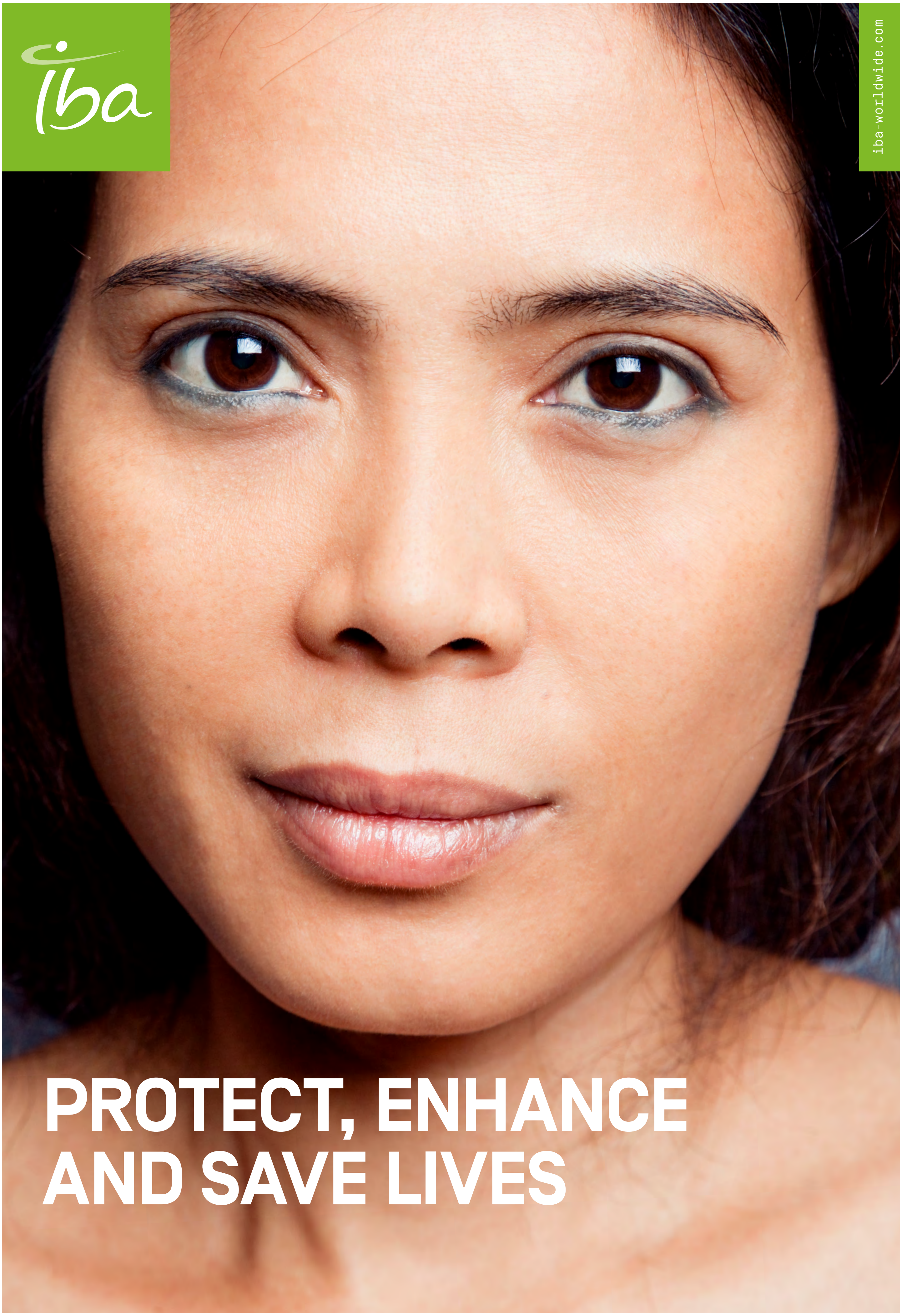

PROTECT, ENHANCE AND SAVE LIVES

iba-worldwide.com

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IBA
World leader

We are world leaders in the design, production and marketing of innovative solutions for the diagnosis and treatment of cancer and other serious illnesses, and for industrial applications such as sterilization of medical devices.

Around the world, thousands of hospitals use particle accelerators and dosimetry equipment designed, produced, maintained and upgraded by IBA, as part of our mission to protect, enhance and save lives.

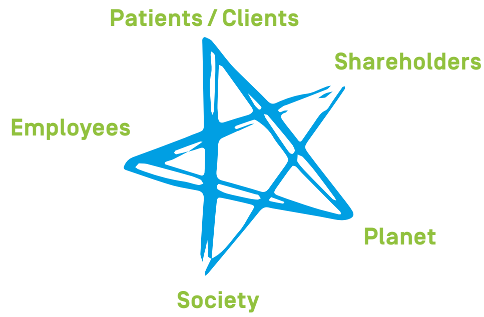
Through our four core activities: Industrial Solutions, RadioPharma Solutions, Proton Therapy and Dosimetry, we offer health care professionals the solutions that allow them to take a fully integrated approach to their patient care.

How do we work?

At IBA, we believe that companies can be one of the most powerful levers for positive action on the planet, but they are also potentially one of the most important sources of negative impact. At best, companies encourage collaboration, innovation and progress, thereby delivering solutions that meet societal needs in a sustainable way from an economic, social and environmental point of view. At worst, businesses can cause considerable social and environmental damage.

We believe that the world must evolve towards a model that creates shared and sustainable value for all stakeholders. Since its creation, IBA has always put the purpose of the company and its project at the heart of its activities, as expressed in our mission to "Protect, Enhance and Save Lives". As such, we consider the impact of our daily policies and practices on our employees, customers, suppliers, shareholders, the community at large and the environment. In doing so, we want to drive society in a more inclusive and sustainable direction.

As a company, we are focused on striking the right balance between our stakeholders: increasing our market share and the return for our shareholders, improving the quality of life of our customers, patients and employees, and contributing to the well-being of our society, while also maintaining and restoring our planet's health.



Why do we do that?

TO PROTECT, ENHANCE AND SAVE LIVES
For over thirty years, our particle physics-based technology has contributed to treating those in our society who are ill. This desire is reflected in our mission to protect, enhance and save lives.

All our activities are targeted towards the same objective of making a positive impact on patient health by providing health care professionals with the most effective and accurate solutions for diagnosis and treatment. This goal is implemented in different ways that benefit each of the various stakeholders involved.

A FLEXIBLE AND RESILIENT BUSINESS MODEL
In today's global and increasingly volatile economy, we have demonstrated flexibility, adaptability and resilience. These are fundamental to the continued success of our business activities.

Consistent with emerging technologies, such as proton therapy, the pace of growth can vary from year to year. We were able to offset this variability over the past year by delivering an improved performance in all business units, where each saw strong order intake.

We continue to focus on quality and innovation and thanks to excellent sales in our businesses (Proton Therapy, Dosimetry, Industrial Solutions and RadioPharma Solutions) we are managing an increasingly larger installed base and are thereby working more on service and upgrades.

Our customers and their patients:
we develop the most effective technology for our customers so they can provide the best available diagnosis and treatment for their patients.

Our employees:
we offer them quality jobs in a stimulating, friendly environment guided by ethical values.

Our society:
we promote a sustainable entrepreneurial business model that serves society while respecting the limits of our planet.

Our planet:
we continually work to reduce the environmental impact of our operations.

Our shareholders:
we show that we are worthy of their trust by being a sound financial investment and acting in accordance with our values.

OUR VALUES

CARE

We care about the well-being of our clients and patients, our employees, our society, our planet and our shareholders.

DARE

Creativity, innovation and passion are mandatory for a company that continually stretches the frontiers of technology. Day after day, we dare to create better results.

SHARE

We share our ideas and expertise with our stakeholders to create better results.

BE FAIR

We implement our mission to protect, enhance and save lives with ethical standards and transparency to remain worthy of our stakeholders' trust.

IBA IN 2019
at a glance

100 000 patients treated on IBA PT equipment	**580+** accelerators sold	**5** continents
4 business activities	**10%** of turnover invested in R&D	**40** countries
1 466 employees	**58** PT centers sold	**52** Service contracts
+10% revenues in 2019	**Score C** Awarded score C in the CDP project	
56 nationalities	**26%** women	**40%** proton therapy market share

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"IBA is an exciting and growing company with one core objective: using particle accelerator technology to benefit society. In conjunction with our customers and partners, our employees are driven and motivated by the Company's mission to protect, enhance and save the lives of more patients every day."

Olivier Legrain
Chief Executive Officer

MESSAGE
from Olivier Legrain

At IBA's core is our deep, world-leading expertise in particle acceleration. This unrivalled understanding, combined with more than 30 years of experience, has seen IBA build four robust business lines: Proton Therapy, Dosimetry, Radiopharma and Industrial Solutions. We have begun 2020 with a streamlined focus based around three core drivers: know-how, execution and innovation.

Know-how
IBA's unparalleled expertise in particle acceleration is at the center of everything we do. With 550 accelerators in operation for the sterilization of medical devices, the production of radiopharmaceuticals and the treatment of almost 100,000 proton therapy patients worldwide, IBA holds a leading advantage in the application of particle accelerator technology, while maintaining a profitable business model. This will be a significant driver of our future success as we continue to leverage this knowledge to provide the most attractive offering in all IBA's business lines.

Execution
IBA consistently delivers the fastest installation of our solutions on the market, a feature which continues to improve, delivering further efficiency for the business. In 2019 we completed the installation of eight proton therapy systems to reach a total of 37 operating sites, further advancing IBA's mission to treat more patients with its solutions. In addition, 14 machines were delivered to RadioPharma and Industrial customers, further increasing IBA's global presence. Several dozen upgrades have also been made alongside this.

IBA's continued focus on seamless and faster execution without compromising quality will continue to be a core driver for success in the tendering process, whilst helping to drive improvement of the Company's margins.

Innovation
To continue to execute and lead the markets in which IBA operates, the Company constantly innovates to stay ahead. IBA currently employs 200 engineers and experts in R&D, working to increase the affordability, proven clinical benefits and ease of use for our customers. IBA also holds more than 500 patents, close to half of which protect the IP of IBA Proton Therapy technology.

The technological roadmap of IBA Proton Therapy is focused on three areas: Motion Management for treatment of moving targets, ARC therapy and FLASH irradiation, and we continue to invest in these innovative new technologies to drive the future growth of the business.

For IBA Industrial Solutions and IBA RadioPharma Solutions, IBA is developing a new accelerator, the Rhodotron® TT300-HE, to produce radioisotopes such as molybdenum-99 and its decay product technetium-99 that are widely used for medical diagnostics, in a safer and cleaner way.

The Dosimetry division is also developing several innovative products to renew Patient QA for the conventional radiotherapy offering in order to continue to expand its 10,000+ customer base worldwide.

IBA is firmly committed to operating its business in a responsible and sustainable manner. The Company has a long tradition maintaining a consistent sustainability philosophy and in 2019 we continued the journey towards a model that creates shared and sustainable benefits for all stakeholders: our customers and their patients, employees, shareholders, the community at large and the planet.

The first part of 2020 has brought a period of global uncertainty with regards to the ongoing COVID-19 crisis. IBA's first priority remains the health and safety of our employees, our clients and their patients, and our suppliers and we are making decisions in light of this as we continue to confront COVID-19's impact on family's lives and business operations.

I would like to offer my warmest thanks to all of our IBA employees for their efforts, loyalty to our mission and values, and passionate commitment to satisfy all of our stakeholders.

Olivier Legrain
Chief Executive Officer


1


2


3


4

PATIENT CARE,
what makes our heart beat

By providing innovative and high-quality solutions, IBA aims to support patients throughout their journey. As such, our mission to protect, enhance and save lives takes them from diagnosis with radiopharmaceuticals to treatment by particle beam therapy, and includes sterilization of medical equipment for safer operations and quality control of equipment.

1

Sterilization

Industrial Solutions mainly focuses on developing solutions for applications such as for the sterilization of medical devices. Its products enable the medical industry to be significantly more environment-friendly by avoiding toxic chemicals and radioactive materials, and their associated pollutions and hazards.

2

Diagnosis

RadioPharma Solutions develops products that are used for producing isotopes and radiopharmaceuticals, vital for use in cancer diagnosis, as well as in the cardiology and neurology fields. We assist hospitals and radiopharmaceutical product distribution centers by helping them design, build and operate their radiopharmacy units.

3

Treatment

IBA is the worldwide technology leader in the field of proton therapy. Proton Therapy is considered the most advanced form of radiotherapy in cancer treatments using ionizing rays. Thanks to the unique properties of protons, tumors can be targeted more accurately. In effect, protons deposit the majority of their energy in a controlled zone, limiting exposure of the surrounding healthy tissues to potentially harmful radiation.

4

Dosimetry

The Dosimetry business offers hospitals a comprehensive range of monitoring tools and software, for example, for the calibration and control of their radiotherapy and radiology equipment. This technology is crucial to ensuring the prescribed dose is delivered within a precisely defined area of the patient’s body. Precision and control are vital to ensure patient safety and proper dose administration.

1 | Industrial Solutions

Protect, enhance and save lives by contributing to more sustainable irradiation solutions for

MEDICAL DEVICE STERILIZATION

IBA Industrial is the world leader in electron accelerators for industrial applicationsand focuses on two markets: the sterilization of single-use medical devices and food irradiation.

In the sterilization market, IBA proposes innovative solutions based on the Rhodotron®. These solutions allow customers to sterilize medical devices either by e-beam or x-ray and enable the industry to break their dependency on chemical or radioactive-based sterilization processes.

Today, the sterilization of single-use medical devices is experiencing a strong growth and the interest in e-beam and x-ray sterilization is mainly motivated by the increasing risk based on EtO and Gamma.

E-beam and x-ray accelerators are increasingly the preferred choice

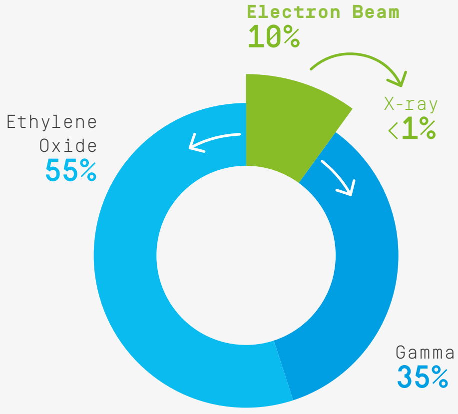
The medical devices industry has a wide range of products that enable patient diagnosis and treatment. Within this large multi-segment industry, Disposal Medical Devices (DMD) include all single-use devices e.g. surgical gloves, dialysis tubes, diabetes patches, orthopedic implants, syringes, etc. And yet DMDs, produced in large volumes, can only be commercialized and used if they are sterilized. Finding the right sterilization modality therefore is crucial.

Today, Disposal Medical Devices sterilization has year on year growth of 7% and relies for ~90% of its volume on two modalities: ethylene oxyde (EtO) (~55%) and Gamma (~35%). For different reasons, these two modalities are under pressure. Not only do e-beam and x-ray mitigate the risks inherent in the use of either EtO or Gamma, but they also make it possible to address the challenges related to the increasing complexity of products and the optimization of the logistics and production process.

For these reasons, IBA is collaborating with industry players to promote and facilitate access to e-beam and x-ray technology. It is just the beginning of the adventure and over the next few years IBA will continue to move sterilization forward for the benefit of patients.

Always on the cutting edge of innovation with advanced research programs

Sterilization technology market shares



Main sterilization technologies

EtO

- Requires special expensive permeable packaging to allow the gas to enter the package;
- An aeration period is required to allow the gas to escape;
- Residues left on the product are potentially carcinogenic and mutagenic;
- EtO is explosive, toxic, hamful to the environment.

GAMMA

- Requires cobalt-60, a radioisotope which continuously emits gamma-rays;
- Products are typically processed in totes, carriers, sometimes on pallets;
- Increasing issues related to the management of radioisotopes (supply, transport and disposal);
- High product penetration.

E-BEAM

- Electricity based;
- Cheapest sterilization technology;
- Typically, high energy e-beam sterilizes products packaged in boxes;
- Low product penetration.

X-RAY

- Electricity based;
- Offers much more penetration than e-beam and slightly better penetration than Gamma;
- Allows products to be treated directly on pallets with excellent dose uniformity.

The customer at the heart of our solution

Always with the aim of placing the customer at the center of our concerns, and being much more than just an accelerator producer, IBA is now a complete irradiation solution provider.

Our expertise allows us to be at our customers' side throughout their project, from the moment they have the idea, to the processing of their products and the maintenance and upgrades of the systems.

FEERIX, Excellence Center for Radiation Processing

Officially opened in September 2019, Feerix, our Excellence Center for Radiation Processing is a unique experimental irradiation platform based on advanced electron accelerators and high-energy x-ray generation technologies.

There, the new Rhodotron® TT300 will be used to study and test new products and processes. It has an original configuration of two separate beam lines and conveyors at 10 MeV e-beam for boxes, and 5 or 7 MeV x-rays in suspended totes.

All multi-sector applications of radiation processing, such as the sterilization of medical devices, improvement of polymer properties or food ionization will be investigated. Product dose mapping will also be provided for all industries.

Intended for R&D and training, this center uses machines that are very similar to those installed at customers. This makes it possible to transfer the results to industry in an optimal way. With this test center in the heart of Europe, IBA is committed to supporting all newcomers and existing players in the field and industry at large in their discovery of e-beam and x-ray modalities.

From innovation to reality

Innovation is in the DNA of IBA. As such, we continuously undertake new R&D challenges such as product improvements and new developments for different applications. Each innovation is carefully considered in that it either improves product quality and simplicity, or responds to new challenges, such as the reduction of electricity consumption for environmental and economic reasons. The lower power consumption of the Rhodotron® in pulsing mode, for instance, has now become a reality and is already operational at several sites.

The Rhodotron® TT300-HE project was established a few years ago when we realized there was a need to produce radioisotopes by nuclear photoreaction for diagnosis in oncology or cardiology. By producing molybdenum-99 from high-energy electrons with the Rhodotron®, our customer Northstar will be able to avoid the use of uranium and propose an optimized way to deliver its decay product technetium-99 that is widely used for medical diagnostics. The Rhodotron® based solution will produce the most used radioisotopes in a safer and cleaner way for the benefit of the nuclear medicine community and the planet.

This project has come about via the combination of IBA Industrial know-how and RadioPharma Solutions' network and expertise in medical applications, both divisions being part of the IBA Group. The detailed engineering of the machine is now completed, and the first machine is now installed in the new IBA factory. It will be tested for 4 months in one of our underground vaults, before being shipped to Northstar in Wisconsin in the summer of 2020. A second system will be shipped at the same time.

Other applications – FOOD

In addition to sterilization, many other applications are moving from a development phase to an introduction or even a growth phase. In that regard phytosanitary and food irradiation represent interesting developments.

Food irradiation is a process in which food products are exposed to a controlled amount of radiant energy to kill harmful bacteria such as E. coli, Listeria and Salmonella. The process can also control insects and parasites, reduce spoilage and inhibit ripening and sprouting. Several beta projects are currently being commissioned, and IBA is well positioned to be competitive in this emerging market.

We support newcomers to the industry in their discovery of e-beam and x-ray

Rhodotron® TT300HE

Rhodotron® TT200-300

2 | RadioPharma Solutions

Protect, enhance and save lives by contributing to

MORE ACCURATE DIAGNOSIS

Based on longstanding expertise, IBA RadioPharma Solutions supports hospitals and radiopharmaceutical distribution centers in two ways: with their in-house radioisotopes production; and by providing global solutions, from project design to the operation of their facility.

In addition to high-quality technology production equipment (cyclotron solutions, targetry systems, synthesizers, control systems, ...), IBA has developed in-depth experience in setting up cGMP radiopharmaceutical production centers.

Oncology

World Health Organization (WHO) figures from 2018 indicate that 9.5 million people die from cancer each year, and yet patients' lives and chances of survival are significantly improved if the cancer is detected early. In fact, a cancer diagnosed at an earlier stage is more likely to be treated successfully resulting in a higher likelihood of survival, reduction of morbidity and lower cost of care. Cancer Research UK confirmed that the average cancer survival rate for the 8 most common cancers amongst patients with stage 1 cancer is 90%. However, the survival rate plummets to just 5% when the patient is diagnosed as having stage 4 cancer.

In light of these findings, and in keeping with our mission to protect, enhance and save lives, our RadioPharma Solutions division is committed to making cancer diagnosis more accessible around the world by working on several levels:

First, by reducing the size of the radiopharmacy where the radiopharmaceutical tracers for cancer diagnosis are produced. The IntegraLab®ONE solution is the most compact radiopharmacy solution on the market, facilitating installation and reducing the building cost.

Early detection substantially increases the chances of survival

3 million undiagnosed cases of childhood cancer

A modeling study published in The Lancet Oncology[1] projected cancer incidence for 200 countries worldwide and suggested that the number of undiagnosed cases of childhood cancer could account for more than half of the total in Africa, south-central Asia and the islands of the Pacific. In North America and Europe, by contrast, only 3% of cases are undiagnosed. If there is no improvement, the authors of the study estimated that more than 3 million new cases of childhood cancer would be missed between 2015 and 2030.

1. Zachary J Ward, MPH, Jennifer M Yeh, PhD, Nickhill Bhakta, MD, A Lindsay Frazier, MD, Prof Rifat Atun, FRCP, Estimating the total incidence of global childhood cancer: a simulation-based analysis. 26 February 2019. https://www.thelancet.com/journals/lanonc/article/PIIS1470-2045(18)30909-4/fulltext

Next, by increasing the cyclotron production capacity for the production of isotopes in the radioactive tracers. IBA's Cyclone® KIUBE cyclotron offers the highest production capacity enabling increased diagnostic capabilities.

Finally, RadioPharma Solutions offers adjustable production solutions. The Cyclone® KIUBE produces the widest range of radioisotopes, enabling it to produce fluorodeoxyglucose (FDG, the most commonly used radiopharmaceutical for cancer diagnosis), Gallium-68 for the diagnosis of neuroendocrine tumors, and Copper-64 for a more accurate diagnosis of prostate cancer.

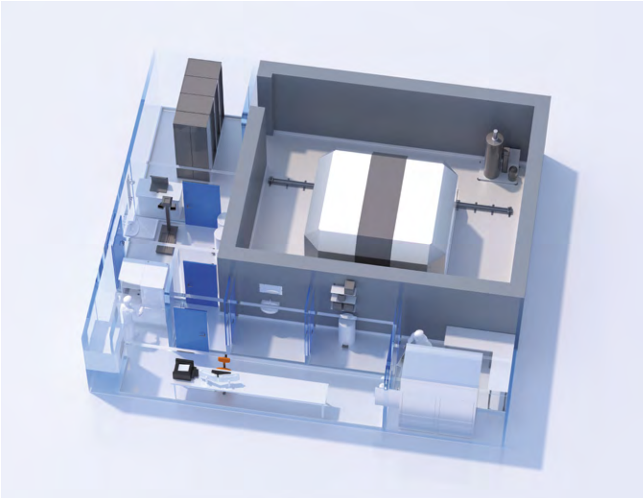
93.6%

IBA USERS SATISFACTION
Result of the Customer Satisfaction Survey Cyclotron 2018

"After 10 years of excellent experience with Cyclone® 18/9, we have now added the new Cyclone® KIUBE. Our experience is outstanding! The engineering details make operation unprecedentedly easy and reliable, and maintenance is quick and safe thereby lowering dose exposure. But best of all, with the custom energy option and the liquid target technology for radiometals production, the Cyclone® KIUBE has expanded our radioisotope production significantly."

Francisco Alves
Chief physicist & head of Cyclotron
ICNAS-Univ. Coimbra - Portugal

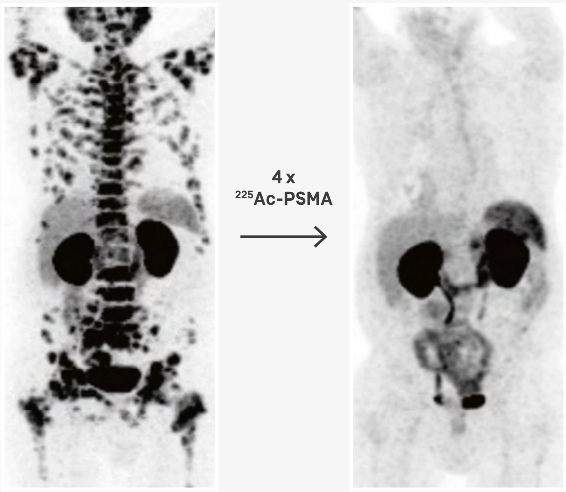
Cyclone®KIUBE


IntegraLab®ONE

A combination of diagnosis and therapy: theranostics

Theranostics is a new field of medicine that combines specific targeted therapeutics with targeted diagnostic tests. Medical imaging is revolutionizing personalized medicine by helping avoid costly and unnecessary therapies.

Fig. 1.



Dec 2014
PSA = 2923 ng+ml

Sep 2015
PSA < 0.1 ng+ml

Example of the use of theranostics in the treatment of prostate cancer: Therapy conducted by JRC Karlsruhe and University Hospital Heidelberg with 225Actinium-PSMA617 can induce remarkable responses in patients suffering from late stage metastatic castration-resistant prostate cancer as shown in Fig. 1. With an initial PSA value of approximately 3000 ng/ml and widespread metastatic disease, the patient achieved complete remission following 4 treatments with 225Actinium-PSMA617 and still benefits from the successful therapy today.

"The contribution of molecular imaging in prostate cancer is increasing rapidly, especially for Positron Emission Tomography (PET). The introduction of PSMA receptor tracer is probably the biggest success in Nuclear Medicine in recent years. 68Ga-PSMA has rapidly become the preferred radiotracer for PET imaging in prostate cancer, for its excellent theranostic characteristics."

Stefano Fanti
Prof. Professor of Diagnostic Imaging and Director of the Nuclear Medicine Division & PET Unit at the S.Orsola Policlinic Hospital, Bologna - Italy

IBA supports the Oncidium Foundation

The Oncidium foundation focuses on raising awareness about radiotheranostics as an alternative to cancer therapy and providing support to accelerate global access. Priorities include promoting awareness among patients and physicians, investing in research and scholarship, supporting and financing the development of new radiopharmaceuticals for therapy, as well as supporting clinical best practice and improving access to patients.

This theranostic principle has acquired greater importance in personalized medicine in recent years, particularly in oncology, where advanced tumors can be treated effectively with low side effects

Cardiology

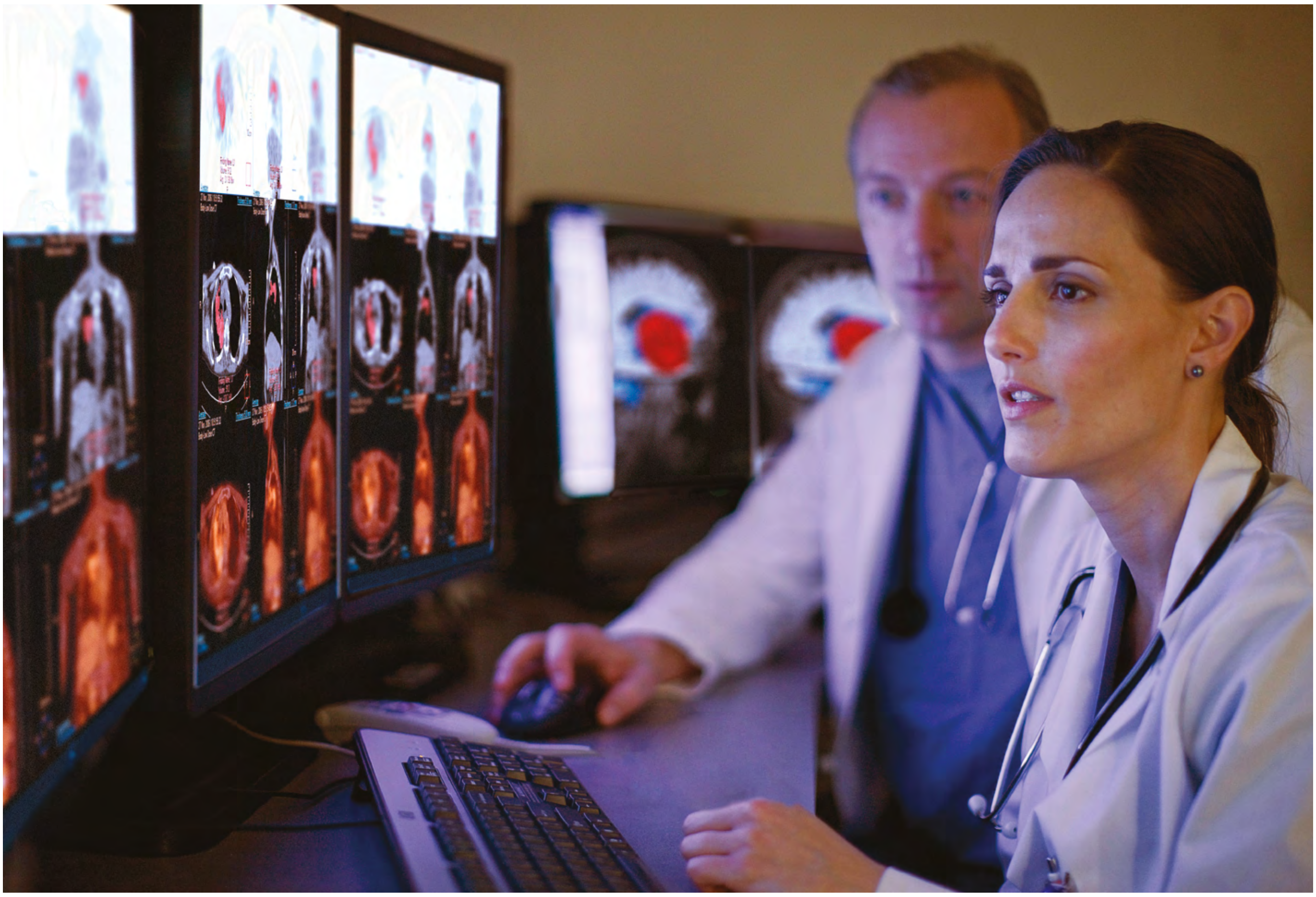
A preferred modality for cardiac imaging

"Cardiac PET imaging can be very useful for the management of many patients with suspected or known heart disease. Cardiac PET imaging is increasingly used as new centers are established and clinical guidelines incorporate cardiac PET imaging into the management algorithms."

Terrence D. Ruddy
MD, FRCPC, FACC, FAHA, FCCS Professor of Medicine and Radiology, University of Ottawa Director of Nuclear Cardiology, University of Ottawa Heart Institute

In cardiology, a PET scan of the heart is a non-invasive nuclear imaging test using radioactive tracers. It is used to diagnose coronary artery disease and damage following a heart attack. PET scans are also used to define the best therapy treatment.

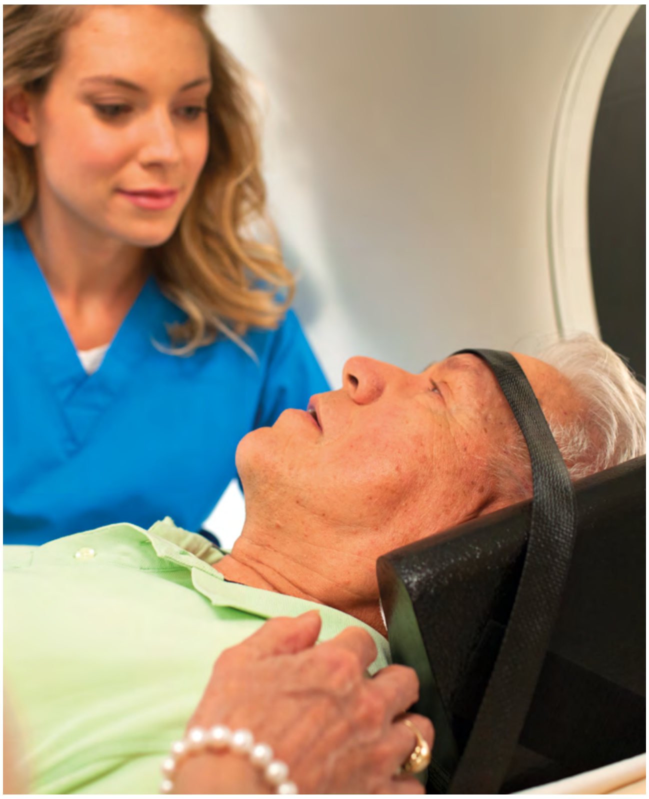
Major technological breakthroughs were achieved in the diagnosis of coronary heart disease through Positron Emission Tomography (PET). IBA's 70MeV cyclotron enables the production of Rubidium-82 while the Cyclone® KIUBE produces 13N-Ammonia — both are used for non-invasive myocardial perfusion tests.



Neurology

> **Imaging amyloid-ß and tau aggregates with PET are highly sensitive biomarkers for early and differential diagnosis of Alzheimer's disease before irreversible brain damage or cognitive decline has occurred. Molecular imaging may also offer new strategies to monitor disease progression and assess the effectiveness of next-generation, disease-modifying treatments.**

Udunna Anazodo, PhD
PET/MRI Neuroimaging Scientist, Lawson Health Research Institute, Assistant Professor, Depts. of Medical Biophysics & Clinical Neurological Sciences, Western University, London, Ontario, Canada



According to the WHO, around 50 million people worldwide suffer from dementia, with the majority diagnosed with Alzheimer's disease. The total annual global societal cost of dementia is estimated to be USD 818 million, equivalent to 1.1% of global gross domestic product.

The evaluation of brain functionality with PET molecular imaging is playing an increasingly important role in the positive diagnosis of neurodegenerative diseases, in particular dementias and Parkinsonian syndromes.

Amyloid PET imaging offers a diagnostic accuracy of 90% in the diagnosis of Alzheimer's disease.

Several tracers have received marketing approval for this indication, including 18F-florbetaben, which was developed and produced using IBA equipment.

Collaboration in the field of Neurology

IBA RadioPharma Solutions recently announced several long-term collaboration agreements in the field of Neurology with three top mental health hospitals and research centers: the Azrieli Centre for Neuro-Radiochemistry at CAMH (Centre for Addition and Mental Health), the Neuro's McConnell Brain Imaging Centre (BIC) and Invicro LLC.

These joint research and development activities focus on facilitating the use of new PET imaging agents in clinical applications, as well as on improving the role and function of imaging in translational drug discovery and development.

A technology that is also used for the diagnosis of heart disease and neurodegenerative diseases

3 | Proton Therapy

Protect, enhance and save lives by contributing to

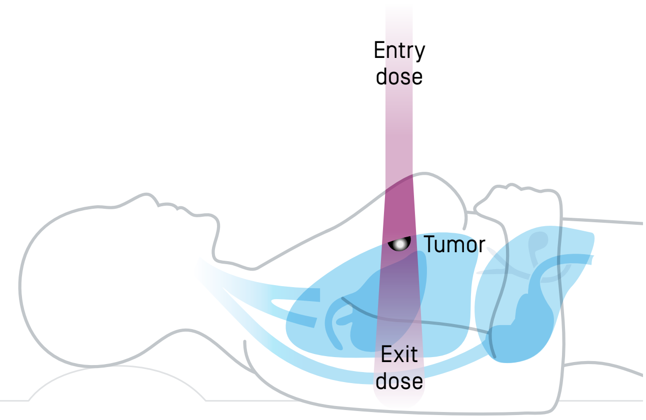
MORE TARGETED TREATMENT

Proton therapy is considered the most advanced currently available and a valuable treatment modality for thousands of women, men and children who are diagnosed with cancer.

Proton therapy aims to destroy cancer cells by delivering proton beams to a target tumor. Protons release the maximum energy within the tumor target area while limiting the radiation exposed to the surrounding healthy tissues. This is not the case for photon radiotherapy, the most common type of radiation currently used in cancer therapy.

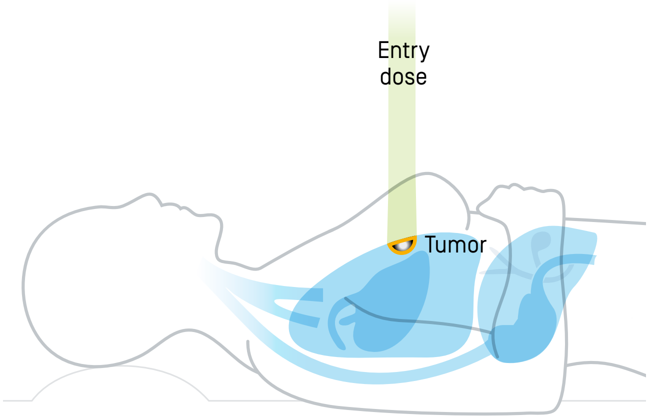
Moreover, proton therapy has the potential to enable dose escalation to tumor target without increasing the risk of side effects or long-term complications. As a consequence, this may improve the outcome of the treatment and enhance patient's quality of life.

Photon-based Radiotherapy



Deposits most of its energy before reaching the tumor

Proton Therapy



Deposits most of its energy inside the tumor

Proton therapy has the potential to reduce radiation-induced side effects and enhance the quality of life of patients during and after the treatment

iba-worldwide.com

IBA is the world leader in proton therapy

With 56% of proton therapy patients having been treated using IBA technology, IBA is the world leader in proton therapy.

