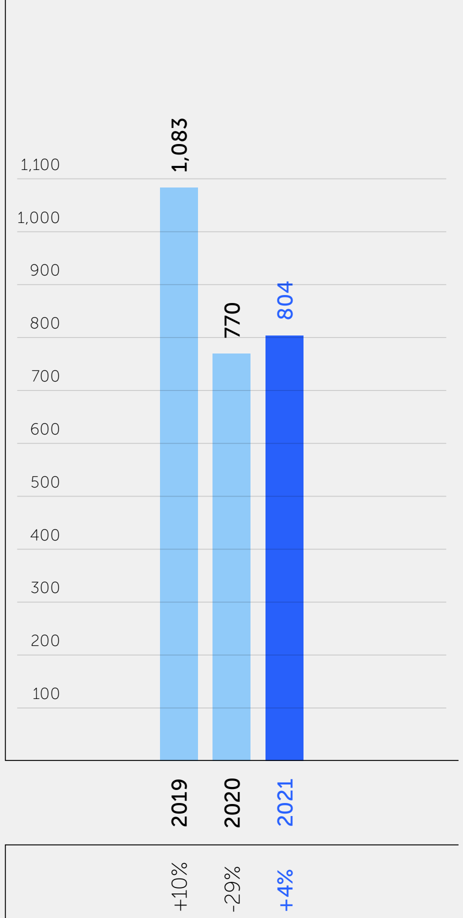
Financial

Orders
(in millions of euro)



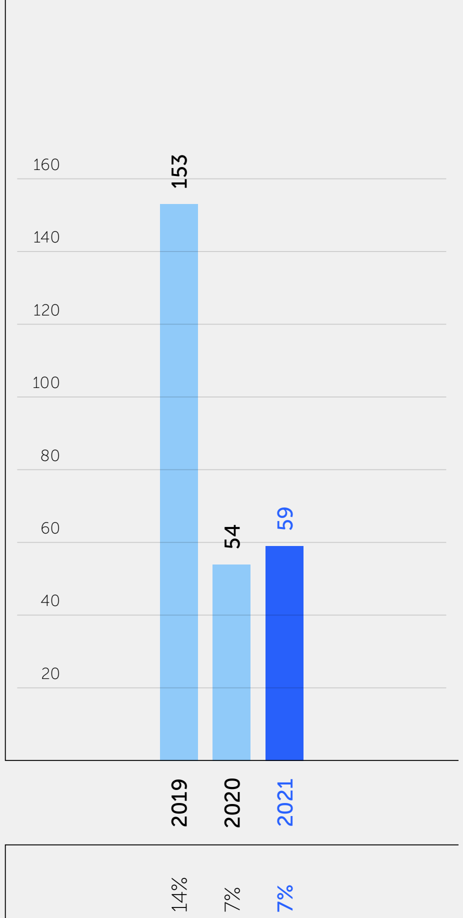
% growth

Sales
(in millions of euro)



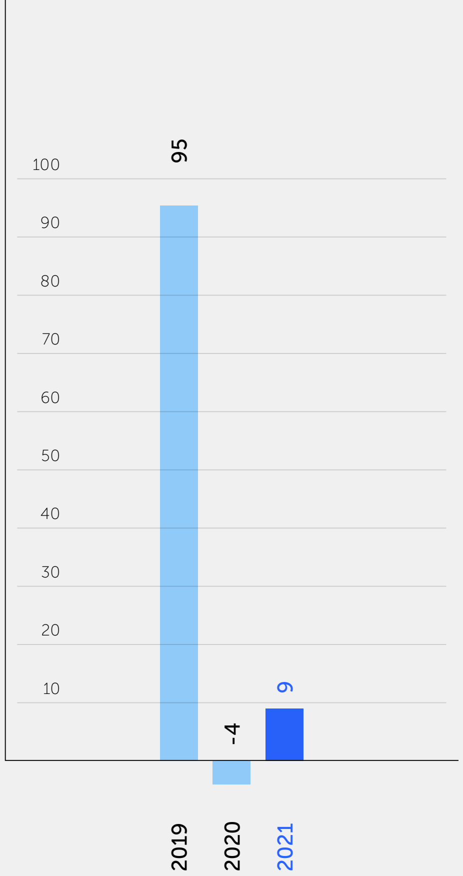
% growth

EBITDA
(in millions of euro)



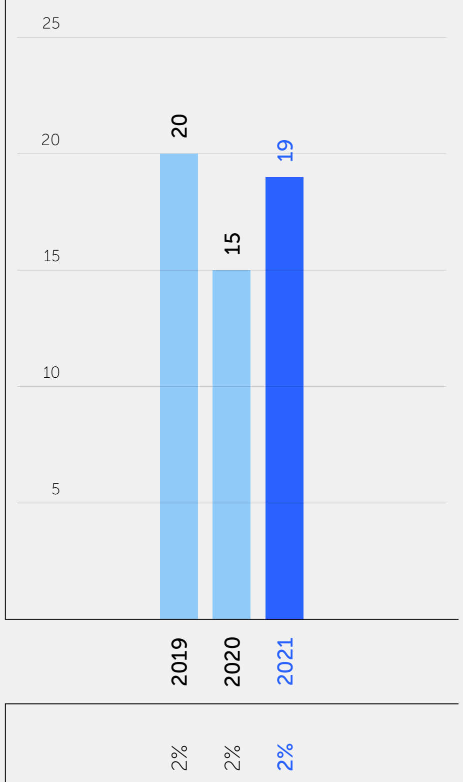
EBITDA margin

Net earnings
(in millions of euro)



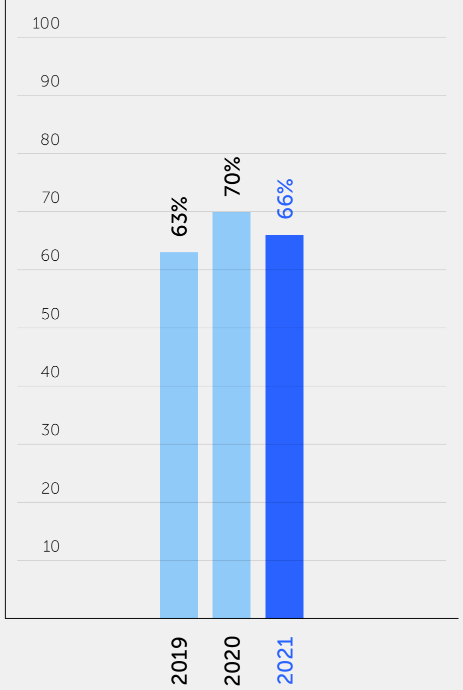
Manufactured

CapEx
(millions of euro)

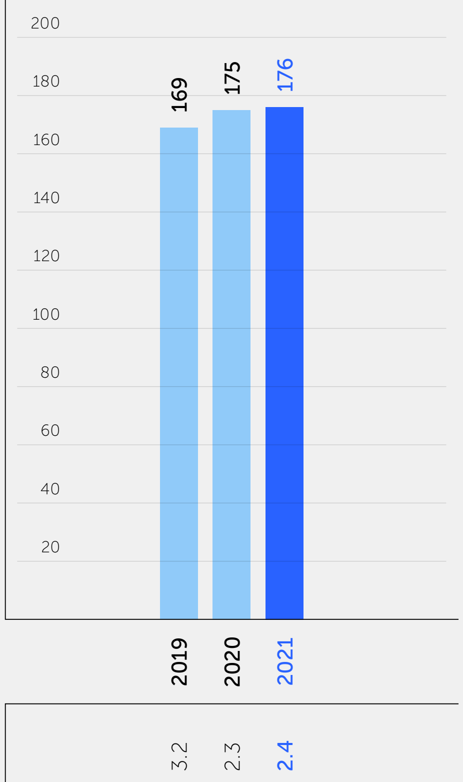


% of sales

Product revenues inhouse manufactured
(over hardware revenues)

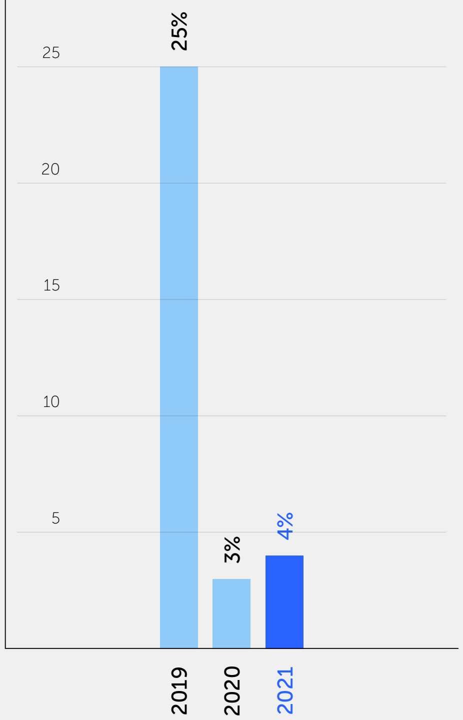


Inventory value
(millions of euro)



Inventory turns

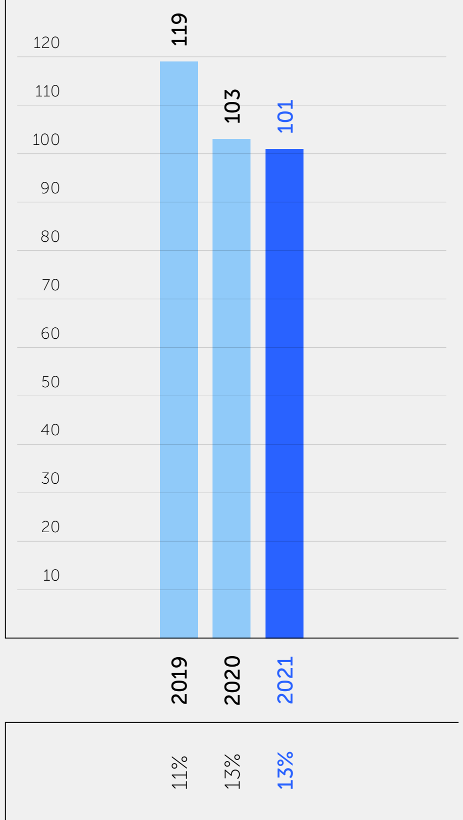
ROCE
(%)



Intellectual

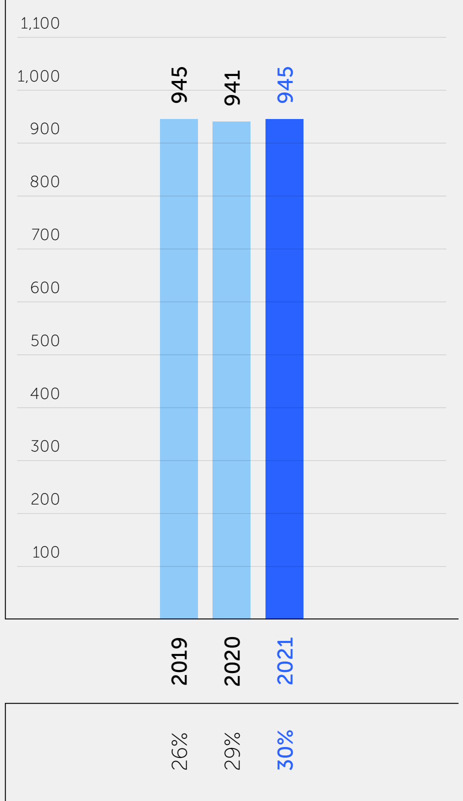
R&D spend

(in millions of euro)



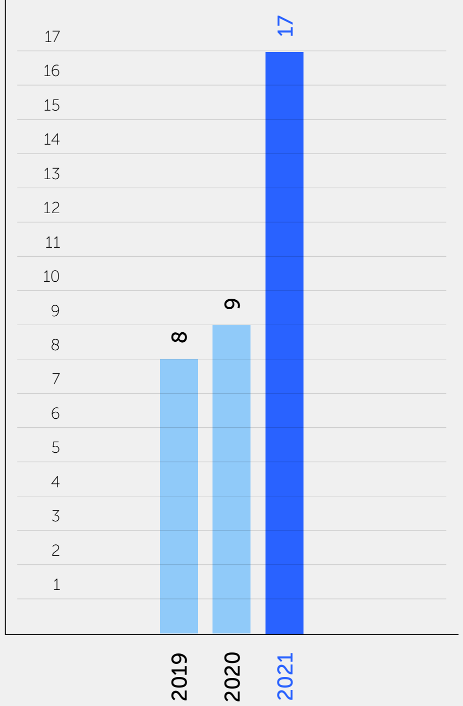
% of sales

Employees in R&D

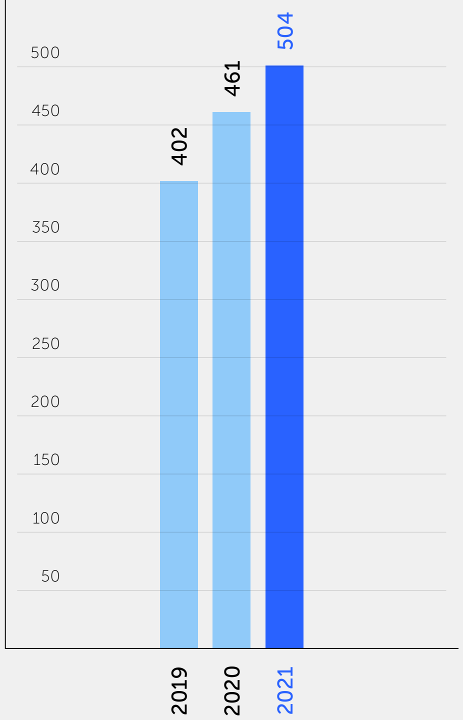


% of total employees

of new patent filings



of patents at year-end

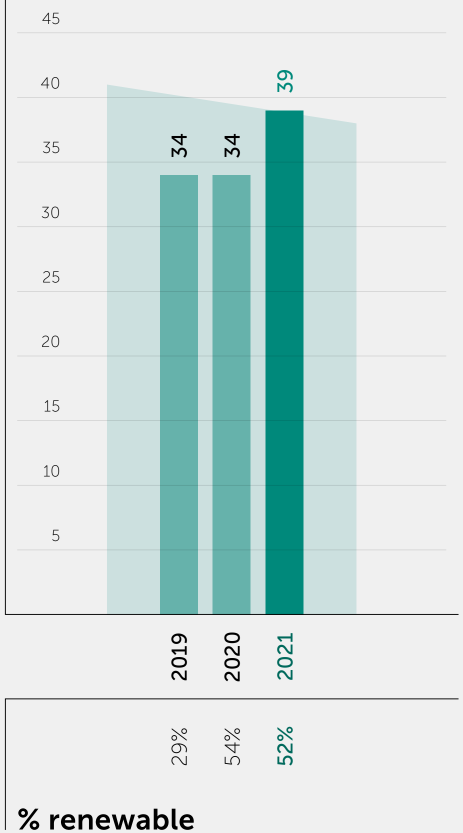


Planet

Energy consumption in own operations

(MWh/mio € revenues)

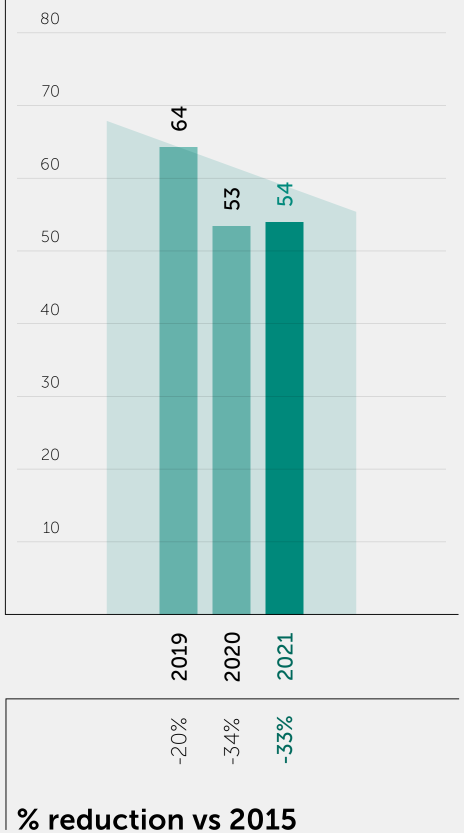
TARGET 2023: 38



Greenhouse gas emissions from own operations

(tonnes CO_2e/mio € revenues)

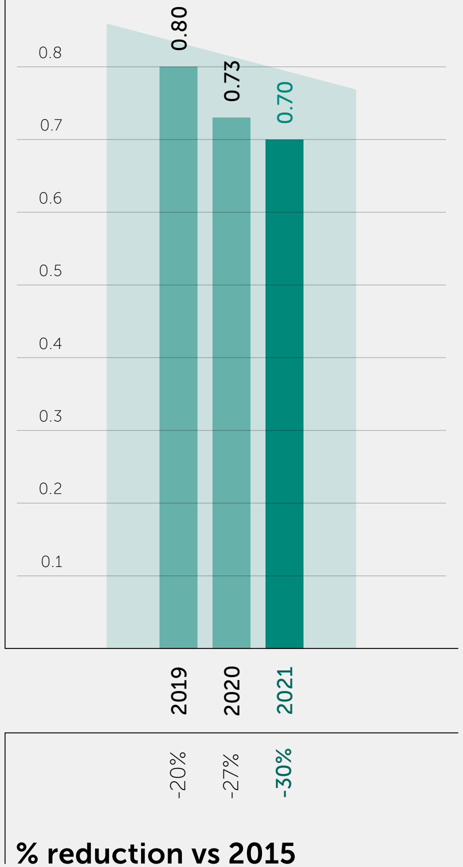
TARGET 2023: 52



Energy footprint of sold products

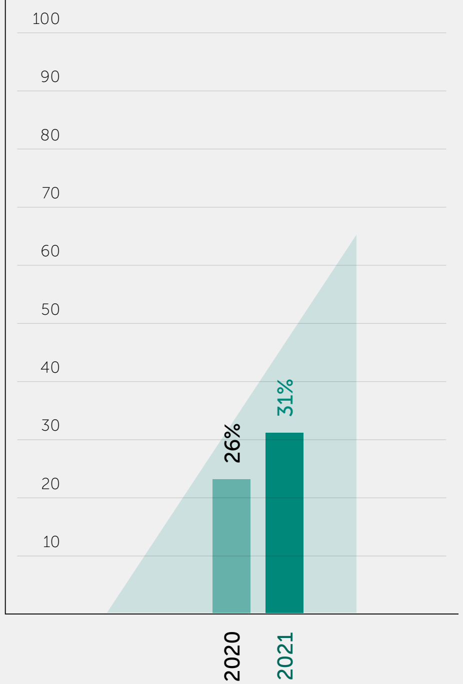
(relative reduction vs base year 2015)

TARGET 2023: -25%



% of revenues* from products with ECO label

TARGET 2023: 70%

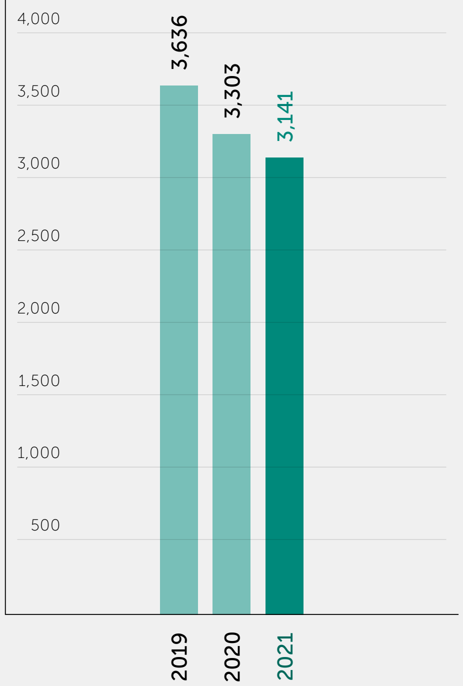


* Product and project revenues as reported in Note 3 of the financial chapter of our integrated report

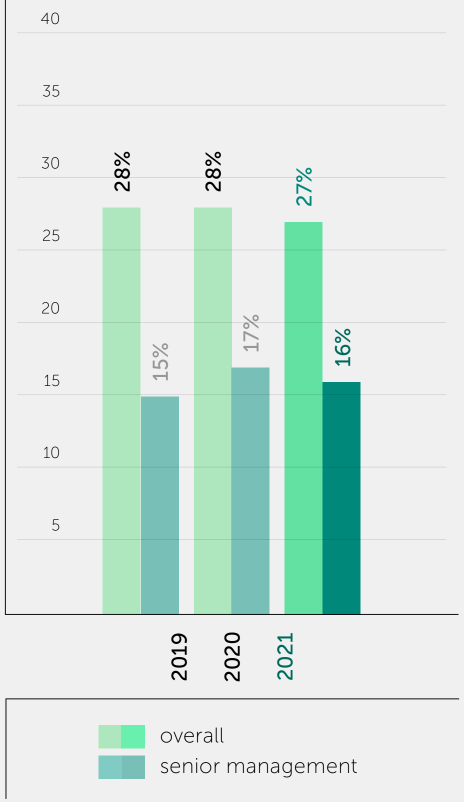
People

Total number of employees

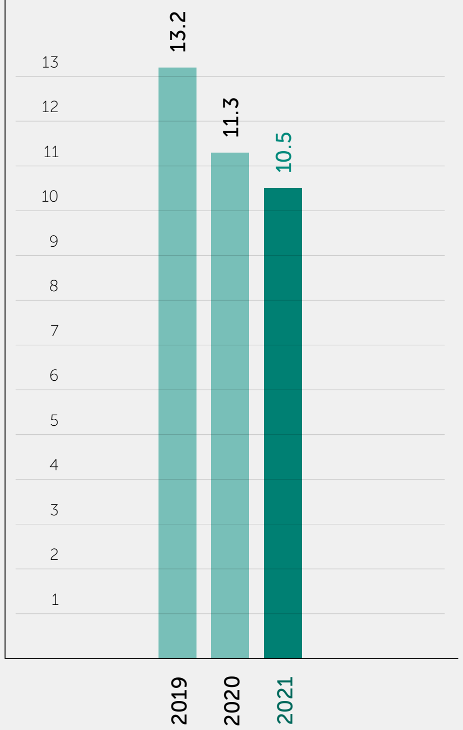
(# heads)



% women overall & senior management

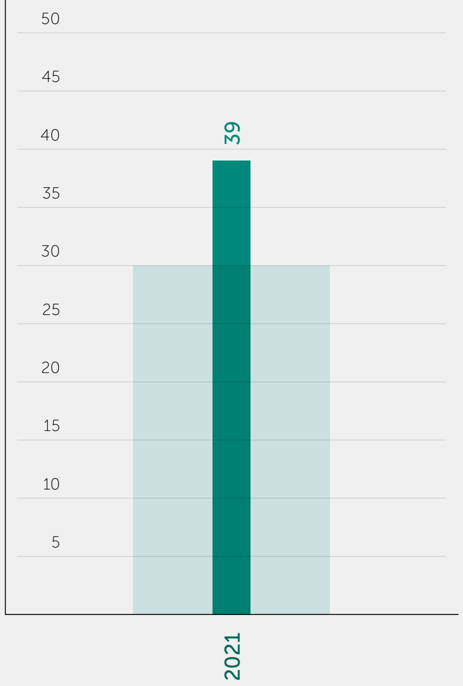


Average training hours/employee



Employee Net Promoter Score

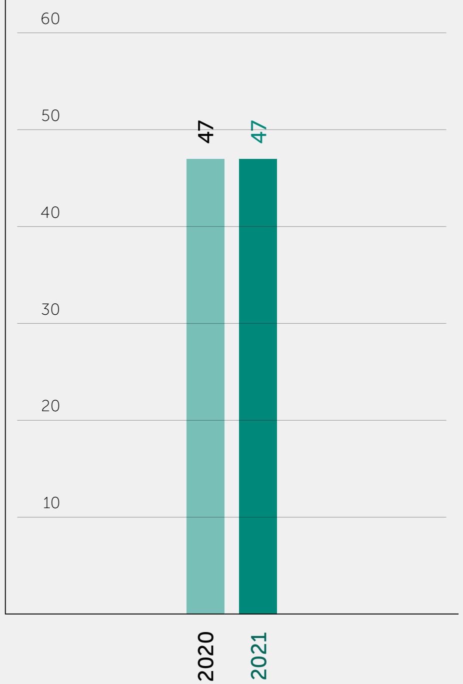
TARGET: 30



Communities

Customer Net Promoter Score

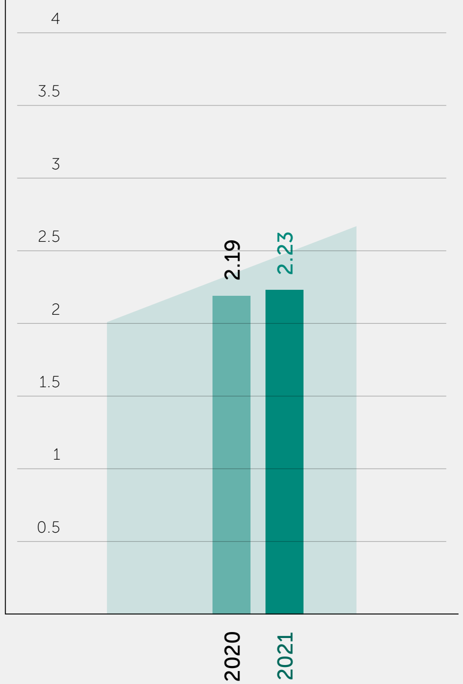
(Relationship NPS)



Average cybersecurity maturity score

(NIST CSF)

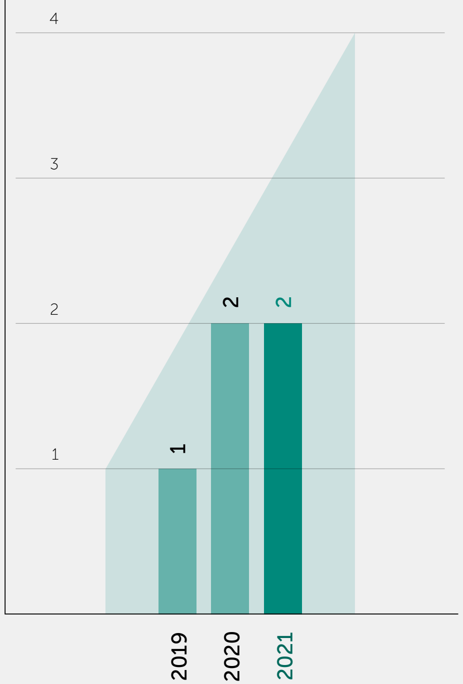
TARGET 2025: 3.4



ISO 27001 certification (security)

(# of product lines in scope)

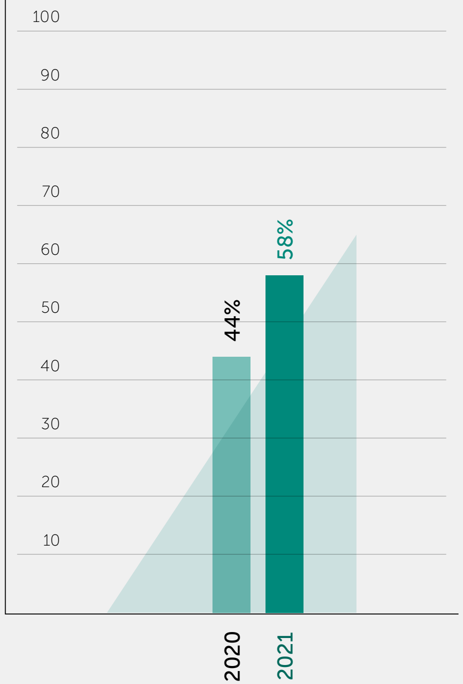
TARGET: + 1 YEARLY



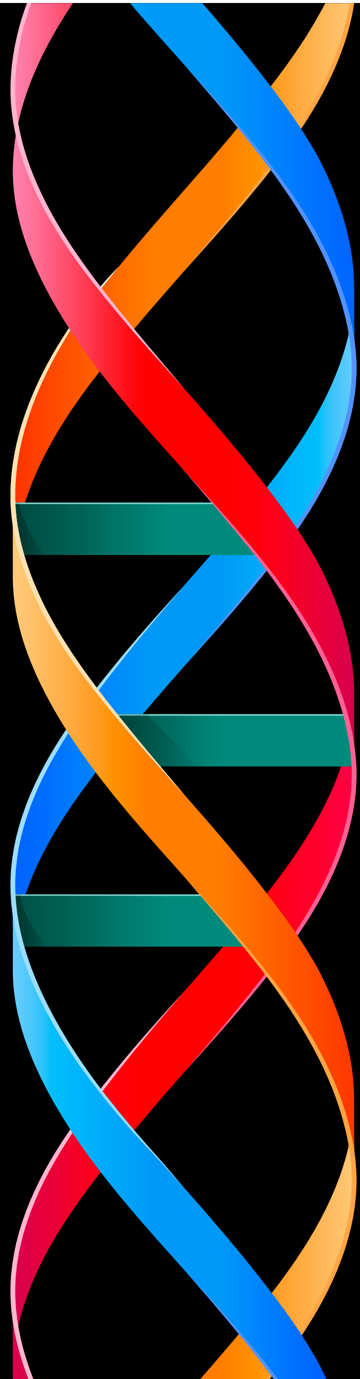
Suppliers scored on sustainability performance

(% of production spend)

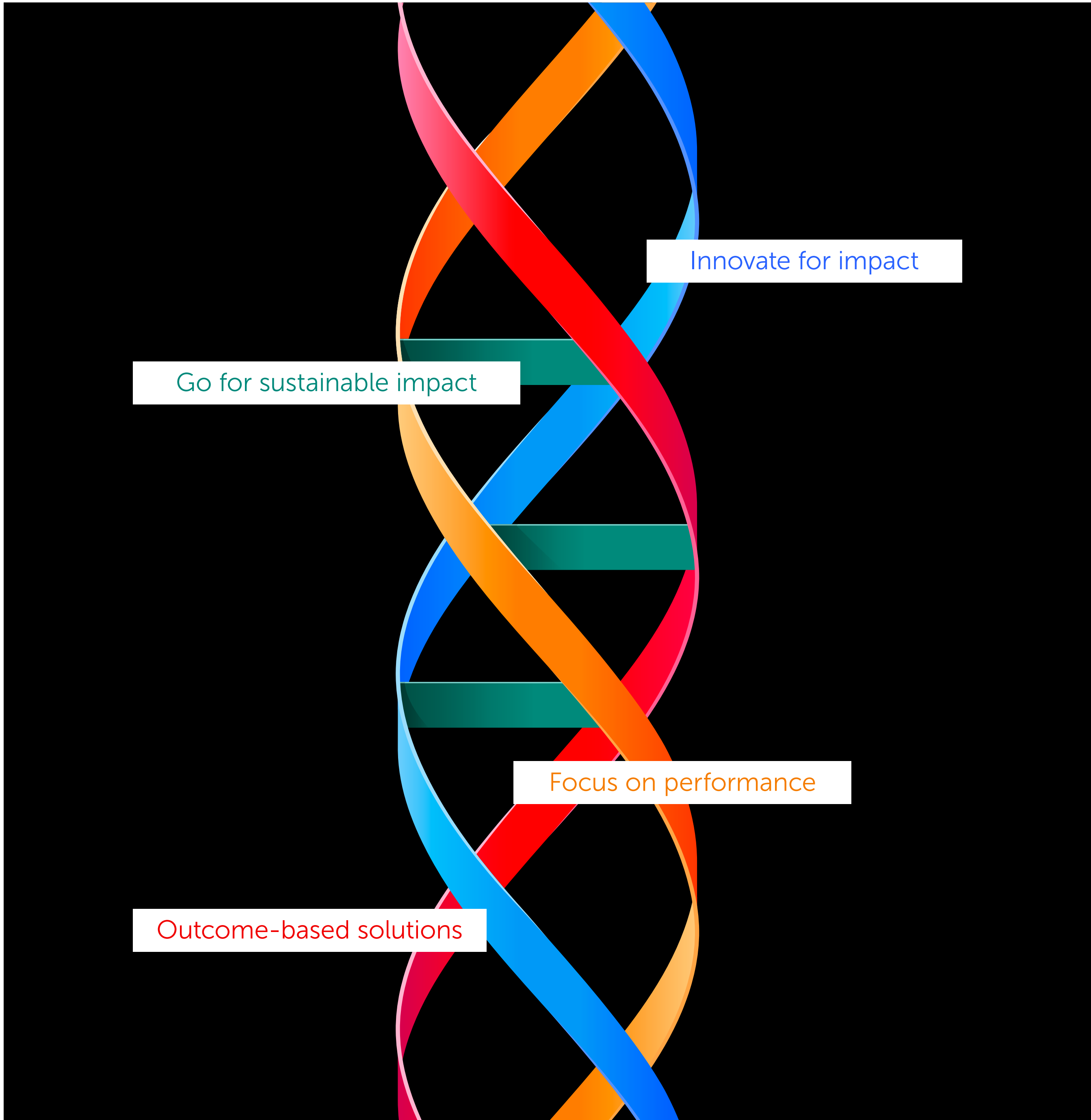
TARGET 2023: 70%



Shaping our strategy



On a mission to enable bright outcomes



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

Four strategic levers

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

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

1. Innovate for impact

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

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

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

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

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

Related to these highly material topics:
- Innovation management
- Product quality, safety & security
- Product stewardship

2. Focus on performance

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

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

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

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

Related to these highly material topics:
- Sustained profitable growth
- Financial resilience

3. Offer outcome-based solutions

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

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

Assessment

We score low (1/4) to medium (2/4) in this domain. 'Delivering outcome-based' solutions' is a clear strategic objective and will be a multi-year journey. We are seeing good signals of progress but need to accelerate our pace to ensure more progress in the years to come.

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

Related to these highly material topics:

- Customer engagement
- Product quality, safety & security
- Information security & data protection
- Product stewardship

4. Go for sustainable impact

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

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

Assessment

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

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

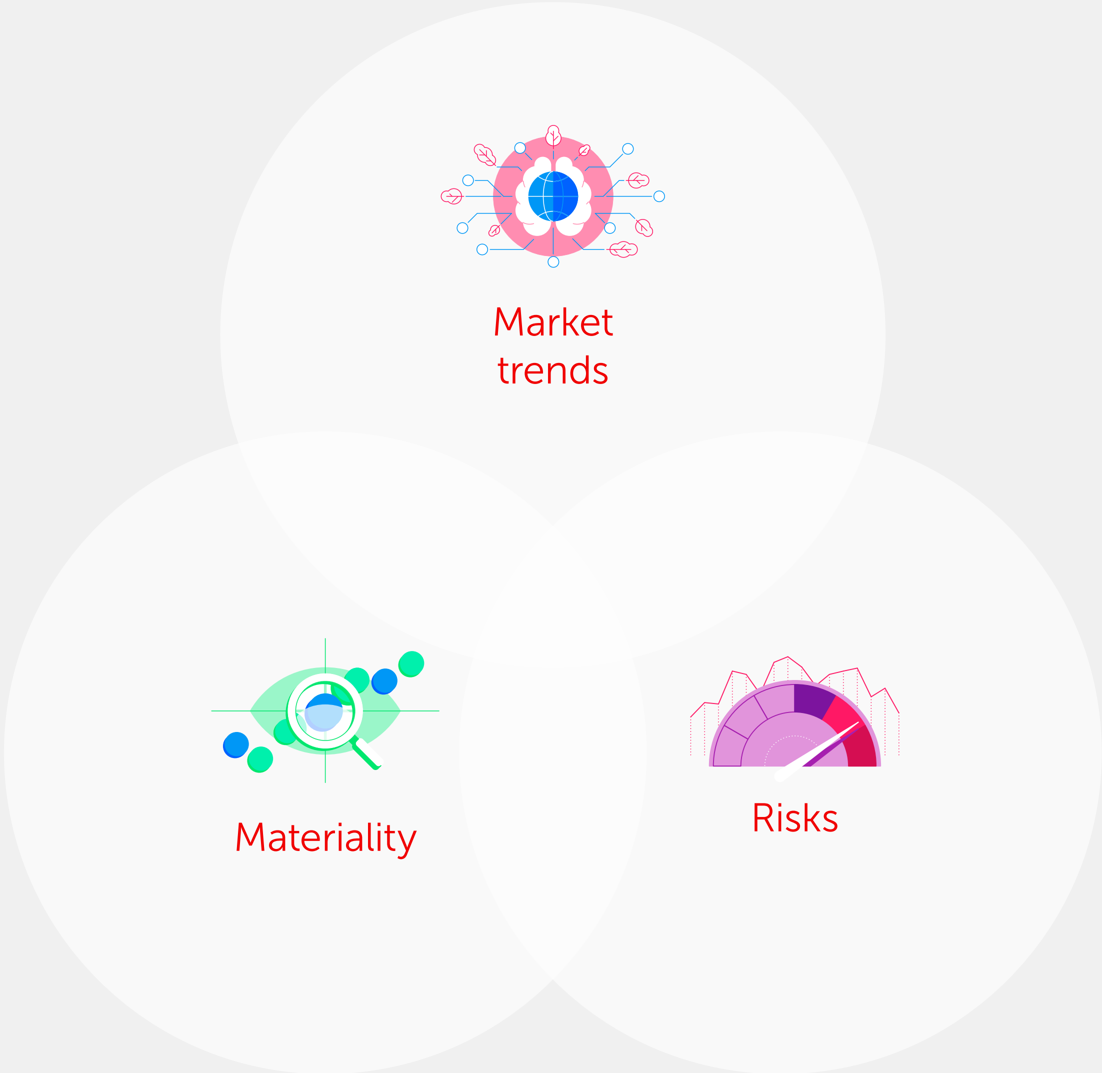
Related to these highly material topics:

- Information security & data protection
- Business ethics
- Employee engagement
- Diversity & inclusion
- Product stewardship
- Climate change & energy

Keeping our strategy in shape

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

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



7 relevant market trends

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

TREND #1

Cinema is not dead. It's changing.

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

» Explore the cinema of the future

TREND #2

Climate change is for real

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

» Check out Barco's carbon emission reduction commitments

TREND #3

China remains a growth engine for the world

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

» Learn more about our 'focus on China'

TREND #4

The need for efficiency and speed in healthcare

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

» Read how our healthcare solutions help improve efficiency

TREND #5

How can we control today's explosion of data?

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

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

TREND #6

The rise of all things hybrid

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

» Discover how Barco supports hybrid collaboration in every environment

TREND #7

More than ever, people are craving experiences

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

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

Materiality

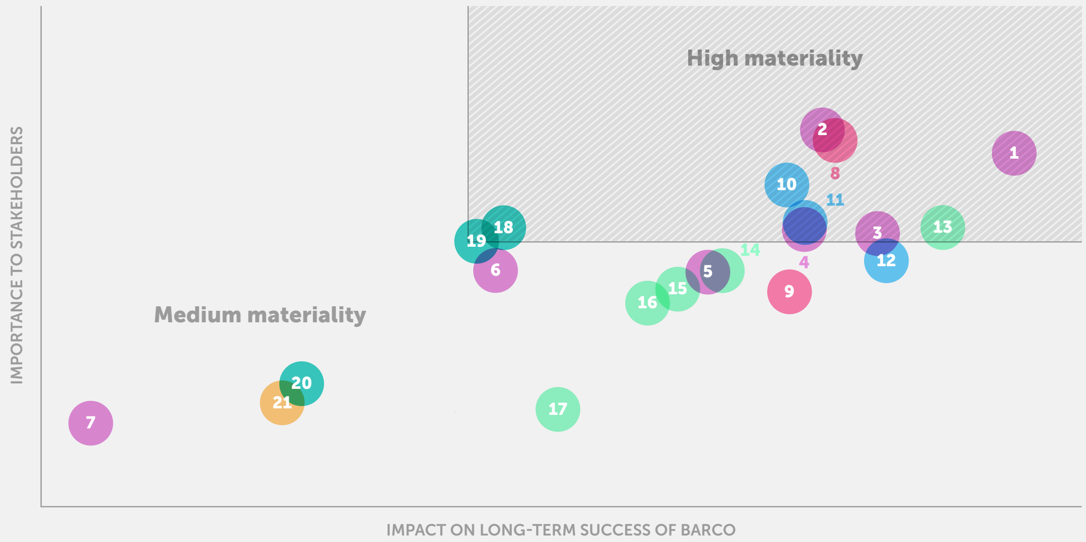
Continuous monitoring of material issues is critical to staying on top of emerging risks and opportunities. A materiality assessment helps organizations understand **what topics matter most to their businesses and stakeholders** and where to focus the attention. We regularly update our materiality assessment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

Our materiality assessment

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

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

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



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

» A description of the material topics can be found on our corporate website

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

Manufactured
21. Long-term asset performance

Dynamic, data-driven materiality assessment

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

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

How does it work?

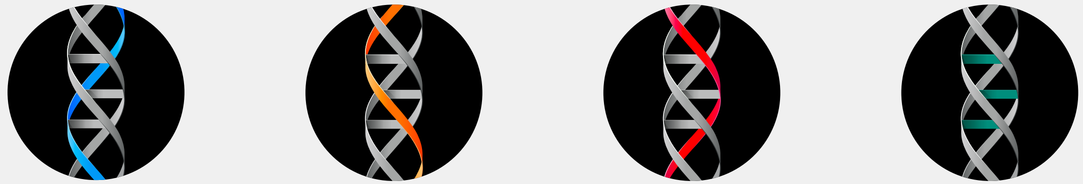
Using **AI on global big data**, Trensition technology automatically scans and analyzes millions of data points from publicly available sources, including scientific articles, patents, industry news, mass media, etc. to help companies spot emerging issues not yet manifested or which are changing perception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

How the UN SDGs guide our strategy

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

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

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



	Innovate for impact	Focus on performance	Offer outcome-based solutions	Go for sustainable impact
HIGHLY MATERIAL TOPICS	2. Product quality, safety & security 8. Innovation management 18. Product stewardship	10. Financial resilience 11. Sustained profitable growth	1. Customer engagement 2. Product quality, safety & security 3. Information security & data protection 18. Product stewardship	3. Information security & data protection 4. Business ethics 13. Employee engagement 17. Diversity & inclusion 18. Product stewardship 19. Climate change & energy
UN SDGs	SDG 9	SDG 8	SDG 3, SDG 7, SDG 12	SDG 3, SDG 7, SDG 8, SDG 12, SDG 13

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.

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

2020 stakeholder engagement process

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

» Read more on our stakeholder engagement approach

Top 5 material topics by stakeholder group (2020 assessment)

	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

Risks

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

Risk management process

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

2021: main risks

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

» Read more on Barco's risk management

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

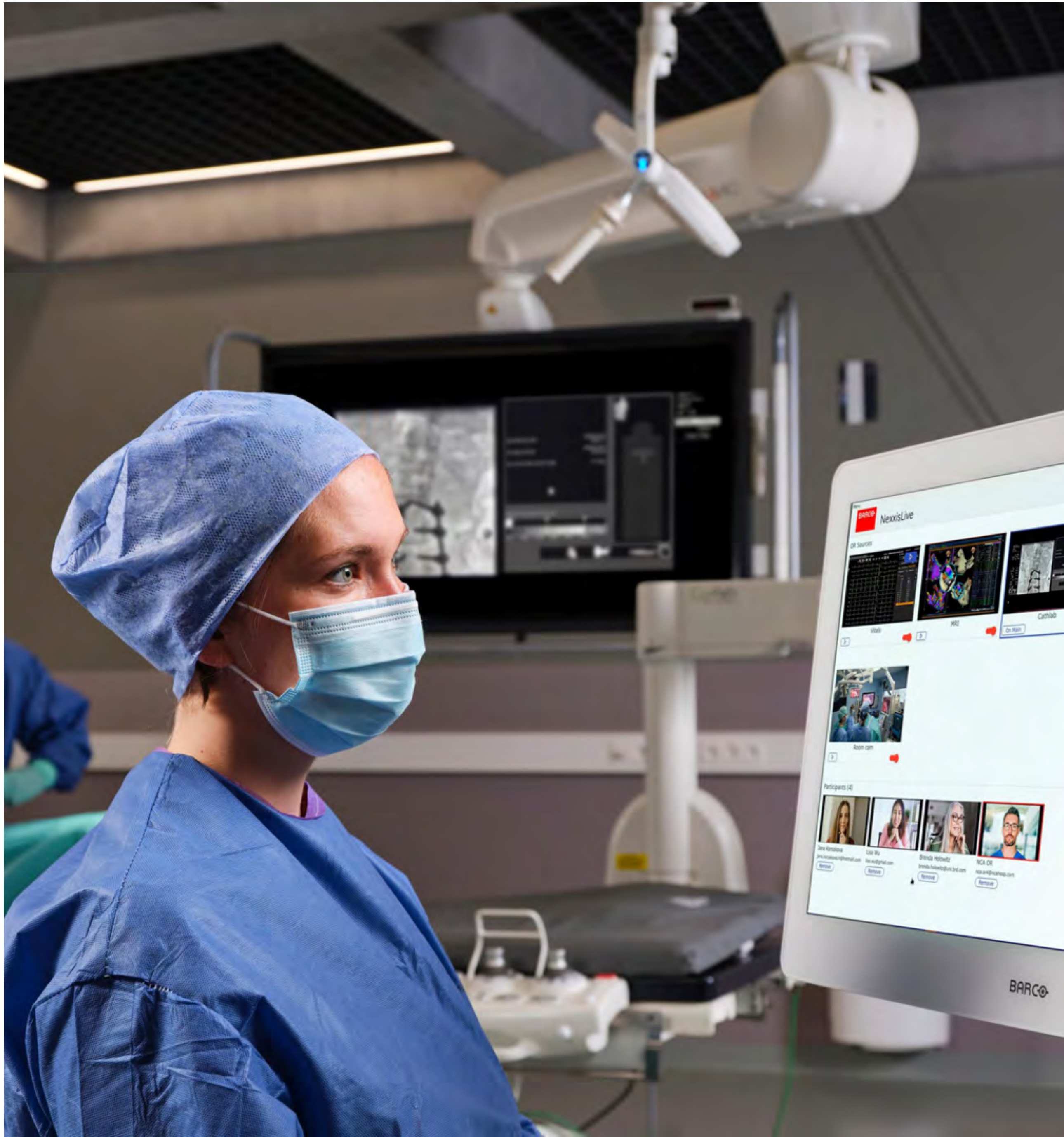
Innovation and technology

Innovation and technology

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

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

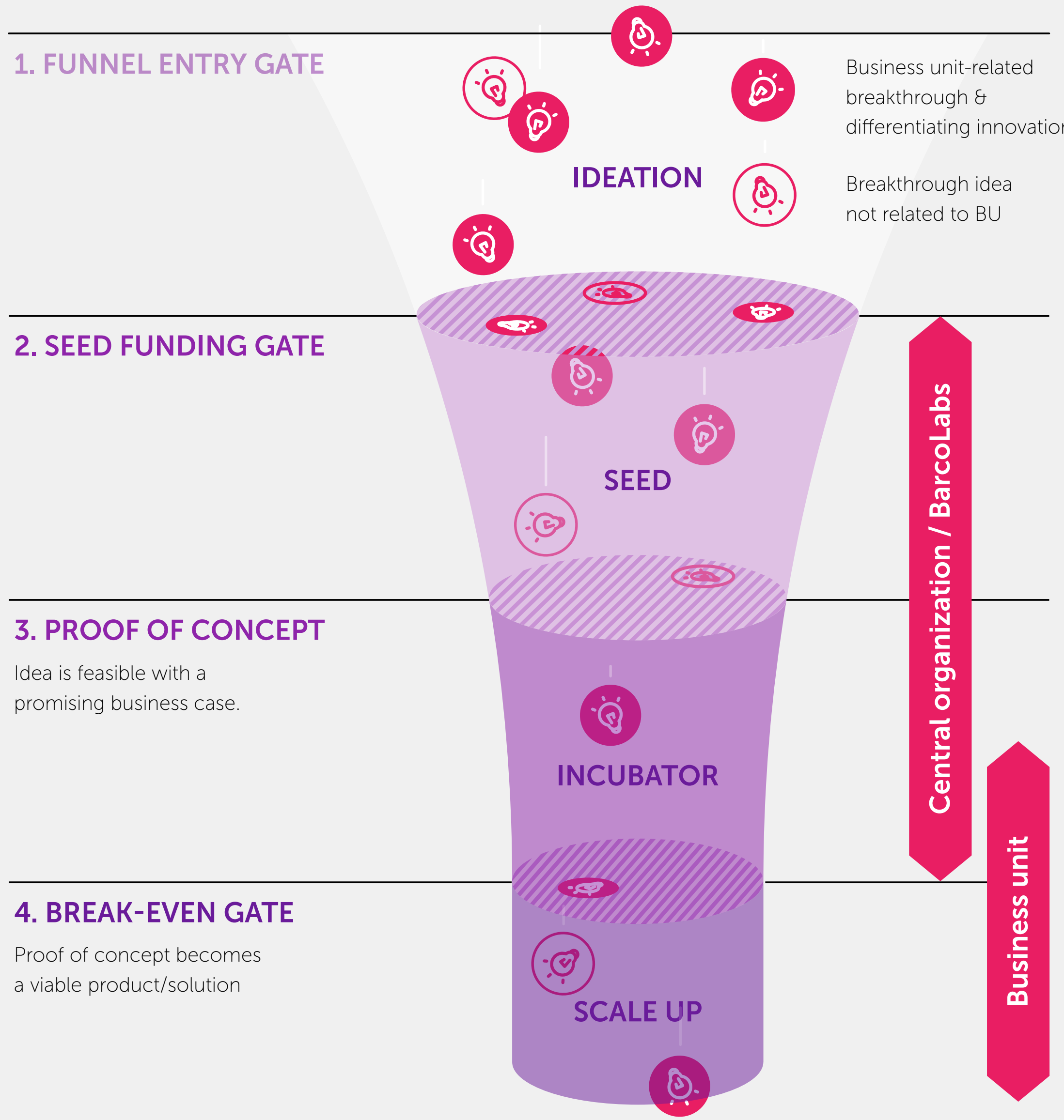
Still, no matter how determined we are to disrupt our markets with groundbreaking technologies, innovation at Barco will never be purely technology-driven. We take a **disciplined approach** to innovation: every new solution or service is the result of extensive market research and stems from dialogue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



Our innovation approach

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

Our innovation process



Strengthening our patent management

Intellectual Property (IP) represents a competitive advantage for a technology company like Barco: patent holders have a higher chance to attract customers, investors and even employees. A solid patent strategy asserts our position as a global technology leader.

While Barco has always been an innovator, IP and patens have long been considered a 'technical topic' rather than a strategic asset. In the past two years we have strenghtened our IP management by assigning dedicated patent delegates and further built out the internal patent team with new expertise.

More than educating employees on the importance of IP, the team has now fully **incorporated patenting in our innovation process**. As a result, we file more strategic patents earlier. Patentability is continuously monitored throughout the product development cycle and we have introduced professional IP infringement checks.

> We now have the right mindset, a dedicated team and we invest time and money in the IP process – as befits a true technology company.
>
> **Gerwin Damberg**
> Barco CTO

Accelerating our start-up-like approach

The new, more structured approach to innovation that Barco kicked off in 2020 got full support of our new leadership board in 2021. What's more, our new CEOs decided to rebalance the R&D investment portfolio to build a more effective new growth development portfolio. They also highlighted the need to focus more on new growth innovation – a challenge that CTO Gerwin Damberg seizes with both hands.

Last year, you explained that you wanted to instill a more start-up-like approach to innovation. Could you shortly recap?
Start-ups adopt a bold and holistic approach to innovation to survive. First, there is a truly disruptive idea that addresses a customer's real pain point, after which they verify whether their idea can scale and lead to exponential growth. If the idea ticks these boxes, then the technology solutions often fall into place.

In 2020, we rolled out a Barco-wide innovation approach that considers these steps. Once every quarter, innovators pitch their ideas in a venture capital like setting. We then check if they meet all the criteria, and only then will they receive funding and staffing to work rapidly towards a proof of concept that can be tested with early customers. By the way, I shouldn't forget the sustainability criterion. That, too, has become essential when developing new solutions, early on.

The new co-CEOs have now explicitly stated they want more groundbreaking, value-added solutions faster. Does that confirm that last year's shift was the way to go?

I am fully behind that commitment. Barco has a solid position in its core markets, and we need to afford to take bold moves, either by disrupting in our existing markets or beyond. When we look at Barco's executive management team, there's a lot more tech expertise and deep market insight on board than a few years ago and disruptive innovation is high on the agenda. We encourage a culture at all levels in which doubling down on innovation, knowing this comes with higher risk, is not just welcome, but a central part of our strategy. We pick up the story we started writing last year and expand on it. In the past years, Barco put more weight on incremental innovation, taking existing products to new levels. This was important and now we want to intentionally disrupt ourselves, develop exciting new solutions and take these into other markets. The redesign of the organization that An and Charles implemented last October will help boost that entrepreneurial spirit with full focus on each market and if done right with the dynamics of a start-up.

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

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

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

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

Risk is inherent to innovation. Yet, a good governance process is key, of course. We need to be careful about the decisions we make, keep the process lean and always remain honest to ourselves: if an idea doesn't work, we need the courage to stop. Stopping should never be considered a failure but an important lesson learnt. Equally important: if an early idea proofs successful, we must accelerate it. Moving slow on a good idea is one of the biggest risks in corporate innovation. We really have to maintain the startup pace and mentality all the way through the growth stages. If we are too slow, our competitors are bound to outpace us.

Product quality, safety & security and product stewardship are highly material topics

Matching technology seeds with customer needs

Guy Van Wijmeersch, Director Innovation & Design Thinking, is at the very front-end of innovation at Barco. His role: facilitating early innovation and helping Barco translate bright new ideas into valuable development that meets real customer needs.

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

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

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

» Read how we build a Barco ecosystem

Product quality and stewardship: much more than an afterthought

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

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

> The Eurovision Song Contest is a mega production equaled by very few worldwide. You can only be successful in this production by applying the highest quality standards. For Eurovision, only quality technology is good enough, and that's exactly what we found with Barco.
>
> **Ben Augenbrou**
> project manager for Eurovision 2021

Technology: domains

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

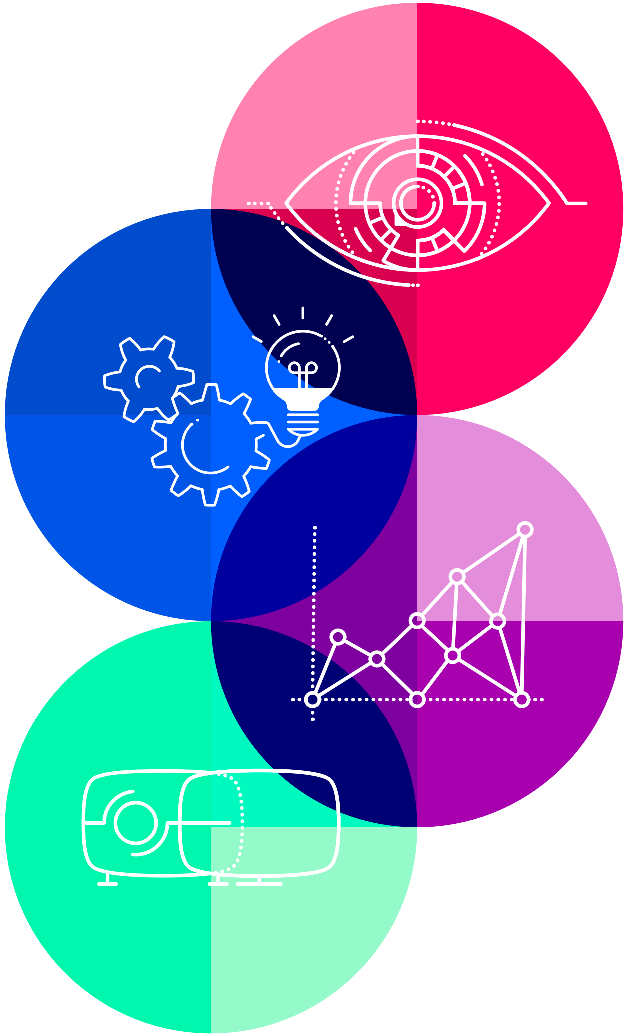


Image processing
Professional visualization requires both classical image processing algorithms and data-driven approaches. Barco's image processing technology domain covers image and video capture, enhancements, processing, understanding and rendering as well as techniques to enhance human-machine interaction.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

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

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

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

Our markets


Quarterly performance
By sector
Summary
Last year, we saw strong performance in Q1 and Q2. There was dip in Q3 due to market conditions but we saw positive results in Q4.
70%
of our revenue came from our primary target sector
43%
came from secondary sectors

Our markets

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

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

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

Customer engagement is a highly material topic

Customer engagement

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

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

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

Connecting to customers and their ecosystems

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

Sharing insights and discussing trends

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

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

Collaboration and co-creation

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

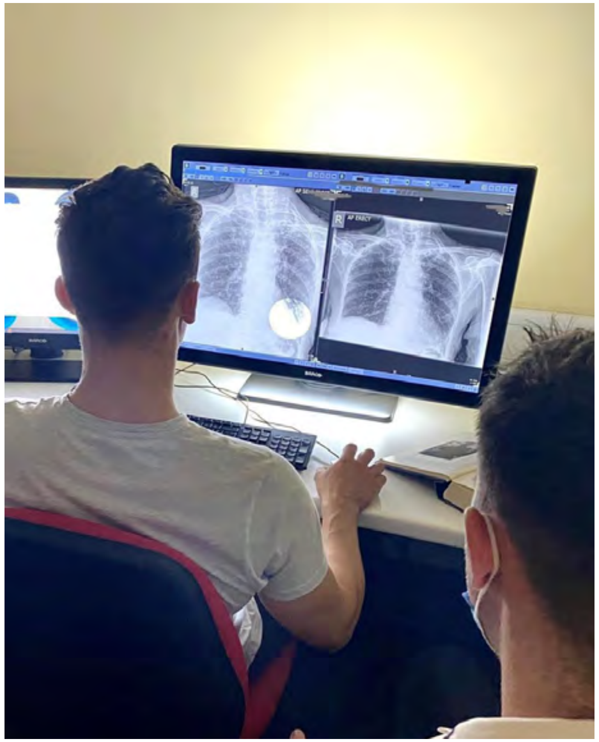
Providing exceptional customer experiences throughout the journey

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

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

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

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



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

Tom Leyland
WWL NHS Foundation and Teaching Hospital (UK)

How our reorganization fosters customer intimacy

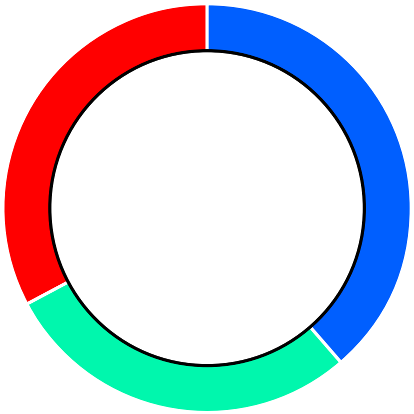
Moreover, the company reorganization that we carried out in October 2021 will also help to improve the customer experience. By centralizing sales among the managers of the business units, we will get shorter lines with our customers. This will allow us to respond more quickly to questions and needs.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

» Read more on our customer engagement initiatives

Three divisions

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

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



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

* Breakdown based on sales 2021

Entertainment

Enterprise

Healthcare

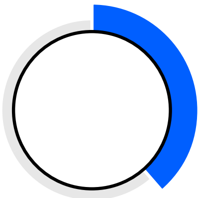
Entertainment

Creating moments, enriching lives

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

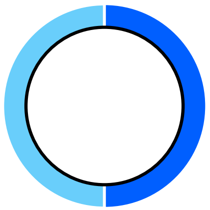
The Entertainment division comprises two business units: **Cinema** and **Immersive Experience**.

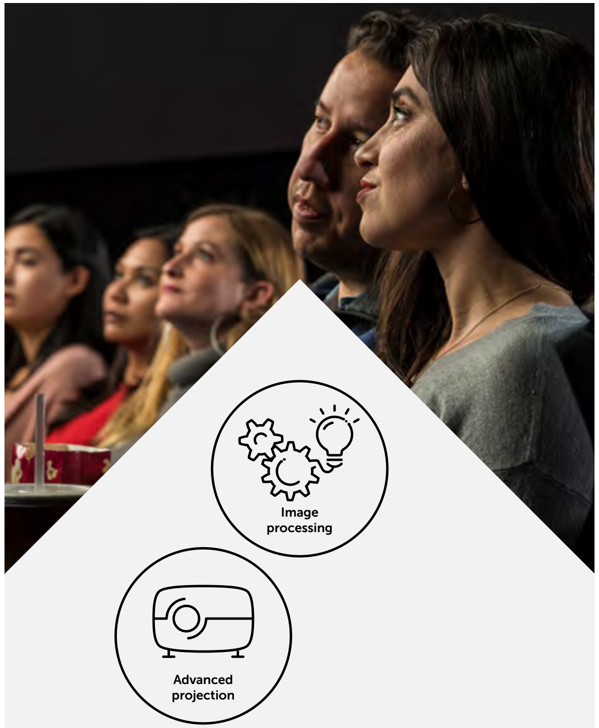
39%
Entertainment



50%
Cinema

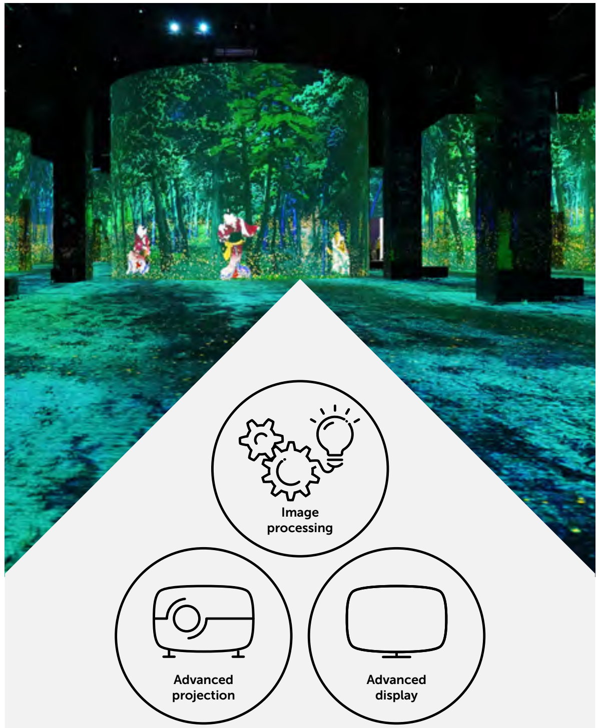
50%
Immersive Experience





CINEMA

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



IMMERSIVE EXPERIENCE

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

How Barco Entertainment creates value

Solutions and services that entertainment professionals can rely on

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

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

> I have been working in the industry for more than 25 years now and I have come to know Barco projection technology very well. With Barco, I'm confident that we are safe for many years, without needing a dedicated support person on site 24/7.
>
> **Tor Ditlevsen**
> Lighting designer at Superlys, who set up the installation at Artic University Museum in Tromsø

A trusted brand that puts customers first

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

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

Stijn Henderickx
EVP Immersive Experience

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

A division with a purpose: we go for sustainable impact

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

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

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

Gerwin Damberg
EVP Cinema

The Cinionic experience

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

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

» Read more on cinionic.com

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

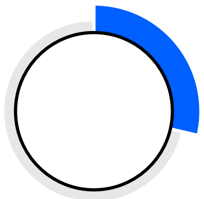
Enterprise

Engaging you to unleash the power of shared knowledge

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

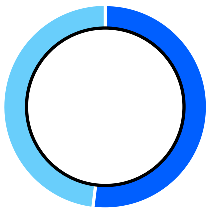
The Enterprise division comprises two business units: **Meeting Experience** and **Large Video Walls**.

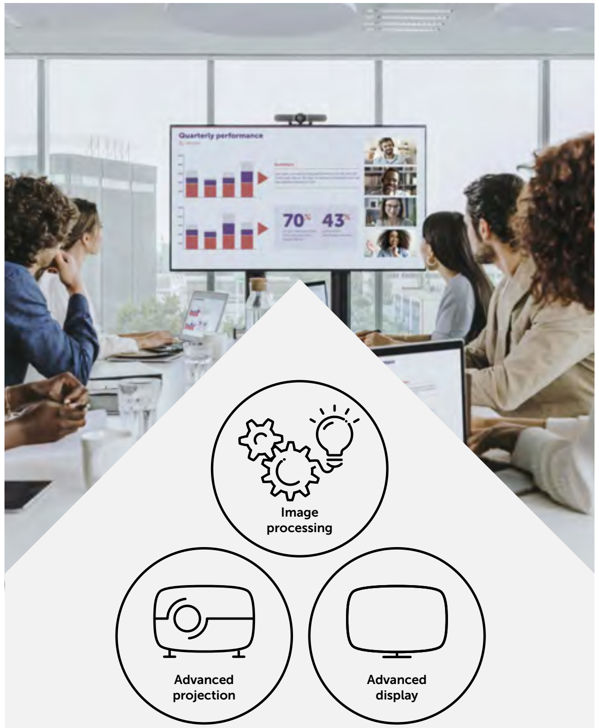
29%
Enterprise



52%
Meeting Experience

48%
Large Video Walls





MEETING EXPERIENCE

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

LARGE VIDEO WALLS

Large Video Walls offers a package of solutions to help control room operators make well-informed decisions: **video walls, video wall controllers, control room software** and a **full suite of support services**.

How Barco Enterprise creates value

Solutions and services that organizations can rely on

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

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

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

Chris Sluys
EVP Large Video Walls

A trusted brand that puts customers first

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

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

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

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

Olivier Croly
EVP Meeting Room Experience

A division with a purpose: we go for sustainable impact

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

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

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

Fernando Almeida Teles
Head of Service Operation Center
at Altice Portugal

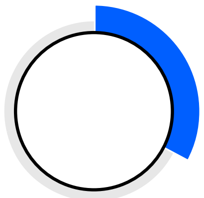
Healthcare

Enabling better healthcare outcomes for more people

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

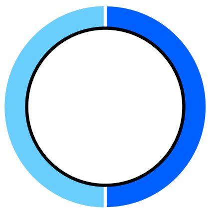
The Healthcare division comprises two business units: **Diagnostic Imaging** and **Surgical & Modality**.

33%
Healthcare



50%
Diagnostic Imaging

50%
Surgical & Modality



DIAGNOSTIC IMAGING

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

SURGICAL & MODALITY

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

How Barco Healthcare creates value

Solutions and services that healthcare professionals can rely on

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

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

Geert Carrein
EVP Diagnostic Imaging

A trusted brand that puts customers first

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

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

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

Johan Fornier
EVP Surgical and Modality

A division with a purpose: we go for sustainable impact

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

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

Focus on China

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

Barco's china strategy – 3 questions and answers

Kenneth Wang, MD of Barco China since March 2021 explains how Barco wants to grasp the opportunities in China's rapidly growing market.

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

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

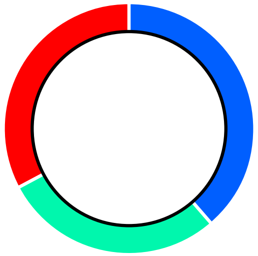
Why is it so important to build a strong Barco organization in China?
To be successful in China, one of the most important things is to understand the customers. Our business culture differs greatly from that in other parts of the world. So, if we want to tailor our products and strategy to the Chinese market, we have to do that from within China. Moreover, local factories and local sourcing help us meet the cost requirements that are key to winning in the Chinese market and enable us to meet customer needs much quicker.

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

Kenneth Wang
MD of Barco China

Our results

Group results



39%* Entertainment

29% Enterprise

33% Healthcare

* Breakdown based on sales 2021

Eco score

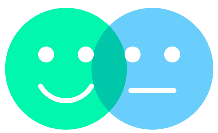
31%

% revenues from products with Barco ECO label

Customer NPS

(Net Promoter Score)

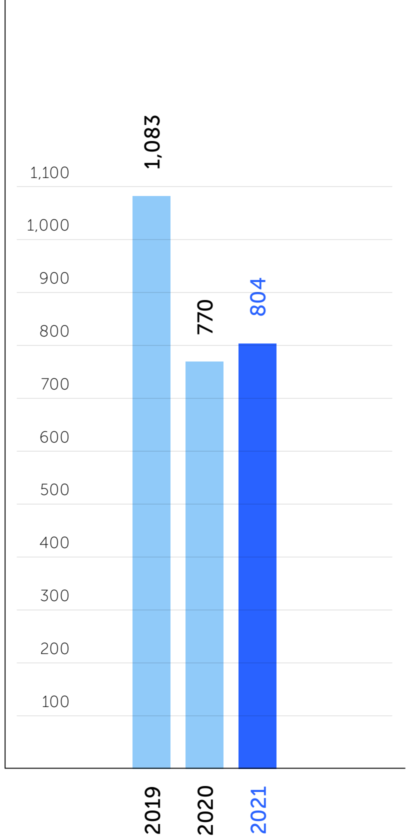
47



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

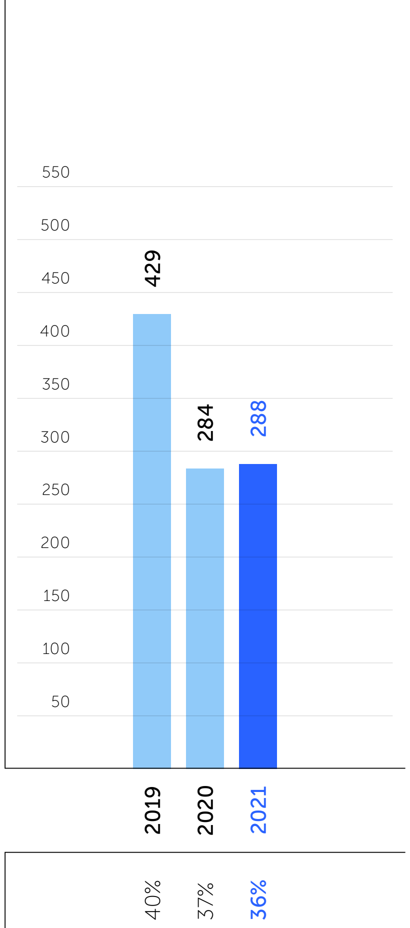
Sales

In millions of euro



Gross profit

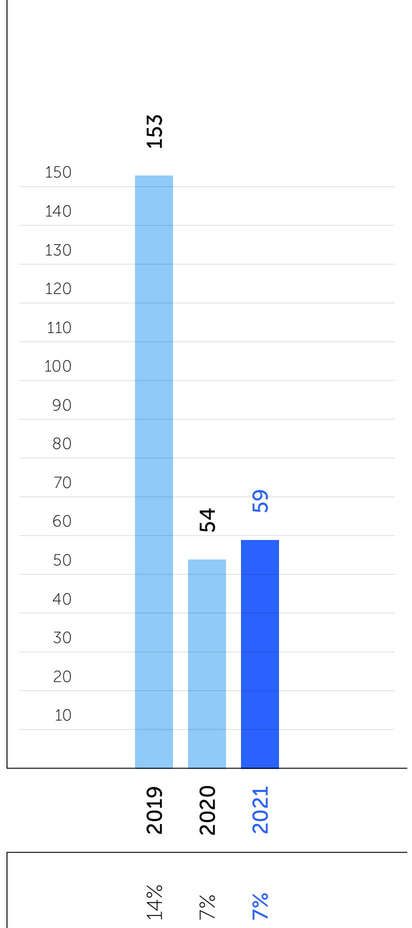
In millions of euro



Gross profit margin

EBITDA

in millions of euro



EBITDA margin

Comments on the group results

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

Financial highlights fiscal year 2021 and 4Q21[1]

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

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

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

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

Group topline – solid order intake and sales conversion lagging

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

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

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

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

(1) All definitions for alternative performance measures (APM's) are available in the glossary as available on Barco's investor portal

Division topline – encouraging rebound in Entertainment and Enterprise

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

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

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

Profitability and free cash flow

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

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

Executing toward the long-term financial objectives

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

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

Outlook 1H22

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

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

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

Dividend

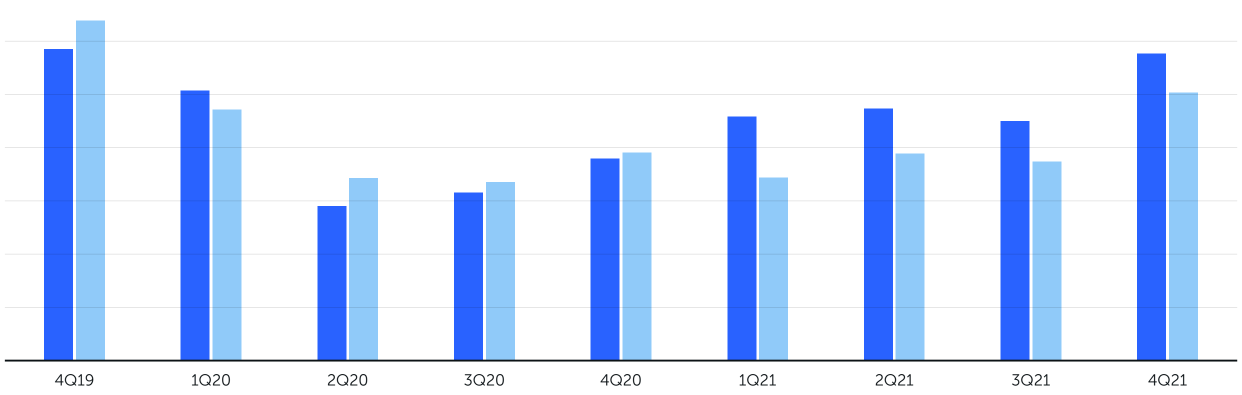
Barco's Board of Directors will propose to the General Assembly to distribute a gross dividend of 0.4 euro per share, a 5% increase from 0.378 euro a year ago.
Barco's shareholders will be offered the choice between payment in cash or dividend in shares, enabling them to reinvest in the company.

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

Update 4Q21

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

Quarter-over-quarter order and sales 2019-2021



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

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

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

Consolidated results for the fiscal year 2021

Order intake

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

Order book

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

Order intake

In millions of euro	FY21	FY20	FY19	Change vs FY20
Order intake	978.8	746.0	1,102.2	+31%
Order intake at constant currencies				+34%

Order book

In millions of euro	FY21	FY20	FY19	Change vs FY20
Order book	487.0	281.5	322.3	+73%

Order intake by division

In millions of euro	FY21	FY20	FY19	Change vs FY20
Entertainment	386.6	268.7	491.0	+44%
Enterprise	262.4	215.2	350.9	+22%
Healthcare	329.8	262.1	260.2	+26%
Group	**978.8**	**746.0**	**1,102.2**	**+31%**

Order intake breakdown by region

In millions of euro	FY21	FY20	FY19	Change (in nominal value)
The Americas	37%	39%	41%	+28%
EMEA	37%	35%	36%	+37%
APAC	26%	26%	23%	+27%
Global	**100%**	**100%**	**100%**	**+31%**

Sales

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

Impact of supply chain constraints

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

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

Sales

In millions of euro	FY21	FY20	FY19	Change vs FY20
Sales	804.3	770.1	1,082.6	+4.4%
Sales at constant currencies				+6.7%

Sales by division

In millions of euro	FY21	FY20	FY19	Change vs FY20
Entertainment	309.7	291.4	455.1	+6%
Enterprise	233.1	216.8	358.7	+8%
Healthcare	261.5	261.9	268.8	-0%
Group	**804.3**	**770.1**	**1,082.6**	**+4.4%**

Sales by region

In millions of euro	FY21	FY20	FY19	Change (in nominal value)
The Americas	37%	39%	39%	+1%
EMEA	38%	36%	37%	+9%
APAC	25%	25%	24%	+3%
Global	**100%**	**100%**	**100%**	**+4.4%**

Profitability

Gross profit

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

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

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

Indirect expenses & other operating results

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

As a percentage of sales indirect expenses were 33.0% in 2021 compared to 34.5% in 2020.

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

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

EBITDA & adjusted EBIT

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

EBITDA margin was 7.3% versus 7.0% for 2020.

All three divisions posted mid- to high single-digit full-year EBITDA margin.

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

EBTIDA by division

In millions of euro	Sales	EBITDA	EBITDA %
Entertainment	309.7	21.5	6.9%
Enterprise	233.1	14.6	6.3%
Healthcare	261.5	22.4	8.6%
Group	**804.3**	**58.5**	**7.3%**

EBITDA by division 2021 versus 2020 (and 2019)

In millions of euro	FY21	FY20	FY19	Change vs FY20
Entertainment	21.5	0.3	6.9%	+7380%
Enterprise	14.6	18.2	6.3%	-20%
Healthcare	22.4	35.0	8.6%	-36%
Group	**58.5**	**53.6**	**7.3%**	**+9%**

Adjusted EBIT[2] was 19.4 million euro or 2.4% of sales, compared to 10.2 million euro or 1.3% of sales for 2020.

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

(2) Adjusted EBIT is EBIT excluding restructuring charges and impairments, see Glossary Annual and Half year report,

Cash flow & balance sheet

Income taxes

Taxes in 2021 were 2.1 million euro for an effective tax rate of 18%, compared to zero last year on pre-tax negative results.

Net income

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

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

Free cash flow and working capital

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

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

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

Working capital

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

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

In millions of euro	FY21	FY20	FY19
Trade Receivables	157.0	146.1	195.4
DSO	**56**	**67**	**55**
Inventory	175.5	175.4	169.0
Inventory turns	**2.4**	**2.3**	**3.2**
Trade Payables	-114.0	-70.3	-128.9
DPO	**80**	**53**	**71**
Other Working Capital	-171.7	-170.6	-205.2
Total working capital	**46.8**	**80.6**	**30.2**

Capital expenditure

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

ROCE

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

Cash position

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

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

Update Planet - People - Communities

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

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

Planet

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

	FY21	FY20	FY19	Change vs 2020
Greenhouse gas emissions from own operations reduction (vs 2015)	-33%	-34%	-20%	-1ppt
% revenues from ECO labeled products	31%	26%		+5ppts

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

To reduce the footprint of its products and to improve the eco-friendliness of its solutions portfolio Barco has introduced and rolled out a company-wide ecoscoring methodology. We started measuring the revenues from the ECO labeled solutions in 2020 and set the target level for 2023 of 70% ECO labeled revenues[3]. In 2021, 31% of revenues came from products with a Barco ECO label compared to 26% in 2020. Driven by an increasing proposition of ECO labeled product releases, the company expects to see ECO labeled revenues increase.

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

(3) For more information about Barco eco scoring methodology, see the Barco website.

People

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

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

	FY21	FY20	FY19	Change vs 2020
Employee Net Promoter Score	38.5	-	-	NA

Communities

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

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

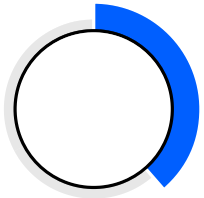
In 2021, we significantly increased the number of responses versus previous years, making the outcome more reliable and insightful. At the end of 4Q21, Barco achieved an NPS of 47 flat with the NPS at the end of 2020. While Healthcare remained stable, we have seen fluctuations over the year with a lower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

	FY21	FY20	Change vs 2020
Customer Net Promoter Score	47	47	0

Results of the Entertainment division

Division in the group

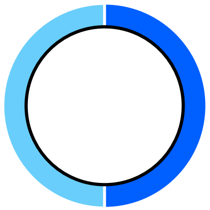
39%
Entertainment



Distribution based on sales

50%
Cinema

50%
Immersive Experience



Eco score

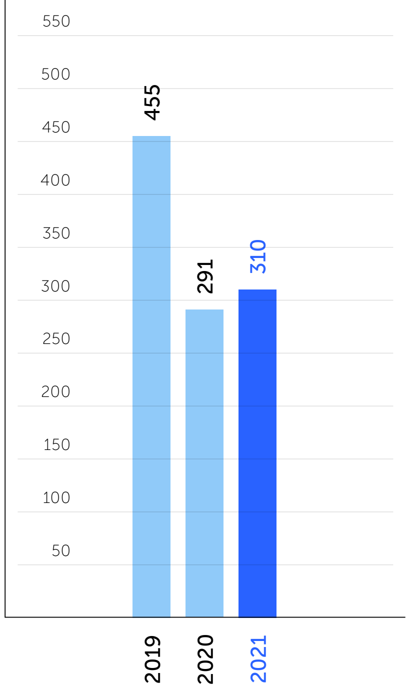
25%

ECO

% revenues from products with Barco ECO label

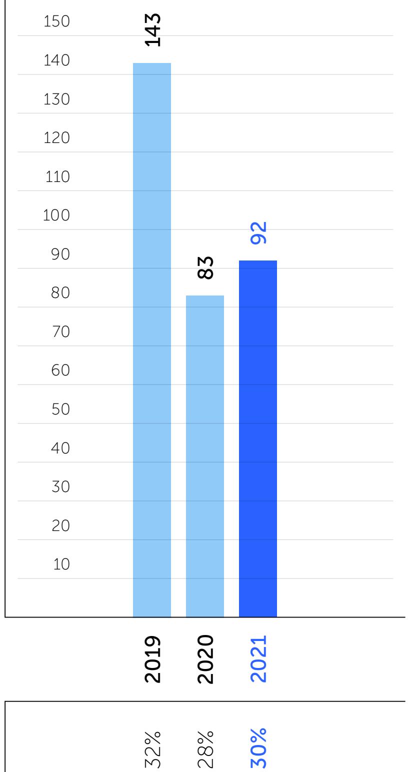
Sales

In millions of euro



Gross profit

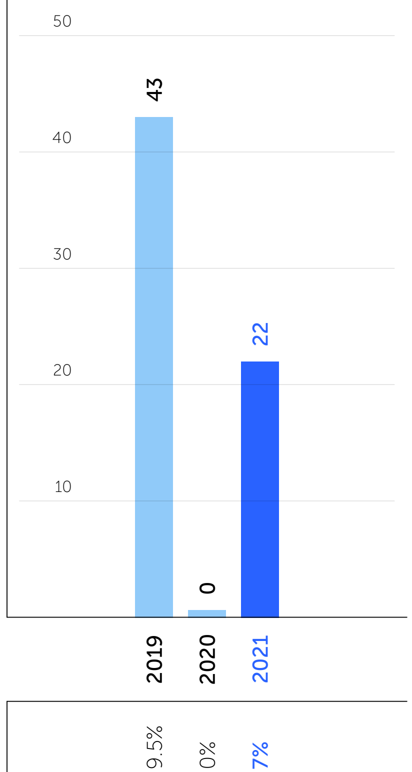
In millions of euro



Gross profit margin

EBITDA

in millions of euro



EBITDA margin

The Entertainment division delivered a 44% increase in order intake and a 6% increase in sales for the year compared to 2020.

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

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

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

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

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

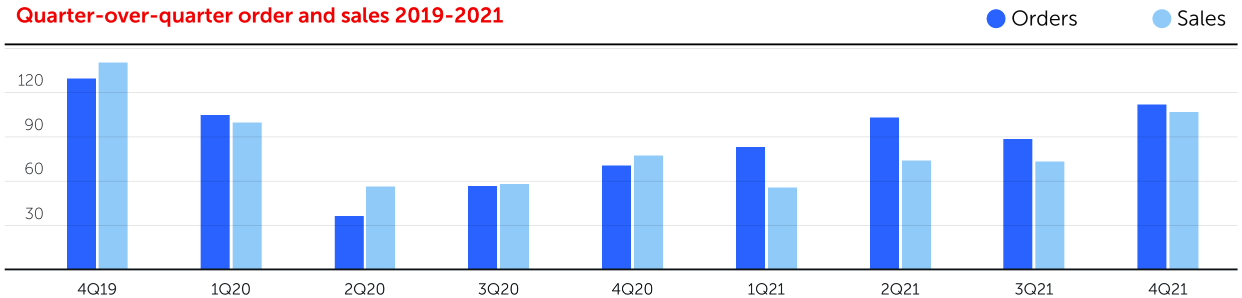
While sales for the **Simulation** segment were slightly down in 2021 the segment's strong market position and contract wins with reference customers further built its order book during the year.

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

Entertainment division

In millions of euro	FY21	FY20	FY19	Change vs FY20
Orders	386.6	268.7	491.0	+44%
Sales	309.7	291.4	455.1	+6%
EBITDA	21.5	0.3	43.3	+7380%
EBITDA margin	6.9%	0.1%	9.5%	

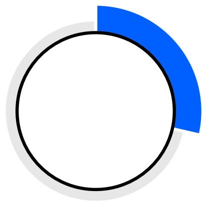
Quarter-over-quarter order and sales 2019-2021



Results of the Enterprise division

Division in the group

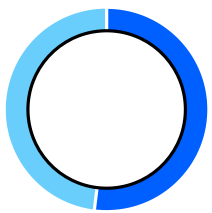
29%
Enterprise



Distribution based on sales

52%
Meeting Experience

48%
Large Video Walls



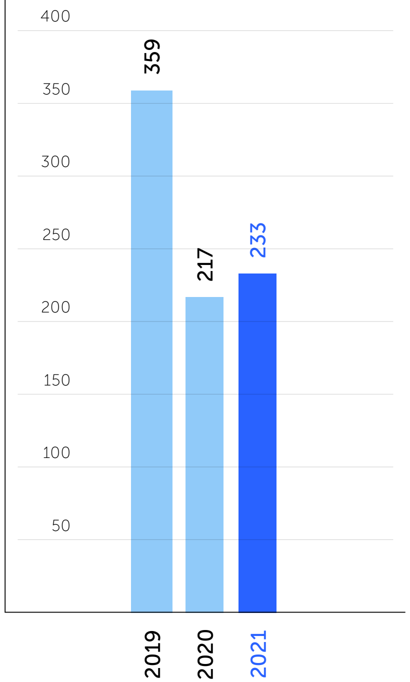
Eco score

52%

% revenues from products with Barco ECO label

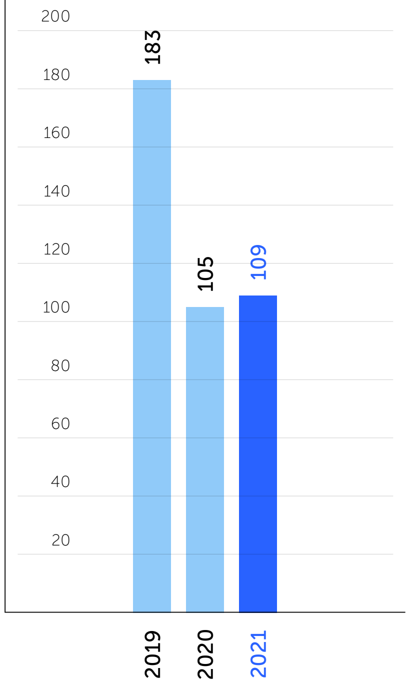
Sales

In millions of euro



Gross profit

In millions of euro

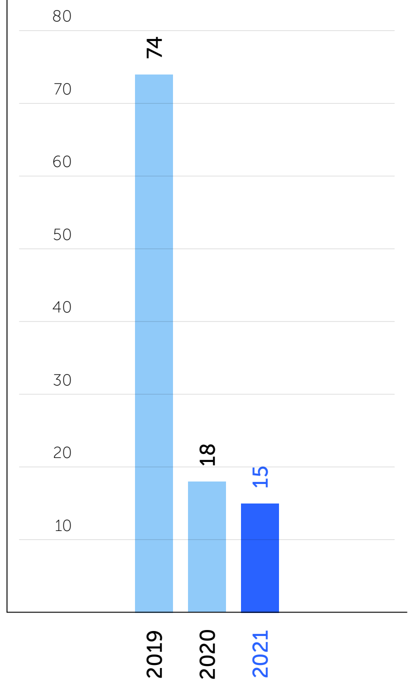


51% 49% 47%

Gross profit margin

EBITDA

in millions of euro



21% 8% 6%

EBITDA margin

The Enterprise division saw a gradual recovery over the year with a strong second-half order intake followed by a solid sales uptake in the last quarter of the year.

The Enterprise division saw a gradual recovery over the year with a strong second-half order intake followed by a solid sales uptake in the last quarter of the year. As a result, year-over-year orders increased by more than 20% and sales by 8%. In terms of the sales mix, Meeting Experience accounted for about 52% of Enterprise sales for 2021 versus 51% for 2020 and 58% for 2019.

In the **Meeting Experience** segment, growing adoption of wireless conferencing and a reopening of offices led to a gradual recovery of orders, particularly in the EMEA region throughout 2021, which demonstrates a continued strong correlation with regional back-to-office dynamics, and strong order intake of 3Q21 translating into significant sales growth in the last quarter of the year.

ClickShare has now been installed in nearly 1 million meeting rooms globally up from 850.000 at the end of last year. The new ClickShare Conference accounted for 45% of ClickShare's volume over the last quarter of 2021. More than 70,000 units have been shipped and installed since the launch in 2020. Barco continued to build a community of leading meeting room ecosystem players from around the globe, making ClickShare the most universally compatible solution for hybrid meetings. At the same time, ClickShare Conference garnered additional industry awards related to the "new normal" of hybrid meetings that commended the solution's simplicity and operability with video conferencing platforms. In addition, the segment connected more ClickShare installations to Barco's cloud platform, providing lifetime monitoring, diagnostics and usability data on the connected installed base of 30,000 meeting rooms.

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

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

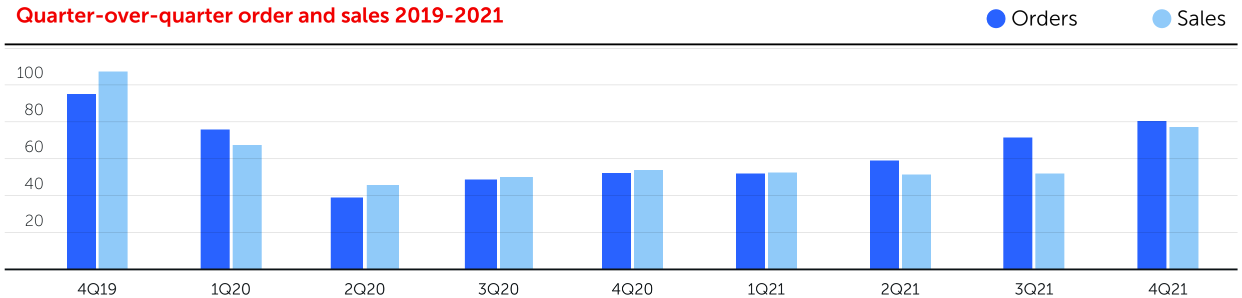
Orders grew to healthy levels compared to 2020 and exceeded 2019, reflecting the strength of the segment's market position and value proposition. The segment has also made progress in maturing and commercializing its software and networking solution portfolio and in offering robust services including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

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

Enterprise division

In millions of euro	FY21	FY20	FY19	Change vs FY20
Orders	262.4	215.2	350.9	+22%
Sales	233.1	216.8	358.7	+8%
EBITDA	14.6	18.2	74.0	-20%
EBITDA margin	6.3%	8.4%	20.6%	

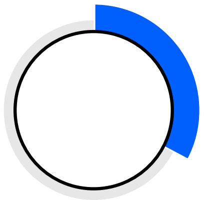
Quarter-over-quarter order and sales 2019-2021



Results of the Healthcare division

Division in the group

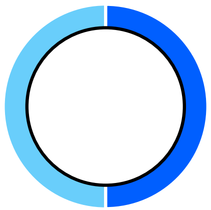
33%
Healthcare



Distribution based on sales

50%
Diagnostic Imaging

50%
Surgical & Modality



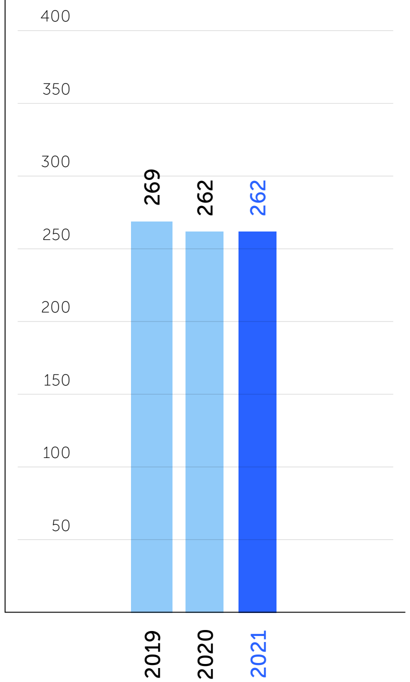
Eco score

20%

% revenues from products with Barco ECO label

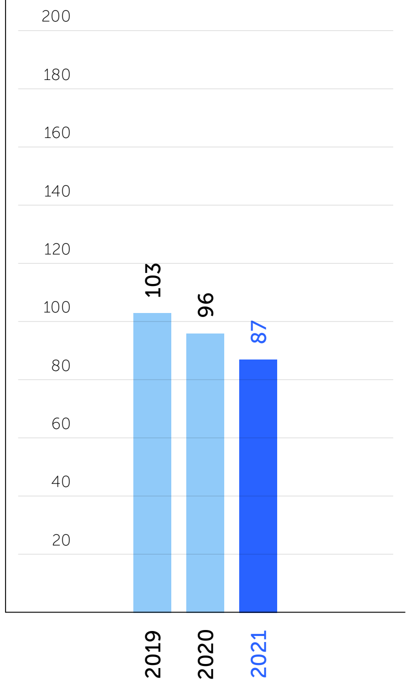
Sales

In millions of euro



Gross profit

In millions of euro

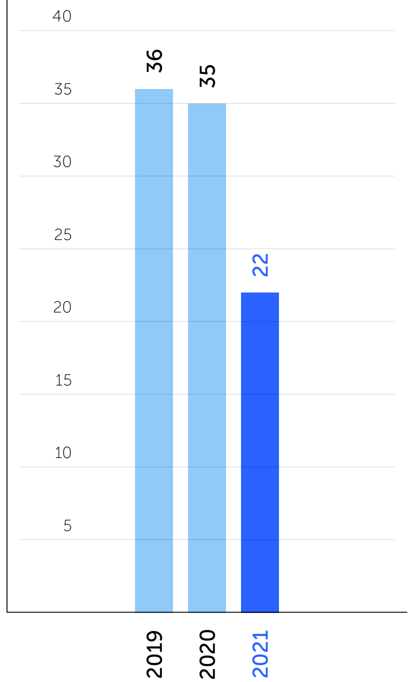


38% 37% 33%

Gross profit margin

EBITDA

in millions of euro



13% 13% 9%

EBITDA margin

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

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

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

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

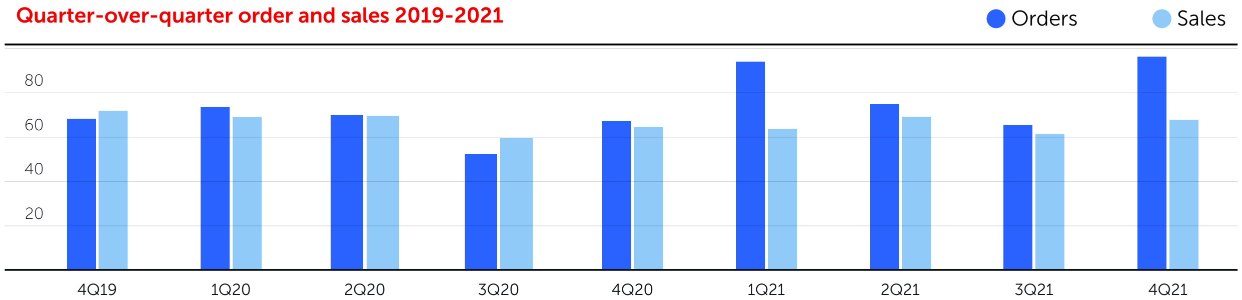
EBITDA margin was below last year's margin, mainly as a result of higher component and freight costs. Barco increased prices also for its healthcare portfolio and expects these to benefit gross profit margin as from the first half of 2022.

The Healthcare division posted very solid order growth in line with a gradual resumption of healthcare investments in Diagnostic Imaging and Surgical & Modality.

Healthcare division

In millions of euro	FY21	FY20	FY19	Change vs FY20
Orders	329.8	262.1	260.2	+26%
Sales	261.5	261.9	268.8	-0%
EBITDA	22.4	35.0	35.7	-36%
EBITDA margin	8.6%	13.4%	13.3%	

Quarter-over-quarter order and sales 2019-2021



2021 Integrated annual report

Governance & Risk Report

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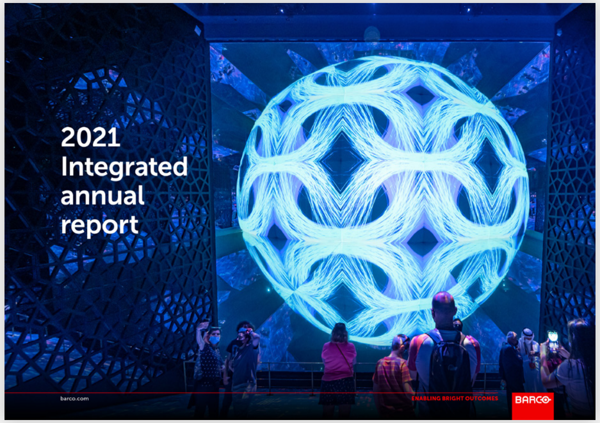


This is the Governance & Risk Report section of Barco's 2021 Integrated annual report. Other sections are available via the download center at ir.barco.com/2021.

CORE

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

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

Corporate governance

Declaration regarding the information given in the Integrated Annual Report 2021

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.

Charles Beauduin, co-CEO

An Steegen, co-CEO

Ann Desender, CFO

Corporate governance statement

Barco's governance structure is one-tier, operating pursuant to the company's articles of association and corporate governance charter. Both are available for download at www.barco.com/corporategovernance.

There are no dual voting rights for certain shareholders.

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. The remuneration package for executives is sufficiently balanced with various components to incentivize the executives to pursue a strategy of sustainable profitable growth.
- A monitoring study, conducted in 2021 by the Belgian Corporate Governance Commission, confirmed that Barco applies this Code correctly, including the 'comply or explain' principle.
- Art. 7.12: The Board of Directors endeavors to insert a 'clawback provision' in contracts of employment with executives to the extent permissible by the law governing such contract.

Board of Directors

Frank Donck (°1965) **Chairman**

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 Group 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 a member of Belgium's Corporate Governance Commission.

Mr. Donck is member of the Board of Directors of Barco NV since April 2015.

Charles Beauduin (°1959)

has been CEO and owner of Vandewiele NV since 1993. Vandewiele 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.

Mr Beauduin has been nominated as co-CEO as of September 1, 2021.

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 2011, 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. In this role, An was in charge of Umicore's R&D in the areas of clean mobility materials, recycling and sustainability and responsible for Umicore's new business incubation in adjacent and new opportunity markets. She also served as Executive Vice President of the Electro-Optical Materials and Metal Deposition Solutions business units.

Dr. An Steegen has been nominated to co-CEO as of October 1, 2021.

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.

Lieve Creten (° 1965)
holds a Master's degree in business engineering from the University of Leuven as well as a postgraduate in tax sciences. She is a certified public accountant and has been a partner at Deloitte for more than twenty years, where she developed the M&A practice for national and international investors in various sectors and headed the Financial Advisory business as managing partner from 2008 to 2019. She was a member of the executive committee of Deloitte Belgium until 2019. In addition, she was part of the global executive team of Deloitte Financial Advisory from 2015 to 2021. Currently she is also a non-executive director at Elia Transmission Belgium, Elia Asset and board member at Doctors without Borders.

Board of Directors

Situation on 7 February 2022

Chairman	**Frank Donck**[1]	2023*
Directors	**Charles Beauduin**	2023*
	An Steegen	2023*
	Adisys Corporation (represented by **Ashok K. Jain**)	2023*
	Hilde Laga[1]	2024*
	Lieve Creten[1]	2024*
Secretary	Kurt Verheggen General Counsel	

[1] independent directors – Ms. An Steegen was an independent director until her appointment as co-CEO on 1st October 2021
* date on which the term of office expires: end of the annual meeting

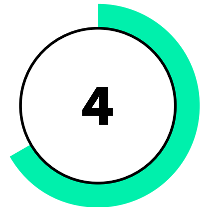
The composition of the Board of Directors meets the gender diversity requirement laid down in article 7:86 of the Code of Companies and Associations. Moreover, half of the Board of Directors is independent.

All directors hold or have held senior positions in leading international companies or organizations. Their biographies can be found here.

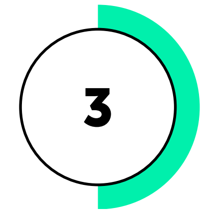
Changes to the Board of Directors

The General Meeting of 29 April 2021 has appointed Mrs. Lieve Creten and re-appointed Mrs. Hilde Laga as independent directors, both for a period of three (3) years until the closing of the ordinary General Meeting of 2024.

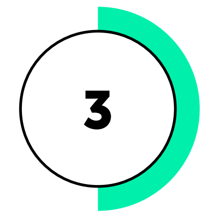
Following Mr. Jan De Witte's decision to resign as CEO and director, the Board of Directors has appointed Mr. Charles Beauduin and Mrs. An Steegen as co-CEOs with effect on September 1 and October 1, 2021 respectively. Mr. Frank Donck was appointed Chairman in succession of Mr. Charles Beauduin.



Directors with
5 years of seniority



Female members of
the Board



Independent
directors

Core Leadership Team

Charles Beauduin (°1959)
An Steegen (°1971)
See biographies of Board of Directors

Wim Buyens (°1966) **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.

Geert Carrein (°1958) **Diagnostics**
is Executive Vice President Diagnostics. He holds a Master's degree in electrical and electronic engineering as well as a postgraduate Business Administration and Management from the University of Leuven. With over four decades of experience in healthcare imaging Geert leads Barco's diagnostics business unit.

Olivier Croly (°1965) **Meeting & Learning Experience**
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) **Cinema & Acting CTO**
serves as Executive Vice President Cinema and Chief Technology Officer (acting) at Barco NV. He is an entrepreneur at heart and has advanced image science and technologies for the cinema industry over the last two decades both through tech start-ups and in established media and technology companies in R&D, business development and senior management roles. He joined Barco in 2016 through the acquisition of his start-up company that innovated in the fields of computer graphics, computational imaging and laser projection. Gerwin holds a mechatronics engineering degree from the German Hochschule Karlsruhe - Technik und Wirtschaft as well as a PhD in Computer Science (Graphics) 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.

Johan Fornier (°1971) **Surgical & Modality**
first joined Barco in 1998 and held several positions in management of research and development in the field of projection technologies for meeting room and simulation applications. After spending 4 years in R&D management at Philips, Mr. Fornier re-joined Barco as VP Product Development for the Healthcare Division in 2010. In 2021, he was appointed as Executive Vice President of the Business Unit Surgical & Modality.

Mr. Fornier holds a Master in Engineering and a PhD in Engineering from the University of Ghent.

Stijn Henderickx (°1980) **Immersive Experience**
joined Barco in 2013 and held several positions in Barco's Entertainment Division prior to joining the Core Leadership Team in 2019 as Senior Vice President EMEA. As of end 2021 he leads the Immersive Experience business.

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 positions, 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**
joined 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**
joined Barco in April 2016 as Vice President Global Procurement and became Senior Vice President Global Operations as of 2019. In this role he manages Barco's worldwide manufacturing sites as well as the worldwide Logistics, Procurement, Quality and Facilities teams.

Prior to joining Barco, Mr. Jonckheere held various positions in R&D, Program- and General Management at Philips and TP Vision and was chairman of the Board of Directors of TP Vision Belgium. He holds a Master of Science in Electromechanical Engineering.

Chris Sluys (°1960) **Large Video Wall Experience**
started his career in R&D at Philips and held several management positions in supply chain, manufacturing and business management. Before joining Barco in 2017 as VP of the control room business, he was responsible for the professional displays business of TPV in EMEA and USA.

Mr. Sluys holds a Master in Electronic Engineering from the University of Brussels and a post graduate degree in Business Administration from the University of Louvain.

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).

Iain Urquhart (°1970) **Global Customer Success**
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, marketing and services. Mr. Urquhart holds a BS in History and Communication from the University of Missouri-Columbia.

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 enterprise matters with the Enterprise Court in Kortrijk and a lector at the law faculty of the KU Leuven.

Kenneth Wang (°1972) **Barco China**
rejoined 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.

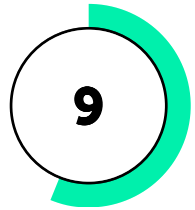
Mr. Wang holds an Engineering degree from Beijing University of Technology, and an EMBA from University of Texas at Arlington.

Changes Core Leadership Team

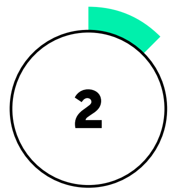
Barco NV is managed by a Core Leadership Team ('CLT') which comprises certain key officers from business units and functions. The CLT operates under the chairmanship of the Chief Executive Officers and shares responsibility for the deployment of Barco's strategy and policies, and the achievement of its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

The CLT composition has gone through a number of changes in 2021:

- Jan De Witte resigned as CEO on August 31 and has been succeeded by Charles Beauduin and An Steegen as co-CEO's as of respectively September 1 and October 1. This change was announced on July 16.
- Barco announced an organization redesign on October 21, whereby the regional sales teams were folded into the business units together with product management and research and development.
  In conjunction with this organizational structure re-design, the composition of the leadership team changed, and three divisional presidents Filip Pintelon, George Stromeyer and Nicolas Vanden Abeele resigned their positions at Barco to pursue career opportunities outside the company.
  Johan Fornier, Geert Carrein, Chris Sluys joined the CLT as business units leads for respectively the Surgical and Modality, Diagnostics and Large Videowall activity. Oliver Croly and Stijn Henderickx, both formerly heading regional teams, were assigned new busines unit leads for respectively the Meeting & Learning Experience and the Immersive Experience business unit. Gerwin Damberg, CTO of the company is now also heading the Cinema business unit. Iain Urquhart, former head of The Americas region, is now leading the Global Customer Success teams.



CLT members with
5 years of seniority



Female CLT
members

6 non-Belgian
CLT members

Annual General Meeting

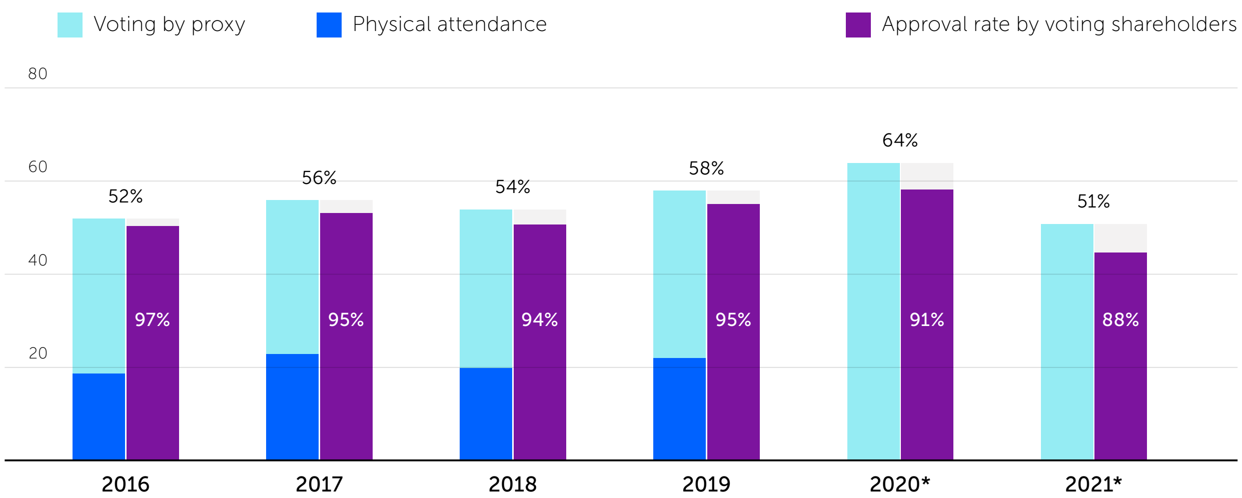
The annual general meeting (AGM) is held on the last Thursday of April. Shareholders can normally attend the meeting in person, submit written voting instructions or vote by proxy. In light of the corona epidemic and the government imposed covid measures, the individual shareholders did not physically attend the annual meeting but casted their votes by submitting their voting instructions or proxies to the company secretary. 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 authorization to the Board of Directors to increase the issued capital.

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 past years, shareholders' participation has been consistently above 50%

Participation rate & Average of "For" votes



* In 2020 and 2021, physical attendance was not possible due to covid-19.

Activity report on Board and Committee meetings

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 below provides a comprehensive overview of the directors' attendance at Board of Directors and Committee meetings in 2021.

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 video-conference due to covid-related travel and sanitary restrictions.

One meeting was closed with a dinner attended by the executive management 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 2020 and proposed the dividend for approval by the shareholders. In light of the adverse covid-related business environment, the Board also proposed to the shareholders the option to subscribe to newly issued shares by contributing the dividend.

The board was involved in the process of the resignation of Jan De Witte as CEO and appointed Charles Beauduin and An Steegen as Barco's new CEO's.

At the same time, the Board appointed Frank Donck as new Chairman of the Board.

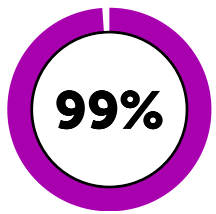
The Board, in close concert with the Core Leadership Team, reflected on each of the divisions' strategies for the short to mid-term, discussed and decided upon the growth initiatives for the company and approved the 2022 financial budget.

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

Directors' attendance at Board and Committee meetings

	Board of directors	Audit committee	Remuneration & nomination committee	Strategic & technology committee	Attendance Rate
Charles Beauduin	8		6	4	100%
Jan De Witte	5	4	2	3	100%
Frank Donck [1]	8	6	6		100%
Ashok K. Jain	8			4	100%
Hilde Laga [1]	8	6	6		100%
An Steegen	8	2	4	4	95%
Lieve Creten [1]	5	3	4		100%

[1] independent directors



average total attendance rate

Board Committees

Audit Committee

The Audit Committee is composed of three members. Lieve Creten, who acts as Chair, 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 5/6.

Changes to the composition of the Audit Committee during 2021: An Steegen was member and acted as Chair of the Audit Committee until the Committee meeting of April 19, 2021. As a result, Lieve Creten joined the Committee as a new member and was appointed Chair of the Audit Committee as of the Committee meeting of July 14, 2021.

The Audit Committee met six times during 2021. All Audit Committee members were present during all the meetings, except for An Steegen who was present in two out of three 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 CFO and the VP Corporate Finance attended all regular meetings. The CEO was present at all regular meetings, except one. The Group's internal auditor and the Group's external auditor PwC Bedrijfsrevisoren/Accountants bcvba were present in 4 meetings. The overview below indicates a number of matters that were reviewed and/or discussed in Audit Committee meetings throughout 2021:

- The Company's 2020 annual and 2021 interim financial statements, including non-financial information, the Company's 2020 integrated report, prior to publication thereof.
- The Company's 2021 integrated report content and review.
- 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 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, GDPR).
- 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.

Overview of the Board and Committee meetings in 2021

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

- With regard to the external audit, the Committee proposed the reappointment of PwC as group auditor to the Board of Directors of February 2021. Furthermore, 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 22 Related party transactions in the Financial Statements 2021.
- 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 internal and external auditor. The Committee also reviewed and confirmed its current Audit Committee schedule.

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 twice in 2021. Mrs. An Steegen and Mrs. Lieve Creten joined the committee in September 2021 as new members, next to Mr. Frank Donck, Mrs. Hilde Laga and Mr. Charles Beauduin. Following their appointment as co-CEO's, Mr. Charles Beauduin and Mrs. An Steegen left the committee and Mr. Frank Donck took up the position of Chairman of the committee as of September 1st.

The Remuneration and Nomination Committee fulfils 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's are invited to meetings, except for matters that concern them personally. The meetings are prepared by the Chief HR Officer, who attends the meetings.

In 2021, the Remuneration and Nomination Committee met six times.

First focus point for the Committee has been the composition of the Barco Core Leadership Team (i.e. nomination of the new CHRO and new China leader early 2021 and the nomination of new Core Leadership Members at the occasion of the new Organizational set-up) and the review of compensation packages for 2022.

Secondly, the Committee has been focusing on the new Barco organization set up proposed by the co-CEOs. Rationale for the organizational change is stepping up business growth and speed of action by organizing Barco's value chain and maximizing Barco's competitive advantage.

Given the negative impact of the covid crisis on the variable compensation pay-out (no bonus pay-out in 2021 and 2022) and subsequent consequences on attrition and motivation of employees, the Committee has firstly been focusing on the review of the Remuneration policy for both Core Leadership Team and Executives and the design of a new Short-Term Incentive plan.

Objective has been to implement a clear, fair, simple and transparent remuneration policy and Short-Term Incentive plan (as from 2022), the latter taking over a limited number of financial KPIs and sustainability KPIs.