56%

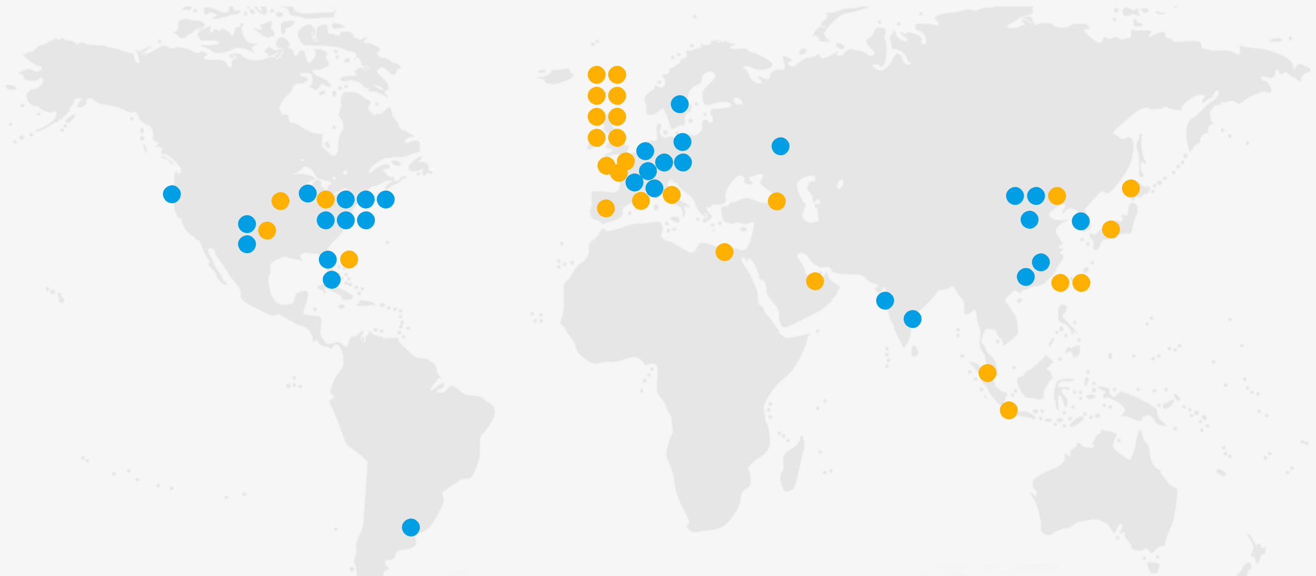
OF PROTON THERAPY PATIENTS
have been treated using
IBA technology

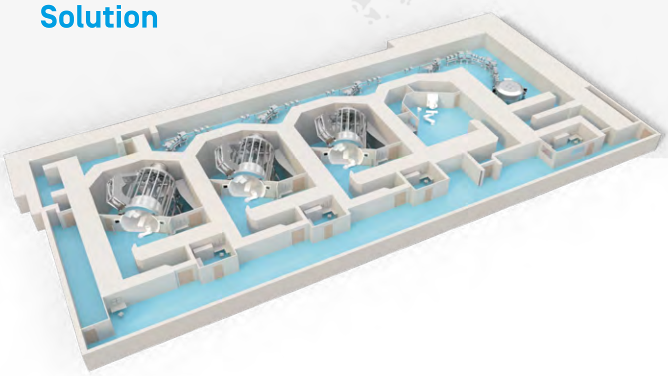
The company has been leading proton therapy development for the last 30 years and has built the largest user community worldwide. IBA offers the highest uptime rates and can install a system in less than 12 months.

IBA proton therapy centers at end 2019 – Largest network & experience

30 Proteus®PLUS Centers

28 Proteus®ONE Centers[1]





Multi-Room Solution

Compact Single-Room Solution

1. 3 centers not activated yet.

Proteus®ONE and Proteus®PLUS are brand names of Proteus 235

The largest proton therapy users community in the world: 8th Annual Proteus®User Meeting in Miami, Florida

163	3	45+
PARTICIPANTS	DAYS OF KNOWLEDGE SHARING	INSTITUTIONS REPRESENTED

"Each proton center has developed techniques, technologies, lessons and experiences that are unique. For each center to replicate each one of these experiences would take decades of work. A forum such as a User Meeting allows us to share ideas, best practices, innovations and in fact, to collaborate, both on research and clinical applications."

Dr Minesh Mehta, MCI

"We always work better as a team than individually. The opportunity to bring people together is going to make us all more successful in the end."

Dr James Metz, UPENN

Identifying the patients who stand to benefit from proton therapy

The advances in cancer treatment are numerous and increasingly related to personalized medicine, i.e. finding the best combination of therapies for patients by cancer type, genetics and other parameters, which are becoming increasingly better understood. Additionally, this also means a number of patients avoid undergoing certain treatments that have serious side effects which would not be effective for their specific case. IBA supports all efforts to develop approaches based on predictive models.

Professor H. Langendijk of the UMC Groningen (the Netherlands) developed a model-based method for selecting patients for proton therapy based on the risks of side effects. This model-based approach ensures that each patient will be referred to the best treatment based on the expected results and the reduced risk of side effects, thereby optimizing the overall benefit for the patient and society.

The Dutch authorities have based their reimbursement of the cost of proton therapy on this predictive approach. This modern reimbursement policy means new technology has been adopted faster while also helping to control costs. The accuracy of the model is also continually reassessed.

The model-based approach was reappraised twice in 2019, extending the coverage from head & neck to breast and lung cancers – these treatments will now be reimbursed by the National Health Insurance fund.

To correctly assess the extension to a new indication, the UMCG works together with MAASTRO Clinic, HollandPTC, other university medical centers, the NKI / Antonie van Leeuwenhoek and the Princess Máxima Center, to develop an infrastructure for research into the effectiveness and added value of proton therapy. The centers have a joint database that includes the clinical outcomes of all patients treated with proton therapy in the Netherlands.

Pushing the boundaries of technology

Pushing the boundaries of technology and anticipating new developments in proton therapy is aligned with our spirit of innovation. The technological roadmap of IBA is focused on 3 areas: **Motion Management**, **Arc Therapy** and **FLASH Irradiation**. IBA constantly improve the proton therapy technology for the benefit of patients. We work diligently to advance proton therapy, in close collaboration with our customers and through R&D partnerships.

The latest technological developments are available to new centers. We also ensure that our existing centers can be upgraded to these new technologies, through our upgrades and service offering.

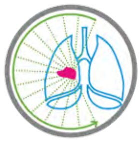
Motion management

Motion management tools are needed to ensure accurate treatment delivery by managing the challenges caused by tumor motion. With motion management, a proton therapy clinic will be able to treat more patients with more confidence.

Due to the proximity to critical structures and surrounding healthy tissues, managing tumor motion with radiation therapy is critical. Breath hold, gating, or other motion-mitigation techniques or intrafractional tracking along with improved immobilization may be necessary when delivering proton therapy.

It is estimated that around 20% of patients who are indicated for radiation treatment can benefit from proton therapy[1]. In 25% of these eligible patients, tumor motion can occur during treatment delivery. This is the reason why IBA is dedicated to offering an integrated solution for motion management that meets the medical needs.

Proton arc therapy



Proton arc therapy has the possibility to further improve the quality of the treatment. This technological evolution will offer patients numerous advantages:

- **Enhanced dose conformity at the tumor level and reduction of the total dose received by the patient**
- **Simplified treatment planning and delivery without performing the multiple field adjustments**
- **Less time in the treatment room and a maximized patient throughput thanks to an optimized workflow**

Thanks to our close collaboration with the Beaumont Proton Therapy Center (United States), we were able to deliver the first irradiation of a Proton Arc Therapy plan on a phantom.

> **"Spot-Scanning Proton Arc (SPArc) therapy has the potential to allow proton therapy practitioners to improve dose conformity at the tumor while further reducing dose to surrounding healthy tissue and increasing treatment effectiveness."**

Craig Stevens
MD. PhD, Chairman, Radiation Oncology, Beaumont Health.

1. Extrapolation with Globocan worldwide cancer incidence applied to the Dutch Model.

"At the Texas Center for Proton Therapy, we have developed a comprehensive program to treat lung tumors thanks to the availability of the latest technology developments in proton therapy:
- Cutting edge pencil beam scanning
- Best in class imaging solutions including Cone Beam CT
- Seamless integration of OIS, TPS and delivery machine."

Jared Sturgeon
M.D., Ph.D., Radiation Oncology, Texas Center for Proton Therapy.

FLASH irradiation

FLASH is a key research area that may dramatically improve the clinical relevance of proton therapy for patients around the world. IBA is uniquely positioned to drive the development of FLASH irradiation, the next major innovation expected in radiation therapy.

FLASH therapy has the potential to dramatically change the landscape of radiotherapy and patient cancer care, making it more effective and more accessible than conventional radiotherapy.

What is FLASH irradiation?

- **It is a fast and powerful treatment that delivers a high dose of radiation at an ultra-high dose rate**
- **It's a novel technique that could potentially shorten treatment time from 6-8 weeks to less than a week**
- **It has the potential to significantly reduce side effects for patients**

As the industry leader, IBA is collaborating with several leading proton therapy centers in their pioneering research work to better understand the mechanisms of FLASH irradiation. This early development work enables IBA today to deliver FLASH irradiation on both its current single and multi-room proton therapy platforms in a clinical environment in research mode as demonstrated in March 2019 at the University Medical Center of Groningen, The Netherlands, and in June 2019 at the Rutherford Cancer Center Thames Valley in Reading, England.

In addition, after publishing the first findings that demonstrate the effects of FLASH proton radiation therapy earlier this year, the University of Pennsylvania is conducting a clinical trial evaluating FLASH proton therapy in dogs with osteosarcoma[2].

Development of carbon therapy system

IBA announced in September 2019 the launch of the development of the world's first cyclotron-based carbon therapy system in Caen, France through its subsidiary Normandy Hadrontherapy (NHa), in collaboration with the Normandy Region and several other private and public players, including SAPHYN (SAnté et PHYsique Nucléaire). NHa will be dedicated to the development, industrialization and commercialization of hadron therapy equipment, with the first center to be installed in Caen.

Hadron therapy using carbon ions functions in the same way as proton therapy, but has the advantage of being particularly effective compared to other radiotherapy techniques for the treatment of radiation-resistant tumors. Several leading centers in the world are currently using carbon ions to treat cancer.

IBA will provide its unique technological expertise in particle accelerators and collaborate with several industrial and public partners to design, develop and install hadron therapy systems. In comparison to the existing synchrotron-based hadron therapy centers, the accelerator in this hadron therapy system will be an advanced 400 MeV (megaelectron-volts) multi-particle superconducting isochronous cyclotron that is able to accelerate carbon ions and other particles including protons. The new design is significantly smaller in size than existing centers.

2. https://penntoday.upenn.edu/news/entire-course-radiation-treatment-under-one-second
https://penntoday.upenn.edu/news/treatment-flash

Making treatments more accessible

To achieve our mission, we must work hard to ensure that the maximum number of patients who can benefit clinically from proton therapy have access to it. This includes reducing the cost of the technology and the maintenance, so that more centers are opened, thereby facilitating greater access for patients. The Proteus®ONE, a compact single room solution, introduced to the market in 2016, was a real game changer in making the technology more accessible thanks to a fully compact proton therapy solution with all the technological assets and features of a multi-room system.

Not only is it more affordable, it is also easier to install, operate and finance. Proteus®ONE incorporates the most advanced technology, namely image-guided proton therapy. This combines precision of the dose, using Pencil Beam Scanning (PBS) technology, with the three-dimensional precision of Cone Beam Computed Tomography (CBCT). The result is medical practitioners are able to more accurately localize the volumetric space to be treated. Thanks to Proteus®ONE, proton therapy is becoming more accessible to an increasing number of patients worldwide. By the end of 2019, 11 Proteus One centers are fully operational.

"A year ago I would never have dreamed of this. I'm alive! This is partly thanks to the proton therapy that I received at UMC Groningen. The process was tough, but effective."

Fred Mobach, 60 year-old, from Zwolle (The Netherlands), suffered from a tumor located under his nose. He first received chemotherapy, followed by 6 weeks of proton therapy.

Fred Mobach has a smile on his face.

"With proton therapy it is possible to irradiate just the tumor, without affecting other tissues and organs. Fortunately, I was eligible for treatment because the tumor and cancer cells were close to my brain. The second challenge was that I am blind in one eye. So it was very important that my good eye (on the side of the tumor) was not damaged".

In total Fred Mobach made the trip 35 times –by taxi – from Zwolle to Groningen, located one hour away.

"I was well taken care of and I had every confidence in the doctors and radiotherapists. I saw it as my last chance, so I really surrendered to them. The proton center is quiet. There is a pleasant atmosphere and I was well supervised."

"From the second week on I got a wound on my face. Partly thanks to doctor's advice and 'a good treatment cream, I got through it. Because fair is fair... it was hard to do."

Today, Fred is cancer free.

"I feel reborn. I'm alive! I am grateful and happy that I am still here and my face is completely restored. I can walk with my dog around the soccer field again. I would like proton therapy to become better known. I'd like more people to know that proton therapy offers a solution for a specific group of people with cancer."

Developing our services

With the largest proton therapy installed base, IBA has built a strong and reliable service team to guarantee the availability of its proton therapy technology and consistently achieve system uptime. IBA provides support teams, parts, and processes to provide full system operation and maintenance services while guaranteeing the highest performance standards on our state-of-the art technology.

In order to meet and maintain such high standards, IBA's maintenance and support is based on 3 pillars: 24/7 worldwide helpdesk support, experts and spare parts hubs in every region of the world, and the use of big data for predictive maintenance. This helps us reach and maintain our commitment to delivering total reliability of our systems, to ensure the continuity of patient treatments.

> **"We know that any changes to treatment schedules can have a big impact on patients and we are committed to making the process as smooth as possible. I am therefore very pleased with the excellent uptime achieved at the center. This has been good news for us, our patients and gives confidence to those administering world-class treatment. IBA's partnership and support has been fundamental to our success over the past 6 months."**

Mark Pankuch
Northwestern Medicine Chicago Proton Therapy Center.

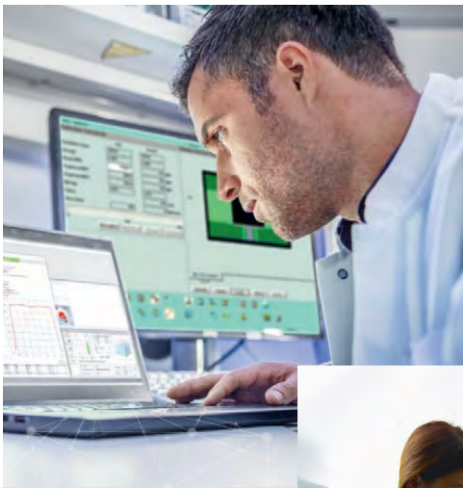
Staying at the cutting edge of Proton Therapy: Northwestern Medicine Chicago Proton Therapy Center

Besides the important daily work required to keep the center running smoothly, the IBA team has successfully upgraded the center several times since it opened in 2010, thereby ensuring that it remains at the cutting-edge of cancer care.

Over the last 6 months, the IBA team has installed a Pencil Beam Scanning (PBS) upgrade in one of its treatment rooms, whilst maintaining uptime at the center at more than 99%. PBS targets tumors with an ultra-fine proton beam and enables Intensity-Modulated Proton Therapy (IMPT), which allows clinicians to further minimize the dose to surrounding normal tissue.

With PBS, Northwestern Medicine Chicago Proton Center has extended the range and volume of indications that can be treated at the center.

4 | Dosimetry



Protect, enhance and save lives by enabling

INDEPENDENT QUALITY ASSURANCE

Our priority is to ensure that patients receive a safe, accurate and reliable diagnosis and treatment.

In medical imaging and radiotherapy, radiation must be used with great caution and precision.

The prescribed dose (expressed in Gray [Gy]) must be rigorously respected, both in terms of intensity and location. The life of patients, their safety and the success of their treatment depend upon it.

In medical imaging, the objective is to reduce patient exposure to radiation, while maintaining good image quality.

In radiotherapy and proton therapy, the goal is to expose tumor masses to a high dose of cancer-cell destructive rays, with millimeter precision, while reducing the exposure to healthy tissue as much as possible.

In both cases, the accuracy of the equipment and the control of the dose are of paramount importance. To achieve this, dosimetry instruments are needed to calibrate and control the diagnostic and therapeutic equipment.

This is the responsibility of our Dosimetry business, which has developed a range of tools to calibrate radiation equipment and verify the dose of ionizing radiation that the patient absorbs during medical imaging and radiotherapy.

"myQA has given me full control of my data by connecting all QA applications on one platform and into one central database. With myQA, the quality assurance becomes schedulable - in every sense of the word. Another highlight for me is the web-based myQA Cockpit dashboard which allows us to quickly retrieve our machine QA status updates anywhere in the department. myQA is truly an all-in-one solution."

Luis Brualla González
Hospital General Universitario, ERESA, Valencia, Spain

Safe radiotherapy: quality assurance of equipment for the treatment of patients

It is vital that a series of quality control checks are made on the calibration of the equipment to ensure patient safety. These controls are designed to certify that the radiotherapy and proton therapy equipment will deliver the required dose in the exact location designated by the medical team. It also increases physician peace of mind about their patients' safety.

Safe medical imaging: quality assurance for a better diagnosis

The quality assurance solutions for medical and radiotherapy imaging contribute to improving the image quality. This ensures a more accurate diagnosis and therapy, while also better controlling the radiation dose released by the machine. Our dosimetry solutions offer a complete and instant analysis of the released dose to obtain the required imaging with just one exposure.

Patient safety driven by advanced customer training and support

For IBA, service and support is about how we care for our customers and their performance.

With over 45 years of dosimetry experience, and with our training offerings, we help our customers to run their equipment efficiently and safely thereby ensuring patient safety in medical imaging and radiotherapy. Our qualified dosimetry service teams - uniquely distributed over 3 continents – ensure 24/7 instant access and quality support for our customers.

"Patient safety means a lot for us as physicians and medical physicists. Today, we are applying more and more precision radiation therapy using highly advanced treatment systems, and with very high treatment doses to very accurately defined tumor volumes. If we are not sure about the things we are doing, it might be dangerous for our patients. With cutting-edge quality assurance and dosimetry solutions and processes, as well as with risk assessments, we have the means to know that we are going to treat each patient precisely and safely before we switch on the beam."

Hale Başak Çağlar
Prof. Dr. Radiation Oncology
Anadolu Hospital, Istanbul - Turkey

5 | Commitment

Protect, enhance and save lives by being

A COMMITTED COMPANY

At the heart of its entrepreneurial ethos, IBA looks to consider its impact on stakeholders. For just as we are committed to our customers, patients, and shareholders, we realize that a commitment to our people, to society and to the planet is key to maintaining the quality of life of present and future generations. Nothing less than our societal and environmental legitimacy as a company is at stake.

Committed to our employees

As Yves Jongen, IBA's founder, always reminds us, our people are IBA's most valuable asset. After all, would our mission statement to protect, enhance and save lives still make sense if it isn't put into practice for and by our employees?

We want, as a responsible employer, to provide these men and women with safe and efficient working conditions and a friendly environment conducive to their professional and personal development.

"IBA is a way to use entrepreneurship for the good of society, as Philippe de Woot (pioneer in corporate social responsibility and former president of IBA) so often said. For me, IBA has many of these qualities: life-changing technologies and a desire to stay grounded, without ignoring the fact that we are a commercial company aware of its responsibility to be profitable for its shareholders."

Olivier Legrain
CEO

Protecting lives is an everyday commitment at IBA and it first applies to ourselves and the people we are working with and for.

Diversity and equity

Diversity is fundamental to our culture. We value the uniqueness of individuals and the various perspectives and talents they bring to IBA. We learn from and respect the cultures in which we work, promote diversity within our workforce, and have an inclusive environment that helps each and every one of us to fully contribute to IBA's success.

IBA is committed to provide equal employment opportunities and to treat applicants and employees without discrimination. We do not discriminate based on race, color, age, sex, sexual orientation, national origin, religion, language, or disabilities. Our policy is that no one at IBA should ever be subject to any kind of discrimination.

26% women

56 nationalities within IBA Group

Health and Safety

At IBA, respect for universal human rights is fundamental.

IBA is committed to conducting its business in compliance with all applicable workplace health and safety laws and regulations. IBA promotes prevention of involuntary labor and human trafficking, prevention of underage labor, freedom of association, ergonomics, great employee facilities and burnout prevention.

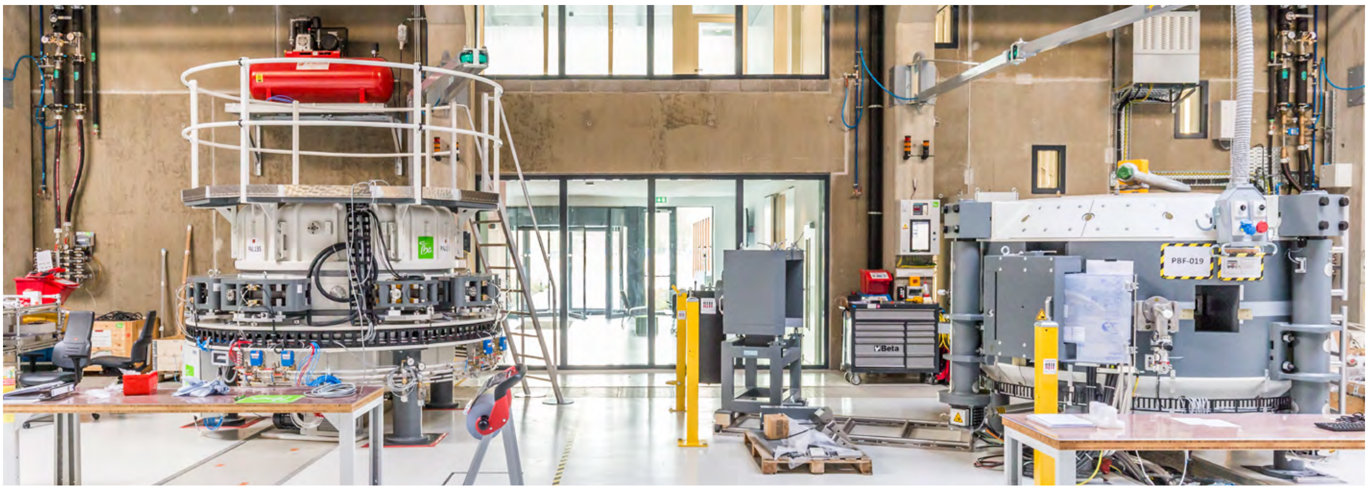
IBA is also committed to a positive, productive, and safe work environment that is free from violence, threats, harassment, intimidation, mental or physical coercion, and other disruptive behaviour. IBA does not permit any form of violence, whether physical, verbal, or mental. We consider all threats of violence as serious.

IBA is committed to implementing best practices in the field of Occupational Health and Safety to keep our promise of No Harm to our people.

To achieve this result, we:

- **ensure IBA operations comply with applicable occupational health and safety regulations, and when appropriate, implement additional controls to meet company requirements;**
- **empower all employees to stop any activity which they judge hazardous and goes against our 'No Harm' principle.**

Through all steps of development, implementation, and operation of IBA products and services, we ensure the highest standards of safety for our employees.



The Beam Factory, production area.

Mobility

IBA encourages efficient, low-impact and healthy mobility. We propose attractive leasing conditions to our employees for low-impact mobility vehicles, such as electric bicycles and scooters. This is an efficient way to combine daily commuting and parking lot optimization, healthy exercise, fitness, and carbon footprint reduction. More than 170 bicycles were under lease in 2019, representing 23% uptake by IBA staff in Belgium. IBA has been awarded 4 stars at the Belgian "Active Bike" challenge in 2019, ranking among the most proactive Belgian companies in the matter.

23% staff in Belgium have leased a bicycle

IBA also promotes electric cars through attractive leasing conditions for its employees. We are constantly developing our infrastructures to welcome these vehicles at our facilities: dedicated parking lots, high-power charging stations.

New ways of working

The IBA headquarters, the Beam factory, has been designed to display our innovative and technological capabilities to our customers and our visitors, which reasserts our recognition of our people's talents. It provides a contemporary and positive work environment by encouraging different ways of working: collaborative bubbles, brainstorming zones, social spaces and meeting rooms with cutting-edge equipment.

Our home-working policy is now effective for the whole company. This offers our employees the flexibility to work at home when efficiency or circumstances dictate, while also optimizing office space and reducing cost. In addition, time wastage and the environmental footprint linked to commuting is reduced. Employees have welcomed this initiative, as it has increased their focus and efficiency, while allowing them to enjoy a better work-life balance.

Virtual collaboration has also improved through the launch of a collaborative platform, which helps our employees communicate, share information and work together in a seamless way.

The IBA headquarters, the Beam factory, has been designed to display our innovative and technological capabilities to our customers and our visitors, which reasserts our recognition of our people's talents.

IBA headquarters, the Beam Factory.

Nature & sport

At IBA, we recognize that a break out of the office can, at times, be beneficial. We partner with local associations to offer our employees refreshing team building or individual activities during lunchtime, around nature and biodiversity topics. Vegetable gardening, yoga, nature discovery are a few of the proposed possibilities.

"I enjoyed the outdoor activity as it was oriented towards nature, biology, environment and life. It was very different to my daily work activity inside a building focused on robotics and computers."

An employee

"I enjoyed the break from the office – it was a breath of fresh air, quite literally – and the connection with nature! I also appreciated the deep knowledge of the speakers."

An employee

"Be healthy, be green"

"Be healthy, be green" weeks are organized each summertime around various themes, such as Repair Café, cancer patient testimonials, low-impact mobility, diet and nutrition,... Social clubs are promoted by IBA and organized by voluntary employees. Climbing, golf, biking, running, hockey, photography and indoor fitness are a few of the employee clubs organized at lunchtime or after hours.

Riding a bike is a great way to improve health, reduce travel costs, improve mobility, and optimize the number of parking spaces required.
It is also a great opportunity to participate in reducing the company's carbon footprint.

Committed to our society

We are convinced that the purpose of an economic player must be to promote social progress and collective well-being. The model we promote — both externally and internally — goes beyond regulatory compliance: it encourages an ethical vision of practices and behavior, respect for differences and a useful contribution to the communities around us.

Education

While we invest heavily in training our employees, we are also committed to educating young people. Passing our knowledge on to younger generation is an action that we consider essential.

Over the long term, we support partnerships with NGOs and foundations that help improve the educational environment. In 2019, IBA renewed its collaboration with Foundation for Future Generations, and became a partner of the program as a whole.

IBA relies on this partnership to promote collaborations and exchanges of expertise, and above all, to encourage biomedical engineering research. For three years now, IBA has reinforced its partnership with UCLouvain by supporting the "Civil Biomedical Engineer" diploma program, enabling the EPL to expand its range of courses.

IBA employees regularly share their experience and knowledge with universities and colleges. We have an active policy of integrating young people into professional life, by hosting internships, end of study work, and student jobs. It's our way of making a positive contribution to the future of the society at large, and attracting new talents to IBA.

Olivier Legrain CEO IBA and Benoît Derenne, CEO Foundation for Future Generations

> **"The approach of IBA, with its 360° vision, corresponds to the DNA of the Hera Awards. IBA is a partner that encourages us to transform the model."**

Benoit Derenne
CEO Foundation for Future Generations

> **"Our stakeholder approach pushes us to cover all aspects of our activities, including societal, environmental, and to involve as many people as possible so as to increase the positive impact we can have on society."**

Olivier Legrain
CEO

Students visiting IBA facilities

Engaging with our supply chain

We believe that a strong and responsible supply chain benefits our community.

IBA has approximately 100 main suppliers worldwide to support its design and manufacturing of products. The majority of IBA suppliers are located in Europe. IBA suppliers have been selected for their ability to best comply with requirements as stipulated by ISO13485:2016. The selection and qualification process of a supplier considers the criticality of the supplied goods and services. IBA promotes technical collaboration and innovation with its partners in order to reduce risks, costs and improve the quality of its products and services. Strategic partnerships are developed whenever beneficial.

The nature of our activities and the origin of products entering our production chain are not considered to be risky in terms of respect for human rights. We however recognize that our knowledge of our entire value chain is not optimal. We have a good view of our first level of supply, including rigorous vendor selection and validation processes, however, with regard to suppliers and subcontractors beyond the first level, we must acknowledge our ignorance.

In this context, IBA released in 2019 its first 'Conflict Minerals' report, and Code of Conduct for Suppliers that outlines the minimum standards expected from its major suppliers. The Code of Conduct for Suppliers builds on, and is in alignment with, the IBA Code of Business Conduct, which all IBA employees must adhere to. Within their sphere of influence, IBA also expects suppliers to communicate the principles and to apply these minimum standards to their subcontractors and suppliers.

IBA's Code of Conduct for Suppliers follows and supports the United Nations Sustainable Development Goals (SDGs) by aligning the principles of this Code of Conduct with relevant SDGs. IBA is committed to achieving this journey together with its suppliers as equal partners.

Supporting patient organizations

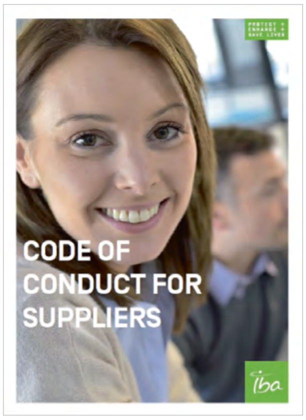
Around the world, IBA's men and women, all experts in their field, are passionate and enthusiastic about what they do. They collectively undertake to play an active role in putting our mission statement into practice, "Protect, Enhance and Save Lives".

They help each patient to have access to the most beneficial treatment for their cancer, and they bring the more efficient and more environmentally friendly industrial technologies to the service of our customers.

Beyond providing better solutions to its customers, IBA also supports the patients and their families, in partnership with those working in the field and by encouraging voluntary citizen actions by its employees: sponsorship, facilities sharing, donations from employees' initiatives such as the IBA Sailing Team, "Relay for Life", "FunRun", "Rock Against Cancer" or "Golf Against Cancer" events.

Associations such as "La vie-là", that supports and accompanies people with cancer in order to offer them a better quality of life, benefit from the on-going support of IBA and its employees since many years.

In the United States, IBA provides support for the Compass to Care Childhood Cancer Foundation, which helps children with cancer by covering the logistics costs of treatment away from home. In 2019, IBA supported the 15th Annual "Fight Cancer" event organized by the University of Florida Health Proton Therapy Institute for the benefit of their Clinical Research Program.



15th UFHPTI "Fight Cancer' event

Committed to our planet

IBA is conscious of the current major environmental crisis. Amongst the many challenges to adress, we are today specifically focusing on two : our GHG emissions and waste. Our aim is to broaden this focus regularly to include other environmental impacts, stricter targets and ultimately restorative actions.

NET-ZERO 2030 BELGIAN ORGANIZATION CO_2eq

Climate

We have an impact on global Greenhouse Gas (GHG) emissions.

- A direct impact through our operations: our offices and manufacturing infrastructures, and our employees' travel.
- An indirect impact through our installed product base: production and transport, and, once installed at the customer's location, there is electricity consumption, servicing, and decommissioning.

Inspired by the Net-Zero ambitions for Europe, we have set ourselves targets for bringing our Belgian operations net GHG emissions to zero by 2030.

This will be achieved by taking actions on our infrastructures and mobility impacts to reduce them by at least 50% below 2018 levels by 2030, and offsetting for the remaining part.

In terms of infrastructure, we have a 100% green energy contract with our electricity suppliers. In 2019, we also completed our move to the new IBA Headquarters, which have been designed to save energy and be self-sufficient in energy production.

In 2019, the RadioPharma Solutions team decided to renew the experience of carbon offsetting its biennial user meeting; this year they financed the installation of cooking stoves in Ghana.

We work on our mobility policies to address both the efficiency and the carbon footprint of our employees' mobility, via incentives for low-impact, public and electric mobility, home working practices and a more efficient servicing organization.

To address its installed base impact, IBA also continuously improves the energy efficiency of its product portfolio.

The Proteus One proton therapy system offers a greatly improved energy performance thanks to the use of superconductivity. This is part of an overall IBA strategy that aims to make technologies more accessible by improving the geographic distribution of centers, as well as the environmental impact related to patient travel and accommodation.

RadioPharma Solutions division has now completed the technological transition to the Cyclone Kiube, with significantly greater compactness and energy efficiency.

Industrial Solutions division is also continuing to transition with the arrival of the Rhodotron® new generation, whose energy performance has greatly improved. In addition, IBA is continuing its efforts as part of a research program to find a substitute for the Dynamitron insulating gas SF6, which still represents a significant part of the GHG emissions from our company's installed base.

We are gradually assessing our supply chain impact, with the introduction of a Supplier Code of Conduct addressing climate impact among other topics.

We monitor and publish yearly our GHG emissions related to our installed base and to our organization (Belgian area): offices and production means, and employee mobility (fleet of company vehicles and professional air travel /public transport).

In a desire for transparency and benchmarking of its practices, we disclose our environmental data every year through the carbon disclosure project CDP. IBA received a C score in 2019.

200 MWH produced by the Beam Factory solar panels in 2019

Waste

As a company, we have an impact on waste production.

- A direct impact through our operations: offices and manufacturing processes.
- An indirect impact through our installed product base: production and transport processes, and, once installed at the customer location, servicing and decommissioning.

We have set ourselves targets for reducing our unsorted waste intensity by a factor of 3 below 2018 levels by 2025 for our Belgian operations.

This will be achieved by making changes at all levels to our logistics, manufacturing and office impacts.

We take into consideration the principles of circularity – avoid, reduce, reuse, recycle. A circular process to return defective or supernumerary parts deployed to our customers is now in place, for repair, resale or recycling.

IBA has also developed “low activation” concrete, which significantly reduces the amount of waste to be reprocessed, and therefore the costs and the environmental impact, during the future dismantling of the casemates hosting its accelerators. This concrete was also used during the construction of the new headquarters.

A voluntary audit relating to environmental regulatory aspects was carried out for the activities and installations of the Belgian sites in 2019. An action plan will be drawn up with a view to improving the management relating to the non-conformities that have been identified.

IBA has initiated a process towards its suppliers in order to assess the compliance of its products with REACH and RoHS legislation. IBA is also affiliated with Recupel and declares the equipment placed on the market subject to the obligations of WEEE legislation.

To monitor the outcome of our actions, we monitor and publish our waste emissions each year, related to our Belgian operations.

Biodiversity

As an industrial organization, we want to take on our responsibilities in order to reduce our negative impact and contribute to reverse the trend on biodiversity. We have developed our headquarters’ gardens, green roofs, and water pools with this idea in mind. A number of voluntary employees are involved in regular workshops to maintain and develop biodiversity around the facilities.

IBA partners with local city associations that promote the awareness of biodiversity issues, such as ‘Plant Your Business Tree’, the goal of which is to create urban forests using the Miyawaki method in Belgium, as well as plantations in Madagascar.

Insect hotel on headquarter’s green roofs

Biodiversity workshop at IBA gardens

‘Plant Your Business Tree’ operation

Materiality and reporting

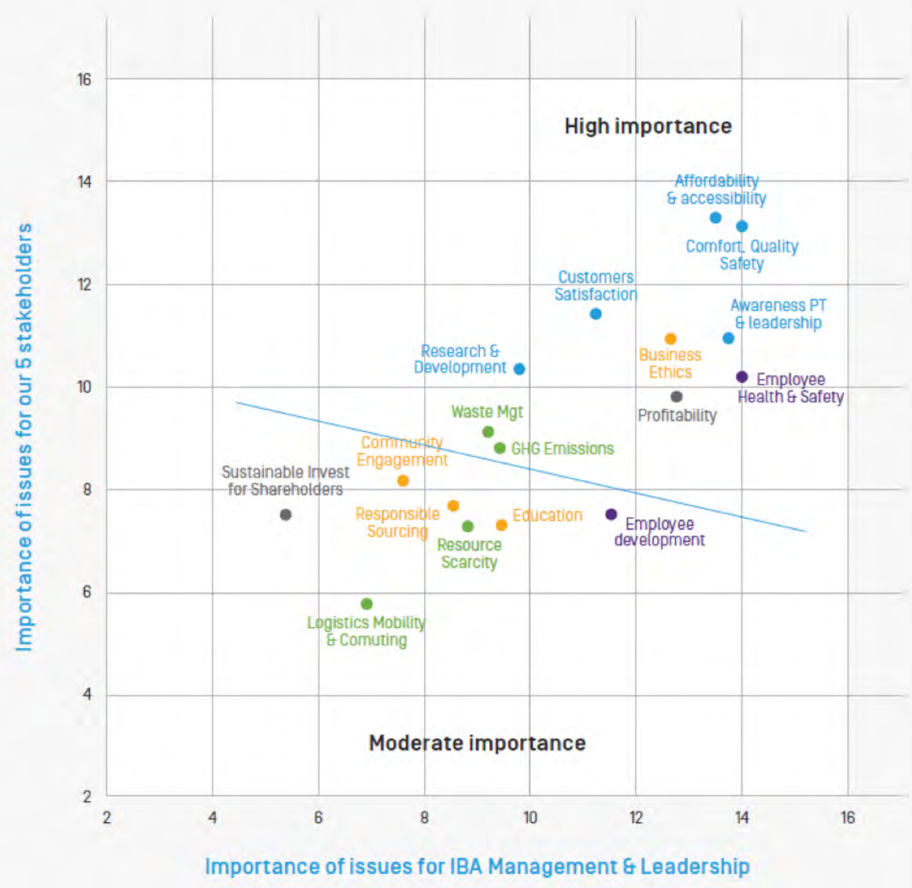
To clarify its priority topics, IBA has built a materiality matrix based on a dialogue with its stakeholders and the reference framework recommended by the Global Reporting Initiative (GRI). It is in this broad area that we are concentrating our thoughts. The hierarchy of our priorities is obtained by crossing the concerns of the company with the positions of its stakeholders.

This matrix takes into account data from the ongoing dialogue that IBA has established with all its stakeholders, through formal and informal exchanges and publications on environmental issues.

IBA intends to continuously refine its matrix as needed to keep it aligned with the company and stakeholder situation.

For more data about our yearly results, refer to the GRI Index of our annual report

GRI 102-46 Materiality matrix



MANAGEMENT REPORT

Approved by the Board of Directors at its meeting of April 30, 2020.

This report on the FY 2019 has been drafted pursuant to sections 3:23 and 3:32 of the new Belgian Companies and Associations' Code (hereafter the "**BCAC**"). The present report contains also three sections of the management report on the annual accounts of the Company (*rapport de gestion sur les comptes annuels*), i.e. the sections required under section 3:6, §2, §3 and §4, of the BCAC, being respectively (1) the Corporate Governance Statement (2) the Remuneration Report, and (3) the Non-Financial Activities Report. A separate management report on the annual accounts of the Company (*rapport de gestion sur les comptes annuels*) will contain all information required under section 3:6, §1, of the BCAC, and will be provided and published together with the annual accounts prepared under the format required by the National Bank of Belgium. In the present report, clear references are made where appropriate either to the annual or the consolidated accounts.