The new Short-term Incentive plan has obviously a strong link with Barco's strategy and performance and enables a focused mindset and Business Unit P&L accountability.

Also, the allocations of Stock Options for 2021 have been prepared and brought to the Board for approval.

Technology Committee

The Technology Committee is an advisory body to the Board of Directors. The Committee was composed of four members till August 2021 and three members since then; Charles Beauduin, who acts as Chairman, Ashok Jain and An Steegen. Jan De Witte was member till end of August 2021.

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 2021, 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

The Board of Directors carries out self-assessments under the supervision of the Chairman with the aim to evaluate its functioning and that of its Committees. In this respect, individual and private interviews are held with each of the directors. The topics discussed are: the interaction between management and the Board, 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 the directors to the decision-making process of the Board. This process allows for actions to improve the company's governance.

Remuneration report for financial year 2021

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. The company submitted its remuneration policy for its directors, CEO and Core Leadership Team to the shareholders for their approval at the general meeting of 29 April 2021. The shareholders approved the policy with a 66% majority.

This remuneration report must be read together with the remuneration policy which, to the extent necessary, should be regarded as forming part of this remuneration report. The remuneration granted to directors, CEO and CLT members with respect to financial year 2021 is in line with the remuneration policy. This report covers the 2021 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 2021 remuneration report

Together with the component shortage crisis and the worldwide increase of transport costs, the covid-19 pandemic continued to have wide-ranging impacts on our company, our markets and our people. By consequence, 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 continued its measures to reset expense levels, such as relying on temporary unemployment, redeploying people, a continued discretionary spending stop and hiring delays. While the impact on fixed remuneration was limited, Barco took salary/bonus actions and decided not to pay-out short-term incentive payment. 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. Concerned about employee retention and engagement, the Board, on the proposal of the Remuneration and Nomination Committee, decided to provide a budget for the payment of a one-time retention bonus in March 2022.

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

2.A Remuneration of the non-executive board members

On 29 April 2021, 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 2021. 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.

Total remuneration non-executive directors

Name Position	Fixed remuneration Base compensation	Attendance fees	Other benefits	Variable remuneration One-year variable	Multi-year variable	Extraordinary items	Pension expense	Total remuneration	Proportion of fixed and variable remuneration Fixed	Variable
Charles Beauduin (*) Chairman of the Board	€90,000	€0.00	NA	NA	NA	NA	NA	€90,000	100%	0%
Lieve Creten (**) Member of the Board	€20,000	€38,325	NA	NA	NA	NA	NA	€58,325	100%	0%
Frank Donck, Member of the Board Chaiman of the Board (***)	€52,500	€33,150	NA	NA	NA	NA	NA	€85,650	100%	0%
Ashok Jain, Member of the Board	€30,000	€26,400	NA	NA	NA	NA	NA	€56,400	100%	0%
Hilde Laga, Member of the Board	€30,000	€51,000	NA	NA	NA	NA	NA	€81,000	100%	0%
An Steegen (****) Member of the Board	€22,500	€32,600	NA	NA	NA	NA	NA	€55,100	100%	0%
Total	**€245,000**	**€181,475**	**NA**	**NA**	**NA**	**NA**	**NA**	**€426,475**	**100%**	**0%**

(*) Chairman until 31 August 2021 - CEO as of 1 September 2021 // (**) appointed by the General Meeting of 29 April 2021 // (***) Chairman of the Board as of 1 September 2021 // (****) Board member until 30 September 2021 - co-CEO as of 1 October 2021

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. This rule also applies to Mr. Frank Donck and this from his appointment as Chairman of the Board onwards. The table above shows both his remuneration as a member of and as chairman of the Board. Details on the remuneration package of the Board of Directors can be found in the Barco Remuneration Policy.

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 4 regarding the application of Principle 7.6 of the 2020 Belgian Corporate Governance Code), nor to any supplementary pension scheme.

2.B Remuneration of the CEO

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.

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. Details of the remuneration package for the CEO can be found in the Barco Remuneration Policy.

Following the departure of Mr. Jan De Witte end of August 2021 and the nomination of the co-CEO's Mr. Charles Beauduin and Mrs. An Steegen, as of 1 September 2021, respectively 1 October 2021, three individuals are under analysis of this chapter.

The amount of the remuneration and other benefits granted directly or indirectly to the CEO's, by the Company or its subsidiaries, in respect of 2021 for their CEO role is set forth below. Redundancy payments are not included in these amounts.

Base Salary

The base salary of the CEO consists of the actual salary paid by the company and may include 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 which is subject to a deferral period of three years. The CEO is, contrary to other members of the CLT, not entitled to a long- term incentive (LTI). 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.

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 the first half of 2021, the contractually agreed base salary of Mr. Jan De Witte was reduced. No bonus for 2021 was vested in the hands of Mr. Jan De Witte on 31 December 2021, except for the deferred payment of 2019, nor in the hands of Mrs. An Steegen.

Taking into account his part time assignment, Mr. Charles Beauduin is not entitled to an annual bonus.

Pension

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

Taking into account his part time assignment, Mr. Charles Beauduin is not entitled to a pension arrangement.

Total remuneration of CEO

	Fixed remuneration			Variable remuneration					Proportion of fixed and variable remuneration	
Name Position	Base compensation	Foreign director fees	Other benefits	One-year variable	Multi-year variable	Extraordinary items	Pension expense	Total remuneration	Fixed	Variable
Jan De Witte CEO (*)	231,333 €	180,000 €	39,497 €	0 €	180,000 €	NA	191,782 €	822,612 €	78.12%	21.88%
Charles Beauduin CEO (**)	55,167 €	50,000 €	0 €	0 €	0 €	NA	0 €	105,167 €	100.00%	0.00%
An Steegen CEO (***)	125,000 €	0 €	8,259 €	0 €	0 €	NA	25,000 €	158,259 €	100.00%	0.00%

(*) end of mandate 31/08/2021 // (**) start of mandate 1/09/2021 // (***) start of mandate 1/10/2021

Other components of remuneration

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

Taking into account his part time assignment, Mr. Charles Beauduin is not entitled to these benefits.

The relative weight of base and variable remuneration is exceptional as it is heavily impacted by the fact that no STI vested for 2021.

2.B.2 Share based remuneration

The stock options granted to Mr. Jan De Witte under the 2018 scheme vested during 2021. Mr. De Witte has exercised stock options granted in 2016 and 2017 during 2021. For more details, see the table on page 21.

The Board of Directors has granted stock options to the co-CEOs on 6 December 2021 under a stock option plan covering a three-year period. The stock options will vest over a period of 5 years at the rate of 20% of the total grant at the end of each calendar year following the year of grant. The stock options will only become exercisable after a period of 5 full calendar years from the grant date and may be exercised during the normal exercise periods, from May 15 to June 15, from August 1 to September 15 and from October 1 to December 15. They have a ten (10) year term, thus linking the LTI to the longer-term value creation for the shareholders. The stock options are taxable at the time of grant in application of the Belgian tax regulations and no conditions are attached to the exercise of the stock options.

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.

There were no shares granted.

Stock options

Main provisions of the stock option plan							Information related to the financial year 2021			
Name Position	Plan Identification	Grant Date	Vesting Date	End of retention period	Exercise period	Exercise price	Number of options at the beginning of the year	a) Number of options granted b) value underlying shares @ grant date	a) Number of options vested b) value @ exercise price	Number of options exercised
Jan De Witte CEO	SOP 2020-CEO	29/10/2020	31/12/2023	NA	1/01/2024- 31/12/2024	12.76 €	182,000			
	SOP2019-CEO	11/10/2019	31/12/2022	NA	1/01/2023- 31/12/2023	24.83 €	147,000			
	SOP2018-CEO	23/10/2018	31/12/2021	NA	1/01/2022- 31/12/2022	14.40 €	210,000		a) 210,000 b) 3,024,000 €	
	SOP2017-CEO	20/10/2017	31/12/2020	NA	1/01/2021- 19/10/2027	12.54 €	210,000			210,000
	SOP2016-CEO	24/10/2016	31/12/2019	NA	1/01/2020- 23/10/2026	10.40 €	210,000			210,000
Charles Beauduin CEO	SOP 2021-CEO	06/12/2021	31/12/2022	01/01/2027	1/01/2027- 5/12/2031	17.80 €		a) 72,670 b) 1,293,526 €		
	SOP 2021-CEO	06/12/2021	31/12/2023	01/01/2027	1/01/2027- 5/12/2031	17.80 €		a) 72,670 b) 1,293,526 €		
	SOP 2021-CEO	06/12/2021	31/12/2024	01/01/2027	1/01/2027- 5/12/2031	17.80 €		a) 72,670 b) 1,293,526 €		
	SOP 2021-CEO	06/12/2021	31/12/2025	01/01/2027	1/01/2027- 5/12/2031	17.80 €		a) 72,670 b) 1,293,526 €		
	SOP 2021-CEO	06/12/2021	31/12/2026	01/01/2027	1/01/2027- 5/12/2031	17.80 €		a) 72,670 b) 1,293,526 €		
An Steegen CEO	SOP 2021-CEO	06/12/2021	31/12/2022	01/01/2027	1/01/2027- 5/12/2031	17.80 €		a) 72,670 b) 1,293,526 €		
	SOP 2021-CEO	06/12/2021	31/12/2023	01/01/2027	1/01/2027- 5/12/2031	17.80 €		a) 72,670 b) 1,293,526 €		
	SOP 2021-CEO	06/12/2021	31/12/2024	01/01/2027	1/01/2027- 5/12/2031	17.80 €		a) 72,670 b) 1,293,526 €		
	SOP 2021-CEO	06/12/2021	31/12/2025	01/01/2027	1/01/2027- 5/12/2031	17.80 €		a) 72,670 b) 1,293,526 €		
	SOP 2021-CEO	06/12/2021	31/12/2026	01/01/2027	1/01/2027- 5/12/2031	17.80 €		a) 72,670 b) 1,293,526 €		

2.C Remuneration of the CLT-members

The Core Leadership Team under analysis of this chapter includes 17 people.

The CLT-members are employed by local Barco companies in their respective countries of residence. Their compensation packages, therefore, take local market remuneration and benefit practice into account.

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. Details of the remuneration package for the CLT members can be found in the Barco Remuneration Policy.

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 2021 is set forth below. Redundancy payments are not included in these amounts.

CLT-members

Name	Position	Employer legal entity	Joined/left CLT 2021
Geert Carrein	Diagnostics	Barco nv (BE)	joined CLT : 1/11/2021
Tet Jong Chang		Barco Visual Electronics Co., Ltd. (CN)	left CLT : 31/03/2021
Olivier Croly	Meeting & Learning Experience	Barco Singapore Pte Ltd. (SG)	
Gerwin Damberg	Cinema & acting CTO	MTT Innovation Inc. (CA)	
Ann Desender	Chief Financial Officer	Barco nv (BE)	
Johan Fornier	Surgical & Modality	Barco nv (BE)	joined CLT : 1/11/2021
Stijn Henderickx	Immersive Experience	Barco nv (BE)	
Anthony Huyghebaert	Chief HR Officer	Barco nv (BE)	joined CLT : 1/04/2021
Rob Jonckheere	Global Operations	Barco nv (BE)	
Filip Pintelon		Barco nv (BE)	left CLT : 22/10/2021
Chris Sluys	Large Video Wall Experience	Barco nv (BE)	joined CLT : 1/11/2021
Marc Spenlé	Chief Digital & Information Officer	Barco nv (BE)	
George Stromeyer		Barco Inc. (USA)	left CLT : 20/10/2021
Iain Urquhart	Global Customer Success	Barco Inc. (USA)	
Nicolas Vanden Abeele		Barco nv (BE)	left CLT : 22/10/2021
Kurt Verheggen	General Counsel	Barco nv (BE)	
Kenneth Wang	Barco China	Barco Visual Electronics Co., Ltd. (CN)	joined CLT : 29/03/2021

Total remuneration of CLT (excluding CEO)

	Fixed remuneration			Variable remuneration					Proportion of fixed and variable remuneration	
Name Position	Base salary	Foreign director fees	Other benefits	One-year variable	Multi-year variable	Extraordinary items	Pension expense	Total remuneration	Fixed	Variable
Core Leadership Team	€3,258,159	€133,333	€391,091	€0,00	€0,00	€83,333	€345,254	€4,211,170	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 pay for performance culture where performance makes a difference and is 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 basis for creating the bonus pool. A minimum of 70% of the 2021 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.

Barco Bonus performance matrix

	bonus target clusters	Performance criteria	relative weight	a) Minimum target performance & b) corresponding award payment level(*)	a) on-target performance and b) corresponding payment level(*)	a) Maximum target performance & b) corresponding payment level(*)
1) Threshold for bonus pool	company	70% of Group Ebitda PP target: yes / no	100%	a) 70% b) 1	a) NA b) 1	a) NA b) 1
Payment level				1	1	1
2) Bonus targets	company	EBITDA	20%	a) 70% b) 0.08	a) 100% b) 0.2	a) 125% b) 0.3
		FCF	20%	a) 70% b) 0.08	a) 100% b) 0.2	a) 150% b) 0.3
	business region or function	- Division EBITDA - Division Sales - Division Working Capital % - Regional Sales - Regional Sales Cost vs Sales % - Group Sales - WW functional budget	30%	a) 70% b) 0.12	a) 100% b) 0.3	a) 125% b) 0.45
	individual	Individual performance targets: operational excellence, people leadersip (engagement, culture), personal development	30%	a) 70% b) 0.12	a) 100% b) 0.3	a) 125% b) 0.45
Total Bonus Payment level individual bonus				**0.4**	**1.0**	**1.5**
Total Bonus Payment level (threshold outcome) x (bonus payment level)				0.4	1.0	1.5
Total bonus: (individual OT bonus x (total payment level)						

The Company does not disclose the actual targets per criterion, as this would require the disclosure of commercially sensitive information.

As explained in Part 1 of this report, no 2021 STI was vested in the hands of the CLT on 31 December 2021 as the 70% of Group EBITDA target, 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 long-term company performance indicators as determined by the Board:

- LTI PLan 2018 - 2020: sales CAGR, EBITDA margin increase and cumulated net earnings over the respective 3-year plan period and continued employment on the last day of the plan period.
- LTI PLan 2021 - 2023: cumulated net earnings, EBITDA % at End of PLan Period and sustainability drivers (Greenhouse Gas Emission reduction and Eco-labeled revenues) over the respective 3-year plan period and continued employment on the last day of the plan period.

Payment is capped at 150% of the target award.

Following the hard wide-ranging impact of the covid-19 pandemic on our company and our markets, the Board of Directors decided in 2020 to extend exceptionally the vesting period of the LTI PLan 2018-2020 with an additional year (thus extending the vesting period till 31 December 2021). No change was made to the performance criteria. The plan did not vest on 31 December 2021.

Pension

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

Other components of remuneration

The other main components for all CLT-members are company car or car allowance, hospitalization or medical insurance and 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 2021 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 2021.

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 2021. Reference is made to the explanation given in the Corporate Governance Statement on page 4 regarding the reason for this deviation from article 7.9 of the Belgian Corporate Governance Code.

In 2021, following authorization by the general meeting and at the proposal of the Remuneration and Nomination Committee, the Board of Directors allotted stock options to 13 members of the CLT. The exercise price amounts to EUR 17,80 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. For CLT members on a Belgian payroll the stock options are taxable at the moment of grant in application of the Belgian tax regulations. 136,000 stock options were granted to and accepted by the members of the CLT.

All details on the stock options granted, vested, and exercised by the CLT members are provided in the table on page 25.

Stock options

Main provisions of the stock option plan							Information related to the financial year 2021				
Name Position	Plan Identification	Grant Date	Vesting Date	End of retention period	Exercise period	Exercise price	Number of options at the beginning of the year	a) Number of options granted b) value underlying shares @ grant date	a) Number of options vested b) value @ exercise price	Number of options exercised	number of options expired
Geert Carrein, EVP	SOP 2021-P	06/12/2021	31/12/2024	NA	1/01/2025- 5/12/2031	17.80 €	0	a) 5,000 b) 89,000 €			
	SOP2017-EEA	20/10/2017	31/12/2020	NA	1/01/2021- 19/10/2027	12.54 €	7,000				
	SOP2016-EEA	24/10/2016	31/12/2019	NA	1/01/2020- 23/10/2026	10.40 €	4,200				
Olivier Croly, EVP	SOP 2021-P	06/12/2021	31/12/2024	NA	1/01/2025- 5/12/2031	17.80 €	0	a) 14,800 b) 263,440 €			
	SOP 2020-P	29/10/2020	31/12/2023	NA	1/01/2024- 28/10/2030	12.76 €	21,000				
	SOP2019-P	11/10/2019	31/12/2022	NA	1/01/2023- 10/10/2029	24.83 €	11,900				
	SOP 2018-P	22/10/2018	31/12/2021	NA	1/01/2022- 21/10/2028	14.40 €	17,500		a) 17,500 b) 252,000 €		
	SOP2017-EEA	20/10/2017	31/12/2020	NA	1/01/2021- 19/10/2027	12.54 €	28,000			28,000	
Gerwin Damberg, EVP	SOP 2021-P	06/12/2021	31/12/2024	NA	1/01/2025- 5/12/2031	17.80 €	0	a) 11,100 b)197,580 €			
	SOP 2020-P	29/10/2020	31/12/2023	NA	1/01/2024- 28/10/2030	12.76 €	16,100				
	SOP2019-P	11/10/2019	31/12/2022	NA	1/01/2023- 10/10/2029	24.83 €	9,100				
Ann Desender, CFO	SOP 2021-P	06/12/2021	31/12/2024	NA	1/01/2025- 5/12/2031	17.80 €	0	a) 12,400 b) 220,720 €			
	SOP 2020-P	29/10/2020	31/12/2023	NA	1/01/2024- 28/10/2030	12.76 €	29,400				
	SOP2019-P	11/10/2019	31/12/2022	NA	1/01/2023- 10/10/2029	24.83 €	14,000				
	SOP 2018-P	22/10/2018	31/12/2021	NA	1/01/2022- 21/10/2028	14.40 €	24,500		a) 24,500 b) 352,800 €		
	SOP2017-EEA	20/10/2017	31/12/2020	NA	1/01/2021- 19/10/2027	12.54 €	42,000			42,000	
	SOP2016-EEA	24/10/2016	31/12/2019	NA	1/01/2020- 23/10/2026	10.40 €	21,000			21,000	

Stock options

Main provisions of the stock option plan							Information related to the financial year 2021				
Name Position	Plan Identification	Grant Date	Vesting Date	End of retention period	Exercise period	Exercise price	Number of options at the beginning of the year	a) Number of options granted b) value underlying shares @ grant date	a) Number of options vested b) value @ exercise price	Number of options exercised	number of options expired
Johan Fornier, EVP	SOP 2021-P	06/12/2021	31/12/2024	NA	1/01/2025- 5/12/2031	17.80 €	0	a) 5,900 b) 105,020 €			
Stijn Henderickx, EVP	SOP 2021-P	06/12/2021	31/12/2024	NA	1/01/2025- 5/12/2031	17.80 €	0	a) 7,800 b)138,840 €			
	SOP 2020-P	29/10/2020	31/12/2023	NA	1/01/2024- 28/10/2030	12.76 €	15,500				
	SOP2019-P	11/10/2019	31/12/2022	NA	1/01/2023- 10/10/2029	24.83 €	9,100				
	SOP2017-EEA	20/10/2017	31/12/2020	NA	1/01/2021- 19/10/2027	12.54 €	4,200				
Anthony Huyghebaert, CHRO	SOP 2021-P	06/12/2021	31/12/2024	NA	1/01/2025- 5/12/2031	17.80 €	0	a) 14,000 b) 249,200 €			
Rob Jonckeere, EVP Operations	SOP 2021-P	06/12/2021	31/12/2024	NA	1/01/2025- 5/12/2031	17.80 €	0	a) 8,000 b) 142,400 €			
	SOP 2020-P	29/10/2020	31/12/2023	NA	1/01/2024- 28/10/2030	12.76 €	12,500				
	SOP2019-P	11/10/2019	31/12/2022	NA	1/01/2023- 10/10/2029	24.83 €	4,550				
	SOP2017-EEA	20/10/2017	31/12/2020	NA	1/01/2021- 19/10/2027	12.54 €	1,400				
	SOP2016-EEA	24/10/2016	31/12/2019	NA	1/01/2020- 23/10/2026	10.40 €	1,750				
Chris Sluys, EVP	SOP 2021-P	06/12/2021	31/12/2024	NA	1/01/2025- 5/12/2031	17.80 €	0	a) 9,800 b) 174,440 €			
Marc Spenlé, CDIO	SOP 2021-P	06/12/2021	31/12/2024	NA	1/01/2025- 5/12/2031	17.80 €	0	a) 11,800 b)210,040 €			
	SOP 2020-P	29/10/2020	31/12/2023	NA	1/01/2024- 28/10/2030	12.76 €	19,600				

Stock options

Main provisions of the stock option plan							Information related to the financial year 2021				
Name Position	Plan Identification	Grant Date	Vesting Date	End of retention period	Exercise period	Exercise price	Number of options at the beginning of the year	a) Number of options granted b) value underlying shares @ grant date	a) Number of options vested b) value @ exercise price	Number of options exercised	number of options expired
Iain Urquhart, EVP	SOP 2021-P	06/12/2021	31/12/2024	NA	1/01/2025- 5/12/2031	17.80 €	0	a) 13,800 b)245,640 €			
	SOP 2020-P	29/10/2020	31/12/2023	NA	1/01/2024- 28/10/2030	12.76 €	21,150				
	SOP2019-P	11/10/2019	31/12/2022	NA	1/01/2023- 10/10/2029	24.83 €	42,000				
Kurt Verheggen, General Counsel	SOP 2021-P	06/12/2021	31/12/2024	NA	1/01/2025- 5/12/2031	17.80 €	0	a) 8,300 b) 147,740 €			
	SOP 2020-P	29/10/2020	31/12/2023	NA	1/01/2024- 28/10/2030	12.76 €	12,600				
	SOP2019-P	11/10/2019	31/12/2022	NA	1/01/2023- 10/10/2029	24.83 €	7,000				
	SOP 2018-P	22/10/2018	31/12/2021	NA	1/01/2022- 21/10/2028	14.40 €	10,500				
	SOP2017-EEA	20/10/2017	31/12/2020	NA	1/01/2021- 19/10/2027	12.54 €	21,000			21,000	
	SOP2016-EEA	24/10/2016	31/12/2019	NA	1/01/2020- 23/10/2026	10.40 €	10,500			10,500	
Kenneth Wang, EVP	SOP 2021-P	06/12/2021	31/12/2024	NA	1/01/2025- 5/12/2031	17.80 €	0	a) 13,300 b) 236,740 €			

The details on the stock options granted, vested, and exercised by the CLT members who left Barco are provided in the table below.

Stock options

Main provisions of the stock option plan							Information related to the financial year 2021				
Name Position	Plan Identification	Grant Date	Vesting Date	End of retention period	Exercise period	Exercise price	Number of options at the beginning of the year	a) Number of options granted b) value underlying shares @ grant date	a) Number of options vested b) value @ exercise price	Number of options exercised	number of options expired
Xavier Bourgois, left 31 December 2021	SOP2019-P	11/10/2019	31/12/2022	NA	1/01/2023- 31/12/2023	24.83 €	5,950				
	SOP 2018-P	23/10/2018	31/12/2021	NA	1/01/2022- 31/12/2022	14.40 €	3,500		a) 3,500 b) 50,400 €		
	SOP2017-EEA	20/10/2017	31/12/2020	NA	1/01/2021- 19/10/2027	12.54 €	10,500				
	SOP2016-EEA	24/10/2016	31/12/2019	NA	1/01/2020- 23/10/2026	10.40 €	10,500				
	SOP2015-EEA	22/10/2015	31/12/2018	NA	1/01/2019- 21/10/2025	8.16 €	1,400				
Piet Candeel, left 31 March 2019	SOP2017-EEA	20/10/2017	31/12/2020	NA	1/01/2021- 19/10/2027	12.54 €	21,000			21,000	
Tet Jong Chang, retired 31 March 2021	SOP 2020-P	29/10/2020	31/12/2023	NA	1/01/2024- 28/10/2030	12.76 €	14,000				
	SOP2019-P	11/10/2019	31/12/2022	NA	1/01/2023- 10/10/2029	24.83 €	11,900				
	SOP 2018-P	23/10/2018	31/12/2021	NA	1/01/2022- 22/10/2028	14.40 €	17,500		a) 17,500 b) 252,000 €		
	SOP2017-ROW	20/10/2017	31/12/2020	NA	1/01/2021- 19/10/2025	12.54 €	28,000				
An Dewaele, left 31 December 2020	SOP2019-P	11/10/2019	31/12/2022	NA	1/01/2023- 31/12/2023	24.83 €	9,800				
	SOP 2018-P	23/10/2018	31/12/2021	NA	1/01/2022- 31/12/2022	14.40 €	14,700		a) 14,700 b) 211,680 €		
	SOP2017-EEA	20/10/2017	31/12/2020	NA	1/01/2021- 19/10/2027	12.54 €	28,000				
Johan Heyman, left CLT 30 September 2020	SOP2019-P	11/10/2019	31/12/2022	NA	1/01/2023- 10/10/2029	24.83 €	5,950				
	SOP 2018-P	23/10/2018	31/12/2022	NA	1/01/2022- 22/10/2028	14.40 €	3,500				
	SOP2017-EEA	20/10/2017	31/12/2022	NA	1/01/2021- 19/10/2027	12.54 €	3,500			500	
	SOP2016-EEA	24/10/2016	31/12/2022	NA	1/01/2020- 23/10/2026	10.40 €	1,400			1,400	

Stock options

Main provisions of the stock option plan							Information related to the financial year 2021				
Name Position	Plan Identification	Grant Date	Vesting Date	End of retention period	Exercise period	Exercise price	Number of options at the beginning of the year	a) Number of options granted b) value underlying shares @ grant date	a) Number of options vested b) value @ exercise price	Number of options exercised	number of options expired
Filip Pintelon, left 22 October 2021	SOP 2020-P	29/10/2020	31/12/2023	NA	1/01/2024- 31/12/2024	12.76 €	16,100				
	SOP2019-P	11/10/2019	31/12/2022	NA	1/01/2023- 31/12/2023	24.83 €	10,500				
	SOP 2018-P	23/10/2018	31/12/2021	NA	1/01/2022- 31/12/2022	14.40 €	17,500		a) 17,500 b) 252,000 €		
	SOP2017-EEA	20/10/2017	31/12/2020	NA	1/01/2021- 19/10/2027	12.54 €	35,000				
	SOP2016-EEA	24/10/2016	31/12/2019	NA	1/01/2020- 23/10/2026	10.40 €	28,000				
	SOP2015-EEA	22/10/2015	31/12/2018	NA	1/01/2019- 21/10/2025	8.16 €	5,250			3,250	
	SOP2014-EEA	23/10/2014	31/12/2017	NA	1/01/2018- 22/10/2024	7.86 €	12,250			9	
George Stromeyer, left 20 October 2021	SOP 2020-P	29/10/2020	31/12/2023	NA	1/01/2024- 28/10/2030	12.76 €	21,000				21,000
	SOP2019-P	11/10/2019	31/12/2022	NA	1/01/2023- 31/12/2023	24.83 €	21,000				21,000
	SOP 2018-P	23/10/2018	31/12/2021	NA	1/01/2022- 28/02/2022	14.40 €	42,000		a) 42,000 b) 604,800 €		
	SOP2017-US	20/10/2015	31/12/2019	NA	1/01/2020- 3/03/2022	12.54 €	105,000			14,000	
Nicolas Vanden Abeele, left 22 October 2021	SOP 2020-P	29/10/2020	31/12/2023	NA	1/01/2024- 31/12/2024	12.76 €	21,700				
	SOP2019-P	11/10/2019	31/12/2022	NA	1/01/2023- 31/12/2023	24.83 €	11,900				
	SOP 2018-P	23/10/2018	31/12/2021	NA	1/01/2022- 31/12/2022	14.40 €	17,500		a) 17,500 b) 252,000 €		

Reference is made to page 71 in the Financial Statements for an overview of the stock options exercisable under the stock option plans.

Part 3: Redundancy payments

CLT members operate under an employment contract, concluded with the entity of the Barco group in the country where they live. Their contracts are governed by the local legal provisions. If the employment of a CLT member is terminated, local rules and legislation governing the contract of employment, including those pertaining to notice periods and severance payments, apply.

Upon proposal of the remuneration and nomination committee, the Board agreed on the departure compensation for 5 people, and the basis for its calculation as set forward below.

Tet Jong Chang, former SVP China, retired from the company on 31 March 2021. In accordance with the retirement agreement a prorated STI bonus on target has been paid for bonus year 2021.

Effective 31 August 2021, Jan De Witte, former CEO, left the company. In accordance with the severance agreement, he was granted a termination indemnity based on nine months of total remuneration.

Effective 20 October 2021, George Stromeyer, former SVP Enterprise, left the company. In accordance with the severance agreement, he was granted a termination indemnity based on six months of remuneration whereby the remuneration basis includes fixed pay, and continuation of Health Coverage (COBRA) for 6 months.

Effective 22 October 2021, Nicolas Vanden Abeele, former SVP Entertainment, left the company. In accordance with the provisions of his employment contract, the severance agreement included a termination indemnity based on six months of remuneration whereby the remuneration basis includes fixed pay, 65% of the on-target STI bonus, the annual pension contribution and other benefits.

Effective 22 October 2021, Filip Pintelon, former SVP Healthcare, left the company. In accordance with the provisions of his employment contract of 3 October 2008, the severance agreement included a termination indemnity based on eighteen months of on-target remuneration whereby the remuneration basis includes fixed pay, on-target STI bonus, annual pension contribution and other benefits.

Part 4: Use of the right to reclaim

There was no reason for the Board to reclaim any previously paid variable remuneration to the 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.

Part 6: Evolution of remuneration and company performance

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 2021 pay ratio is 25.58.

Part 7: Vote of the shareholder

The remuneration report 2020 was approved by the general meeting of 29 April 2021 with a 90% vote. As no comments were made to the previous remuneration report, there were no such comments to be considered for the remuneration paid or vested during 2021.

From conversations with shareholders, it appears however that the variable part of the remuneration packages for CLT members is complex, with many KPIs and too little attention to targets in the sustainability area. On the Remuneration and Nomination Committee's proposal, the Board agreed to introduce an STI policy that is simple, transparent, and efficient. Hence an updated version of the remuneration policy will be presented at the next general meeting for approval.

In thousands of euro	2016	2017	2018	2019	2020	2021
Remuneration of Non-Executive Directors[1]						
Total annual remuneration	499,175	512,725	430,449	416,825	402,425	426,475
Year-on-year difference (%)	3%	3%	-16%	-3%	-3%	6%
Number of Non-Executive Directors under review	9	11	9	6	6	6
Remuneration of CEO						
CEO remuneration						
Total annual remuneration (EUR)	1,600,800	1,209,183	1,424,544	1,672,362	1,262,683	1,086,038
Year-on-year difference (%)	1%	-24%	18%	17%	-24%	-14%
Remuneration of CLT						
Total annual remuneration (EUR)	4,169,396	4,570,778	5,866,025	6,163,243	4,819,145	4,211,170
Year-on-year difference (%)	13%	10%	28%	5%	-22%	-13%
Number of CLT Members under review	10	14	13	15	15	20
Barco Group Performance						
NET SALES (M euro)	1,102,342	1,084,706	1,028,531	1,082,570	770,083	804,288
Year-on-year difference (%)	7%	-2%	-5%	5%	-29%	4%
EBITDA (M euro)	88,002	107,126	124,466	153,022	53,563	58,509
Year-on-year difference (%)	19%	22%	16%	23%	-65%	9%
Net income attributable	11,023	24,776	74,965	95,363	-4,393	8,881
Year-on-year difference (%)	137%	125%	203%	27%	-105%	302%
Average remuneration per FTE employee[2]						
Average employee cost per FTE (EUR)[3]	76,316	76,821	76,505	77,192	65,570	75,003
Year-on-year difference (%)	0.0%	0.7%	-0.4%	0.9%	-15.1%	14.4%

[1] As indicated in Part 2,A of the Remuneration Report the remuneration for non-executive directors depends only on the number of meetings and is reported aggregated for this table.
[2] Average remuneration of employees is calculated on the basis of "wages and direct social benefits", including company cars, divided by the number of employees on a year-over-year basis.
[3] Employee cost 2021 increase due to (a) less unemployment and wage subsidies following enacted covid release acts, (b) merit and COL increases versus only mandatory COL increases in 2020, (c) higher attrition combined with recruiting in an overheated labor market

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.

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 and on Barco's corporate website.

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 2021, no conflicts of interest of a financial nature or related party transactions falling within the scope of these procedures arose.

Statutory auditor

Barco refers to note 22 Related party transactions in Financial Statements 2021.

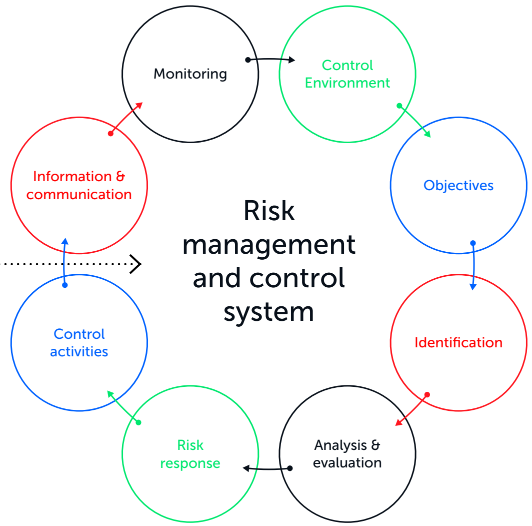
Risk management and control processes

Objectives

Within the context of its business operations, Barco is exposed to a wide variety of risks that can affect its ability to achieve its business objectives and to execute its corporate strategy successfully. To anticipate, identify, prioritize, manage and monitor the risks that impact its organization, Barco has 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 co-CEOs and the Core Leadership Team (CLT) are fully engaged in risk management. Risk mitigation and control is a core task of the executive management and all employees with managerial responsibilities.

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

The risk management and control system is based on the principles of the **COSO reference framework** and the **ISO 31000 risk management standard**.



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 corporate 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, we perform a company-wide risk assessment and compliance gap analysis. This exercise, which involves the CLT members, the legal & compliance responsible 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 yearly risk assessment and compliance gap analysis is a joint effort of the Risk Manager, the Global Compliance Manager and Internal Audit.

Identification

The **Barco risk universe** is reviewed on a yearly basis, based on insights from interviews with the CLT members and a benchmarking against the risk reports published by the top global insurers and international organizations.

In 2021, 'product portfolio and innovation' was defined as a new risk in the Barco risk universe. In previous years, it was part of the 'Macroeconomic, geopolitics and market' risk and the 'Digital transformation and new technologies' risk. Accordingly, these two risks have been re-defined.

Barco Risk Universe

The following risks are taken into consideration.

- Information security risk
- Macroeconomic & geopolitics risk
- Human capital & talent management
- Digital transformation & new technologies
- Product portfolio & innovation
- Data governance & privacy
- Product quality
- Supply chain & 'Nth' party risk
- Contingency & crisis response
- Business ethics
- Corporate governance & strategy
- Financial & liquidity risk
- Local compliance & regulatory change
- Sustainability & climate risk

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

The scoring of Barco's risks was done via an online questionnaire in 2021. All 16 CLT members and all 23 senior managers from different subsidiaries completed the questionnaire.

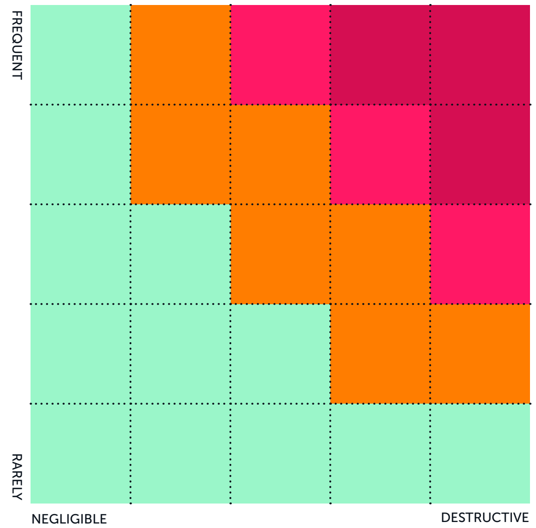
Evaluation

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.

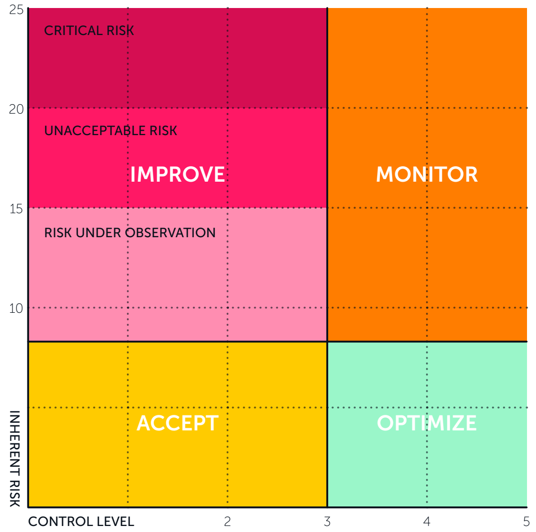
The **residual risk** level is then determined by taking into account the control level (control measures and their effectiveness) of each risk.

The **CLT then reviews the results**. The top risks are identified and divided into risks to be accepted, monitored or improved. For each top risk, a risk sponsor is designated.



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. For these types of risks, if any, a CLT risk sponsor is appointed.
- **'Risks to monitor'** are contained by means of the ongoing continuous improvement actions and existing control measures. These types of risks reside under the sponsorship of a CLT member who monitors them.
- **'Acceptable risks'** and **'risks to optimize'** are recorded in the risk register of the related process.

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

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 quarterly review by the CLT risk sponsor, 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 the Barco 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, the company's code of ethics or policies.

Top risks

On the right are the top risks, identified by the 2021 risk management process, along with the trends and related material topic/strategic lever. Certain risks have been slightly regrouped and renamed compared to last year following the most recent risk identification process.

We refer to the extra risk section regarding the consequences and impact of the covid-19 pandemic and to the management discussion and analysis in the 'results' section for an update on the impact of covid-19 and the impact of supply constraints on the full year 2021 results.

Risk	TREND	MATERIAL TOPIC	STRATEGIC LEVER
Supply chain & 'Nth' party risk	▲▲	Responsible supply chain management Sustainable profitable growth Product quality, safety and security	Focus to Perform & Go for sustainable impact
Product portfolio & Innovation	New	Innovation management Market reach	Innovate for Impact & Offer outcome-based solutions
Human capital & talent management	▲	Employee engagement Learning and development Employee health, safety and wellbeing Diversity and inclusion	Focus to Perform & Go for sustainable impact
Digital transformation & new technologies	▼	Innovation management Learning and development	Innovate for Impact & Offer outcome-based solutions
Macroeconomic & geopolitics risk	▼	Market reach	Focus to perform
Product quality	▼	Product quality, safety and security Customer engagement Brand	Innovate for Impact & Offer outcome-based solutions
Information security risk	▼	Information security and data protection Product quality, safety and security	Focus to Perform & Go for sustainable impact
Data governance and privacy	▼	Innovation management Information security and data protection	Go for sustainable impact

Supply chain & 'Nth' party risk

Risk description

The dependency on suppliers, partners, integrators and distributors creates a vulnerability that might impact our product portfolio in terms of quality, availability and cost. Next to the covid-19 pandemic, the global chip shortage has put high pressure on the global supply chain and caused an additional burden on Barco's resources, inventory, manufacturing and delivery performance.

Trend:

Supply chain and Nth party risks were identified as a main risk in 2020 and became the key risk in 2021, especially in light of the global electronics component shortage.

Mitigation plan:

We maintained mitigation actions that we had defined in the past years and further developed these to meet the challenges going forward, focusing on:

- **War rooms and day-to-day alignment processes** across our global operations to ensure business continuity.
- 24/7 **monitoring of component shortages** by the procurement teams around the world.
- **Multi-sourcing** of key components and **design-in** of available alternatives.
- **Multi-tier risk assessment** and multi-level risk monitoring.
- Component selection in line with state-of-the-art supplier's product and technology roadmaps.
- **Early supplier involvement** during the development of new products.
- **Supplier contingency plans** for our key and core suppliers.

More information can be found in "Supply chain responsibility"

Product portfolio & innovation

Risk description

If competitors outperform Barco with new technologies, new business models, faster time-to-market, lower costs or enhanced product features, this can result in **missed business opportunities** and thus eventually a decline in revenue.

The inability to balance between core and transformational innovation with real breakouts may lead to poor product portfolio management and weakened competitive power.

Not being able to identify customer needs and to successfully convert these into value-adding products and solutions might **impact market share and profitability** of our business.

Trend:

Product portfolio and innovation is one of the top risks in Barco ranked as number 2.

Mitigation plan:

In 2021, we implemented **organizational changes to enhance market responsiveness** and fully empower business unit execution of strategic priorities combined with focused accountability. In the past, Barco worked with a matrix organizational structure consisting of geographic regions which handled sales, marketing and customer service functions. These interacted with business units in the operational divisions. Under the revised organizational structure, regional sales is folded into the company's business units together with product management and research & development.

A **thorough and continuous review of the R&D investment portfolio** to define priorities and ensure a healthy balance between maintenance R&D and breakthrough innovation must ensure that Barco preserves a frontrunner position in its key technologies.

Human capital & talent management

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, they may become disconnected from the work environment. That could lead to mental fatigue, stress and anxiety. It is therefore crucial to **protect employees' health and wellbeing** to avoid labor incidents, burnouts and long-term sickness.

Trend:

Human resources management has been identified as an important risk in the last three years.

Mitigation plan:

The Human Resources team commits to investing in **workforce strategy and organizational effectiveness** as key focus domains, in addition to delivering **professional Human Resources services** to attract, develop, reward and engage a diverse and global workforce, while ensuring timely and clear communication to employees.

The HR-related priorities start from the Barco business objectives, translating these into main HR actions in the following domains:

- **Workforce strategy & skill gap analysis**: HR guides and partners with the business to translate the organizational strategy of the business units into a coherent people plan, using a competence framework and identifying skills of the future. Based on these insights, they can develop proactive and strategic recruitment and training plans (upskilling-reskilling-internal mobility-external hiring).
- **Workforce and headcount management strategy**: HR leads the recurrent review of headcount status and in-out-turnover, monitoring worldwide talent pools in the diverse regions we are active in, in order to measure and improve the impact of our retention and recruitment plan.
- **Culture, people & leadership development:** HR provides employees and people leaders with the proper tools and solutions to work on employee development, engagement and wellbeing through an employee engagement measurement tool, a dedicated Barco University training offering (classroom, online, e-learning or hybrid) and continuing the culture journey with focus on a global and diverse culture.

Read more in the Report on People.

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 revenues and missed business opportunities. In Barco's environment, a rapid time to market is the key to ensuring competitiveness.

Trend:

Digital transformation and new technologies were one of our main risks in 2020 and remains key in 2021.

Mitigation plan:

To mitigate this risk, Barco developed a **master plan**, which it launched in March 2021 together with the new '**Digital and Information Organization'**: the centralization of both the corporate marketing and the SW R&D functions with IT.

Major blocks of the mitigation plan are:

- (Digital) **Customer journey & experience**: customer journey mapping exercises and active use in the business units.
- Roll out of **SalesForce as a global Customer relationship management tool.**
- **Mindset, culture and leadership transformation**: define marketing blue-print program and train internal stakeholders on value streams and design thinking.
- **Data governance, management and strategy**: Definition of the data collection/monetization metrics. See also 'Data governance and privacy risk'.
- **IT stability, quality, flexibility & speed**: re-organization based on the helix model with five business-centric value streams and separate Center of Excellences. Implementation of a Strategic Global Portfolio Prioritization methodology to decide on investments and to generate transparency on projects and capacity.

Macroeconomic & geopolitics risk

Risk description

Serious political and (macro) economic evolutions and fluctuations can heavily impact the investment climate and could even slow business in a country or region to a complete halt. 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:

The "Macroeconomic, geopolitics and market" risk was identified as the key risk in 2020. The risk was redefined in 2021, moving the market-related elements to the new risk 'Product portfolio & innovation', in the risk universe. Accordingly, the 'Macroeconomic and geopolitics' risk dropped in ranking in 2021.

Mitigation plan:

- The company closely **monitors the macroeconomic and geopolitical developments** in the regions in which it is active. Their potential impact on the company's business operations (geographical footprint, supply chain, operations, import and export activities, commercial and go-to-market strategy, cash management, etc.) and possible remedial actions are assessed in business review meetings for the short term, and in the strategic Management Plan and Profit Plan for the mid to long term.

- The wide **spread of activities across different regions and industries** contributes to absorbing the risk.

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 internal quality processes 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 leading to reputational damage, customer dissatisfaction and loss of business.

Trend:

Product quality was one of our main risks in 2020 and remains so in 2021.

Mitigation plan:

Product quality is guaranteed by **rigorously executing and monitoring the Barco processes** covering the complete product life cycle – from product planning, to design and development and sales, all the way to customer services. These processes are embedded in Barco's **quality management system**, which is audited by independent external parties and customers. The product quality is monitored through a set of quality-related indicators covering the different interrelated processes.

In close collaboration with the dedicated quality teams, the business unit executive teams draw up a mitigation plan centered around the following themes:

- Regular **review of the product quality dashboards** and key performance indicators (KPIs) by the quality teams incorporating regional and customer feedback.
- Strict **evaluation** of product maturity, reliability and manufacturability, but also the need to schedule adherence and scope completeness at the different product design milestones.
- Specific product quality and process improvement programs based on internal quality indicators and customer feedback.

Read more on Product quality, safety & security.

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 one of the top priorities in 2020. This year it dropped in the ranking.

Mitigation plan:

Despite its lower ranking, information security remains an important risk. This risk stays marked as 'to be further monitored by the CLT sponsor'. No additional actions were defined in 2021, given the recently **updated roadmap on cyber security improvements**, which focuses on:

- Refining cyber security incident response.
- Increasing management controls on privileged accounts.
- Improving network segmentation.
- Revisiting back-up and recovery strategies.
- Monitoring, preventing, detecting, analyzing and responding to cybersecurity threats and incidents.
- Enhancing overall patch management.

Read more on Corporate security and data privacy and Product quality, safety & security.

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. Lack of data governance may also lead to data leaks outside of the organization, which could benefit competing players on the market.

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.

Trend:

Data protection was one of our main risks in 2020 and ranks lower in 2021.

Mitigation plan:

The mitigation plan is split in terms of ownership: there are actions around intellectual property (IP) and actions around data governance and privacy.

The **IP mitigation plan** is composed of two blocks:

- **Strategic protection of our technologies and innovations with patents**. The Intellectual Property team was strengthened with a new colleague in 2021. The patent prosecution strategy has been refreshed (more focus on strategic inventions, earlier filing, selection of a panel of patent attorneys).
- **Boost culture and awareness** about the way confidential information is treated both internally and externally.

The **data governance and privacy plan** contains the following elements, which are all key in Barco's digital business transformation journey:

- Data architecture within Barco through the establishment of a **Center of Excellence in Data**.
- **Governance** around the data model.
- Continuous implementation of measures aimed at **protecting data privacy**, such as release and update of relevant policies and procedures, awareness creation among employees through online learning courses and classroom trainings, designation of security and privacy champions, security and privacy assessments of suppliers, and GDPR audits.

Read more on Corporate security and data Privacy

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 divisions.
- Supply constraints, reflected by impact on sales mainly in Barco's Healthcare division.
- The profit and loss and operating results.
- Cash flow issues (mainly in 2020).

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**
  Ensuring health and safety in the work environment remained a top priority in 2021. Following the lessons learned in 2020, Barco was able to prepare and respond in an agile and upfront way. The global response team reviewed the impact of the worldwide pandemic, the resulting legal obligations and how global communication on measures taken within the Barco premises was handled.

> Please refer to the 'Planet, People and Communities' report for more details. A wide range of measures aimed at **avoiding the spread of the covid-19 virus** were established. This included warning employees in the case of an infection, ensuring social distancing, ventilation, working from home, and many others. These measures were largely successful, although the Barco Noida site was hit severely when covid-19 infections in India peaked.

- **Hybrid way of working**
  Some of Barco's offices have been (partially) closed for short periods throughout 2021. 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. Barco 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

2020 had proven 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. While business regained momentum in 2021, there were still the occasional sudden lockdowns disrupting the supply chain. The new worldwide shortages in different commodities in 2021 made further demands on Barco's supply chain resilience. Our strong, long-term supplier relationships and agile approach have proven to be key in finding solutions to the shortages in many cases. Nevertheless, the order to sales conversion was and will not be fully immune to the impact of supply chain constraints.

Business health
In the first quarter of 2020 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. In 2021, supply chain disruptions, including higher component prices, increased freight broker rates and higher logistics costs negatively impacted the company's results.

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. We also raised prices across our portfolio and regions, which we expect to benefit gross profit margins as of the first half of 2022.

- **Aligning activity rate with market realities and customer demand**
  Barco 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, mainly in 2020 and to a limited extent in the first half of 2021. 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.

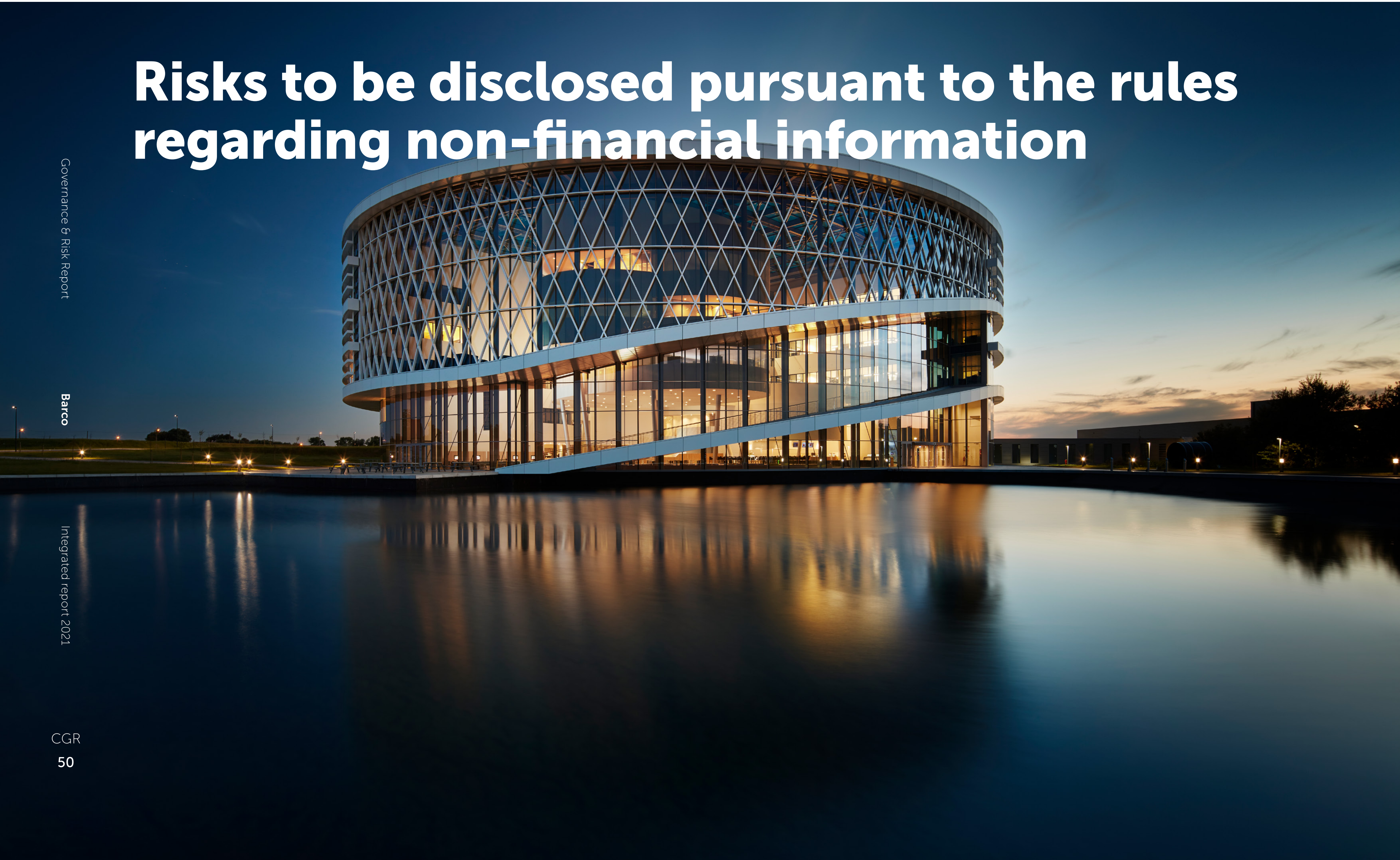
- **Adjusting the cost base and discipline in discretionary spending**
  These measures – which can be adjusted again in line with future changes in the pandemic situation – also entailed shifts in the planned investment patterns on selected long-term initiatives in 2020 and a sustained strict discipline 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, we were able to apply for wage grants under the newly enacted covid-19 relief legislation in APAC, Canada and US in 2020.

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. Our company has sufficient headroom to be able to conform to covenants on our 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.

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 shareholder value.** 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.

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@Work**" helps educate our people and reminds 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.

Suppliers:

- 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, the International Labor Organization (ILO), the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. Our Human Rights pledge and our anti-discrimination policy are available on our intranet.
- To oversee this pledge, we use the company-wide **compliance management system.** Adherence to the anti-discrimination policy is monitored by the HR department.
- Barco includes all its 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:

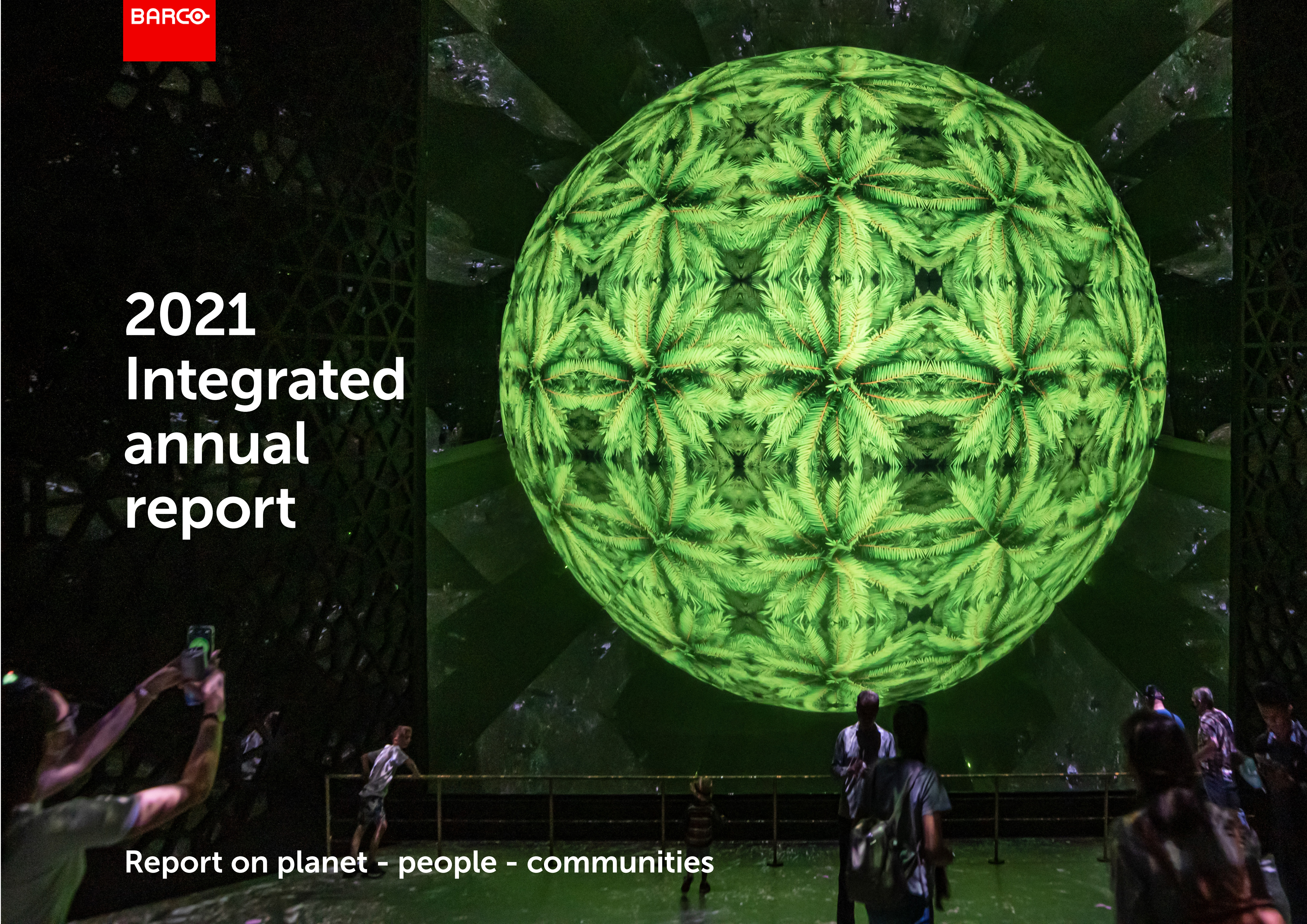
- In order to limit the risk of money laundering, a process to **screen incoming payments** is in place under the Payment Processing Policy.
- Employees in sales functions and dedicated corporate functions across the world have to follow a **mandatory anti-bribery course** as part of the "Standards@Work" level 2 training.