HIGHLIGHTS OF THE YEAR (SECTIONS 3:32, §1, 1° and 3:6, §1, 1°, OF THE BCAC)

The main events of the 2019 financial year, further details of which are contained in the Management report, were as follows:

- Strong order intake across all business lines, including nine Proton Therapy rooms across all major geographies, with the first systems sold in Georgia and Indonesia
- Currently 21 PT centers are under construction or installation, comprising 14 Proteus®ONE1 and seven Proteus®PLUS
- Record year for Other Accelerators with 25 accelerators sold in Asia, Europe and the US, reflecting strong radiopharmaceutical demand, especially in emerging markets, and growing market in accelerator-based sterilization solutions
- The Services business continues to grow strongly with double digit growth in both PT and Other Accelerators lines; Services made up almost half of total PT and Other Accelerators revenues in 2019
- Streamlined focus on core particle accelerators and dosimetry businesses with sale of RadioMed, the VISICOIL™ fiducial markers business, to IZI Medical Products LLC in December and decision taken to retain Dosimetry within the Group
- Company-wide cost control measures remain in place, while allowing for strategic investments in R&D, to achieve sustained profitability
- Continued progress with highly innovative technologies such as Motion Management, ARC therapy and FLASH, with first FLASH irradiations delivered in research mode at UMCG in Groningen, Netherlands and the Rutherford Cancer Centre in Reading, UK, demonstrating IBA's leadership in this novel, non-invasive delivery of ultra-high dose radiation
- Multiple collaborations with several leading proton therapy centers in their pioneering research to better understand the mechanisms of FLASH irradiation, including Institut Curie in Paris as well as the University of Pennsylvania to test the feasibility, safety, and effectiveness of delivering a full dose of radiation therapy in a split second
- In September Normandy Hadrontherapy, a company in which IBA has a minority interest, launched the co-development of a carbon therapy system in Normandy, France. Hadron therapy using carbon ions functions in the same way as proton therapy, but has the advantage of being particularly effective for the treatment of radiation-resistant tumors

The key figures in terms of financial results are as follows: (*)

- Total 2019 revenues of EUR 282.6 million, up 10% (2018: EUR 257.4 million). The increase was due to an excellent order intake for Proton Therapy and Other Accelerators, delivery of nine Proton Therapy rooms and a record 25 Other Accelerators to customers and continued high Services revenues and a strong performance for Dosimetry
- Equipment and service backlog of EUR 1.1 billion, comprising an equipment backlog for Proton Therapy and Other Accelerators of EUR 379 million at full year 2019 and Proton Therapy services backlog of EUR 744 million
- Full year REBIT amounted to EUR 0.1 million vs EUR 5.7 million for the previous year, reflecting gross margin weakness as a result of pricing pressure on new contracts and increased investment in R&D
- Total Group profit of EUR 7.6 million, a significant increase versus PY (2018: EUR –4.4 million), as a result of the gain on the disposal of RadioMed
- Net debt position of EUR -3 million at the end of 2019** with strong improvement compared to EUR -47.1 million at the end of December 2018 thanks to careful management of working capital
- Completion of refinancing of the Company's credit lines, enabling flexibility and future investment in innovative technologies. EUR 37 million undrawn credit lines still available as of today
- At end of March 2020, the Company has a gross cash balance of more than EUR 85 million and is net cash positive (unaudited numbers)
- Based on the 2019 results and the strong cash position of the company, in line with IBA's dividend policy, the Board of Directors will recommend to the annual general assembly, the distribution of a total dividend of EUR 0.076 per share (approximately EUR 2.3 million), representing a 30% payout on net profit

REVIEW OF IBA ACTIVITY SECTORS (SECTIONS 3:32, §1, 1° & 4° AND 3:6, §1, 1° & 4°, OF THE BCAC)

THE PROTON THERAPY AND OTHER ACCELERATORS SEGMENT COVERS:

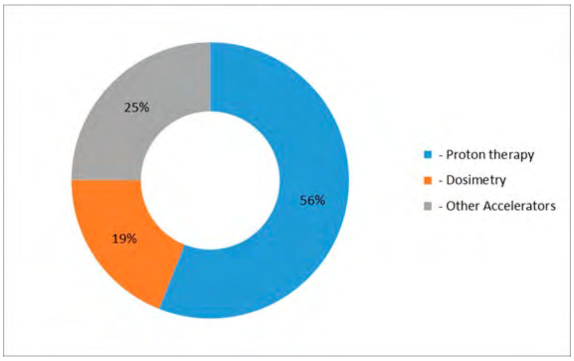
Proton therapy

which offers turnkey solutions for a more precise treatment of cancer, with fewer side effects, through the use of proton beams.

Other accelerators

which offer a line of cyclotrons used for the production of PET or SPECT radioisotopes and a line of industrial accelerators for sterilization and ionization (E-beam and Rhodotron® and Dynamitron® types of X-ray).

BREAKDOWN OF CONSOLIDATED TURNOVER BY ACTIVITY



* The figures for 2018 reintegrate the Dosimetry segment following the decision in 2019 to retain the business
** On like for like basis excluding the impact of new IFRS 16 of EUR 18.1 million

PROTON THERAPY AND OTHER ACCELERATORS

	FY 2018 (EUR 000)	FY 2019 (EUR 000)	Variance (EUR 000)	Variance %
Net Sales	**206 958**	**228 706**	**+21 748**	**+10.5%**
- Proton therapy	160 395	158 273	-2 122	-1.3%
- Other accelerators	46 563	70 433	+23 870	+51.3%
REBITDA	**7 782**	**5 844**	**-1 938**	**-24.9%**
% of Sales	*3.8%*	*2.6%*		
REBIT	**885**	**-4 827**	**-5 712**	**-645.4%**
% of Sales	*0.4 %*	*-2.1%*		

Total net sales for Proton Therapy (PT) and Other Accelerators were up 10.5% year on year to EUR 228.7 million, largely driven by significant sales in Other Accelerators from new prospects and backlog conversion of the good order intake in 2018. Within Proton Therapy in particular there was a continued strong performance in Services, largely offsetting weakness from equipment revenues, which in some cases were impacted by pricing pressure, as well as project mix. PT order intake in 2019 was good with nine rooms sold across all major geographies, in the regions of US, Europe and Asia, including the first systems in Georgia and Indonesia. At year end, there were 21 Proton Therapy projects under construction or installation, comprising 14 Proteus®ONE and seven Proteus®PLUS solutions. IBA sold 25 Other Accelerator systems in 2019, posting record years for both RadioPharma Solutions and Industrial Solutions. In RadioPharma, in particular, three high energy machines were sold; one Cyclone® 30 and, importantly, two Cyclone® 70 systems, while several Cyclone®KIUBE systems were sold in markets such as China, Russia and Turkey, showcasing the strength of IBA's market-leading technology in radioisotope production. In Industrial Solutions too, a record number of systems were sold, reflecting the changing market dynamics in the sterilization sector with an emerging shift towards accelerator-based sterilization. IBA benefits from strong interest in 1) its new generation of Rhodotron® for sterilization and medical applications (radio-isotopes and theranostics production) and 2) its Cyclone® 70 high energy cyclotron that enables the study of new rare isotopes and the production of isotopes used in the diagnosis of cardiovascular diseases and other critical illnesses. This contributed strongly to the increase of net sales for the Other Accelerators division to EUR 70.4 million, an increase of 51% versus PY (2018: EUR 46.6 million).

Total order intake for PT and Other Accelerators in 2019 stood at EUR 254 million, the highest ever recorded in a single year and more than doubling from last year (2018: EUR 117 million). Overall, Services also continued to show strong growth, crossing the EUR 700 million backlog mark, with double digit growth in both PT and Other Accelerators revenues. For the FY19 year, Services made up 47% of total PT and Other Accelerators revenue, progressively contributing to higher recurring revenues with strong margins. Moreover, as already mentioned in the past, the Company continues to work on its multi-year service development roadmap, to further improve margins. REBIT margin was impacted negatively by a weakened gross margin as a result of price pressure on contracts as competitors attempt to gain market share. Despite this, all contracts are profit-making and IBA remains the only profitable PT provider on the market. The Company is working on a number of initiatives to improve its margins over the long-term, including projects to rationalize overhead costs and share more resources across its businesses. REBIT margin was also impacted by an uptick in R&D as the Group invests in the future growth of the business, in line with a core strategic objective of focusing on technological innovation such as Motion Management, ARC and FLASH therapies. General & Administrative (G&A) and Sales & Marketing (S&M) expenses were broadly similar to the same period last year with some inflationary increase. IBA remains committed to Group wide cost control initiatives, which have been successfully implemented and which will be continued in the coming year, whilst maintaining strategic R&D investment to preserve IBA's technological leadership.

IBA R&D Roadmap

IBA Roadmap Across all of our business lines, our focus is on our core drivers: Know-how, Execution and Innovation.

Know-How

IBA's unparalleled expertise in particle acceleration is at the center of everything we do. This knowledge base combines 34 years of operational application. With 550 accelerators in operation for sterilization of medical devices, production of radiopharmaceuticals and with the treatment of almost 100,000 proton therapy patients worldwide, IBA has created a significant lead in the application of particle accelerator technology to profitable business models.

This will be a significant driver of our future success as we continue to leverage this knowledge to provide the most attractive offering in all of IBA's business lines.

Execution

At year end, there were 21 proton therapy projects under construction or installation, comprising 14 Proteus®ONE and seven Proteus®PLUS solutions. IBA consistently delivers the fastest installation on the market, a feature which continues to improve, delivering further efficiency for the business. In 2018, IBA delivered five PT centers to its customers and in 2019 IBA added another eight systems to reach a total of 37 operating sites, further advancing IBA's mission to treat more patients with its solutions. In addition, 14 machines were delivered to RadioPharma and Industrial customers, further increasing IBA's footprint worldwide. Several dozen upgrades have also been made.

IBA's continued focus on seamless and faster execution will continue to be a core driver for success in the tendering process as well as IBA's ability to improve margins.

Innovation

To continue to execute and lead the markets in which IBA operates, the Company must innovate to stay ahead. IBA currently employs 200 engineers and experts in R&D, working to increase the affordability, proven clinical benefits and ease of use for our customers. IBA can also count on more than 500 patents, close to half of which are protecting IBA Proton Therapy technology.

The technological roadmap of IBA Proton Therapy is focused on three areas: Motion Management, ARC therapy and FLASH irradiation.

- Motion management tools are needed to ensure accurate treatment delivery by managing the challenges caused by tumor motion. It is estimated that around 20% of patients who are indicated for radiation treatment can benefit from proton therapy. In 25% of these eligible patients, tumor motion can occur during treatment delivery. This is the reason why IBA is dedicated to offering an integrated solution for motion management that covers all patient needs.
- Proton ARC therapy has the possibility to further improve the quality of treatment and increase the number of patients treated at a PT center. This technological evolution will offer patients numerous advantages including enhanced dose conformity at the tumor level and reduction of the total dose received by the patient, whilst enabling simplified, faster treatment.
- FLASH therapy has the potential to dramatically change the landscape of radiotherapy and patient cancer care, making it more effective and more accessible than conventional radiotherapy. As the industry leader, IBA is collaborating with several leading proton therapy centers in their pioneering research to better understand the mechanisms of FLASH irradiation. This early development work today enables IBA to deliver FLASH irradiation on both its current single and multi-room proton therapy platforms in a clinical environment in research mode. In addition, after publishing the first findings that demonstrate the effects of FLASH proton radiation therapy earlier this year, the University of Pennsylvania is conducting a clinical trial evaluating FLASH proton therapy in dogs with osteosarcoma.

For IBA Industrial Solutions and IBA RadioPharma Solutions, IBA is developing a new accelerator, the

Rhodotron® TT300-HE, to produce radioisotopes such as molybdenum-99 and its decay product technetium-99 that are widely used for medical diagnostics, in a safer and cleaner way. By producing these isotopes from high-energy electrons with the Rhodotron®, the use of uranium can be avoided in order to deliver them to patients in an optimized manner.

DOSIMETRY

	FY 2018 * (EUR 000)	FY 2019 ** (EUR 000)	Variance (EUR 000)	Variance %
Net Sales	**50 449**	**53 846**	**+3 397**	**+6.7%**
- Dosimetry	50 449	53 846	+3 397	+6.7%
REBITDA	**5 429**	**6 615**	**+1 186**	**+21.8%**
% of Sales	*10.8%*	*12.3%*		
REBIT	**4 777**	**4 914**	**+137**	**+2.9%**
% of Sales	*9.5%*	*9.1%*		

Dosimetry continued to see excellent sales performance in 2019 with order intake up 4% to EUR 48.7 million and revenues up 6.7% to EUR 53.8 million, driven by strong conventional radiotherapy related deals. REBIT margin was down very slightly to 9.1% from 9.5% as a result of careful spending and ongoing initiatives to streamline the business, while continuing to invest in both hardware and software innovations. Dosimetry backlog was at a high of EUR 17.7 million vs EUR 15 million at the end of last year. It is to be noted that 2018 numbers included 12 months of RadioMed activity whereas 2019 numbers include only 11 months, due to the sale of the RadioMed business in December 2019. IBA Dosimetry booked record sales in its traditional water phantom business and launched several innovative products in 2019 such as myQA Daily TM and myQA iON TM, that are receiving increasing traction in the global market. In addition, an ambitious program to renew Patient QA for the conventional radiotherapy offering has been launched and is expected to further consolidate IBA Dosimetry's competitive position in order to continue to expand its 10000+ customer base worldwide.

MANAGEMENT'S STATEMENT

Pursuant to section 12, §2, 3° of the Royal Decree of November 14, 2007 regarding the obligations of issuers of financial instruments admitted to trading on a regulated market, Mr. Olivier Legrain, Chief Executive Officer (CEO), Director and Managing Director of IBA SA, and Mrs. Soumya Chandramouli, Chief Financial Officer (CFO) of IBA SA, state that, to their knowledge:

- the financial statements to which this annual report relates, prepared in accordance with applicable accounting standards, give a true and fair view of the assets and liabilities, financial position, and results of IBA SA and the undertakings included in the consolidation perimeter; and
- this annual report contains a true and fair view of the business evolution, the results, and the position of IBA SA and the undertakings included in the consolidation perimeter, as well as a description of the main risks and uncertainties they face.

* Dosimetry numbers (including RadioMed) re-integrated, following the decision in 2019 to retain the business
** RadioMed numbers integrated for 11 months, following its disposal in December 2019

NON-FINANCIAL ACTIVITIES REPORT

In accordance with sections 3:6, §4, and 3:32, §2, of the BCAC, IBA SA releases a statement on its non-financial activities. This non-financial statement has been prepared in accordance with the GRI Standards: Core option (https://www.globalreporting.org/standards/). Please refer to the GRI content index at the end of the present report.

CONSOLIDATED ANNUAL FINANCIAL STATEMENT

INCOME STATEMENT

As a result of the Group's decision to retains the unsold Dosimetry business as continuing operation, the 2018 and 2019 income statements have been restated to show net income from these operations in the income statements of continuing operations.

IBA reported a 9.8% increase in revenues to EUR 282.6 million during 2019 (2018: EUR 257.4 million) due to an excellent order intake for Proton Therapy and Other Accelerators, with continued high Services revenues and a strong performance for Dosimetry.

As at December 31, 2019, Group gross margin (33.0%) weakness compared to 2018 (36.6%) largely driven by pricing pressure on new contracts for Proton Therapy and Other Accelerators segment.

As at December 31, 2019, Group operating expenses were EUR 93.1 million, a 5.1% increase from 2018 (2018: EUR 88.5 million). This increase is explained:

- for the Dosimetry segment by careful spending and ongoing initiatives to streamline the business, while continuing to invest in both hardware and software innovations for Dosimetry Segment
- for Proton Therapy and Other Accelerators segment by an uptick in R&D as the Group invests in the future growth of the business plus some inflation-related rises overall. IBA's cost control measures continue, whilst maintaining strategic R&D investment to maintain IBA's technological leadership

Recurring operating profits before interest and taxes (REBIT) decreased from a gain of EUR 5.66 million in 2018 to a gain of EUR 0.1 million, reflecting gross margin weakness as a result of pricing pressure on new contracts and increased investment in research and development.

As at December 31, 2019, the other operating result (income) was EUR 14.6 million (2018: EUR -2.3 million expenses), primarily composed of:

- other operating income that was mostly related to the gain realized on the disposal of RadioMed Corporation (''RadioMed''), to a gain realized on the sale of an intangible asset and to the reversal of a long-term accrual.
- other operating expenses that were mostly related to restructuring and reorganization costs and project costs relating to the Dosimetry business.

As at December 31, 2019, the financial result (expenses) was EUR -2.8 million (2018: EUR -4.2 million expenses) and was positively affected by interest on deferred payments in relation to proton therapy projects partially compensated by lower foreign exchange gains.

As at December 31, 2019, the share of the loss of equity-accounted entities included costs from IBA's minority interest in Normandy Hadrontherapy.

As a result of the above effects, IBA reported a net gain of EUR 7.61 million up from a loss of EUR -4.4 million in the prior year.

CONSOLIDATED FINANCIAL POSITION AND FINANCIAL STRUCTURE

In December 2019, after the Board concluded that the retention of the remaining component of the Dosimetry division provides the most compelling strategic rationale for the Company and its stakeholders, the financial position of Dosimetry is not presented anymore under ''assets held for sales for and ''liabilities directly related to assets held for sale''.

In accordance with IFRS 5, the 2018 financial position has not been restated.

Non-current assets after reclassification of EUR 11.31 million from ''Asset held for sale'' (December 31, 2019 Dosimetry financial position) increased by EUR 16.13 million during the 2019 financial year, essentially thanks to the combined effects of:

- investment in land and buildings, plant machinery, furniture and fixtures, computer hardware, software for EUR 4.5 million;
- less depreciation of tangible and intangible assets by EUR -6.3 million;
- IFRS 16 right-of-use and sublease accrued income explaining an increase by EUR 8.7 million;
- the increase of deferred tax assets by EUR 0.60 million;
- the increase of investments under equity method by EUR 2.9 million
- a new subordinated loan granted to Normandy Hadrontherapy for EUR 1.5 million;
- a deferred payment related to the disposal of RadioMed Corporation ("RadioMed") for EUR 1.38 million;
- Reevaluation at fair value of investment in Rutherford Estates Limited (previously Proton Partners International) for EUR 2.19 million;
- the increase of other long-term receivables by EUR 1.06 million;

Goodwill at the end of 2019 (EUR 3.8 million) has been reclassified from ''asset held for sale'' as it was related to the Dosimetry business and remained unchanged.

Intangible fixed assets (EUR 6.36 million) and tangible fixed assets (EUR 19.57 million) after reclassification of EUR 2.68 million from ''Asset held for sale'' (December 31, 2019 Dosimetry financial position) and after reclassification to right-of-use assets of the financial lease assets and emphyteutic rent of EUR -17.90 million decreased by a total of EUR -2.11 million. The change during the year is mainly attributable to investment in software, buildings and equipment for EUR 4.5 million, disposals/reclassification for EUR -0.30 million and depreciation and amortization for -6.31 million.

The application of IFRS 16 lead to the presentation of all leases under a new caption ''Right-of-use assets'' representing the right-of-use of all leases to be accounted under a single on-balance sheet model and the recognition of new assets for EUR 12.50 million. As at December 31, 2019, right-of-use assets amount to EUR 30.4 million.

Other long-term assets after reclassification of EUR 0.08 million from ''Asset held for sale'' (December 31, 2019 Dosimetry financial position) increased by EUR 4.60 million to EUR 21.37 million. This change is essentially attributable to the recognition of additional research tax credits of EUR 2.16 million, the transfer to short term of research tax credits of EUR -1.33 million, the grant of a subordinated loan to Normandy Hadrontherapy SAS for EUR 1.5 million, an escrow account related to the disposal of RadioMed Corporation ("RadioMed") of EUR 1.38 million and additional sublease accrued income of EUR 0.67 million.

Current assets amount to EUR 318.51 million at the end of 2019.

Inventories and contracts in progress amount to EUR 120.37 million at end 2019 after reclassification of EUR 8.29 million from ''Asset held for sale'' (December 31, 2019 Dosimetry financial position) decreased by EUR -18.99 million explained by the decreases of:

- contracts in progress for EUR -12.59 million,
- finished products for EUR -0.04 million,
- work in progress for EUR -5.07 million,
- raw material and supplies for EUR -0.53 million,
- write-off on inventories for EUR -0.76 million.

Trade receivables after reclassification of EUR 7.1 million from ''Asset held for sale'' (December 31, 2019 Dosimetry financial position) increased by EUR 16.6 million.

After reclassification of EUR 0.99 million from ''Asset held for sale'' (December 31, 2019 Dosimetry financial position), the increase of EUR 8.39 million in other receivables is mainly related to the increase of the non-trade receivables for EUR 0.54 million, the increase of current income tax receivables for EUR

1.37 million, the increase of the accrued income for EUR 4.47 million, the increase of prepaid expenses for EUR 0.35 million, the increase of sublease accrued income for EUR 0.21 million, the increase of the research tax credit receivable for EUR 0.70 million and the increase of insurance indemnity to be received for EUR 0.61 million.

Non-current liabilities increased from EUR 61.73 million at end of 2018 to EUR 71.63 million at the end of 2019. This represents an increase of EUR 5.62 million after reclassification of EUR 4.28 million from ''Liabilities directly related to assets held for sale'' (December 31, 2019 Dosimetry financial position).

This change of EUR 5.62 million is mainly attributable to the following factors:

- Long-term borrowings increased by EUR 2.47 million, due to:
  - new borrowings for EUR 9.0 million (syndicated bank term loan with a maturity of 5 years),
  - the reclassification to short-term of a loan from a Belgian bank of EUR -3.0 million, of a portion of S.R.I.W. loans of EUR -1.73 million and of a portion of the syndicated bank facilities of EUR -1.8 million,
- Long term lease liabilities after reclassification of EUR 3.46 million from ''Liabilities directly related to assets held for sale'' increased by EUR 9.77 million, due to:
  - the reclassification of the Emphyteutic rent liability from other long-term liabilities under IFRS 16 for EUR 4.27 million,
  - new lease liabilities under IFRS 16 for EUR 12.82 million,
  - the reclassification to short-term of a portion of a portion of the lease liabilities of EUR -7.32 million,
- The decrease of EUR -9.12 million in other long-term liabilities results mainly from the transfer to short-term of cash advances from local government received in Belgium for EUR -0.61 million, the decrease of other long-term liabilities related to the partial impact of the margin elimination surplus of a proton therapy project sold to an equity-accounted company for EUR -1.79 million, the reversal of an accrual related to a proton therapy project for EUR -2.45 million and the reclassification of the Emphyteutic rent liability to long-term lease liabilities under IFRS 16 for EUR -4.27 million.
- The increase of long-term provisions of EUR 1.71 million
- The increase of deferred tax liabilities of EUR 0.44 million
- The increase of long-term financial liabilities of EUR 0.36 million

Current liabilities amount to EUR 242.14 million at the end of 2019. The following elements are to be noted:

Short-term provisions after reclassification of EUR 0.23 million from ''Liabilities directly related to assets held for sale'' (December 31, 2019 Dosimetry financial position), which amounts to EUR 4.44 million at the end of 2019, decreased by EUR -1.53 million, mainly due to:

- the utilization of provisions for warranties for EUR -4.13 million, for tax risks for EUR -0.36 million, for commitments on proton therapy projects for EUR -1.02 million and for Group's commitments under the agreement with SK Capital Partners for EUR -0.66 million,
- the reversal of provisions for warranties for EUR -0.49 million,
- new provision mainly for warranties for EUR 4.75 million,

Short-term borrowings of EUR 3.53 million at the end of 2019 include the short-term portion of the loan from a syndicated 5 years term loan for EUR 1.8 million and the short-term portion of S.R.I.W. loan of EUR 1.73 million. Short-term borrowings have decreased by EUR -38.08 million due to:

- the repayment of short-term credit line facilities for EUR -37.46 million, of a portion of S.R.I.W. loans for EUR -2.15 million and to a Belgian bank for EUR -5.0 million,
- compensated by the reclassification of a loan from a Belgian bank of EUR 3.0 million, of a portion of S.R.I.W. loans of EUR 1.73 million and of a portion of the syndicated 5 years term loan of EUR 1.8 million,

Short-term lease liabilities for EUR 4.87 million increased by EUR 2.95 million after reclassification of EUR 1.03 million from ''Liabilities directly related to assets held for sale'' (December 31, 2019 Dosimetry financial position of lease liabilities) mainly due to:

- the repayment of short-term lease liabilities of EUR -4.38 million,
- compensated by the reclassification of a portion of the lease liabilities of EUR 7.32 million,

Other short-term payables at the end of 2019 amount to EUR 47.85 million which represent an increase of EUR 3.88 million compared to 2018 after reclassification of EUR 8.28 million from ''Liabilities directly related to assets held for sale'' (December 31, 2019 Dosimetry financial position). This increase is mainly explained by the increase of deferred income for EUR 1.81 million, the increase of advances received from the Walloon Region of Belgium for EUR 2.04 million and by the increase of social debt for EUR 1.22 million partially compensated by the decrease of cash advances from local government received in Belgium for EUR -0.60 million and of accrued expenses for EUR -0.35 million.

Advances received on contracts in progress at end 2019 amount to EUR 136.74 million which represent an increase of EUR 48.25 million mainly explained by good cash collection on projects having a positive cash curve.

The Group's cash and cash equivalents presented in the cash-flow statement increased by EUR 7.39 million in 2019, mainly due to:

- a positive operating cash-flow of EUR 48.63 million mainly related to the net profit of EUR 7.61 million and to the improvement of working capital for EUR 39.94 million,
- a positive investing cash-flow of EUR 1.75 million mainly related to the cash received for the disposal of RadioMed Corporation ("RadioMed") for EUR 12.49 million and the disposal of fixed assets for EUR 2.01 million partially compensated by the investment in Normandy Hadrontherapy for EUR -6.10 million, a subordinated loan granted to Normandy Hadrontherapy SAS for EUR -1.5 million and acquisitions of tangible and intangible assets of EUR -5.12 million.
- partially compensated by a negative financing cash-flow of EUR -42.37 million related to the proceeds from borrowings for EUR 9.0 million (drawn on a syndicated bank term loan facility of EUR 30 million with a 5 year maturity), repayment of borrowings and lease liabilities for EUR -50.12 million (short credit line facilities for EUR -37.46 million, lease liabilities for EUR -5.51 million, S.R.I.W. for EUR -2.15 million, Bank loan for EUR -5 million) and interest payments for EUR -2.73 million, capital increases for EUR 0.13 million, new grants and cash advances from local government received in Belgium for EUR 2.6 million, and repayments of cash advances received from local governments in Belgium for EUR -1.25 million.

Net financial debt decreased by EUR 28.1 million from EUR -49.4 million at the end of 2018 to EUR -21.3 million at the end of 2019.

RESEARCH AND DEVELOPMENT

Research and development expenses related to the Group's businesses amounted to EUR 33.22 million (11.8% of sales) in 2019 less EUR 2.09 million of research tax credit.

At IBA, research expenses are recognized directly in the income statement. Development expenses are recognized directly in the income statement because the nature of capitalizable development costs cannot be demonstrated in accordance with the Group's accounting rules. These significant investments enable the Company to remain among the world leaders in all the markets in which it operates.

CAPITAL INCREASES AND ISSUES OF STOCK OPTIONS AND CONVERTIBLE BONDS – SECTION 7:203 OF THE BCAC

There was no issue of stock options or convertible bonds in 2019. Capital was increased once (i.e. on 3 December 2019, published in the Annexes to the Belgian State Gazette on 23 December 2019) further to the exercise of stock options granted to employees. These are further detailed in the General Information – Capital Section.

REPURCHASE OF OWN SHARES - SECTION 7:215 OF THE BCAC

IBA SA did not repurchase or sell any of its own stock in 2019. At December 31, 2019, IBA SA held 63 519 of its own shares.

IBA SA STATUTORY ACCOUNTS AND APPROPRIATION OF NET RESULT

In 2019, IBA SA reported a profit of EUR 55.8 million compared to a loss of EUR 4.7 million in 2018, representing a variation of EUR 60.5 million.

Operating income (excluding other extraordinary income) increased by 3%, from EUR 262.9 million in 2018 to EUR 271.8 million in 2019, predominantly due to strong service revenue and other accelerators.

Other extraordinary income amounted to EUR 5 million reflecting an agreement reached with several public and private investors to transfer intellectual property to a dedicated company for further development of Hadron Therapy (including Carbon Therapy).

The operating loss amounted to EUR 7.6 million in 2019 against a loss of EUR 8.8 million in 2018, a net improvement of EUR 1.2 million.

Operating expenses increased by EUR 12.7 million in 2019 to EUR 284.4 million. The R&D expenditure of EUR 34.4 million in 2019 (EUR 32.5 million in 2018) is capitalized. The development expenditure capitalized for EUR 32.2 million are depreciated over three years while research expenses capitalized for EUR 2 million are depreciated immediately in the same year.

IBA presented a financial profit of EUR 63.6 million compared to a profit of EUR 4.9 million in 2018. A large portion of the profit stems for:

- The non-recurring capital gain (EUR 49.3 million) realized as a result of the liquidation of Molecular Holding SA (participation in Molecular Holding acquired for 1 EUR historically reflecting a provision recorded at the time)
- the dividend income from IBA USA of EUR 15.9 million.
- The remainder includes mostly interest expenses (EUR 2.7 million), foreign exchange impacts and bank charges.

The operational perspectives of IBA SA remain positive.

At the end of 2019, the Company had ten branches in Prague, Czech Republic; Orsay, France; Krakow, Poland; Trento, Italy; Seoul, South Korea; Uppsala, Sweden; Groningen, Netherlands; Newport, United Kingdom; Madrid, Spain and Dublin, Ireland. The branches were established as part of the Company's Proton Therapy business (section 3:6, §1, 5°, of the BCAC).

The 2019 profit amounts to EUR 55.8 million, the profit carried forward from the previous years stands at EUR 26.6 million, making a total profit for appropriation of EUR 82.4 million.

IBA's Board of Directors proposes to the General Assembly to appropriate EUR 52 K to the legal reserve, to distribute a dividend of EUR 2.3 million and to carry forward the remaining amount (EUR 80.1 million) to the next financial year.

CONFLICTS OF INTERESTS AND OTHER INFORMATION TO BE DISCLOSED PURSUANT TO SECTION 3:6, §1, 7°, OF THE BCAC

During the 2019 financial year, there was no conflict of interest between the Company and any of its directors, in the meaning of section 7:96 of the BCAC.

No other relevant information to be disclosed pursuant to section 3:6, §1, 7°, of the BCAC.

COMPETENCE AND INDEPENDENCE OF MEMBERS OF THE AUDIT COMMITTEE (SECTIONS 3:6, §1, 9° AND 3:32, §1, 6°, OF THE BCAC)

In accordance with section 3:6, §1, 9°, of the BCAC, IBA's Board of Directors reports that:

- Ms. Katleen Vandeweyer (representing Katleen Vandeweyer Comm. V.), chairman of the Audit Committee since 2015, member of the Audit Committee and Board member since 2013, is also Group Finance Director at Proximus SA/NV. As such, she is responsible for group financial reporting, working capital management, transversal finance transformation programs and efficiency tracking. Ms Katleen Vandeweyer is also a member of the Board of Directors of Ageas SA/NV and is a member of the Remuneration Committee of the same. Ms Katleen Vandeweyer is also a member of the Board of Directors at Scarlet (Executive Director).

SIGNIFICANT ACQUISITIONS AND DIVESTMENTS IN 2019

On 17 December 2019, IBA announced that it had sold RadioMed Corporation ("RadioMed"), IBA's VISICOIL™ fiducial markers business, to IZI Medical Products LLC, a leading interventional medical device company. This concluded the strategic exercise with the decision to retain the remainder of the Dosimetry division within IBA Group.

PRINCIPAL RISKS AND UNCERTAINTIES FACED BY THE COMPANY (SECTIONS 3:6, §§1° TO 3° AND 3:32, §§1 TO 3°, OF THE BCAC)

APPROACH TO RISK MANAGEMENT

The board of Directors, supported by the Management Team, the Risk Management Committee and the Audit Committee, oversees and manages enterprise risk. The Management Team, the Risk Management Committee and the Audit Committee identified several functional experts covering the various categories of enterprise risk. The Management Team and the Risk Management Committee are continuously working to improve the enterprise risk management framework and are the primary governance bodies responsible for the implementation of appropriate risk responses.

IBA supports taking sound risk-reward strategic decisions to maximize value creation, supports sustainable results and supports operational excellence.

Enterprise Risk Management focuses on the following risks categories: Strategic, Operational, Legal & Compliance, Digital and Financial risks. The main risks within these categories are further described.

IBA RISK MANAGEMENT FRAMEWORK

Risk management is part of IBA processes and Performance Management. The Board of Directors considers risk appetite when taking decisions.

The quality of IBA's risk management, business control and other findings of internal and external audits are reported and discussed in the Risk Management Committee. Internal auditors monitor the quality of risk management and business controls through risk-based operational audits, inspections of financial reporting controls and compliance audits.

The Risk Management Committee meet quarterly to address weaknesses in risk management and business controls structure as reported by internal and external auditors or revealed by self-assessment of the Management Team and to take corrective action when necessary. In addition to the Risk Management Committee, the Quality Management Review (QMR) assists the Management Team in fulfilling its oversight responsibilities particularly in respect of the quality of the Company's products, systems, services and software and the development, testing, manufacturing, marketing and service thereof, and regulatory requirements related thereto. As such, the QMR supports the Company's risk management in the relevant risk areas.

IBA has designed its Enterprise Risk Management based on the ERM Integrated framework updated in 2017 and established by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

IBA continuously evaluates and improves its ERM to align with business dynamics and good practice. IBA describes the risk factors within each risk category to give stakeholders insight into which risks it considers more prominent than others at present. The risk overview highlights the main risks known by IBA, which could hinder it in achieving its strategic and financial business objectives. The risk overview may, however, not include all the risks that may ultimately affect IBA.

IBA has decided to present its risks as follows:

Strategic Risks

Customers, Competitors, Investors

Evaluate risks that drive the IBA's mission and strategy.

Operational Risks

Processes, Systems, People, Value Chain

Identify the risk of loss from inadequate internal processes, people, or systems that will affect IBA to execute its strategic plan.

Legal & Compliance Risks

Law, Regulation, Politics, and Corporate Governance

Assess the performance of IBA corporate compliance program, focusing on the regulatory risks of Medical Devices

Financial Risks

Market Changes and the Economy

Assess market movements that could affect the organization's performance or risk exposure and effectiveness of key financial controls.

Digital Risks

Hardware, Software, and Network Controls

Evaluate potential system failures and innovation lag risks and inadequate infrastructure, access controls, data privacy and security protections.

STRATEGIC RISKS

OFFERING EVOLUTION RISK

IBA continues to invest heavily in research and development and cannot exclude the possibility that a prototype may not be commercially viable or may become obsolete during its development because of competing technological development.

ASSET DEPRECIATION RISK

IBA invests in companies whose business sector is complementary to its own. In most cases, these are recently established companies in innovative sectors. IBA cannot guarantee that all these investments will be profitable in the future or that some projects will not be purely and simply terminated.

STAFF BENCH STRENGTH RISK

Since IBA was established, the number of highly qualified persons employed by the Company has significantly increased. However, it is possible that the defection of certain key employees possessing specific expertise could, for a short time, affect one of the Company's activities.

COMPETITION RISK AND INDUSTRY RISK

Currently, IBA has no direct competitor covering all the markets in which it is present. However, in certain markets, it is competing against some of the world's largest corporations. These corporations have highly developed sales and marketing networks and more importantly, extensive financial resources beyond comparison with those of IBA. Furthermore, there is always the possibility that a new technology – notably a revolutionary therapy in the treatment of cancer that would render a part of IBA's current product line obsolete – could be developed.

The development and marketing of technology resulting in novel therapies does nevertheless require a relatively long period of time.

REIMBURSEMENT OF HEALTHCARE

The subsidization by healthcare reimbursement institutions of costs for the treatment of certain diseases for which equipment made by IBA is directly or indirectly involved – is continuously under scrutiny. The healthcare reimbursement policies of these organizations will in turn influence the volume of orders that IBA obtains. These subsidies from reimbursement institutions differ greatly from one country to another.

OPERATIONAL RISKS

SALE RISK

In general, IBA's customers are diversified (public and private sector) and located on several continents. Each year the Company depends on multiple orders, particularly for its proton therapy systems that are implemented over several financial years. One additional order or one order less, or changes in an order that were not anticipated at the beginning of the year, are characteristics of this field of business which can have a significant impact over several accounting periods. On the other hand, the lead time for fulfilling orders gives the Company a good view of its level of activity several months in advance.

INVENTORY RISK

Inventory includes high technology parts and components subject to rapid technological obsolescence. Inventory support production but also spare parts to support our customers. IBA optimizes the level of inventory required for production and support on sites for our customers under maintenance contract. Nevertheless, evolution of the product and variability of the demand may impact the provision required for obsolete and excess of inventory, which would have an impact on our operating results. Unanticipated or uncontrolled construction delays on a customer site, cancellations or rescheduling by customers, a change in customer's financial condition to obtain financing, delays in obtain regulatory approvals or authorizations may have an impact on the level of inventory required.

PRODUCT DEVELOPMENT RISK

Because IBA does not have a full product in-house testing capability, new product or features are tested on a customer site, during installation as well as operations and can potentially impact customer operations for the tests, as well as potential corrections of non-conformities. A Hypercare process is in place to alleviate those impacts, improve follow-up of the new developments as well as accelerate the return of experience / customer feedback directly to the product development teams.

Because of the long-term life of products, as well as the specific requirements of customers, IBA must maintain multiple versions worldwide, with risk of maintenance, upgradability and updatability.

IBA strategy of open vendor for software's drives additional risks to maintain interoperability all along product life, and product development. It has an impact in architecture and requests close interactions with all those vendors.

QUALITY RISK / CONSUMER PROTECTION / PRODUCT SAFETY RISK

IBA is required to comply with quality standards in the manufacture of its medical devices and subject to supervision of various national authorities. Conditions imposed by such national regulatory authorities could result in product recalls or a temporary ban on products. This could have an impact on IBA's reputation, customer satisfaction and could lead to financial losses.

Errors or accidents could arise from the operation of our products. As a result, IBA could face substantial liability to patients, customers and others for damages caused. Adverse publicity regarding accidents or mistreatments could cause patients to seek alternative methods of treatment.

LEGAL AND COMPLIANCE RISKS

ANTI-TRUST / FAIR COMPETITION RISK / ETHICS RISK

In our field of activity, and depending on the countries and the regions concerned, bribery and corruption are considered as a potential danger. Being fully aware of this risk for over 20 years, IBA has published a Code of Business Conduct. This code defines, among other things, the strict framework in which IBA conducts business, including unambiguous rejection of risks related to corruption and bribery. This code is part of our work policies. Every employee is required to read and to pass a post-training test to acknowledge clear and full understanding and acceptance of the principles. Failure to comply with this code may result in disciplinary sanctions for the employee concerned. This code is reviewed and amended on a regular basis. The most recent version has been updated in 2019 to reflect additional principles on sustainability, data protection and health care professional's compliance matters.

Respect for Ethics is also part of our terms with agents, distributors and partners (see for example the IBA Suppliers Code).

INTELLECTUAL PROPERTY RISK

The Company holds intellectual property rights. Some of these rights are generated by employee or production process knowhow and are not protected by patents. The Company has filed patents, but it cannot guarantee that the scope of these patents is broad enough to protect the Company's intellectual property rights and prevent its competitors from gaining access to similar technologies. The Company cannot guarantee that the defection of certain employees will not have a negative impact on its intellectual property rights.