Read more on 'Ethics and compliance' and 'Supply chain responsibility'.

Financial risk management and internal control

- **Finance and accounting manuals**, 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 (up-down sides reporting) that have potential impact on the forecasted results. Action plans are defined for all key risks. The results of the analysis are discussed with the statutory auditor at least every half year.
- The **accounting teams** are responsible for producing the accounting figures (closing books, reconciliations, etc.), whereas the business partnering (controlling) teams check the validity of these figures. These checks include analytical reviews through 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 judgements and estimates** are periodically reported to the Audit Committee.
- **Specific internal control activities** concerning financial reporting are in place, as documented in the financial closing and reporting procedure. This procedure 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** and a standard chart of accounts throughout the organization ensures a consistent flow of financial information, which allows the detection of potential anomalies.
- To provide Barco's investors and other (external) 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 Core Leadership Team and then announced to external stakeholders.
- **Financial reporting and analyses are shared** with Barco's co-CEOs, the CLT and divisional and regional excoms in order to drive actions towards short-term (forecast), mid-term (budget) and long-term targets in accordance with the strategy set forward.

BARCO



2021 Integrated annual report

Report on planet - people - communities

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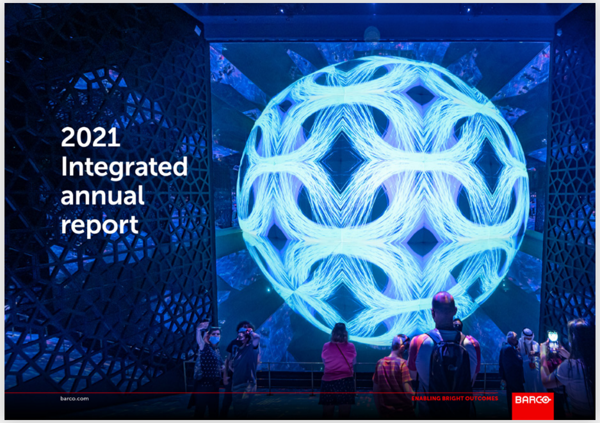


This is the planet - people - communities section of Barco's 2021 Integrated annual report. Other sections are available via the download center at ir.barco.com/2021.

CORE

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

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

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 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 ensuring a healthy working environment – both physically and mentally. We engage in building 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.

An Steegen & Charles Beauduin
CEOs Barco

Our sustainability strategy

Go for sustainable impact

Our sustainability strategy 'Go for Sustainable Impact' is an integral part of our corporate strategy, 'Enabling bright outcomes'. Because we believe growing our company goes hand in hand with helping our people and the communities around us thrive, while safeguarding our planet.

That's why 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 it to the areas that matter most to our stakeholders and where we can achieve the greatest impact: our material topics. The material topics are defined in the 2020 materiality assessment.

We translated our sustainability ambitions in measurable targets, so that we can track our progress year over year.

Our sustainable impact pillars, ambitions and material topics

	Planet	People	Communities
AMBITION	We will lower our **environmental footprint** and those of our customers.	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 ensuring a healthy working environment – both physically and mentally. We engage in building 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 & wellbeing • 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

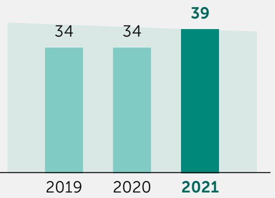
* Highly material topics

Our sustainable impact (primary) targets and progress

1. Take science-based climate action

By 2023, reduce energy consumption in own operations by 15% (vs 2015)

Energy consumption in own operations
MWh/mio € revenues

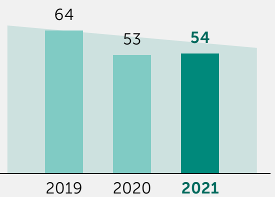


-15%

% reduction vs 2015: -24% (2019), -22% (2020), **-12%** (2021)

By 2023, reduce greenhouse gas emissions from own operations by 35% (vs 2015)

Greenhouse gas emissions of our own operations
Tonnes CO_2 e /mio € revenues

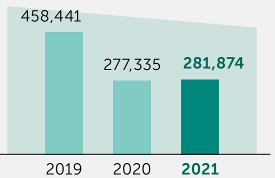


-35%

% reduction vs 2015: -20% (2019), -34% (2020), **-33%** (2021)

By 2025, reduce absolute greenhouse gas emissions by 45% (vs 2015)*

Total greenhouse gas emissions
Tonnes CO2 e



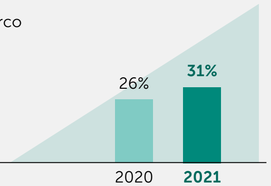
-45%

% reduction vs 2015: -43% (2019), -65% (2020), **-65%** (2021)

2. Enable our customers to lower their environmental footprint

By 2023, ensure that at least 70% of our revenues comes from products with the Barco ECO label**

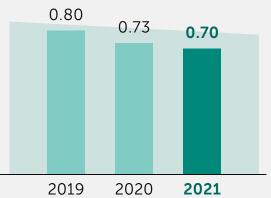
% revenues from products with Barco ECO label



70%

By 2023, reduce the energy footprint of our products by 25% (vs 2015)

Energy efficiency index of sold products (relative vs 2015 base year)
Tonnes CO_2 e /mio € revenues



-25%

% reduction vs 2015: -20% (2019), -27% (2020), **-30%** (2021)

* Target approved by Science Based Targets initiative, in line with the IPCC 1.5°C scenario, covering Scope 1, 2 and 3 emissions. As SBTi requires targets to cover a minimum of 5 years from the date the target is submitted to the SBTi for validation, the target year has been set to 2025.

** As of reporting year 2021 total revenues from products correspond to total product and project revenues (see note 3 on p. 35) as reported in the financial chapter of our integrated report, which corresponds to the EU taxonomy eligible turnover in 2021. For comparison reasons 2020 total revenues from products were updated, corresponding to total product and project revenues in 2020. The % revenues from products with Barco ECO label were recalculated using the updated turnover.

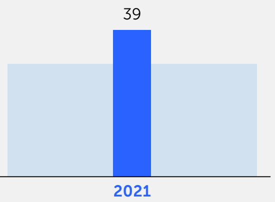
People

Our sustainable impact (primary) targets and progress

1. Empower all our colleagues to have an engaging, enriching and healthy career

Each year, aim for an employee Net Promoter Score of at least 30

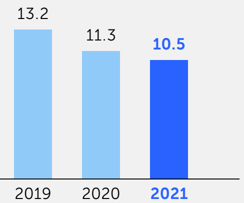
Employee net promotor score



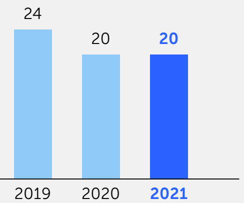
30

Invest in learning and development

Average training hours/employee
hours



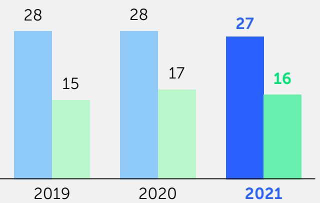
Internal mobility
% vacancies filled internally



Step up our efforts in diversity

% women overall

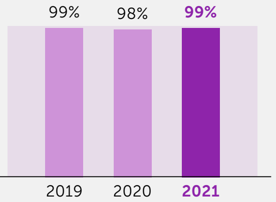
% women in senior management



Our sustainable impact (primary) targets and progress

1. Always act lawfully, ethically and with integrity wherever we operate

Each year, train all our employees in Standards@Work



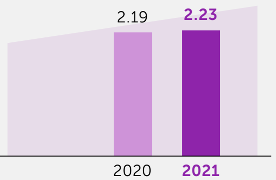
100%

2. Deliver great customer experience

Measure and drive customer Net Promoter Score to an above market average score

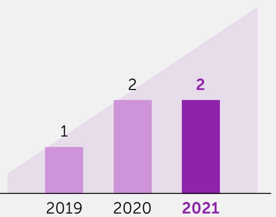
3. Proactively manage information security risks

By 2025, obtain an average cybersecurity maturity score of at least 3.4



3.4

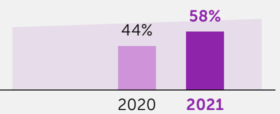
Each year, add at least one new product line to the scope of the ISO 27001 certificate



+1 yearly

4. Engage our suppliers in adopting sustainable business practices

By 2023, have suppliers covering at least 70% of our production spend scored on their sustainability performance



70%

Materiality

Continuous monitoring of material issues is critical to stay on top of emerging risks and opportunities. A materiality assessment helps organizations understand what topics matter most to their 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.

Our last assessment, which was done in 2020, was based upon and aligned with our integrated reporting approach, considering the six capitals. 111 stakeholders participated in the surveys and interviews. The resulting materiality matrix has three categories: low, medium and highly material topics. The illustration on the next page reflects our medium and highly material topics. The materiality analysis of 2020 is still valid as stakeholder interactions in 2021 did not reveal major changes, except for the topic 'Diversity and inclusion'.

In the meeting of September 2021, our Board of Directors underlined the importance of **diversity and inclusion** as a catalyst for creativity and innovation. Diversity and inclusion will therefore be treated as a **highly material topic**.

Dynamic, data-driven materiality assessment

> To win in the coming decade, investors and companies must equip themselves with forward-looking and proactive approaches to materiality.
>
> **Source: Embracing the new age of materiality: harnessing the pace of change in ESG,**
> [World Economic Forum]

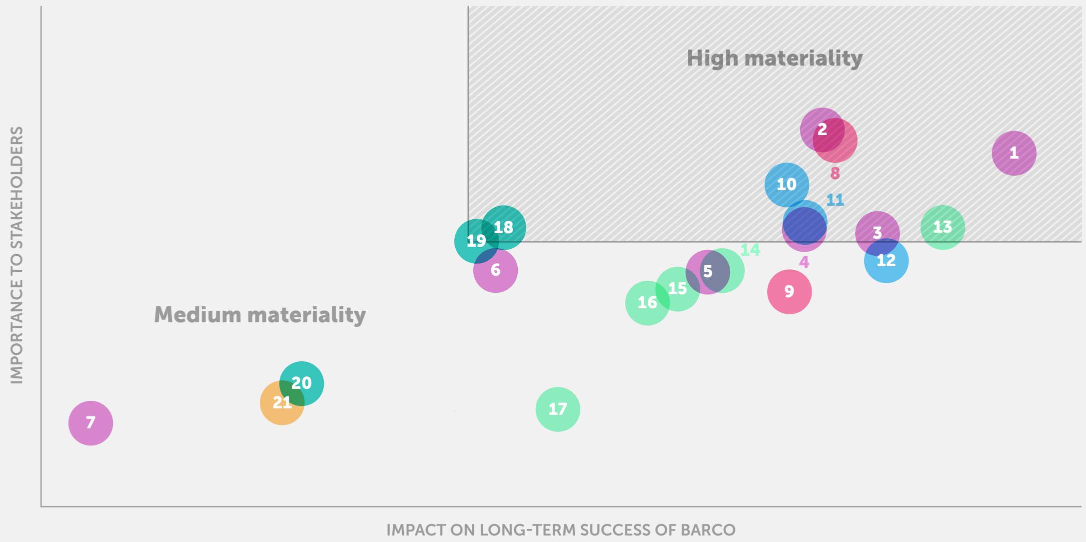
In 2021, the strategic intelligence company Trensition performed a dynamic analysis of our materiality matrix. Based on AI and big data, the technology automatically scans and analyzes millions of data points from diverse sources to identify and predict business trends and industry dynamics. This analysis provides a thorough understanding of how our material topics will most likely evolve in the coming years.

The most significant increases expected for the next year are:

- **Learning & development**
- **Diversity & inclusion**
- **Climate change & energy**

The rise in the importance of the people-related materiality topics could be explained as a result of the covid-19 pandemic. Next to that, the UN Climate Change Conference in Glasgow, COP26, was a catalyst for the climate change topic to keep growing in importance.

Barco's 2020 materiality matrix - 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 & wellbeing
15. Labor practices & human rights
16. Learning & development
17. Diversity & inclusion

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

Manufactured
21. Long-term asset performance

» A description of the material topics can be found on our corporate website

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, 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. As a result we have selected six SDGs that are closely linked to Barco's **highly material** topics and the overall Barco strategy:

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

Barco's strategic levers, linked to highly material topics and the UN SDGs

	Innovate for impact	Focus on performance	Offer outcome-based solutions	Go for sustainable impact
HIGHLY MATERIAL TOPICS	2. Product quality, safety & security 8. Innovation management 18. Product stewardship	10. Financial resilience 11. Sustained profitable growth	1. Customer engagement 2. Product quality, safety & security 3. Information security & data protection 18. Product stewardship	3. Information security & data protection 4. Business ethics 13. Employee engagement 17. Diversity & inclusion 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 lower our environmental footprint and those of our customers.

Our targets

	Primary targets*	Supporting targets
1. Take science-based climate action	By 2023, reduce energy consumption in own operations by 15% (vs 2015)	By 2023, send zero waste from own operations to landfill
	By 2023, reduce greenhouse gas emissions from own operations by 35% (vs 2015) ☑	By 2023, recycle 80% of solid waste in own operations
	By 2025, reduce absolute greenhouse gas emissions by 45% (vs 2015)**	
2. Enable our customers to lower their environmental footprint	By 2023, ensure that at least 70% of our revenues come from products with the Barco ECO label ☑	By 2023, 75% of new products released have a Barco ECO label
	By 2023, reduce the energy footprint of our products by 25% (vs 2015)	

In 2021, a first limited assurance has been obtained on a selected number of KPIs from two planet key initiatives (see PwC assurance report). KPIs that obtained a limited assurance are Indicated with a checkmark ☑ in the key initiatives disclosure in the planet chapter of the PPC report and in the Core report. This process was a first step towards expected limited assurance obligations as of financial year 2023, as proposed by the non-financial reporting directive.

* The baseline of greenhouse gas emissions and energy footprint refer is 2015, as this is the year where we started measuring these indicators.

** Absolute reduction of scope 1, 2, and 3 emissions. Target approved by Science Based Targets initiative, in line with the IPCC 1.5°C scenario. As SBTi requires targets to cover a minimum of 5 years from the date the target is submitted to the SBTi for validation, the target year has been set to 2025.

Our scope and methodology

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 greenhouse gases 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:** all manufacturing and research & development sites (in Belgium, China, Italy, Germany, India, Norway, Taiwan and US) covering in total minimum 85% of the group's total FTEs
Calculation assumptions	• CO_2 emissions are calculated by the external party CO2Logic • Extrapolation of October and November data was applied to the main components of infrastructure & logistics CO_2 emissions calculation of full year 2021 and 2020 results • CO_2 emissions from logistics are only covering Barco paid transport • Emissions from own vehicles only cover Belgium and Germany as the other sites in scope have very few own vehicles and are therefore immaterial in view of the full scope
Baseline	• For targets and performance comparison, Barco selects FY 2015 as a baseline

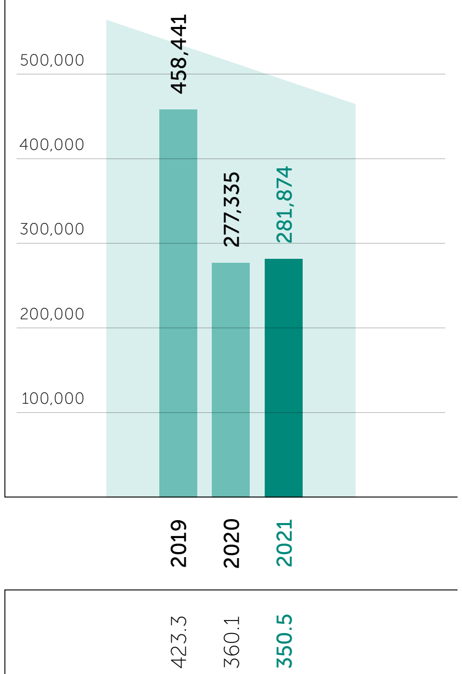
MEASURING OUR CARBON FOOTPRINT RELATED TO PRODUCT USE EMISSIONS	
Methodology	• Greenhouse Gas Protocol Methodology Formula to be used: Σ (total lifetime expected uses of product × number sold in reporting period × electricity consumed per use (kWh) × emission factor for electricity (kg CO_2 e/kWh))
Scope	• Emissions based solely on the energy consumption of the product (excluding the embodied energy of components, end-of-life emissions, etc.) • Approx. 99% of the products covered (in terms of sales volume) in 2021

Our roadmap towards sustainable impact: key initiatives and action plans

1.Take science-based climate action

In 2020, Barco committed to setting science-based targets to further solidify its ambitious climate action. We commit to aligning our business with the most ambitious goals of the Paris Agreement: to limit the global temperature rise to 1.5°C above pre-industrial levels. Our absolute target is to reduce scope 1, 2 and 3 greenhouse gas emissions by 45% by 2025 from a 2015 base year. This target was approved by the Science Based Targets initiative in March 2021.

Total greenhouse gas emissions (absolute)
Tonnes CO_2 e
TARGET 2025: -45% vs 2015



Total greenhouse gas emissions (relative)
Tonnes CO_2e/mio € revenues

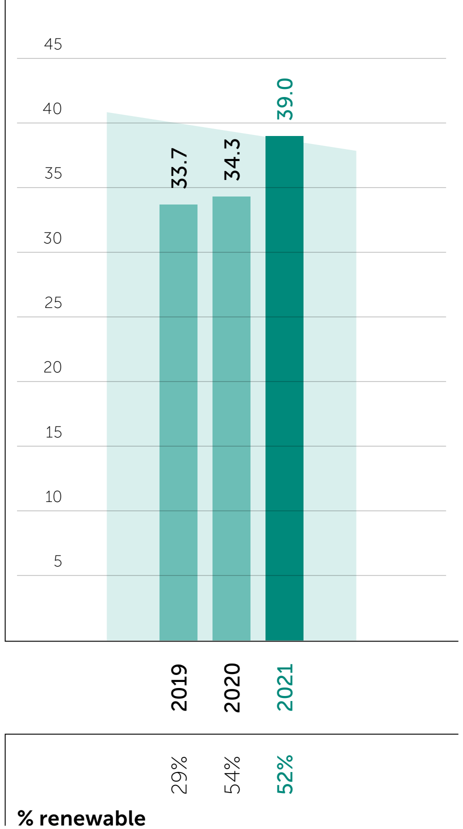
In 2021, we achieved a 65% reduction compared to 2015, exceeding the -45% target already. However, the drop is mainly a result of the pandemic and supply chain constraints, which led to lower sales volumes. With markets expected to recover, the 2025 target will be a challenge. In the next paragraphs, we zoom in on relative results, which give a better picture of our actual emission reduction efforts.

> As climate urgency is more and more tangible it is great to see companies like Barco really engage in a clear and transparent climate journey in line with science. The Paris agreement, the Science Based Targets and our very constructive collaboration offer the right framework for credible climate action.

Antoine Geerinckx
founder & impact development
CO_2logic (Part of South Pole)

1.1 Lowering energy consumption in our own operations

Energy consumption in own operations
MWh/mio € revenues
TARGET 2023: 37.6 (-15% vs 2015)



Energy is consumed in our **facilities** and by our **company fleet**. At the end of 2021, energy consumption amounted to 39 MWh/mio € revenues – a 12% decrease against the 2015 baseline (44.2 MWh/mio € revenues) but an increase compared to previous years as we needed more energy to ventilate our headquarters to avoid the spread of the covid-19 virus (100% fresh air against 50% in previous years). Our target for 2023 is to reduce 15% compared to the 2015 base year, so we are still on track to meet that target.

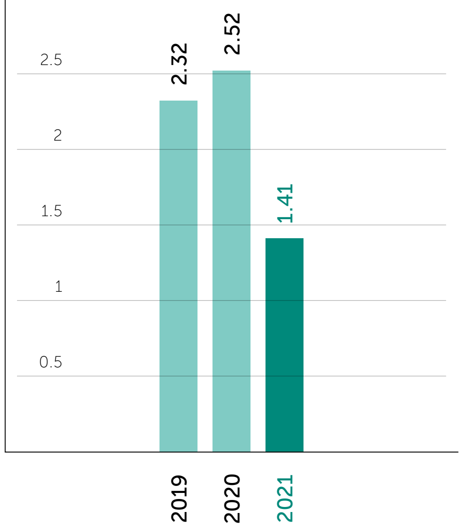
The main action to reduce energy consumption in our **facilities** is cutting the overall footprint of our facilities. In Sacramento, for example, moving to a smaller campus helped us cut energy use. In addition, we share tips on saving energy through our internal communication channels, to boost awareness among employees. Energy is also a topic in the mandatory Sustainability Standards@work training and the Compliance Challenge.

As working from home was still often the practice in the covid-19 context, our **fleet** used less fuel in 2021 compared to pre-covid times. While fuel use is expected to increase, hybrid working – and meeting – will keep fuel use lower than it was before. In addition, we now actively promote the use of electric vehicles (EVs), which are more energy efficient.

When looking at Barco's total energy consumption (electricity and fuel use) in 2021, 52% is from renewable sources, mainly thanks to the worldwide switch to renewable electricity already in 2020. We expect the share of renewables in our energy mix to further increase in the future, as the company fleet will gradually become fully electric and EV charging stations at the headquarters are powered by 100% renewable energy.

1.2 Better waste management in our own operations

Solid waste generated in own operations
Tonnes / mio€ revenues



61% 52% 58%

% recycled/composted waste
TARGET 2023: 80%

26% 29% 15%

% waste to landfill
TARGET 2023: 0%

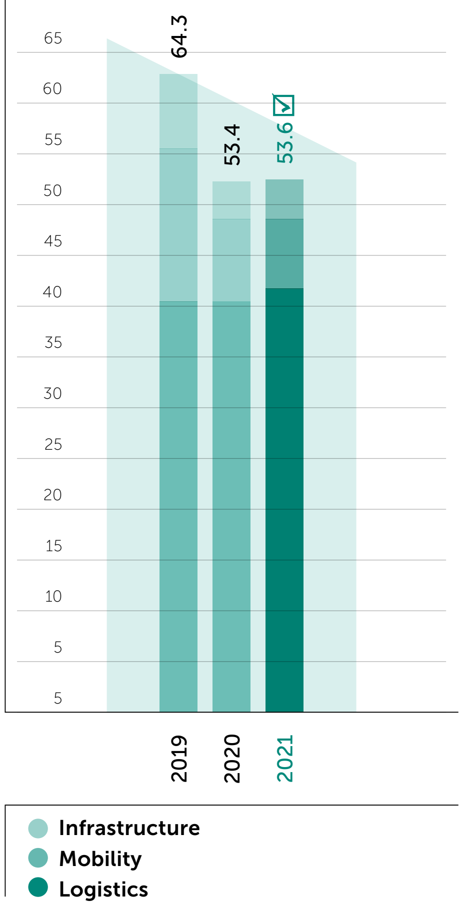
First and foremost, we aim to **keep waste** from operations **to a minimum**, especially non-sorted waste. We work hard to reduce the amount of packaging waste of incoming components and products by guiding suppliers on how to reduce packaging. By the end of 2021, total solid waste was 1.41 tonnes/mio € revenues – a 44% decrease compared to last year which is largely due to effective waste volume reductions, mainly in the US sites.

In addition, we aim to have 80% of **solid waste recycled** by 2023 by raising awareness amongst suppliers (use recyclable packaging materials) and employees (efficient and correct sorting of waste). Waste recycling is part of our 5S audit system, where the presence of the different waste recycling bins is checked. The recycling rate went up to 58%, partly due to the selection of better waste recycling partners in the US (as of the second half of 2021).

In 2021, our target was to **reduce landfilling** by 50% compared to previous years. We reached that target as the percentage of waste sent to landfill dropped to 15%, down 14 percentage points from 2020. Our next horizon is 2023, where we **aim for zero waste sent to landfill**.

1.3 Reducing greenhouse gas emissions from our own operations

Greenhouse gas emissions of our own operations
tonnes CO_2e/ mio€ revenues
TARGET 2023: 52.3 (-35% vs 2015)



There are three main sources of greenhouse gas emissions in our own operations: logistics, mobility and infrastructure.

The greenhouse gas emissions of our own operations amounted to 53.6 tonnes CO_2 e/ mio € revenues – numbers which reflect the impact of the covid pandemic (see the following pages). The relative reduction in greenhouse gas emissions from our own operations is -33% compared to the 2015 baseline (80.5 tonnes CO_2 e/ mio € revenues). Our target is to achieve -35% by 2023 vs 2015.

1. Logistics

Logistics i.e. the transport of incoming goods and outgoing finished products, was responsible for 80% of Barco's own CO_2 emissions in 2021. Overall logistics-related greenhouse gas emissions dropped by 18% between the 2015 base year (52.2 tonnes CO_2 e/ mio € revenues) and 2021. Our target is to reduce 35% by 2023 vs 2015.

Large supply chain disruptions, capacity constraints in ocean transport and unreliable logistical planning made 2020 and 2021 particularly challenging in the field of logistics. As a result, we were not able to further progress on the modal shift from air to ocean. Yet, we did continue to invest in shortening our supply chains, by moving production to China for Chinese markets. We also connected our Chinese and Belgian production bases through railway transport.

As in the previous years, we continued working in 2021 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.
- **Transport and warehousing tenders include a sustainability clause**, articulating that logistics suppliers are expected to inform Barco about their sustainability plans and initiatives. This information is considered in the overall decision matrix and in our supplier selection procedure. In addition, we add sustainability clauses to contracts, driving our suppliers to advance their efforts to cut carbon emissions.

Greenhouse gas emissions of our own operations

tonnes CO2e/ mio€ revenues	2021	2020	2019
Infrastructure	4.0 ☑	3.8	7.5
Mobility	7.0 ☑	8.3	15.4
Logistics	42.7 ☑	41.3	41.4
Total	**53.6 ☑**	**53.4**	**64.3**

2. Mobility

The second-largest source of greenhouse gas emissions from our own operations is **mobility**: business travel, company cars and commuting. In 2021, the share of mobility in Barco's CO_2 emissions from own operations was 13%.

Overall mobility-related greenhouse gas emissions dropped by 63% between the 2015 base year (19.1 tonnes CO_2 e /mio € revenues) and 2021. With this reduction we have amply achieved the 2023 target of -23% vs 2015. Both 2020 and 2021 were, of course, exceptional years with severe travel restrictions. We realize that the mobility-related emissions will rise as soon as business travel and commuting pick up again. Nevertheless, we have invested in hybrid working capabilities by, for example, installing Clickshare Conference in many of our meeting rooms, over the past two years. That may result in reduced commuting and related fuel use in the future. Next to that, the electrification of our fleet, which took off in 2020 and will continue in the coming years, will further reduce mobility-related CO_2 emissions.

3. Infrastructure

The third source of greenhouse gas emissions from our own operations is **infrastructure**: emissions from the use of electricity, fossil fuels (excl. company cars), waste treatment and the leakage of refrigerant gases from cooling equipment. In 2021, the share of infrastructure in Barco's own CO_2 emissions was 7%, which was mainly attributable to the use of fossil fuels.

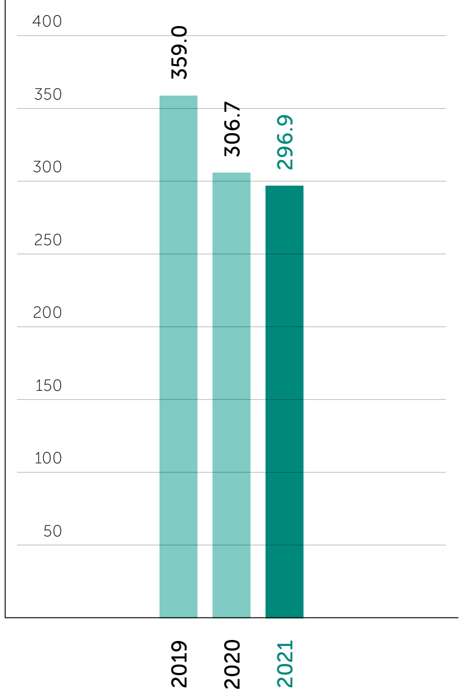
Overall infrastructure-related greenhouse gas emissions dropped by 57% between 2015 (9.2 tonnes CO_2 e/mio € revenues) and 2021 - largely thanks to the switch to renewable electricity in all our R&D and manufacturing sites in 2020. Our target is to achieve a 66% reduction by 2023 vs 2015.

> In 2021, 50% of new company cars leased at the headquarters were fully electric. It's great to see that many colleagues choose EVs. Their conscious choice will help us realize our 2023 target.

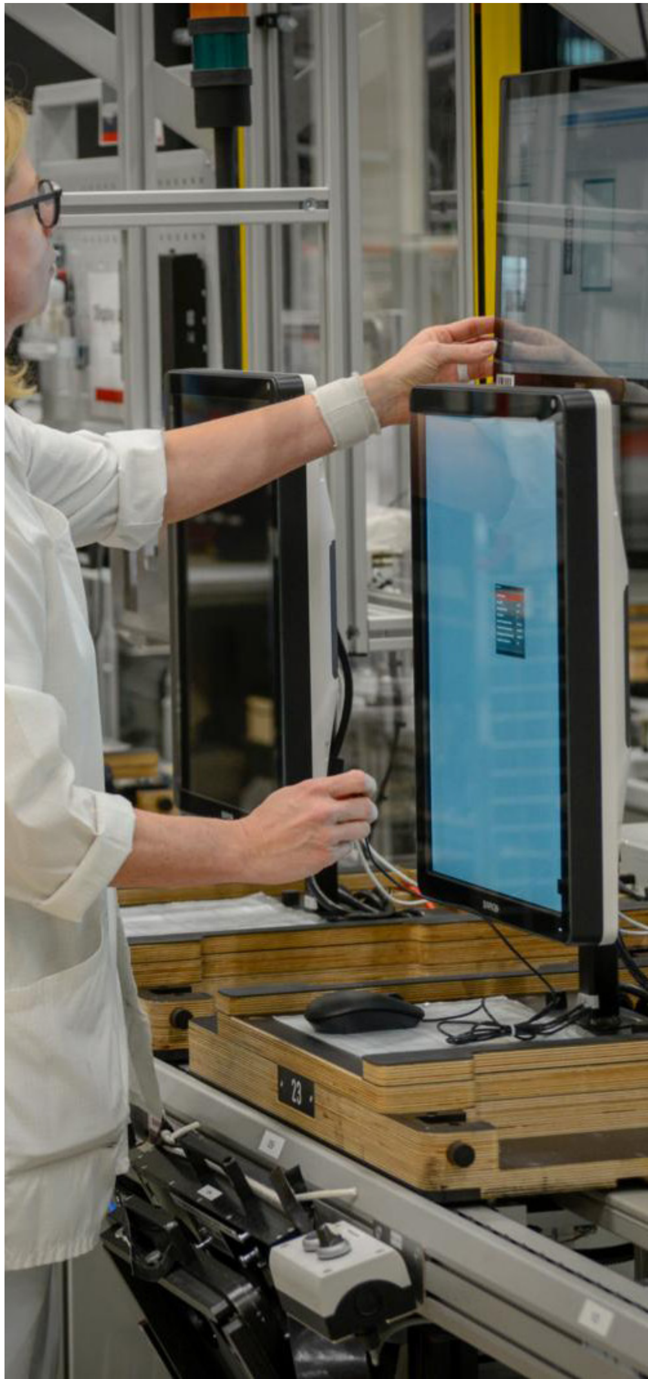
Johan Heyman
VP HR Operations

1.4 Reducing greenhouse gas emissions from our products (product use emissions)

Greenhouse gas emissions of sold products (product use emissions)
tonnes CO_2e/ mio€ revenues



Product use emissions are emissions resulting from the energy that Barco products use on our customers' premises. They are by far the largest source of emissions for Barco. In 2021, total product use emissions amounted to 297 tonnes CO_2e/mio € revenues. The largest portion of product use emissions is generated by our projectors (Entertainment division). Product use emissions decreased by 58% between 2015 (698.6 tonnes CO_2 e/mio € revenues) and 2021. The pandemic had the largest impact on sales of projectors in 2021, therefore changing the product mix in overall sales. We expect product use emissions to increase again when projector sales grow as of 2022.

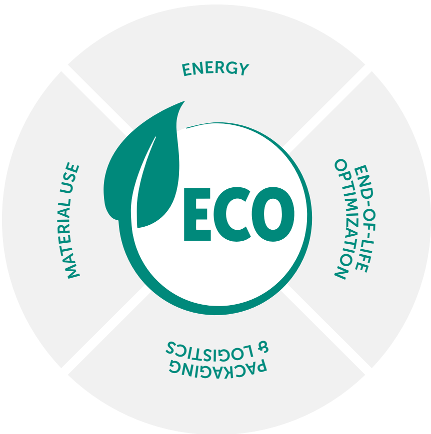


2. Lowering the environmental footprint of our customers

2.1 Embedding ecodesign in R&D

Barco's Planet ambition is not only to reduce our own environmental footprint but also **that of our customers**, by fully embedding **ecodesign** in our New Product Introduction (NPI) process. Kicked off in 2015, our ecodesign program came at cruising speed in 2017 when we developed an objective tool to determine the environmental performance of new products. The **ecoscoring tool**, as it is called, assesses products on **four domains**: energy performance, materials use, packaging, and end-of-life optimization (i.e., the way it can be maintained, refurbished, upgraded and eventually recycled). To improve the value of our tool for external stakeholders, we submit it to an **external audit** under the framework of the ISO 14021:2006 standard (limited assurance) every year. The audit ensures that the methodology is complete, reliable, objective and based on relevant product aspects.

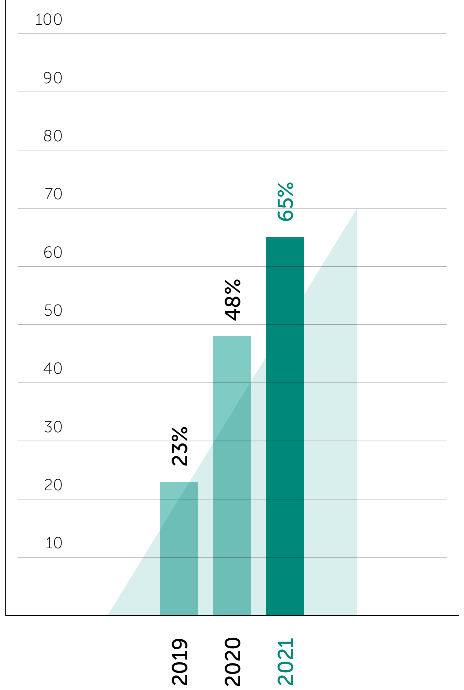
» Find more about the ecoscoring tool on our website



We kept finetuning our ecoscoring tool, raising awareness about it and releasing more and more products with the ECO label in 2021. Achievements included:

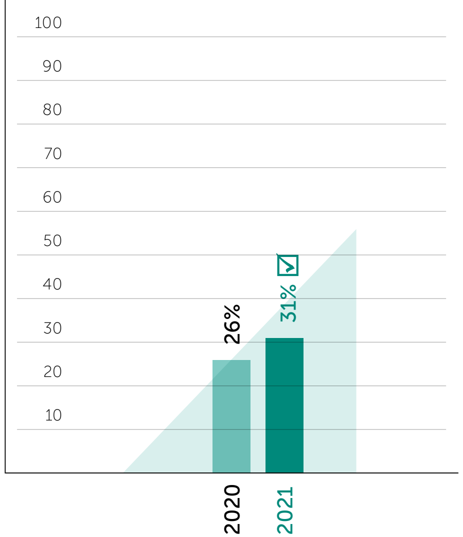
- **The ecoscoring tool was updated to a more stringent version.** The new version includes: life cycle assessment and benchmarking, maximum power budget for displays according to green procurement standards, product reliability, product recallability rate and expected lifetime calculation. A cornerstone in the new version is the link with the upcoming EU taxonomy regulation and the overall commitment of Barco to meet the 1.5°C IPCC science-based targets. The 2021 external audit confirmed that the technical screening criteria defined in the Delegated Act Climate Change Mitigation, activity 'Manufacture of other low carbon technologies' and the Do No Significant Harm criteria have been correctly embedded in the updated ecoscoring methodology. Read more on the EU taxonomy in the next chapter.
- We **evaluated dedicated tooling to conduct life cycle assessments** and performed pilots on eight products. Our objective is that, as part of Barco's ecodesign program, new products launched will have a standardized environmental declaration based on life cycle assessment by 2023.
- We **trained** multiple stakeholders on our ecoscoring methodology: dedicated online training for suppliers, as well as internal training for procurement and R&D colleagues took place in 2021.
- We **successfully ecoscored 100%** of newly developed platforms across all Barco R&D development centers worldwide. 65% of new products bore the Barco ECO label (Ecoscore A or higher) upon launch, none had a D score. This means that, thanks to a strong engagement of our R&D teams, we are well on track to achieve our 2023 target: at least 75% of new Barco products launched carry the ECO label.

% of new products released with Barco ECO label (hardware)
TARGET 2023: 75%



As we want to focus most on our bestselling products, we have set an even stronger target, articulating that by 2023, at least 70% of revenues should come from ECO labelled products. In 2021, 31% of revenues came from ECO labelled products.

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



* As of reporting year 2021 total revenues from products correspond to total product and project revenues (see note 3 on p. 35) as reported in the financial chapter of our integrated report, which corresponds to the EU taxonomy eligible turnover in 2021. For comparison reasons 2020 total revenues from products were updated, corresponding to total product and project revenues in 2020. The % revenues from products with Barco ECO label were recalculated using the updated turnover.

Ecoscoring our medical product portfolio

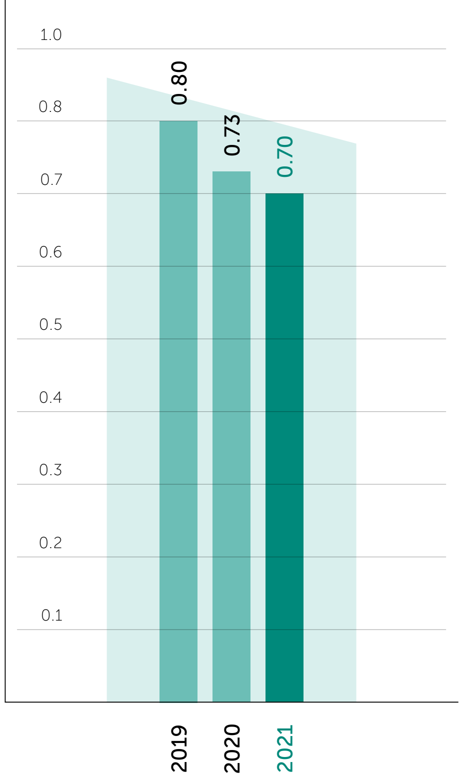
How does the ecoscoring system work in practice? What challenges does it bring for our medical products? And how do we at Barco feel about the first years of ecoscoring medical products? We asked our Environmental Compliance Officer Jan Daem and Stijn Vancoillie, R&D Manager for Medical Display Systems. Stijn explains how ecoscoring is a truly iterative process: "You start with the design, which is assessed with a questionnaire. Based on the feedback, the design gets a score and the ecoscoring team gives recommendations for improvement. That's the beginning of a back-and-forth process between the project team and the ecoscoring team – an approach that works really well."

"In 2018 we set up a few pilot projects to test the first version of the ecoscore. Some products needed some additional actions after the first evaluation, but these all have an A ecoscore now. That was the idea: the ecoscore is no walk in the park, but it should actually make a difference, for us as a company but also for our customers," says Jan Daem.

» The entire interview is available on the Barco website

2.2 Improving energy efficiency of our products

Energy efficiency index of sold products*
(relative vs 2015 base year)
TARGET 2023: 0.75 (-25% vs 2015)



* For definition of energy efficiency index: see glossary.

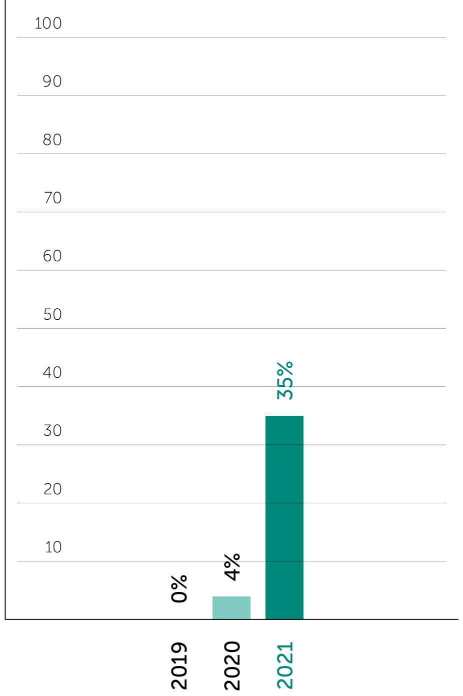
One of the four domains of Barco's ecodesign program is **energy performance**. As the energy our products consume on our customers' premises has a major impact on the environment, improving their energy performance is a high attention topic.

At the same time, market trends and customer preferences are shifting towards ever-higher performance (brightness, resolution, etc.), which requires higher energy consumption. We therefore measure energy consumption relative to brightness, resolution, luminance, etc. as watt/delivered capability and have set the target for 2023 to reduce the energy footprint of our products by 25% versus base year 2015.

In 2021 the average energy efficiency of sold products was 0.7, which is lower than the 0.75 target (i.e., a 25% reduction versus baseline 2015). The drop in energy efficiency was mainly driven by the **growing adoption of laser projectors**, which consume far less power (-50% to -150%) than traditional lamp-based systems while producing more light, higher brightness levels and a better image quality. Smart and balanced innovation in both video wall and projection technology will be needed to further drive the reduction of energy consumption.

2.3 Offering circular solutions

% of new products released with post-consumer recycled plastics



The circular economy is a focus area in Barco's sustainability strategy. We want to help our customers with innovative products and services to provide an increasingly circular experience. Through smart design and services, we aim to reduce waste and retain the **highest utility and value of products and components**.

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 increasing the use of **recyclable and recycled materials**, both in the product and its packaging. In 2021, we ramped up the use of post-consumer recycled (PCR) plastics in products. 35% of new products launched contained PCR plastics, and we aim to boost that figure in the coming years.

The ecodesign program also focuses on **improving material efficiency**. We work to shift our portfolio toward more materials-efficient products and packaging, for example by reducing product weight or digitization. In 2021, material use intensity was 4,441 kg/mio € revenues.

Next to our internal circular design efforts, we fully support the development of clear, objective criteria that drive the industry toward more circular products. As an active member of the **CEN-CENELEC Joint Technical Committee 10** on energy-related products, which aims to establish an objective measuring methodology for repairability and recyclability of products, we contribute to future standards that will improve the circularity performance of products.

Product recycling services

As e-waste is one of the fastest growing waste streams, it is crucial 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 that includes **information for customers** on how to handle the end-of-life stage, and a **recycling passport** that offers recycling information to recyclers.

We allow customers to **return used products** to recycling partners **free of charge**. In 2021, 25% of our revenues were sold in countries where we participate in and offer product return and recycling programs. 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

To increase transparency into product composition and to improve waste treatment operations, the European Chemicals Agency (ECHA) has deployed a **publicly accessible database**: the SCIP (Substances of Concern In articles as such or in complex objects (Products)) database. Containing information on substances of very high concern present in articles placed on the EU market, the database ensures that the information on the articles is available throughout the entire lifecycle of products and materials, including at the waste stage. This database **informs recyclers** on which substances are used.

In 2021 Barco registered all its active end-products in the ECHA SCIP database. We were able to do that prior to the deadline thanks to our large coverage of Full Material Disclosures (FMDs) (82% of active components in 2021) and RoHS certificates with the applicable exemptions. That makes us a pioneering company when it comes to providing transparent and up-to-date information.

Extending circular service offerings

We realize that before products are recycled, more valuable circular opportunities should be grasped. That's why we explore opportunities to extend the lifetime of our product, including upgrades and predictive maintenance options. In addition, we start exploring 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, 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 we offer an upgrade solution: customers can equip their existing video wall structures with a new projection module. In this way, they get access to the latest RGB laser projection technology quickly, while significantly extending the lifetime of their overall system and minimizing waste. This fast, easy and low-cost operation is offered in both CapEx and OpEx models.

In 2021, 35% of rear-projection video wall 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 2021, 136 lenses were refurbished.

35%

of our rear-projection video wall installations in 2021 were upgrades of existing 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 ensuring a healthy working environment – both physically and mentally. We engage in building an inclusive workplace that embraces the diversity of our people.

Our targets

1. Empower all our colleagues to have an engaging, enriching and healthy career

Primary targets

Each year, aim for an employee Net Promoter Score of at least 30

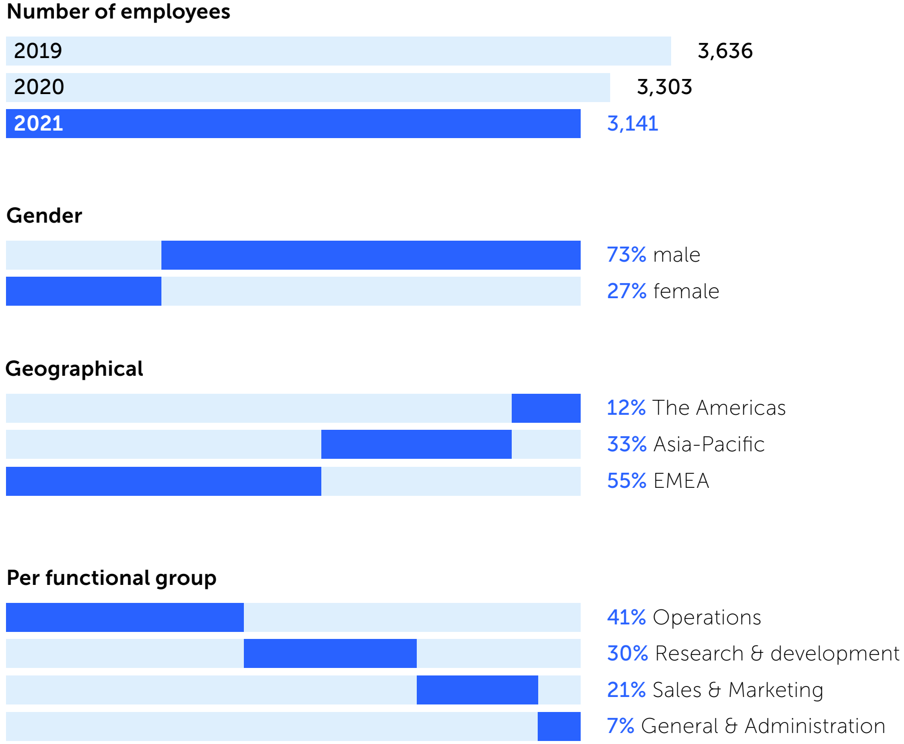
Step up our efforts in diversity

Invest in learning and development

Supporting targets

Each year, aim for zero work accidents

The people of Barco



Figures reported are in heads (not FTE). For definitions on indicators: see glossary. We refer to note 4 in the financial chapter and to our remuneration report for more explanation on the headcount evolution.

Our roadmap towards sustainable impact: key initiatives and action plans

Our people: they are what makes Barco great. 2021 has, again, been a challenging year for many of us, as the covid-19 pandemic kept impacting our lives and work – either directly or indirectly. Both the individual employees and Barco as a company had to cope with the worldwide health crisis.

In line with our 'We care' corporate value, the HR department, all our business leaders and every single employee did the best they could to 'care' for their colleagues. We tried to nurture our company culture, highlighting the aspect of '**connection**', to make sure people pulled through the challenging times both professionally and socially. Initiatives were set up (globally and locally) to make sure people were safe and doing okay.

Still, we also prepared to get back on the path towards growth. Aware that the pandemic had disrupted our business, we invested in resilience, flexibility and adapted our company to the new realities. We are working on new homework policies, we focused on internal mobility and talent management, and looked for new colleagues to fill job openings (in a challenging job market). In this way, we have strengthened the Barco foundations to secure future success.

Despite all difficulties and hard times linked to the corona pandemic, I have always felt and continue to feel that my colleagues on all levels are really caring: for the work they do, for the results, for the satisfaction of the customer and for each other. I look around me and I see a working environment full of highly skilled and willing professionals, keen to learn from each other, providing each other with honest feedback and growing together, day after day.

Argentina Margaret Iezzi
Inside Sales Coordinator, Italy

1. Employee engagement

Upholding employee engagement was again a priority in 2021. Both in times of mandatory working from home and return to the office, we put several initiatives and mechanisms in place to keep employee engagement on the high level we are used to.

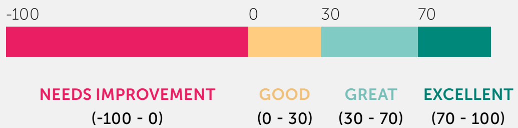
1.1 Pulse surveys measuring employee engagement

Since 2020, Barco has been measuring employee wellbeing, engagement and satisfaction through so-called '**pulse surveys**'. These short polls allow us to gauge satisfaction multiple times a year and have proven to be a very valuable tool during the times of mandatory working from home. They provide us with **real-time insights** on how employees are feeling, allowing us to take action quickly in order to keep everyone motivated.

In 2021, we took the surveys in February and in July. On average 70% of the Barco employees responded and the outcome was positive. In July, 85% of employees indicated they were doing OK or great (versus 78% in February) – the same percentage as in the first worldwide survey during the first covid-19 outbreak (April 2020). Overall engagement in 2021 was 8.3/10.

Based on this engagement score, we calculated an employee Net Promoter Score (E-NPS) of 38.5: a great result according to industry expert literature and well above our target (at least 30).

What is a good NPS score?



38.5

Employee Net Promoter Score in 2021

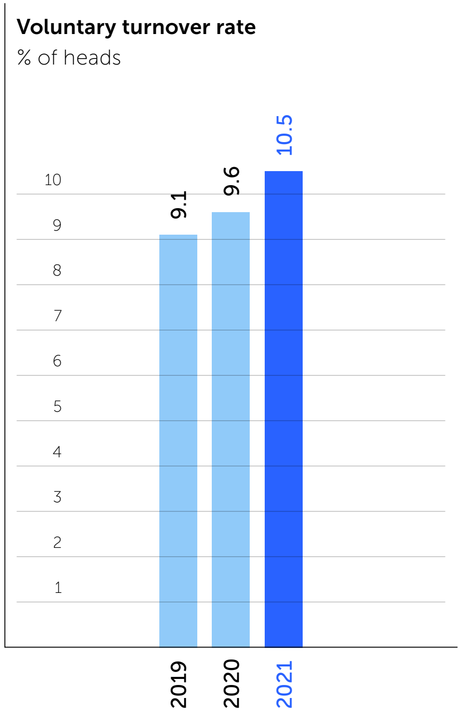
1.2 Focus on connection

The July 2021 pulse survey confirmed that our biggest challenge is to **stay connected**. Connected to our colleagues, team and manager; connected with our customer, but also connected with our role and purpose in the broader Barco context. To reinforce that connection, we launched a variety of initiatives for employees and team leaders, from which they learn and benefit, as individuals and as a team: from workshops on team dynamics (using Insights Discovery), workshops on giving and receiving feedback, keynotes and recordings on resilience and re-energizing teams (by e.g., Streetwize) to keynotes from customers and external partners.

During the Streetwize connect session, we explored the skills proven crucial to succeed on the streets. When studying children who live in the street there is a connection of their need to be ever changing and savvy, in the same way we need to be agile in business. The more we are open to change and able to share our ideas, the more we feel connected and a part of the corporation."

Melanie Foster
Executive assistant

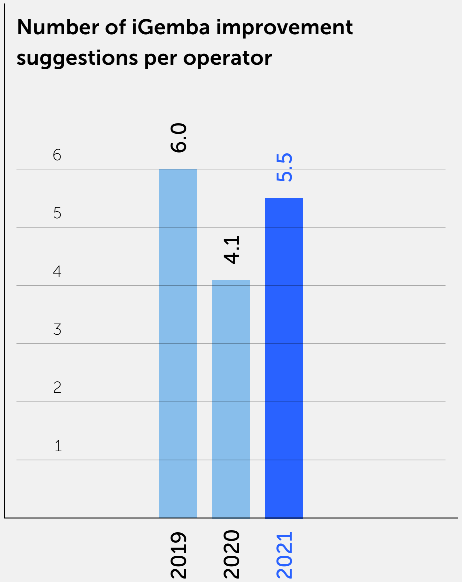
Despite these efforts, we faced an increase in voluntary turnover in 2021 compared to 2020. This trend is in line with the higher resignation rates observed in the overall (tech) industry.



iGemba program

For the 11th year in a row, we encouraged operators to share their improvement ideas via the iGemba program. iGemba's goal has remained unaltered since the launch 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 2021, on average **5.5 suggestions were made per operator**. This is a clear rebound from the dip in 2020 when the focus on crisis management and the severe lockdowns clearly hampered the iGemba initiative.



2. Employee safety, health & wellbeing

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 we state in our Environment, Health, Safety and Security Pledge. The covid-19 pandemic did not stop when 2021 started, and the focus of the year was again on mitigating the impact of the pandemic. But even in this context, we pursued or launched additional initiatives to structurally improve the safety and the wellbeing of our people.

2.1 Making all workplaces safe during the covid-19 pandemic

Ensuring health and safety in the working environment has been a top priority in 2021. Learning from 2020, we were able to prepare and respond to the covid-19-related challenges in an agile and proactive way. A global response team reviewed the worldwide pandemic impact and the legal obligations and communicated on measures taken at Barco. This team focused on:

- Ensuring compliance with the (constantly changing) legal requirements in the different countries, e.g., working from home;
- Contact tracing in the company;
- Supplying protective equipment (e.g., hand gels, face masks);
- Organizing on premise-work aligned with social distancing rules;
- Updating travel advice in function of the applicable legislation;
- Frequent communication with employees.

A wide range of contingency measures were set in place, including warning employees in the case of an infection, ensuring social distancing, ventilation, homeworking, and many others. While these measures were largely successful and at most sites globally almost continuously operational, the Barco Noida site (India) had to close in May 2021 when covid-19 infections in the country reached a peak.

How we put our 'We care' pledge into practice during the covid-19 crisis in India

In April and May 2021, India was hit by a devastating wave of covid-19 cases. Over 100 out of the 500 Barco India employees were impacted. As the country ran out of hospital beds, oxygen cylinders, medicines and testing capacity, Barco immediately lent help.

"We set up a helpdesk where our employees and their families could reach us 24/7 and ensured they had access to testing and medical care, from a doctor, oxygen and other medical supplies through to, in the worst cases, an ambulance and hospitalization. In addition, colleagues who struggled with the impact of the crisis were encouraged to talk about their concerns via an employee assistance program," says Jayati Roy, HR director Barco India. Barco Noida also ensured the health and safety of their people by offering continuous testing services and setting up a temporary vaccination center.

"Our colleagues around the globe helped us with financial support, oxygen concentrators and with moral support too. Everyone really expressed their concern and checked how they could help," Jayati continues. "That sincere support was a great help to all of us. It highlighted that Barco is a warm company that really cares for its people."

The sincere support of the entire Barco community was a great help to all of us. Barco really is a warm company that cares for its people.

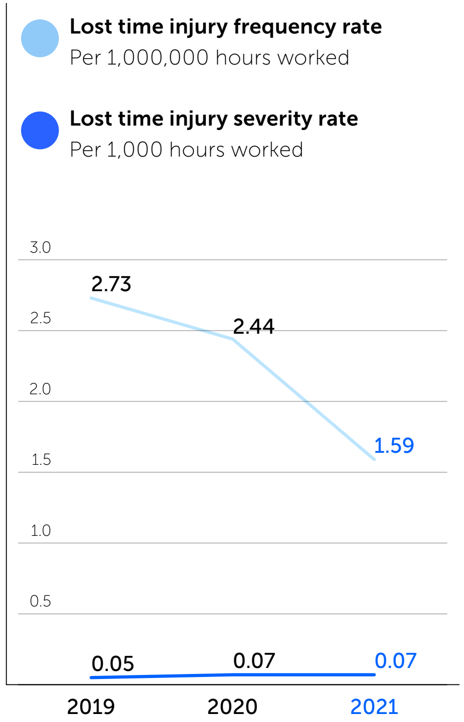
Jayati Roy
HR Director, Barco India

2.2 Continuous improvement

In line with our ambition to reach zero work 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, developing a **management framework** governed by a safety and health supervisor, and implementing risk assessments. Some important actions are:

- The launch of an initiative regarding internal transport in the production site at our headquarters.
- Continued efforts to ensure chemicals safety – which remains a top priority for Barco – around the globe. While all existing actions and initiatives remained in place, a new updated procedure for chemicals was rolled out.
- Ensuring laser safety: the laser safety committee makes sure that the strict laser safety procedures are respected, and that laser technology is always handled in dedicated rooms only.
- Placing the safety of Barco operators at the heart of improvement ideas through the iGemba program: which encourages Barco operators around the globe to continuously improve processes. iGemba promotes a safety culture as one of the most important values.

In 2021, the worldwide lost time injury frequency rate was 1.59, which is a significant improvement compared to previous years. Lost time injury severity rate was 0.07.



2.3 Training and communication

Employees and the 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 wellbeing. 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. In 2021, a specific mandatory Standards@Work e-learning course on safety was rolled out globally. 100% of white-collar employees followed the course.

2.4 Promoting mental health and wellbeing

Barco undertakes multiple actions to promote the health and wellbeing of all our employees, which are listed on the corporate website. In 2021, in the midst of the covid times, we launched several extra initiatives. One example: in our headquarters, a group of volunteers – the so-called CeOs (Chief energizing Officers) – set up different targeted initiatives to boost the morale of our workforce.

3. Employee learning & development

At Barco, we are dedicated to promoting and supporting employee development, through training programs and development opportunities. Driven by the continued pandemic and subsequent restrictions in social contacts and travel, trainings in 2021 were mainly digital. As employees were enthusiastic about this approach – and digital learning offers obvious benefits in terms of costs and environmental footprint – we will maintain a set of virtual courses in the future portfolio.

3.1 Adapting training programs to strategic needs

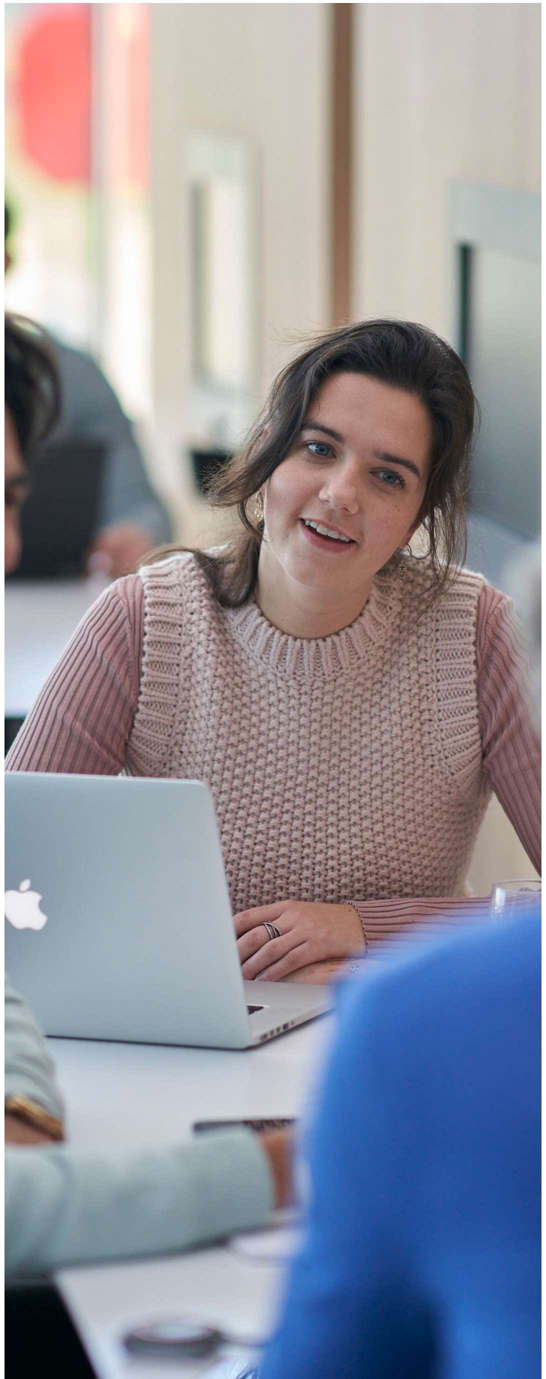
For some time now, Barco has been organizing **'Governance Boards'** charged with identifying the strategic training needs of the company and developing a relevant learning and development program. In 2021 a new 'Governance Board' focusing on digital transformation was installed – led by Marc Spenlé, Chief Digital Information Officer.

Despite the ongoing pandemic, with periods of mandatory remote working, we managed to keep providing courses. Thanks to our own weConnect platform, we could offer employees an engaging learning environment. 89% of Barco employees enrolled into a course in 2021, either offline or online.

Agoria awards Barco as 'Employer ready for the future of work'

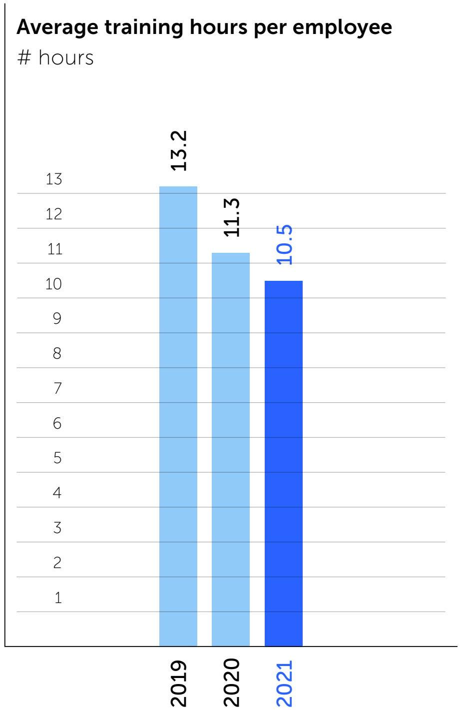
At the end of 2019, Barco signed the 'Be The Change' charter of Agoria, the Belgian federation of the tech industry, committing ourselves to apply tech innovations on the work floor. Achieving all four targets yielded us the Agoria award of 'Employer ready for the future of work'.

» Read more



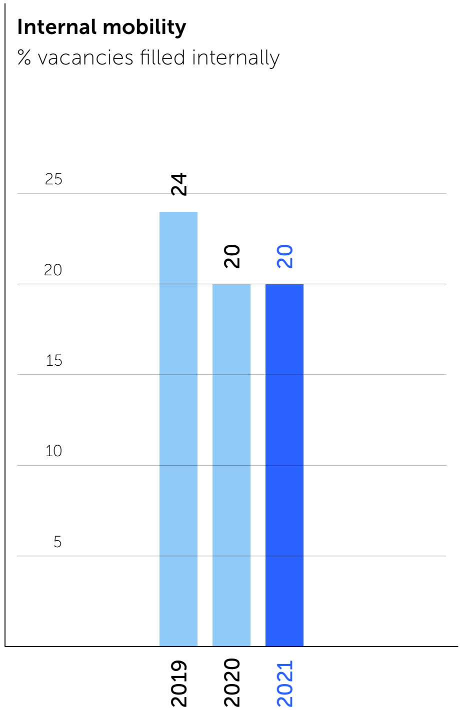
The training courses on Barco's Standards@Work were again very successful, reaching no less than 99% of white-collar employees. New were the online learnings provided via LinkedIn Learning to a selection of employees worldwide.

In 2021, Barco employees received on average 10.5 hours of training. That is lower than previous years, mainly due to the difficulties with organizing training in the covid context.



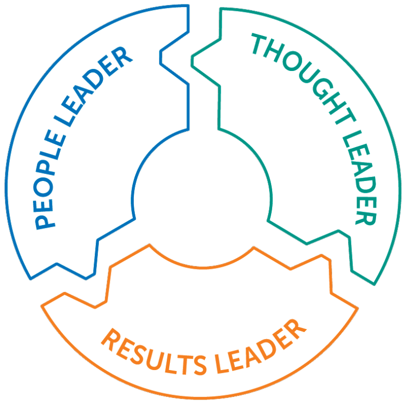
3.2 Promoting internal mobility

Whenever there is a job opening at Barco, the job is posted internally. In addition and whenever possible, Barco's internal mobility forum actively looks for an internal candidate with the needed skillset – in line with our internal recruitment policy. In this way, we strive to **keep talent in-house** and stimulate people to **further develop** themselves. In 2021, **one out of five vacancies were filled internally**.



3.3 Leadership development

Annual talent development reviews, assessing the performance and future potential of our employees, are an important instrument to identify the development actions or career moves people need in order to move and grow further in the organization. The **Barco Leadership Compass** provides the worldwide framework for this review by outlining clear expectations in three domains: thought leadership, result leadership and people leadership. As a result the Barco leaders know what is expected and can develop their leadership skills based on a set of well-defined competences. In 2021, 31% of leaders went through a formal review.



Barco leadership compass

The **Emerging Leader Program** was organized for the third time in 2021. 30 employees, who are not yet in a leadership position, but with strong leadership talent and marked ambition were selected to participate in this program. Throughout this program they developed their skills in various aspects of business and leadership, creating a strong foundation for them to develop into the leaders of tomorrow.

Next to the corporate initiatives, many local or team-specific leadership training programs were set up. An initiative worth highlighting is the training program in the Belgian operations department on 'Communicating with impact' (for line supervisors and line responsibles) and 'Leadership skills' (for managers).

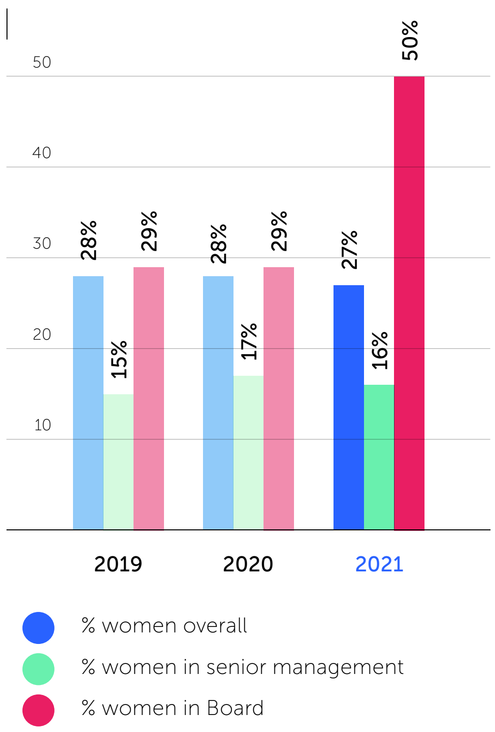
In the 'Communicating with impact' training, we got a very practical insight in people leadership skills. The interactive role play was a great way to learn how to give feedback to colleagues

Vital Cracco
Warehouse supervisor

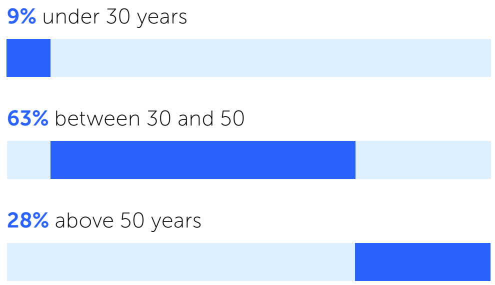
4. Diversity & inclusion

Barco's open and inclusive culture was further supported and strengthened in 2021. We keep on striving for more diverse teams in terms of culture, nationality, gender, etc. In the meeting of September 2021, our Board of Directors underlined the importance of diversity and inclusion as a catalyst for creativity and innovation. As a result, diversity and inclusion will be treated as **a highly material** topic. In the fourth quarter of 2021 a workstream lead and executive sponsor have been assigned to accelerate on this topic. They will set out a roadmap and action plan in the course of 2022.

Diversity by gender
% of heads



Diversity by age in 2021
% of heads



Diversity by nationality in 2021

4.1. Diversifying teams

In 2021, we offered **training to promote team diversification**. In a dedicated training course, people learned about optimal conduct when working together in multicultural teams, in an international environment. The training greatly contributed to a better in-team spirit. An "Insights" workshop made employees look at preferred behavior, better collaboration, and optimal understanding. We also kicked off a monthly 'world-wide onboarding' initiative in 2021. Next to guiding our new employees in and around Barco, this is also a good platform to experience the diversity of the Barco teams and get to know international talent from different cultures in our organization.

We 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. In April 2021, Lieve Creten was appointed as member of the Board of Directors, resulting in an equal board composition in terms of gender.

4.2 Equal pay monitoring

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 functional level and not assigned individually, ensuring that there is no material wage gap between women and men. 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.

In Belgium, an annual sanity check is done on the salaries of men and women, monitoring the equal pay strategy per function level. In 2021, the results of this analysis were discussed with the Belgian workers council, and they concluded there was **no significant gap** and no further action was needed.

5. Labor practices & human rights

Respect for human rights has always been a fundamental value for Barco. That is why we increasingly approach this topic in a more structured and elaborate way.

5.1 Formulating our human rights pledge

We look at human rights from three different angles: Barco as an employer, Barco as a customer and Barco as a supplier. Our human rights pledge covers these three angles. As the guiding principles for the pledge, we used the Universal Declaration of Human Rights, the International Labor Organization (ILO), the Declaration on Fundamental Principles and Rights at Work, The UN Guiding Principles on Business and Human Rights and The OECD Guidelines for Multinational Enterprises. The pledge, approved by our CEOs in 2021, complements the already existing Environment, Health, Safety and Security pledge. These two documents form the cornerstone of our vision, commitment and actions on how we deal with human rights in our own organization.

5.2 Identifying salient human rights risks in own operations

In 2021, we defined the salient human right risks in Barco's own operations, using the RBA Code of Conduct (Responsible Business Alliance, version 7.0 2021) as input. This code gives clear guidance to cover all possible risks related to human rights. We asked representatives of different organizations (HR, Legal, Compliance, Communication) to score the likelihood and potential impact of the human rights topics mentioned in the RBA code. Based on the consolidated results of their inputs, we defined the **three salient risks** for Barco's own operations: discrimination, protection of identity and non-retaliation, and emergency preparedness. For each of these salient risks we have identified the Barco team or department that is accountable for tracking our performance on these topics, and how to measure and report progress. In 2022, we will set up a governance structure to audit these results.

5.3 Grievance mechanism

Our employees can report any case of human rights violation to ethics@barco.com. Every case is investigated diligently. A remediation procedure in line with national legislation is foreseen, if applicable. The grievance mechanism will be adjusted to ensure compliance with the EU directive nr. 2019/1937 on the protection of persons who report breaches of Union law ('Whistleblowers Directive') upon its implementation in the EU member states. More information can be found in the Ethics & compliance chapter of this report.

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.

Our targets

	Primary targets	Supporting targets
1. Always act lawfully, ethically and with integrity wherever we operate	Each year, train all our employees in Standards@Work	
2. Deliver great customer experience	Measure and drive customer Net Promoter Score to an above market average score	
3. Proactively manage information security risks	By 2025, obtain an average cybersecurity maturity (NIST CSF) score of at least 3.4	
	Each year, add at least one new product line to the scope of the ISO 27001 certificate	
4. Engage our suppliers in adopting sustainable business practices	By 2023, have suppliers covering at least 70% of our production spend scored on their sustainability performance	By 2023, enroll all suppliers with sustainability score < 70% in improvement plan
		Each year, at least 75% of our production spend is covered by suppliers undersigning Barco's supplier Code of Conduct
		Each year, 100% of new production suppliers are screened on sustainability by self-assessment

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. Every Barco team works hard to put that value into practice. Through a mix of business unit-specific initiatives and cross-Barco customer satisfaction measurements, we aim to become a truly customer-centric organization.

1.1 Cross-Barco customer satisfaction measurements

In 2018 , a customer satisfaction measurement program was kicked off, which has now been rolled out across the entire Barco organization. Today, we have embedded **three initiatives** in our standard way of working, which all feed back into each other to make sure we keep monitoring the most relevant KPIs and have the insights and take action on what matters most for the customer:

- **Monthly customer journey dashboards** per business unit, based on a mix of both internal and external KPIs, help us monitor the key touchpoints that matter for the customer and take action;
- The NPS is now our standard methodology for measuring customer satisfaction. **NPS surveys** are sent out on a quarterly basis to measure overall satisfaction. In addition, we send out transactional-based NPS surveys that measure the performance of individual transactions with Barco;
- **Customer journey mapping** helps us identify critical touchpoints for the customer.

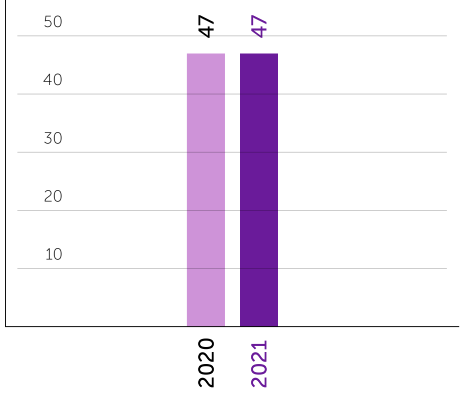
In the course of 2021, we continuously **improved processes** and looked at further leveraging insights into action
:

- We adapted our follow-up processes from period efforts to **always-on follow up**;
- We improved database quality and managed to **increase response rate**;
- We defined and implemented the processes to **leverage customer insights throughout the organization**: product quality feedback and feature requests are fed back to product management and quality issues are circled back to the quality department and product management.

Our efforts resulted in a **growing number of responses to our NPS surveys**, making the outcome of the surveys more reliable and insightful.

At the end of 2021, Barco achieved **an NPS of 47**, which equals the NPS score at the end of 2020. While the score for Healthcare remained stable, we saw fluctuations over the year with a lower score for the Meeting Experience business compared to peak 2020 outcomes. That drop was, however, offset by solid rise in the results for our Immersive Experience business. A score above 50 is considered excellent and that is also where we want to steer the company's rating.

Customer Net Promoter Score
(relationship NPS)

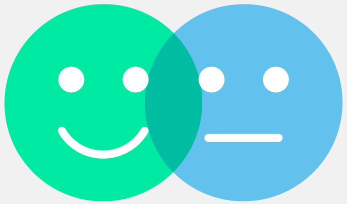


1.2 Business unit-specific initiatives

In addition to the organization-wide approach to measure and improve customer engagement, our business units – as well as Barco sites around the globe – also take action to strengthen the bonds with their clients. You'll find more examples of business unit-specific initiatives in the 'Entertainment', 'Enterprise' and 'Healthcare' chapters in the core of our Integrated report. Because 'customer engagement' is so pivotal in everything that we at Barco do, we've also included a summary of our approach in the general 'market' section of our integrated report.

Improving the customer experience guided by NPS: how the Americas Project Management Office team is embracing feedback and taking actions

Our Project Management Office (PMO) in Atlanta manages installations, handles shipments, oversees production and makes sure everything is installed on schedule. As they have continuous and intense contact with customers and partners, customer engagement is key. In 2020, they started measuring their performance in that field.



"Our first NPS survey yielded a score of 44. Not bad, but not good enough for us," said Marcos Oliveira, Director Project Management Office Americas. "From the feedback we learned that our clients didn't really feel involved, which led to frustration."

To put customers really at the heart of what they're doing, Marcos and his team have adapted several processes. Today, they communicate more frequently and more openly than before. "We have increased the number of contact moments with customers, created a template to ensure a smooth project handover from sales to the project office and built an internal web portal that enables the team to learn from previous experiences and stay motivated. The results: happier customers and a happier Barco team."

We are now thinking more from a customer mindset, rather than from an engineer's mindset. It is our job to make our customers shine. And this approach has clearly paid off. At the time of writing, we have reached an NPS of 77, which is a great joint effort from the PMO team and Field Services team.

Marcos Oliveira
Director Project Office Americas

2. Product quality, safety & security

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.

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 entire 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, Taiwan 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 business unit has **dedicated quality assurance responsibles** who supervise process and product quality. In close collaboration with the business unit management teams, they monitor quality-related indicators and spearhead improvement initiatives. Together with the quality responsibles assigned to each manufacturing plant and the supplier quality responsibles, they form a team that is 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**.

» Read more on our design approach, in the 'innovation and technology' section of this report

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 2021

- Extending the Barco-wide multisite ISO 9001 certificate to the **Taiwan site**;
- Successful completion of ISO 13485 certification in the **new manufacturing site 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)**.

2.2 Product safety

A worldwide focus on product safety

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**, which covers an integrated way of assessing joint functionalities and risks of existing and innovative technologies. This resulted in timely certification for the European and North American markets in 2021. Various countries in the far East and near East regions now started transitioning to this product safety standard. Testing and recertification for those regions is done to provide our overseas customers with the required country-specific product safety marks.

Also Brexit has impact on Barco's product safety and certification approach as the CE marking, which is seen as the gold standard for quality in all EU countries, will no longer be accepted in the UK from 2023 onward. EU product regulations have been translated to UK specific regulations and all products and spare parts are in an update program for **compliance with UKCA, the UK product safety certification marks**.

Interference as a safety issue

Any product that functions thanks to electrical currents, emits and is susceptible to electromagnetic interference. While radio frequency signals that are surrounding us go up in frequency range, so is the need for our products to be immune to susceptibility in these higher frequency ranges. Proper functioning of the product and its safeguards needs to be ensured and propagation of unwanted signals should be blocked. That is why Barco is already testing its newly developed products according to the relevant **international immunity standard** before this is a legal requirement.

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[1] or DEMKO.[2]

As long as our products are manufactured and/or sold, we ensure compliance with updated and applicable 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.

Number of incidents of non-compliance regarding the health and safety impacts of products and services

2019	0
2020	0
2021	0

1 CEBEC: The CEBEC-mark is a Belgian safety certification mark for low voltage electrical products.
2 DEMKO, initially established as Denmark's Electrical Equipment Control and one of the founding members of the CENELEC Certification Agreement (CCA) Scheme, for the mutual acceptance of test results between European countries.

2.3 Product security

With the risk of cybersecurity attacks increasing, organizations need strict information security governance processes. Barco has a clear commitment to **deliver secure products and services to its customers**.

Deploying Barco products and services at customers' premises poses a series of **cybersecurity risks**, including:

- Exposing Barco's **intellectual property**, which is embedded in the product/service;
- If connected to the customer's network, the product/service can be used as a pivot point to further **penetrate the network**;
- **Exposure of (personal) data** which is processed by the product/service.

Product security is managed by the product security architects and experts, who are operating in the business units.

In 2021, we took the following actions to strenghten the security of our products:

- **ISO 27001 recertification audit**
  XMS, the cloud management platform to manage and monitor ClickShare devices, was added to the scope of the ISO 27001 certification.
- **Drafting a product security roadmap**
  In close cooperation with our Security Office, all our product security architects and experts drafted a product security roadmap that governs the different domains where security is crucial: compliance, development lifecycle, operational security, sales support, tooling, training, … Given the positive experience, this roadmap will remain in place and kept-up-to-date going forward.
- **Building a 'security and privacy' champions community**
  By empowering a member of every development team to act as the security and privacy conscience of the team, we managed to raise the awareness within the development teams to critically identify issues as early as possible. When needed, 'security and privacy' champions can escalate issues towards security experts for extra guidance and they share best practices amongst each other to boost the ownership in every team.
- **Extending security testing tools**
  The security scanning tools used in product development were extended and additional focus was put on integration in an automated way in our development and deployment processes.
- **Training**
  The R&D community was trained on the importance of secure software development to ensure adoption of security controls in all phases of our development lifecycle.

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 2021, we received 267 notifications about potential vulnerabilities (including duplicates) in products or services, reported by customers, ethical hackers and third-party pen-testers contracted by Barco.

3. Corporate security and data protection

3.1 Corporate security

As we are fully aware of the growing importance of corporate security, we have a **clear leadership commitment to cybersecurity**, which translates into a **Security Organization** that operates along three lines of defense. The cybersecurity program is managed by Barco's Security Office, the second line of defense.

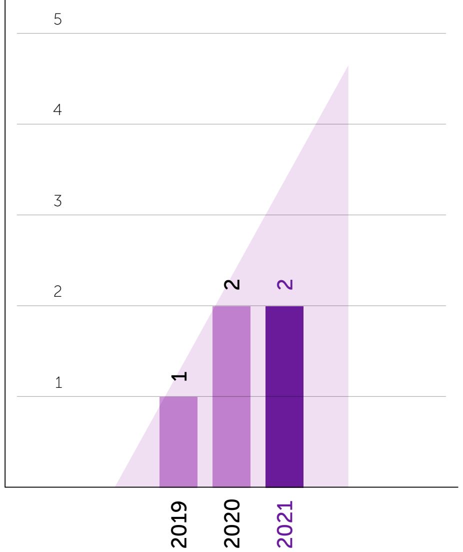
Highlights in 2021 included:

- **ISO 27001 recertification audit** at Barco sites across the globe.
- Applying a **shift-left security approach**, e.g. when introducing our new CRM cloud application (i.e. mobile security)
- Including data governance in the new **global employee offboarding process**
- Introducing a **security and privacy business impact assessment for third parties**
- **Raising cybersecurity awareness among employees**, with new e-learnings and a phishing simulation exercise
- Continuously **increasing our security maturity level**, by investing in people, processes and technology

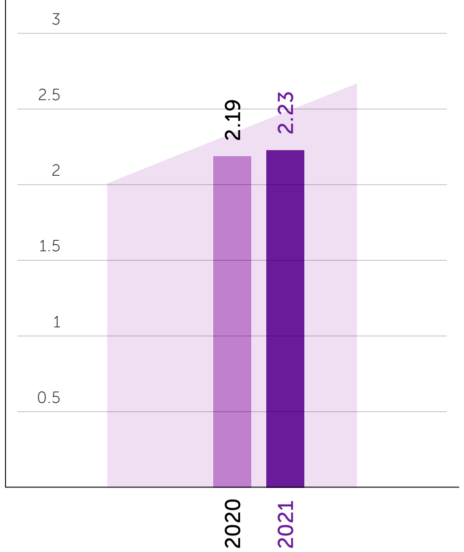
2.23

Our security maturity score increased from 2.19 to 2.23 in 2021 (NIST CSF), thanks to all the initiatives described above. By the end of 2025 we aim to improve that score to 3.4.

Number of product lines in scope of ISO 27001
TARGET: + 1 YEARLY



Average cybersecurity maturity score
NIST CSF*
TARGET 2025: 3.4



The main actions **to improve the NIST CSF security maturity score in 2022** are:

- Refining cybersecurity incident response
- Increasing management controls on privileged access
- Improving network segmentation
- Revisiting backup and recovery strategies
- Monitoring, preventing, detecting, analyzing, and responding to cybersecurity treats and incidents
- Enhancing overall patch management

* NIST: National Institute of Standards and Technology ; CSF: Cybersecurity Framework

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; e.g., the US HIPAA* regulations. Our **data protection officer** (DPO) is in charge of managing our data privacy compliance program, which is governed by several procedures and instructions. She is supported by a team of privacy liaison officers (the legal & compliance responsibles, security & privacy champions and regional knowledge owners) who oversee and ensure compliance with the GDPR on a day-to-day basis at a local level. Our **internal audit department** supports the DPO to facilitate GDPR compliance with independent assessments and reporting on the effectiveness of implemented measures through the testing of controls as defined in the internal audit plan.

Highlights in 2021 included:

- Including data governance in the new **global employee offboarding process**;
- **Updating** the existing instruction related to **personal data breaches** with guidelines for responding to a breach of protected health information under the US HIPAA regulations;
- Introducing a security and privacy business impact **assessment for third parties,** carried out by the Security Office and the DPO;
- Signing **data processing agreements** with third party cloud service providers that are involved in the processing of personal data on behalf of Barco;
- Launching a new **data protection e-learning** under Standards@Work;

Number of data / GDPR / privacy incidents reported to data protection authorities

2019	0
2020	0
2021	0

* US HIPAA: is the Health Insurance Portability and Accountability Act of 1996

4. Ethics and compliance

Good 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 our employees as well as our 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

We continuously invest in building a structured, company-wide compliance program, 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, we organize a **series of activities each year in the month of June** – which is called 'Compliance Awareness Month': from distributing posters, sharing blog posts covering ethical topics and publishing our compliance officer's 'Compliance Year in Review' letter to organizing the Compliance Challenge live quiz.

4.3 Global compliance manager role

In 2021, the global compliance manager launched a broad range of initiatives to strengthen compliance in each of the pillars of our compliance management system. Great effort was put in **updating and finalizing company policies and procedures** in domains such as document retention, employee offboarding or data privacy, and **familiarizing employees** therewith.

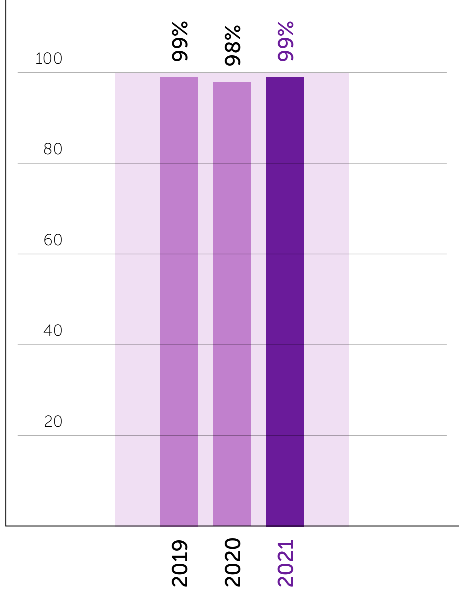
In 2021, the Barco Labs team proudly took home the Compliance Cup.

4.4 Company-wide Standards@Work training

To boost awareness and know-how on compliance-related issues among Barco employees, we set up Standards@Work, a **company-wide training program** hosted by Barco University, our in-house training and development centre. The program includes a growing amount of e-learning courses covering cybersecurity, data protection, sustainability, quality, safety, ethics and continuous improvement, which employees are expected to take within the deadlines set. We strive for a 100% participation rate and actively follow up on employees with overdue learning assignments. In addition, we organize **in-depth Standards@Work² trainings** on topics like anti-corruption and healthcare regulatory compliance for designated employees.

In 2021, we prepared a new e-learning course on confidentiality and an in-depth training on competition law. Both will be launched in 2022.

% employees trained in Standards@Work (white collars)
YEARLY TARGET: 100%

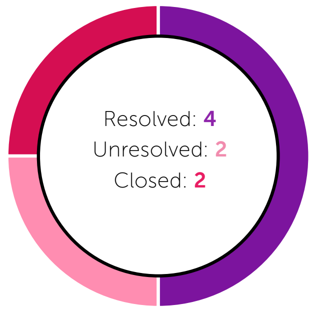


4.5 Promoting a 'speak up' culture

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), to then be reviewed and followed up by the Ethics Committee.

Overview and breakdown of the matters addressed via the Ethics mailbox in 2021

Data privacy	1
Inappropriate behavior	4
Conflicts of interest	3
Total	**8**



4.6 Governmental investigations

Since Barco conducts business across the world, our operations are scrutinized by governmental authorities in different countries from time to time. Below we indicate pending and ongoing investigations to the best of our knowledge.

- 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. We support 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, Belgisch Elektrotechnisch Comité (BEC), COCIR, Laser Illuminated Projector Association (LIPA), BELIR, Belrim, Beltug, IBJ, VONK, Executive Global Network, Communication Community, Vlaams Economisch Verbond (VEV), EIT Health,...

- **Non-profit organizations supporting:**
  - local entrepreneurship, like Hangar K start-up incubator, a joint initiative of education institutions and the city of Kortrijk that supports start-ups and young entrepreneurs in the educational and gaming technology domains;
  - innovative research within the technology or sustainability sectors, such as Flanders Make, Flanders.healthTech and The Shift;
  - international exchange and and trade including Flemish-Chinese, American, Belgo-Indian, Belgian American Chambers of Commerce, Belgian Luxembourg Chamber of Commerce for Russia & Belarus and CanCham Belux.

- **Advocacy organizations, like Voka.**

The annual membership fees for most of the above organizations and associations range from 250 to 5,000 euro. Only a few require membership fees ranging between 20,000 and 30,000 euro.

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. Sustainability is an inherent part of our global procurement mission and strategy: together with our partners, we continue to drive responsible and ethical behavior and high standards across our supply chain.

5.1 Procurement sustainability policy

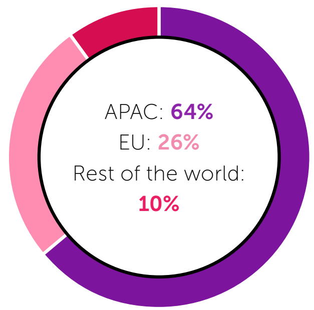
Barco has outlined its sustainability commitments in a procurement sustainability policy, which describes how we want to collaborate with our suppliers in a responsible way: respect international Human Rights and Labor regulations, meet product compliance requirements, select and evaluate suppliers in a fair way, raising awareness on the importance of sustainability, ... The policy will be made available on our website and shared with all our suppliers.

5.2 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 located in many different countries. As we deal with many suppliers, we have categorized them into **four categories** (key, key+, core and other) based upon supply risk and cost relevance to Barco. The categorization enables us to define a targeted scope and supplier management activities for each category. For each category, we have established different levels of engagement. "Major suppliers" cover the key, key+ and core categories.

2021: a continued 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. While business regained momentum in 2021, on- and off- lockdowns kept disrupting the supply chain, resulting in shortages in different commodities which further stress-tested our supply chain resilience. We have been able to largely mitigate the impact, in part thanks to our strong, long-term supplier relationships and our agile, proactive approach.

In 2021 Barco had **144 major suppliers**, covering 84% of our total production spend. The regional spread of of that spend was **64% in APAC**, **26% in EU** and **10% in the rest of the world**.



5.3 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 Barco Code of Conduct for suppliers, the Product Compliance requirements and the Responsible Minerals Sourcing policy.

Barco Code of Conduct for suppliers

We require all our suppliers to comply with the Barco Code of Conduct for suppliers, which is fully aligned with the RBA Code of Conduct (Responsible Business Alliance).

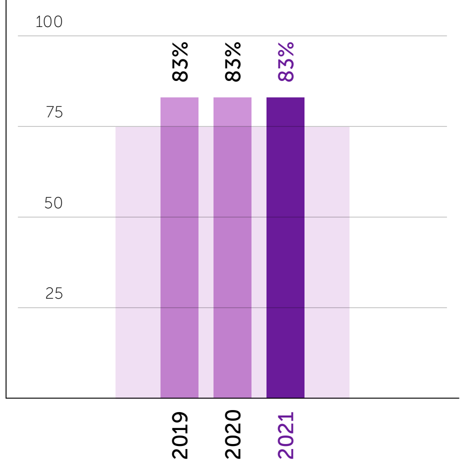
The share of major suppliers who have committed to the Barco Code of Conduct for suppliers or have a similar code, is tracked as a monthly KPI in the Global Procurement dashboard. At the end of 2021, 83% of our production spend was covered by a signed declaration of compliance with the Barco Code of Conduct for suppliers.

In 2021, we updated the code to ensure that it's fully in line with the RBA Code of Conduct Version 7.0. We have renewed the commitment of our suppliers for the updated code.

Product Compliance requirements

Every component that our suppliers deliver to Barco must comply with the Barco Product Compliance requirements, which includes compliance with different worldwide regulations (such as RoHS10 and REACH, ecodesign requirements, WEEE), industry standards and additional criteria that we have defined. Within the Barco product compliance requirements, we also ask 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 this list, we go beyond current legislation. We urge our suppliers to provide Full Material Disclosures (FMDs) of chemical substances contained in products. In 2021, 82.5% of active components were covered by FMDs.

% of production spend covered by signed Code of Conduct for suppliers
YEARLY TARGET: 75%



Responsible Minerals Sourcing policy

Managing conflict minerals is part of Barco's corporate responsibility. Just like many of our stakeholders, we 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.

Our Responsible Minerals Sourcing policy is aligned with the "OECD Due Diligence Guidance for Responsible Chains of Minerals from Conflict-Affected and High-Risk Areas". Our in-scope suppliers (i.e. suppliers of products containing tin, tungsten, tantalum, gold or cobalt) are expected to complete the Conflict Minerals Reporting Template (CMRT) and submit it to Barco. In 2021, 100% of in-scope suppliers responded to the CMRT. We perform a detailed responsible minerals risk analysis on the data received through cross referencing and close collaboration with members of the Responsible Minerals Initiative (RMI).

In 2021, we also proceeded mapping the transparency of our supply chain regarding cobalt in anticipation of future regulation and customer expectations.

5.4 Further embedding sustainability in the procurement process

We encourage our suppliers to share our values and expect 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. In 2021, 100% of new production suppliers were screened using the supplier self-assessment.

B. Supplier onboarding

In 2020, more sustainability criteria were added to the **new supplier selection report** for new component suppliers. We continued to use these criteria to increase awareness on sustainability during the onboarding process.

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 major suppliers). In 2021, 89% of production spend was covered by signed contracts with a sustainability clause, i.e. signed MSAs or T&Cs.

Embedding sustainability in the procurement process

	SCOUTING	ONBOARDING	PURCHASE	PERFORMANCE MONITORING	CAPACITY BUILDING
SCOPE	All potential production suppliers	New critical production suppliers	All suppliers	All key+ & core suppliers	All major 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

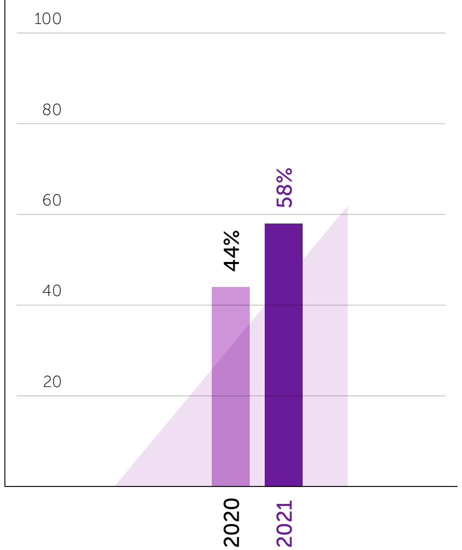
In the **annual performance review**, suppliers are scored on their performance in sustainability domains such as product compliance requirements, adherence to Barco's Code of Conduct and transparency (the provision of CMRTs and FMDs). Suppliers are encouraged to proactively share their progress regarding sustainability in their operations and supply chains, and to share innovations that could help us improve the sustainability impact of our products. In 2021, suppliers covering 58% of our production spend were scored on their sustainability performance. This is 14 percentage points more than in 2020 and on track towards our 2023 target of 70%.

Barco also performs audits at existing as well as new suppliers. These audits currently focus on quality, checking for quality compliance and predominantly focused to assess process risks that could result in quality defects. In 2021, 41 supplier audits were performed, an increase against 2020 partly due to the growing supply base to support our local manufacturing mainly in APAC.

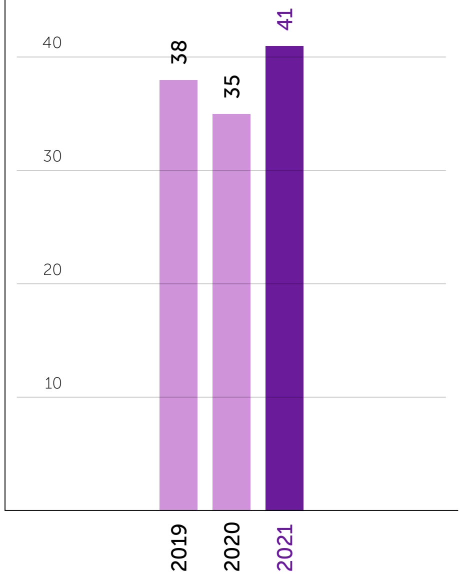
Sustainability is a fixed topic in every business review meeting. In that meeting we discuss one-on-one with our suppliers how they performed in the last year. We review topics such as quality, cost, (cyber-) security and sustainability. A scorecard that blends quantitative and qualitative data into a score, provides a clear measure of that performance and is a perfect starting point to launch remediation actions where needed.

Johan Kesteloot
Procurement executive

% of production spend covered by supplier sustainability score
TARGET 2023: 70%



Number of supplier quality audits
#



E. Capacity building

To ensure that our suppliers understand our sustainability standards and learn how to act upon them, we train them and inform them about developments in several sustainability domains, such as environmental compliance, ecodesign and conflict minerals.

5.4 Training our staff

In 2021, we organized a dedicated training course for all commodity procurement executives, focusing on how to coach suppliers to improve environmental compliance data.

5.5 Plans for 2022 and beyond

In 2022, we will **continue our journey from awareness to cooperative improvement** of our suppliers' sustainability performance. The new Barco Code of Conduct will facilitate the discussion with our suppliers. By engaging with suppliers who got a score lower than 70% in the annual performance reviews, we expect to understand the roadblocks and set up improvement plans, in order to boost their performance.

Our ambition for 2022 and beyond is to **upgrade our supplier sustainability program** to an advanced level, as defined in our sustainability roadmap. We will also tune our actions in order to be compliant with the European Due Diligence Act and provide further information to our suppliers.

Proud to create an intelligent and sustainable planet – together

Embedded computing manufacturer Advantech has been a trusted Barco supplier for over 10 years now. They co-create high-quality solutions for, among others, the Large Video Wall business, taking into account our ecoscoring methodology. Did our tool change their view to and approach of new product design? We asked the team!

"The ecoscoring approach was quite new to us and, we must admit, quite a challenge as well," says Dirk Finstel, Associate Vice President Embedded IoT Europe at Advantech. "Still, we soon started taking into account all four criteria of the ecoscoring system in the earliest stage of new product development. The tool now acts as a guideline for us to continuously optimize our products. That has led to some great results already."

"In the meantime, Advantech has established a corporate ESG strategy including similar ecodesign goals," says Jaap Breepoel, customer program manager at Advantech. The company has worked hard, in the past few years, to plant the seeds of corporate sustainability into its system: "Barco's ecoscoring methodology and all the initiatives that they take in the field of sustainability truly inspire us. We consider them a pioneer in the field and are proud to enable an intelligent and sustainable planet together with them."

> We soon started taking into account all four criteria of the ecoscoring system in the earliest stage of new product development. The tool now acts as a guideline for us to continuously optimize our products.
>
> **Dirk Finstel**
> Associate Vice President
> Embedded IoT Europe at Advantech

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. In 2021, Barco invested 198 k€ in community initiatives around the world.

6.1 2021: the covid-19 health crisis kept impacting our communities

After a particularly challenging 2020, the covid-19 pandemic kept impacting communities worldwide in 2021. Especially **India** was hit hard in April and May 2021, which led to a heart-warming wave of support from Barco teams in every corner of the world. Colleagues from Belgium, China and Taiwan, for example, donated money to purchase oxygenerators, which were then shipped to India.

At our Indian offices in Noida, multiple initiatives were taken to **ensure the health and safety of the local Barco teams and their families**: from setting up a helpdesk and providing access to testing, medical care, oxygen and medical supplies through to vaccination and an employee assistance program.

» Read the testimony of Jayati, HR Director of Barco India

6.2 Closing the education gap around the world

Education is one of the keys to escaping poverty. Over the past decade, Barco took several initiatives to **increase access to education and s**chool enrollment rates around the globe. In 2021, the covid-19 crisis urged us to slightly reshuffle our focus, especially in India, to deliver more emergency support.

- We continued to support the Indian NGO Sakshi, which founded the **Barco Sakshi Education Center** for underprivileged children in Noida, where our site is located. After supporting the construction in 2017, we keep helping the school through various initiatives.
- For several years now, we have been partnering with **Close the Gap** – a social enterprise that aims to bridge the digital divide in developing countries by offering IT devices donated by companies to projects. Since the start of our partnership with Close the Gap, Barco has donated 2,831 pieces of IT equipment. In 2021, we donated 535 devices of which a part has been used by Digital for Youth, a Close the Gap organization that collects laptops from companies, refurbishes them and distributes them to vulnerable young people in Belgium.

- For our emerging leadership program, Barco kept partnering 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.

6.3 Ensuring healthy lives and promoting wellbeing

"Ensure the best possible health outcomes to as many people as possible" is the mission of our Healthcare division. More than developing solutions to achieve that aim, we also support organizations that provide access to good healthcare services around the world. Initiatives taken in 2021 include:

- Like in previous years, we helped **CanSupport**, India's largest free home-based palliative care program. Besides donating money to fund mobile teams, volunteering at CanSupport daycare centers or organizing activities with young cancer patients, we also ran **sessions on mental health** for CanSupport staff.
- Employees at the Belgian headquartered **donated blood** to the Red Cross in August.
- In October – **Breast Cancer Awareness Month** – we launched the 'Illuminating the breast health journey' campaign to highlight the importance of early detection and inform and support people suffering from breast cancer. In addition, we sold Pink ribbons and encouraged employees to 'wear pink' on Wednesdays.
- We **donated medical displays** to help improve diagnosis in a hospital in North-Nigeria, via Belgian NGO Kitanda, and to a local hospital in Croatia that had been severely damaged by an earthquake.

6.4 Employee-driven charity initiatives

The 'we care' value so typical of the Barco culture is also reflected in the charity initiatives set up by our own people. Just a few examples:

- In Taiwan, biscuit boxes were sold from Children Are Us bakery, a group of parents that provides children with intellectual development disorders **access to education**.
- The Barco team in Norway supported **a range of different initiatives**, raising money for the rehabilitation of prisoners and for vocational rehabilitation, for the delivery of Christmas dinners to poor or lonely people and to support people facing mental health disorders and substance use problems.
- In line with the mission of our Entertainment division, Barco also wants to promote cultural participation among the underprivileged. In 2021, we teamed up with Film Fest Ghent and local charity Enchanté in Belgium, **donating 2,000 cinema tickets** to people in poverty.
- In Belgium, we collected toys at our headquarters in Kortrijk, which were then donated to **underprivileged children**.

Reporting on EU taxonomy

1. Background

A key objective of the European Commission's ('Commission') action plan on financing sustainable growth is to **reorient capital flows towards sustainable investment and ensure market transparency**. To achieve this objective, the Commission called for the creation of an EU classification system for sustainable activities, i.e. an EU taxonomy.

Regulation (EU) 2020/852 (the 'Taxonomy Regulation') was published in the Official Journal of the European Union on 22 June 2020 and entered into force on 12 July 2020. It aims to define environmentally sustainable activities. The Taxonomy Regulation is an important piece of legislation for enabling and scaling up sustainable investment and thus implementing the European Green Deal, including an economy that works for people and ensures a just transition that creates employment and leaves nobody behind. Notably, by providing companies, investors and policymakers with the definitions of which economic activities can be considered as environmentally sustainable, it is expected to help shift investments where they are most needed.

Article 8(2) of Regulation (EU) 2020/852 requires non-financial undertakings to disclose information on the key performance indicators related to the proportion in their turnover of environmentally sustainable economic activities ('Taxonomy-aligned activities') and the proportion of their capital expenditure ('CapEx') and their operating expenditure ('OpEx') related to assets or processes associated with environmentally sustainable economic activities.

As indicated in the Delegated Regulation of (EU) 2021/2178, non-financial undertakings shall only disclose the proportion of Taxonomy-eligible and Taxonomy non-eligible economic activities in their total turnover, capital and operational expenditure and the qualitative information for reporting year 2021. Barco considers its economic activities to have the **potential to significantly contribute** to the Enviromental's objectives (Eligible) as stated in the EU Taxonomy Climate Delegated Act. Barco's turnover is linked to most of the economic sectors listed in the TEG technical report. Evaluating the Barco scope 3 CDP reporting (representing the scope 2 emissions of our customer) and Barco SBTi commitment, further supported by discussions with peers and industry associations lead to the following conclusion: Barco products potentially substantially contribute to climate mitigation by enabling other activities to achieve GHS emission reductions e.g. our (laser) cinema projectors play an important role in making buildings and fixed installed products more energy efficient, our Clickshare product enables remote collaboration hence less travel, the Company's computer servers are covered by the ICT economical activity.

Applying the NACE codes and the freedom provided in the different TSC and DNSH criteria to compare product LCA performance to the market benchmarks support this conclusion. Further elaboration on the economic sectors and technical criteria supporting those sectors in the future might change our current conclusion. If this would be the case Barco will update the results reported over 2021 accordingly.

This reporting year should be considered as a transitionary year preparing Barco for detailed alignment reporting over FY2022.

2. Taxonomy-eligible

2.1 Economic activity - turnover

Article 1 of the EU Taxonomy Regulation defines a taxonomy-eligible economic activity as an economic activity that is listed under the applicable technical screening criteria irrespective of whether that economic activity meets any or all of the technical screening criteria.

The EU Taxonomy Regulation article 10 qualifies an economic activity as contributing to climate change mitigation if that activity contributes substantially to the stabilization of greenhouse gas concentrations consistent with the long-term temperature goal of the Paris Agreement through the avoidance or reduction of greenhouse gas emissions or the increase of greenhouse gas removals, including through process innovations or product innovations, for instance in low carbon technologies.

Barco offers products that have the potential to qualify as contributing to climate change mitigation[1], where these products support the transition to a climate-neutral economy consistent with the IPCC pathway to limit the temperature increase to 1,5°C above pre-industrial levels of our customers.

Determination of Barco relevant economical activities is based on NACE code registration and validation of the economic activity. The following applicable economic activity as defined in the delegated act applies:
C - Manufacturing
C26 Manufacture of computer, electronic and optical products and C27 Manufacture of electrical equipment, qualifying as manufacture of other low carbon technologies

For turnover reporting purposes, the following parameters were applied:

1. Turnover in accordance with International Financial Reporting Standards (IFRS), as adopted for use by the EU. We refer to note 'Significant accounting principles 1.11. Revenue recognition' for the accounting principles applied.
2. Turnover related eligible activities: turnover linked to Barco solutions that have a direct footprint impact during the usage stage and are covered by NACE code C26 or C27. These are defined as: turnover generated by hardware products consuming electricity and project[2] revenues (see note 3 of the financial report).
3. Turnover related non-eligible activities: turnover linked to Barco solutions that have no direct footprint impact during the usage stage. These solutions are turnover from software, licenses, or services.

This results in the following quantitative data:

Economic activity	Activity discription	Absolute Turnover 2021 (in thousands of euro)	Proportion 2021
KPI 1 – eligible activities	Manufacture of other low carbon technologies[3] eg. Hardware products	Product & project sales: 728,521	91%
KPI 2 – non-eligible activities	Other out of scope solutions eg. Software, service	Service sales: 75,767	9%
Total turnover		**804,288**	**100%**

We refer to note 3. Income from operations (EBIT) for a break-down of Barco's sales per type of sales: product, project and service sales.

1 EU taxonomy regulation defining substantial contribution to climate change adaptation is currently not applicable to Barco solution portfolio.
2 Projects are system installations that consist of multiple hardware products and related system installation, technical support based on end customer specifications. All project sales are hardware product related.
3 Activity that places hardware products on the market that has specific climate impact throughout the product lifetime (CO_2 footprint).

2.2 CapEx and OpEx related to eligible activities

CapEx

The definition of KPI CapEx is available in Annex I 1.1.2 of DA C(2021) 4987 and is fully in line with the reporting framework defined in the financial note on Significant accounting principles' 5. Property, plant and equipment' and '6. Leases'. The total amount of CapEx is reported in note 9.2. 'Tangible fixed assets'. The total amount equals the eligible CapEx as the total amount of CapEx relates solely to assets or processes associated with Barco economic activities defined in section "Taxonomy-eligible economic activity - Turnover".

Capital expenditure for tangible assets in 2021, excluding the impact of leased buildings, amount to 18 million euro. Major investments in 2021 concern the new factory in China, Suzou, both facility and production related (8 million euro) and machinery and tooling linked to new development projects (2.5 million euro).

OpEx

The definition of KPI OpEx is available in Annex I 1.1.3 of DA C(2021) 4987. At this moment of time there is no clear definition of OpEx under the IFRS framework, hence definition referred to in the EU Taxonomy is applied. Nevertheless for eligibility reporting one shall consider OpEx to cover direct non-capitalised costs that relate to research and development, building renovation measures, short-term lease, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment by the undertaking or third party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such assets. Translated to Barco expenses only the cost related to research and development is considered material and therefore included in the table below as eligible OpEx.

Research and development expenses include all internal and external costs related to research and development projects and investments linked to the Company's product roadmap. We refer to note 3. (a) Research and development expenses on p. 38

KPI	Absolute value 2021 (in thousands of euro)	Proportion 2021
KPI related to capital expenditure (CapEx) – Eligibility denominator	17,993	100%
KPI related to operating expenditure (OpEx) – limited to R&D expenses, Eligibility denominator	101,338	100%
Total turnover		**100%**

General note: as not all EU Taxonomy environmental objectives have been assigned technical screening criteria, Barco will proactively follow up on the new EU taxonomy development and will adapt its disclosure accordingly.

3. Towards taxonomy alignment reporting

EU taxonomy expects alignment with the technical screening criteria and compliance with the minimum, primarily social, safeguards. Barco has already processes in place to ensure alignment compliance of products and allow reporting.

3.1 Barco's ecoscore – our response to the technical screening criteria assessment

Barco ecoscore framework is annually updated to keep pace with evolving regulatory evolutions. Version 6 of the tool incorporates the technical screening criteria related to Climate mitigation. Next to this the corresponding DNSH (Do Not Significant Harm) criteria are also embedded in the framework. The ensures all future product developments are evaluated in a standardized and auditable way linking Barco ECO labeled products one to one to EU Taxonomy alignment. The future circularity criteria will also be implemented in the ecoscore framework ones published

3.2 Minimum safeguards

Barco carries out economic activities across the globe in a responsible and respectful way. In doing so, it is committed to comply with the minimum safeguards referred to in article 18 of the EU regulation nr. 2020/852 of 18 june 2020 on the establishment of a framework to facilitate sustainable investment.

It has therefore implemented and will continue to implement procedures to ensure the alignment of its activities with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights ("the Guidelines").

These procedures seek to incorporate into Barco's activities the principles and standards for responsible business conduct, laid down in the Guidelines' chapter General Policies as well the specific chapters covering domains such as human rights, environment, consumer interests, competition or taxation.

The Integrated report, and in particular the PPC report explains how Barco promotes responsible business conduct in all its operations:

- For the environment: the section 'Planet' is dedicated to Barco's efforts to protect the environment by continuously reducing our environmental impact in our own operations but also during customer use of products and at the end of life
- For our employees: the section 'People' describes how Barco fosters authentic and respectful employment and industrial relations, safeguards the human rights of Barco's own employees, promotes inclusion and protects individuals' health and safety.
- For our suppliers, our customers and the communities in which we operate: the 'Communities' section details actions Barco has undertaken in the current year(s) to live up to the expectations of the external stakeholders: engaging with customers to serve them with top products, in quality, safety and security, ensuring proper data security, taking up responsibility to ensure transparency and sustainability in its supply chain, and acting with integrity and ethics
- The section 'Ethics and Compliance' summarises the measures implemented to combat bribery, bribe solicitation and extortion in the activities in which Barco is involved, and to ensure fair competition on the marketplace. The company's compliance management system aims to ensure compliance of its activities with all applicable laws, including the tax laws of the countries in which it operates.