LEGAL RISK

Some contracts may contain warranties or penalties which generally represent only a few percent of the amount of the contract in the case of conventional sales contracts. However, these amounts may be significantly higher in public-private partnerships in as much as the penalties must cover the associated financing. Such clauses are applicable only to a limited number of contracts, essentially those relating to proton therapy projects. The possibility that a customer may one day exercise such a warranty or penalty clause cannot be excluded.

The use of products made by IBA may expose the Company to certain liability lawsuits. IBA maintains insurance to protect itself in the event of damages arising from a product liability lawsuit or from the use of its products. In a country such as the United States, where the slightest incident may result in major lawsuits, there is always a risk that a patient who is dissatisfied with services received by products delivered by IBA may initiate legal action against it. The Company cannot guarantee that its insurance coverage will always be sufficient to protect it from such risks or that it will always be possible to obtain coverage for such risks.

REGULATORY RISK

Some IBA products and devices cannot be marketed without regulatory approval or registration as medical devices. Such authorization is necessary in each country where IBA wishes to market a product or device. IBA is authorized to market its particle therapy devices in the United States (FDA), the European Union (LRQA), Australia (TGA), Russia (Gost-R) and South Korea (MFDS), Taiwan (TFDA), Singapore (SFDA) and Japan (Shonin). Authorizations may always be revoked. Moreover, as IBA's equipment evolves technologically, further authorizations may be required.

FINANCIAL RISKS (SECTIONS 3:6, §1, 8° AND 3:32, §1, 5°, OF THE BCAC)

More detail regarding section 3:6, § 1, 8°, of the BCAC will be provided, where appropriate, in the management report on the annual accounts (*rapport de gestion sur les comptes annuels*) to be published together with such annual accounts.

The Group's overall financial risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

Financial risk management is carried out by a central treasury department (Group Treasury). These policies provide written principles for overall financial risk management, as well as written policies covering specific areas, such as foreign exchange risk, use of derivative financial instruments and non-derivative financial instruments, and investing excess liquidity. Group Treasury identifies, evaluates, and hedges financial risks in close cooperation with the Group's operating units.

CREDIT RISK

The Group has limited exposure to credit risk. The Company policy for large contracts is to have appropriate letters of credit issued prior to delivery of the equipment, or to contract a specific credit insurance from either the Belgian official export credit agency Credendo or private insurers.

The note 2.2 of the consolidated financial statements present the financial assets of the Group by valuation method (fair value and carrying amount). The carrying amount of these financial assets represents the maximum credit exposure of the Group.

The fair value of a financial instrument is the price at which a party would accept the rights and/or obligations of this financial instrument from another independent party.

FOREIGN CURRENCY RISK

The Company is exposed to foreign exchange risks when it signs certain contracts in foreign currencies or when it invests abroad. To the fullest extent possible, the Company employs the financial instruments necessary to limit its exposure to these risks.

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar, Chinese yuan, Czech krona, Polish zloty, Russian ruble, British pound, Indian rupee, Japanese yen, Swedish krona, South Korean won, Argentine peso, Singapore dollar, Egyptian pound, Thai baht, Mexican peso and New Taiwan dollar. Only US dollars and Chinese yuan are material for the Group.

Foreign exchange risk arises from future and committed commercial transactions, from recognized financial assets and liabilities, and from net investments in foreign operations.

To manage foreign exchange risk arising from future and committed commercial transactions and from recognized assets and liabilities denominated in a currency different from the entity's functional currency, entities in the Group use forward exchange contracts, transacted with Group Treasury. Group Treasury is responsible for hedging the net position in each foreign currency by using forward exchange contracts entered into with banks when possible and appropriate.

For segment reporting purposes, each subsidiary designates contracts with Group Treasury as fair value hedges or cash flow hedges, as appropriate.

External foreign exchange contracts are designated at Group level as hedges of foreign exchange risk on specific assets, liabilities, or committed or future transactions on a gross basis.

The Group's general hedging policy is to hedge any confirmed sales contracts denominated in a foreign currency as well as expected net operational cash flows when they can be reasonably predicted. Appropriate documentation is prepared in accordance with IFRS 9. The CFO approves and the CEO is informed of significant hedging transactions, with reporting to the Audit Committee four times a year.

Intercompany loans denominated in foreign currencies are entered into to finance certain subsidiaries and expose the Group to fluctuations in exchange rate.

The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Group's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies.

Proton Therapy services is impacted by the fluctuation of the USD exchange rate against EUR. In 2019 a fluctuation of -3% of USD against EUR would have had a negative impact on the Proton Therapy Services sales segment by -1.67% (-1.74% in 2018).

Dosimetry segment is impacted by the fluctuation of the USD exchange rate against EUR. In 2019 a fluctuation of -3% of USD against EUR would have had a negative impact on the sales of Dosimetry segment by -0.70% (-0.78% in 2018).

Currency transactional risk

The Group has some transactional currency exposure that arises from sales or purchases by an operating unit in currencies other than the unit's functional currency. The parent company of the Group is operating in euros but making certain transactions among others expressed in US dollars, Canadian dollars, euros, Swedish kronas, British pounds, Chinese yuan, Czech korunas, Hong Kong dollars, Japanese yen, South Korean won, Polish zlotys and Vietnamese dongs.

Approximately 5.9% of the Group's sales (10.2% in 2018) are denominated in currencies other than the functional currency of the operating unit making the sales, while 93.1% of costs (91.5% in 2018) are denominated in the unit's functional currency. Where the Group considers that there are no natural hedging opportunities, forward exchange contracts or forward currency options are used to cover currency exposure.

INTEREST RATE RISK

The Group exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. When the Group deems that the fluctuation of interest rate could have a significant impact on its financial results, the Group will use interest rate swaps in order to limit this impact.

IBA does not apply hedge accounting to these transactions, and these instruments are therefore revalued through profit and loss.

At the end of 2018 and 2019, the Group has no interest rate swaps.

IBA's analysis of the impact of a 1% fluctuation in interest rates (sensitivity analysis) on the income statement of an average financial debt of EUR 86.8 million in 2019 (68.9 million in 2018 – impact of EUR -/+0.69 million) suggests that it will be EUR -/+0.87 million.

LIQUIDITY RISK

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount in outstanding credit facilities. Due to the dynamic nature of the underlying businesses, Group Treasury aims to maintain flexibility in funding by keeping credit lines available.

S.R.I.W. and S.F.P.I.

The S.R.I.W. and S.F.P.I. are two leading Belgian public (respectively, regional and federal levels) investment funds.

In March 2018, IBA obtained new subordinated bonds of EUR 5 million each from of S.R.I.W. and S.F.P.I. to strengthen its financial position in the context of the increase of its short-term bank credit lines (see below).

In December 2019, an extension of the repayment profile of the S.R.I.W. and S.F.P.I. subordinated bonds to December 2026 (7 years maturity).

Repayments have been made for EUR 2.15 million in 2019.

As at December 31, 2109, subordinated loans from S.R.I.W. amount to EUR 17.14 million and a subordinated loan from S.F.P.I. amounts to EUR 5 million.

Credit facilities

At end 2019, the existing bank facilities at the level of IBA SA were refinanced by EUR 67 million syndicated facilities comprising (i) a EUR 30 million amortizing term loan (5 years maturity) and (ii) EUR 37 million revolving credit facilities (3 years, with extension options up to 5 years).

In addition, the bank overdraft facility in India (borrower: IBA Particle Therapy India Private Limited) was maintained at INR 220 million and its maturity extended to 2020 in order to support local working capital fluctuations (undrawn as of December 31, 2019).

Finally, a new bank overdraft facility was set up in China (borrower: Ion Beam Applications Co. Ltd.) for the same reason, for an amount of CNY 35 million (undrawn as of December 31, 2019).

Treasury notes

In February 2016, IBA had issued 5-year treasury notes for a total amount of EUR 5.75 million. An amount of EUR 0.50 million was repaid to one noteholder in 2018 and the remaining outstanding amount of EUR 5.25 million will be repaid in one single instalment in February 2021.

As at December 31, 2019, the Group has at its disposal credit facilities up to EUR 101.61 million of which 35.8% were used (65.0% in 2018).

(EUR 000)	Credit facilities used	Credit facilities amount
S.R.I.W. – subordinated	17 140	17 140
S.F.P.I. – subordinated	5 000	5 000
Treasury notes	5 250	5 250
5 years Term loan	9 000	30 000
Short-term credit facilities	0	44 219
TOTAL	**36 390**	**101 609**

COVENANT RISK

All the above facilities are subject to several financing covenants.

Following the terms of the S.R.I.W. and S.F.P.I. bond agreements, the Group agreed to comply with a financial covenant relating to IBA SA's level of equity, which was met as at December 31, 2019.

The financial covenants applying to the bank facilities consist in (a) a maximum net senior leverage ratio (calculated as the consolidated net senior indebtedness divided by the consolidated REBITDA over the last 12 months) and (b) a minimum corrected equity level (calculated as the sum of the consolidated equity - with certain reclassifications - and the subordinated indebtedness). Covenants were complied with as at December 31, 2019.

The financial covenants applying to these treasury notes (i.e. a maximum net senior leverage ratio, a maximum gearing ratio and a minimum interest cover ratio) were complied with at December 31, 2019.

DIGITAL RISKS

INFORMATION QUALITY RISK

Erroneous information or information not received in timely manner may adversely affect a user's decision. The amount of data managed by the organization is growing and new technology infrastructures are suited to manage voluminous amounts of information. IBA is continuously increasing the quality of its processes and increasing the ownership and control of data quality amongst the organization.

INTEGRITY RISK

To face the global increase of security threats and higher levels of professionalism in computer crime, IBA has developed a Security program since 2016 to increase awareness of employees, implement data protection governance and improve IT infrastructure security through implementation of defined cybersecurity measures.

IBA's strategy is also to move part of its on-premise infrastructure into the cloud to benefit from the high level of security of its technology partners.

Although IBA has experienced some cyber-attacks and to date has not incurred any significant damage as a result, there can be no assurance that IBA will be successful in avoiding damages from cyber-attacks, which could lead to financial losses.

EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD (SECTIONS 3:6, §1, 2° AND 3:32, §1, 2°, OF THE BCAC)

An Extraordinary General Meeting of the Company's shareholders was held on March 10, 2020. During that EGM, the shareholders approved the update of the Company's articles of association in accordance with the new Belgian Companies & Associations' Code (the "BCAC") and the introduction of the loyalty vote. The result of the votes on each item of the agenda of such EGM is available on the Company's website, in accordance with section 7:141, indent 2, of the BCAC.

IBA operates worldwide and in many geographies that are being impacted by the coronavirus (COVID-19) outbreak. This very same geographical spread allows the Group to mitigate the impact of the crisis to some extent, as countries are in varying stages of management of the outbreak. IBA continues to monitor the situation proactively in order to protect its employees, its customers and their patients, while ensuring the least possible disruption to its activities.

IBA has a strong balance sheet and an excellent cash position, putting it in a good position to face the challenges of the current situation. As of today, all of IBA's operating proton therapy centers continue to treat patients. IBA is fully focused on ensuring that these patients continue to receive its life-saving diagnosis and therapies. Moreover, some signs of economic revival are already being seen in some countries, such as China and discussions are continuing as normal in this market and internationally on ongoing tenders. Some inevitable delays are currently being experienced in IBA's supply chain and on ongoing installations. At present, these delays are manageable and we are monitoring the situation very closely, however, given the rapidly changing nature of the current crisis that is leading to increasing confinement rules and travel bans in certain countries including Belgium, the Group's ability to operate efficiently might be hindered at some point in time. IBA continues to focus on delivering value to its stakeholders, remaining the leader in all of its markets, while driving efficiency across the board, but stays prudent on the evolution of its markets in the mid-term. Given the current COVID-19 situation conditions, IBA cannot reliably guide to its projected 2020 performance at this time but will update the market on this situation as soon as possible.

GENERAL OUTLOOK FOR 2020

Given the current COVID-19 situation conditions, IBA cannot reliably guide to its projected 2020 performance at this time but will update the market on this situation as soon as possible.

CORPORATE GOVERNANCE STATEMENT (SECTION 3:6, §2, OF THE BCAC)

Pursuant to section 3:6, §2, 1°, of the BCAC, the philosophy, structure, and general principles of IBA SA's corporate governance are presented in the Company's Corporate Charter (the "Charter"). The Charter is available on the Company's website www.iba-worldwide.com, on the following page https://iba-worldwide.com/investor-relations/legal.

The Company has adopted the 2009 Belgian Code of Corporate Governance as its reference Code.

According to section 3:6, §2, 2°, of the BCAC, IBA reports that it deviates from principle 5.3/1 of the 2019 Belgian Corporate Governance Code, which states that the Nomination Committee should be composed of a majority of non-executive, independent, directors. The explanation for such a deviation is that IBA has a particular shareholder structure to preserve and secure its anchorage in Belgium. Therefore, there is no majority of independent directors in the Nomination Committee.

IBA also reports that it deviates from principle 7.6 of the 2020 Belgian Corporate Governance Code (which applies, by exception, to FY 2019), which states that *"[a] non-executive board member should receive part of their remuneration in the form of shares in the company"*. National law applicable to some non-executive directors of IBA prohibits them to receive part of their remuneration in the form of shares of the company. Therefore, IBA is not in a position to abide by principle 7.6 of the 2020 Belgian Corporate Governance Code.

The Company is in the process of updating its Charter as a consequence of the entry into force of the Belgian Companies & Associations Code and of the new "2020 Belgian Code of Corporate Governance".

MAIN FEATURES OF THE INTERNAL CONTROL & RISK MANAGEMENT SYSTEMS (SECTIONS 3:6, §2, 3° AND 3:32, §1, 7°, OF THE BCAC)

The main characteristics of the internal control systems and risk management practices in place at IBA as part of the process of providing financial information are as follows:

CONTROL ENVIRONMENT

After the Group has established its annual objectives, these are transferred to operational divisions, departments and each staff member. The annual evaluation procedure ensures that these objectives are followed.

The organization of the accounting and finance department contributes to this process. The Chief Executive Officer (CEO) and Chief Financial Officer (CFO) jointly agree department objectives and the CFO is then responsible for dividing these between the various levels of hierarchy.

The human resources department, working with Management, has established a library of functions detailing descriptions of the functions required in the organization of IBA Group activities. Individual responsibilities for maintaining accounts and financial information are identified in this process.

The accounting policies applied across the Group are defined in an accounting manual. This manual, which is available on the Company intranet, is followed by Company subsidiaries during their periodic accounting activities. The process of preparing consolidated financial information is supported by a collection of instructions aimed at guiding subsidiaries in the preparation of their local accounts.

RISK MANAGEMENT PROCESS

Financial statements are consolidated on a monthly basis. This procedure enables any new accounting issues to be highlighted quickly.

For this purpose, the finance department works closely with the legal department, as well as with external auditors, in order to ensure adequate adaptation to changes in legislation and the evolution of accounting standards.

These efforts are made in order to meet Company objectives concerning the provision of financial information in full compliance with Company law, deadlines and quality standards.

The control of risks which could affect the procedure of establishing financial information is informal. The identification and evaluation of these risks are undertaken by the Company's management in its daily activities.

Senior management has introduced a range of control and analysis tools in order to identify, evaluate and track financial and operational risks. These include:

- A monthly management dashboard (versus budget, versus previous year);
- A four-year strategic plan and annual budget;
- Treasury forecast tables;
- Project status reports;
- Procedures for establishing technical documents;
- Request forms for investment and recruitment approvals;
- A table of firm and current orders for the Equipment sector;
- The introduction of a signature matrix for all Group commitments to third parties;
- The introduction of double-signature bank authorizations to prevent the handling of accounts by a single individual;
- The nomination of a Chief Compliance Officer responsible for compliance with various procedures as well as the Code of Business Conduct applicable throughout the Group. All employees are required to report any incidents or events likely to represent a risk to the Company to this person.

The responsibilities of each member of staff in the area of risk management are established during the allocation of tasks to be performed for the preparation of the various analysis tools.

The Board of Directors and the Audit Committee fulfill their responsibility for monitoring risk management essentially by reviewing the analysis tools introduced by senior management, such as:

- The monthly management dashboard;
- Monitoring of investments and risk analysis;
- Analysis of research and development achievements and performance;
- Approval of the strategic plan and budgets for the following period;
- Review of the treasury situation;
- Review of the internal audit report.

CONTROL ACTIVITIES

The close control of risks to which the Company is exposed is undertaken by financial controllers and an internal auditor reporting to both the CFO and the Audit Committee. These two functions help to identify new operational or accounting issues, apply suitable accounting procedures and ensure the safeguarding of assets. Through their work they also remain vigilant for any situation that could resemble internal or external fraud. A program of complementary tests and specific actions is conducted if a risk situation is identified.

Controls of procedures for closing of local accounts, approval of payments, invoicing, stock management and other regular activities are organized locally. Procedures for establishing financial statements are controlled by local financial management and the management controller of the division to which the entity belongs. This is a cross structure between staff from operational divisions and financial managers of the legal entities.

Certain operations are centralized on a Group level. Members of senior management are directly involved in the ratification and approval of these operations, thus ensuring control on the completion of accounting and financial information related to:

- Research and development activity;
- Investment and divestment in intangible, tangible and financial assets, based on an approval matrix;
- Long-term contracts and partnership contracts;
- Treasury, financing and financial instruments;
- Supervision of signatory powers and delegation of local authority;
- Capital operations;
- Provisions and commitments.

Control activities are completed by the fact that the procedures for establishing the financial statements of the Group are applicable in all the units within the scope of consolidation. The results of audits conducted by local external auditors are shared directly with the Group's financial department.

INFORMATION AND COMMUNICATION

The availability and relevance of accounting and financial information are assured by the analysis tools described above and by the information technology and data processing environment.

Although the current IT environment is heterogeneous, the computing systems are sufficiently secured by:

- A right-of-access procedure to data and programs;
- An anti-virus protection system;
- A protection system for networking;
- A data safeguard and preservation system;
- Availability and continuity of service measures.

A portal centralizes incidents, requests for information and other requests that staff may have concerning IT services.

The IT department works with consultants based on specific requirements. Work with these service providers is defined by contract. Security measures are tested periodically in order to ensure their effectiveness. The maintenance of the IT systems is an integral part of the IT department's mission.

Accounting and financial information is communicated to Management on a monthly basis in the form of reports from the management controllers and consolidated financial statements. This information is provided directly to division presidents and financial management. The annual accounts, budget, strategic plan and follow-up on investments and treasury are presented to the Audit Committee before being submitted to the Board of Directors. Furthermore, the Board of Directors is regularly informed about the financial state of the Group via monthly management dashboards.

The communication of financial information to the market is managed by the communication, finance and legal departments of the organization. Shareholder concentration in the Belgian market allows this process to be centralized with a limited number of people, with the CFO playing a leading role. A schedule summarizing the periodic requirements for the communication of financial information is available at Group level, with details of the nature and date of each requirement. A procedure stipulates the persons responsible for preparing, approving and communicating this financial information to the market, based on whether the information is restricted or not, and commercial or financial in nature.

MANAGEMENT

Evaluation of the internal control system takes place primarily when the management bodies review the financial statements and analyses prepared by the Finance Department, as well as during the follow-up on the effectiveness of internal control and risk management systems by the Audit Committee.

The analysis tools referred to above are established in line with the accounting principles validated by the Audit Committee and Board of Directors. They are adapted in function of the evolution of the Group's activities and environment as necessary. The pertinence of the information and proper application of accounting principles are reviewed by the Finance Department during the preparation of these accounting principles and by management bodies during their successive reviews.

The CEO and CFO present and comment the financial statements to the Audit Committee and Board of Directors every quarter or more frequently if necessary. The Audit Committee receives a summary of the control reviews conducted internally, underlining weaknesses identified by the internal audit. It also receives any comments made by external auditors on the accounting decisions and evaluation rules used in the preparation of financial statements, as well as their proposed action in relation to internal control.

INFORMATION DISCLOSED PURSUANT TO SECTION 14, §4, OF THE ACT OF 2 MAY 2007 (SECTION 3:6, §2, 4°, OF THE BCAC)

Based on the transparency notifications received by the Company over the financial year 2019, the respective percentage of shares held by the Company's main and historical shareholders as at December 31, 2019 is as presented in the chart below. However, this chart cannot consider the variations of which the Company has no knowledge as they do not reach the transparency notification thresholds.

Situation as at		December 31, 2018		December 31, 2019		Variation	
Denominator		30 122 528		30 133 920			
Entity		Shares	%	Shares	%	Shares	%
Belgian Anchorage SC		6 204 668	20.60%	6 204 668	20.59%	0	-0.01%
IBA Investment SC		610 852	2.03%	610 852	2.03%	0	0..00%
IBA SA		63 519	0.21%	63 519	0.21%	0	0.00%
	Subtotal	**6 879 039**	**22.84%**	**6 879 039**	**22.83%**		
UCL		426 885	1.42%	426 885	1.42%	0	0.00%
Sopartec SA		180 000	0.60%	180 000	0.60%	0	0.00%
	Subtotal	**606 885**	**2.01%**	**606 885**	**2.01%**		
SRIW SA		704 491	2.34%	704 491	2.34%	0	0.00%
SFPI SA		58 200	0.19%	58 200	0.19%	0	0.00%
Belfius Insurance SA		0	0.00%	903 754	3.00%	903 754	3.00%
Institut des Radioéléments FUP		1 423 271	4.72%	1 423 271	4.72%	0	0.00%
Capfi Delen Asset Management NV		793 365	2.63%	40 000	0.13%	- 753 365	-2.50%
Norges Bank Investment Management		859 282	2.85%	1 409 069	4.68%	549 787	1.82%
Kempen Capital Management NV.		875 388	2.91%	875 388	2.90%	0	0.00%
	Subtotal	**4 713 997**	**15.65%**	**5 414 173**	**17.97%**		
Total		**12 199 921**	**40.50%**	**12 900 097**	**42.81%**		
Public		**17 922 607**	**59.50%**	**17 233 823**	**57.19%**		
Grand Total		**30 122 528**	**100.00%**	**30 133 920**	**100.00%**		

All transparency notifications received by the Company are available on its website, on the following page: https://iba-worldwide.com/investor-relations/legal.

To the Company's Board of Directors' knowledge, there is no agreement in force regarding the Company among its shareholders.

LIST OF THE MEMBERS, AND DECISION PROCESS, OF THE BOARD OF DIRECTORS AND OF ITS VARIOUS COMMITTEES (SECTION 3:6, §2, 5°, OF THE BCAC)

BOARD OF DIRECTORS

In accordance with the Company's articles of association (art. 11), as amended by Extraordinary General Assembly of March 10, 2020, the Company is managed by a Board of Directors composed of minimum three and maximum twelve members, appointed by the shareholders' meeting for a renewable term, which shall not exceed the legal term.

The Board of Directors is currently composed of eight members.

The Company's articles of association and Corporate Governance Charter require a balance, within the Board of Directors, among independent directors, internal directors, and directors representing the shareholders.

The Board of Directors must always be made up of (a) at least one third of independent directors and (b) at least one third appointed upon proposal by the managing directors (hereafter referred to as "**internal directors**").

The other Directors are appointed freely by the shareholders' meeting, it being understood however that, among those directors, there cannot be more than two members who are, directly or indirectly, related to one and the same shareholder (or a company or individual related to the latter) when such shareholder:

(i) either carries out (directly or indirectly) activities in one or several business areas in which the Company (or a subsidiary of it) are doing business as well;
(ii) or owns more than 40% of the voting rights issued by the Company.

The Board of Directors appoints among its members a chairman and, as the case may be, a deputy chairman. Unless otherwise decided by unanimous resolution of the Board, the chairman and deputy chairman may not be the type of directors as defined in the preceding paragraph.

The Board of Directors meets whenever necessary and whenever at least two members require a meeting.

In practice, the Board gathers at least four times a year.

The major topics of discussion include market situation, strategy, technological developments, financial developments, human resources management and corporate, social and environmental responsibility.

Reports on topics dealt with at Board meetings are sent to the directors beforehand, so that they can exercise their duties with a full knowledge of the facts.

During the financial year 2019, the Board of Directors met 6 times, under the chairmanship of Mr. Pierre Mottet. Attendance at meetings of the Board was very high. A large majority of the directors attended all meetings.

During the former Ordinary General Meeting (held on May 8, 2019), one director's mandate was renewed, i.e. the mandate of Saint-Denis SA, represented by its permanent representative, Mr. Pierre Mottet. The term of its mandate is set at the Ordinary General Meeting to be held in 2022 (i.e. the Ordinary General Meeting that will be convened to approve the annual accounts as at 31 December 2021).

During the former Ordinary General Meeting (held on May 8, 2019), one director's mandate came to an end, i.e. the mandate of Mr. Jeroen Cammeraat, independent director.

Board of Directors as at December 31, 2019:

NAME	START OF TERM	END OF TERM	DUTIES AT IBA	PRIMARY DUTIES OUTSIDE IBA
Olivier Legrain (1)	2012	AGM 2020	Chief Executive Officer / Internal Director / Managing Director / NC / PC / SC	N/A
Saint-Denis SA (represented by Pierre Mottet)(1)	1998	AGM 2022	Internal Director / Chairman of the Board of Directors / RC (chairman) / NC (chairman) / PC (chairman) / SC	Director of UWE (Walloon Business Association) and several funds and start-ups in the field of health and environment
Yves Jongen(1)	1991	AGM 2021	Chief Research Officer / Internal Director / Managing Director / NC / PC / SC	Before the incorporation of IBA in 1986, Director of the Cyclotron Research Center of the Université Catholique de Louvain (UCL)
Bayrime SA (represented by Eric de Lamotte) (3)	2000	AGM 2021	Other Director / AC	Director of several companies. Former CFO of IBA (1991- 2000)
Consultance Marcel Miller SCS (represented by Marcel Miller) (2)	2011	AGM 2020	Independent Director / RC NC / AC / PC	Former CEO Alstom Benelux / independent Director Schréder and Technord / Chairman of the Guidance Board ARES
Hedvig Hricak (2)	2017	AGM 2022	Independent Director / PC /	Chairman, Department of Radiology, Memorial Sloan Kettering Cancer Center / Professor of Radiology, Weill Medical College of Cornell University / Professor, Gerstner Sloan-Kettering Graduate School of Biomedical Sciences
Katleen Vandeweyer Comm. V. (represented by K Vandeweyer) (2)	2013	AGM 2022*	Independent Director / AC (president) / NC / RC / SC	Group Finance Director of Proximus SA/NV / Member of the Board of Directors of Ageas/ Member of the Board of Directors at Scarlet
Bridging for Sustainability SPRL (represented by Sybille van den Hove) (2)	2015	AGM 2020	Independent Director / PC / SC (president)	Sustainability research and advice / Former chair of the scientific committee of the European Environment Agency

* The term of Katleen Vandeweyer's mandate is set at the Ordinary General Meeting to be held in June 2020

RC : Remuneration Committee - NC : Nomination Committee - AC : Audit Committee – PC : Product Committee – SC : Sustainability Committee

(1) In accordance with the meaning ascribed by the corporate charter to the term "Internal director", namely an internal director is a director appointed on the proposal of the managing directors.

(2) Submitted to the General Meeting as candidate independent directors on their election, without excluding the fact that other directors also fulfill the independence criteria. None of the independent directors ceased during the financial year to fulfill the independence criteria set out in the corporate charter.

(3) An "other director" is a director who is neither an "internal director" nor an "independent director".

REMUNERATION COMMITTEE

The Remuneration Committee met 5 times in 2019. A report on each meeting was provided to the Board.

Topics of discussion included matters relating to the 2019 bonuses, long terms incentives, and compensation schemes in general.

As at December 31, 2019, the Remuneration Committee was comprised of Saint-Denis SA represented by its managing director, Mr. Pierre Mottet, Consultance Marcel Miller SCS represented by its manager, Mr. Marcel Miller, and Katleen Vandeweyer Comm. V. represented by its manager, Mrs. Katleen Vandeweyer. The latter two members being independent, the Remuneration Committee is thus comprised of a majority of independent directors. The Remuneration Committee is chaired by Mr. Pierre Mottet. Mr. Olivier Legrain and Mr. Yves Jongen are invited to attend it, except where the Committee is called on to decide on the compensation policy or other matters relating to the managing directors.

NOMINATION COMMITTEE

The Nomination Committee met 5 times in 2019 to assess the areas of expertise needed by the Board of Directors, when directors' mandates come to an end, and to make proposals in this respect to the Board of Directors.

Based on the report prepared by this Committee, the Board had proposed to the Ordinary General Meeting held on May 8, 2019 (i) to approve the renewal of Mr. Pierre Mottet's mandate as internal director and to set the term of his mandate at the OGM to be held in 2022, called to resolve on the 2021 annual accounts, and (ii) to acknowledge the term of Mr. Jeroen Cammeraat's mandates as independent director.

The Nomination Committee is composed of five members, among which the chairman of the Board of Directors and a minimum of two independent directors.

As at December 31, 2019, the Nomination Committee was comprised of Saint-Denis SA represented by its managing director, Mr. Pierre Mottet, Consultance Marcel Miller SCS represented by its manager, Mr. Marcel Miller, Katleen Vandeweyer Comm. V. represented by its manager, Mrs. Katleen Vandeweyer, Mr. Olivier Legrain and Mr. Yves Jongen. This Committee is chaired by Mr. Pierre Mottet.

PRODUCT COMMITTEE

A Product Committee has been set up in 2015 as an IBA Board Committee. That Committee met 1 time in October 2019 to overview the Protontherapy product strategy, to analyse and validate the research and development projects in Protontherapy and to report its activities to the Board.

All members were present during that meeting.

As at December 31, 2019, the Product Committee was composed of Saint-Denis SA represented by its managing director, Mr. Pierre Mottet, Ms. Hedvig Hricak, Bridging for Sustainability SPRL represented by its manager Ms. Sybille van den Hove, Consultance Marcel Miller SCS represented by its manager, Mr. Marcel Miller, Mr. Olivier Legrain and Mr. Yves Jongen. The Committee is chaired by Mr. Pierre Mottet.

AUDIT COMMITTEE

The Audit Committee met 4 times in 2019, in the presence of Mr. Olivier Legrain and Mr. Pierre Mottet. On each occasion, the Committee reported about its meetings to the Board of Directors. The main topics addressed were the 2018 annual results and analysis of the external auditors' Management Letter, analysis of the 2019 half-year results, monitoring of the implementation of International Financial Reporting Standards (IFRS), examination of the 2020 budget and follow-up of the internal audit and risk management.

The Company keeps close control of the risks to which it is subject through its financial controllers employed in each of the divisions. This enables the risks to be managed closely. The risks identified are transmitted up to the Management Team which reports to the Audit Committee and develops an appropriate solution, in conjunction with the Audit Committee and the insurance manager.

No absence was recorded for all of the meetings held.

As at December 31, 2019, the Audit Committee was comprised of three members: Bayrime SA, represented by its managing director Mr. Eric de Lamotte, Katleen Vandeweyer Comm. V. represented by its manager Mrs. Katleen Vandeweyer and Consultance Marcel Miller SCS, represented by its manager Mr. Marcel Miller. It is chaired by Mrs. Katleen Vandeweyer.

Beginning 2020, the Chairman Katleen Vandeweyer Comm. V. represented by its manager, Mrs. Katleen Vandeweyer as well as Bayrime SA, represented by its managing director Mr. Eric de Lamotte, have submitted their resignation and will be replaced soon.

SUSTAINABILITY COMMITTEE

A sustainability committee has been set-up in 2018 as an IBA Board Committee.

That committee met twice in 2019 to define the strategy and ambition of IBA on the Sustainability fronts which is, at IBA, defined as commitments to our 5 stakeholders: our customers and their patients, our employees, our shareholders, the society and the planet.

The first meeting was held in the presence of several members of the management interested by these questions, but not all members were present during both meetings.

As of December 31, 2019, the sustainability committee was composed of Saint-Denis SA represented by its managing director, Mr. Pierre Mottet, by Bridging for Sustainability SPRL represented by its general manager Ms. Sybille van den Hove, Katleen Vandeweyer Comm. V. represented by its manager Mrs. Katleen Vandeweyer, Mr. Olivier Legrain and Mr. Yves Jongen. The Committee is chaired by Ms. Sybille van den Hove.

DAY-TO-DAY AND STRATEGIC MANAGEMENT

The day-to-day management of the Company and the authority to represent the Company in such matters is delegated to two managing directors, Mr. Olivier Legrain, Chief Executive Officer, and Mr. Yves Jongen, Chief Research Officer. The Chief Executive Officer is specifically responsible for implementing strategy and for day-to-day management and is assisted by a Management Team consisting of certain members of the corporate team. Together, they constitute the Group Management Team.

The Chief Executive Officer, accompanied by the Chief Financial Officer, makes regular reports to the Board of Directors.

The Board of Directors has also asked the Management Team members and division heads to report to the Board on two topics: adoption of the strategic plan and adoption of the 2020 budget.

Management Team as at December 31, 2019:

MANAGEMENT TEAM MEMBERS	POSITIONS	OTHER AND PRIOR DUTIES
Olivier Legrain (representing Lamaris Group SPRL)	Chief Executive Officer	Internal Director/ Managing Director/ Member of Nomination Committee/ Member of the Product Committee/ Member of the Sustainability Committee
Yves Jongen (representing Research Management Systems SA)	Chief Research Officer	Internal Director / Managing Director / Member of the Nomination Committee / Member of the Product Committee / Member of the Sustainability Committee Before the establishment of IBA in 1986, Director of the Cyclotron Research Center of the Université Catholique de Louvain (UCL)
Soumya Chandramouli	Chief Financial Officer	Chief Financial Officer since 2016/ Working at IBA since 2004, consecutively Group Consolidator, Group Financial Analyst, VP Corporate Finance and VP Finance, Medical Accelerators Solutions/ 5 years as Senior Auditor at EY
Frédéric Nolf	Chief Human Resources & Sustainability	Joined IBA in 2007 as HR Director Particle Therapy/ Previously

DIVERSITY POLICY (SECTION 3:6, §2, 6°, OF THE BCAC)

The Corporate Governance Charter, published on the Group's website, defines the core competencies the Board of Directors requires to be effective. Members are nominated based on the Board's needs in terms of knowledge, experience and competence at that time, also respecting the balance between outside, inside and other directors laid down in the articles of association, the law, and the 2009 Corporate Governance Code.

The Board and the Nomination Committee fully acknowledge the benefits of diversity among employees, within the Executive Management Team and within the Board of Directors.

At December 31, 2019, more than one third of the directors are of the other gender which means that the Company meets the requirements on gender diversity.

The age distribution within the Executive Management Team is quite wide, going to early 40's to mid-70's, testifying of a fair and equilibrate value between the said members.

INFORMATION DISCLOSED PURSUANT TO SECTION 34 OF THE ROYAL DECREE OF 14 NOVEMBER 2007 (SECTIONS 3:32, §1, 8° AND 3:6, §2, 7°, OF THE BCAC)

In accordance with section 34, 5° of the Royal Decree of November 14, 2007 regarding the obligations of issuers of securities admitted to trading on a regulated market (B.S.G. 03/12/2007), the corporate governance statement contains the following information.

I. STRUCTURE OF THE SHARE CAPITAL, CLASSES OF SHARES, RIGHTS ATTACHED TO EACH CATEGORIES OF SHARES AND % OF THE SHARE CAPITAL THAT THEY REPRESENT

As at 31 December 2019, the Company has issued 30 133 920 shares, without a nominal value, representing each one 1/30 133 920th of the Company's share capital and each one granting the same rights to its owner. No classes of shares have been created.

II. LEGAL RESTRICTIONS OR RESTRICTIONS INCLUDED IN THE COMPANY'S ARTICLES OF ASSOCIATION, ON THE TRANSFER OF SHARES

There are no restrictions on the transfer of the Company's shares.

III. OWNERS OF ANY SECURITIES CONVEYING SPECIFIC CONTROLLING RIGHTS AND A DESCRIPTION OF SUCH RIGHTS

The Company has not issued any securities that convey any specific controlling right to their owner.

IV. CONTROLLING MECHANISM IN A SYSTEM OF STAFF-SHAREHOLDING

There is no system of staff-shareholding in force within the Company.

V. LEGAL RESTRICTIONS OR RESTRICTIONS INCLUDED IN THE COMPANY'S ARTICLES OF ASSOCIATION, ON THE EXERCISE OF VOTING RIGHTS

As at 31 December 2019, article 25 of the Company's Articles of Association provided the following limitations:

"Each share gives the right to one vote.

However, no shareholder may, with its affiliated companies and persons, vote at a general assembly for more than 35% of the voting rights issued by the Company.

Moreover, insofar other non-affiliated shareholders holding at least 15% of the voting rights issued by the Company take part in the assembly, no shareholder may, together with its affiliated companies and persons, cast a number of votes at such meeting amounting to more than 50% less one vote of the total votes cast at such meeting.

For the application of the previous paragraphs, is deemed to be affiliated to a shareholder:

(i) any company or person affiliated to it in the meaning of section 11 of the Belgian Companies Code;

(ii) any natural person or legal entity that is part of the management of such shareholder or of a company listed under (i) above;

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- *(iii) any third party acting in its own name but on behalf of such shareholder or of a person listed under (i) or (ii) above;*
- *(iv) any shareholder who granted a power-of-attorney to such shareholder or to a person listed under (i), (ii) or (iii) above, to represent him/her at the said meeting."*

This provision of the Company's articles of association has been amended by a resolution approved at the Extraordinary General Meeting of the Company's shareholders held on March 10, 2020. As a consequence of such amendments:

- this provision has been moved to article 27 of the new articles of association;
- the first indent has been removed;
- indent 3 has been clarified (becoming indent 2) and replaced.

Therefore, the restrictions on the exercise of the voting right are now contained in articles 27 and 28 of the Company's articles of association and read as follows:

"Article 27:

No shareholder may, with its affiliated companies and persons, vote at a general assembly for more than 35% of the voting rights issued by the Company.

Moreover, insofar other non-affiliated shareholders holding individually at least 15% of the voting rights issued by the Company take part in the assembly, no shareholder may, together with its affiliated companies and persons, take part in the vote, for each resolution put to vote, for more than 50% less one security of the total securities admitted to vote and cast respectively for each resolution put to vote.

For the application of the previous paragraphs, is deemed to be affiliated to a shareholder:

- *(i) any company or person affiliated to it in the meaning of section 1:20 of the BCAC;*
- *(ii) any natural person or legal entity that is part of the administrative or management body of such shareholder or of a company referred to under (i) above;*
- *(iii) any third party acting in its own name but on behalf of such shareholder or of a person referred to under (i) or (ii) above;*
- *(iv) any shareholder who granted a power-of-attorney to such shareholder or to a person referred to under (i), (ii) or (iii) above, to represent him/her at the said meeting."*

Article 28 :

"Without prejudice to Article 27, any shareholder who owns fully-paid shares, registered in his/her/its name since at least two years without interruption in the register of registered shares and which meet the legal requirements (section 7:53 of the BCAC) shall benefit from the multiple voting right provided by the law for those shares compared to other shares representing a same fraction of the share capital."