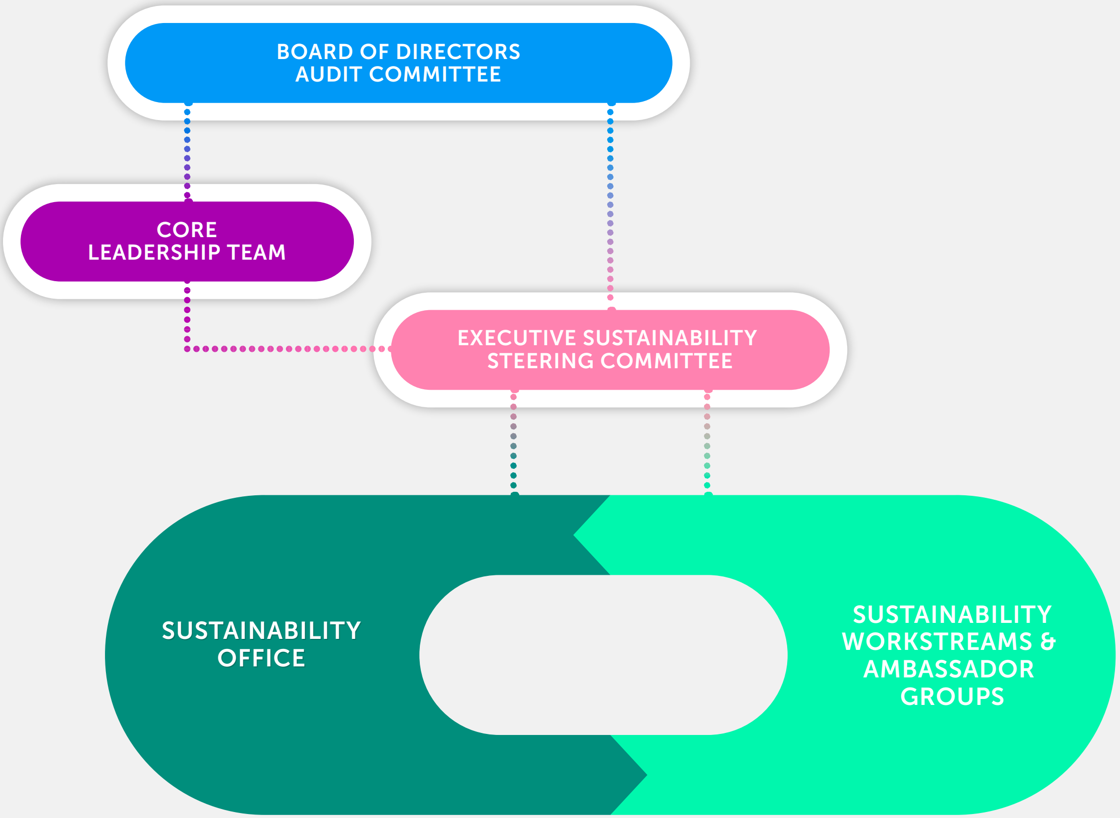
Barco is committed to living up to its ambitions and to creating transparency towards all its stakeholders. Actual performance is reported externally at least annually in the Integrated annual report and internally managed in monthly and quarterly management meetings thriving for continuous improvement.

Managing sustainability

1. 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. Our sustainability governance model is explained on the Barco website.

In 2021, we further optimized the functioning of the **Executive sustainability steering committee**. We now work with a permanent team (Chief Executive Officer, Chief Human Resources Officer, Chief Financial Officer, Senior Vice President Operations) and, depending on the topic, other executive members are invited (Business unit heads, Chief Technology Officer, Chief Digital & Information Officer, Group General Counsel). The meeting frequency increased from four to six times per year.



2. 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 key stakeholder groups: **customers, employees, investors, suppliers and (non-) governmental organizations**. In addition, stakeholders can provide valuable feedback on our performance and other aspects of our activities, like transparency.

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.). By continuing to standardize the process of interacting with our stakeholders, we can mitigate risks, identify new business opportunities and improve financial results. **Our engagement approach for each key stakeholder group** is outlined on the Barco website. The different engagement activities to date indicate no real concerns with respect to our sustainability management approach and performance.

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. In total, 111 stakeholders participated in the surveys and interviews. The results have also been used to shape our activities and focus in 2021.

In June 2021, we set up a **poll** on the Barco corporate website, asking which sustainability topics matter most to our stakeholders when choosing a Barco product. In total 3,300 stakeholders participated in the survey. The results gave us a deeper understanding of how we can create more value for our stakeholders. These insights are being used to shape our R&D, product management and marketing activities.

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 & wellbeing

A description of these topics can be found on the Barco website.

3. External initiatives (platforms and commitments)

We believe **collaboration across the private sector and multi-stakeholder engagement** is required to catalyze society's transition to a more sustainable future. Barco actively participates in several external initiatives that promote sustainability, such as the Science Based Targets initiative, The Shift and others. A description of the main initiatives and associations that we currently participate in is available on our website.

4. Certifications

In order to assure our stakeholders that our management systems meet international industry-specific standards, they are audited annually and certified according to international certification standards:

- ISO 9001 quality management system (for Barco sites in US, Germany, India, Italy, China, Norway, Taiwan and Belgium)
- ISO 13485 quality management system specifically for the medical device industry (for Barco sites in US, China, Belgium, Italy and South Korea)
- ISO 14001 environmental 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)

5. External evaluations

Barco is rated by several independent organizations on its sustainability performance. We actively participate in the following initiatives:

	2021	2020	2019	2018	RANKING
CDP	NA*	B	B-	B	NA
ecovadis	NA*	GOLD	GOLD	SILVER	Top 5% of companies evaluated
MSCI	A	AA	A	A	Top 30% of the Electronic Equipment, Instruments & Components industry
ISS ESG	C+ (Prime)	C+ (Prime)	C+ (PRIME)	NA	Top 20% of the Electronic Devices & Appliances industry
SUSTAINALYTICS	13.2 (low risk)	11.2 (low risk)	NA	NA	28th out of 127 in the Electronics Equipment subindustry
Vigeo Eiris	55/100 (robust)	NA	NA	NA	Top 15% of Technology-Hardware sector

A description and up-to-date status of these evaluations can be found on the Barco website.

* At the time of publication the rate for the reporting year was not yet disclosed.

2021 Integrated annual report

Financial report

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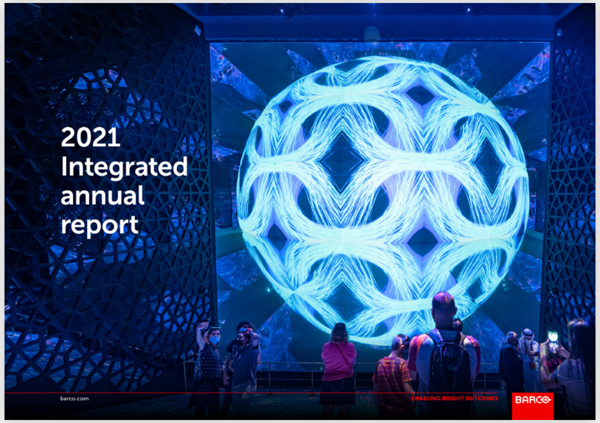

This is the Financial section of Barco's 2021 Integrated annual report. Other sections are available via the download center at ir.barco.com/2021.

CORE

MORE
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• Report on planet - people - communities
• Financial report

ANNEX
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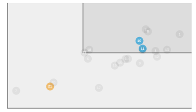

IFRS Financial Statements

Introduction

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

The chapter 'Our results' provides an analysis of trends and results of the 2021 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	2021	2020	2019
Sales		2, 3	804,288	770,083	1,082,570
Cost of goods sold		3	-516,803	-486,300	-653,274
Gross profit		**3**	**287,485**	**283,783**	**429,295**
Research and development expenses		3(a)	-101,338	-102,610	-119,389
Sales and marketing expenses		3(b)	-116,240	-112,329	-142,517
General and administration expenses		3(c)	-47,858	-50,362	-57,632
Other operating income (expense) - net		3(d)	-2,676	-8,302	280
Adjusted EBIT	(a)	**3**	**19,373**	**10,180**	**110,038**
Restructuring and impairments		5	-6,420	-14,513	-
EBIT		**3**	**12,953**	**-4,332**	**110,038**
Interest income			713	1,845	7,648
Interest expense			-1,823	-1,965	-1,866
Income before taxes		**6**	**11,843**	**-4,453**	**115,820**
Income taxes		6	-2,132	-	-20,848
Result after taxes			**9,711**	**-4,453**	**94,973**
Share in the result of joint ventures and associates		11	48	-276	1,566
Net income			**9,759**	**-4,729**	**96,539**
Net income attributable to non-controlling interest		**17**	**878**	**-335**	**1,176**
Net income attributable to the equity holder of the parent		7	**8,881**	**-4,393**	**95,363**
Earnings per share (in euro)	(b)	7	0.10	-0.05	1.09
Diluted earnings per share (in euro)		7	0.10	-0.05	1.07

(a) Management considers adjusted EBIT to be a relevant performance measure in order to compare results over the period 2019 to 2021, as it excludes adjusting items. Adjusting items include restructuring costs and impairments. 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	Note	2021	2020	2019
Net income		**9,759**	**-4,729**	**96,539**
Exchange differences on translation of foreign operations:	(a)	28,894	-29,625	5,250
Cash flow hedges:				
Net gain/(loss) on cash flow hedges		485	62	-165
Income tax		-87	-15	30
Net gain/(loss) on cash flow hedges, net of tax		398	46	-135
Other comprehensive income/(loss) to be recycled through profit and loss in subsequent periods		**29,292**	**-29,579**	**5,114**
Remeasurement gains/(losses) on defined benefit plans	19	10,000	37	-11,337
Deferred tax on remeasurement gains/(losses) on defined benefit plans	10	-2,500	-9	2,834
Actuarial gains or losses, net of tax		7,500	28	-8,503
Changes in the fair value of equity investments through other comprehensive income	11	9,945	18,331	1,852
Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods		**17,445**	**18,358**	**-6,650**
Other comprehensive income/(loss) for the period, net of tax effect		**46,737**	**-11,221**	**-1,536**
Attributable to equity holder of the parent		44,382	-8,764	-1,075
Attributable to non-controlling interest		2,355	-2,457	-461
Total comprehensive income/(loss) for the year, net of tax		**56,496**	**-15,950**	**95,003**
Attributable to equity holder of the parent		53,263	-13,157	94,288
Attributable to non-controlling interest		3,233	-2,793	715

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 2021, the positive exchange differences in the comprehensive income line were mainly booked on foreign operations held in Hong Kong Dollar, US Dollar, Chinese Yuan and Indian Rupee (see note 16.4). 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. 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.

Consolidated balance sheet

In thousands of euro	Note	31 Dec 2021	31 Dec 2020	31 Dec 2019
Assets				
Goodwill	8	105,612	105,612	105,612
Other intangible assets	9.1	17,427	28,952	44,469
Land and buildings	9.2	78,602	74,220	83,665
Other tangible assets	9.2	48,285	49,254	51,804
Investments and interest in associates	11	68,008	106,942	43,288
Deferred tax assets	10	64,155	62,811	60,116
Other non-current assets	13	6,849	5,870	4,018
Non-current assets		**388,938**	**433,662**	**392,972**
Inventory	12	175,496	175,390	168,983
Trade debtors	13	156,977	146,138	195,358
Other amounts receivable	13	16,211	17,789	25,669
Short term investments	14	2,763	3,175	24,748
Cash and cash equivalents	14	351,571	235,402	357,035
Prepaid expenses and accrued income		12,293	6,646	9,409
Current assets		**715,311**	**584,542**	**781,203**
Total assets		**1,104,249**	**1,018,203**	**1,174,176**

In thousands of euro	Note	31 Dec 2021	31 Dec 2020	31 Dec 2019
Equity and liabilities				
Equity attributable to equityholders of the parent	16	693,783	659,309	700,060
Non-controlling interests	17	41,031	37,798	40,590
Equity		**734,814**	**697,107**	**740,650**
Long-term debts	14	34,366	35,854	40,225
Deferred tax liabilities	10	3,823	4,745	7,575
Other long-term liabilities	15	48,860	43,286	27,031
Long-term provisions	19	31,175	40,156	42,428
Non-current liabilities		**118,224**	**124,042**	**117,259**
Current portion of long-term debts	14	10,218	9,187	12,469
Short-term debts	14	-	86	-
Trade payables	18	113,979	70,299	128,914
Advances received from customers	18	54,105	42,375	69,515
Tax payables		4,963	7,478	9,893
Employee benefit liabilities (a)		39,550	32,284	54,652
Other current liabilities		5,036	8,980	13,268
Accrued charges and deferred income		14,823	12,646	8,795
Short-term provisions	19	8,537	13,720	18,759
Current liabilities		**251,211**	**197,054**	**316,266**
Total equity and liabilities		**1,104,249**	**1,018,203**	**1,174,176**

(a) Employee benefit liabilities are short term obligations and consist mainly of salaries, bonuses and holiday payments.

The accompanying notes are an integral part of this statement.

Consolidated statement of cash flow

In thousands of euro	Note	2021	2020	2019
Cash flow from operating activities				
Adjusted EBIT		19,373	10,180	110,038
Restructuring	5	-8,204	-9,536	-13,717
Depreciations of tangible and intangible fixed assets	3, 9	39,136	43,383	42,984
(Gain)/Loss on tangible fixed assets		196	170	-1,024
Share options recognized as cost	3(d), 16	3,067	2,907	2,147
Share in the profit/(loss) of joint ventures and associates	11	48	-276	1,566
Gross operating cash flow		**53,616**	**46,829**	**141,995**
Changes in trade receivables		-4,918	41,391	-32,160
Changes in inventory		4,432	-12,260	-32,989
Changes in trade payables		42,825	-59,936	23,404
Other changes in net working capital		13,195	-23,960	15,618
Change in net working capital		**55,534**	**-54,764**	**-26,126**
Net operating cash flow		**109,150**	**(7,936)**	**115,868**
Net operating cash flow				
Interest received		713	1,845	7,648
Interest paid		-1,823	-1,965	-1,866
Income taxes (a)		**-8,386**	-10,398	-13,053
Cash flow from operating activities		**99,654**	**-18,454**	**108,597**

The accompanying notes are an integral part of this statement.

In thousands of euro	Note	2021	2020	2019
Cash flow from investing activities				
Purchases of tangible and intangible fixed assets		-18,787	-14,980	-20,169
Proceeds on disposals of tangible and intangible fixed assets		183	488	2,379
Proceeds from (+), payments for (-) short term investments	14	412	21,573	88,047
Acquisition of Group companies, net of acquired cash	1.3, 24	-	-	-3,272
Other investing activities (b)		51,969	-55,530	-41,285
Dividends from joint ventures and associates		3,859	2,492	7,284
Cash flow from investing activities (including acquisitions and divestments)		**37,636**	**-45,958**	**32,982**
Cash flow from financing activities				
Dividends paid		-20,560	-33,354	-28,680
Capital increase		1,676	482	360
Sale/(purchase) of own shares	16	-4,472	2,371	6,428
Payments (-) of long-term liabilities	20	-12,758	-11,235	-22,359
Proceeds from (+), payments of (-) short-term liabilities	20	614	2,103	3,033
Cash flow from financing activities		**-35,500**	**-39,634**	**-41,218**
Net increase/(decrease) in cash and cash equivalents		**101,790**	**-104,045**	**100,362**
Cash and cash equivalents at beginning of period		**235,402**	**357,035**	**251,807**
Cash and cash equivalents (CTA)		**14,379**	**-17,588**	**4,866**
Cash and cash equivalents at end of period		**351,571**	**235,402**	**357,035**

(a) In 2020 € 5.9m withholding taxes were paid on dividends distributed from subsidiaries of Barco.
(b) 'Other investing activities' in 2021 relate mainly to cash inflows/(outflows) from entities in which Barco owns less than 20% of the shares (55 million euro in 2021, -52.3 million euro in 2020 and -30.1 million euro in 2019) (see note 11 and 9.1).

Consolidated statement of changes in equity

In thousands of euro	Note	Share capital and premium	Retained earnings	Share-based payments	Cumulative translation adjustment	Cash flow hedge reserve	Own shares	Equity attributable to equityholders of the parent	Non-Controlling Interest	Equity
Balance on 1 January 2019		202,041	501,807	9,046	-42,842	-1,022	-35,762	633,268	1,777	635,045
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	-3,432
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**
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**	**-26,963**	**659,309**	**37,798**	**697,107**

In thousands of euro	Note	Share capital and premium	Retained earnings	Share-based payments	Cumulative translation adjustment	Cash flow hedge reserve	Own shares	Equity attributable to equityholders of the parent	Non-Controlling Interest	Equity
Balance on 1 January 2021		202,883	535,093	14,100	-64,693	-1,111	-26,963	659,309	37,798	697,107
Net income		-	8,881	-	-	-	-	8,881	878	9,759
Dividend	(b)	-	-33,388	-	-	-	-	-33,388	-	-33,388
Capital and share premium increase	(b)	14,504	-	-	-	-	-	14,504	-	14,504
Other comprehensive income (loss) for the period, net of tax		-	17,197	-	26,787	398	-	44,382	2,355	46,737
Share-based payment		-	-	4,567	-	-	-	4,567	-	4,567
Exercise of options	(b)	-	-	-	-	-	6,714	6,714	-	6,714
Share buy-back		-	-	-	-	-	-11,186	-11,186	-	-11,186
Balance on 31 December 2021		**217,387**	**527,783**	**18,667**	**-37,906**	**-713**	**-31,435**	**693,783**	**41,031**	**734,814**

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) Three minority shareholders have contributed in the capital of Cinonic Ltd, totaling 45% of total contributions of USD 100 million. As of 1 January 2019, these capital contributions all give right to 45% in the Cinionic legal entities' equity and result. Barco remains in control. Per 1 January 2019, the 45% stake in the capital contribution of USD 100 million is shown as non-controlling interest (39.9 million euro). See note 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 2020 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 7 February 2022. The chairman has the power to amend the financial statements until the shareholders' meeting of 28 April 2022.

1.2. Principles of consolidation

General

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

Subsidiaries

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

Non-controlling interests

Non-controlling interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the income statement and within equity in the consolidated balance sheet, separately from shareholder's equity.

Investments in associated companies and joint ventures

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

2. Goodwill

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

Goodwill is carried at cost less any accumulated impairment losses.

3. Research and development costs

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

4. Other intangible assets

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

5. Property, plant and equipment

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

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

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

6. Leases

The Group has adopted IFRS16 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.

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

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

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

8. Other non-current assets

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

9. Financial assets

The Group classifies its financial assets in the following categories: financial assets at fair value and financial assets at amortized cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. Management determines the classification of its financial assets at initial recognition.

Regular purchases and sales of financial assets are recognized on the trade date – the date on which the Group commits to purchase or sell an asset.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets (such as loans, trade and other receivables, cash and cash equivalents) are subsequently measured at amortized cost using the effective interest method, less any impairment if they are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest.

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

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

10. Inventories

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

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

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

11. Revenue recognition

We apply the five-step model to account for revenue arising from contracts with customers. Revenue is 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 1 performance obligation. Revenue recognition occurs at a point in time, when control of the asset is transferred to the customer, generally on delivery of the goods. The Group has following warranty options: the Group provides warranties for general repairs of which the Group determined that such warranties are assurance-type warranties which are accounted for under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

(b) Rendering of services

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

(c) Projects

For revenue out of projects, 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.

12. Government grants

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

13. Trade debtors and other amounts receivable

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

14. Cash and cash equivalents

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

15. Provisions

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

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

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

On the line item 'Long-term provisions', the company presents the net liability relating to the post-retirement benefit obligations which includes the Belgian defined-contribution pension plans that are by law subject to minimum guaranteed rates of return. Pension legislation was amended at the end of 2015 and defines the minimum guaranteed rate of return as a variable percentage linked to government bond yields observed in the market as from 1 January 2016 onwards. For 2021 the minimum guaranteed rate of return remains the same as in 2020 and 2019, 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.

Foreign currency rates

Currency	December 31, 2021		December 31, 2020		December 31, 2019	
	Closing rate	Average rate	Closing rate	Average rate	Closing rate	Average rate
CNY	7.19	7.63	8.02	7.88	7.81	7.73
INR	84.23	87.45	89.66	84.74	80.08	78.83
USD	1.13	1.18	1.23	1.14	1.12	1.12

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.

21. Foreign Group companies

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

22. Derivative financial instruments

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

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

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

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

23. Income taxes

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

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

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

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

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

24. Impairment of assets

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

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

25. Share-based payment

Barco created warrants and stock options for staff and directors as well as for individuals who play an important role in the company. According to the publication of IFRS 2, the cost of share-based payment transactions is reflected in the income statement.

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

26. Earnings per share

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

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 2021

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2021. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

- Amendments to IFRS 4 Insurance Contracts – deferral of IFRS 9, effective 1 January 2021
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2, effective 1 January 2021
- 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 2021

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.

- Amendment to IFRS 16 Leases covid-19-Related Rent Concessions beyond 30 June 2021 (effective 01/04/2021, with early application permitted)
- Amendments to IAS 1 'Presentation of Financial Statements: Classification of Liabilities as current or non-current', effective 1 January 2023
- 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, effective 1 January 2022
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies, effective 1 January 2023
- IFRS 17 'Insurance contracts', effective 1 January 2023
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates, effective 1 January 2023
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction, effective 1 January 2023

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

Critical accounting judgments and key sources of estimation uncertainty

General business risks

Over the year 2021 and 2020, the economic impact of the pandemic related to the covid-19 virus has been affecting businesses all over the world – Barco included. We refer to the chapter 'Risk factors' (see Corporate Governance & Risk report page 33 – 54) for an overview of the risks affecting businesses of the Barco Group.

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

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
- Supply constraints, reflected by impact on sales mainly in Barco's Healthcare division
- The profit and loss and operating results
- Cash flows (mainly in 2020)

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

  Ensuring health and safety in the working environment has remained a top priority in 2021. Following the lessons learned in 2020, we were able to prepare and respond in an agile and upfront way. The global response team reviewed the worldwide pandemic impact, the legal obligations and the global communication on measures taken within the Barco premises. We refer to the 'Planet, people and communities' chapter 2. Employee, health & wellbeing for more details on the team's focus points.

  A wide range of measures aimed at avoiding the spread of the covid-19 virus were set in place. This included warning employees in the case of an infection, ensuring social distancing, ventilation, homeworking, and many others. These measures were largely successful, but could not prevent the Barco Noida site from being hit severely when covid-19 infections in India peaked in the first semester of 2021.

- **Hybrid way of working**
  Some of Barco's offices have been (partially) closed for short periods during 2020 and 2021. 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

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. While business regained momentum in 2021, there were still the occasional sudden lockdowns disrupting the supply chain. The new worldwide shortages in different commodities in 2021, tested even more Barco's supply chain resilience. Barco's strong, long-term supplier relationships and agile approach have proven to be key to find solutions to the shortages in many cases. Nevertheless, Barco's order to sales conversion was and will not be fully immune for the impact of supply chain constraints.

Business health

In the first quarter of 2020 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. In 2021 supply chain disruptions, including higher component prices, increased freight broker rates and higher logistics costs negatively impacted the company's results.

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. It also implemented price increases across its portfolio and regions, which expect to benefit gross profit margin as of the first half of 2022.

- **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, mainly in 2020 and to a limited extent in the first half of 2021. 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 entailed shifts in the planned investment patterns on selected long-term initiatives in 2020 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 grants under the newly enacted covid-19 relief legislation in APAC, Canada and the US (Cinionic) in 2020.

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 uncertainty caused by the covid-19 global pandemic and the extent and duration of the impacts that it had and still has, in particular on the global cinema, events and Enterprise business as well as the Company's customers, suppliers and employees, there is potential for future credit losses on receivables, inventory write downs, impairments of goodwill 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, including impact of covid on Barco's long term profitability prognoses 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 2021 and the annual impairment test in the last quarter of 2021. (see note 8.'Goodwill'). The outcome of the goodwill impairment test performed at half year 2021 and the last quarter of 2021, did not result in an impairment loss.

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

- 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 and the Company has reached extended payment plans, which have been honored over 2021. The remaining overdue balances with its cinema customers per 31 December 2021 are limited and the related extended payments plans are being honored.

For the year ended December 31, 2021, the Company could reverse part of the provision for current expected credit losses (2021: +0.4 million euro profit) reflecting a lower credit risk of its customers related accounts receivable compared to the same period last year. The extra provision recorded in 2020 (1.5 million euro) reflected a reduction in the credit quality of specific cinema customers related accounts receivable as a result of the covid-19 global pandemic.

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 IAS38.57. As the criteria of IAS38.57 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 2021

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.	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

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

Country of Incorporation	Legal Entity	Registered Office	%
Americas			
Brazil	Barco Ltda.	Av. Ibirapuera, 2332, 8° andar, conj 82, Torre II, Moema, 04028-002 São Paulo BRAZIL	100
Canada	MTT Innovation Incorporated	Suite 2400, 745 Thurlow Street, V6E 0C5 Vancouver, BC CANADA	100
Colombia	Barco Colombia SAS	Carrera 15, n° 88-64, Torre Zimma Oficina 610, 110221 Bogota COLOMBIA	100
Mexico	Barco Visual Solutions S.A. de C.V.	Mariano Escobedo No. 476 Piso 10 Col. Anzures, C.P. 11590 D.F. México MEXICO	100
Mexico	Barco Cine Appo Mexico, S.A. de C.V.	Artemio del Valle Arizpe 16, 2ndo piso, Col del Valle, CP 03100 New Mexico city (CDMX) MEXICO	55
United States	Barco, Inc.	1209 Orange Street, 19801 Wilmington DE UNITED STATES	100
United States	Cinionic Inc.	11080 White Rock Road, Suite 100, 95670 Rancho Cordova CA UNITED STATES	55
Asia-Pacific			
Australia	Barco Systems Pty. Ltd.	2 Rocklea Drive, VIC 3207 Port Melbourne AUSTRALIA	100
Australia	Cinionic Pty. Ltd.	C/- Accru Melbourne Pty Ltd, 50 Camberwell Road, VIC 3123 Hawthorn East AUSTRALIA	55
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 (Suzhou) Healthcare Technology Co., Ltd.	No.111, Sutong Road, Suzhou Industrial Park, 215021 Suzhou CHINA	100
China	Barco (Suzhou) Technology Co., Ltd	Room (112)-66, Modern Logistics Building, No. 88, Modern Avenue, Suzhou.	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 Tong, Kowloon HONG KONG	55
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

1.2 List of equity accounted companies on 31 December 2021

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

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

Following subsidiary-companies will be released of publishing their financial statements and management report 2021:
- Barco GmbH
- Barco Control Rooms GmbH

These companies are included in the consolidation scope of Barco Consolidated 2021 as listed above.

1.3 Acquisitions and divestments

Barco did not close any acquisition or divestment agreements in 2021, 2020 and 2019.

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 comprises two business units:**
  - Cinema offers the industry's most complete range of laser and lamp-based cinema projectors, including image processing and audio solutions. Barco's cinema offering is marketed via Barco CFG (for China) and Cinionic (for rest of the world), which combines the projection technology with consultancy, installation, financing, monitoring and maintenance services.
  - The Immersive Experience business unit (formerly named "Venues and Hospitality") offers solutions tailored to the specific needs of large venues, live events, themed entertainment (museums, theme parks, etc.) and simulation applications: projection, image processing and a modular support service solution.
- **Enterprise: The Enterprise division comprises two business units:**
  - Meeting Experience (MX) (formerly known as "Corporate") offers collaboration and visualization technologies for a smart workplace or learning environment: ClickShare wireless conference and presentations systems, installation projectors, video walls, weConnect Virtual Classroom, image processors as well as services.
  - Large Video Walls (formerly known as "Control Rooms") offers a package of solutions to help control room operators make well-informed decisions: video walls, video wall controllers, control room software and a full suite of support services.
- **Healthcare: The Healthcare division comprises two business units:**
  - Diagnostic imaging offers an extensive line-up of high-precision medical display systems for disciplines including radiology, mammography, dentistry, pathology and clinical review imaging, plus a full suite of support services.
  - Surgical and Modality brings together two activities with great synergy potential, as they target the same end-customers (often ORs) and require the same go-to-market strategy. (The modality activity was previously combined with the Diagnostics Imaging activity.) The offering of this business unit includes the company's digital operating room portfolio (hardware + video-over-IP-technology), custom medical displays for modality imaging and a full suite of support services.

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

The Board of Directors monitors 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.

The modification in the management structure and the core leadership team in 2021 have no impact on the identification of the operating segments.

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 since 2020 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	2021		2020		2019		Variance 2021-2020	Variance 2020-2019
Net sales	**309,712**	**100.0%**	**291,433**	**100.0%**	**455,125**	**100.0%**	**6.3%**	**-36.0%**
Cost of goods sold	-217,980	-70.4%	-208,584	-71.6%	-311,955	-68.5%	4.5%	-33.1%
Gross profit	**91,732**	**29.6%**	**82,849**	**28.4%**	**143,170**	**31.5%**	**10.7%**	**-42.1%**
EBITDA	**21,465**	**6.9%**	**287**	**0.1%**	**43,310**	**9.5%**	**7379.7%**	**-99.3%**
Depreciation TFA and (acquired) intangibles	17,953	5.8%	19,989	6.9%	18,292	4.0%	-10.2%	9.3%
Adjusted EBIT	**3,512**	**1.1%**	**-19,702**	**-6.8%**	**25,019**	**5.5%**	**-117.8%**	**-178.7%**
Capital expenditures TFA and software	3,810	1.2%	8,177	2.8%	7,515	1.7%	-53.4%	8.8%
Interest in associates	11,316		19,713		20,073			
Segment assets	**226,584**		**285,370**		**307,832**			
Segment liabilities	**144,702**		**117,648**		**169,700**			

The Entertainment division delivered 6% sales growth in 2021, following a soft 2020, explained by the impact of covid-19 on the Entertainment markets. Both cinema and immersive experience activities contributed to the year-over-year growth, linked to reopening of cinema theaters in the second half of the year in most regions globally, and recovery in immersive experience, thanks to greater demand from museums, projection mapping and theme parks.

Price increases could mitigate the impact of higher component and freight costs, as a result of component scarcity, resulting in 1.2 percentage points increase in gross profit margin. Together with indirect expense control, this resulted in a significant improvement in EBITDA (+ 21 million euro) and EBITDA margin (+6.9%).

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

2.3. Enterprise

In thousands of euro	2021		2020		2019		Variance 2021-2020	Variance 2020-2019
Net sales	**233,090**	**100.0%**	**216,794**	**100.0%**	**358,671**	**100.0%**	**7.5%**	**-39.6%**
Cost of goods sold	-124,529	-53.4%	-111,601	-51.5%	-175,402	-48.9%	11.6%	-36.4%
Gross profit	**108,561**	**46.6%**	**105,193**	**48.5%**	**183,269**	**51.1%**	**3.2%**	**-42.6%**
EBITDA	**14,645**	**6.3%**	**18,246**	**8.4%**	**74,051**	**20.6%**	**-19.7%**	**-75.4%**
Depreciation TFA and (acquired) intangibles	9,408	4.0%	10,033	4.6%	15,339	4.3%	-6.2%	-34.6%
Adjusted EBIT	**5,237**	**2.2%**	**8,214**	**3.8%**	**58,712**	**16.4%**	**-36.2%**	**-86.0%**
Capital expenditures TFA and software	2,706	1.2%	3,436	1.6%	8,428	2.3%	-21.2%	-59.2%
Interest in associates	9,557							
Segment assets	**202,365**		**137,786**		**168,275**			
Segment liabilities	**81,053**		**53,299**		**78,147**			

The Enterprise division saw a gradual recovery over the year and a strong fourth quarter, resulting in a year-over-year increase in sales of 7.5%. Gross profit margin (-1.9 percentage points) was pressured by higher transport costs and component shortages, together with selective investments in commercialization and re-initiation of core portfolio development, this resulted in a EBITDA margin of 6.3%, 2.1 percentage points lower than last year.

The lower sales from 2019 to 2021 can be explained by the impact of covid-19 on the Enterprise markets.

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

2.4. Healthcare

In thousands of euro	2021		2020		2019		Variance 2021-2020	Variance 2020-2019
Net sales	**261,486**	**100.0%**	**261,856**	**100.0%**	**268,774**	**100.0%**	**-0.1%**	**-2.6%**
Cost of goods sold	-174,294	-66.7%	-166,115	-63.4%	-165,918	-61.7%	4.9%	0.1%
Gross profit	**87,192**	**33.3%**	**95,741**	**36.6%**	**102,856**	**38.3%**	**-8.9%**	**-6.9%**
EBITDA	**22,399**	**8.6%**	**35,030**	**13.4%**	**35,660**	**13.3%**	**-36.1%**	**-1.8%**
Depreciation TFA and (acquired) intangibles	11,775	4.5%	13,362	5.1%	9,354	3.5%	-11.9%	42.9%
Adjusted EBIT	**10,624**	**4.1%**	**21,668**	**8.3%**	**26,307**	**9.8%**	**-51.0%**	**-17.6%**
Capital expenditures TFA and software	12,271	4.7%	3,368	1.3%	4,225	1.6%	264.4%	-20.3%
Segment assets	**141,127**		**127,180**		**126,199**			
Segment liabilities	**59,882**		**49,398**		**60,913**			

Conversion of solid order growth to sales lagged in Healthcare, resulting in flat year-over-year sales, partly hampered by delayed deliveries caused by transport and component scarcity.

Component and transport shortages and lagging sales price increases pressured gross profit margins (- 3.3 percentage points), resulting in 8.6% EBITDA margin, down 4.8 percentage points year-over-year.

Higher capital expenditure in 2021 compared to previous years, concern the new factory in China, Suzhou, both facility and production (8 million euro).

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	2021		2020		2019	
External sales						
Entertainment	**309,712**		**291,433**		**455,125**	
At a point in time revenues	276,981	89%	255,694	88%	410,883	90%
Over time revenues	32,731	11%	35,739	12%	44,242	10%
Enterprise	**233,090**		**216,794**		**358,671**	
At a point in time revenues	161,093	69%	153,435	71%	271,956	76%
Over time revenues	71,996	31%	63,359	29%	86,715	24%
Healthcare	**261,486**		**261,856**		**268,774**	
At a point in time revenues	257,466	98%	258,026	99%	264,580	98%
Over time revenues	4,020	2%	3,830	1%	4,193	2%
Total external sales segments	**804,288**		**770,083**		**1,082,570**	
At a point in time revenues	695,541	86%	667,155	87%	947,420	88%
Over time revenues	108,747	14%	102,928	13%	135,150	12%
Net Income						
EBITDA						
Entertainment	21,465		287		43,310	
Enterprise	14,645		18,246		74,051	
Healthcare	22,399		35,030		35,660	
Depreciation and other amortizations						
Entertainment	17,953		19,989		18,292	
Enterprise	9,408		10,033		15,339	
Healthcare	11,775		13,362		9,354	
Adjusted EBIT						
Entertainment	3,512		-19,702		25,019	
Enterprise	5,237		8,214		58,712	
Healthcare	10,624		21,668		26,307	
Total adjusted EBIT	**19,373**		**10,180**		**110,038**	

In thousands of euro	2021	2020	2019
Restructuring and impairments	-6,420	-14,513	-
EBIT	**12,953**	**-4,332**	**110,038**
Interest income (expense) - net	-1,110	-121	5,782
Income/(loss) before taxes	**11,843**	**-4,453**	**115,820**
Income taxes	-2,132	-	-20,848
Result after taxes	**9,711**	**-4,453**	**94,973**
Share in the result of joint ventures and associates	48	-276	1,566
Net income	**9,759**	**-4,729**	**96,539**
Net income attributable to non-controlling interest	878	-335	1,176
Net Income attributable to the equity holder of the parent	**8,881**	**-4,393**	**95,363**

The total over time revenues relate to project sales mainly in the Enterprise division and to recurring service revenues generated on maintenance contracts.

Assets			
Segment assets			
Entertainment	226,584	285,370	307,832
Enterprise	202,365	137,786	168,275
Healthcare	141,127	127,180	126,199
Total segment assets	**570,076**	**550,336**	**602,306**
Deferred tax assets	64,155	62,811	60,116
Short term investments	2,763	3,175	24,748
Cash and cash equivalents	351,571	235,402	357,035
Other non-allocated assets	115,684	166,479	129,971
Total assets	**1,104,249**	**1,018,203**	**1,174,176**

In thousands of euro	2021	2020	2019
Liabilities			
Segment liabilities			
Entertainment	144,702	117,648	169,700
Enterprise	81,053	53,299	78,147
Healthcare	59,882	49,398	60,913
Total segment liabilities	**285,637**	**220,344**	**308,760**
Equity attributable to equityholders of the parent	693,783	659,309	700,060
Non-controlling interest	41,031	37,798	40,590
Long-term debts	34,366	35,854	40,225
Deferred tax liabilities	3,823	4,745	7,575
Current portion of long-term debts	10,218	9,187	12,469
Short-term debts	-	86	-
Other non-allocated liabilities	35,390	50,880	64,496
Total equity and liabilities	**1,104,249**	**1,018,203**	**1,174,176**

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 21 million euro of the Group revenues in 2021 versus 23 million euro in 2020 and 36 million in 2019.

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	2021		2020		2019	
Net sales						
Europe	305,199	37.9%	280,280	36.4%	402,149	37.1%
Americas	300,826	37.4%	296,942	38.6%	426,806	39.4%
Asia-Pacific	198,262	24.7%	192,862	25.0%	253,614	23.4%
Total	**804,288**	**100%**	**770,083**	**100%**	**1,082,570**	**100%**
Total assets						
Europe	557,571	50.5%	455,930	44.8%	513,884	43.8%
Americas	180,303	16.3%	222,214	21.8%	247,345	21.1%
Asia-Pacific	366,375	33.2%	340,059	33.4%	412,947	35.2%
Total	**1,104,249**	**100%**	**1,018,203**	**100%**	**1,174,176**	**100%**
Purchases of tangible and intangible fixed assets (excl. IFRS 16)*						
Europe	8,186	43.6%	7,315	48.8%	9,977	49.5%
Americas	1,223	6.5%	1,441	9.6%	3,546	17.6%
Asia-Pacific	9,379	49.9%	6,224	41.5%	6,645	32.9%
Total	**18,787**	**100%**	**14,980**	**100%**	**20,169**	**100%**

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

3. Income from operations (EBIT)

In thousands of euro	2021	2020	2019
Sales	804,288	770,083	1,082,570
Cost of goods sold	-516,803	-486,300	-653,274
Gross profit	**287,485**	**283,783**	**429,295**
Gross profit as % of sales	35.7%	36.9%	39.7%
Indirect costs	-265,437	-265,300	-319,538
Other operating income (expenses) - net	-2,676	-8,302	280
Adjusted EBIT	**19,373**	**10,180**	**110,038**
Adjusted EBIT as % of sales	2.4%	1.3%	10.2%
Restructuring and impairments	-6,420	-14,513	0-
EBIT	**12,953**	**-4,332**	**110,038**
EBIT as % of sales	1.6%	-0.6%	10.2%

Topline increased 4.4% from 2020 to 2021. Although sales were up year-over-year in all divisions, prolonged pandemic induced restrictions and component shortages continued to cause delays in converting orders to sales. Component and transport scarcity caused higher transport and broker costs and restrict production and sales (volume) efficiency, pressuring gross profit margins, down 1.1 percentage points versus 2020. In absolute numbers the higher topline compensates for the lower gross profit margins and is 3.7 million euro higher than last year.

In 2020 the low topline (-28.9% compared to 2019), 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 2.8 percentage points versus 2019) is primarily resulting from negative mix effect (lower Enterprise sales), higher logistic costs and indirect overhead costs weighing on the lower topline.

Indirect costs in 2021 were kept stable versus 2020, a result of extending cost containment measures with selective investments in research and development and commercialization to defend and extend the Company's market position. The lower level of indirect costs in 2020 and 2021 (-17% below 2019 level), as a result of measures taken to align the activity rate with market realities and customer demand, could not compensate for the margin losses resulting from the lower topline compared to 2019, resulting in an adjusted EBIT margin of 2.4 % in 2021 and 1.3% in 2020, compared to 10.2% in 2019.

EBIT in 2021 includes restructuring costs as a result of the changes in organizational structure, announced in the second half of 2021, and a number of cost down measures across different countries and functions.

EBIT in 2020 include restructuring and impairment 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.

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

In thousands of euro	Note	2021	2020	2019
Adjusted EBIT		19,373	10,180	110,038
Depreciations and amortizations	9	39,136	43,383	42,984
EBITDA		**58,509**	**53,563**	**153,022**
EBITDA as % of sales		**7.3%**	**7.0%**	**14.1%**

The impact of the pandemic and supply constraints on the company's topline and gross profit margins in 2021 continued to weigh on the EBITDA margin and halted the company's trajectory (until 2019) of continued profit improvement. In 2021 EBITDA margin is 7.3% on sales, compared to 7% in 2020 and 14.1% in 2019.

In 2021 depreciations are 4 million lower than in 2020, as 2020 included an impairment on acquired know how of 3.5 million euro.

In thousands of euro	2021		2020		2019	
Product sales	663,034	83%	639,667	83%	905,366	84%
Project sales	65,487	8%	55,743	7%	75,776	7%
Service sales	75,767	9%	74,673	10%	101,428	9%
Sales	**804,288**		**770,083**		**1,082,570**	

Major part of the sales relates to product sales (in 2021: 83%, in 2020: 83%, in 2019: 84%). Project sales remained stable at 7-8% of total sales over the years and include combined sales from products, installations and services. Most of these project sales have a lifetime of less than one year. The share of service sales in 2021 is 9% of total sales (2020:10%, 2019: 9%).

We refer to note 2. Segment Information and to the chapter 'Our results' for more explanation on sales and income from operations.
Total product and project sales amount to 728.5 million euro in 2021. We refer to note on EU taxonomy on p. 59 PPC report for the Company's EU taxonomy eligible turnover in 2021.

Indirect costs and other operating income (expenses) - net

In thousands of euro		2021	2020	2019
Research and development expenses	(a)	-101,338	-102,610	-119,389
Sales and marketing expenses	(b)	-116,240	-112,329	-142,517
General and administration expenses	(c)	-47,858	-50,362	-57,632
Indirect costs		**-265,437**	**-265,300**	**-319,538**
Other operating income (expenses) - net	(d)	-2,676	-8,302	280
Indirect costs and other operating income (expenses) - net		**-268,112**	**-273,603**	**-319,258**

Indirect costs in 2021 are in line with 2020, a result of extending cost containment measures while sustaining investments in strategic projects.

Other operating expense, net in 2021 amounts to 2.7 million euro, which is 5.9 million euro lower than in 2020, as a result of 1.4 million euro lower bad debt and other provisions needed, 3 million lower exchange losses and 1.9 million euro gain realized on the sale of a building in Germany (see (d)).

In 2020, indirect costs are significantly lower 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.

Both in 2021 and 2020, the negative impact on the company's topline versus 2019 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 versus 2019, are still higher than the 2019 level: 33% of sales in 2021 and 34.5% of sales in 2020 compared to 29.5 % of sales in 2019.

(a) Research and development expenses

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

In thousands of euro	2021	% of sales	2020	% of sales	2019	% of sales
Entertainment	38,587	12%	40,533	14%	49,398	11%
Enterprise	32,197	14%	30,582	14%	42,137	12%
Healthcare	30,554	12%	31,495	12%	27,853	10%
Total research & development expenses	**101,338**		**102,610**		**119,389**	

In 2021 research and development expenses represent 12.6% of sales in 2021 (13.3% in 2020; 11.0% in 2019). The lower absolute level of research and development expenses compared to 2019 is the result of continued cost containment measures taken as response to the covid crisis. The Company, however, continues investments in its product roadmap to sustain and extend the Company's technology leadership position.

Only the cost related to research and development is considered material and therefore included in EU taxonomy eligible OpEx. We refer to note on EU taxonomy on p. 60 of PPC report for the EU taxonomy eligible opex in 2021.

(b) Sales and marketing expenses

In thousands of euro	2021	% of sales	2020	% of sales	2019	% of sales
Sales and marketing expenses	**116,240**	**14.5%**	**112,329**	**14.6%**	**142,517**	**13.2%**

Sales and marketing expenses include all indirect costs related to the sales organization which are not billed as part of a product or service to the customer as well as the costs related to regional or divisional marketing activities. Sales and marketing expenses in 2021 are almost 4 million euro higher than 2020, as a result of selective commercial investments to defend and extend the Company's market position. Compared to 2019 this is an absolute decrease, but relative increase, explained by the impact of the covid-19 pandemic on the company's sales and related cost measures taken.

(c) General and administration expenses

In thousands of euro	2021	% of sales	2020	% of sales	2019	% of sales
General and administration expenses	47,858	6.0%	50,362	6.5%	57,632	5.3%

General and administration expenses include the costs related to information technology, finance, general and divisional management, human resources, legal and investor relations.

Expenses in 2021 and 2020 have decreased with almost 10 million euro compared to 2019, as a result of the covid-19 related measures taken (including no bonus) and the execution of the 2018 restructuring plan (full year impact as of 2020). The relative increase in general and administration expenses compared to 2019 is the result of the decrease in topline (compared to 2019) exceeding the impact of the cost measures taken.

Steady investments in IT systems over the past years have led to IT costs (including amortizations on SAP ERP system) representing the major part of G&A expenses (2021: 47%, 2020: 45%, 2019: 40%).

(d) Other operating income (expense) – net

In thousands of euro		2021	2020	2019
Share in the result of BarcoCFG	(a)	3,028	3,507	6,296
Bad debt provisions (net of write-offs and reversals of write-offs)	(b)	448	-1,697	103
Cost of share-based payments		-3,067	-2,907	-2,147
Exchange gains and losses (net)		-63	-3,109	-3,319
Other provisions (net of additions and reversals of provisions)	(c)	-1,059	-4,609	502
Bank charges		-778	-902	-759
Customer financial discounts		-571	-628	-773
Gains/(Loss) on disposal of tangible fixed assets		1,824	14	1,349
Other (net)		-2,438	2,029	-972
Other operating income (expense)		**-2,676**	**-8,302**	**280**

(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 2021 and 2020 lower than in 2019.

(b) For the year ended December 31, 2021, the Company could reverse part of the provision for current expected credit losses (2021: + 0.4 million euro profit) reflecting a lower credit risk of its customers related accounts receivable compared to the same period last year. The extra provision recorded in 2020 (1.5 million euro) reflected 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

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	2021		2020		2019		Variance 2021-2020	Variance 2020-2019
Sales	804,288		770,083		1,082,570		4%	-29%
Material cost	-430,858	-54%	-393,761	-51%	-530,733	-49%	9%	-26%
Services and other costs	-70,942	-9%	-79,065	-10%	-111,772	-10%	-10%	-29%
Personnel cost (a)	-241,303	-30%	-235,392	-31%	-287,323	-27%	3%	-18%
Depreciation property, plant, equipment and software	-39,136	-5%	-43,383	-6%	-42,984	-4%	-10%	1%
Other operating income (expense) - net (note 3)	-2,676	0%	-8,302	-1%	280	0%		
Adjusted EBIT	**19,373**	**2%**	**10,180**	**1%**	**110,038**	**10%**	**90%**	**-91%**

Material costs in 2021 increased as percentage of sales compared to previous years, impacted by higher component prices linked to supply shortages.

Personnel cost in 2021 is 5.9 million euro higher than 2020, but still 46 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 as of 2020 for both white and blue collars, in conformity with country specific legal frameworks, support mechanisms and regulations.
The increase compared to 2020 can be explained by reduced unemployment measures, lower wage subsidies received and merits (see 'Remuneration report for financial year 2021' in corporate governance chapter). The Company was able to apply for wage grants under the enacted covid-19 relief legislation in APAC and Canada for 0.2 million euro (2020: 3.4 million euro, then also including Cinionic US).

As of 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 and adjusted internal and external support levels in function of the focus shift. This has resulted in 8 million euro (2020: 32.7 million euro) lower services and other costs.

a) Personnel cost

In thousands of euro	2021	2020	2019
Wages and salaries	-194,851	-189,654	-231,990
Social security contributions	-26,642	-25,494	-28,829
Pension expense for defined benefit plans	-12,554	-13,339	-14,643
Temporary labour	-1,661	-2,388	-5,318
Recruiting expenses	-1,294	-1,552	-3,231
Other personnel cost	-4,301	-2,966	-3,312
Personnel cost	**-241,303**	**-235,392**	**-287,323**

Personnel cost includes the cost for temporary personnel for an amount of 1.7 million euro (in 2020: 2.4 million euro, in 2019: 5.3 million euro).

The average number of fulltime equivalents can be split as follows:

In thousands of euro	2021	2020	2019
Barco NV (parent company)	1,199	1,282	1,190
Other subsidiaries	1,941	2,237	2,400
Total average number of full time equivalents	**3,140**	**3,519**	**3,590**

Average number of employees in 2021 was 3,140 (versus 3,519 in 2020; 3,590 in 2019), including 2,555 white-collars (in 2020: 2,738, in 2019: 2,688) and 585 blue-collars (in 2020: 781, in 2019: 902).

Full time equivalents at year end 2021 amount to 3,133 (versus 3,317 end of 2020; 3,646 end of 2019), including 2,568 white collars (2020: 2,671, in 2019: 2,728) and 565 blue collars (in 2020: 646, in 2019: 918).

In 2020, 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. In 2021 temporary measures were extended for a limited period, during the first half year only in conformity with country specific legal frameworks and more structural measures were taken. As of the second half of the year, the Company noted an increased number of voluntary leavers, though there is a lagging effect on the replacements of those positions. This explains the low number of full time equivalents at year-end, while the personnel costs were still higher than in 2020.

5. Restructuring and impairment costs

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

In thousands of euro	Note	2021	2020
Restructuring (cash):	19	-4,920	-7,171
Non-cash:		-1,500	-7,342
Total restructuring and impairments		-6,420	-14,513

Restructuring costs include cash costs (mainly lay-off costs) (2021: 4.9 million euro, 2020: 7.2 million euro and non-cash impairment costs (2021: 1.5 million euro, 2020: 7.3 million euro).

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

Restructuring cash costs include a provision for severance of 0.5 million euro per 31 December 2021 (see note 19. Provisions), expected to be paid in 2022. In 2021, 8.2 million euro of restructuring was paid.

Restructuring costs in 2020 relate to the closure of the Taiwanese Unisee LCM (Liquid Crystal Module) production factory and to reorganizations in the Entertainment and Enterprise divisions, caused by the economic impact of the pandemic on our markets, with the purpose to adjust cost levels to the lower topline but also with the aim to have the right focus and structure in place after the global crisis. All 412 people impacted were 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) paid in 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-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) 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.

6. Income taxes

In thousands of euro	Note	2021	2020	2019
Current versus deferred income taxes				
Current income taxes		-5,333	-6,886	-12,394
Deferred income taxes	10	3,201	6,886	-8,454
Income taxes		-2,132	-	-20,848
Income taxes versus income before taxes				
EBIT		12,953	-4,332	110,038
Interest income (expense) - net		-1,110	-121	5,782
Income before taxes		11,843	-4,453	115,820
Income taxes		**-2,132**	**-**	**-20,848**
Effective income tax rate	%	18.0%	-	18.0%
Income before taxes		11,843	-4,453	115,820
Theoretical tax rate		25%	25%	30%
Theoretical tax credit/(cost)		**-2,961**	**1,113**	**-34,260**
Innovation income deduction (IID)		5,224	5,302	7,398
Effect of different tax rates in non-Belgian affiliates		546	968	4,772
Changes in deferred tax on undistributed earnings	(a)			-2,100
Uncertain tax treatment	(b)	280	1,840	1,260
Income not taxed				
Other income exempt from tax (mainly government grants)		1,706	2,141	2,086
Non deductible expenses				
Dividends received	(c)	-319	-4,265	-3,595
Other non-deductible expenses		-2,038	-2,042	-2,440
Effect of change in expected tax rate on deferred taxes				291
Tax adjustments related to prior periods		-165	1,029	2,155
Deferred tax assets, derecognized in current year	(d)	-9,377	-6,895	-102
Set-up/use of deferred tax assets, not recognized in prior years		533	809	3,688
Realized capital loss on investment in affiliates	(e)	4,439		
Taxes related to current income before taxes		**-2,132**	**-**	**-20,848**

(a) Deferred tax recognized on undistributed earnings of subsidiaries which are expected to be distributed in the foreseeable future.
(b) Tax positions taken in the financial statements and in the tax filings and how these are supported, as well as how the taxation authorities might make their examinations and how issues that might arise from examinations could be resolved, are reviewed. Based on this assessment, a deferred tax liability is determined in line with IFRIC 23. A reversal on the deferred tax liability is taken when the uncertain tax position is no longer in place as a result of an occurred tax examination or expiration of the examination period.
(c) Includes withholding taxes on dividends received and tax impact of intragroup dividends that did not enjoy a dividend received exemption regime to their full extent.
(d) Deferred tax assets not recognized on tax losses/credits or tax losses/credits carried forward when assessment shows it is not probable that these tax benefits can be utilized in the near future, mainly in Barco NV (Belgium). We refer to note 10. In 2020, this also related to an impairment on the deferred tax assets set up in relation to tax losses carried forward in Barco Taiwan Technology Ltd., linked to the decision to close the factory and liquidate the legal entity.
(e) Capital loss incurred on the liquidation of Barco Taiwan Technology Ltd.

7. Earnings per share

In thousands of euro		2021	2020	2019
Net income/(loss) attributable to the equity holder of the parent		8,881	-4,393	95,363
Weighted average of shares		88,984,041	88,265,478	87,836,593
Basic earnings per share		**0.10**	**-0.05**	**1.09**
Net income/(loss) attributable to the equity holder of the parent		8,881	-4,393	95,363
Weighted average of shares (diluted)		89,185,100	88,693,611	88,859,469
Diluted earnings per share	(a)	**0.10**	**-0.05**	**1.07**

(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 is 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 are for comparison reasons recalculated for the new number of shares.

8. Goodwill

In thousands of euro	2021	2020	2019
At cost	179,775	179,775	179,775
Impairment	74,163	74,163	74,163
Net book value	105,612	105,612	105,612

There are no changes to goodwill in 2019, 2020 and 2021 and the impairment tests on goodwill in the 3 years 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 2021 and again per 31 December 2021.
The test was performed on a cash-generating unit level by comparing each unit's carrying value, including goodwill, to its value-in-use.

The value-in-use of each reporting unit was assessed using a discounted cash flow model based on management's revised budget on division level for the year and estimated long-term projections covering a five-year period. Consistently with its yearly impairment test, the Company adjusts the divisional management cash flow projections for future years to more conservative levels in view of the level of uncertainty. An appropriate level of conservatism compared to previous reporting periods was applied, in 2021 and 2020, 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 unit which is 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	2021-2019
Entertainment	35,564
Enterprise	41,785
Healthcare	28,263
Total goodwill (net book value)	105,612

The allocation remained the same over 2021, 2020 and 2019. The Group performed its annual impairment test in the fourth quarter of 2021 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 2021, 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 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% (2020: 8.7%, 2019: 6.5%) and cash flows beyond the five-year period are extrapolated using a conservative growth rate of 0% (2020: 0%, 2019: 0%).

The amount by which the unit's recoverable amount exceeds its carrying amount is 42 million euro in Entertainment (27 million euro in 2020), 97 million euro in Enterprise (214 million euro in 2020) and 142 million euro (179 million euro in 2020) in Healthcare.

Healthcare and Enterprise remain to have substantial headroom. The drop in 2021 versus 2020 is the result of the level of conservatism applied in the EBITDA % (average of the last 3 years), which includes one extra covid impacted year.
In Entertainment the headroom remains at a lower level than the other two divisions, however improved versus last year. The lower level is explained by the higher impact of covid on the Entertainment markets and the level of conservatism applied, assuming no sales growth starting from 2021 sales level.

In all three years, the carrying amounts include the impact of the right-of-use assets resulting from the application of IFRS 16.

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

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

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

Key assumptions used in value-in-use calculations

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

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

The assumptions are shown in below table:

	Entertainment	Enterprise	Healthcare
Sales growth rate used during the projection period	0.0%	0.0%	0.0%
EBITDA as % of sales	5.2%	12.3%	11.7%
Growth rate estimates	0.0%	0.0%	0.0%
Discount rate	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 (8.2%) as of 2023.

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

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

Sensitivity to changes in assumptions

Per 31 December 2021, 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%, 6% and 7% would result in an impairment.

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

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

9. Other intangible and tangible fixed assets

9.1 Other intangible assets

In thousands of euro						2021	2020	2019
	Software	Customer Relations	Know how	Other Intangible Assets	Other Intangible assets under construction	Total	Total	Total
At cost								
On 1 January	65,323	14,420	44,597	10,020	247	134,608	157,250	143,696
Expenditure	1,231	-	-	-	-	1,230	1,951	3,122
Sales and disposals	-3,138	-	-	-175	-	-3,312	-8,064	-929
Acquisition of subsidiaries	-	-	-	-	-	-	-	8,900
Transfers	247	-	-	-	-247	-	-	-
Translation (losses)/gains	98	703	3,189	61	-	4,052	-16,529	2,461
On 31 December	**63,761**	**15,124**	**47,786**	**9,907**	**-**	**136,578**	**134,608**	**157,250**
Amortizations and impairment								
On 1 January	44,303	14,420	37,206	9,726	-	105,655	112,781	96,299
Amortization	7,432	-	5,639	24	-	13,095	13,388	15,523
Impairment	-	-	-	-	-	-	3,500	-
Sales and disposals	-3,137	-	-	-175	-	-3,312	-7,953	-670
Transfers	-	-	-6	6	-	-	-	-
Translation (losses)/gains	111	703	2,864	35	-	3,713	-16,061	1,629
On 31 December	**48,709**	**15,124**	**45,702**	**9,616**	**-**	**119,151**	**105,655**	**112,781**
Carrying amount								
On 1 January	**21,020**	**-**	**7,391**	**295**	**247**	**28,952**	**44,469**	**47,397**
On 31 December	**15,053**	**-**	**2,084**	**290**	**-**	**17,427**	**28,952**	**44,469**

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

In 2021, capital expenditures for intangible assets amount to 1.2 million euro (2020: 2 million euro, 2019: 3.1 million euro), mainly related to new customer relationship management (CRM) software. Expenditures in 2020 and 2019 were mainly related to SAP ERP software licenses.

Disposals in 2021 and 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 at acquisition date.

In 2020 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 in 2020.

The Group performed its annual impairment review on acquired intangibles in the fourth quarter of 2021 consistently with prior years. Special attention was paid to the potential impact of covid-19. The test concluded no impairments.

Barco does not hold intangible assets with indefinite lifetime.

9.2. Tangible fixed assets

In thousands of euro							2021	2020	2019
	Land and buildings	Plant, machinery and equipment	Furniture, office equipment and vehicles	Other property, plant and equipment	Assets under construction	Total Other tangible assets	Total	Total	Total
At cost									
On 1 January	124,524	79,485	44,784	12,366	5,945	142,580	267,104	276,862	240,011
Expenditure*	9,359	1,617	4,562	88	11,414	17,681	27,040	26,513	21,745
Sales and disposals	-5,156	-2,844	-8,211	-403	-	-11,458	-16,614	-29,847	-19,854
Change in accounting principle (IFRS 16)	-	-	-	-	-	-	-	-	33,438
Transfers	5,643	7,924	290	18	-13,875	-5,643	-	-	-
Translation (losses)/gains	3,785	1,382	793	517	310	3,001	6,786	-6,423	1,522
On 31 December	**138,155**	**87,564**	**42,217**	**12,586**	**3,794**	**146,162**	**284,317**	**267,104**	**276,861**
Depreciation and impairment									
On 1 January	50,304	52,686	31,763	8,877	-	93,326	143,630	141,393	131,231
Depreciation	11,971	7,066	5,865	1,140	-	14,070	26,041	26,495	27,466
Impairment	-	-	-	-	-	-	-	5,757	-
Sales and disposals	-4,556	-2,774	-8,060	-397	-	-11,231	-15,787	-26,346	-18,048
Transfers	-	46	50	-96	-	-	-	-	-
Translation (losses)/gains	1,834	826	568	317	-	1,711	3,546	-3,669	743
On 31 December	**59,553**	**57,850**	**30,187**	**9,840**	**-**	**97,877**	**157,430**	**143,630**	**141,393**
Carrying amount									
On 1 January	**74,220**	**26,799**	**13,020**	**3,490**	**5,945**	**49,254**	**123,474**	**135,469**	**108,780**
On 31 December	**78,602**	**29,714**	**12,031**	**2,746**	**3,794**	**48,285**	**126,886**	**123,473**	**135,467**

(*) Expenditures in 2020 and 2021 also include the additions for IFRS 16.

Capital expenditures for tangible assets in 2021, excluding the impact of IFRS 16, amount to 16.3 million euro. Major investments in 2021 concern the new factory in China, Suzhou, both facility and production related (2021: 8 million euro; 2020: 3.3 million euro). Other facility related capex in 2020 relate to the software lab in Noida (1.9 million euro) and heating, ventilation and airco investments in the Kortrijk and Duluth facilities (1.1 million euro). Facility related capex in 2019 was mainly in the Taiwan factory (2019: 4.1 million euro).
In addition, capital expenditures include machinery and tooling linked to new development projects (2021: 2.5 million euro; 2020: 3.6 million euro; 2019: 1.5 million euro) and IT hardware equipment (2021: 2.4 million euro; 2020: 1.6 million euro; 2019: 2.5 million euro).

The main tangible fixed assets on the balance sheet, realized in the period 2015 – 2019, relate to the headquarters of Barco and the extended operations facility for 50 million euro.

The total amount of capital expenditure, excluding the impact of leased buildings, amounting to 18 million euro in 2021 equals the EU taxonomy eligible CapEx as the total amount of CapEX relates solely to assets or processes associated with Barco economic activities defined in section "Taxonomy-eligible". We refer to note on EU taxonomy on p. 60 PPC report.

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

Disposals in 2020 mainly relate to the closure of the Taiwan factory, together with old machinery. 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.

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.

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.

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			2021	2020	2019
	Buildings	Vehicles	Total	Total	Total
On 1 January	**29,607**	**9,406**	**39,013**	**37,965**	**33,438**
New leases or extensions of current leases	9,046	1,655	10,702	11,000	4,647
Termination of leases	-2,716	-1,687	-4,403	-8,290	-165
Translation (losses)/gains	1,597	14	1,611	-1,663	44
On 31 December	**37,534**	**9,387**	**46,922**	**39,013**	**37,965**
Depreciation and impairment					
On 1 January	**-10,790**	**-3,625**	**-14,415**	**-9,948**	**-**
Depreciation	-7,591	-2,433	-10,023	-10,334	-9,983
Termination of leases	2,328	1,628	3,956	5,372	50
Translation (losses)/gains	-627	-9	-636	495	-15
On 31 December	**-16,680**	**-4,439**	**-21,119**	**-14,415**	**-9,948**
Right-of-use assets					
On 1 January	**18,817**	**5,781**	**24,598**	**28,017**	**33,438**
On 31 December	**20,855**	**4,949**	**25,803**	**24,598**	**28,017**

Additions to the right-of-use assets during 2021 were 10.7 million euro (2020: 11 million euro; 2019: 4.4 million euro) split over leased buildings (2021: 9 million euro; 2020: 7.6 million euro) and leased vehicles (2021: 1.7 million euro; 2020: 3.4 million euro). The additions are both renewals of existing lease agreements as well as new lease agreements in China, Taiwan and US over a lease period of respectively 2 years, 3 years and 4 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 2021	31 DEC 2020	31 DEC 2019
Buildings	-7,591	-7,944	-7,702
Vehicles	-2,433	-2,390	-2,281
Total depreciation charge of right-of-use assets	**-10,023**	**-10,334**	**-9,983**
Interest expense (included in finance cost)	-1,066	-1,000	-1,085
Expense relating to short-term leases	-17	-41	-509
Expense relating to leases of low-value assets that are not shown above as short-term leases	-24	-26	-23

The total cash outflow for leases in 2021 was 9.7 million euro
(2020: 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:

	Assets			Liabilities			Net asset/(liability)		
In thousands of euro	2021	2020	2019	2021	2020	2020	2021	2020	2019
Tax value of loss carry forwards	20,109	22,854	22,622	-	-	-	20,109	22,854	22,622
Tax value of tax credits	16,678	13,616	11,505	-	-	-	16,678	13,616	11,505
Provisions	8,477	12,197	14,689	-32	-142	-	8,445	12,054	14,689
Inventory	8,573	9,133	10,247	-34	-	-353	8,539	9,133	9,894
Deferred revenue	9,961	5,082	3,825	-	-442	-979	9,961	4,640	2,845
Tangible fixed assets and software	2,031	1,734	1,766	-678	-925	-960	1,353	809	806
Employee benefits	1,024	843	1,207	88	-525	-1,000	1,112	318	207
Trade debtors	362	407	401	-	-	-	362	407	401
Other investments	319	797	558	-	-	-	319	797	558
Uncertain tax positions (IFRIC 23)	-	-	-	-3,120	-3,400	-5,240	-3,120	-3,400	-5,240
Patents, licenses, ...	-	-	-	-3,792	-3,688	-4,013	-3,792	-3,688	-4,013
Other items	435	589	-1,561	-68	-64	-173	367	525	-1,734
Gross tax assets/(liabilities)	**67,969**	**67,253**	**65,260**	**-7,636**	**-9,187**	**-12,719**	**60,333**	**58,066**	**52,541**
Offset of tax	-3,814	-4,441	-5,143	3,814	4,441	5,143	-	-	-
Net tax assets/(liabilities)	**64,155**	**62,811**	**60,116**	**-3,822**	**-4,745**	**-7,575**	**60,333**	**58,066**	**52,541**

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

In thousands of euro	As at 1 January 2021	Recognized through income statement	Recognized through OCI	Exchange gains and losses	As at 31 December 2021
Tax value of loss carry forwards	22,854	-2,860	-	115	20,109
Tax value of tax credits	13,616	3,040	-	23	16,678
Provisions	12,054	-1,353	-2,500	244	8,445
Inventory	9,133	-1,153	-	558	8,539
Deferred revenue	4,640	4,726	-	595	9,961
Tangible fixed assets and software	809	454	-	90	1,353
Employee benefits	318	767	-	27	1,112
Trade debtors	407	-71	-	26	362
Other investments	797	-516	-	38	319
Uncertain tax positions (IFRIC 23)	-3,400	280	-	-	-3,120
Patents, licenses, ...	-3,688	55	-	-159	-3,792
Other items	525	-167	-	9	367
Net deferred tax	**58,066**	**3,201**	**-2,500**	**1,566**	**60,333**

On top of the tax losses and tax credits for which a net deferred tax is recognized (net deferred tax asset of respectively 20.1 million euro and 16.7 million euro), the Group owns tax losses carried forward and other temporary differences on which no deferred tax asset is recognized amounting to 80 million euro as of 31 December 2021 (42 million euro in 2020) (resulting in a non-recognized deferred tax asset of 20.8 million euro (11.5 million euro in 2020)) and unutilized capital losses carried forward in the US on which no deferred tax asset is recognized amounting to 4.4 million euro (30.5 million euro in 2020) (resulting in a non-recognized deferred tax asset of 1.1 million euro (7.4 million euro in 2020)). 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 US capital losses carried forward which will expire in 2023.

Deferred tax assets recognized primarily relate to the tax value of loss carry forwards, dividend received exemption carry forwards and other 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 foreseeable tax events in making this assessment. In 2020 and 2021, the covid-19 impact on future taxable profit was factored in in the realization assessment. A time period of 5 years is considered. In order to fully realize the deferred tax asset, the Group will need to generate future taxable profit in the countries where the net operating losses 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 2021, it is probable that the Group will be able to utilize these deferred tax assets.

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 504 million euro at December 31, 2021 (2020: 478 million euro, 2019: 491 million euro).

11. Investments and interest in associates

In thousands of euro		2021	2020	2019
Investments	(a)	47,135	87,228	23,215
Interest in associates	(b)	20,872	19,713	20,073
Investments and interest in associates		**68,008**	**106,942**	**43,288**

(a) Investments

In thousands of euro	2021	2020	2019
Opening net assets 1 January	87,228	23,215	178
Additions	-	52,273	21,185
Divestments	-54,993	-	-
Other comprehensive income	9,945	18,331	1,852
Translation gains/(losses)	4,955	-6,591	-
Closing net assets 31 December	**47,135**	**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.

The decrease in investments from 2020 to 2021 is related to a sold minority stake, below regulatory threshold levels. The sale resulted in 55 million euro cash-in in 2021, reflected in the line 'other investing activities' in the cash flow statement and 25.2 million euro gain realized since the moment of acquisition, which was over the periods until divestment reflected in other comprehensive income reserve. The investments are measured at market price. For investments that are publicly quoted in an active market, the quoted market price is the best measure of fair value (level 1). The remeasurement at fair value per 31 December 2021 versus the carrying amount, amounted to 9.9 million euro, including the gain realized on the divested minority stake and is reflected in other comprehensive income. The increase in investments from 2019 to 2020 is related to acquired minority stakes, below regulatory disclosure threshold levels. 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).

(b) Interest in associates

Interest in associates, in 2021 - 2019, reflects the equity investment in BarcoCFG and CCO Barco Airport Venture.

The Group's share of the assets and liabilities as at 31 December 2021 and 2020 and income and expenses of the joint ventures and associates for the year ended 31 December 2021 and 2020, which are accounted for using the equity method:

Summarized balance sheet In thousands of euro	Barco CFG 31-DEC-21	CCO 31-DEC-21	Total 31-DEC-21	Barco CFG 31-DEC-20	CCO 31-DEC-20	Total 31-DEC-20
Cash and cash equivalents	38,822	21,355	60,177	21,441	18,423	39,864
Other current assets	45,535	9,303	54,838	52,472	3,335	55,807
Total current assets	**84,356**	**30,659**	**115,015**	**73,913**	**21,758**	**95,671**
Non-current assets	**8,962**	**8,257**	**17,219**	**7,943**	**10,535**	**18,479**
Other current liabilities	70,225	11,610	81,835	59,532	7,217	66,749
Total current liabilities	**70,225**	**11,610**	**81,835**	**59,532**	**7,217**	**66,749**
Other non-current liabilities	-	1	1	-	7	7
Total non-current liabilities	**-**	**1**	**1**	**-**	**7**	**7**
Net assets	**23,093**	**27,305**	**50,398**	**22,324**	**25,070**	**47,394**
Reconciliation to carrying amounts:						
Opening net assets 1 January	22,324	25,070	47,394	20,831	28,187	49,018
Profit/(loss) for the period	6,180	137	6,316	7,156	-788	6,369
Other comprehensive income (CTA)	2,466	2,098	4,564	-578	-2,329	-2,908
Dividends paid	-7,876	-	-7,876	-5,085	-	-5,085
Closing net assets	23,093	27,305	50,398	22,324	25,070	47,394
Group's share in %	49%	35%		49%	35%	
Group's share	11,316	9,557	20,872	10,939	8,775	19,713
Carrying amount	11,316	9,557	20,872	10,939	8,775	19,713

Summarized statement of comprehensive income In thousands of euro		Barco CFG 31-DEC-21	CCO 31-DEC-21	Total 31-DEC-21	Barco CFG 31-DEC-20	CCO 31-DEC-20	Total 31-DEC-20
Profit/(loss) for the period		6,180	137	6,316	7,156	-788	6,369
Other comprehensive income (CTA)		2,466	2,098	4,564	-578	-2,329	-2,908
Total comprehensive income		8,646	2,234	10,880	6,578	-3,117	3,461
Group's share in %		49%	35%		49%	35%	
Group's share in profit/(loss) for the period		3,028	48	3,076	3,507	-276	3,231
Share in the result of joint ventures and associates			48	48		-276	-276
Included in other operating income	3d	3,028		3,028	3,507		3,507

The Group has no contingent liabilities or capital commitments in relation to its associates as at 31 December 2021, 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	2021	2020	2019
Raw materials and consumables	90,139	68,053	68,868
Work in progress	64,384	57,972	61,560
Finished goods	92,931	122,408	112,871
Write-off on inventories	-71,957	-73,043	-74,316
Inventory	**175,496**	**175,390**	**168,983**
Inventory turns	2.4	2.3	3.2

In 2021, as a result of the higher sales volume in the fourth quarter (+29% yoy), finished goods inventory has decreased significantly compared to 2020, which was offset by increased raw materials inventory, caused by the emerging supply constraints in the second semester. The supply scarcity has resulted in an acceleration of the Company's raw material purchases and higher raw material prices (see note 18). Total inventory and inventory turns remained stable compared to last year.

In 2020, as a result of the covid pandemic crisis, 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. While the Company decelerated significantly on its purchases (see note 18), the combination of these impacts 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.

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.

In thousands of euro	2021	Turns	2020	Turns	2019	Turns
Entertainment	92,484	2.0	96,429	1.8	95,354	2.9
Enterprise	27,404	3.4	33,863	2.6	34,419	3.7
Healthcare	55,609	2.6	45,098	3.1	39,211	3.6
Total inventory and turns	**175,496**	**2.4**	**175,390**	**2.3**	**168,983**	**3.2**

Raw materials inventory increased in all three divisions as a result of accelerated purchases in view of component shortages. In Entertainment and Enterprise the increase in raw materials inventory was offset by a higher decrease in finished goods inventory, thanks to higher fourth quarter sales than in 2020. In Healthcare raw material inventory has increased more than in the other divisions, as, next to the impact of component shortages, the Company has purchased raw materials upfront under the form of a last-time-buy order for components for which the supplier decided to stop the production.

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, which were both impacted by the covid-19 pandemic in 2020 and resulted in higher write-offs recognized as expense (11.6 million euro, 1.5% of sales). In 2021 write-offs recognized as expense (5.3 million euro, 0.7% of sales) are lower than in 2020, thanks to sold and re-used written-off inventory, triggered by component shortages. The write-off balance decreased in 2021 as the lower write-offs in profit and loss are partly offset by scrapped inventories.

13. Amounts receivable and other non-current assets

In thousands of euro		2021	2020	2019
Trade debtors - gross		160,930	150,452	198,232
Trade debtors - bad debt reserve	(a)	-3,954	-4,314	-2,874
Trade debtors - net	**(b)**	**156,977**	**146,138**	**195,358**
V.A.T. Receivable		6,418	5,358	8,574
Taxes receivable		6,083	5,744	3,266
Interest receivable		4	24	1,860
Currency rate swap (note 20)		1,055	5,345	5,879
Other		2,650	1,319	6,090
Other amounts receivable		**16,211**	**17,789**	**25,669**
Other non-current assets	**(c)**	**6,849**	**5,870**	**4,018**
Number of days sales outstanding (DSO)		56	67	55

Per 31 December 2021, the number of days sales outstanding decreased to 56 days (67 days in 2020 and 55 in 2019) back at pre-covid levels thanks to focused overdue collection and customers (mainly in cinema) honoring the agreed payment plans.

The increase in number of days sales outstanding in 2020 was 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, 2021, the Company could reverse part of the provision for current expected credit losses (2021: + 0.4 million euro profit) reflecting a lower credit risk of its customers related accounts receivable compared to the same period last year. The extra provision recorded in 2020 (1.5 million euro) reflected 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 decreased to 2.5% (2020: 2.9%, 2019: 1.4%).

(a) Movement in bad debt reserve:

In thousands of euro	2021	2020	2019
On 1 January	**-4,314**	**-2,874**	**-3,413**
Additional provisions	-797	-2,341	-720
Amounts used	444	100	332
Amounts unused	833	645	972
Translation (losses) / gains	-120	156	-45
On 31 December	**-3,954**	**-4,314**	**-2,874**

(b) At 31 December 2021 the ageing analysis of trade debtors is as follows:

In thousands of euro	2021	2020	2019
Not due	138,188	111,020	168,432
Overdue less than 30 days	10,377	12,282	15,654
Overdue between 30 and 90 days	6,620	6,246	9,220
Overdue between 90 days and 180 days	1,746	12,899	2,904
Overdue more than 180 days	4,000	8,005	2,022
Total gross	**160,930**	**150,452**	**198,232**
Bad debt reserve	-3,954	-4,314	-2,874
Total	**156,977**	**146,138**	**195,358**

In 2021, total overdue trade receivables amount to 22.7 million euro (2020: 39.4 million euro, 2019: 29.8 million euro), resulting in 9 days overdue DSO (2020: 19 days, 2019: 9 days), back to pre-covid levels.

The increase in overdue amounts and long outstanding overdues in 2020 was mainly from the Company's cinema customers. The Company was able to reach extended payment plans, which were honored by the major part of its customers in 2021, resulting in a decrease of the Company's overdues. The Company has a credit insurance in place for specific higher risk cinema contracts and for cinema customers with overdues. During 2021, the Company did not need to exercise its rights under the insurance as the customers, for which the credit insurance is in place, paid timely.

Part of the overdue amounts are linked to service contracts, for which payments are delayed or service period was extended, mainly in 2020, 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. In 2021, as the situation more stabilized, bad debt reserve is back at 99% (vs 2020: 54% 2019: 142%)

(c) Other non-current assets

The other non-current assets include mainly cash guarantees for an amount of 5.6 million euro (2020: 5 million euro, 2019: 3 million euro).

14. Net financial cash/debt

In thousands of euro		2021	2020	2019
Short term investments	**(a)**	**2,763**	**3,175**	**24,748**
Deposits	(a)	197,039	79,911	176,438
Cash at bank	(b)	154,453	155,426	180,532
Cash in hand		79	65	65
Cash and cash equivalents		**351,571**	**235,402**	**357,035**
Long-term financial receivables				277
Long-term debts	(c)	-34,366	-35,854	-40,225
Current portion of long-term debts	(c)	-10,218	-9,187	-12,469
Short-term debts		-	-86	-
Net financial cash / (debt)		**309,750**	**193,450**	**329,366**

At the end of December 2021, Barco's net cash position reaches 309.8 million euro, 116 million euro higher compared to last year (2020: 193.5 million euro, 2019: 329.4 million euro), a result of the positive free cash flow (78 million euro), sold investments (55 million euro), dividends paid out (-21 million euro), share buy back program (-11 million euro) and use of own shares for stock options (8 million euro). We refer to the supplementary statements, note 16 and note 11 for more explanation.

Of the total net financial cash, 352 million euro is cash on the balance sheet. Additional financial flexibility is provided with 82 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 10 million euro near-term maturities.

The direct available net cash, excluding the cash contributed by Barco and the minority shareholders in Cinionic (111.3 million euro)) amounts to 198.5 million euro.

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.

(a) Short term investments & 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	2021	Average interest rate	2020	Average interest rate	2019	Average interest rate
deposits in USD	141,324	0.09%	71,839	0.70%	120,666	1.73%
deposits in CNY	9,368	2.11%	6,232	1.88%	53,622	4.06%
deposits in INR	2,763	4.10%	3,175	3.61%	24,309	7.48%
deposits in HKD	45,057	0.27%	-		-	
deposits in other currencies	1,291		1,839		2,589	
Total short term investments and deposits	**199,802**		**83,086**		**201,186**	

The larger deposit amounts in USD and HKD in 2021 are held in the according home currency of the entities or hedged, avoiding FX impact in the profit & loss, and optimizing yield (by avoiding negative yields in EUR).

The decrease in foreign currency deposits in CNY and INR in 2020 compared to 2019, is a result of dividends 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:

	2021	2020	2019
EUR	54.4%	34.7%	41.4%
HKD	3.9%	28.8%	2.4%
CNY	8.5%	15.3%	30.7%
USD	19.2%	8.6%	12.7%
Others	14.1%	12.5%	12.7%

(c) Long-term financial debts:

The Barco Group has a total of 100.5 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 82.5 million euro, which are undrawn per end of December 2021. 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, for the financing of Barco's headquarters campus project. Drawings have a long-term tenor of 15 years following the end of the availability period (as of the end of 2015). An amount of 18 million euro is outstanding per 31.12.2021. 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:

	2021	2020	2019
EUR	28,078	31,348	35.366
USD	4,584	4,098	8.328
INR	3,446	4,162	1.381
Other	8,477	5,434	7.620
Total	**44,585**	**45,042**	**52.695**

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 2021	31 Dec 2020	31 Dec 2019
Real estate financing:				
- variable, swapped into fixed (EU)	Later than 2025	9,563	10,838	12,113
- variable (EU)	Later than 2025	8,438	9,163	9,888
- variable, swapped into fixed (US)	Later than 2025	-	-	888
Research Development Innovation (RDI) financing:				
- fixed, European Investment Bank	2020	-	-	1,500
Leasing (IFRS 16)		26,482	24,929	28,259
Other		103	113	47
Total long-term financial debts		**44,585**	**45,042**	**52,695**

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

Per 31 December 2021		Per 31 December 2020		Per 31 December 2019	
Payable in 2023	10,128	Payable in 2022	9,883	Payable in 2021	10,003
Payable in 2024	7,724	Payable in 2023	7,034	Payable in 2022	7,081
Payable in 2025	5,883	Payable in 2024	6,214	Payable in 2023	6,259
Payable in 2026	3,799	Payable in 2025	5,083	Payable in 2024	5,133
Later	9,679	Later	13,168	Later	15,468
Total long-term debts	**37,212**	**Total long-term debts**	**41,381**	**Total long-term debts**	**43,945**

The lease liabilities per 31 December are as follows:

In thousands of euro	2021	2020	2019
On 1 January	**24,929**	**28,259**	**33,438**
New leases or extensions of current leases	10,702	11,000	4,647
Payments or termination of leases	-10,159	-13,132	-9,855
Translation (losses)/gains	1,011	-1,199	28
Total lease liabilities on 31 December	**26,482**	**24,929**	**28,259**
Current	8,218	7,187	8,969
Non-current	18,264	17,742	19,290

15. Other long-term liabilities

In thousands of euro		2021	2020	2019
Other amounts payable		350	75	106
Accrued charges		-	3,058	5,146
Deferred Income	(a)	48,510	40,016	21,676
Prepayment customers LT		-	138	103
Other long-term liabilities		**48,860**	**43,286**	**27,031**

(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 2021 is mainly related to new long term service contracts mainly in cinema. The increase in 2020, was also 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 and 2021.

16. Equity attributable to equity holders of the parent

In thousands of euro	2021	2020	2019
Share capital	56,296	55,879	55,876
Share premium	161,091	147,003	146,524
Share-based payments	18,667	14,100	11,193
Acquired own shares	-31,435	-26,962	-29,334
Retained earnings	527,783	535,093	554,479
Cumulative translation adjustment	-37,906	-64,693	-37,522
Derivatives	-713	-1,111	-1,157
Equity attributable to equity holders of the parent	**693,783**	**659,309**	**700,060**

1. Share capital, share premium and own shares

The shareholders had in 2021 the choice between a dividend in cash or dividend in shares. The option to reinvest the gross dividend over 2020 has resulted in a share premium increase of 12,410 (000) euro and an increase of the statutory capital of 417 (000) euro.

As a result, the company's share capital amounts to 56.3 million euro on 31 December 2021, consisting of 92,170,255 fully paid shares.

In the Extraordinary General Meeting of 25 April 2019, Barco's shareholders authorized a share buyback. A first share buyback program for a period of 6 months, starting on 20 September, 2021 was announced on 16 September, 2021.
Barco acquired 600,000 own shares for a total amount of 11,186 (000) euro in 2021.
Further, Barco sold in total 727,350 own shares in 2021 upon the exercise of 727,350 stock options with a resulting decrease of the own shares of 6,714 ('000) euro and an increase in the share premium account of 1,676 ('000) euro.

The number of own shares acquired by Barco NV up to 31 December 2021 therefore decreased to 3,032,682 own shares (2020: 3,160,032; 2019: 3,376,646 own shares). The share based payments amount to 18.7 million euro at the end of 2021.

As a result of the share dividend and exercised stock-options the company's share premium account per 31 December 2021 amounts to 161 million euro.

2. Share-based payments

On 6 December 2021, 2 new option plans have been approved by the Board of Directors, through which maximum 912,800 stock options could be granted before 31 December 2021. Each stock option gives right to the acquisition of one (1) share. In 2021, 882,400 stock options have been granted to employees and management of the group based upon these option plans. On 31 December 2021, no options remained available for distribution under the 2021 stock option schemes.

Stock option plans

The total number of outstanding stock options on 31 December 2021 amounted to 2,783,141. The company's own shares will be used under the outstanding stock option plan to fulfill the commitment. During 2021, 727,350 stock options have been exercised (in 2020, 5,250 warrants and 216,614 stock options). These stock options may be exercised the earliest 3 years after the allocation date (i.e. the vesting period) over a period of maximum 10 years and during a couple of fixed periods over the year. Below is an overview given of the outstanding warrant and stock option plans:

Allocation date	End term	Exercise price (in euro)	Balance on 31 Dec 2020	Granted in 2021	Exercised in 2021	Cancelled in 2021	Expired in 2021	Balance on 31 Dec 2021
Stock options								
10/28/11	10/27/21	5.24	3,500	-	-700	-	-2,800	-
10/31/12	10/30/22	7.48	4,200	-	-	-	-	4,200
10/21/13	10/20/23	8.43	11,060	-	-	-	-	11,060
10/21/13	10/20/21	8.43	28,700	-	-11,550	-	-17,150	-
10/21/13[1]	10/20/21	8.71	23,100	-	-11,900	-	-11,200	-
10/23/14	10/22/24	7.86	20,300	-	-1,409	-	-	18,891
10/23/14	10/22/22	7.86	25,739	-	-175	-	-700	24,864
10/23/14[1]	10/22/22	7.91	20,503	-	-1,400	-2,653	-	16,450
10/22/15	10/21/25	8.16	16,450	-	-3,250	-	-	13,200
10/22/15	10/21/23	8.16	39,725	-	-1,925	-	-700	37,100
10/22/15[1]	10/21/23	8.26	28,350	-	-3,850	-3,850	-	20,650
10/24/16	10/23/26	10.40	411,110	-	-267,150	-	-	143,960
10/24/16	10/23/24	10.40	42,917	-	-707	-	-	42,210
10/24/16[1]	10/23/24	10.61	30,485	-	-4,384	-3,500	-	22,601
10/20/17	10/16/27	12.54	605,675	-	-391,100	-	-	214,575
10/20/17	10/16/25	12.54	72,850	-	-7,050	-	-	65,800
10/20/17[1]	10/16/25	12.67	152,250	-	-20,800	-3,500	-	127,950
10/23/18	10/22/28	14.40	417,900	-	-	-7,000	-	410,900
10/11/19	10/10/29	24.83	349,020	-		-25,690		323,330
10/29/20	10/28/30	12.76	424,000	-		-21,000		403,000
12/06/21	12/06/31	17.80		882,400				882,400
Total number of stock options			**2,727,834**	**882,400**	**-727,350**	**-67,193**	**-32,550**	**2,783,141**

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

The cost of these warrant/stock option plans is recognized over the vesting period on a straight line basis and 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 increased with 4.5 million euro to 18.7 million in 2021 (2020: 2.9 million euro; 2019: 2.1 million euro), 3 million euro is reflected in other operating income (see note 3 (d) and 1.5 million euro in restructuring, related to the remaining fair value of share options of the former leadership team, accounted for the moment they stopped providing services to the Company (see note 5. Restructuring and impairment costs).

3. Retained earnings

The change in retained earnings includes the net income of 2021, actuarial profits, 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 29 April 2021. The Board of Directors of Barco NV will propose a gross dividend of 0.4 euro per share out of the available reserves per 31 December 2021. In 2021 a gross dividend of 0.378 euro per share was granted on the results of 2020 for which the shareholders had the option to either receive cash or new shares of the company, 54.89% opted for shares instead of cash, resulting in actual pay-out of 20.6 million euro dividend in 2021. In 2020 0.378 euro per share was paid out.

4. Cumulative translation adjustment

In 2021, the exchange differences on translation of foreign operations have a net positive impact of 29 million euro, mainly relating to foreign balances held in Hong Kong Dollar (11.4 million euro), US Dollar (7.8 million euro), Chinese Yuan (6 million euro) and Indian Rupee (1.3 million euro).

5. Derivatives

Derivative financial instruments are disclosed in note 20.

6. Main shareholders

Before Dilution		
Public	61,400,524	66.62%
Titan Baratto NV	19,240,341	20.87%
3D NV	4,394,666	4.77%
Norges Bank	4,102,042	4.45%
Barco NV	3,032,682	3.29%
Total	**92,170,255**	**100%**

17. Non-controlling interest

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

Name	Country of incorporation and operation	2021	2020	2019
Cinionic Ltd.	Hong Kong	45%	45%	45%

Overview of the equity attributable to non-controlling interest:

In thousands of euro	2021	2020	2019
Cinionic Ltd.	41,031	37,798	40,590
Total equity attributable to non-controlling interest	**41,031**	**37,798**	**40,590**

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. 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. The financials of Cinionic are fully consolidated in the Entertainment results in 2019 - 2021. The 45% stake is shown as non-controlling interest.

Below is the consolidated balance sheet of the Cinionic legal entities as at 31 December 2021, 2020 and 2019

Assets and Liabilities Cinionic JV

In thousands of euro	2021	2020	2019
Total non-current assets	6,788	4,901	1,929
Total current assets	114,807	107,537	140,080
Total assets	**121,595**	**112,438**	**142,009**
Equity attributable to equityholders of the parent	50,149	46,197	49,610
Equity attributable to non-controlling interest	41,031	37,798	40,590
Total equity	**91,181**	**83,995**	**90,201**
Total non-current liabilities	28,512	24,420	6,601
Total current liabilities	26,724	24,186	61,139
Total liabilities	**146,416**	**132,601**	**157,941**

We refer to note 1.1 for more details on the Cinionic legal entities: Cinionic Limited, Cinionic bv, Barco CineAppo Mexico, S.A. de C.V., Cinionic Inc. and Cinionic Pty. Ltd.

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

In thousands of euro	% non-controlling	2021		2020		2019
Cinionic Ltd.		-208		618		592
Cinionic bv		2,559		-741		867
Cinionic Inc.		-754		-389		1,123
Barco Cine Appo Mexico, S.A. de C.V.		238		-233		32
Cinionic Pty. Ltd.		116				
Net income		**1,951**		**-745**		**2,614**
Cinionic Ltd.	45%	-93	45%	278	45%	267
Cinionic bv	45%	1,151	45%	-334	45%	390
Cinionic Inc.	45%	-339	45%	-175	45%	505
Barco Cine Appo Mexico, S.A. de C.V.	45%	107	45%	-105	45%	14
Cinionic Pty. Ltd.	45%	52	0%	-	0%	-
Net income attributable to non-controlling interest		**878**		**-335**		**1,176**

Other comprehensive income/(loss) for the period, net of tax effect, part attributable to non-controlling interest amounts to 2.3 million euro in 2021, -2.5 million euro in 2020 and -0.5 million euro in 2019.

Total comprehensive income for the year, net of tax, part attributable to non-controlling interest amounts to 3.2 million euro in 2021, -2.8 million euro in 2020 and 0.7 million euro in 2019.

18. Trade payables and advances received from customers

In thousands of euro		2021	2020	2019
Trade payables	(a)	113,979	70,299	128,914
Days payable outstanding (DPO)		80	53	71
Advances received from customers	(b)	54,105	42,375	69,515

(a) The increase in trade payables in 2021 is the result of higher raw material purchases (increase in volume, component prices and transport charges). The higher purchases are caused by higher sales in the 4th quarter (+ 29% year-over-year) and accelerated purchases in view of component and transport scarcity and has resulted in higher days payable outstanding. Payment terms with suppliers were not extended and there has been no change in payment behavior towards suppliers.

(b) Higher 4th quarter sales in 2021 compared to 2020 also result in higher advances received from customers. 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 resulted in lower advances received in 2020. In 2019, higher sales and renewed large cinema contracts in Cinionic 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 2021	Additional provisions made	Amounts used	Unused amounts reversed	Transfers	Remeasurement gains/(losses) on DBO	Translation (losses) / gains	Balance sheet 2020	Balance sheet 2019
Total long-term provision		**31,175**	**2,856**	**-2,770**	**-473**	**1,010**	**-10,000**	**396**	**40,156**	**42,428**
Defined benefit obligations	(b)	22,826	2,856	-643	-673	-	-10,000	4	31,282	29,826
Technical warranty	(a)	8,332	-	-2,127	200	1,011	-	391	8,857	12,577
Other claims and risks	(d)	18	-	-	-	-	-	1	18	25
Total short-term provision		**8,537**	**7,286**	**-10,710**	**-963**	**-1,010**	**-**	**214**	**13,720**	**18,759**
Technical warranty	(a)	3,807	-	-18	-234	-1,011	-	148	4,922	8,799
Restructuring provision	(c)	458	4,920	-8,204	-	-	-	-	3,743	6,997
Other claims and risks	(d)	4,272	2,366	-2,487	-729	-	-	67	5,055	2,963
Provisions		**39,712**	**10,142**	**-13,480**	**-1,436**	**-**	**-10,000**	**611**	**53,876**	**61,187**

(a) Technical warranty

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

(b) Defined benefit obligations

As per 31 December 2021, 2020 and 2019, the defined benefit obligations are composed of:

In thousands of euro	2021	2020	2019
Pension plans in Belgium	17,835	26,190	24,231
Early retirement plans in Belgium	155	213	166
Local legal requirements (mainly Italy, Korea, Japan, Germany, France)	4,590	4,754	5,136
A small number of individual plans	246	125	294
Total	**22,826**	**31,282**	**29,826**

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

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

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

2021, 2020 and 2019 changes in the Belgian defined benefit obligation and fair value of plan assets:

			2021			2020			2019
In thousands of euro	Defined benefit obligation	Fair value of plan assets	Net defined benefit liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit liability
Pension cost charged to P/L									
On 1 January	134,340	-108,150	**26,190**	124,416	-100,185	**24,231**	105,122	-91,980	**13,143**
Service cost	5,639		**5,639**	7,929		**7,929**	6,685		**6,685**
Net interest expense	388	-310	**78**	585	-474	**111**	1,526	-1,379	**146**
Decrease due to curtailement			-			-	-447		**-447**
Sub-total included in profit or loss	**6,026**	**-310**	5,716	**8,513**	**-474**	8,039	**7,764**	**-1,379**	6,385
Benefits paid	-2,383	2,383	-	-1,285	1,285	-	-1,020	1,020	-
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)		-2,231	**-2,231**		-2,733	**-2,733**	-	-1,254	**-1,254**
Actuarial changes arising from changes in demographic assumptions			-			-	-479		**-479**
Actuarial changes arising from changes in financial assumptions	-5,679		**-5,679**	1,698		**1,698**	12,199		**12,199**
Actuarial changes arising from changes in methodology			-			-	-172	33	**-139**
Actuarial changes arising from experience adjustments	-2,091		**-2,091**	998		**998**	1,020		**1,020**
Sub-total included in OCI	**-7,769**	**-2,231**	-10,000	**2,696**	**-2,733**	-37	**12,549**	**-1,212**	11,337
Contributions by employer		-4,070	**-4,070**		-6,043	**-6,043**		-6,633	**-6,633**
On 31 December	**130,214**	**-112,378**	17,835	**134,340**	**-108,150**	26,190	**124,416**	**-100,185**	24,231

The 8.4 million euro decrease in net liability in 2021 versus 2020 is mainly coming from increased discount rate (0.8% vs 0.3%) and higher effective return on plan assets, both recorded via OCI (equity), as change in parameter. The P&L impact of € -1.8m is the result of lower discount rate versus minimum guaranteed future rate of return, which needs to be compensated by the employer.
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.

The fair value of the plan assets (112.4 million euro) are fully invested in insurance policies. In 2021, the target asset mix didn't change compared to 2020 and consists of 67.50% government bonds, 14% real estate, 7.5% corporate bonds, 6% corporate loans and 5% shares.

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

	2021	2020	2019
Discount rate	0.77%	0.29%	0.42%
Future salary increases	2.43%	2.44%	2.59%
Future consumer price index increases	1.75%	1.75%	1.75%

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	2021	2020	2019
Discount rate:			
0.25% decrease	2,834	3,324	3,190
0.25% increase	-4,305	-3,868	-3,033
Future salary change:			
0.25% decrease	-1,036	-1,212	-1,181
0.25% increase	1,093	596	1,268
Future consumer price index change:			
0.25% decrease	-609	-711	-680
0.25% increase	615	735	702

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	2021	2020	2019
Within the next 12 months	3,724	3,197	3,071
Between 2 and 5 years	24,696	20,865	24,802
Between 5 and 10 years	41,648	46,857	42,210
Total expected payments	**70,068**	**70,919**	**70,083**

The average duration of the defined benefit plan obligation at the end of the reporting period is 12.3 years (12.6 years in 2020 and 12.5 years in 2019). The expected employer contributions to the plan for the next annual reporting period amounts to 3.9 million euro (4 million euro in 2021 and 6.0 million euro in 2020); the employee contributions are expected to amount to 1.1 million euro (1.1 million euro in 2021 and 2020).

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

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

(c) Restructuring provision

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

(d) Other claims and risks

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

With respect to the contingent liabilities related to former acquisitions, there is one earn-out capped at 15 million euro linked to the retention of the former shareholders and future results for which the future results could not be reliably estimated at acquisition. The earn-outs will flow through profit and loss at moment of payment over the earn-out period, which ends May 25, 2026. Per end 2021, 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 2021, 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 is 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 -0.8 million euro when the weighted average rate of a foreign currency basket, that has an overall overweight of USD & CNY, changes by 20% versus the euro in a year. The overall natural hedge ratio of foreign currencies reached a level of 73% in 2021.
- 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 18.0 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 60% 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 81% when including the swap instruments disclosed above.

Credit risk

Credit risk on accounts receivable

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

In 2021, 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.

	2021	2020	2019
In thousands of euro	Carrying amount / Fair value (approx.)		
Financial assets			
Investments at fair value through equity	46,680	86,651	23,038
Trade receivables	156,977	146,138	195,358
Other receivables	16,211	17,789	25,669
Loan and other receivables	15,152	12,420	17,930
Interest receivable	4	24	1,860
Currency rate swap	1,055	5,345	5,879
Other non-current assets	6,849	5,870	4,018
Short term investments	2,763	3,175	24,748
Cash and cash equivalents	351,571	235,402	357,035
Total	**581,051**	**495,026**	**629,866**
Financial liabilities			
Financial debts	18,000	20,000	45,390
Floating rate borrowings	9,563	10,838	26,258
Fixed rate borrowings	8,438	9,163	19,132
Other long-term liabilities	48,860	43,286	27,031
Short-term debts	-	86	-
Trade payables	113,979	70,299	128,914
Other current liabilities	5,036	8,980	13,268
Other short term amounts payable	1,206	80	2,825
Dividends payable	2,289	2,290	2,301
Currency rate Swap	859	5,529	7,016
Interest rate swap	682	1,080	1,126
Total	**185,875**	**142,650**	**214,603**

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 2021 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 2021, 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 2021, 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 2021, the Group held the following financial instruments measured at fair value:

In thousands of euro	2021	2020	2019
Assets measured at fair value			
Financial assets at fair value through profit or loss			
Foreign exchange contracts - non-hedged	1,055	5,345	5,879
Financial assets at fair value through equity			
Investments	46,680	86,651	23,038
Liabilities measured at fair value			
Financial liabilities at fair value through profit or loss			
Foreign exchange contracts - non-hedged	859	5,529	7,016
Interest rate swap	-	-	888
Financial liabilities at fair value through equity			
Interest rate swap	682	1,080	1,126

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 2021, 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	2021	2020	2019
Net financial cash / (debt)	14	309,750	193,450	329,366
Equity		734,814	697,107	740,650
% Net financial cash (debt) / Equity		42.2%	27.8%	44.5%

In thousands of euro	2021	2020	2019
Equity	734,814	697,107	740,650
Total equity and liabilities	1,104,249	1,018,203	1,174,176
% Equity / Total equity and liabilities	66.5%	68.5%	63.1%

In 2021, the net cash position ended at a level of 309.8 million euro compared to 193.5 million euro as per end of 2020. 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

			Non-cash changes		
In thousands of euro	1 January, 2021	Cash flows	IFRS 16 movements	Foreign exchange movement	31 December, 2021
Long-term debts:					
Long-term liabilities	18,000	-2,000			16,000
Long-term lease liabilities	17,854	-10,758	10,254	1,016	18,366
Short-term debts:					
Short-term liabilities	2,086	-417		332	2,000
Short-term lease liabilities	7,187	1,031			8,218
Total liabilities from financing activities	45,127	-12,144	10,254	1,348	44,585

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

21. Rights and commitments not reflected in the balance sheet

In thousands of euro	Note	2021	2020	2019
Guarantees given to third parties	(a)	3,474	3,850	5,037
Mortgage obligations given as security	(b)	30,000	30,000	30,000
- book value of the relevant assets		33,029	36,527	40,460

(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 2019 is due to depreciation.

22. Related party transactions

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

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

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

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

At the annual shareholders meeting of 29 April 2021, PWC Bedrijfsrevisoren bv, Culliganlaan 5, 1830 Diegem, was appointed as statutory auditor of the company for a period of three years. In 2021, remuneration approved by the Audit Committee to the statutory auditor for auditing activities amounted to 310,803 euro. Remuneration paid to the statutory auditor for special assignments was 161,049 euro.

23. Cash flow statement: effect of acquisitions and disposals

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

In thousands of euro	Aquisitions 2019
Current liabilities	**3,272**
Other payables	3,272
Net-identifiable assets and liabilities	**-3,272**
Purchase price	**3,272**

There were no acquisitions and disposals in 2021 and 2020.

The purchase price in 2019 relates to the last deferred consideration and payment of the last two patent earn-outs on the 2016 MTT acquisition.

We refer to the Cash flow statement.

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

24. Events subsequent to the balance sheet date

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

Supplementary statements

Free Cash Flow

In thousands of euro	2021	2020	2019
Adjusted EBIT	**19,373**	**10,180**	**110,038**
Restructuring	-8,204	-9,536	-13,717
Depreciations of tangible and intangible fixed assets	39,136	43,383	42,984
Gain/(Loss) on tangible fixed assets	196	170	-1,024
Share in the profit/(loss) of joint ventures and associates	48	-276	1,566
Gross operating Free Cash Flow	**50,549**	**43,921**	**139,848**
Changes in trade receivables	-4,918	41,391	-32,160
Changes in inventory	4,432	-12,260	-32,989
Changes in trade payables	42,825	-59,936	23,404
Other changes in net working capital	13,195	-23,960	15,618
Change in net working capital	**55,534**	**-54,764**	**-26,126**
Net operating Free Cash Flow	**106,083**	**-10,843**	**113,721**
Interest received	713	1,845	7,648
Interest paid	-1,823	-1,965	-1,866
Income taxes	-8,386	-10,398	-13,053
Free Cash flow from operating activities	**96,587**	**-21,361**	**106,451**
Purchases of tangible & intangible FA	-18,787	-14,980	-20,169
Proceeds on disposals of tangible & intangible fixed assets	183	488	2,379
Free Cash flow from investing activities	**-18,604**	**-14,493**	**-17,790**
FREE CASH FLOW	**77,983**	**-35,854**	**88,661**

In 2021 the Company generated 78 million euro positive free cash flow resulting from higher gross operating cash flow, net after pay-out of restructuring and reduced working capital.

At the end of December 2021, Barco's net cash position reaches 309.8 million euro, 116 million euro higher compared to last year (2020: 193.5 million euro, 2019: 329.4 million euro), a result of the positive free cash flow (78 million euro), sold investments (55 million euro), dividends paid out (-21 million euro), share buy back program (-11 million euro) and use of own shares for stock options (8 million euro). We refer to note 14, note 16 and note 11 for more explanation.

Balance Sheet

Inventory + accounts receivable – accounts payable over sales was 27.2% compared to 32.6% in 2020. Net working capital reduced to 5.8% of sales compared to 10% in 2020, as a result of higher trade payables (see note 18), customer advances received (see note 18), reduced DSO from 67 days to 56 days (see note 13) and stable inventory (see note 12).

In 2020 working capital was higher than 2019, caused by lower trade payables and high inventory levels, 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 followed by braked purchases.

Return on Operating Capital Employed

In thousands of euro	Note	2021	2020	2019
Trade debtors		156,977	146,138	195,358
Inventory		175,496	175,390	168,983
Trade payables		-113,979	-70,299	-128,914
Other working capital		-171,695	-170,620	-205,246
Working capital		**46,799**	**80,610**	**30,181**
Other long term assets & liabilities		204,646	210,493	232,479
Operating capital employed		**251,445**	**291,102**	**262,661**
Goodwill		105,612	105,612	105,612
Operating capital employed (incl goodwill)		357,056	396,714	368,272
Adjusted EBIT		19,373	10,180	110,038
Adjusted ROCE after tax (%)	(a)	**4%**	**3%**	**25%**

(a) Tax rate used is the effective tax rate (in 2021: 18 %; 2020: 0% and 2019: 18%)

The return on capital employed remains low at 4% in 2021 (2020: 3%, 2019: 25%), caused by the low operational result and working capital (5.8% of sales) still above the level of 2019 (3% of sales), 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 2021 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	2021	2020	2019
Fixed assets	**351,619**	**362,928**	**414,029**
Intangible fixed assets	17,505	27,260	40,540
Tangible fixed assets	63,788	67,267	71,092
Financial fixed assets	270,326	268,401	302,397
Current assets	**273,469**	**255,249**	**320,602**
Inventory	103,283	109,712	104,210
Amounts receivable within one year	129,543	109,517	173,061
Investments (own shares)	31,615	27,143	28,991
Cash and cash equivalents	124	295	933
Deferred charges and accrued income	8,904	8,582	13,407
TOTAL ASSETS	**625,088**	**618,177**	**734,631**
Capital and reserves	**273,313**	**276,033**	**326,746**
Capital	56,297	55,880	55,877
Share premium account	159,186	146,776	146,741
Reserves	38,678	34,207	36,054
Accumulated profits	18,042	38,977	87,771
Investment grants	1,110	193	303
Provisions	**8,633**	**11,739**	**15,818**
Provisions for liabilities and charges	8,633	11,739	15,818
Creditors	**343,141**	**330,404**	**392,066**
Amounts payable after more than one year	16,000	18,000	20,000
Amounts payable within one year	327,141	312,404	372,066
TOTAL LIABILITIES	**625,088**	**618,177**	**734,631**

Intangible fixed assets relate mainly to the implementation cost of SAP ERP software. These SAP capital expenditures are amortized over 7 years. In 2021, 1.2 million euro was invested in new customer relationship management (CRM) software.

The main capital expenditures (3.3 million euro) realized in 2021 relate to machinery and tooling linked to new development projects.

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.

Inventory levels in 2021, are back at pre-covid levels and are a combined effect of increased raw material inventory, caused by supply constraints and lower finished goods inventory, as a result of higher fourth quarter sales (+28.6% year-over-year). Inventory levels in 2020 were high, 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 receivable are lower in 2020 because of lower fourth quarter sales, increasing again in 2021 due to strong year-end sales.

The increase in amounts payable within one year in 2021 is caused by increased trade payables, resulting from higher raw material purchases. The lower trade payables in 2020 were due to braked purchases as a result of the lower demand.

Income statement

In thousands of euro	2021	2020	2019
Sales	**583,012**	**583,172**	**772,944**
Recurring operating income/(loss)	-4,097	-15,954	70,795
Recurring financial result	19,388	44,514	-2,973
Non-recurring financial result	3,966	-41,784	-43,604
Income taxes	-66	-4,030	-568
Transfer to untaxed reserves	-	-	-850
Profit/(loss) for the year	**19,191**	**-17,254**	**22,800**

Sales in 2021 remained at the same level of 2020 (-28.9% compared to 2019) due to the prolonged pandemic induced restrictions and component shortages causing delays in converting orders to sales.

Gross margin in 2021 is in line with 2020. The lower operating loss compared to 2020 is caused by lower inventory write offs, thanks to sold and re-used written-off inventory, triggered by component shortages; lower depreciations on intangible and tangible fixed assets and lower operating charges, which included in 2020 a loss on intercompany receivable from Barco Technology Taiwan caused by the decision to stop the Unisee production and liquidate the company (see note 5 Restructuring and impairment costs), together resulting in 12 million euro lower recurring operating loss than in 2020.

The recurring financial result of 19.3 million euro in 2021 includes mainly an intercompany dividend received from Barco Inc. (US), while in 2020 the financial result of 44.5 million euro included 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 in 2021 consists of a partial reversal of an impairment on Barco Fredrikstadt (Norway). In 2020 the recurring financial result was almost offset by impairments recorded on Barco Ltd. (Taiwan), Barco Technology Taiwan (Taiwan), and Barco Fredrikstadt (Norway). In 2019 this was the result of the impairment on Barco Fredrikstad (Norway) and Barco Ltd. (Taiwan).

The income taxes in 2020 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.

As a result of the above, Barco NV realized a profit for the year 2021 of 19.2 million euro compared to 17.3 million euro loss in 2020.

Proposed appropriation of Barco NV result

In thousands of euro	2021	2020	2019
Profit/(loss) for the year for appropriation	19,191	-17,254	22,800
Profit brought forward	38,978	87,771	91,374
Profit to be appropriated	**58,169**	**70,517**	**114,174**
Transfer from other reserves	4,472	-1,848	-6,951
Profit to be carried forward	18,042	38,977	87,771
Gross dividends	35,655	33,388	33,354
Total	**58,169**	**70,517**	**114,174**

The Board of Directors of Barco NV will propose to the General Assembly to distribute a gross dividend of 0.40 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

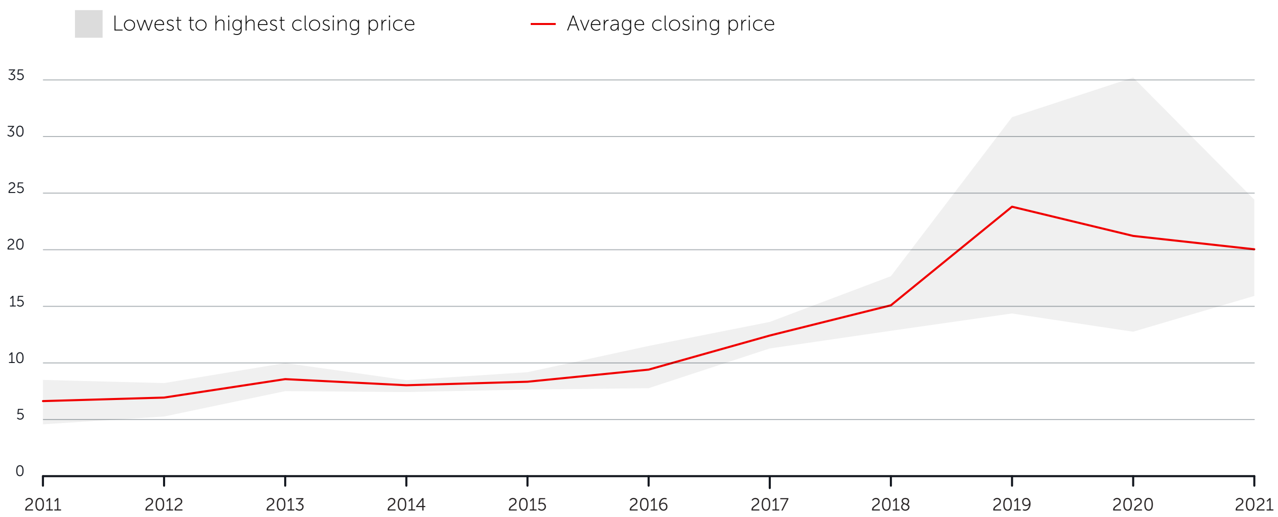
Key figures for the shareholder

Number of shares (in thousands):		92,170	91,487	91,482
Per share (in euro)		2021	2020	2019*
EPS		0.10	-0.05	1.09
Diluted EPS		0.10	-0.05	1.07
Gross dividend		0.400	0.378	0.378
Net dividend		0.28	0.26	0.26
Return on Equity (ROE)		1.3%	-0.7%	13.0%
Gross dividend yield	(a)	2.1%	2.1%	1.2%
Yearly return	(b)	9.6%	-41.8%	123.8%
Pay-out ratio	(c)	415.1%	-787.1%	36.3%
Price/earnings ratio	(d)	191.9	-358.0	28.8

(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 2019 restated following to the 7:1 share split, see press release

Share price performance*



Share price*

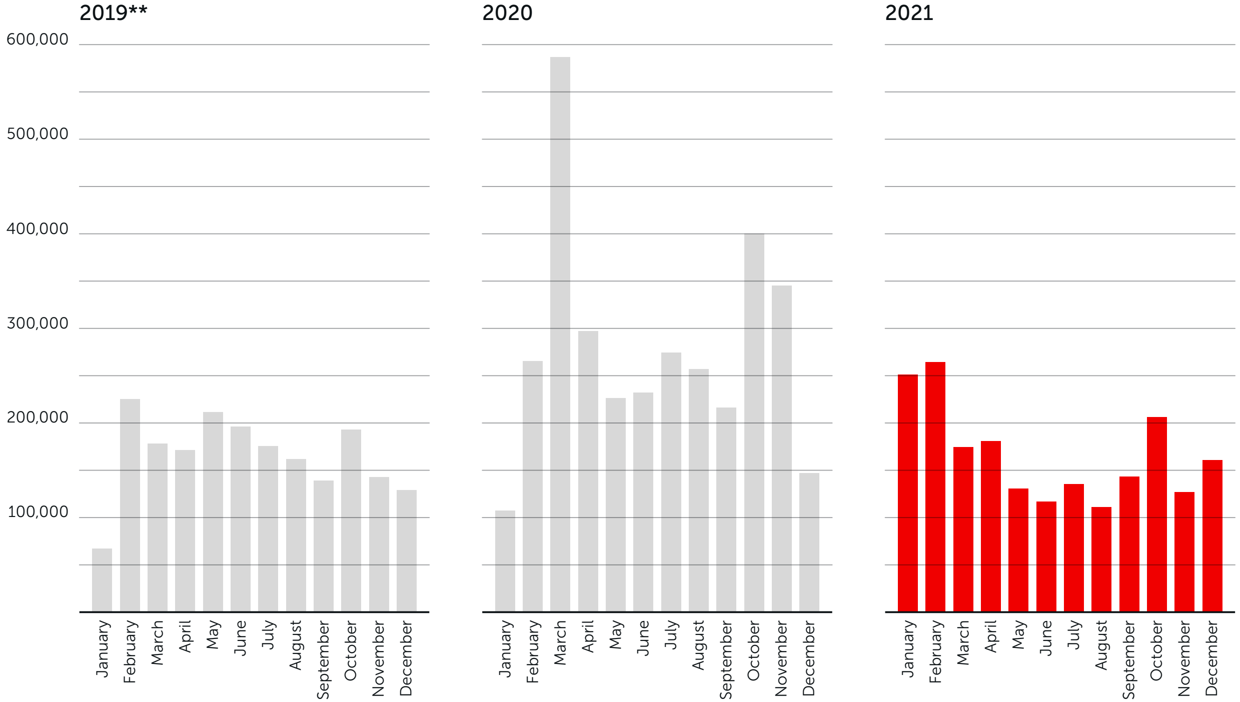
Per share (in euro)	2021	2020	2019	2018	2017
Average closing price	20.04	21.22	23.80	15.09	12.42
Highest closing price	24.42	35.21	31.71	17.66	13.62
Lowest closing price	15.92	12.76	14.37	12.84	11.28
Closing price 31/dec	19.16	17.82	31.29	14.13	12.75
Average number of shares traded daily**	**165,296**	**279,797**	**165,784**	**137,160**	**94,645**
Stock market capitalization on 31 December (in millions)	**1,765.98**	**1,630.31**	**2,862.09**	**1,292.35**	**1,166.00**

* Values for 2011-2019 restated following to the 7:1 share split; see press release
** Only data from the Euronext venue reported which is expected to be approximately 50% of the total volume traded on all Lit venues (based on the Fidessa stock report: http://fragmentation.fidessa.com/). As of this year, Euronext is also the source for 2017-2018-2019 & 2020.