VI. AGREEMENTS IN FORCE AMONG SHAREHOLDERS, KNOWN BY THE COMPANY ET THAT ARE LIKELY TO RESTRICT THE TRANSFER OF SHARES AND/OR THE EXERCISE OF THE VOTING RIGHT

There are no such arrangements in place.

VII. RULES APPLICABLE TO THE APPOINTMENT AND THE REPLACEMENT OF THE DIRECTORS AND TO THE AMENDMENT TO THE ARTICLES OF ASSOCIATION OF THE ISSUER

(a) Rules applicable to the appointment and replacement of the Directors

In this respect, as at 31 December 2019, article 11, §1, of the Company's articles of association provided the following:

« *The company is managed by a board of directors comprised of minimum three members and maximum twelve members, appointed by the shareholders' general meeting for a renewable 6-year term maximum.*

The structure of the board of directors must at all times reflect the following equilibrium: the board of directors must be composed of at least one third of its members as independent directors within the meaning of paragraph 2 below and up to a minimum of one third of its members as directors appointed upon proposal of the managing director(s) referred to in article 15 of the articles of association (internal directors).

The other directors are freely appointed by the general shareholders' meeting, it being understood, however, that among these other directors, there cannot be more than two members who are directly or indirectly related, within the meaning of paragraph 3 below, to a single shareholder or to a company or person related to him/her.

Moreover, under no circumstances may the entire board of directors have more than one third of its members who are directly or indirectly related, within the meaning of paragraph 3 below, to a shareholder or a company or person affiliated to it, when such shareholder:

(i) either carries out, directly or indirectly, activities in one or more business fields in which the company, or one of its subsidiaries, is also doing business;

(ii) or owns more than 40 % of the voting rights issued by the Company.

For the purposes of these provisions, the expression as "company or person related to a shareholder" has the same meaning as under section 11 of the Belgian Companies Code."

This provision of the Company's articles of association has been amended by a resolution approved at the Extraordinary General Meeting of the Company's shareholders held on March 10, 2020. As a consequence of such amendments:

- Former article 11 has been split into two new articles, being article 11 and article 12;
- The rules applicable to the appointment and replacement of the Directors now read as follows:

"*Article 11:*

The company is managed by a board of directors comprised of minimum three members and maximum twelve members, appointed by the shareholders' general meeting for a renewable term, which shall not exceed the legal term."

Article 12:

The structure of the board of directors must at all times reflect the following equilibrium:

*(a) at least one third of its members (hereafter referred to as "**independent directors**") must be independent directors, chosen for their experience, discernment and personality and who meet the definition of section 7:87 of the BCAC;*
*(b) at least one third of its members (hereinafter referred to as "**internal directors**") must be elected on the proposal of the managing director(s);*
*(c) the other directors (hereinafter referred to as "**other directors**") shall be appointed freely by the General Meeting, provided however that no more than two of these other directors may be "directly or indirectly related to the same shareholder" (or to a company or person linked to it) within the meaning of indent 2 of this Article 12;*
(d) no more than one-third of its members have been elected on the proposal or by the deciding vote of a private institutional investor or group of private institutional investors; and
(e) no more than one third of its members may be "directly or indirectly related to a shareholder" or group of shareholders (or to a company or person related to it or them) within the meaning of indent 2 of this Article 12, where that shareholder (or group of shareholders):
  (i) either directly or indirectly engages in business activities in one or more sectors of activity in which the Company or one of its subsidiaries is also active;
  (ii) or holds more than forty percent (40%) of the voting securities issued by the Company.

For the purposes of this Article 12, indent 1, (c), (d) and (e), shall be deemed to be "related, directly or indirectly, to a shareholder", any director (natural or legal person) who:

(a) is, or has been within the five years preceding his appointment, a member of the administrative or management bodies, or of the staff, of that shareholder (or of an affiliated company) or has received a power of attorney from that shareholder ;

(b) has a business, shareholding or family relationship with that shareholder (or an associated company or person) or with a person referred to in (a), that is such as to influence the conditions under which he exercises his mandate as director; or

(c) has been appointed on the proposal or by the decisive vote of that shareholder.

For the purposes of this Article 12, the expression "related" company or person must be construed within the meaning of section 1:20, 1° and 2°, of the BCAC.

Proposals for the appointment of "independent directors" and "other directors" are made by the nominating committee formed within the board of directors. This committee is composed of five members, including three internal directors and two independent directors. In addition, none of the directors defined in indent 1, (d) of this Article 12 may be a member of this committee, unless, as the case may be, he is an internal director as well.

Proposals for the appointment of "internal directors" shall be submitted by the director or directors responsible for the day-to-day management who shall inform the board of directors of the names of the candidates to be submitted to the general meeting.

No director may be appointed on the proposal of one or more shareholders if this proposal, containing all pieces of information regarding the proposed director necessary in particular to enable the control of the respect of the balances provided for in this Article 12, has not been communicated to the Board of Directors within the legal deadlines.

Any proposal for the appointment of a director submitted to the general meeting shall mention whether the person proposed is to be considered as an "independent director", an "internal director" or a "director related, directly or indirectly, to a shareholder" within the meaning of this Article 12.

If the general meeting does not vote in favor of the proposals submitted to it in accordance with the preceding paragraphs, new proposals shall be formulated following the same procedure and the general meeting shall be reconvened to decide on the new proposals."

(b) Rules applicable to the amendment to the Company's articles of association

In this respect, as at 31 December 2019, article 26, §2, of the Company's articles of association provided the following:

"*However, any amendments to articles 11, 13, last indent, and 25 of the articles of association may solely be adopted insofar as those attending the meeting represent half of the share capital and as the proposed amendments are approved by at least eighty-five per cent (85%) of the votes cast.*"

This provision of the Company's articles of association has been amended by a resolution approved at the Extraordinary General Meeting of the Company's shareholders held on March 10, 2020. As a consequence of such amendments:

- This provision is now contained in Article 29, §2; and
- Article 29, §2, now reads as follows::

"Article 29, §2:

However, any amendments to the following articles of the Articles of Association : Article 11, Article 12, Article 13, Article 14, Article 19, Article 27 and Article 29, may solely be adopted insofar as those attending the meeting represent half of the share capital and as the proposed amendments are approved by at least eighty-five per cent (85%) of the votes cast."

VIII. POWERS OF THE BOARD OF DIRECTORS TO ISSUE OR TO REDEEM THE COMPANY'S OWN SHARES

As at 31 December 2019, the Board of Directors was not authorized to issue new shares or to the redeem the Company's own shares.

However, the Extraordinary General Meeting of the Company's shareholders held on March 10, 2020 has approved an amendment to the Company's articles of association allowing the Board of Directors to issue or redeem the Company's shares. Pursuant to such resolution, the authorization to the Board of Directors is now contained in article 6 of the Company's articles of association, which reads as follows:

"Article 6:

The Board of Directors shall have the power to increase the Company's share capital, to issue convertible bonds or subscription rights, in one or more operations, within the legal limits in terms of threshold and duration.

The board of directors is expressly authorized to make use of this authority in the cases referred to in sections

7:200 (limitation or cancellation of preferential rights and incorporation of reserves) and 7:202 (public takeover bid) of the [Belgian] Companies & Associations Code (hereafter, the "BCAC")."

IX. ALL SIGNIFICANT AGREEMENTS TO WHICH THE ISSUER IS A PARTY AND WHICH ARE CONTINGENT TO A CHANGE OF CONTROL FOLLOWING A PUBLIC TAKEOVER BID, UNLESS THEIR DISCLOSING WOULD HARM THE ISSUER SEVERELY

Not applicable.

X. ALL AGREEMENTS AMONG THE ISSUER AND THE DIRECTORS OR STAFF, CONTAINING THE GRANTING OF COMPENSATIONS IF THE DIRECTORS RESIGN OR MUST CEASE THEIR FUNCTIONS WITHOUT A SOUND REASON OR IF THE EMPLOYMENT OF THE STAFF CEASES AS A RESULT OF A PUBLIC TAKEOVER BID

There are no such arrangements in place.

REMUNERATION REPORT (SECTION 3:6, §3, OF THE BCAC)

REMUNERATION POLICY NON-MANAGING DIRECTORS

In accordance with IBA's Corporate Governance Charter, published on the group website, the Board of Directors determines the remuneration policy and amounts paid to non-Managing Directors, based on recommendations made by the Compensation Committee. It is reviewed regularly in the light of market practice.

IBA directors are currently remunerated by an annual lump-sum fee of EUR 6 000, except directors residing overseas, who, in order to cover the specific time implications and constraints related to intercontinental travel, receive EUR 16 000. The Chairman of the Board receives an annual lump-sum fee of EUR 12 000, whilst the Chairs of the Audit Committee and of the Sustainability Committee receive an annual lump-sum fee of EUR 9 000 each.

The annual lump-sum fee is supplemented with a fixed fee of EUR 1 600 per Board or committee meeting the director has been invited to and which he has attended. The Chairman of the Board receives EUR 3 000 per meeting attended. The Chairman of the Audit Committee and the Chairman of the Sustainability Committee receive EUR 2 200 per Committee meeting they chaired and EUR 1 600 per other meeting attended. The fixed fees are on a half-day basis (assuming a half-day of preparation) and adjusted per half day if required.

National law applicable to some non-executive directors of IBA prohibits them to receive part of their remuneration in the form of shares of the company. Therefore, IBA is not in a position to apply principle 7.6 of the 2020 Belgian Corporate Governance Code, which states that "[a] non-executive board member should receive part of their remuneration in the form of shares in the company".

Non-Managing Directors do not receive any form of variable remuneration – related to individual or collective performance, or otherwise – and no other form of fixed, equity-based or in-kind remuneration in the course of the year.

At present, it is not anticipated that the policy will fundamentally change over the next two years. Both the level and structure of director remuneration are monitored and reviewed on an annual basis, which may result in an adjustment when deemed necessary or appropriate.

Managing Directors do not receive specific director remuneration. The remuneration they receive for their direct or indirect role in the Company includes compensation for their director responsibilities (section 3:6, §3, 4°, of the BCAC).

Termination agreements with Non-Managing Directors

The schedule below summarizes the main contractual agreements, concerning each non-Managing Director, in relation to termination at the initiative of the Company.

NON-MANAGING DIRECTORS	START OF TERM	END OF TERM	APPLICABLE NOTICE PERIOD	TERMINATION AGREEMENT
Saint-Denis SA, represented by Pierre Mottet	1998	AG 2022	None	None
Bayrime SA, represented by Eric de Lamotte	2000	AG 2021	None	None
Consultance Marcel Miller SCS, represented by Marcel Miller)	2011	AG 2020	None	None
Hedvig Hricak (2)	2017	AG 2022	None	None
Katleen Vandeweyer Comm. V., represented by K. Vandeweyer)	2013	AG 2022	None	None
Bridging for Sustainability SPRL, represented by Sybille van den Hove	2015	AG 2020	None	None

MANAGING DIRECTORS AND OTHER EXECUTIVE MANAGEMENT TEAM MEMBERS

Procedure (section 3:6, §3, 1°, of the BCAC)

In establishing the remuneration policy, the Board of Directors has considered the external environment in which IBA operates, legal requirements and principles of the Belgian Corporate Governance Code 2020, market practice and guidance issued by organizations representing institutional shareholders.

After review by the Compensation Committee, the Board of Directors determines the direct or indirect remuneration paid to the Managing Directors in accordance with its remuneration policy. The Committee ensures that remuneration is in line with market practice, as determined by studies performed by specialized firms. The Compensation Committee monitors and reviews the remuneration policy for Executive Management Team Members, adopted by the Chief Executive Officer. For the purpose of the above and in general, the Board of Directors, the Compensation Committee and individual directors have the authority and duty, subject to the rules defined in the Corporate Governance Charter, to assign themselves sufficient resources, including the assistance of external consultants, if and when appropriate.

Principles of the remuneration policy (section 3:6, §3, 2°, of the BCAC)

The key purpose of IBA's remuneration philosophy is to ensure the Company is able to attract, retain and engage the executive talent it requires to deliver on its promises towards its various stakeholders – including its clients and patients, its shareholders, its employees, society in general and the planet –, whilst aligning to their respective interests.

The structure and levels of remuneration, in general, must be effective in meeting these objectives. Remuneration programs and decisions at all times meet the following criteria:

- They appropriately balance external competitiveness with other organizations and internal equity, considering both the content of the position, and the personal competencies and effectiveness of the manager within IBA;
- They are affordable, sustainable and cost efficient, avoiding excesses;
- They reward performance – both individual and collective – aligned to the business strategy, considering short-term results and long-term focus, and supported by a robust performance management system;
- They provide transparency and predictability, whilst offering enough flexibility to swiftly respond to changing business needs, if and when required;
- The resulting remuneration is a fair balance from the point of view of all stakeholders, taking exceptional circumstances in consideration (fairness factor). In exceptional circumstances only, the non-Managing Directors have the authority to change the policies set out herein fore or to deviate from them in case it considers this in the best interest of the company. This derogation may concern all aspects of the policy. "Exceptional circumstances" cover situations in which deviation from the remuneration policy is

necessary to serve the long-term interest and sustainability of the company. Deviation can only be requested by the non-Managing Directors and the full explanation will be provided. The remuneration structure at IBA contains both monetary and non-monetary components.

External competitiveness currently is assessed by reference to a general cross-section of companies active in the markets where the executives are based. At present, IBA aims to position executive remuneration, in case of solid performance, at or around the median of the market reference.

At present, it is not anticipated that, in the next two years, the policy will fundamentally change, except as specifically indicated in the sections below. IBA does, however, continuously assess the appropriateness of its remuneration programs in view of evolving needs and insights, both externally and internally, which may result in an adjustment when deemed necessary or appropriate. In particular, IBA will continue to develop approaches to favor a) long term shareholding in the company by its employees and management and b) realization of its multi-stakeholder approach.

Total Remuneration components for Managing Directors and other Executive Management Team members (section 3:6, §3, 5°, 7° & 11°, of the BCAC)

For Managing Directors and other Executive Management Team members, total remuneration generally consists of fixed remuneration, variable remuneration, long-term incentives. Retirement plan contributions and other components are offered to salaried Executive Team Members similarly as to other employees. Each individual member does not necessarily benefit from each remuneration component: this is primarily dependent upon the position they hold, the nature and structure of the individual agreement and the practices in the different locations where each member is based. As a result, the weight of the different remuneration components, as part of total remuneration differs on an individual basis. In general terms, the weight of each component of remuneration accounts for a part of total remuneration that may be summarized as follows:

REMUNERATION COMPONENT	PART OF TOTAL REMUNERATION (WHEN OFFERED)
Annual fixed remuneration	Between 40% and 63%
Annual variable remuneration (at target)	Between 19% and 40%
Annualized value of long-term incentives	Between 8% and 20%
Annual value of retirement plan contributions	Up to 3%
Annual value of other components	Up to 7%

Annual Fixed Remuneration

Annual fixed remuneration is a cash component of remuneration, defined in accordance with an individual's position, as well as his or her competencies and experience in the position. It is reviewed every year and not automatically increased, except where mandatory.

Annual Variable Remuneration

The annual variable remuneration program rewards performance against specified objectives, defined and formalized at the beginning of the performance period. Payout levels currently are targeted at between 30% and 100% of direct or indirect annual fixed remuneration, depending on the position. Actual payout levels are, for 50%, subject to collective performance at Group or at business unit level, and, for 50%, subject to individual performance.

At Group and business unit levels, collective performance is currently measured based on profit before tax (PBT) and order intake targets, geared towards achieving and exceeding the Company's fiscal year objectives.

At the individual level, quantitative and qualitative objectives are focused on delivering the business strategy and reflect specific strategic challenges at Group or business unit level, including i) the execution of the clinical and technology roadmaps, ii) organizational, cultural and talent management objectives in view of the Group's prosperity, as well as iii) targeted actions towards the Company's stakeholders – clients and patients, shareholders, employees, the society in general and the planet. At the end of the performance period, for each measure, actual levels of achievement are positioned against the predefined targets and are consolidated, resulting in an overall percentage of performance that is applied to the target payout levels. The maximum payout is set at 150% of target in case of exceptional collective and individual performance, whilst performance below expectations results in a zero payout.

The performance period is the fiscal year.

The Managing Directors are not present at the Board and Compensation Committee meetings where their performance and variable payout levels are discussed and decided.

Agreements with the Managing Directors and members of the Executive Management Team do contain claw-back provisions in relation to variable payments that would be made based on erroneous financial information.

Long-term Incentives

IBA has an history of long-term incentives through SOP (target based or not), multi-year cash targets and stock purchase plans. The last plan ended in 2017. Given the context of the Company, the long-term component of the variable remuneration program described above has been replaced by a special incentive plan for fiscal year 2018 and 2019, providing increased payout opportunities directly geared towards accelerating the PBT generated over and above the PBT planned for the year. Any payout was expected to occur in shares subject to a holding requirement.

The design and implementation of a new plan, which may contain revised features, are currently investigated and will be finalized in the course of 2020.

The Managing Directors are significant owners of the reference shareholder and are as such significantly exposed to IBA share performance. The ownership guidelines for other executives are currently under review.

Retirement Plan

Depending on the terms and conditions of their agreement and the programs in place where the individual is based, members of the Executive Management Team may participate in a retirement plan. These plans follow market practice in the countries where they apply. They are generally defined contribution type of plans.

Other Components

Similar as for retirement contributions, members of the Executive Management Team may be entitled to other remuneration components as per their agreement and the programs in place for employees in their respective country. These mainly include participation in IBA's insurance programs (often covering life insurance, disability, travel insurance and medical care), company cars or car allowances, and other elements like meal vouchers. All components follow local market practice in the country where the individual is based. They represent, if at all, a minor part of the remuneration.

Contractual arrangements with the Managing Directors and members of the Executive Management Team (section 3:6, §3, 9°, of the BCAC)

The schedule below summarizes the main contractual arrangements, concerning each Managing Director and member of the Executive Management Team, in relation to termination at the initiative of the Company.

MANAGING DIRECTORS AND EXECUTIVE MANAGEMENT TEAM	START OF TERM	END OF TERM	APPLICABLE NOTICE PERIOD	TERMINATION AGREEMENT
Lamaris Group SPRL, represented by Olivier Legrain	Mandate: 2012; Management agreement: 2011	Mandate: AGM 2020; Management agreement: indefinite	Mandate: None Management agreement: 6 months or equivalent compensation	None. The management agreement also contains a non-competition obligation for the duration of the agreement and 12 months thereafter
Research Management Systems SA, represented by Yves Jongen	Mandate: 1991; Management agreement: prior to 2009, amended in 2012	Mandate: AGM 2021; Management agreement: indefinite	Mandate: None Management agreement: 12 months or equivalent compensation	None. The management agreement also contains a non-competition obligation for the duration of the agreement
Soumya Chandramouli	2004	Indefinite	As provided by law, i.e. currently a total of 14 months' notice or equivalent compensation	None. The employment agreement also contains a non-competition obligation for nine months against 50% of remuneration over the same period, unless it is waived
Frédéric Nolf	2007	Indefinite	A total of 14 months' notice or equivalent compensation	None. The employment agreement also contains a non-competition obligation for nine months against 50% of remuneration over the same period, unless it is waived

Remuneration report Managing Directors and Executive Management Team in 2019 (section 3:6, §3, 6°, of the BCAC)

Performance and effect on remuneration in 2019

This remuneration report outlines the implementation of the remuneration policy and will be annually submitted to the Annual Shareholders' Meeting for an advisory vote.

Annual Shareholders' Meeting advisory vote on the previous remuneration has been considered for the edition of this report.

Remuneration of the Managing Directors

The schedule below outlines the total remuneration received by each Managing Director.

NAME	TITLE	CURRENCY	YEAR	ANNUAL FIXED REMUNERATION	ANNUAL VARIABLE REMUNERATION	LONG TERM/ SPECIAL REMUNERATION	RETIREMENT BENEFITS	OTHER BENEFITS
Olivier Legrain	Chief Executive Officer	EUR *% of total*	2019	386 393 *67%*	189,093 *33%*	None *0%*	None *0%*	None *0%*
		EUR *% of total*	2018	378 185* *100%*	None *0%*	None *0%*	None *0%*	None *0%*
Yves Jongen	Founder and Chief Research Officer	EUR *% of total*	2019	351 908 *87%*	104,087 *13%*	None *0%*	None *0%*	None *0%*
		EUR *% of total*	2018	338 756* *100%*	None *0%*	None *0%*	None *0%*	None *0%*

* Contractual remuneration - Given the difficult economic context of the company, the Managing Directors, Mr. Olivier Legrain and Mr. Yves Jongen, have voluntarily applied a discount of 15% on the contractual fixed remuneration directly or indirectly paid to them by IBA over fiscal year 2018.

Remuneration of the Chief Executive Officer

In 2019, the total remuneration directly or indirectly received by the CEO, Mr. Olivier Legrain, or by companies he controls was as follows. Fixed remuneration amounted to EUR 386 393. Variable remuneration related to fiscal year 2018 was EUR 189 093, representing 50% of target pay-out, reflecting, in line with the remuneration policy, below-target collective performance at Group level. Variable remuneration in relation to fiscal year 2019 will be paid in 2020 and is not yet known at the time of finalization of this report.

The long-term incentive plan over the period 2014 – 2017 has ended, as described below. The Company has not implemented any new long-term incentive plan since then.

Criteria under the special incentive plan for fiscal year 2018, providing increased payout opportunities directly geared towards accelerating the PBT generated over and above the PBT planned for the year, were not be met to allow any payout to occur, although the financial performance had drastically improved versus the previous year.

Remuneration of the Executive Management Team (section 3:6, §3, 7°, of the BCAC)

TITLE	CURRENCY	YEAR	ANNUAL FIXED REMUNERATION	ANNUAL VARIABLE REMUNERATION	LONG TERM/SPECIAL REMUNERATION	RETIREMENT BENEFITS	OTHER BENEFITS
Executive Management Team	EUR	2019	368 493	53 999	None	13 764	40 383
	% of total		*77%*	*11%*	*0%*	*3%*	*8%*
	EUR	2018	331 611	None	None	12 594	40 454
	% of total		*86%*	*0%*	*0%*	*3%*	*11%*

Total cash remuneration, including fixed remuneration and variable remuneration (as defined in the remuneration policy), directly or indirectly received, under any agreement or in any form, by Executive Management Team members excluding the Chief Executive Officer amounted to EUR 422 492 in 2019.

Criteria under the special incentive plan for fiscal year 2018, providing increased payout opportunities directly geared towards accelerating the PBT generated over and above the PBT planned for the year, were not be met to allow any payout to occur although the financial performance had drastically improved versus the previous year.

For 2018 total cash remuneration corresponds to fixed remuneration only as no variable remuneration was paid. Fixed remuneration was negatively impacted by the economical unemployment applied for IBA in Belgium in 2018.

Variable remuneration in relation to fiscal year 2019 is paid in 2020 and is not yet known at the time of finalization of this report.

Other remuneration of members of the Executive Management Team excluding the Chief Executive Officer, received in 2019, includes i) contributions to retirement plans for a total amount of EUR 13 764, and ii) other remuneration components for a total amount of EUR 40 383. Retirement plans are defined contribution type of plans.

Other remuneration components mainly include participation in personal risk insurance programs, company cars, meal vouchers, all in line with local practice where the Executive Management Team members are based.

Long-term incentives (section 3:6, §3, 8°, of the BCAC)

The Managing Directors, including the Chief Executive Officer, and the other members of the Executive Management Team have not received shares as part of their remuneration. They generally participate in IBA's long-term incentive plan.

The long-term incentive plan over the period 2014 – 2017 has ended. For reference, for Managing Directors, including the Chief Executive Officer, and the other members of the Executive Management Team, the plan directly or indirectly combined a cash-based incentive and a grant of warrants under IBA's 2014 Warrant Plan, following the terms and conditions outlined below.

In 2018 and 2019, no additional long-term incentives have been granted to the Managing Directors, including the Chief Executive Officer, and the other members of the Executive Management Team.

The design and implementation of a new plan are currently investigated and will be finalized in the course of 2020.

Long-term incentive 2014 – 2017

For reference, the former plan 2014 – 2017 was two-tiered, directly or indirectly combining a cash-based incentive with a grant of warrants. The cash-based incentive was implemented in 2014 and linked to actual cumulative profit before tax over the period 2014 – 2017 compared to a predefined target aligned to the Group strategic plan and the guidance provided to the market in this respect. The threshold under the plan 2014 – 2017 has not been met. As a result, the cash-based incentive did not result in any payout.

A grant of warrants has been made in 2014 under IBA's 2014 Warrant plan. The number of warrants amounted to 50 000 for the Chief Executive Officer and 10 000 for the other Executive Management Team members in office at that time. The exercise price is equal to the fair market value of the share at grant, i.e., EUR 11.52. Vesting occurred in full on December 31, 2018, subject to each participant's continued service up to that date, without further performance conditions. The warrants expire 10 years following grant. No new grant of warrants has been made in the period 2015 to 2019.

		AWARD DATE	VESTING DATE	EXPIRY DATE	EXERCISE PRICE (EUR)	# WARRANTS AT BEGINNING OF THE YEAR	# WARRANTS AWARDED	# WARRANTS VESTED	# WARRANTS EXERCISED	# WARRANTS AT END OF THE YEAR
Olivier Legrain	Chief Executive Officer	July 1, 2014	December 31, 2018	June 30, 2024	11.52	50 000	0	0	0	50 000
Yves Jongen	Founder and Chief Research Officer	July 1, 2014	December 31, 2018	June 30, 2024	11.52	10 000	0	0	0	1 000
Jean-Marc Bothy	President, IBA Dosimetry	July 1, 2014	December 31, 2018	June 30, 2024	11.52	10 000	0	0	0	10 000
Soumya Chandramouli	Chief Financial Officer	n/a	n/a	n/a	n/a	None	None	None	None	None
Frédéric Nolf	Chief HR & sustainability Officer	July 1, 2014	December 31, 2018	June 30, 2024	11.52	10 000	0	0	0	10 000

Remuneration of the non-Managing Directors in 2019 (section 3:6, §3, 3°, of the BCAC)

The gross amounts that were paid to non-Managing Directors in 2019 are as follows:

BOARD MEMBER	TOTAL FEES (EUR)	LUMP-SUM FEE (EUR)		MEETING RELATED FEES* (EUR)
Olivier Legrain (internal director, Managing Director, CEO)	NONE	NONE	BM	NONE
			AC	NONE
			CC/NC	NONE
			PC	NONE
			SC	NONE
			OTHER	NONE
Yves Jongen (internal director, Managing Director, Chief Research Officer)	NONE	NONE	BM	NONE
			AC	N/A
			CC/NC	NONE
			PC	NONE
			SC	NONE
			OTHER	NONE
Saint-Denis SA, represented by Pierre Mottet (internal director, Chairman of the Board, of the Nomination Committee and of the Compensation Committee)	70 500	12 000	BM	27 000
			AC	3 000
			CC/NC	13 500
			PC	6 000
			SC	6 000
			OTHER	NONE
SCS Consultance Marcel Miller, represented by Marcel Miller (independent director)	38 800	6 000	BM	14 400
			AC	6 400
			CC/NC	7 200
			PC	3 200
			SC	N/A
			OTHER	NONE
Bayrime SA, represented by Eric de Lamotte (other director)	28 400	6 000	BM	14 400
			AC	6 400
			CC/NC	N/A
			SC	N/A
			OTHER	NONE
Jeroen Cammeraat (independent director, until May 8, 2019)	9 400	3 000	BM	3 200
			AC	1 600
			CC/NC	1 600
			PC	N/A
			OTHER	NONE
Katleen Vandeweyer Comm.V., represented by Katleen Vandeweyer (independent director, President of the Audit Committee)	36 800	9 000	BM	9 600
			AC	11 000
			CC/NC	4 000
			PC	N/A
			SC	3 200
			OTHER	NONE
Bridging for Sustainability, represented by Sybille van den Hove (independent director)	31 000	9 000	BM	14 400
			AC	N/A
			CC/NC	N/A
			PC	3 200
			SC	5 200
			OTHER	NONE
Hedvig Hricak (independent director as of May 10, 2017)	24 000	16 000	BM	4 800
			AC	N/A
			CC/NC	N/A
			PC	3 200
			OTHER	NONE

* BM – Board meeting; AC – Audit Committee meeting; NC – Nomination Committee meeting; CC – Compensation Committee meeting; MAC – Mergers & Acquisitions Committee meeting; PC – Product Committee meeting; SC – Sustainability Committee. N/A indicates that the director is not a member of the Committee or that no Committee meeting has taken place; Other – Attendance of other meetings, such as client user meetings and/or strategic meetings

In 2019, the Group has also employed the services of Saint-Denis SA for specific activities not related to its directorship. The fees corresponding to these services amounted to EUR 302 325.

Resignation or dismissal of directors during financial year 2019 (section 3:6, §3, 10°, of the BCAC)

There were no resignation or dismissal of any executive board member (*administrateur exécutif*), or other member of the Management Team or managing director (*délégué à la gestion journalière*) during financial year 2019. Therefore, the Board did not have to analyse the merits of any applicable severance allowance.

CODES OF CONDUCT

CODE OF BUSINESS CONDUCT

The Company is committed to the honest, ethical, and honorable conduct of its business. It believes that ethical management is the lynchpin of its continued growth and success and that it will enable it to maintain its good reputation and achieve its strategic mission of protecting, enhancing, and saving lives. For this reason, the Company has worked to create a Code of Business Conduct.

This Code defines the fundamental principles of business conduct and provides guidance for the Group's employees and co-contracting parties on such matters as business partnerships, conflicts of interest, fair competition, protection of intellectual property, data privacy and confidentiality, anti-bribery and corruption and protection of the universal human rights, of the environment, health and safety.

A new version of this Code was approved by the Management Committee at the end of 2019. The Code of Business Conduct is available on the Company's website www.iba-worldwide.com, on the following page https://iba-worldwide.com/fr/content/code-conduct.

DEALING CODE - CODE OF CONDUCT TO PREVENT INSIDER DEALING AND MARKET ABUSE

The Company has updated the Dealing Code to combat insider trading and market abuse. All employees have received a copy of this code. Furthermore, executives have signed the Code for acknowledgement and consent.

Details of transactions by executives involving the Company's shares are available in the remuneration report.

The Dealing Code is available on the Company's website www.iba-worldwide.com, on the following page https://iba-worldwide.com/content/dealing-code

IFRS CONSOLIDATED FINANCIAL

STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2019

INTRODUCTION

Ion Beam Applications SA (the "Company" or the "Parent"), founded in 1986, and its subsidiaries (together, the "Group" or "IBA") are committed to technological progress in the field of cancer diagnosis and therapy and deliver efficient, dependable solutions providing unequaled precision. IBA also offers innovative solutions for everyday hygiene and safety.

The Company is a limited company incorporated and domiciled in Belgium. The address of its registered office is Chemin du Cyclotron, 3; B-1348 Louvain-la-Neuve, Belgium.

The Company is listed on the pan-European Euronext stock exchange (B-compartment) and is included in the BEL Mid Index.

Consequently, IBA has agreed to follow certain rules to enhance the quality of financial information provided to the market. These rules include:

- Publication of its annual report, including its audited annual consolidated financial statements within four months from the end of the financial year;
- Publication of a half-year report covering the first six months of the financial year within two months from the end of the second quarter;
- Publication of half-yearly and annual consolidated financial statements prepared in accordance with IFRS as endorsed by EU;
- Audit of its annual consolidated financial statements by its auditors in accordance with the auditing standards of the International Federation of Accountants (IFAC).

In December 2019, after the sale of RadioMed, the Board concluded that the retention of the remaining component of the Dosimetry division provides the most compelling strategic rationale for the Company and its stakeholders. This decision has the following impact on the financial statements included in this annual report.

The 2018 income statements (which included the Dosimetry as discontinued operations in 2018) has been re-presented to show again the income and expenses from Dosimetry in the income statements of continuing operations.

The financial position of Dosimetry which was presented in 2018 under ''assets held for sales for and ''liabilities directly related to assets held for sale'' is no more classified as such in 2019. In accordance with IFRS 5, the 2018 financial position has not been restated.

These consolidated financial statements have been approved for release by the Board of Directors on April 30, 2020.

STATEMENT OF CONSOLIDATED FINANCIAL POSITION AS AT DECEMBER 31, 2019

The Group has chosen to present its financial position on a current/non-current basis.
The notes on pages 89 to 163 are an integral part of these consolidated financial statements.

	Note	December 31, 2018 (EUR 000)	January 1, 2019* (EUR 000)	December 31, 2019 (EUR 000)
ASSETS				
Goodwill	8	0	0	3 821
Other intangible assets	8	8 717	8 717	6 355
Property, plant and equipment	9	34 542	16 639	19 572
Right-of-use assets	24.1	0	27 788	30 400
Investments accounted for using the equity method	10	0	0	2 900
Other investments	10	13 005	13 005	15 196
Deferred tax assets	11	6 161	6 161	6 985
Long-term financial assets	21	33	33	0
Other long-term assets	12	16 700	16 700	21 372
Non-current assets		**79 158**	**89 043**	**106 601**
Inventories and contracts in progress	13	131 073	131 073	120 369
Trade receivables	14	96 550	96 550	120 199
Other receivables	14	22 155	22 155	31 532
Short-term financial assets	21	95	95	320
Cash and cash equivalents	15	36 402	36 402	46 090
Assets held for sale	6	26 696	31 923	0
Current assets		**312 971**	**318 198**	**318 510**
TOTAL ASSETS		**392 129**	**407 241**	**425 111**
EQUITY AND LIABILITIES				
Capital stock	16	42 278	42 278	42 294
Capital surplus	16	41 863	41 863	41 978
Treasury shares	16	-8 502	-8 502	-8 502
Reserves	17	15 675	15 675	16 375
Currency translation difference	17	-3 299	-3 299	-3 503
Retained earnings	17	15 076	15 076	22 700
Capital and reserves		**103 091**	**103 091**	**111 342**
Non-controlling interests		0	0	0
EQUITY		**103 091**	**103 091**	**111 342**
Long-term borrowings	18	30 390	30 390	32 856
Long-term lease liabilities	24.2	12 888	23 968	26 117
Long-term provisions	19	4 930	4 930	6 775
Long-term financial liabilities	21	220	220	581
Deferred tax liabilities	11	0	0	1 112
Other long-term liabilities	20	13 304	9 034	4 185
Non-current liabilities		**61 732**	**68 542**	**71 626**
Short-term borrowings	18	41 615	41 615	3 534
Short-term lease liabilities	24.2	895	4 019	4 870
Short-term provisions	19	5 749	5 749	4 443
Short-term financial liabilities	21	571	571	1 432
Trade payables	22	42 074	42 074	41 133
Current income tax liabilities		1 224	1 224	2 150
Other payables	23	35 688	35 639	47 846
Advances received on contracts in progress	13	88 483	88 483	136 735
Liabilities directly related to assets held for sale	6	11 007	16 234	0
Current liabilities		**227 306**	**235 608**	**242 143**
TOTAL LIABILITIES		**289 038**	**304 150**	**313 769**
TOTAL EQUITY AND LIABILITIES		**392 129**	**407 241**	**425 111**

(*) Financial position reflecting impact of IFRS 16 at the opening of financial year 2019

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2019

The Group has chosen to present its income statement using the "function of expenses" method.

	Note	December 31, 2018 (EUR 000)	December 31, 2019 (EUR 000)
Sales	4	156 544	168 727
Services	4	100 863	113 825
External sales	**4**	**257 407**	**282 552**
Cost of sales and services (-)		-163 251	-189 415
Gross profit		**94 156**	**93 137**
Selling and marketing expenses (-)		-24 830	-24 504
General and administrative expenses (-)		-35 709	-37 413
Research and development expenses (-)		-27 955	-31 133
Other operating expenses (-)	25	-2 316	-4 227
Other operating income	25	0	18 786
Segment result (EBIT)	**4**	**3 346**	**14 646**
Financial expenses (-)	26	-8 047	-6 671
Financial income	26	3 807	3 915
Share of profit/(loss) of companies consolidated using the equity method	10.1	0	-1 124
Profit/(loss) before taxes		**-894**	**10 766**
Tax income/(expenses)	27	-3 507	-3 156
Profit/(loss) for the period from continuing operations		**- 4 401**	**7 610**
Profit/(loss) for the period from discontinued operations		0	0
Profit/(loss) for the period		**-4 401**	**7 610**
Attributable to :			
Equity holders of the parent		-4 401	7 610
Non-controlling interests		0	0
		-4 401	**7 610**
Earnings per share from continuing operations and discontinued operations (EUR per share)			
- Basic	35	-0.150	+0.2584
- Diluted	35	-0.150	+0.2581
Earnings per share from continuing (EUR per share)			
- Basic	35	-0.150	+0.2584
- Diluted	35	-0.150	+0.2581
Earnings per share from discontinued operations (EUR per share)			
- Basic	35	0.000	0.000
- Diluted	35	0.000	0.000

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2019

	Notes	December 31, 2018 (EUR 000)	December 31, 2019 (EUR 000)
Profit/(loss) for the period		**-4 401**	**7 610**
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
- Exchange differences on translation of foreign operations		339	-428
Exchange differences on translation of foreign operations		*339*	*556*
Reclassification adjustment of CTA following IAS 21.48	7	*0*	*-984*
- Reserves movements of investments accounted for using the equity method		0	0
Currency translation difference		*0*	*0*
Cash flow hedges		*0*	*0*
Other		*0*	*0*
- Exchange difference related to permanent financing		-317	224
- Reserves movements		0	-1
- Net movement on cash flow hedges	17	-5 116	-2 086
- Revaluation at fair value of other investments	17	4 097	2 191
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		**-997**	**-100**
Other comprehensive income not to be reclassified to profit or loss in subsequent periods :			
- Reserves movements in post-employment benefit reserves	28	248	596
- Reserves movements of investments accounted for using the equity method (actuarial gain/(loss))		0	0
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		**248**	**596**
Total comprehensive income for the year		**-5 150**	**8 106**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR 000	Capital stock	Capital surplus	Treasury shares	Hedging reserves	Other reserves – value of stock option plans and share-based compensation	Other reserves – defined benefit plans	Other reserves - Other	Currency translation difference	Retained earnings	TOTAL Shareholders' equity and reserves
Balance at 01/01/18	**42 053**	**41 322**	**-8 502**	**4 466**	**15 473**	**-3 888**	**154**	**-3 321**	**20 937**	**108 694**
Change in accounting policy - IFRS 15 impact of modified retrospective method	0	0	0	0	0	0	0	0	-1 460	-1 460
Adjusted balance at 01/01/18	**42 053**	**41 322**	**-8 502**	**4 466**	**15 473**	**-3 888**	**154**	**-3 321**	**19 477**	**107 234**
Other comprehensive income	0	0	0	-5 116	0	248	4 097	22	0	-749
Profit/(loss) for the period	0	0	0	0	0	0	0	0	-4 401	-4 401
Total comprehensive income for the period	**0**	**0**	**0**	**-5 116**	**0**	**248**	**4 097**	**22**	**-4 401**	**-5 150**
Dividends	0	0	0	0	0	0	0	0	0	0
Employee stock options and share-based payments	0	0	0	0	241	0	0	0	0	241
Increase/ (decrease) in capital stock/ capital surplus (note 16)	225	541	0	0	0	0	0	0	0	766
Other changes	0	0	0	0	0	0	0	0	0	0
Balance at 31/12/18	**42 278**	**41 863**	**-8 502**	**-650**	**15 714**	**-3 640**	**4 251**	**-3 299**	**15 076**	**103 091**
Balance at 01/01/19	**42 278**	**41 863**	**-8 502**	**-650**	**15 714**	**-3 640**	**4 251**	**-3 299**	**15 076**	**103 091**
Other comprehensive income	0	0	0	-2 086	0	596	2 190	-204	0	496
Profit/(loss) for the period	0	0	0	0	0	0	0	0	7 610	7 610
Total comprehensive income for the period	**0**	**0**	**0**	**-2 086**	**0**	**596**	**2 190**	**-204**	**7 610**	**8 106**
Dividends	0	0	0	0	0	0	0	0	0	0
Employee stock options and share-based payments	0	0	0	0	0	0	0	0	0	0
Increase/ (decrease) in capital stock/ capital surplus (note 16)	16	115	0	0	0	0	0	0	0	131
Other changes	0	0	0	0	0	0		0	14	14
Balance at 31/12/19	**42 294**	**41 978**	**-8 502**	**-2 736**	**15 714**	**-3 044**	**6 441**	**-3 503**	**22 700**	**111 342**

CONSOLIDATED CASH FLOW STATEMENT

The Group has chosen to present the cash flow statement using the indirect method.

	Note	December 31, 2018 (EUR 000)	December 31, 2019 (EUR 000)
CASH FLOW FROM OPERATING ACTIVITIES			
Net profit/(loss) for the period		**-4 401**	**7 610**
Adjustments for :			
Depreciation and impairment of tangible assets	9	3 311	8 860
Depreciation and impairment of intangible assets and goodwill	8	3 476	3 571
Write-off on receivables	14	-502	-503
Changes in fair value of financial assets (profits)/losses		769	-1 056
Changes in provisions	19	2 633	7 052
Deferred taxes		-521	-18
Share of result of associates and joint ventures accounted for using the equity method	10.1	0	1 124
(Profit)/loss on disposal of assets held for sale	7	0	-13 505
Other non-cash items	29	2 359	-4 918
Net cash flow changes before changes in working capital		**7 124**	**8 217**
Trade receivables, other receivables and deferrals		-41 410	-21 746
Inventories and contracts in progress		15 572	65 653
Trade payables, other payables and accruals		2 358	2 867
Other short-term assets and liabilities		-2 723	-6 838
Changes in working capital		**-26 203**	**39 936**
Net income tax paid/received		-1 712	-1 939
Interest expense		2 311	2 487
Interest income		-41	-76
Net cash (used)/generated from operations		**-18 521**	**48 625**
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	9	-18 024	-4 582
Acquisition of intangible assets	8	-717	-541
Disposals of fixed assets		10	2 008
Acquisition of subsidiaries net of acquired cash	7	0	0
Acquisition of third-party and equity-accounted investments	10.1	0	-6 105
Disposals of subsidiaries	7	0	12 487
Disposals of other investments and equity method accounted companies, net of assigned cash		0	0
Other investing cash flows	29	12	-1 516
Net cash (used)/generated from investing activities		**-18 719**	**1 751**
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings and lease liabilities	18 and 24.2	46 333	9 000
Repayment of borrowings and lease liabilities	18 and 24.2	-3 313	-50 120
Interest paid		-2 320	- 2 808
Interest received		41	76
Capital increase (or proceeds from issuance of ordinary shares)	16	766	131
Dividends paid		0	0
(Acquisitions)/disposal of treasury of shares		0	0
Other financing cash flows	29	8 126	1 348
Net cash (used)/generated from financing activities		**49 633**	**-42 373**
Net cash and cash equivalents at beginning of the year		**27 273**	**38 696**
Net change in cash and cash equivalents		12 393	8 003
Exchange (profits)/losses on cash and cash equivalents		-971	-609
Net cash and cash equivalents at end of the year	15	**38 696**	**46 090**

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

NOTE

1. SUMMARY OF SIGNIFICANT GROUP ACCOUNTING POLICIES

1.1 INTRODUCTION

The main IFRS accounting principles applied by the Group in preparing the IFRS consolidated financial statements are presented below.

1.2 BASIS OF PREPARATION

IBA's consolidated financial statements for the year ended December 31, 2019 have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union.

These financial statements have been prepared on a historical cost basis, except for financial instruments (Derivative, Fair value through other comprehensive income and Fair value through profit or loss) that have been measured at fair value.

The Group's consolidated financial statements are presented in (thousands of) euros, which is the parent entity's functional currency.

These financial statements have been prepared on an accrual basis and on the assumption that the entity is a going concern and will continue to operate in the foreseeable future.

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires Management to exercise judgment in the process of applying the Company's accounting policies. Areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3.

1.2.1 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the consolidated financial statements for the year ended 31 December 2019 are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2018, except for the change presented below and for the adoption of new standards and interpretations effective as of 1 January 2019.

1.2.2 STANDARDS ISSUED AND EFFECTIVE

The Group applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2019. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Although these new standards and amendments apply for the first time in 2019, they do not have a material impact on the consolidated financial statements of the Group except IFRS 16. The nature and the impact of each of the following new standards, amendments and/or interpretations are described below:

- IFRS 16 *Leases*
- IFRIC Interpretation 23 *Uncertainty over Income Tax Treatments*
- Amendments to IFRS 9 *Prepayment Features with Negative Compensation*
- Amendments to IAS 28 *Long-term Interests in Associates and Joint Ventures*
- Amendments to IAS 19 *Plan Amendment, Curtailment or Settlement*
- Annual IFRS Improvement Process
  - IFRS 3 Business Combinations - *Previously held Interests in a joint operation*
  - IFRS 11 Joint Arrangements - *Previously held Interests in a joint operation*
  - IAS 12 Income Taxes - *Income tax consequences of payments on financial instruments classified as equity*
  - IAS 23 Borrowing Costs - *Borrowing costs eligible for capitalisation*

IFRS 16 Leases

IFRS 16 replaces *IAS 17 Leases* and sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17 Leases. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to recognise separately the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under IFRS 16 is substantially unchanged from today's lessor accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases.

IFRS 16 also requires lessees and lessors to make more extensive disclosures than under IAS 17.

The new standard is effective for annual periods beginning on or after 1 January 2019. IBA did not elect for an early application. IBA has selected the modified retrospective approach. In 2018, the Group assessed the potential effect of IFRS 16 on its consolidated financial statements.

The reconciliation between operating leases presented in the annual report 2018 (note 31) and opening as at January 1,2019 of lease liabilities presented in these consolidated financial statements is as follows:

(EUR 000)	Continuing operations	Discontinued operations	Total
Commitments at December 31, 2018	**13 545**	**5 646**	**19 191**
Impact of non-lease component	-2 511	-6	-2 517
Short-term leases	-53	0	-53
Low value items	-423	0	-423
No identified asset	-168	0	-168
Lease liabilities before discounting impact	**10 390**	**5 640**	**16 030**
Discounting impact	-468	-413	-881
Lease liabilities at January 1, 2019	**9 922**	**5 227**	**15 149**
Weighted average Incremental Borrowing rate at January 1, 2019	**2.31%**	**2.09%**	**2.23%**

The incremental borrowing rates (IBR) used for the calculation of the discounting of lease liabilities are between 1.23% and 11.21%.

As at December 31, 2019, the impact on the financial position of continuing operations of IFRS 16 is as follows:

	Right-of-use assets					Lease
	Building (EUR 000)	Vehicles (EUR 000)	Machinery (EUR 000)	Hardware (EUR 000)	Total (EUR 000)	Liabilities (EUR 000)
As at January 1, 2019	**6 676**	**2 864**	**35**	**310**	**9 885**	**9 922**
Transfer from Property, Plant and equipment at January 1, 2019	13 802	0	47	0	13 849	0
IAS 17 Financial lease liabilities at January 1, 2019	0	0	0	0	0	13 783
Transfer Emphyteutic rent LLN at January 1, 2019	4 055	0	0	0	4 055	4 282
As at January 1, 2019	**24 533**	**2 864**	**82**	**310**	**27 789**	**27 987**
Additions	954	1 239	4	89	2 286	3 104
Disposal	-49	-27	0	-128	-204	-206
Depreciation expenses	-2 146	-1 649	-42	-101	-3 938	0
Payments	0	0	0	0	0	-4 378
Currency translation difference	3	0	0	0	3	-7
Transfer from financial position of discontinued operations	4 031	240	138	55	4 464	4 487
As at December 31, 2019	**27 326**	**2 667**	**182**	**225**	**30 400**	**30 987**

New 2019 right-of-use assets are lower by EUR 1.08 million compared to new lease liabilities due to the sublease of a building in the United States.

As at December 31, 2019, the impact on the income statement of continuing operations of IFRS 16 is as follows:

- Depreciation expenses increased by EUR 3.94 million relating to the depreciation of right-of-use assets
- Rent expense decreased by EUR 3.72 million relating to previous operating leases
- Financial expenses increased by EUR 0.35 million relating to the interest expenses on additional lease liabilities recognized
- Net impact of reintegration from discontinued operation of Dosimetry segment is a loss of EUR 0.05 million allocated as follows:
    - Depreciation expenses increased by EUR 1.16 million relating to the depreciation of right-of-use assets
    - Rent expense decreased by EUR 1.22 million relating to previous operating leases
    - Financial expenses increased by EUR 0.11 million relating to the interest expenses on additional lease liabilities recognized

IFRIC Interpretation 23 Uncertainty over Income Tax Treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 Income Taxes. It does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty needs to be followed.

The Group applies significant judgement in identifying uncertainties over income tax treatments. Since the Group operates in a complex multinational environment, it assessed whether the Interpretation had an impact on its consolidated financial statements.

Upon adoption of the Interpretation, the Group considered whether it has any uncertain tax positions. The Company's and its subsidiaries' tax filings in different jurisdictions include tax treatments that may be challenged by the tax authorities. The Group determined, based on its tax compliance and the status of completed and ongoing tax audits that it is probable that its tax treatments (including those of its subsidiaries) will be accepted by the taxation authorities. Therefore, as of December 31, 2019, the interpretation did not lead to an impact on the consolidated financial statements of the Group.

Amendments to IFRS 9: Prepayment Features with Negative Compensation

Under IFRS 9, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to IFRS 9 clarify that a financial asset passes the SPPI criterion regardless of an event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract. These amendments had no impact on the consolidated financial statements of the Group.

Amendments to IAS 28: Long-term interests in associates and joint ventures

The amendments clarify that an entity applies IFRS 9 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in IFRS 9 applies to such long-term interests.

The amendments also clarified that, in applying IFRS 9, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying IAS 28 Investments in Associates and Joint Ventures. These amendments had no impact on the consolidated financial statements as the Group does not have long-term interests in its associate and joint venture.

Amendments to IAS 19: Plan Amendment, Curtailment or Settlement

The amendments to IAS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to determine the current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event. An entity is also required to determine the net interest for the remainder of the period after the plan amendment, curtailment or settlement using the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event, and the discount rate used to remeasure that net defined benefit liability (asset). These amendments had no impact on the consolidated financial statements of the Group as it did not have any plan amendments, curtailments, or settlements during the period.

Annual Improvements 2015-2017 Cycle

IFRS 3 Business Combinations

The amendments clarify that, when an entity obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer remeasures its entire previously held interest in the joint operation.

An entity applies those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2019, with early application permitted. These amendments had no impact on the consolidated financial statements of the Group as there is no transaction where a joint control is obtained.

IFRS 11 Joint Arrangements

A party that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in IFRS 3. The amendments clarify that the previously held interests in that joint operation are not remeasured.

An entity applies those amendments to transactions in which it obtains joint control on or after the beginning of the first annual reporting period beginning on or after 1 January 2019, with early application permitted. These amendments had no impact on the consolidated financial statements of the Group as there is no transaction where a joint control is obtained.

IAS 12 Income Taxes

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where it originally recognised those past transactions or events.

An entity applies the amendments for annual reporting periods beginning on or after 1 January 2019, with early application permitted. When the entity first applies those amendments, it applies them to the income tax consequences of dividends recognised on or after the beginning of the earliest comparative period. Since the Group's current practice is in line with these amendments, they had no impact on the consolidated financial statements of the Group.

IAS 23 Borrowing Costs

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

The entity applies the amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 1 January 2019, with early application permitted. Since the Group's current practice is in line with these amendments, they had no impact on the consolidated financial statements of the Group.

1.2.3 STANDARDS ISSUED BUT NOT YET EFFECTIVE

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

- Amendments to References to the Conceptual Framework in IFRS Standards, effective 1 January 2020
- Amendments to IFRS 3 *Business Combinations* – Definition of a business, effective 1 January 2020
- Amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures* - Interest Rate Benchmark Reform
- Amendments to IAS 39 *Financial Instruments: Recognition and measurement* and IFRS 7 *Financial Instruments: Disclosures* - Interest Rate Benchmark Reform[4]
- Amendments to IAS 1 *Presentation of Financial Statements and IAS 8 Accounting Policies*, *Changes in Accounting Estimates and Errors* – Definition of material, effective 1 January 2020

Amendments to References to the Conceptual Framework in IFRS Standards

Amendments to References to the Conceptual Framework in IFRS Standards sets out the amendments to affected standards, except to IFRS 3 *Business Combinations* and IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, in order to update references to the Conceptual Framework. In most cases, the standard references are updated to refer to the Conceptual Framework. These amendments are effective for reporting periods beginning on or after 1 January 2020. Since the Group's current practice is in line with the amendments, the Group does not expect any effect on its consolidated financial statements.

Amendments to IFRS 3 Business Combinations – Definition of a business

The narrow-scope amendments clarify how to determine whether an acquired set of activities and assets is a business or not. The amendments clarify the minimum requirements for a business; remove the assessment of whether market participants are capable of replacing any missing elements; add guidance to help entities assess whether an acquired process is substantive; narrow the definitions of a business and of outputs; and introduce an optional fair value concentration test.

Companies are required to apply the amended definition of a business to acquisitions that occur on or after 1 January 2020. Earlier application is permitted. These amendments will apply only to any future business combinations of the Group.

Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures - Interest Rate Benchmark Reform

The amendments modify some specific hedge accounting requirements to provide relief from potential effects of the uncertainty caused by the IBOR reform. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties.

The amendments apply to all hedging relationships that are directly affected by interest rate benchmark reform.

Application of the reliefs is mandatory. The first three reliefs provide for:

1. The assessment of whether a forecast transaction (or component thereof) is highly probable
2. Assessing when to reclassify the amount in the cash flow hedge reserve to profit and loss
3. The assessment of the economic relationship between the hedged item and the hedging instrument

The fourth relief provides that, for a benchmark component of interest rate risk that is affected by IBOR reform, the requirement that the risk component is separately identifiable need be met only at the inception of the hedging relationship.

The effective date of the amendments is for annual periods beginning on or after 1 January 2020, with early application permitted. The requirements must be applied retrospectively. However, any hedge relationships that have previously been de-designated cannot be reinstated upon application, nor can any hedge relationships be designated with the benefit of hindsight.

As the Group applies hedge accounting, the Group will assess in 2020 the potential impact of these amendments on the date of transition.

Amendments to IAS 39 Financial Instruments: Recognition and measurement and IFRS 7 Financial Instruments: Disclosures - Interest Rate Benchmark Reform

The amendments modify some specific hedge accounting requirements to provide relief from potential effects of the uncertainty caused by the IBOR reform. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties.

The corresponding amendments to IAS 39 *Financial Instruments: Recognition and Measurement* are consistent with those amendments for IFRS 9, but with the following differences:

1. For the prospective assessment of hedge effectiveness, it is assumed that the benchmark on which the hedged cash flows are based (whether or not it is contractually specified) and/or the benchmark on which the cash flows of the hedging instrument are based, are not altered as a result of IBOR reform.
2. For the retrospective assessment of hedge effectiveness, to allow the hedge to pass the assessment even if the actual results of the hedge are temporarily outside the 80%-125% range, during the period of uncertainty arising from IBOR reform.
3. For a hedge of a benchmark portion (rather than a risk component under IFRS 9) of interest rate risk that is affected by IBOR reform, the requirement that the portion is separately identifiable need be met only at the inception of the hedge.

The effective date of the amendments is for annual periods beginning on or after 1 January 2020, with early application permitted. The requirements must be applied retrospectively. However, any hedge relationships that have previously been de-designated cannot be reinstated upon application, nor can any hedge relationships be designated with the benefit of hindsight.

As the Group applies hedge accounting, the Group will assess in 2020 the potential impact of these amendments on the date of transition.

Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors – Definition of material

The amended definition of material clarifies that the materiality assessment will need to take into account how primary users could reasonably be expected to be influenced in making economic decisions.

The amendments clarify that the assessment of materiality will depend on the nature or magnitude of information. The amendments also clarify that, in assessing whether information could reasonably be expected to influence decisions of the primary users, an entity must consider the characteristics of those users as well as its own circumstances.

The amendments to IAS 1 and IAS 8 are required to be applied for annual periods beginning on or after 1 January 2020. The amendments must be applied prospectively and earlier application is permitted. Since the Group's current practice is in line with the amendments, the Group does not expect any effect on its consolidated financial statements.

1.3 CONSOLIDATION

The parent and all of its controlled subsidiaries are included in the consolidation.

1.3.1 SUBSIDIARIES

Assets and liabilities, rights and commitments, and income and charges of the parent and its controlled subsidiaries are consolidated in full.

The Group controls an investee, if and only if, the Group has: power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee); exposure or rights to variable returns from its involvement with the investee; and the ability to use its power over investee to affect its returns.

It is presumed to exist when the IBA Group holds more than 50% of the entity's voting rights. This presumption may be rebutted if there is clear evidence to the contrary. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls an entity.

Consolidation of a subsidiary takes place from the date of acquisition, which is the date on which control of the net assets and operations of the acquiree are effectively transferred to the acquirer. From the date of acquisition, the parent (the acquirer) incorporates into the consolidated income statement the financial performance of the acquiree and recognizes in the statement of consolidated financial position the acquired assets and liabilities (at fair value), including any goodwill arising on the acquisition. Subsidiaries are deconsolidated from the date on which control ceases.

The following treatments are applied on consolidation:

- The carrying amount of the parent's investment in each subsidiary and the parent's portion of the equity of each subsidiary are eliminated;
- In the statement of consolidated financial position, non-controlling interests in the net assets of subsidiaries are identified and reported separately in the caption "Non- controlling interests";
- The portion of the profit or loss of the fully consolidated subsidiaries attributable to shares held by entities outside the Group is presented in the consolidated income statement in the caption "Profit/(loss) attributable to non-controlling interests";
- Intra-Group balances and transactions and unrealized gains and losses on transactions between Group companies are eliminated in full.

Consolidated financial statements are prepared applying uniform accounting policies to like transactions and other events in similar circumstances.

1.3.2 ASSOCIATES

An associate is an entity in which the investor has significant influence, but which is neither a subsidiary nor a joint venture (see next subsection) of the investor. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control over those policies. It is presumed to exist when the investor holds at least 20% of the investee's voting power but not to exist when less than 20% is held. This presumption may be rebutted if there is clear evidence to the contrary.

All associates are accounted for using the equity method: participating interests are presented separately in the closing date statement of consolidated financial position (in the caption "Investments accounted for using the equity method") at an amount proportionate to the associate's equity (as restated under IFRS), including the result for the year. Dividends received from an investee reduce the carrying amount of the investment.

The portion of the result of associates attributable to the Group is presented separately in the consolidated income statement in the caption "Share of profit (loss) of companies consolidated using the equity method".

Profits and losses resulting from transactions between an investor (or its consolidated subsidiaries) and associates are eliminated in proportion to the investor's interest in the associate.

1.3.3 JOINT ARRANGEMENTS

As with associates, the equity method is used for the Group's joint arrangements that are classified as joint ventures. Currently, the Group has no interest in joint ventures.

1.3.4 TREATMENT OF GOODWILL OR NEGATIVE GOODWILL

Business combinations is a transaction or other event in which an acquirer obtains control of one or more businesses. A business is a set of activities and assets applied and managed together in order to provide a return or any other economic benefit to its investors. In all business combinations, one entity (the acquirer) obtains control that is not transitory of one or more other entities or businesses (the acquiree).

All business combinations (acquisitions of businesses) arising after January 1, 2004 are accounted for using the purchase method. The acquirer measures the cost of the business combination at the acquisition date (the date on which the acquirer obtains control over the net assets of the acquiree) and compares it with the fair value of the acquiree's identifiable net assets, liabilities, and contingent liabilities. The difference between the two represents a goodwill.

Similar rules have been applied to investments accounted for under the equity method, except that any goodwill arising on such investment is included in the carrying amount of the investment.

Negative goodwill arising on such investments is included in the determination of the entity's share of the investee's profit or losses in the period in which the investment is acquired.

Goodwill is not amortized but instead is tested for impairment annually (or more frequently if circumstances so require). Negative goodwill is recognized as profit.

1.3.5 ACQUISITION OF NON-CONTROLLING INTERESTS

The excess of the acquisition cost of non-controlling interests over the financial position entry for these non-controlling interests is deducted from equity ("economic unit model").

1.3.6 TRANSLATION OF FINANCIAL STATEMENTS OF FOREIGN OPERATIONS

All monetary and non-monetary assets and liabilities (including goodwill) are translated at the closing rate. Income and expenses are translated at the rate of the date of the transaction (historical exchange rate) or at an average rate for the month.

The principal exchange rates used for conversion to EUR are as follows:

	Closing rate on December 31, 2018	Average annual rate 2018	Closing rate on December 31, 2019	Average annual rate 2019
USD	1.1450	1.1812	1.1234	1.1195
SEK	10.2548	10.2522	10.4468	10.5772
CNY	7.8751	7.8027	7.8205	7.7296
INR	79.7298	80.5147	80.1870	78.6673
RUB	79.7153	73.9764	69.9563	72.4099
JPY	125.8500	130.3459	121.9400	122.0465
CAD	1.5605	1.5297	1.4598	1.4850
GBP	0.8945	0.8846	0.8508	0.8769
ARS	43.1079	32.8797	67.1443	53.7670
THB	37.0520	38.0689	33.4150	34.6852
MXN	22.4921	22.6762	21.2202	21.5353
SGD[1]	1.5591	1.5791	1.5110	1.5266
EGP[2]	20.4564	20.3389	17.9625	18.8046
TWD[3]			33.5916	33.8430

[1] *Average rate is calculated on the basis of 6 months of activity in 2018.*
[2] *Average rate is calculated on the basis of 1 month of activity in 2018.*
[3] *Average rate is calculated on the basis of 4 months of activity in 2019.*

1.4 INTANGIBLE FIXED ASSETS

Recognition as an intangible fixed asset is required when

(1) this asset is identifiable, i.e. separable (it can be sold, transferred, or licensed) or where it arises from contractual or other legal rights;

(2) it is probable that future economic benefits attributable to the asset will flow to IBA;

(3) IBA can control the resource; and

(4) the cost of the asset can be measured reliably.

Intangible assets are carried at acquisition cost less any accumulated amortization and any accumulated impairment loss.

Cost includes the fair value of the consideration given to acquire the asset and any costs directly attributable to the transaction, such as relevant professional fees or non-refundable taxes.

Indirect costs as well as general overheads are not included. Expenditure previously recognized as expense is not included in the cost of the asset.

Costs arising from the research phase of an internal project are expensed as incurred.

Costs arising from the development phase of an internal project (product development project or IT project) are recognized as an asset when IBA can demonstrate the following: technical feasibility, intention to complete development, how the intangible asset will generate probable future economic benefits (e.g., the existence of a market for the output of the intangible asset or for the intangible asset itself), availability of resources to complete development and ability to measure the attributable expenditure reliably.

Maintenance costs, as well as costs for minor upgrades intended to maintain (rather than increase) the level of performance of the asset, are expensed as incurred.

The above recognition criteria are fairly stringent and are applied prudently.

The cost of the intangible assets is allocated on a systematic basis over the useful life of the asset using the straight-line method.

The applicable useful lives are as follows:

INTANGIBLE FIXED ASSETS	Useful life
Product development costs	3 years, except if a longer useful life is justified (however not exceeding 5 years)
IT development costs for the primary software programs (e.q. ERP)	5 years, except if a longer useful life is justified
Other software	3 years
Concessions, patents, licenses, know-how, trademarks, and other similar rights	3 years, except if a longer useful life is justified

Amortization commences only when the asset is available for use for example when it is in the location and condition necessary for it to be capable of operating in the manner intended by management in order to achieve proper matching of cost and revenue.

The Group has no intangible fixed assets with indefinite useful life relating to its continuing operations

1.5 TANGIBLE FIXED ASSETS (PROPERTY, PLANT AND EQUIPMENT)

Tangible fixed assets are carried at acquisition cost less any accumulated depreciation and any accumulated impairment loss.

Cost includes the fair value of the consideration given to acquire the asset (net of discounts and rebates) and any directly attributable cost of bringing the asset to working condition for its intended use (inclusive of import duties and taxes).Directly attributable costs are the cost of site preparation, delivery costs, installation costs, relevant professional fees, and the estimated cost of dismantling and removing the asset and restoring the site (to the extent that such a cost is recognized as a provision).

Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item is separately depreciated over its useful life using the straight-line method. The depreciable amount is the acquisition cost, except for vehicles. For vehicles, it is the acquisition cost less the residual value of the asset at the end of its useful life.

Maintenance or repair costs whose objective is to maintain rather than increase the level of performance of the asset are expensed as incurred.

The applicable useful lives are as follows:

TANGIBLE FIXED ASSETS	Useful life
Land	Not depreciated
Office buildings	33 years
Industrial buildings	33 years
Cyclotrons and vaults	15 years, except in specific rare circumstances where a different useful life is justified
Laboratory equipment	5 years
Other technical equipment	5 to 10 years
Computer hardware	3 to 5 years (5 years for mainframes)
Furniture and fittings	5 to 10 years
Vehicles	2 to 5 years

1.6 LEASE

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

1.6.1 GROUP AS A LESSEE

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

1.6.1.1 Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right-of -use assets includes the amount of lease liabilities recognized, initial direct cost incurred and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The right-of-use assets are also subject to impairment (see note 1.7).

RIGHT-OF-USE ASSETS	Depreciation basis
Land	99 years
Buildings	1 to 15 years
Apartments	1 to 4 years
Machinery	3 to 9 years
Vehicles	1 to 4 years
Computer hardware	1 to 5 years
Bikes	3 years

1.6.1.2 Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group use its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are presented in note 24.2.

1.6.1.3 Short-term leases and leases of low-values assets

The Group does apply the short-term lease recognition exemption to its short-term leases.

The Group applies the lease of low-value assets recognition exemption to lease for office equipment, hardware and vehicles that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

1.6.1.4 Group as lessor

IBA sometimes subleases some assets and it is treated as follows. A sublease is a transaction whereby a lessee leases an asset from a lessor (head lease) and the lessee then releases the same asset (as intermediate lessor) to another third party lessee (sublease).

An intermediate lessor classifies the sublease as a finance lease or an operating lease as follows:

- If the head lease is a short-term lease that the entity, as a lessee, has accounted for by recognizing the lease payments as an expense on a straight-line basis over the term of the lease, the sublease must be classified as an operating lease
- Otherwise, the sublease must be classified by reference to the right-of-use asset arising from the head lease, rather than by reference to the economic useful life of the underlying asset (such as the item of property, plant or equipment that is the subject of the lease).

Therefore, where the head lease is not a short-term lease expensed on a straight-line basis over the lease term, the lessor must use the general principles for classification of a lease as an operating or a finance lease by reference to the right-of-use asset. IFRS 16 requires a sublease:

- To be classified as a finance lease if substantially all of the risks and rewards incidental to ownership of the leased asset have been transferred to the lessee
- To otherwise be classified as an operating lease.

1.7 IMPAIRMENT OF INTANGIBLE AND TANGIBLE FIXED ASSETS

An impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount, which is the higher of the following two amounts: fair value less costs of disposal (the consideration that IBA can recover through sale) or value in use (the future economic benefits that IBA can recover if it continues to use the asset).

When possible, impairment tests have been performed on individual assets. When, however, it is determined that assets do not generate independent cash flows, the test is performed at the level of the cash-generating unit (CGU) to which the asset belongs (CGU = the smallest identifiable group of assets generating inflows that are largely independent from the cash flows from other CGUs).

Goodwill arising on a business combination is allocated among the Group's CGUs that are expected to benefit from synergies as a result of the business combination. This allocation is based on Management's assessment of the synergies gained and is not dependent on the location of the acquired assets.

Since it is not amortized, goodwill is tested for impairment annually, along with the related CGU (or more frequently depending on circumstances), even if no indication of impairment exists. Other intangible and tangible fixed assets/CGUs are tested only if there is an indication that the asset is impaired.

Any impairment loss is first charged against goodwill. Any impairment loss exceeding the book value of goodwill is then charged against the other CGUs' fixed assets only if the recoverable amount is below their net book value. Reversals of impairment losses (other than on goodwill) are recorded if justified.

1.8 INVENTORIES

Inventories are measured at the lower of cost and net realizable value at the financial position date.

The cost of inventories comprises all costs incurred in bringing inventories to their present location and condition, including indirect production costs. Administrative overheads that do not contribute to bringing inventories to their present location and condition, selling costs, storage costs, and abnormal amounts of wasted materials are not included in the cost of inventories.

The standard cost method is used. The standard cost of an item of inventory at period-end is adjusted to actual cost. The allocation of fixed production overheads to the production cost of inventories is based on the normal capacity of the production facilities.

The cost of inventories that are ordinarily interchangeable is allocated by using the weighted average cost formula. The same cost formula is used for all inventories that have a similar nature and use to the entity.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale (e.g. sales commissions).

IBA books a write-down when the net realizable value at financial position date is lower than the cost.

IBA applies the following policy for write-down on slow-moving items on all inventory assets, without distinction:

- If no movement after 1 year: write-off over 3 years;
- If movement occurs after write-off: reversal of write-off.

However, inventory is valued individually at year-end. Exceptions to the above general policy for write-down on slow moving items are made when justified by the individual valuation.

1.9 REVENUE RECOGNITION

Revenue arising from the sale of goods is recognized when an entity has transferred the significant risks and rewards of ownership and collectability and recovery of the related receivables are reasonably assured.

The transaction is not a sale and revenue is not recognized where

(1) IBA retains an obligation for unsatisfactory performance not covered by normal warranty provisions;
(2) the receipt of revenue from a particular sale is contingent on the derivation of revenue by the buyer from its sale of the goods;
(3) the buyer has the power to rescind the purchase for a reason specified in the sales contract; and
(4) IBA is uncertain about the probability of return.

Revenue is normally recognized when the buyer accepts delivery, and installation and inspection are complete. However, revenue is recognized immediately upon the buyer's acceptance of delivery when installation is simple in nature.

Revenue from the rendering of services is recognized by reference to the stage of completion of the transaction at the financial position date using rules similar to those for construction contracts: in other words, revenue is recognized as the related costs are incurred. Unless it is clear that costs are not incurred on a straight-line basis, revenues are spread evenly over the period of the services.

The recognition criteria are applied to the separately identifiable components of a single transaction when it is necessary to reflect the substance of the transaction.

Interest income is recognized using the effective yield method. Royalties are recognized on an accrual basis in accordance with the substance of the relevant agreement. Dividends relating to year N are recognized when the shareholder's right to receive payment is established (i.e. in year N+1).

With the deletion of IAS 11, IFRS 15 now applies to contracts under construction and the following principles are applied:

- The Group has determined that, for its typical contracts, its performance does not create an asset with an alternative use to the Group and it has concluded that, at all times, it has an enforceable right to payment for performance completed to date. Therefore, control transfers over time for these contracts.
- For contracts that meet the overtime revenue recognition criteria, the Group's performance is measured using an input method, by reference to the costs incurred to the satisfaction of a performance obligation (e.g., resources consumed, labour hours expended, costs incurred, time elapsed or machine hours used) relative to the total expected inputs to the completion of the property. The Group excludes the effect of any costs incurred that do not contribute to the Group's performance in transferring control of goods or services to the customer (such as unexpected amounts of wasted materials, labour or other resources) and adjusts the input method for any costs incurred that are not proportionate to the Group's progress in satisfying the performance obligation.
- The Group presents as an asset the net amount due from customers on contract work for all contracts in progress for which costs incurred plus recognized profits (less recognized losses) exceed progress billings. Progress billings not yet paid by customers and retention are included in trade receivables.
- The Group presents as a liability the net amount due to customers on contract work for all contracts in progress for which progress billings exceed costs incurred plus recognized profits (less recognized losses).
- When financial guarantees must be given to third parties in connection with a contract and these guarantees involve a financial risk for IBA, a financial liability is recognized.

Contract costs comprise:

- Direct and indirect production costs (same as for inventories, see above);
- Such other costs as are specifically chargeable to the customer under the terms of the contract;
- Costs incurred in securing the contract if they can be separately identified and measured reliably and if it is probable that the contract will be obtained.

When the outcome of a construction contract (i.e. estimation of the final margin) can be reliably estimated, contracts in progress are measured at production cost increased, according to the stage of completion of the contract, by the difference between the contract price and production cost ("percentage of completion" method).

The stage of completion is determined by comparing actual costs incurred to date with estimated costs to completion (costs that do not reflect work performed, such as commissions and royalties are excluded for this calculation). The percentage of completion is applied on a cumulative basis.

When the outcome of the contract cannot be estimated reliably, revenue is recognized only to the extent of costs incurred that it is probable will be recovered; contract costs are recognized as an expense as incurred. When it is probable that total contract costs will exceed total contract revenue, the expected loss is immediately expensed to income statement, and a loss-at-completion provision is recorded.

The Group presents as an asset the net amount due from customers on contract work for all contracts in progress for which costs incurred plus recognized profits (less recognized losses) exceed progress billings. Progress billings not yet paid by customers and retention are included in trade receivables.

The IBA Group presents as a liability the net amount due to customers on contract work for all contracts in progress for which progress billings exceed costs incurred plus recognized profits (less recognized losses).

When financial guarantees must be given to third parties in connection with a contract and these guarantees involve a financial risk for IBA, a financial liability is recognized.

1.10 RECEIVABLES

A receivable is recognized if an amount of consideration that is unconditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section 1.11.

Unless the discounting impact is significant, receivables are measured at nominal value. Receivables are written down when receipt of all or part is uncertain or doubtful.

In general, IBA applies the following rule to write-downs of bad or doubtful debts:

- 25% after 90 days overdue;
- 50% after 180 days overdue;
- 75% after 270 days overdue;
- 100% after 360 days overdue.

However, the recoverability of receivables is assessed on a case-by-case basis, and exceptions to the above general rule are made when justified.

1.11 FINANCIAL ASSETS AND LIABILITIES

1) Classification and measurement

Under IFRS 9, debt financial instruments are subsequently measured at fair value through profit or loss (FVPL), amortized cost, or fair value through other comprehensive income (FVOCI). The classification is based on two criteria: the Group's business model for managing the assets; and whether the instruments' contractual cash flows represent ''solely payments of principal and interest'' on the principal amount outstanding (the ''SPPI criterion'').
The new classification and measurement of the Group's debt financial assets are, as follows:

- Debt instruments at amortized cost for financial assets that are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows that meet the SPPI criterion. This category includes the Group's Trade receivables, long-term receivables on contracts in progress, other receivables and loans included under other long-term assets, non-trade receivables/advance payments, short-term receivables and cash and cash equivalents.
- Equity instruments at FVOCI, with no recycling of gains or losses to profit or loss on derecognition. This category only includes equity instruments (other investments), which the Group intends to hold for the foreseeable future and which the Group has irrevocably elected to so classify upon initial recognition or transition. The Group classified its unquoted equity instruments as equity instruments at FVOCI. Equity instruments at FVOCI are not subject to an impairment assessment under IFRS 9.
- Financial assets at FVPL comprise only derivative instruments.

The assessment of the Group's business models was made as of the date of initial application, 1 January

2018, and then applied retrospectively to those financial assets that were not derecognized before 1 January 2018.

2) Impairment of financial assets – Expected credit loss allowance

All financial assets, in particular trade and other receivables (short-term and long-term) are subject to a new impairment methodology, referred to as the Expected Credit Loss (ECL) model, measuring the expected credit losses. Those ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive.

For the trade receivables, the Group has established an allowance matrix based on ageing balances adjusted for forward-looking factors linked to this customer.

For other debt financial assets (loans and debt securities), the ECL is based on the 12-month ECL. The 12-month ECL is the portion of lifetime ECLs that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in the credit risk since origination, the allowance will be based on the lifetime ECL. The Group consider a financial asset to be in default (totally or partially) when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full and account the appropriated ECL.

This resulted in no significant additional allowance to the existing incurred losses allowances at the opening as at January 1, 2018.

3) Derivatives instruments

Derivative instruments are accounted for at fair value on the date the contracts are entered into.

Changes in the fair value of derivative instruments are accounted for in the income statement unless they qualify as cash flow hedges.

The Group designates certain derivative transactions as hedges of the variability of the fair value of recognized assets or liabilities (fair value hedges); as unrecognized firm commitments; or as hedges of the cash flow variability arising from a specific risk associated with a recognized asset or liability or with a highly probable forecast transaction (cash flow hedges).

The Group documents at the inception of the transaction the relationship between the hedging instruments and the hedged item, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

a) Fair value hedges

Under IFRS 9, the Group applied fair value hedge accounting. Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

b) Cash flow hedges

Derivative financial instruments used for the protection of future cash flows are designated as hedges under cash flow hedge accounting.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in equity. Gain or loss relating to the ineffective portion of the hedge is recognized immediately in the income statement.

Amounts accumulated in equity are reclassified to the income statement in the periods when the hedged item affects the income statement (e.g., when the forecast sale that is hedged takes place).

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and reclassified to the income statement when the forecast transaction is ultimately recognized in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately moved to the income statement.

c) Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Such derivatives are recognized at fair value on the statement of financial position, with changes in fair value recognized in the income statement.