Liquidity*

Source	2021	2020	2019**
Total yearly volume (shares)	42,646,488	71,907,829	42,274,925
Daily average number of shares traded	165,296	279,797	165,784
Total yearly volumes (turnover) in million euro	837.86	1,459.92	1,008.55
Velocity	44.98%	77.56%	45.99%

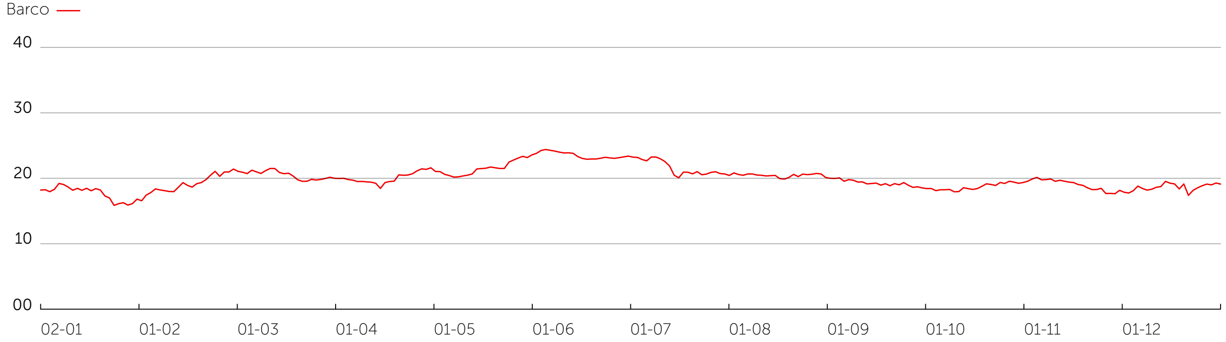
Daily average shares traded*



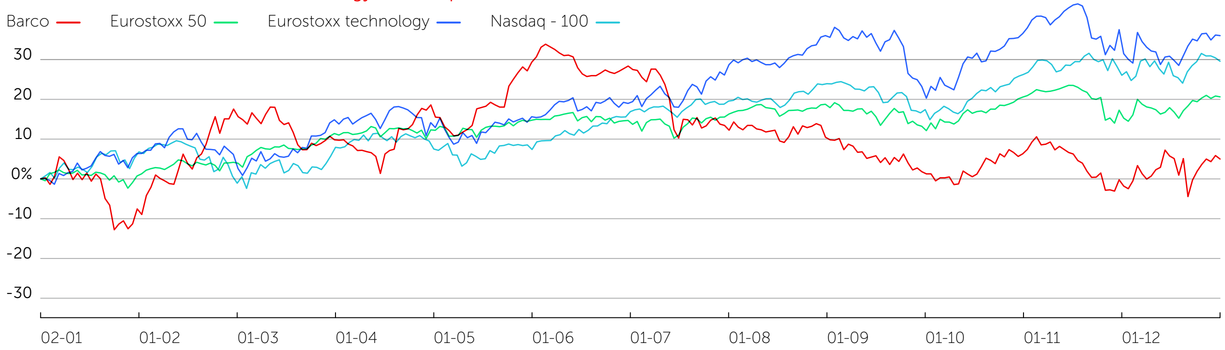
* Only data from the Euronext venue reported which is expected to be approximately 50% of the total volume traded on all Lit venues (based on the Fidessa stock report: http://fragmentation.fidessa.com/). As of this year, Euronext is also the source for 2017-2018-2019 & 2020.
** Values for 2019 restated following to the 7:1 share split, see press release

Barco share price 2021

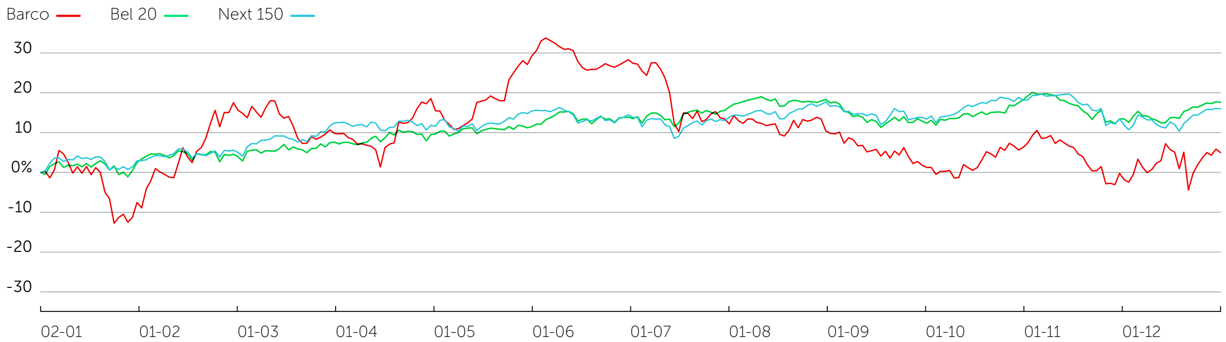
Barco share price 2021



Barco / Eurostoxx 50 / Eurostoxx Technology / Nasdaq - 100



Barco / Bel 20 / Next 150



Shareholder structure

Shareholders

A study of Barco's global shareholdership, carried out in December 2021 and January 2022, plotted nearly 98% of the company's shareholder composition[1].

Identified institutional investors hold almost 75% of all shares. Treasury shares held by the company are good for 3.6% of the shares and approximately 15% of the shares are held by retail investors, up from 14.5% 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 2021 Belgium ownership experienced inflows to hold now almost half (49%) of the institutional shares compared to 45% at the end of 2020.

US remain the second largest region in institutional ownership while cutting their exposure by almost 7 percentage points to 14%, down from 21% the year before. The decline was partly influenced by the exit of funds, reducing their exposure in technology sector. France remained the third country in Barco's institutional investors universe, with a 9.3% share. The United Kingdom registered more buying over selling activity and moved from a 7.7% position to 8.7% in 2021.

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

Investment style

Growth ownership further decreased in 2021, now accounting for almost 17% of the institutional shares identified from 20% a year ago.

Value ownership gained 1 percentage point to now represent 14% of the institutional shares. The position of GARP-type investors declined with 2 percentage points at 11% from 13% a year ago.

The main reference holders are grouped in the category of "other investment style", and as they further strengthened their position in the company, they make all other main categories underweight when compared to Nasdaq Technology Base benchmark.

Index type investors increased their position in 2021, owning now almost 8.5% compared to 7 % the year before.

Investing responsibly

According to the analysis, 24% of the institutional shares is held by SRI (Social Responsible Investment) funds (mainly Europe and mainly Core SRI), an increase of another 4 percentage points compared to 2020 and 14 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.

This level remains above average when compared to Nasdaq's technology sector, Belgian and wider European major benchmarks.

Concentration

Overall concentration level amongst Barco top holders increased over 2021 with all categories (Top-10, 25 and 50) increasing over this analysis period.

The categories now account for:
- Top 10: 57% of institutional shares compared to 51 %
- Top 25: 77% compared to 73%
- Top 50: 90% compared to 88%

Compared to the average observed in the mid cap client base benchmark (Nasdaq European Mid Cap client base), Barco's concentration levels are slightly overweight on all categories

(1) Shareholder analysis performed by Nasdaq Advisory services in December 2021 and January 2022

Shareholder structure

Institutional	74.8%
Retail	14.9%
Brokerage/trading	4.3%
Company-related	3.6%
Unassigned Shares	2.4%

Geographic distribution

Belgium	48.6%
United States	14.3%
France	9.3%
United Kingdom	8.7%
Spain	4.2%
Rest of Europe	14.8%
Rest of world	<1%

Investment style

Value	14.3%
Growth	16,7%
GARP	11.0%
Index	8.5%
Hedge Fund	1.0%
Other	48.4%

Ownership of Barco's shares 2021

(per 31 December 2021)

Titan Baratto NV	20.87%
3D NV	4.77%
Norges Bank (Central Bank of Norway)	4.45%
Barco NV	3.29%
Public	66.62%
TOTAL	100.00%

92,170,255 total amount of shares

Shareholder remuneration

Dividend

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

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

Dividend policy

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

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

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.

In addition, and in order to further strengthen its market position, the company plans to strengthen its value chain position, to expand its local presence in China and to work on a more effective new growth development portfolio.

Solid financial results

Over the past years, Barco has continued to sharpen the focus of its activities and has recently redesigned its organization structure to put Barco in a stronger position to deliver on the growth opportunities ahead. The 2021 redesign was aimed to install greater empowerment and accountability at the business unit level while enhancing customer and market responsiveness.

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 footprint and by implementing value engineering initiatives. EBITDA margin expanded from 8% in 2016 to 14% in 2019 and net earnings grew to 9% of sales. In 2020 and 2021 the company delivered weaker results year mainly due to pandemic-impacts and supply chain constraints resulting in a soft sales and profit performance.

The company is confident to recapture growth again in its markets as 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 but seasoned 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 company is determined to resume topline growth across the different business segments as the recovery sets in and is confident that it will reconnect to its sustainable profitable growth trajectory,

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 25% 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 2022

Announcement of results 4Q21 and FY21	Thursday 10 February 2022
Trading update 1Q22	Thursday 21 April 2022
Annual General Shareholders Meeting	Thursday 28 April 2022
Announcement of results 1H22	Tuesday 19 July 2022
Trading update 3Q22	Wednesday 19 October 2022

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

2021 Integrated annual report

Integrated Data Pack

Table of contents

This is the Integrated Data Pack 2021. This is an appendix to the 2021 Annual Report. Other chapters are available via the download center at ir.barco.com/2021.

CORE

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

ANNEX
• Integrated Data Pack
• GRI Content index
• Glossary
• Assurance report

Integrated Data Pack

This Integrated Data Pack document contains a full set of metrics (financial and non-financial) with the respective performance results over the last 3 years. These metrics are organized per Capital and Material topic.
This document is being updated every year and released together with the Annual Report. For definitions on the indicators, see glossary.

Capital	Material Topic	Indicator	Unit	2021	2020	2019
FINANCIAL	Sustained profitable growth	Group sales	mio €	804.3	770.1	1082.6
		Gross profit	mio €	287.5	283.8	429.3
		Gross profit (% of sales)	%	35.7	36.9	39.7
		EBITDA	mio €	58.5	53.6	153.0
		EBITDA margin	%	7.3	7.0	14.1
		OPEX as % of sales	%	33.0	34.5	29.5
		Earnings per share	€	0.10	-0.05	1.09
		Dividend	€	0.4	0.378	0.379
		Nominal tax amount paid	mio €	8	10	13
		Effective tax rate	%	18	0	18
	Financial resilience	Total amount paid in dividends to shareholders	k€	33,388	33,354	28,680
		Total amount of share buybacks undertaken	# of shares	600,000	-	-
		Net financial cash/(debt)	mio €	309.7	193.5	329.4
		Free Cash Flow	mio €	78.0	-35.9	88.7
		Equity as % of balance sheet total	%	66.5	68.5	63.1

Capital	Material Topic	Indicator	Unit	2021	2020	2019
MANUFACTURED	Long term asset performance	% make	%	66.2	69.6	63.1
		Countries with a manufacturing facility	#	4	4	5
		ROCE	%	4.4	3.0	25.0
		Inventory turns	#	2.4	2.3	3.2
		Capex (in % of sales)	%	2.3	1.9	1.9

Capital	Material Topic	Indicator	Unit	2021	2020	2019
INTELLECTUAL	Innovation management	Number of patents at year-end	#	504	461	402
		Number of new patent filings	#	17	9	8
		% of employees in R&D	% of heads	30.1	28.5	26.0
		R&D spend	mio €	101	103	119
		R&D spend (in % of sales)	%	12.6	13.3	11.0
		Innovation awards	#	11	8	8

Capital	Material Topic	Indicator	Unit	2021	2020	2019
PLANET		% revenues eligible for EU Taxonomy alignment	%	91.0	-	-
		% capex eligible for EU Taxonomy alignment	%	100	-	-
		% opex eligible for EU Taxonomy alignment	%	100	-	-
		% of (manufacturing) sites covered by a certified environmental management system	%	100	100	100
	Product stewardship	% of new products released with Barco ECO label (hardware)	%	65	48	23
		Revenues from products with Barco ECO label	mio € revenues	226.2	178.9	-
		% revenues from products with Barco ECO label (hardware)	%	31	26	-
		Energy efficiency index of sold products relative versus base year 2015	#	0.70	0.73	0.80
		Greenhouse gas emissions of sold products (product use emissions) (relative)	Tonnes CO_2 e /mio € revenues	296.9	306.7	359.0
		Material use (absolute)	kg	3,235,416	2,736,305	2,773,245
		Material use (relative)	kg /mio € revenues	4,441	3,935	2,827
		% of new products released with recycled plastics (hardware)	%	35	4	-
		% of revenues in countries with Barco return and recycling programs	%	25	26	-
		% of active components covered by Full Material Declarations	%	82.5	82.0	82.0
	Climate change & energy	Total greenhouse gas emissions (absolute)	Tonnes CO_2 e	281,874	277,335	458,441
		Total greenhouse gas emissions (relative)	Tonnes CO_2 e /mio € revenues	350.5	360.1	423.32
		Greenhouse gas emissions scope 1 (absolute)	Tonnes CO_2 e	3.256	3,145	4,044
		Greenhouse gas emissions scope 2 (absolute)	Tonnes CO_2 e	459	215	5,138
		Greenhouse gas emissions scope 3 incl. product use emissions (absolute)	Tonnes CO_2 e	278,160	273,975	449,259

Capital	Material Topic	Indicator	Unit	2021	2020	2019
		Greenhouse gas emissions of our own operations	Tonnes CO_2 e /mio € revenues	53.6	53.4	64.3
		Greenhouse gas emissions infrastructure	Tonnes CO_2 e /mio € revenues	4.0	3.8	7.5
		Greenhouse gas emissions mobility	Tonnes CO_2 e /mio € revenues	7.0	8.3	15.4
		Greenhouse gas emissions logistics	Tonnes CO_2 e /mio € revenues	42.7	41.3	41.4
		Energy consumption in own operations (absolute)	MWh	31,345	26,442	36,470
		Energy consumption in own operations (relative)	MWh/mio € revenues	39.0	34.3	33.7
		% energy consumption from renewable sources	%	52	54	29
		Electricity consumption in own operations (absolute)	MWh	16,747	14,570	20,020
		% electricity from renewable sources	%	98	97	53
	Waste management	Total solid waste (absolute)	Tonnes	1,131	1,937	2,514
		Total solid waste (relative)	Tonnes/mio € revenues	1.4	2.5	2.3
		Total hazardous waste (absolute)	Tonnes	27.4	31.0	43.5
		% hazardous waste of solid waste	%	2.4	1.2	1.7
		Recycled & composted solid waste (absolute)	Tonnes	659.4	1,007.2	1,533.5
		Recycled & composted solid waste (relative)	Tonnes/mio € revenues	0.8	1.3	1.4
		Landfilled waste (absolute)	Tonnes	174.0	561.7	659.0
		Landfilled waste (relative)	Tonnes/mio € revenues	0.2	0.7	0.6
		% waste to landfill	%	15	29	26
		Recycling & composting rate of solid waste	%	58	52	61
		Water withdrawal (absolute)	m^3	35,323	38,666	51,394

Capital	Material Topic	Indicator	Unit	2021	2020	2019
PEOPLE		Number of employees at the end of the financial year (heads)	# heads	3,141	3,303	3,636
		Number of employees at the end of the financial year (FTEs)	# FTEs	3,039	3,211	3,536
		Number of new (external) hires	# heads	384	374	653
		Permanent workforce at the end of the financial year (heads)	# heads	2,882	2,996	3,320
		Non-permanent workforce at the end of the financial year directly employed by Barco (heads, fixed-term contracts + temporary work + apprenticeship)	# heads	307	325	413
		Employee wages and benefits (personnel costs)	mio €	241	235	287
		Employer contributions to pensions or other retirement plans	mio €	13	13	15
	Employee engagement	Employee Net Promoter Score	#	38.5	-	-
		Voluntary turnover rate	% of heads	10.5	9.6	9.1
		Number of iGemba improvement suggestions per operator	#	5.5	4.1	6.0
	Learning & Development	Average training hours per employee	# hours	10.5	11.3	13.2
		% of employees having received training	% of heads	89	85	61
		Average training investment per employee	€	302.0	353.5	354.0
		Internal mobility (% of vacancies filled internally)	%	20	20	24
		% of leaders in annual leader talent development review	% of heads	31	30	44
		% of employees who received Annual performance review	% of heads	58	59	62
	Employee health, safety & wellbeing	Lost time injury frequency rate (per 1 000 000 hours worked) employees	#	1.59	2.44	2.73
		Lost Time Injury Severity rate (per 1000 hours worked) employees	#	0.07	0.07	0.05
		Total work-related fatalities (employees and contractors)	#	0	0	0

Capital	Material Topic	Indicator	Unit	2021	2020	2019
		% employees trained in Standards@Work Safety (white collars)	% of heads	99.6	99.4	-
		Rate of absenteeism	%	2.7	3	4
	Diversity & inclusion	% women overall	% of heads	27.1	27.6	28.4
		% women in senior management	% of heads	16	17	15
		% women in Core Leadership Team	% of heads	13	13	13
		% women in Board	% of heads	50	29	29
		% employees < 30 yrs	% of heads	9	9	10
		% employees > 30 yrs < 50 yrs	% of heads	63	67	69
		% employees > 50 yrs	% of heads	28	24	22
		Average age of the workforce	#	43	43	43
		Number of nationalities in the global workforce	#	44	44	45
	Labor practices & human rights	% employees covered by formal collective agreements	% of heads	100	100	100
		% of the total workforce across all locations represented in formal joint management-worker health & safety committees	% of heads	52	51	47

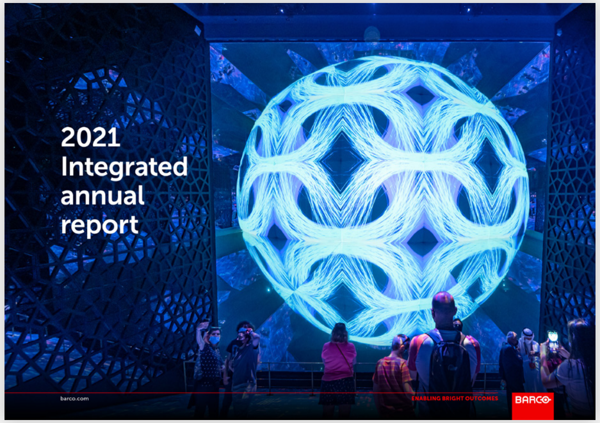
Capital	Material Topic	Indicator	Unit	2021	2020	2019
COMMUNITIES	Customer engagement	Customer Net Promoter Score (relationship NPS)	#	47	47	-
	Product quality, safety & security	Nr of incidents of non-compliance regarding the health and safety impacts of products and services	#	0	0	0
		% employees trained in Standards@Work Quality (white collars)	% of heads	99.7	99.8	99.0
		% of (development and manufacturing) sites covered by a certified quality management system	%	100	94	94
		Nr of notifications about potential vulnerabilities (including duplicates) in products or services, reported by customers, ethical hackers and third-party pen-testers contracted by Barco	#	267	116	-
	Information security & data protection	Nr of data / GDPR / privacy incidents reported to data protection authorities	#	0	0	0
		Average cybersecurity maturity (NIST CSF) score	#	2.23	2.19	-
		Number of product lines in scope of ISO 27001	#	2	2	1
		% employees trained in Standards@Work Cybersecurity (white collars)	% of heads	99.6	98.5	99.2
		% employees trained in Standards@Work Data protection (white collars)	% of heads	99.7	98.5	-
	Business ethics	% employees trained in Standards@Work (white collars)	% of heads	99	98	99
		% employees trained in Standards@Work Ethics (white collars)	% of heads	99.9	98.5	-
		Nr of incidents reported via ethics mailbox	#	8	10	23
	Corporate governance	Average remuneration per FTE employee	k€	75.0	65.6	77.2
		Total CEO Compensation	k€	1,086.0	1,262.7	1,672.4
		Total CEO compensation / Lowest employee compensation (Euros / Euros)	ratio	25.6	30.0	-
		Number of non-executive Board members / Number of Board members excluding employee representatives	ratio	4/6	5/6	6/7
		% independent directors	% of heads	50	50	43
		% non-Belgian members in the Core Leadership Team	% of heads	38	47	31
		Participation rate Annual General Meeting	%	51	64	58

Capital	Material Topic	Indicator	Unit	2021	2020	2019
		Average % of 'For' votes in Annual General Meeting	%	88	91	95
		Average total attendance rate at Board and Committee meetings	%	99	99	95
	Responsible supply chain management	Number of major (key, key+, core) suppliers (covering X% of production spend)	#	144 (84%)	142 (81%)	153 (87%)
		Days payment outstanding (average payment term of suppliers)	#	80	53	71
		Number of supplier quality audits	#	41	35	38
		% of production spend covered by signed Barco supplier code of conduct	%	83	83	83
		% of production spend covered by contracts with sustainability clause (MSA, signed T&Cs, PA)	%	89	88	87
		% of production spend covered by supplier sustainability score	%	58.2	43.8	-
		% of new production suppliers screened using social and environmental criteria	%	100	-	-
		% in-scope suppliers that responded to Conflict Minerals Reporting Template	%	100	100	100
	Community engagement	Community investment	€	198,000	141,920	163,400

BARCO

2021 Integrated annual report

Glossary



This is the Governance & Risk Report section of Barco's 2021 Integrated annual report. Other sections are available via the download center at ir.barco.com/2021.

CORE

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ANNEX

Glossary

This glossary document contains a description of frequently used Financial Terms, Alternative Performance Measures (APM) and Non-financial KPI's in Barco's reporting deliverables. It is being updated every year and disclosed together with the Annual Report.

Indicator	Unit of measure	Definition
% of production spend covered by supplier sustainability score	%	Total production spend from suppliers that have been scored on sustainability by Barco/ Total production spend
% employees trained in Standards@Work (white collars)	% of heads	Number of white-collars trained in Standards@Work (sum of all modules) /number of white-collars at the end of the financial year.
% 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 CO_2e-emissions (e.g. solar power, wind turbines).
% employees < 30 yrs	% of heads	Number of permanent and fixed-term contracted employees on Barco payroll at the end of the year, in heads, with age < 30 years / total number of permanent and fixed-term contracted employees on Barco payroll at year-end, in heads. Interim/temp contracts, interns, contractors and Cinionic employees are excluded.
% employees > 30 yrs < 50 yrs	% of heads	Number of permanent and fixed-term contracted employees on Barco payroll at the end of the year, in heads, with age >=30 years and =<50 years / total number of permanent and fixed-term contracted employees on Barco payroll at year-end, in heads. Interim/temp contracts, interns, contractors and Cinionic employees are excluded.
% employees > 50 yrs	% of heads	Number of permanent and fixed-term contracted employees on Barco payroll at the end of the year, in heads, with age > 50 years / total number of permanent and fixed-term contracted employees on Barco payroll at year-end, in heads. Interim/temp contracts, interns, contractors and Cinionic employees are excluded.
% employees covered by formal collective agreements	% of heads	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 Continuous Improvement (white collars)	%	Number of white-collars trained in Standards@Work Continuous Improvement /number of white-collars at the end of the financial year.
% employees trained in Standards@Work Cybersecurity (white collars)	% of heads	Number of white-collars trained in Standards@Work Cybersecurity /number of white-collars at the end of the financial year.
% employees trained in Standards@Work Data protection (white collars)	% of heads	Number of white-collars trained in Standards@Work Data Protection /number of white-collars at the end of the financial year.
% employees trained in Standards@Work Ethics (white collars)	% of heads	Number of white-collars trained in Standards@Work Ethics /number of white-collars at the end of the financial year.
% employees trained in Standards@Work Quality (white collars)	% of heads	Number of white-collars trained in Standards@Work Quality /number of white-collars at the end of the financial year.
% employees trained in Standards@Work Safety (white collars)	% of heads	Number of white-collar employees trained in Standards@Work Safety /number of white-collars at the end of the financial year.

Indicator	Unit of measure	Definition
% employees trained in Standards@Work Sustainability (white collars)	%	Number of white-collars trained in Standards@Work Sustainability /number of white-collars at the end of the financial year.
% 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 CO_2e-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 dependent on the legal framework of the country considered.
% independent directors	% of heads	Independent directors must either meet the independence criteria laid down in art. 3.5 of the Belgian Corporate Governance Code 2020 or have been expressly qualified as independent by the shareholders
% 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	%	Product revenue (excl services) of materials inhouse manufactured / Total product & project sales. We refer to note 3 in finance report for total product and project sales of the financial year.
% non-Belgian members in the Core Leadership Team	% of heads	Core leadership team is Barco's executive team which operates under the chairmanship of the Chief Executive Officer, comprises key officers from functions, businesses and regions. Non-Belgian members are these members who do not have a Belgian passport."
% of employees in R&D	% of heads	Employees per functional group R&D
% of (Development and manufacturing) sites covered by a certified quality management system	%	Number of Product Development or Manufacturing sites having a valid ISO9001 or ISO13485 Quality Management System certificate / total number of Product development and manufacturing sites
% of (manufacturing) sites covered by a certified environmental management system	%	Number of manufacturing sites having a valid ISO14001 Environmental Management System certificate / total number of manufacturing sites
% of active components covered by Full Material Declarations	%	Number of purchased components that are covered by FMD-A (Full Material Declaration) or FMD-B material declarations / total purchased components.
% of employees having received training	% of heads	Number of employees who had followed a training course over the year/ total number of employees at the end of the financial year
% of employees who received Annual performance review, or regular feedback/check-in session(s)	% of heads	% bonus eligible white collars / permanent workforce at the end of the financial year
% of leaders in Annual Leader Talent Development Review	% of heads	Number of leaders reviewed in the annual talent review at CLT level divided by the total number of leaders. For this metric "leaders" are defined as employees on the level N-2 and N-3 in the organisation. N=CEO-level.
% of new production suppliers screened using social and environmental criteria	%	New production suppliers are suppliers which were created in Barco's ERP system in the reporting year and with confirmed purchase orders. Screened means supplier self assessment including social and environmental criteria completed.
% 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.

Indicator	Unit of measure	Definition
% 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 production spend covered by contracts with sustainability clause (MSA, signed T&Cs, PA)	%	Total spend by production suppliers with formally signed MSA, T&C's or Purchase Agreement/total production spend. MSA means Master Supply Agreement. T&C's means Terms & Conditions.
% of production spend covered by signed Barco supplier code of conduct	%	Production spend covered by a signed commitment to the Barco code of conduct for suppliers or equivalent/total production spend. Production spend equals total cost of production materials.
% of revenues in countries with Barco return and recycling programs	%	Revenue of products sold in countries where Barco joined an EPR (Extended Producer Responsibility) scheme relative to the total revenue
% of the total workforce across all locations represented in formal joint management-worker health & safety committees	% of heads	Total number of permanent and fixed-term contracted employees on Barco payroll in countries with a committee divided by total number of permanent and fixed-term contracted employees on Barco payroll at the end of the financial year, in heads.
% revenues from products with Barco ECO label (hardware)	%	Total revenues from products with Barco ECO label/ Total product & project sales. We refer to note 3 in finance report for total product and project sales of the financial year.
% waste to landfill	%	Tonnes of waste sent to landfill/total tonnes of solid waste generated at the considered Barco sites.
% women in board	% of heads	Total number of female members of the Board of Directors divided by total number of members of the Board at the end of the financial year, in heads.
% women in Core Leadership Team	% of heads	Total number of female members of the Core Leadership Team divided by total number of members of the Core Leadership Team at the end of the financial year, in heads.
% women in senior management	% of heads	We define senior management as employees with hay grade >=18. As a result the metrics equates the following: number of female employees with hay grade >= 18/total number of employees with hay grade >= 18 at year-end. For Hay grade information see public sources.
% women overall	% of heads	Number of female permanent and fixed-term contracted employees on Barco payroll at the end of the year, in heads / total number of permanent and fixed-term contracted employees on Barco payroll at year-end, in heads. Interim/temp contracts, interns, contractors and Cinionic employees are excluded.
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.

Indicator	Unit of measure	Definition
Average age of the workforce	#	Sum of all ages of the number of permanent and fixed-term contracted employees on Barco payroll at the end of financial year divided by the number of permanent and fixed-term contracted employees on Barco payroll at the end of the financial year. Interim/temp contracts, interns, contractors and Cinionic employees are excluded.
Average cybersecurity maturity (NIST CSF) score	#	NIST CST: National Institute of Standards and Technology Cybersecurity Framework. The NIST CSF self-assessment result is performed at the end of the financial year and is the average of the NIST CSF Functions according to the NIST CSF methodology.
Average number of blue collars (incl Cinionic)	# FTEs	Average blue-collar number of permanent and fixed-term contracts on Barco payroll over the full year, in fulltime equivalents. Interim/temp contracts, interns and contractors are excluded. Calculation average: sum of number at month end divided by 12.
Average number of employees (incl Cinionic)	# FTEs	Average number of permanent and fixed-term contracts on Barco payroll over the full year, in fulltime equivalents. Interim/temp contracts, interns and contractors are excluded. Calculation average: sum of number at month end divided by 12.
Average number of white collars (incl Cinionic)	# FTEs	Average white-collar number of permanent and fixed-term contracts on Barco payroll over the full year, in fulltime equivalents. Interim/temp contracts, interns and contractors are excluded. Calculation average: sum of number at month end divided by 12.
Average remuneration per FTE employee	k€	Remuneration is calculated on the basis of total wages and direct social benefits, including company cars divided by the average number of employees (including Cinionic)
Average training hours per employee	# hours	Total hours of learning or training followed / total number of employees at the end of the financial year
Average training investment per employee	€	Total expenses for learning & development / total number of employees at the end of the financial year
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 2021.
Book value per share		Equity attributable to the Group divided by number of shares outstanding at balance sheet date.
Capex (in % of sales)	%	Purchase of tangible and intangible assets as included in the statement of cash flow
Community investment	€	Rough order of magnitude of the sum of money & goods invested in charity / community initiatives that were defined by Barco throughout the year, on a global scale. The reported amount is based on a non-exhaustive list of inputs from the different local teams.
Countries with a manufacturing facility	#	Country where Barco has own production site(s)
Customer Net Promoter Score (relationship NPS)	#	Calculation of the Net Promotor (NPS) 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. The NPS score reported is the overall result of the yearly survey conducted in the fourth quarter of the year. The survey recipients are extracted from CRM customer data; product and mybarco.com registrations and are selected to get 100 responses per business units per region.
Days payment outstanding (average payment term of suppliers)	# calendar days	Days payable outstanding calculated as Trade Payables / (Material cost + Services and other costs) x 365
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

Indicator	Unit of measure	Definition
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
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).
Employee Net Promoter Score	#	The employee Net Promotor score is derived from the engagement question as part of the Pulse surveys. This was distributed among the white collar population only. The Net Promotor score is based on the E-NPS technic where scores between 1 to 6 (on 10) are considered "detractors" ; score 7 & 8 as "passive" and score 9 & 10 as promotors. E-NPS is promotors-detractors. The results for the year is taking as the average results from the two pulse surveys in 2021.
Employees per functional group General & Administration	% of heads	Number of permanent and fixed-term contracted employees on Barco payroll at the end of the year, in heads, working in general & administration (information technology, finance, general and divisional management, human resources, legal and investor relations), divided by the total number of permanent and fixed-term contracted employees on Barco payroll at the end of the year, in heads. Interim/temporary contracts, interns, contractors and Cinionic employees are excluded
Employees per functional group operations	% of heads	Number of permanent and fixed-term contracted employees on Barco payroll at the end of the year, in heads, working in the operations department (including procurement, quality, production, customer service and customer projects), divided by the total number of permanent and fixed-term contracted employees on Barco payroll at the end of the financial year, in heads. Interim/temporary contracts, interns, contractors and Cinionic employees are excluded.
Employees per functional group R&D	% of heads	Number of permanent and fixed-term contracted employees on Barco payroll at the end of the year, in heads, working in research & development, divided by the total number of permanent and fixed-term contracted employees on Barco payroll at the end of the year, in heads. Interim/temporary contracts, interns, contractors and Cinionic employees are excluded.
Employees per functional group sales & marketing	% of heads	Number of permanent and fixed-term contracted employees on Barco payroll at the end of the year, in heads, working in sales & marketing, divided by the total number of permanent and fixed-term contracted employees on Barco payroll at the end of the year, in heads. Interim/temporary contracts, interns, contractors and Cinionic employees are excluded.
Employees per region	% of heads	Number of permanent and fixed-term contracted employees on Barco payroll at the end of the year, in heads, working in a legal entity in Europe, Americas or APAC, divided by the total number of permanent and fixed-term contracted employees on Barco payroll at the end of the year, in heads. Interim/temporary contracts, interns, contractors and Cinionic employees are excluded.
Energy consumption in own operations (absolute)	MWh	Total energy consumption (MWh) 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)
Energy consumption in own operations (relative)	MWh/mio € revenues	Energy consumption in own operations on total Group sales.
Energy efficiency index of sold products relative versus base year 2015	#	The energy efficiency index of our products represents energy consumption/delivered capability of Barco's major groups: projectors products in the Entertainment division and large video walls & LED products in the Enterprise division. The energy performance is defined as Watt/delivered capability. This indicator is weighted on revenues from the considered products and normalized to a 2015 baseline value (with default value 1,0).

Indicator	Unit of measure	Definition
Equity method		Method of accounting whereby an investment (in an associate) is initially recognized at cost and subsequently adjusted for any changes in the investor's share of the associate's net assets (i.e. equity). The income statement reflects the investor's share in the net result of the investee.
Free cashflow		'Gross operating cash flow excluding share options recognized as cost + change in 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 CO_2 e /mio € revenues	Greenhouse gas emissions infrastructure on total sales. Infrastructure covers total energy emissions from infrastructure energy, refrigerant losses and waste generated at the facilities. Same scope applies as for Greenhouse gas emissions of our own operations.
Greenhouse gas emissions logistics	Tonnes CO_2 e /mio € revenues	Greenhouse gas emissions logistics on total sales. Logistics covers all emissions from transport of goods (in- & outbound) paid for by Barco. Same scope applies as for Greenhouse gas emissions of our own operations.
Greenhouse gas emissions mobility	Tonnes CO_2 e /mio € revenues	Greenhouse gas emissions mobility on total sales. Mobility covers owned/leased fleet emissions, commuting and business travel emissions. Same scope applies as for Greenhouse gas emissions of our own operations.
Greenhouse gas emissions of our own operations (absolute)	Tonnes CO_2 e	Sum of total Greenhouse gas emissions from infrastructure, mobility and logistics in tonnes of CO_2e on total sales for all production and research & development sites (in Belgium, China, Italy, Germany, India, Norway, Taiwan and US) covering in total minimum 85% of the Group's total FTE. For more information on methodology, scope, baseline and calculation assumptions, we refer to methodology table on p. 14 in PPC report
Greenhouse gas emissions of sold products (product use emissions) (relative)	Tonnes CO_2 e /mio € revenues	Total greenhouse gas emissions of Barco sold products in tonnes of CO_2e / total Group sales (mio € revenues). For more information on methodology and scope, we refer to methodology table on p. 14 in PPC report
Greenhouse gas emissions scope 1 (absolute)	Tonnes CO_2 e	Greenhouse gas emissions covering scope 1 as defined by the Greenhouse Gas Protocol in tonnes of CO_2e. Scope 1 covers the direct emissions from combustion of fossil fuels at company facilities and by company vehicles and emissions from refrigerant losses at company facilities.
Greenhouse gas emissions scope 2 (absolute)	Tonnes CO_2 e	Greenhouse gas emissions covering scope 2 as defined by the Greenhouse Gas Protocol. Scope 2 covers the direct emissions from purchased electricity and district heating. Note that the market based approach is used here.
Greenhouse gas emissions scope 3 incl. product use emissions (absolute)	Tonnes CO_2 e	Greenhouse gas emissions scope 3 as defined by the Greenhouse Gas Protocol covers the direct emissions from upstream activities (fuel and energy related activities, transportation and distribution, waste generated in operations, business travel, employee commuting) and downstream activities (use of sold products) in tonnes of CO_2e
Greenhouse gas emissions scope 3 incl. product use emissions (relative)	Tonnes CO_2 e /mio € revenues	Greenhouse gas emissions scope 3 incl. product use emissions on total sales (mio € revenues).
Indirect costs/expenses		Research & development expenses, sales and marketing expenses and general and administration expenses; including depreciations and amortizations
Innovation awards	#	Number of awards that recognize the innovative aspect of technology and/or solutions to create or enhance an outcome, awarded by an independent organisation with a global, well known reputation
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 %)]
Landfilled waste (absolute)	Tonnes	Total amount of waste sent to landfill at the considered Barco sites in tonnes of waste.
Landfilled waste (relative)	Tonnes/mio € revenues	Landfilled waste on total Group sales.

Indicator	Unit of measure	Definition
Lost time injury frequency rate (per 1 000 000 hours worked) employees	#	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 (per 1000 hours worked) employees	#	Number of lost days of work of all employees multiplied with 1,000 and divided by total hours worked by all employees.
Material use (absolute)	kg	Weight of product mass or components placed on the market (excluding the weight of sold intercompany items)
Material use (relative)	kg /mio € revenues	Material use/ Total product & project sales. We refer to note 3 on p. 35 in finance report for total product and project sales of the financial year.
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
Nominal tax amount paid	mio €	Total taxes paid over the reporting paid as reported in the cash flow statement on the line 'Income taxes'
Non-permanent workforce at the end of the financial year directly employed by Barco (heads, fixed-term contracts + temporary work + apprenticeship)	# heads	Number of fixed-term contracts and interim/temporary contracts directly employed by Barco at the end of the financial year, in heads. Permanent workforce, interns, contractors and Cinionic employees are excluded.
Nr of data / GDPR / privacy incidents reported to data protection authorities	#	Number of personal data breaches reported to the data protection authorities at the end of the financial year.
Nr of incidents of non-compliance regarding the health and safety impacts of products and services	#	Number of incidents of non-compliance registered in the field causing a health or safety impact for any stakeholder working with our products or using our services
Nr of incidents reported via ethics mailbox	#	Incident is every notification, complaint, question or request for ethical guidance, addressed to ethics@barco.com, regardless whether the sender is known or anonymous
Nr of notifications about potential vulnerabilities (including duplicates) in products or services, reported by customers, ethical hackers and third-party pen-testers contracted by Barco	#	This is the number of notifications regarding security received via the following channels: (1) our PSIRT (Product Security Incident Response Team), reported by external experts and researchers, (2) our service desk, reported by customers, or (3) via penetration test reports (reported by third party experts, contracted by Barco).
Number of blue collars at the end of the financial year (incl Cinionic) (FTEs)	# FTEs	Total blue-collar number of permanent and fixed-term contracts on Barco and Cinionic payroll at the end of the year, in fulltime equivalents. Interim/temp contracts, interns and contractors are excluded.
Number of employees at the end of the financial year (FTEs)	# FTEs	Total number of permanent and fixed-term contracts on Barco payroll at the end of the year, in fulltime equivalents. Interim/temp contracts, interns and contractors and Cinionic employees are excluded.
Number of employees at the end of the financial year (heads)	# heads	Total number of permanent and fixed-term contracts on Barco payroll at the end of the year, in heads. Interim/temp contracts, interns and contractors and Cinionic employees are excluded.
Number of employees at the end of the financial year (incl. Cinionic)(FTEs), including split of white collars and blue collars	# FTEs	Total number of permanent and fixed-term contracts on Barco and Cinionic payroll at the end of the year, in fulltime equivalents. Interim/temp contracts, interns and contractors are excluded.
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 major (key, key+, core) suppliers (covering X% of production spend)	#	Number of key, key+ and core suppliers at the end of the financial year. Categorization of key, key+ and core suppliers is based upon supply risk and cost relevance to Barco.
Number of nationalities in the global workforce	#	Total number of nationalities of the number of permanent and fixed-term contracted employees on Barco payroll at the end of financial year.

Indicator	Unit of measure	Definition
Number of new (external) hires	# heads	Number of permanent + fixed-term contracted hires (externally recruited) on Barco payroll during year, in heads. Interim/temporary contracts, interns, contractors and Cinionic employees are excluded.
Number of new patent filings	#	New patent applications filed in the indicated year.
Number of non-executive Board members / Number of Board members excluding employee representatives	ratio	Ratio comparing non-executive board members over the board members (excluding possible employee representatives)
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 in scope of ISO27001 as published on our public certificate at the end of the financial year. Product lines are products found on the public Barco.com website.
Number of supplier quality audits	#	Total number of supplier quality audits performed during reporting year by Barco personnel.
Number of white collars at the end of the financial year (incl Cinionic) (FTEs)	# FTEs	Total white-collar number of permanent and fixed-term contracts on Barco and Cinionic payroll at the end of the year, in fulltime equivalents. Interim/temp contracts, interns and contractors are excluded.
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
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 delivered 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
Participation rate Annual General Meeting	%	The participation rate is the ratio between the number of shares which are present or represented at the shareholders meeting or have voted remotely prior to that meeting, and the total number of shares issued by the company.
Permanent workforce at the end of the financial year (heads)	# heads	Number of employees on Barco payroll having a permanent employment contract at the end of the financial year, in heads. Fixed-term contracts/apprenticeships, interim/temporary contracts, interns, contractors and Cinionic employees are excluded.
R&D spend	mio €	Indirect expense spent on Research and Development over the reporting period
R&D spend (in % of sales)	%	Research and development spend in percentage of sale

Indicator	Unit of measure	Definition
Rate of absenteeism	%	Total absentee days lost divided by the total days scheduled to be worked by employees during the reporting period, expressed as a percentage.
Recycled & composted solid waste (absolute)	Tonnes	Total amount of recycled or composted waste at the considered Barco sites in tonnes of waste.
Recycled & composted solid waste (relative)	Tonnes/mio € revenues	Total recycled or composted waste on total Group 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 major suppliers (covering x% of production spend)	%	Sum of production spend of major suppliers per region /total production spend of major suppliers. Production spend equals total cost of production materials. Major suppliers are key, key + and core suppliers. Categorization of key, key+ and core suppliers is based upon supply risk and cost relevance to Barco.
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).
revenues from products with Barco ECO label	mio € revenues	Total revenue coming from products sold having a Barco eco label > B (A, A+, 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.
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.
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: 29.58%)
Total amount of share buybacks undertaken	# of shares	# of shares bought back over the reporting year
Total amount paid in dividends to shareholders	k€	Amount paid in dividends to shareholders over a reporting period, also reported in the financial report
Total CEO Compensation	k€	The remuneration package of the CEO consists of all salaries, benefits, bonuses and value of employer pension contribution. We refer to note 2.B Remuneration of the CEO in CGR part of the integrated report.
Total CEO compensation / Lowest employee compensation (Euros / Euros)	ratio	Total CEO compensation (excluding stock options) over lowest employee compensation registered in the legal entity Barco NV in Belgium.
Total electricity consumption (absolute)	MWh	Total electricity consumption (MWh) of the considered Barco sites
Total greenhouse gas emissions (absolute)	Tonnes CO_2e	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 CO_2e.

Indicator	Unit of measure	Definition
Total greenhouse gas emissions (relative)	Tonnes CO_2e /mio € revenues	Total Greenhouse Gas emissions on total Group sales.
Total hazardous waste (absolute)	Tonnes	Total amount of hazardous solid waste generated at the considered Barco sites in tonnes of waste. Note that the classification of "hazardous" is dependent on the legal framework of the country considered.
Total solid waste (absolute)	Tonnes	Total amount of solid waste generated at the considered Barco sites in tonnes of waste. Solid waste is all reported waste at the Barco sites in solid state, excluding liquid waste streams such as wastewater.
Total solid waste (relative)	Tonnes/mio € revenues	Total solid waste on total Group sales.
Total work-related fatalities (employees and contractors)	#	Number of deaths of persons at work or performing work related tasks, including employees and contractors
Voluntary turnover rate	% of heads	Number of permanent and fixed-term contracted employees on Barco payroll that voluntary left Barco over the year / total number of permanent and fixed-term contracted employees on Barco payroll at year-end, in heads. Interim/temp contracts, interns, contractors and Cinionic employees are excluded.
Water withdrawal (absolute)	m^3	Direct purchased water at the considered Barco sites in m^3. 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

BARCO

2021 Integrated annual report

GRI Content index

GRI Content index

Reporting period, cycle and scope

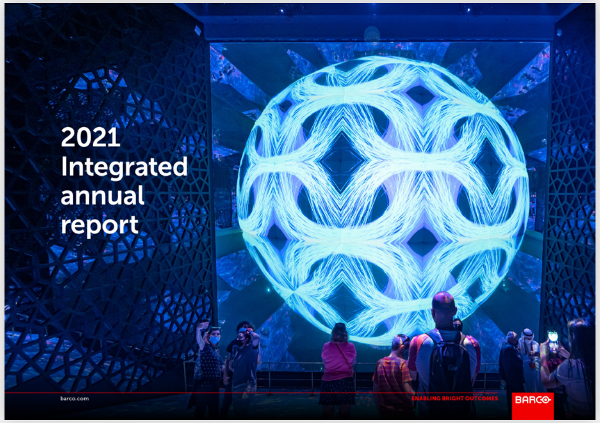
This integrated report provides an overview of our most relevant intentions, achievements and objectives in 2021, unless stated otherwise. The scope of the report is Barco worldwide, unless stated otherwise. The report is published annually. Date of previous report: February 2021.

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. CGR 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 2021 Integrated annual report. Other sections are available via the download center at ir.barco.com/2021.

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BARCO NV

Statutory auditor's report to the general shareholders' meeting on the consolidated financial statements for the year ended 31 December 2021

9 February 2022

STATUTORY AUDITOR'S REPORT TO THE GENERAL SHAREHOLDERS' MEETING OF BARCO NV ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

We present to you our statutory auditor's report in the context of our statutory audit of the consolidated financial statements of Barco NV (the "Company") and its subsidiaries (jointly "the Group"). This report includes our report on the consolidated financial statements, as well as the other legal and regulatory requirements. This forms part of an integrated whole and is indivisible.

We have been appointed as statutory auditor by the general meeting d.d. 29 April 2021, 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 2023. We have performed the statutory audit of the consolidated financial statements of Barco NV for 4 consecutive years.

Report on the consolidated financial statements

Unqualified opinion

We have performed the statutory audit of the Group's consolidated financial statements, which comprise the consolidated balance sheet as at 31 December 2021, 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 1.104.249 and a net profit attributable to the equity holder of the parent of EUR '000 8.881.

In our opinion, the consolidated financial statements give a true and fair view of the Group's net equity and consolidated financial position as at 31 December 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

Basis for unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Belgium. Furthermore, we have applied the International Standards on Auditing (ISAs) as approved by the IAASB which are applicable to the year- end and which are not yet approved at the national level. Our responsibilities under those standards are further described in the *"Statutory auditor's responsibilities for the audit of the consolidated financial statements"* section of our report. We have fulfilled our ethical responsibilities in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Belgium, including the requirements related to independence.

We have obtained from the board of directors and Company officials the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment testing of goodwill - Note 8

Description of key audit matter

The carrying value of the Group's goodwill amounts to EUR'000 105.612 at 31 December 2021.

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.

<u>Valuation of deferred taxes and valuation allowance on deferred tax assets related to tax losses carried forward and tax credits - Note 10</u>

Description of key audit matter

Deferred tax assets on tax losses carried forward and tax credits amounts to EUR'000 36.787 (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 and tax credits. 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 tax credits 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 financial statements

The board of directors is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium, and for such internal control as the board of directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the board of directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Statutory auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

In performing our audit, we comply with the legal, regulatory and normative framework applicable to the audit of the consolidated financial statements in Belgium. A statutory audit does not provide any 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. Our responsibilities in respect of the use of the going concern basis of accounting by the board of directors' are described below.

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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our statutory auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory requirements

Responsibilities of the board of directors

The board of directors is responsible for the preparation and the content of the directors' report on the consolidated financial statements, the report on non-financial information and the other information included in the report on the consolidated financial statements.

Statutory auditor's responsibilities

In the context of our mandate and in accordance with the Belgian standard which is complementary to the International Standards on Auditing (ISAs) as applicable in Belgium, our responsibility is to verify, in all material respects, the directors' report on the consolidated financial statements, the separate report on non-financial information and the other information included in the report on the consolidated financial statements and to report on these matters.

Aspects related to the directors' report on the consolidated financial statements and to the other information included in the annual report on the consolidated financial statements

In our opinion, after having performed specific procedures in relation to the directors' report on the consolidated financial statements, this report is consistent with the consolidated financial statements for the year under audit, and it is prepared in accordance with article 3:32 of the Companies' and Associations' Code.

In the context of our audit of the consolidated financial statements, we are also responsible for considering, in particular based on the knowledge acquired resulting from the audit, whether the directors' report on the consolidated financial statements and the other information included in the annual report on the consolidated financial statements is materially misstated or contains information which is inadequately disclosed or otherwise misleading. In light of the procedures we have performed, there are no material misstatements we have to report to you.

The non-financial information required by virtue of article 3:32, §2 of the Companies' and Associations' Code is included in the directors' report on the consolidated financial statements. The Company has prepared the non-financial information, based on Global Reporting Initiative Standards. However, in accordance with article 3:80, §1, 5° of the Companies' and Associations' Code, we do not express an opinion as to whether the non-financial information has been prepared in accordance with the Global Reporting Initiative Standards as disclosed in the consolidated financial statements.

Statement related to independence

- Our registered audit firm and our network did not provide services which are incompatible with the statutory audit of the consolidated financial statements, and our registered audit firm remained independent of the Group in the course of our mandate.
- The fees for additional services which are compatible with the statutory audit of the consolidated financial statements referred to in article 3:65 of the Companies' and Associations' Code are correctly disclosed and itemized in the notes to the consolidated financial statements.

European Uniform Electronic Format (ESEF)

We have also verified, in accordance with the draft standard on the verification of the compliance of the financial statements with the European Uniform Electronic Format (hereinafter "ESEF"), the compliance of the ESEF format with the regulatory technical standards established by the European Delegate Regulation No. 2019/815 of 17 December 2018 (hereinafter: "Delegated Regulation").

The board of directors is responsible for the preparation, in accordance with ESEF requirements, of the consolidated financial statements in the form of an electronic file in ESEF format (hereinafter "consolidated financial statements") included in the annual financial report.

Our responsibility is to obtain sufficient appropriate evidence to conclude that the format and marking language of the digital consolidated financial statements comply in all material respects with the ESEF requirements under the Delegated Regulation.

Based on the work we have performed, we believe that the format of and marking of information in the digital consolidated financial statements included in the annual financial report of Barco NV per 31 December 2021 comply in all material respects with the ESEF requirements under the Delegated Regulation.

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, 9 February 2022

The statutory auditor
PwC Reviseurs d'Entreprises SRL / PwC Bedrijfsrevisoren BV
Represented by

Peter Opsomer

Peter Opsomer
Réviseur d'Entreprises / Bedrijfsrevisor

INDEPENDENT LIMITED ASSURANCE REPORT ON A SELECTION OF SUSTAINABILITY KPI'S IN THE INTEGRATED ANNUAL REPORT 2021 OF BARCO NV

This report has been prepared in accordance with the terms of our contract dated 16 September 2021 (the "Agreement"), whereby we have been engaged to issue an independent limited assurance report in connection with a selection of sustainability KPIs, marked with a check mark (☑), of the Integrated Annual Report as of and for the year ended 31 December 2021 of Barco NV and its subsidiaries (the "Report").

The Directors' Responsibility

The Directors of Barco NV ("the Company") are responsible for the preparation and presentation of the selection of sustainability KPIs for the year 2021, marked with a check mark (☑) in the in the Report (the "Subject Matter Information"), in accordance with the criteria disclosed in the Report (the "Criteria").

This responsibility includes the selection and application of appropriate methods for the preparation of the Subject Matter Information, for ensuring the reliability of the underlying information and for the use of assumptions and estimates for individual sustainability disclosures which are reasonable in the circumstances. Furthermore, the responsibility of the Directors includes the design, implementation and maintenance of systems and processes relevant for the preparation of the Subject Matter Information that is free from material misstatement, whether due to fraud or error.

Our Independence and Quality Control

We have complied with the legal requirements in respect of auditor independence, particularly in accordance with the rules set down in articles 12, 13, 14, 16, 20, 28 and 29 of the Belgian Act of 7 December 2016 organising the audit profession and its public oversight of registered auditors, and with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's Responsibility

Our responsibility is to express an independent conclusion about the Subject Matter Information based on the procedures we have performed and the evidence we have obtained. Our assurance report has been prepared in accordance with the terms of our engagement contract.

We conducted our work in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) "Assurance Engagements other than Audits or Reviews of Historical Financial Information". This standard requires that we comply with ethical requirements and that we plan and perform the engagement to obtain limited assurance as to whether any matters have come to our attention that cause us to believe that the Subject Matter Information does not comply, in all material respects, with the Criteria.

In a limited-assurance engagement the evidence-gathering procedures are more limited than for a reasonable assurance engagement, and therefore less assurance is obtained than in a reasonable-assurance engagement. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Subject Matter Information in respect of the Criteria. The scope of our work comprised the following procedures:

- Assessing and testing the design and functioning of the systems and processes used for data-gathering, collation, consolidation and validation, including the methods used for calculating and estimating the Subject Matter Information as of and for the year ended 31 December 2021 presented in the Report.
- Conducting interviews with responsible officers.
- Inspecting internal and external documents.

The scope of our work is limited to assurance over the selection of sustainability KPIs for the year 2021, marked with a check mark (☑) in the in the Report. Our assurance does not extend to information in respect of earlier periods or to any other information included in the Report.

Conclusion

Based on our limited assurance engagement, nothing has come to our attention that causes us to believe that the selection of sustainability KPIs for the year 2021, marked with a check mark (☑) in the Report, does not comply, in all material respects, with the Criteria.

Other matter - Restriction on Use and Distribution of our Report

Our report is intended solely for the use of the Company, in connection with their Report as of and for the year ended 31 December 2021 and should not be used for any other purpose. We do not accept or assume and deny any liability or duty of care to any other party to whom this report may be shown or into whose hands it may come.

Diegem, 9 February 2022

PwC Bedrijfsrevisoren BV/Reviseurs d'Entreprises SRL
Represented by

Marc Daelman[1]
Registered auditor

[1] Marc Daelman BV, director, represented by its permanent representative Marc Daelman

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