These instruments are considered economic hedges inasmuch as they are not used to speculate on positions. The Group does not hold instruments for speculative purposes.

1.12 CASH AND CASH EQUIVALENTS

Cash balances are recorded at their nominal value. Cash equivalents are short-term, highly liquid investments that can be used for any purpose and have a maturity date not exceeding three months from acquisition date. For the purpose of the statement of cash flow, Cash and cash equivalents include bank overdrafts and subject to an insignificant risk of change in value.

If liquid funds are held in a special purpose account in the form of highly liquid investments that are renewed at maturity until needed for the special purpose, these cash equivalents are deemed restricted and are classified as other long-term receivables.

1.13 ACCRUED INCOME, ACCRUED CHARGES, DEFERRED INCOME AND DEFERRED CHARGES

Accrued income is the prorated amount of income earned in the current or prior periods which will be received only in subsequent periods.

Accrued charges are the prorated amount of expenses which will be paid in a subsequent financial period but relate to a prior period.

Deferred income is the prorated amount of income received in the current or prior periods but related to a subsequent period.

Deferred charges are the prorated amount of charges incurred in the current or prior financial periods but which are related to one or more subsequent periods.

1.14 CAPITAL STOCK

Ordinary shares are classified in the caption “Capital stock.” Treasury shares are deducted from equity. Treasury share movements do not affect the income statement.

1.15 CAPITAL GRANTS

Capital grants are recorded as deferred income. Grants are recognized as income at the same rate as the rate of depreciation for related fixed assets. When grants relate to a non-capitalized cost, they are systematically recognized as income for the period during which the cost they are supposed to offset has incurred.

1.16 PROVISIONS

A provision is recognized only when:

- IBA has a present obligation to transfer economic benefits as a result of past events;
- It is probable (more likely than not) that such a transfer will be required to settle the obligation;
- A reliable estimate of the amount of the obligation can be made.

When the impact is likely to be material (for long-term provisions), the amount recognized as a provision is estimated on a net present value basis (discount factor). The increase in provision due to the passage of time is recognized as a financial expense.

A present obligation arises from an obligating event and may take the form of either a legal obligation or a constructive obligation (A constructive obligation exists when IBA has an established pattern of past practice that indicates to other parties that it will accept certain responsibilities and as a result has created a valid expectation on the part of those other parties that it will discharge those responsibilities). An obligating event leaves IBA no realistic alternative to settling the obligation, independently of its future actions.

Provisions for site repair, restoration, and decommissioning costs are recorded as appropriate in application of the above.

If IBA has an onerous contract (that is, if the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it), the present obligation under the contract is recognized as a provision.

A provision for restructuring is recorded only if IBA can demonstrate that the Company is under an obligation to restructure at the financial position date. Such obligation must be demonstrated by (a) preparing a detailed formal plan identifying the main features of the restructuring and (b) raising a valid expectation to those affected that it will carry out the restructuring by starting to implement the plan or by announcing its main features to those affected.

1.17 PENSIONS AND OTHER EMPLOYEE BENEFITS

1.17.1 PENSIONS

The Group operates a contribution-based plan funded through payments to an insurance company. The employer guarantees a minimum return on employer contributions resulting in a financial risk to be borne by the Group.

Up to December 31, 2015, the Group had opted to account for these plans using the intrinsic value method.

Following the evolution with respect of minimum guaranteed return, the plans are to be considered as defined benefit plans instead of contribution plans following IAS 19. As a result, as from January 1, 2016, the Group has changed its valuation rule and has adopted the projected unit credit method. This method considers that each service period gives rise to an additional benefit entitlement unit. According to this method, the plans' cost is recognized as an expense in the income statement so as to spread this cost evenly throughout the employee's career, and this based on the recommendations of actuaries who carry out complete assessments on these retirement plans each year.

Actuarial differences include, for assets and liabilities, differences between previous actuarial assumptions and what actually happened, and the impact of changes of actuarial assumptions on the plans' liabilities. Actuarial differences are fully recorded in other items of the comprehensive income statement during their period of occurrence.

1.17.2 STOCK OPTION PLANS AND SHARE-BASED PAYMENTS

Share-based payments are transactions to be paid with shares, stock options, or other equity instruments (granted to employees or other parties) and transactions paid in cash or other assets when the amount payable is based on the price of the Group's shares.

All transactions involving share-based payments are recognized as expenses.

Equity-settled share-based payment transactions are measured at the fair value of the goods or services received at the date on which the Group recognizes the goods and services. If the fair value of goods or services cannot be determined, the Group uses the fair value of the equity instruments granted. Equity-settled share-based payments are not re-measured.

1.18 DEFERRED TAXES

Deferred taxes are recorded on the temporary differences arising between the carrying amount of the financial position items and their tax base, using the rate of tax expected to apply when the asset is recovered, or the liability is settled.

There are three exceptions to the general principle that deferred taxes are recognized on all temporary differences. Deferred taxes are not recognized for:

- Goodwill that is not amortized for tax purposes;
- Initial recognition of an asset or liability in a transaction that is not a business combination and that affects neither accounting profit nor taxable profit;
- Investments in subsidiaries, branches, associates, and joint ventures (deferred taxes may be recognized only when IBA does not have control over the distribution or, if IBA controls the distribution, that it is likely that dividends will be distributed in the foreseeable future).

A deferred tax asset is recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized. The same principle applies to recognition of deferred tax assets for unused tax losses carried forward. When assessing deferred tax assets management ensure that it is based on a reasonable number of years of taxable results.

Deferred taxes are calculated for each fiscal entity in the Group. IBA is able to offset deferred tax assets and liabilities only if the deferred balances relate to income taxes levied by the same taxation authority.

1.19 PAYABLES AFTER AND WITHIN ONE YEAR

Payables after and within one year are measured at amortized cost, i.e., at the net present value of the payable amount.

Unless the impact of discounting is material, the nominal value is taken.

1.20 FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions are converted into the functional currency of the Group entity party to the transaction using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the conversion at the period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.

Exchange differences arising from the consolidation of currency items that constitute part of the reporting entity's net investment in a foreign entity (i.e. when settlement is neither planned nor likely to occur in the foreseeable future) are recorded in equity if the following two conditions are met:

(1) The loan is made in either the functional currency of the reporting entity or the foreign operation; and
(2) The loan is made between the reporting entity and a foreign operation.

1.21 OPERATING SEGMENTS

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM), who is responsible for allocating resources and assessing performance of the operating segments (see Note 4).

An operating segment is a component of an entity:

(a) that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity),

(b) whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and

(c) for which discrete financial information is available.

2. DESCRIPTION OF FINANCIAL RISK MANAGEMENT (sections 3:6, §1, 8° and 3:32, §1, 5°, of the BCAC)

2.1. DESCRIPTION FINANCIAL RISK

The Group has decided to present its financial risks with the other principal identified risks in the section ''Principal risks and uncertainties faced by the company'' starting on page 54.

2.2 FINANCIAL ASSETS AND LIABILITIES – ADDITIONAL INFORMATION

The tables below summarize the maturity profile of the Group's financial assets:

DECEMBER 31, 2018 (EUR 000)	Due	< 1 year	1-2 years	2-5 years	> 5 years	Total
FINANCIAL ASSETS						
Trade receivables	64 770	31 780	0	0	0	96 550
Other ST and LT assets	0	22 250	1 417	6 332	8 984	38 983
TOTAL	64 770	**54 030**	**1 417**	**6 332**	**8 984**	**135 533**

DECEMBER 31, 2019 (EUR 000)	Due	< 1 year	1-2 years	2-5 years	> 5 years	Total
FINANCIAL ASSETS						
Trade receivables	61 942	58 257	0	0	0	120 199
Other ST and LT assets	0	31 852	3 163	7 806	10 403	53 224
TOTAL	**61 942**	**90 109**	**3 163**	**7 806**	**10 403**	**173 423**

The tables below summarize the maturity profile of the Group's financial liabilities:

DECEMBER 31, 2018 (EUR 000)	due	< 1 year	1-2 years	2-5 years	> 5 years	Total
FINANCIAL LIABILITIES						
Bank and other borrowings	0	42 792	5 200	24 389	3 718	76 099
Lease liabilities	136	1 029	1 042	3 096	10 390	15 693
Trade payables	24 426	17 648	0	0	0	42 074
Other ST and LT liabilities	66	109 441	1 142	4 185	8 197	123 031
TOTAL	**24 628**	**170 910**	**7 384**	**31 670**	**22 305**	**256 897**

DECEMBER 31, 2019 (EUR 000)	due	< 1 year	1-2 years	2-5 years	> 5 years	Total
FINANCIAL LIABILITIES						
Bank and other borrowings	0	4 949	9 988	19 031	8 060	42 028
Lease liabilities	0	5 406	4 284	9 394	14 377	33 461
Trade payables	10 753	30 380	0	0	0	41 133
Other ST and LT liabilities	7 174	180 947	4 782	25	0	192 928
TOTAL	**17 927**	**221 682**	**19 054**	**28 450**	**22 437**	**309 550**

The assets and liabilities of the Group are valued as follows:

EUR 000	December 31, 2018 Net carrying value	December 31, 2018 Fair value	December 31, 2019 Net carrying value	December 31, 2019 Fair value
FINANCIAL ASSETS				
Trade receivables	96 550	96 550	120 199	120 199
Other long-term receivables	16 700	16 700	21 372	21 372
Non-trade receivables and advance payments	16 645	16 645	17 827	17 827
Other short-term receivables	5 510	5 510	13 705	13 705
Other investments	13 005	13 005	15 196	15 196
Cash and cash equivalents	36 402	36 402	46 090	46 090
Hedging derivative products	58	58	144	144
Derivative products – other	70	70	176	176
TOTAL	**184 940**	**184 940**	**234 709**	**234 709**
FINANCIAL LIABILITIES				
Bank and other borrowings	72 005	72 005	36 390	36 390
Lease liabilities	13 783	13 783	33 461	33 461
Trade payables	42 074	42 074	41 133	41 133
Hedging derivative products	491	491	1 804	1 804
Derivative products – other	300	300	209	209
Other long-term liabilities	13 304	13 304	4 185	4 185
Amounts due to customers for contracts in progress	88 483	88 483	136 735	136 735
Other short-term liabilities	20 453	20 453	29 800	29 800
TOTAL	**250 893**	**250 893**	**283 717**	**283 717**

As at December 31, 2018 and 2019, the net carrying value of these financial assets and liabilities did not differ significantly from their fair value.

The headings “Hedging derivative products” and “Derivative products – other” in assets and liabilities include the fair value of forward exchange contracts and currency swaps.

2.3 CATEGORIES OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In conformity with IFRS 9 all derivatives are recognized at fair value in the financial position.

The fair value of derivative financial instruments is either the quoted market price or is calculated using pricing models taking into account current market rates. Fair values of hedging instruments are determined by valuation techniques widely used in financial markets and are provided by reliable financial information sources. Fair values are based on the trade dates of the underlying transactions.

The fair value of these instruments generally reflects the estimated amount that IBA would receive on the settlement of favorable contracts or be required to pay to terminate unfavorable contracts at the financial position date, and thereby takes into account any unrealized gains or losses on open contracts.

As required by IFRS 13 *Fair value measurement*, the following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques for which the lowest level of input that is significant to the fair value measurement is unobservable.

During this past financial year, there was no transfer between the various categories presented below:

(EUR 000)	Level 1	Level 2	Level 3	December 31, 2018
Forward foreign exchange contracts		33		33
Foreign exchange rate swaps		25		25
Hedge-accounted financial assets		**58**		**58**
Forward foreign exchange contracts		0		0
Foreign exchange rate swaps		70		70
Financial assets at fair value through the income statement		**70**		**70**
Forward foreign exchange contracts		467		467
Foreign exchange rate swaps		24		24
Hedge-accounted financial liabilities		**491**		**491**
Forward foreign exchange contracts		39		39
Foreign exchange rate swaps		261		261
Financial liabilities at fair value through the income statement		**300**		**300**

(EUR 000)	Level 1	Level 2	Level 3	December 31, 2019
Forward foreign exchange contracts		62		62
Foreign exchange rate swaps		82		82
Hedge-accounted financial assets		**144**		**144**
Forward foreign exchange contracts		41		41
Foreign exchange rate swaps		135		135
Financial assets at fair value through the income statement		**176**		**176**
Forward foreign exchange contracts		1 734		1 734
Foreign exchange rate swaps		70		70
Hedge-accounted financial liabilities		**1 804**		**1 804**
Forward foreign exchange contracts		205		205
Foreign exchange rate swaps		4		4
Financial liabilities at fair value through the income statement		**209**		**209**

2.3.1 HEDGE-ACCOUNTED FINANCIAL INSTRUMENTS

As at December 31, 2019, the Group held 16 forward exchange contracts (13 as at December 31, 2018) and 9 foreign exchange swaps (10 as at December 31, 2018) to cover future cash flow movements US dollars, British pounds, Singapore dollars and Chinese Yuan cash flows. These hedges are deemed highly effective. These hedges generated a EUR 1.47 million loss in 2019 (loss of EUR 1.05 million in 2018). This loss is recognized in the other items of the comprehensive income statement.

			Hedge instrument maturities		
(EUR 000)		Equity	< 1 year	1-2 years	> 2 years
AS AT DECEMBER 31, 2018					
Foreign exchange hedge in	GBP	1 025	1 025	0	0
Foreign exchange hedge in	USD	-1 576	-1 489	-112	25
Foreign exchange hedge in	SGD	-99	0	-78	-21
		-650	**-464**	**-190**	**4**
AS AT DECEMBER 31, 2019					
Foreign exchange hedge in	GBP	573	-70	0	643
Foreign exchange hedge in	USD	-2 573	-1 915	-464	-194
Foreign exchange hedge in	SGD	-779	-572	-207	0
Foreign exchange hedge in	CNY	43	43	0	0
		-2 736	**-2 514**	**-671**	**449**

2.3.2 FAIR VALUE THROUGH INCOME STATEMENT

As at 31 December 2019, the Group holds 17 forward exchange contracts (6 on December 31, 2018), 9 exchange rate swaps (41 swaps as at December 31, 2018), to cover future cash flows of US dollars, Canadian dollars and Euro.

As they do not qualify for hedge accounting under the IFRS, the various hedge instruments discussed in this section are measured at fair value through the income statement. The loss generated on these instruments included in the income statement amount to EUR 0.10 million at December 31, 2019 (loss of EUR 0.29 million at December 31, 2018).

2.4 CAPITAL MANAGEMENT

The Group's aim is to optimize the capital structure in order to maximize its value for the shareholders while maintaining the financial flexibility required carrying out the strategy approved by the Board of Directors.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(A) DISCONTINUED OPERATIONS

On July 20, 2018, IBA announced that it had decided to explore new strategic alternatives for IBA Dosimetry which could include a sale, merger, initial public offering, or retention of the business. Following the announcement, IBA initiated a disposal process and determined that all criteria of IFRS 5 had been met in order to present the assets and liabilities of IBA Dosimetry as held for sale and its result as discontinued operations in its 2018 annual report.

On December 17, 2019, IBA announced that it had sold RadioMed Corporation ("RadioMed"), IBA's VISICOIL™ fiducial markers business, to IZI Medical Products LLC, a leading interventional medical device company. This concluded the strategic exercise with the decision to retain the remainder of the Dosimetry division within IBA Group. With the continued growth of the radiotherapy and proton therapy markets, which require strong dosimetry capabilities, the Board concluded that the retention of the remaining component of the Dosimetry division provides the most compelling strategic rationale for the Company and its stakeholders. As only a part of the dosimetry segment has been sold, which does not on its own meet the definition of discontinued operations, income statement has been represented in order to show all transactions as continuing operations for financial years 2018 and 2019 in this 2019 IFRS annual report.

(B) INCOME TAXES

The Group recognizes deferred tax assets on unused losses carried forward to the extent that the taxable profit against which these assets are available can be used. The amounts recognized in the financial position are prudent estimates made on the basis of recent financial plans approved by the Board of Directors and depend on certain judgments with respect to the amounts and location of the future taxable profits of the Group's subsidiaries and parent company.

Deferred tax assets increased from EUR 6.16 million in 2018 to EUR 6.99 million in 2019 mainly due to the increase of temporary differences by EUR 0.43 million and the increase of usable tax losses carried forward by EUR 0.39 million.

As at December 31, 2019, the Group had accumulated net operating losses of EUR 148.2 million usable to offset future profits taxable mainly in Belgium, Germany, United states, Argentina and Russia and temporary differences amounting to EUR 39.5 million mainly in Belgium, Germany, the United States, Singapore and in China. The Company recognized deferred tax assets of EUR 4.7 million with the view to use the tax losses carried forward and EUR 2.3 million as temporary differences.

(C) REVENUE RECOGNITION

IFRS 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.

The Group is in the business of providing equipment and installation (reported as "Sales"), and operation and maintenance services (reported as "Services"). In applying IFRS 15, IBA makes the following significant judgements and estimates.

(a) Equipment and installation considered as one performance obligation

As indicated in the accounting policies section, IBA assessed that its promises under the equipment and the installation services is to transfer a combined item to which the equipment and the installation are inputs but they do not represent separate performance obligations.

(b) Estimating the progress under the equipment and installation services contract

The Group recognises revenue over time under such contracts and the progress is measured by reference to the costs incurred when comparing it to the costs to complete. The costs to complete is a significant estimate because it determines the progress made since the inception of the contract and IBA recognises the revenue of the contract based on the progress estimated in percentage.

(D) ESTIMATING THE VALUE IN USE OF INTANGIBLE AND TANGIBLE FIXED ASSETS

When management considers that there is a risk of impairment, the recoverable amounts of tangible and intangible fixed assets are determined on a “value in use” basis. Value in use is determined on the basis of cash-flows coming from IBA’s most recent business plans, as approved by the Board of Directors. These plans incorporate various assumptions made by management and approved by the Board as to how the business, profit margins, and investments will evolve.

(E) STOCK OPTION PLAN

The company is using the Black & Scholes model to measure the options value. Terms and conditions of the Group stock option plans are described in note 16.2.

(F) LOCAL TAXES IN COUNTRIES OTHER THAN BELGIUM

In 2015, the Company initiated an analysis on the Group exposure in countries other than Belgium to be potentially obliged to pay certain local taxes whereas the payment of those taxes has been transferred to the Group's customers. Exposure identified as of December 31, 2015, was reduced as a result of further investigation performed in 2016 and 2017. Based on the data available, it is still not possible to make a reliable estimate of the remaining exposure and therefore no provision has been accrued for in the Group financial statements.

(G) DETERMINING THE LEASE TERM OF CONTRACTS WITH RENEWAL AND TERMINATION OPTIONS – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

Refer to Note 24 for information on potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term.

(H) LEASES – ESTIMATING THE INCREMENTAL BORROWING RATE

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group ‘would have to pay’, which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary’s functional currency).

The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary’s stand-alone credit rating).

4. OPERATING SEGMENTS

IBA identified its Management Team as its CODM because this is the committee which decides how to allocate resources and assesses performance of the components of the Group.

4.1 OPERATING SEGMENTS

The operating segments are defined based on the information provided to the Management Team. On the basis of its internal financial reports and given the Group's primary source of risk and profitability, IBA has identified two operating segments. In accordance with IFRS 8 Operating segments, the business segments on which segment information is based are (1) Proton therapy and other accelerators and (2) Dosimetry.

Distinct financial information is available for these reporting segments and is used by the Management Team to make decisions about resources to be allocated to the segment and assess its performance.

- **Proton therapy and other accelerators:** This segment constitutes the technological basis of the Group's many businesses and encompasses development, fabrication, and services associated with medical and industrial particle accelerators and proton therapy systems.
- **Dosimetry:** This segment includes the activities that offer a full range of innovative high-quality solutions and services that maximize efficiency and minimize errors in radiation therapy and medical imaging Quality Assurance and calibration procedures.

The segment results, assets and liabilities include the items directly related to a segment, as well as those that may be allocated on a reasonable basis.

The segment investment expenses include the total cost of investments incurred during the period of acquisition of tangible and intangible assets investments, except goodwill.

4.1.1 INCOME STATEMENT

The following tables provide details of the income statement for each segment:

	Proton Therapy and Other Accelerators (EUR 000)	Dosimetry (EUR 000)	Group (EUR 000)
YEAR ENDED DECEMBER 31, 2019			
Sales	120 717	48 009	168 727
Services	107 988	5 837	113 825
External Sales	**228 706**	**53 846**	**282 552**
Costs of sales and services (-)	-161 536	-27 879	-189 415
Operating expenses (-)	-71 997	-21 053	-93 050
Other operating income/(expenses)	1 353	13 206	14 559
Segment result (EBIT)	**-3 474**	**18 120**	**14 646**
Financial income/(expenses)	-2 478	-278	-2 756
Share of profit/(loss) of companies consolidated using the equity method	-1 124	0	-1 124
Result before taxes	**-7 076**	**17 842**	**10 766**
Tax income/(expenses)	-1 877	-1 279	-3 156
RESULT FOR THE PERIOD FROM CONTINUING OPERATIONS	**-8 953**	**16 563**	**7 610**
Profit/(loss) for the period from discontinued operations	0	0	0
Profit/(loss) for the period	**-8 953**	**16 563**	**7 610**
REBITDA	**5 844**	**6 615**	**12 459**

	Proton Therapy and Other Accelerators (EUR 000)	Dosimetry (EUR 000)	Group (EUR 000)
YEAR ENDED DECEMBER 31, 2018			
Sales	111 968	44 576	156 544
Services	94 990	5 873	100 863
External Sales	**206 958**	**50 449**	**257 407**
Costs of sales and services (-)	-137 850	-25 401	-163 251
Operating expenses (-)	-68 223	-20 271	-88 494
Other operating income/(expenses)	-1 674	-642	-2 316
Segment result (EBIT)	**-789**	**4 135**	**3 346**
Financial income/(expenses)	-4 365	125	-4 240
Share of profit/(loss) of companies consolidated using the equity method	0	0	0
Result before taxes	**-5 154**	**4 260**	**-894**
Tax income/(expenses)	-2 418	-1 089	-3 507
RESULT FOR THE PERIOD FROM CONTINUING OPERATIONS	**-7 572**	**3 171**	**-4 401**
Profit/(loss) for the period from discontinued operations	0	0	0
Profit/(loss) for the period	**-7 572**	**3 171**	**-4 401**
REBITDA	**7 782**	**5 429**	**13 211**

As at December 31, 2019, Group revenue was EUR 282.6 million, a 10% increase from 2018 (2018: EUR 257.4 million), primarily composed of:

- revenues for the Proton Therapy and Other Accelerators segment of EUR 228.7 million, an increase of 10.5% from 2018 (2018: EUR 207.0 million) explained by an excellent performance for Other Accelerators offsetting weakness in the Proton Therapy equipment line, coupled with continued strong growth in Services
- revenues for the Dosimetry segment of EUR 53.8 million, a 6.7% increase from 2018 (2018: EUR 50.4 million) explained by record sales in its traditional water phantom business and the launch of several innovative products in 2019 such as myQA Daily TM and myQA iON TM, that are receiving increasing traction in the global market

As at December 31, 2019, Group gross margin (33.0%) weakness compared to 2018 (36.6%) was largely driven by pricing pressure on new contracts for the Proton Therapy and Other Accelerators segment.

As at December 31, 2019, Group operating expenses were EUR 93.1 million, a 5.1% increase from 2018 (2018: EUR 88.5 million). This increase is explained:

- for the Proton Therapy and Other Accelerators segment by an uptick in R&D as the Group invests in the future growth of the business plus some inflation-related rises overall. IBA's cost control measures continue, whilst maintaining strategic R&D investment to maintain IBA's technological leadership
- for the Dosimetry segment by careful spending and ongoing initiatives to streamline the business, while continuing to invest in both hardware and software innovations

As at December 31, 2019, the other operating result (income) was EUR 14.6 million (2018: EUR -2.3 million expenses), primarily composed of:

- the gain on the sale of intellectual property on hadrontherapy for EUR 3.0 million, the reversal of long-term contractual obligations related to proton therapy projects for EUR 2.27 million, partially compensated by reorganizational costs incurred in early 2019 as part of the ongoing efficiency measures for EUR -3.5 million and costs related to specific projects for EUR -0.4 million for the Proton Therapy and Other Accelerators segment
- the gain realized on the disposal of RadioMed in Q4 2019, for EUR 13.5 million partially compensated by reorganizational costs incurred in early 2019 as part of the ongoing efficiency measures for EUR -0.3 million for the Dosimetry segment

As at December 31, 2019, the financial result (expenses) was EUR -2.8 million (2018: EUR -4.2 million expenses), primarily composed of:

- interest paid on debts for EUR -2.37 million, net change in fair value of derivatives for EUR -1.47 million, commission/bank charges for EUR -0.9 million and write-offs on financial loans for EUR -0.32 million partially compensated by interest revenues in relation to proton therapy projects for EUR 2.17 million and net foreign exchange differences for EUR 0.42 million for the Proton Therapy and Other Accelerators segment
- interest paid on debts for EUR -0.11 million and commission and bank charges for EUR -0.19 million for the Dosimetry segment

As at December 31, 2019, the share of the loss of equity-accounted entities included costs from IBA's minority interest in Normandy Hadrontherapy.

4.1.2 FINANCIAL POSITION

	Proton Therapy and Other Accelerators (EUR 000)	Dosimetry (EUR 000)	Group (EUR 000)
YEAR ENDED DECEMBER 31, 2019			
Non-current assets	92 392	11 309	103 701
Current assets	300 935	17 575	318 510
Assets held for sale	0	0	0
Segment assets	**393 327**	**28 884**	**422 211**
Investments accounted for using the equity method	2 900	0	2 900
TOTAL ASSETS	**396 227**	**28 884**	**425 111**
Non-current liabilities	67 346	4 280	71 626
Current liabilities	231 520	10 623	242 143
Liabilities held for sale	0	0	0
Segment liabilities	**298 866**	**14 903**	**313 769**
TOTAL LIABILITIES			
Other segment information			
Capital expenditure - Intangible assets and “Property, Plant and Equipment”	4 500	623	5 123
Capital expenditure - Right-of-use assets	2 286	436	2 722
Depreciation and impairment of property, plant and equipment	6 973	1 888	8 861
Depreciation of intangible assets and goodwill	3 279	292	3 571
Salary expenses	106 995	16 386	123 381
Non-cash expenses/(income)	8 466	-501	7 965
Headcount at year-end (EFT)	1 200	213	1 413

	Proton Therapy and Other Accelerators (EUR 000)	Dosimetry held for sale (EUR 000)	Group (EUR 000)
YEAR ENDED DECEMBER 31, 2018			
Non-current assets	79 158	0	79 158
Current assets	286 275	0	286 275
Assets held for sale	0	26 696	26 696
Segment assets	**365 433**	**26 696**	**392 129**
Investments accounted for using the equity method	0	0	0
TOTAL ASSETS	**365 433**	**26 696**	**392 129**
Non-current liabilities	61 732	0	61 732
Current liabilities	216 299	0	216 299
Liabilities held for sale	0	11 007	11 007
Segment liabilities	**278 031**	**11 007**	**289 038**
TOTAL LIABILITIES	**278 031**	**11 007**	**298 038**
Other segment information			
Capital expenditure - Intangible assets and “Property, Plant and equipment”	17 495	1 246	18 741
Depreciation and impairment of property, plant and equipment	3 094	217	3 311
Depreciation of intangible assets and goodwill	3 412	64	3 476
Salary expenses	100 849	16 263	117 112
Non-cash expenses/(income)	3 111	466	3 577
Headcount at year-end (EFT)	1 182	224	1 406

Financial position intercompany position between segments is excluded from the assets and liabilities of the segment.

4.2 ENTITY WIDE DISCLOSURE

The Group operates in three main geographical areas, Belgium, the United States and the rest of the world.

The sales figures presented below are based on customer location, whereas non-current and current assets are based on the physical location of the assets.

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	Belgium (EUR 000)	USA (EUR 000)	ROW (EUR 000)	Operations held for sale (EUR 000)	Group (EUR 000)
YEAR ENDED DECEMBER 31, 2018					
Net sales and services*	11 129	82 948	163 330		257 407
Non-current assets	72 105	6 406	647		79 158
Current assets	255 306	15 033	15 936		286 275
Segment assets	**327 411**	**21 439**	**16 583**	**26 696**	**392 129**
Investments accounted for using the equity method	0	0	0	0	0
TOTAL ASSETS	**327 411**	**21 439**	**16 583**	**26 696**	**392 129**
Capital expenditure Intangible assets and “Property, Plant and Equipment”	17 316	58	120	1 247	18 741

	Belgium (EUR 000)	USA (EUR 000)	ROW (EUR 000)	Operations held for sale (EUR 000)	Group (EUR 000)
YEAR ENDED DECEMBER 31, 2019					
Net sales and services*	9 363	88 770	184 419	0	282 552
Non-current assets	76 279	10 672	16 750	0	103 701
Current assets	266 963	19 734	31 813	0	318 510
Segment assets	**343 242**	**30 406**	**48 563**	**0**	**422 211**
Investments accounted for using the equity method	2 900	0	0	0	2 900
TOTAL ASSETS	**346 142**	**30 406**	**48 563**	**0**	**425 111**
Capital expenditure Intangible assets and “Property, Plant and Equipment”	4 099	305	719	0	5 123

**There is no breakdown of sales and services available by geographical sector.*

As at December 31, 2019, no single customer represents more than 10% of the Group’s sales and services.

5. LISTS OF SUBSIDIARIES AND EQUITY-ACCOUNTED INVESTMENTS

As at December 31, 2019, the IBA Group consists of IBA SA and 22 companies and associates in 12 countries. 19 of them are fully consolidated and 3 are accounted for using the equity method.

5.1 LIST OF SUBSIDIARIES

NAME	Assets held for sale	Country of incorporation	Equity ownership (%)	Change in % ownership over December 31, 2018
IBA Molecular Holding SA (BE 0880.070.706) [1] *Chemin du Cyclotron, 3, B-1348 LLN*	No	Belgium	0%	-100.00%
IBA Participations SRL (BE 0465.843.290) *Chemin du Cyclotron, 3, B-1348 LLN*	No	Belgium	100%	-
IBA Investments SC (BE 0471.701.397) *Chemin du Cyclotron, 3, B-1348 LLN*	No	Belgium	100%	-
Ion Beam Beijing Applications Co. Ltd. *No.6 Xing Guang Er Jie, Beijing OPTO-Mechatronics Industrial Park, 101 111 Tongzhou District, Beijing,China*	No	China	100%	-
Striba GmbH *Waidmarkt 11, 50676 KÖLN, Germany*	No	Germany	100%	-
IBA RadioIsotopes France SAS *59 Blvd Pinel, 69003 LYON, France*	No	France	100%	-
IBA Dosimetry GmbH *Bahnhofstrasse 5, 90592 Schwarzenbruck, Germany*	No	Germany	100%	-
IBA Dosimetry America Inc. *3150 Stage Post Dr., Ste. 110, Bartlett, TN 38133, USA*	No	USA	100%	-
IBA Proton Therapy Inc. *152 Heartland Blvd, Edgewood New York 11717, USA*	No	USA	100%	-
IBA Industrial Inc. *152 Heartland Blvd, Edgewood New York 11717, USA*	No	USA	100%	-
RadioMed Corporation *3149 Stage Post Drive, Suite 110, Bartlett, TN 38133, USA*	No	USA	0%	-100.00%
IBA USA Inc. *151 Heartland Blvd, Edgewood New York 11717, USA*	No	USA	100%	-
IBA Particle Therapy GmbH *Bahnhofstrasse 5, 90592 Schwarzenbruck, Germany*	No	Germany	100%	-
Normandy Hadrontherapy SAS *9 rue Ferdinand Buisson, 14280 Saint-Contest, France*	No	France	39.81%	-59.19%
LLC Ion Beam Applications *1st Magistralny tupik, 5A, 123290 Moscow, Russia*	No	Russia	100%	-
IBA Particle Therapy India Private Limited *Office Unit - F, 3rd Floor, Ali Towers, Old No 22, New No. 55, Greams Road, Thousand Lights, Chennai - 600006, Tamil Nadu, India*	No	India	100%	-
IBA (Thailand) Co., Ltd *N°888/70, Mahatun Plaza, 7th floor, Ploenchit Road Lumpini Sub-district, Parthumwan district, Bangkok*	No	Thailand	100%	-
Ion Beam Application SRL *Ortiz de Ocampo 3302 Modulo 1 Buenos Aires (1425), Argentina*	No	Argentina	100%	-
IBA Mexico DE R.L.DE C.V. [2] *Paseo de la Reforma 126 (internal number 4) 06600 Cuauhtemoc, City of Mexico, Mexico*	No	Mexico	0%	-100.00%
IBA Japan KK *3/F Shiodome Building, 1-2-20 Kaigan Minato-ku, Tokyo, Japan*	No	Japan	100%	-
Ion Beam Applications Singapore PTE. Ltd *1 Scotts Road #21-10, Shaw centre, Singapore (228208)*	No	Singapore	100%	-
IBA Egypt LLC *Building no.75/77 (Degla Plaza), 10th floor, Street no. 199, Degla, Maadi, Cairo, Egypt*	No	Egypt	100%	-
Ion Beam Applications Limited [3] Rm.) 9-5 F, No. 162, Sec. 4, ZhongXiao East Rd. (St.), Daan Dist – Taipei City	No	China	100%	+100.00%

1 IBA Molecular Holding has been liquidated in July 2019.
2 IBA Mexico has been liquidated in May 2019.
3 New subsidiary created in July 25, 2019

5.2 LIST OF EQUITY-ACCOUNTED INVESTMENTS

NAME	Country of incorporation	Equity ownership (%)	Change in % ownership over December 31, 2018
Cyclhad SAS	France	33.33%	-
PharmaLogic Pet Services of Montreal Cie (1)	Canada	0.00%	-48.00%
Normandy Hadrontherapy SAS	France	39.81%	+39.81%
Normandy Hadrontherapy SARL	France	50.00%	+50.00%

(1) PharmaLogic Pet Services of Montreal Cie has been liquidated in December 2019.

In June 2019, IBA ownership in Normandy Hadrontherapy SAS changed following the agreement signed to transfer intellectual property to this entity to further develop Hadrontherapy. IBA retains 39.81% (100% as at December 31, 2018) of this entity following financing by several public and private investors. This entity was a subsidiary in 2018 and is now accounted as an equity accounted investment (see note 10.1.2).

IBA does not account for its share of the loss in Cyclhad SAS above the value of its investment (no commitment to participate in any potential future capital increase) (see note 10.1.1).

6. DISCONTINUED OPERATIONS

On July 20, 2018, IBA announced that it had decided to explore new strategic alternatives for IBA Dosimetry which could include a sale, merger, initial public offering, or retention of the business. Following the announcement, IBA initiated a disposal process and determined that all criteria of IFRS 5 had been met in order to present the assets and liabilities IBA Dosimetry as held-for-sale.

Consequently, IBA presented those assets and liabilities in the statement of financial position on a separate line items as "*Assets held-for-sale*" and "*Liabilities directly related to assets held-for-sale*" as of December 31, 2018.

As IBA Dosimetry was presented as a separate operating segment, management concluded that it also met the criteria of discontinued operations, in its 2018 IFRS annual report.

On December 17, 2019, IBA announced that it had sold RadioMed Corporation ("RadioMed"), IBA's VISICOIL™ fiducial markers business, to IZI Medical Products LLC, a leading interventional medical device company in a deal that is worth between USD 14 and 16 million to IBA. Following this disposal, IBA decided to retain the remainder of the Dosimetry segment which continued to perform strongly in the second half of 2019. With the continued growth of the radiotherapy and proton therapy markets, which require strong dosimetry capabilities, the Board concluded that the retention of the remaining component of the Dosimetry division provides the most compelling strategic rationale for the Company and its stakeholders. As only a part of the dosimetry segment has been sold and does not on its own meet the definition of discontinued operations, the income statement has been represented in order to show all transactions as continued operations for financial years 2018 and 2019 in this 2019 IFRS annual report.

6.1 DISCONTINUED AND SOLD OPERATIONS

The contribution to the Group net result of the sold RadioMed Corporation ("RadioMed"), IBA's VISICOIL™ fiducial markers business was EUR 1.66 million for the period ending December 31, 2018 and EUR 1.36 million for the period ending November 30, 2019.

The main asset and liability categories of sold operations were the following:

	December 31, 2018 (EUR 000)	November 30, 2019 (EUR 000)
ASSETS		
Other intangible assets	2	0
Property, plant and equipment	3	10
Deferred tax assets	126	0
Non-current assets	**131**	**10**
Inventories	573	474
Trade receivables	567	570
Other receivables	24	18
Current assets	**1 164**	**1 062**
TOTAL ASSETS HELD FOR SALES	**1 295**	**1 072**
LIABILITIES		
Trade payables	29	100
Other payables	154	58
Current liabilities	**183**	**158**
TOTAL LIABILITIES DIRECLTY RELATED TO ASSETS HELD FOR SALE	**183**	**158**
NET ASSETS DIRECLTY RELATED TO OPERATIONS HELD FOR SALE	**1 112**	**914**

Included in the overall statement of comprehensive income for the financial year ending December 31, 2018 and December 31, 2019:

	December 31, 2018 (EUR 000)	November 30, 2019 (EUR 000)
Actuarial reserves	0	0
Revaluation reserves	0	0
Currency translation difference	916	984
Reserve of disposal group classified as held for sale	**916**	**984**

6.2 DISCONTINUED OPERATIONS RECLASSIFIED IN CONTINUING OPERATIONS

The income statements reintegrating the continuing operations (Dosimetry segment excluding Radiomed presented under note 6.1) are as follows:

	December 31, 2018 (EUR 000)	December 31, 2019 (EUR 000)
Sales	41 080	44 591
Services	5 873	5 837
Cost of sales and services (-)	-24 950	-27 380
Gross profit	**22 003**	**23 048**
Selling and marketing expenses (-)	-7 455	-6 959
General and administrative expenses (-)	-4 584	-5 296
Research and development expenses (-)	-7 323	-7 855
Other operating expenses (-)	-688	-298
Other operating income	21	13 505
Segment result (EBIT)	**1 974**	**16 145**
Financial expenses (-)	-330	-374
Financial income	489	131
Profit/(loss) before taxes	**2 133**	**15 902**
Tax income/(expenses)	-617	-703
Profit/(loss) for the period	**1 516**	**15 199**
REBITDA	**3 262**	**4 639**

The main asset and liability categories reclassified from ''held for sale'' are the followings:

	December 31, 2018 (EUR 000)	December 31, 2019 (EUR 000)
ASSETS		
Goodwill	3 821	3 821
Other intangible assets	660	559
Property, plant and equipment	2 412	2 120
Right-of-use assets	0	4 464
Deferred tax assets	294	220
Other long-term assets	49	125
Non-current assets	**7 236**	**11 309**
Inventories	7 092	8 290
Trade receivables	6 534	7 082
Other receivables	2 232	986
Cash and cash equivalents	2 294	1 217
Current assets	**18 152**	**17 575**
TOTAL ASSETS	**25 388**	**28 884**

	December 31, 2018 (EUR 000	December 31, 2019 (EUR 000)
LIABILITIES		
Long-term lease liabilities	0	3 462
Deferred tax liabilities	657	669
Long-term provisions	145	149
Other long-term liabilities	0	0
Non-current liabilities	**802**	**4 280**
Short-term lease liabilities	0	1 025
Short-term provisions	208	226
Trade payables	1 076	796
Current income tax liabilities	200	289
Other payables	8 539	8 287
Current liabilities	**10 023**	**10 623**
TOTAL LIABILITIES	**10 825**	**14 903**
NET ASSETS	**14 563**	**13 981**

Included in the overall statement of comprehensive income for the financial year ending December 31, 2018 and December 31, 2019:

	December 31, 2018 (EUR 000)	December 31, 2019 (EUR 000)
Actuarial reserves	0	0
Revaluation reserves	0	0
Currency translation difference	706	718
Reserves	**706**	**718**

7. BUSINESS COMBINATIONS AND OTHER CHANGES IN THE COMPOSITION OF THE GROUP

7.1 ACQUISITIONS OF COMPANIES

No acquisition was carried out in 2019.

7.2 DISPOSAL OF COMPANIES

On December 17, 2019, IBA announced that it had sold RadioMed Corporation (“RadioMed”), IBA’s VISICOIL™ fiducial markers business, to IZI Medical Products LLC, a leading interventional medical device company.

The impact of this sale on the Group's cash is at the date of the disposal as follows:

	November 30, 2019 (EUR 000)
Net assets sold	914
Profit of the year on disposal of discontinued activities sold	13 505
Proceed from the sale of the Visicoil business	**14 419**

The proceeds from the sale are distributed as follows:

	November 30, 2019 (EUR 000)
Cash received	12 487
Escrow account related to the disposal (see note 12)	1 384
Transaction costs	-436
Currency translation difference	984
Proceed from the sale of the Visicoil business	**14 419**

	November 30, 2019 (EUR 000)
Cash received	12 487
Cash disposed of	-0
Total	**12 487**

8. GOODWILL AND OTHER INTANGIBLE ASSETS

8.1 GOODWILL

Movements of goodwill are detailed as follows:

As at January 1, 2018	**3 821**
Additions	0
Goodwill impairment	0
Transfer to assets held for sale	-3 821
Currency translation difference	0
As at December 31, 2018	**0**
As at January 1, 2019	**0**
Additions	0
Goodwill impairment	0
Transfer from assets held for sale	3 821
Currency translation difference	0
As at December 31, 2019	**3 821**

The goodwill generated by an acquisition is allocated to the cash-generating units (CGUs) concerned and an impairment test is carried out annually on the CGUs' fixed assets (including goodwill).

The following table summarizes allocation of the carrying amount of goodwill by business segment:

(EUR 000)	Proton therapy and Other accelerators	Dosimetry	Group
December 31, 2018	0	3 821	3 821

No impairment test had been performed in 2018 as the goodwill had been reclassified to ''Assets held for sale''.

(EUR 000)	Proton therapy and Other accelerators	Dosimetry	Group
December 31, 2019	0	3 821	3 821
Pre-tax discount rate applied in 2019 (1)		4.26%	
Long-term growth rate 2019 (2)		2.60%	

(1) Data used for the calculation of pre-tax discount rate applied: cost of equity of 7%, cost of debt of 1%, market value of the IBA Dosimetry GmbH equity of EUR 15 680, market value of IBA Dosimetry GmbH debt of EUR 12 615 and corporate tax rate of 30%.
(2) Rate consistent with expected growth in the sector.

The recoverable amounts of goodwill have been determined on a "value in use" basis.

Value in use has been determined on the basis of IBA's latest business plans, as approved by the Board of Directors in the context of the strategic plan. The cash flows beyond a four-year period have been extrapolated using the growth rates shown in the table above. Impairment testing uses gross budgeted operational margins estimated by management on the basis of past performance.

The discount rates used reflect the specific risks related to the segments in question.

For the CGU Dosimetry, if the growth rate is decreased by 100 basis points and the discount rate is increased by 100 basis points, the recoverable amount remains greater than the carrying amount of the tested assets. No impairment was identified in 2019.

8.2 OTHER INTANGIBLE ASSETS

EUR 000	Software	Patents and trademarks	Development costs	Other	Total
Gross carrying amount as at January 1, 2018	**26 089**	**125**	**0**	**4 151**	**30 365**
Additions	421	0	0	296	717
Disposals	-7	0	0	-400	-407
Transfers	226	0	0	-226	0
Transfer to assets held for sale	-1 640	0	0	-274	-1 914
Currency translation difference	34	6	0	-7	33
Gross carrying amount as at December 31, 2018	**25 123**	**131**	**0**	**3 540**	**28 794**
Accumulated depreciation as at January 1, 2018	**16 556**	**125**	**0**	**1 288**	**17 969**
Additions	2 904	0	0	572	3 476
Disposals	-6	0	0	-126	-132
Transfers	0	0	0	0	0
Transfer to assets held for sale	-1 089	0	0	-162	-1 251
Currency translation difference	16	6	0	-7	15
Accumulated depreciation as at December 31, 2018	**18 381**	**131**	**0**	**1 565**	**20 077**
Net carrying amount as at January 1, 2018	**9 533**	**0**	**0**	**2 863**	**12 396**
Net carrying amount as at December 31, 2018	**6 742**	**0**	**0**	**1 975**	**8 717**
Gross carrying amount as at January 1, 2019	**25 123**	**131**	**0**	**3 540**	**28 794**
Additions	110	0	0	241	351
Disposals	0	0	0	0	0
Transfers	5	0	0	-5	0
Currency translation difference	17	3	0	2	22
Transfer from assets held for sale	1 882	0	0	181	2 063
Gross carrying amount as at December 31, 2019	**27 137**	**134**	**0**	**3 959**	**31 230**
Accumulated depreciation as at January 1, 2019	**18 381**	**131**	**0**	**1 565**	**20 077**
Additions	2 808	0	0	471	3 279
Disposals	0	0	0	0	0
Transfers	0	0	0	0	0
Currency translation difference	12	3	0	0	15
Transfer from assets held for sale	1 339	0	0	165	1 504
Accumulated depreciation as at December 31, 2019	**22 540**	**134**	**0**	**2 201**	**24 875**
Net carrying amount as at January 1, 2019	**6 742**	**0**	**0**	**1 975**	**8 717**
Net carrying amount as at December 31, 2019	**4 597**	**0**	**0**	**1 758**	**6 355**

In 2018, additional investments were made in software mainly for CMMS, travel tool and SAP.

In 2019, additional investments were made in software, mainly for CMMS, IBASTORE platform and accounts payable automation tool.

In 2018, Product Life cycle management related software was scrapped for EUR 0.27 million.

Amortization expense for intangible assets was recognized in the income statement in the “Cost of sales and services”, “Sales and marketing expenses”, “General and administrative expenses”, “Research and development expenses”, and “Other operating expenses” line items.

No impairment of the intangible assets was recognized on December 31, 2018 and December 31, 2019.

9. PROPERTY, PLANT AND EQUIPMENT

EUR 000	Land and buildings	Plant, machinery and equipment	Furniture, fixtures and vehicles	Other tangible fixed assets	Total
Gross carrying amount as at January 1, 2018	**21 158**	**12 956**	**2 967**	**7 328**	**44 409**
Additions	15 111	1 359	450	1 104	18 024
Disposals	0	-51	-11	-45	-107
Transfers	325	302	43	-670	0
Reclassification	0	-656	0	0	-656
Transfer to assets held for sale	-1 184	-2 822	-560	-1 314	-5 880
Currency translation difference	14	49	7	35	105
Gross carrying amount as at December 31, 2018	**35 424**	**11 137**	**2 896**	**6 438**	**55 895**
Accumulated depreciation as at January 1, 2018	**7 877**	**6 617**	**1 920**	**5 309**	**21 723**
Additions	769	1 417	193	932	3 311
Disposals	0	-48	-7	-43	-98
Transfers	0	0	0	0	0
Reclassification	0	-219	0	0	-219
Transfer to assets held for sale	-661	-1 389	-467	-934	-3 451
Currency translation difference	7	43	8	29	87
Accumulated depreciation as at December 31, 2018	**7 992**	**6 421**	**1 647**	**5 293**	**21 353**
Net carrying amount as at January 1, 2018	**13 281**	**6 339**	**1 047**	**2 019**	**22 686**
Net carrying amount as at December 31, 2018	**27 432**	**4 716**	**1 249**	**1 145**	**34 542**
Gross carrying amount as at December 31, 2018	**35 424**	**11 137**	**2 896**	**6 438**	**55 895**
Transfer to right-of-use at January 1, 2019	-17 972	-25	-26	0	-18 023
Gross carrying amount as at January 1, 2019	**17 452**	**11 112**	**2 870**	**6 438**	**37 872**
Additions	2 303	552	402	892	4 149
Disposals	-503	-11	0	-57	-571
Transfers	207	98	11	-316	0
Reclassification	0	0	0	0	0
Currency translation difference	4	19	19	12	54
Transfer from assets held for sale	1 131	3 154	545	1 257	6 087
Gross carrying amount as at December 31, 2019	**20 594**	**14 924**	**3 847**	**8 226**	**47 591**
Accumulated depreciation as at December 31, 2018	**7 992**	**6 421**	**1 647**	**5 293**	**21 353**
Transfer to right-of-use at January 1, 2019	-115	-2	-3	0	-120
Accumulated depreciation as at January 1, 2019	**7 877**	**6 419**	**1 644**	**5 293**	**21 233**
Additions	658	1 491	224	660	3 033
Disposals	-196	-5	0	-54	-255
Transfers	0	0	0	0	0
Reclassification	0	0	0	0	0
Currency translation difference	0	21	12	8	41
Transfer from assets held for sale	686	1 790	476	1 015	3 967
Accumulated depreciation as at December 31, 2019	**9 025**	**9 716**	**2 356**	**6 922**	**28 019**
Net carrying amount as at December 31, 2018	**27 432**	**4 716**	**1 249**	**1 145**	**34 542**
Transfer to right-of-use at January 1, 2019	-17 857	-23	-23	0	-17 903
Net carrying amount as at January 1, 2019	**9 575**	**4 693**	**1 226**	**1 145**	**16 639**
Net carrying amount as at December 31, 2019	**11 569**	**5 208**	**1 491**	**1 304**	**19 572**

"Other tangible fixed assets'' mainly include computer hardware and assets under construction. There are no tangible fixed assets subject to title restrictions.

Depreciation expense for tangible assets was recognized in the income statement in the "Cost of sales and services", "Sales and marketing expenses", "General and administrative expenses", "Research and development expenses" and "Other operating expenses" line items.

No impairment was recognized in the 2018 and 2019 financial year.

In 2018 and 2019, additional investments were made for asset maintenance and for the new factory that became operational end 2018.

In 2018 and 2019, the disposals of tangible assets mainly correspond to the scrapping of unused assets by the Group.

In 2018, a capitalized equipment has been reclassified on a proton therapy project for EUR 0.44 million.

10. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD AND OTHER INVESTMENTS

(EUR 000)	December 31, 2018	December 31, 2019
Investments accounted for using the equity method	0	2 900
Other investments	13 005	15 196
TOTAL	**13 005**	**18 096**

10.1 MOVEMENTS IN EQUITY-ACCOUNTED INVESTMENTS

Equity-accounted companies are listed in note 5.2. and are Cyclhad SAS, Normandy Hadrontherapy SAS, Normandy Hadrontherapy SARL and PharmaLogic Pet Services of Montreal Cie.

Changes in equity-accounted investments are as follows:

(EUR 000)	December 31, 2018	December 31, 2019
As at January 1	**0**	**0**
Share of profit/(loss) of equity-accounted investments	0	-1 124
Additions	0	6 015
Disposals	0	0
Unrealized gain on sale of an intangible asset	0	-1 991
Dividend received	0	0
Equity movements of equity accounted investments	0	0
Currency translation difference	0	0
As at December 31	**0**	**2 900**

The Group's holdings in its principal associates, all unlisted, are as follows:

(EUR 000)	Country	Assets	Liabilities	Revenue	Profit/(Loss)	% Interest
2018						
CONTINUING OPERATIONS						
Cyclhad SAS	France	77 903	73 393	0	0	33.33%
DISCONTINUING OPERATIONS						
PharmaLogic Pet Services of Montreal Cie. (1)	Canada	47	5	0	-84	48.0%

(EUR 000)	Country	Assets	Liabilities	Revenue	Profit/(Loss)	% Interest
2019						
CONTINUING OPERATIONS						
Cyclhad SAS	France	70 061	74 648	2 543	-4 176	33.33%
Normandy Hadrontherapy SAS	France	38 167	25 651	0	-2 494	39.81%
Normandy Hadrontherapy SARL	France	56	46	2	0	50.00%

(1) The activity of the company has been sold in March 2014 through an asset deal.

10.1.1 CYCLHAD SAS

The Group has a 33.33% interest in Cyclhad SAS, which built a proton therapy center that is operational since the summer of 2018.

The following table illustrates the summarized financial information of Cyclhad SAS:

	Cyclhad SAS (EUR 000) December 31, 2018	Cyclhad SAS (EUR 000) December 31, 2019
Investment in affiliated companies		
Current assets	8 423	6 229
Non-current assets	64 838	63 832
Current liabilities (-)	-652	-1 546
Non-Current liabilities (-)	-73 020	-73 102
Equity	**-411**	**-4 587**
Group's share in equity – 33.33%	-137	-1 529
Cumulative unrecognized share of losses of associate	+137	+1 529
Group's carrying amount of Investment accounted for using the equity method	**0**	**0**

IBA has no capital commitments as at December 31, 2018 and 2019 and has no commitment to participate in any potential future funding of Cyclhad SAS.

IBA has therefore not accounted for its share of the loss and negative equity of Cyclhad SAS.

10.1.2 NORMANDY HADRONTHERAPY SAS

In June 2019, IBA ownership in Normandy Hadrontherapy SAS changed following the agreement signed to sell intellectual property to this entity to further develop Hadrontherapy. As at December 31, 2019, IBA retains 39.81 % (100% as at December 31, 2018) of this entity following financing by several public and private players. The objective of this agreement is to launch the development of the world's first cyclotron-based carbon therapy system in Caen, France through its subsidiary Normandy Hadrontherapy (NHa), in collaboration with the Normandy Region and several other private and public players, including SAPHYN (SAnté et PHYsique Nucléaire).

NHa will be dedicated to the development, industrialization and commercialization of hadron therapy equipment, with the first center to be installed in Caen. Hadron therapy using carbon ions functions in the same way as proton therapy but has the advantage of being particularly effective compared to other radiotherapy techniques for the treatment of radiation-resistant tumors.

Several leading centers in the world are currently using carbon ions to treat cancer. IBA will provide its unique technological expertise in particle accelerators and collaborate with several industrial and public partners to design, develop and install hadron therapy systems. In comparison to the existing synchrotron-based hadron therapy centers, the accelerator in this hadron therapy system will be an advanced 400 MeV (megaelectron-volts) multi-particle superconducting isochronous cyclotron that is able to accelerate carbon ions and other particles including protons. The new design is significantly smaller in size than existing centers.

The overall investment by all partners in NHa is over EUR 60 million, in equity and bond financing (guaranteed by the Normandy Region). IBA's contribution amounted to EUR 6 million in equity and EUR 1,5 million in Bond financing (see note 12).

IBA's investment also includes the sale of intellectual property related to the Cyclone®400 cyclotron to NHa. The gain on this transaction amounted to EUR 5 million which was reduced by EUR 2 million (39.81%) for unrealized gain. The net gain (EUR 3 million) has been recorded as operating income (see note 25.2).

The following table illustrates the summarized financial information of Normandy Hadrontherapy SAS:

	Normandy Hadrontherapy SAS (EUR 000) December 31, 2019
Investment in affiliated companies	
Current assets	20 282
Non-current assets	17 885
Current liabilities (-)	-4 631
Non-Current liabilities (-)	-21 020
Equity	**12 516**
Group's share in equity – 39.81%	4 983
Unrealized gain on sale of an intangible asset	-1 991
Other	-97
Group's carrying amount of Investment accounted for using the equity method	**2 895**

10.2 MOVEMENTS IN OTHER INVESTMENTS

The "Other investments" includes shares of companies IBA has no significant influence. These shares are reassessed either on the basis of the quoted price or on the basis of the value granted to them during the most recent operation to raise additional capital or from valuation by independent third parties.

(EUR 000)	TOTAL
As at December 31, 2018	**13 005**
Equity stake acquisition	0
Equity stake disposal	0
Movements through reserves (Valuation at fair value - IFRS 9)	2 191
Impairment	0
As at December 31, 2019	**15 196**

In 2016, the Group took a stake of 10.26% (USD 2 million or EUR 1.8 million) in HIL Applied Medical Ltd, a private Israeli developer of laser-based proton therapy systems which is applying a novel, patented approach to particle acceleration and delivery, combining non-technology with ultra-high-intensity lasers and ultra-fast magnets. This potential technological breakthrough could enable a meaningful reduction in the size and cost of proton therapy systems without compromising clinical utility. Alongside this investment, IBA and HIL have signed an Original Equipment Manufacturer (OEM) agreement which gives IBA the right to purchase HIL's laser-based proton accelerators for the purpose of integrating them into proton therapy solutions.

A capital transaction achieved by HIL in December 2019 indicates that neither reassessment or impairment of the investment was required.

In 2015, the Group took a minority stake of GBP 5 million (EUR 7.1 million) in Rutherford Estates Limited (previously Proton Partners International (PPI)). This investment represents less than 5% of the issued capital.

Since Rutherford Estates Limited is listed on the NEX stock exchange in London, this investment has been reevaluated at its fair value based on their share price as at December 31, 2019, i.e. 2.275 GBP/share. This reassessment at fair value increased in 2019 the value of our investment by EUR 2.19 million against the Group's Other reserves (cumulative impact of EUR 6.3 million as at December 31, 2019).

11. DEFERRED TAXES

The Group recognizes deferred tax assets on unused losses carried forward to the extent that the taxable profit against which these assets are available can be used. The amounts recognized in the financial position are prudent estimates made on the basis of recent financial plans approved by the Board of Directors and depend on certain judgments with respect to the amounts and location of the future taxable profits of the Group's subsidiaries and parent company.

(EUR 000)	December 31, 2018	December 31, 2019
DEFERRED TAX ASSETS		
Deferred tax assets to be recovered after 12 months – Tax losses on carry-forward	4 287	4 682
Deferred tax assets to be recovered after 12 months - temporary differences	0	0
Deferred tax assets to be recovered within 12 months - Tax losses on carry-forward	0	0
Deferred tax assets to be recovered within 12 months - temporary differences	1 874	2 303
TOTAL	**6 161**	**6 985**
DEFERRED TAX LIABILITIES		
Deferred tax liabilities to be paid after 12 months - temporary differences	0	1 112
Deferred tax liabilities to be paid within 12 months - temporary differences	0	0
TOTAL	**0**	**1 112**
Net deferred tax assets	**6 161**	**5 873**

Deferred tax assets increased from EUR 6.16 million in 2018 to EUR 6.99 million in 2019 mainly due to the increase of temporary and permanent differences in the US entities.

In 2018 and in 2019, the recognized temporary differences are mainly related to taxable deferred revenues, non-deductible allowance for doubtful accounts, expenses accrual and inventory in the US entities.

(EUR 000)	TOTAL
DEFERRED TAX ASSETS	
As at January 1, 2018	**6 017**
Credited/(charged) to the income statement	399
Transfers to assets held for sale	-343
Currency translation difference	88
As at December 31, 2018	**6 161**
Credited/(charged) to the income statement	555
Transfers from assets held for sale	219
Currency translation difference	50
As at December 31, 2019	**6 985**

(EUR 000)	TOTAL
DEFERRED TAX LIABILITIES	
As at January 1, 2018	**667**
Charged/(credited) to the income statement	0
Transfers to liabilities directly related to assets held for sale	-667
Currency translation difference	0
As at December 31, 2018	**0**
Charged/(credited) to the income statement	445
Transfers from liabilities directly related to assets held for sale	669
Currency translation difference	-2
As at December 31, 2019	**1 112**

Deferred tax assets are recognized on tax loss carry-forwards to the extent that it is likely that they can be recovered through future earnings. Note 3 explains the estimates and judgments used by IBA in making this assessment.

On December 31, 2019, EUR 42.21 million of deferred taxes were not recognized as assets in the financial position (EUR 23.0 million in 2018). Tax losses and corresponding temporary differences have no expiry dates.

12. OTHER LONG-TERM ASSETS

(EUR 000)	December 31, 2018	December 31, 2019
Long-term receivables on contracts in progress	711	646
Research tax credit	11 152	11 978
Other assets	4 837	8 748
TOTAL	**16 700**	**21 372**

As at December 31, 2019, "Other assets" mainly consist of financial notes granted to proton therapy customers for a total amount of EUR 4.46 million, a subordinated loan to Normandy Hadrontherapy SAS for a total amount of EUR 1.5 million, an escrow account related to the disposal of the RadioMed Corporation ("RadioMed") for a total amount of EUR 1.38 million, sublease accrued income for a total amount of EUR 0.67 million and bank deposits to EUR 0.35 million and other long-term assets for EUR 0.15 million.

As at December 31, 2018, "Other assets" mainly consists of financial notes issued by a proton therapy customer for a total amount of EUR 4.4 million and bank deposits of EUR 0.34 million. The financial notes are explained by the conversion of loans and receivables existing at December 31, 2017. This conversion impacted the financial results with an amount of EUR 1.92 million (write-offs on loans and discounting of the financial notes - see note 26.1).

13. INVENTORIES AND CONTRACTS IN PROGRESS

Work in progress relates to production of inventory for which a customer has not yet been secured, while contracts in progress relate to production for specific customers in performance of a signed contract.

(EUR 000)	December 31, 2018	December 31, 2019
Raw materials and supplies	69 513	74 555
Finished products	143	2 332
Work in progress	12 741	9 459
Contracts in progress	57 079	44 490
Write-off of inventories (-)	-8 403	-10 467
Inventories and contracts in progress	**131 073**	**120 369**
Costs to date and recognized revenue	479 735	440 152
Less : progress billings	-422 656	-395 662
Contracts in progress	**57 079**	**44 490**

(EUR 000)	December 31, 2018	December 31, 2019
Contracts in progress	57 079	44 490
Net amounts due to customers for contracts in progress	-88 483	-136 735
Net amounts on contracts in progress	**-31 404**	**-92 245**

As at December 31, 2018 and 2019, there are no contracts in progress set as a warranty to cover the financing of a proton therapy contract.

As at December 31, 2019, contracts in progress and amounts due to customers for contracts in progress showed a net position of EUR -92.25 million compared to EUR -31.40 million as at December 31, 2018. The positive evolution amounting to EUR 60.85 million is primarily explained by the high level of billings during 2019.

14. TRADE AND OTHER RECEIVABLES

14.1 TRADE RECEIVABLES

Trade account receivables are detailed as follows:

(EUR 000)	December 31, 2018	December 31, 2019
Amounts invoiced on contracts in progress but for which payment has not yet been received at financial position date	52 633	18 709
Other trade receivables	44 783	102 678
Allowance for expected credit losses on trade receivables (-)	-866	-1 188
TOTAL	**96 550**	**120 199**

The increase in trade receivables amounts to EUR 23.65 million as at December 31, 2019. This increase is mainly explained by trade receivables of Dosimetry (EUR 7.08 million) included under "Assets held for sale" in 2018, as well as the invoicing of several new and existing customers at end of the year 2019 for which several large payments were received in 2020.

The trade receivables (excluding allowance for expected credit losses) include in 2019 an amount of EUR 0.46 million related the revaluation of trade receivables in another currency than the functional currency of the various consolidated entities (EUR 0.01 million in 2018).

As at December 31, the repayment schedule for trade receivables (excluding allowance for expected credit losses) was as follows:

(EUR 000)	TOTAL	not due	< 30 days	30-59	60-89	90-179	180-269	270-360	> 1 year
2018	**97 416**	31 780	15 878	6 190	3 046	861	10 334	9 211	20 116
2019	**121 387**	58 257	23 365	9 414	749	8 602	6 282	1 155	13 563

As at December 31, 2019 Allowance for expected credit losses on trade receivables amounts to EUR 1.19 million. Changes in the provision for doubtful debts for the past two years are as follows:

(EUR 000)	
As at January 1, 2018	**3 536**
Charge for the year	464
Utilizations	-1 320
Write-backs	-1 120
Transfer to assets held for sale	-748
Currency translation difference	54
As at December 31, 2018	**866**
Charge for the year	250
Utilizations	-21
Write-backs	-356
Currency translation difference	2
Transfer from assets held for sale	447
As at December 31, 2019	**1 188**

14.2 OTHER RECEIVABLES

Other receivables on the financial position primarily involve advance payments on orders, deferred charges and accrued income.

As at December 31, 2019, the increase of ''Other receivables'' with EUR 9.38 million is primarily explained by the increase in accrued income following the start of several operation and maintenance service contracts in 2019 as well as reclassification of amounts from “Assets held for sale”.

Other receivables are detailed as follows:

(EUR 000)	December 31, 2018	December 31, 2019
Non-trade receivables and advance payments	16 645	17 827
Deferred charges	1 858	2 489
Accrued income related to maintenance contracts	2 728	7 196
Accrued income other	0	236
Current income tax receivables	82	1 517
Other current receivables	842	2 267
TOTAL	**22 155**	**31 532**

As at December 31, 2019, the ‘’non-trade receivables and advance payments’’ heading is mainly composed of VAT receivable for EUR 3.05 million, advance payments to supplier for EUR 9.12 million, grants receivables for EUR 4.65 million and other tax receivables for EUR 1.01 million.

As at December 31, 2019, the “Other current receivables” heading is mainly composed of ‘’research tax credit” for EUR 1.33 million, insurance indemnity to be received for EUR 0.74 million and other receivables for EUR 0.2 million.

As at December 31, 2019, the ‘’Current income tax receivable’’ heading is composed of tax assets in the United States for EUR 0.60 million, in Belgium for EUR 0.73 million, in India for EUR 0.14 million and in Russia for EUR 0.05 million.

As at December 31, 2018, the ‘’non-trade receivables and advance payments’’ heading is mainly composed of VAT receivable for EUR 2.3 million, advance payments to supplier for EUR 11.4 million, grants receivables for EUR 2.4 million, other tax receivables for EUR 0.4 million and other non-trade receivables for EUR 0.1 million.

As at December 31, 2018, the “Other current receivables” heading is mainly composed of ‘’research tax credit” for EUR 0.63 million and insurance indemnity to be received for EUR 0.13 million.

As at December 31, 2018, the ‘’Current income tax receivable’’ heading is composed of tax assets in the United States for EUR 0.08 million.

15. CASH AND CASH EQUIVALENTS

(EUR 000)	December 31, 2018	December 31, 2019
Bank balances and cash	36 368	46 090
Accounts with restrictions shorter than 3 months	0	0
Short-term bank deposits	34	0
CASH AND CASH EQUIVALENTS - CONTINUING OPERATIONS	**36 402**	**46 090**
Cash and cash equivalents attributable to discontinued operations (Note 6)	2 294	0
CASH AND CASH EQUIVALENTS - CONTINUING AND DISCONTINUED OPERATIONS	**38 696**	**46 090**

As at December 31, 2019, the effective interest rate on the cash position was 0.24% (0.15% in 2018). Short-term deposits have an average maturity of less than 30 days.

16. CAPITAL STOCK AND SHARE-BASED PLANS

16.1 CAPITAL STOCK

	Number of shares	Issued capital stock (EUR)	Capital surplus (EUR)	Treasury shares (EUR)	Total (EUR)
Balance as at January 1, 2018	**29 962 246**	**42 053 238**	**41 321 502**	**-8 501 979**	**74 872 761**
Stock options exercised	160 282	224 956	541 416	0	766 372
Capital increases (other)	0	0	0	0	0
Disposal of treasury shares	0	0	0	0	0
Other	0	0	0	0	0
Balance as at December 31, 2018	**30 122 528**	**42 278 194**	**41 862 918**	**-8 501 979**	**75 639 133**
Stock options exercised	11 392	15 988	115 248	0	131 236
Capital increases (other)	0	0	0	0	0
Disposal of treasury shares	0	0	0	0	0
Other	0	0	0	0	0
Balance as at December 31, 2019	**30 133 920**	**42 294 182**	**41 978 166**	**-8 501 979**	**75 770 369**

As at December 31, 2019, 57.19% of IBA's stock was traded on Euronext. Full details of the Group's shareholders are set out in the section "The stock market and shareholders" of this annual report.

In view of the gain of the 2019 financial year, IBA's Board of Directors intends to recommend to the General Assembly to pay a dividend of EUR 0.076 per share in 2020.

16.2 STOCK OPTIONS AND SHARE-BASED PAYMENTS

Group employees and Management can purchase or obtain IBA stock through various stock option and stock plans. Option strike prices are set at the market price of the underlying stock on the date of grant. As far as stock plans are concerned, the benefit awarded is either the market value of the shares at the grant date or a discount of 16.67 % on the value of the shares at the grant date. Stock ownership vests irrevocably on the date of granting.

However, stock must be held for three years following the grant date. As far as stock option plans are concerned, the fair value of the benefit awarded is determined using the Black & Scholes model, as described below. The benefit granted is recognized as an employee cost, and the share-based payment reserve is increased accordingly.

Stock option plans launched in 2014 and 2015 have the following vesting scheme: 100 percent vesting as at December 31, 2018 and can be exercised until June 30, 2024.

In 2016, 2017, 2018 and 2019, no stock option plan has been launched.

The Company used the Black & Scholes model to value options, with no vesting conditions other than time. Expected volatility for the stock option plans is based on historical volatility determined by statistical analysis of daily share price movements. The exercise price of shares for the stock option plans was based on the average share price for the 30 days preceding the grant date.

As at December 31, 2019, no charge was recognized in the other operating expenses for employee stock options (EUR 0.24 million in 2018).

The stock options outstanding as at December 31 have the following expiration dates and exercise prices:

		December 31, 2018		December 31, 2019
Expiration date	**Exercise price (EUR)**	**Number of stock options**	**Exercise price (EUR)**	**Number of stock options**
June 30, 2024	11.52	178 500	11.52	167 108
June 30, 2024	31.84	20 000	31.84	20 000
TOTAL outstanding stock options		**198 500**		**187 108**

Stock option movements can be summarized as follows:

		December 31, 2018		December 31, 2019
	Average exercise price in EUR per share	**Number of stock options**	**Average exercise price in EUR per share**	**Number of stock options**
Outstanding as at January 1	**11.30**	**400 153**	**13.57**	**198 500**
Issued		0		0
Forfeited (-)	25.72	-41 371		0
Exercised (-)	4.78	-160 282	11.52	-11 392
Expired (-)		0		0
Outstanding as at December 31	**13.57**	**198 500**	**13.69**	**187 108**
Exercisable as at December 31		**198 500**		**187 108**

17. RESERVES

(EUR 000)	December 31, 2018	December 31, 2019
Hedging reserves	-650	-2 736
Other reserves - value of stock option plans and share-based compensation	15 714	15 714
Other reserves – other	154	153
Other reserves - fair value adjustment of available-for-sale investments	4 097	6 288
Other reserves - Defined benefit plan	-3 640	-3 044
Reserves	**15 675**	**16 375**
Currency translation difference	**-3 299**	**-3 503**
Retained earnings	**15 076**	**22 700**

The hedging reserves include changes in the fair value of financial instruments used to hedge cash flows of future transactions. Hedging reserves have decreased with EUR 2.09 million in 2019 (decrease of EUR 5.12 million in 2018).

In 2018 and 2019, the increase of '' Other reserves - fair value adjustment of available-for-sale investments'' is related to the reevaluation at fair value of the other investment in Rutherford Estates Limited (see note 10.2).

The increase of "Other reserves – Defined benefit plan" for EUR 0.6 million is further described in note 28.

Cumulative translation difference includes differences related to the translation of financial statements of consolidated entities whose functional currency is not the euro. It also includes foreign exchange differences arising from long-term loans that are part of the Group's net investment in foreign operations.

As at December 31, 2019, a cumulated loss of EUR -0.5 million on the retranslation of these loans was reclassified to equity in order to offset the loss arising from the translation of these loans between subsidiaries of the Group (cumulated loss of EUR -0.45 million as at December 31, 2018).

As at December 31, 2018 and 2019, the following loans between subsidiaries are designated as the Group's permanent financing in foreign operations:

- Ion Beam Beijing Medical Applications Technology Service Co. Ltd. To IBA SA: CNY 45.0 million and CNY 14.8 million

18. BORROWINGS

(EUR 000)	December 31, 2018	January 1, 2019	December 31, 2019
Non-current			
Bank and other borrowings	30 390	30 390	32 856
TOTAL	**30 390**	**30 390**	**32 856**
Current			
Short-term bank loans	37 470	37 470	0
Bank and other borrowings	4 145	4 145	3 534
TOTAL	**41 615**	**41 615**	**3 534**

The table below outlines the key terms and conditions of the existing credit facilities:

Loan/Credit line	Ranking	Status	Outstanding December 31, 2019 (EUR 000)	Outstanding December 31, 2018 (EUR 000)	Currency	Interest	Maturity	Repayment
S.R.I.W.	Subordinated	Unsecured	3 570	4 286	EUR	Fixed	2026	Amortizing
S.R.I.W.	Subordinated	Unsecured	8 570	10 000	EUR	Fixed	2026	Amortizing
S.R.I.W.	Subordinated	Unsecured	5 000	5 000	EUR	Fixed	2026	Amortizing
S.F.P.I.	Subordinated	Unsecured	5 000	5 000	EUR	Fixed	2026	Amortizing
Treasury notes	Senior	Unsecured	5 250	5 250	EUR	Fixed	2021	Bullet at maturity
Investment loan	Senior	Unsecured	0	5 000	EUR	Fixed	2021°	Amortizing
Term loan 5-years	Senior	Secured	9 000	0	EUR	Floating*	2024	Amortizing
Real estate leasing	Senior	Secured	12 849	13 784	EUR	Fixed	2033	Amortizing
Overdraft facility - India	Senior	Secured	0	1 469	INR	Floating**	2020	Revolving
Overdraft facility - China	Senior	Secured	0	0	CNY	Floating***	UFN ****	Revolving
Revolving short term facilities	Senior	Secured	0	36 000	EUR	Floating*	2022	Revolving

** EURIBOR + margin dependent on Net Leverage ratio*
° prepaid in the framework of the refinancing
*** MCLR + margin*
**** "Funding cost" + margin*
***** Until further notice*

BANK AND OTHER BORROWINGS

	December 31, 2018 (EUR '000)	December 31, 2019 (EUR '000)
Non-current	30 390	32 856
Current	41 615	3 534
Total	**72 005**	**36 390**
Opening amount	**42 750**	**72 005**
New borrowings	32 470	9 000
Repayment of borrowings	-3 215	-44 605
Transfers to liabilities directly related to assets held for sale	0	0
Currency translation difference	0	-10
Closing balance (1)	**72 005**	**36 390**

(1) Including 3 subordinated bonds for EUR 17.14 million from S.R.I.W.at end 2019 (3 subordinated bonds for a total amount of EUR 19.29 million at end 2018) and a subordinated bond from S.F.P.I for EUR 5 million

In December 2019, IBA successfully closed a refinancing, extending the average maturity of the Group's indebtedness, while maintaining an adequate level of flexibility to accommodate for short-term working capital fluctuations.

To this effect, the refinancing transactions included the following:

- An extension of the repayment profile of the S.R.I.W. and S.F.P.I. subordinated bonds to December 2026 (7 years maturity)
- The signature by IBA SA as borrower of EUR 67 million syndicated facilities with 5 leading Belgian and international banks, comprising (i) a EUR 30 million amortizing term loan (5 years maturity) (EUR 9 million drawn as at December 31, 2019) and (ii) EUR 37 million revolving credit facilities (3 years, with extension options up to 5 years) (no amount drawn as at December 31, 2019)
- The cancellation of the then-existing short-term credit lines (which amounted to EUR 67 million and was reduced to EUR 37 million in September 2019)
- The prepayment of the then-outstanding EUR 3 million investment loan

Bank and other borrowings

As at December 31, 2019, the bank and other borrowings include unsecured subordinated bonds from S.R.I.W. for a total of EUR 17.14 million (EUR 19.29 million in 2018), and an unsecured subordinated bond from S.F.P.I. for EUR 5 million (unchanged), unsecured treasury notes for EUR 5.25 million (unchanged), a 5-year term loan for EUR 9 million (nihil in 2018), unused revolving (short term) credit facilities (EUR 36 million in 2018), and unused overdraft facilities in India and China.

As detailed supra, new borrowings relate to a EUR 9 million drawdown under the new EUR 30 million 5-year term loan.

Repayments of borrowings relate to the revolving credit facilities (EUR 36 million), the overdraft facility in India (EUR 1.47 million), the investment loan (EUR 5 million, of which EUR 3 million was not yet due as at December 31, 2019) and the S.R.I.W. bonds (EUR 2.15 million in aggregate).

S.R.I.W. and S.F.P.I.

The S.R.I.W. and S.F.P.I. are two leading Belgian public investment funds (respectively, at regional and federal levels).

Following the terms of the S.R.I.W. and S.F.P.I. bond agreements, the Group agreed to comply with a financial covenant relating to IBA SA's level of equity, which was met as at December 31, 2019.

Bank credit facilities

As outlined supra, the existing bank facilities at the level of IBA SA were refinanced by EUR 67 million syndicated facilities comprising (i) a EUR 30 million amortizing term loan (5 years maturity) and (ii) EUR 37 million revolving credit facilities (3 years, with extension options up to 5 years).

The financial covenants applying to these facilities consist in (a) a maximum net senior leverage ratio (calculated as the consolidated net senior indebtedness divided by the consolidated REBITDA over the last 12 months) and (b) a minimum corrected equity level (calculated as the sum of the consolidated equity - with certain reclassifications - and the subordinated indebtedness). Covenants were complied with as at December 31, 2019.

In addition, the bank overdraft facility in India (borrower: IBA Particle Therapy India Private Limited) was maintained at INR 220 million and its maturity extended to 2020 in order to support local working capital fluctuations (undrawn as of December 31, 2019).

Finally, a new bank overdraft facility was set up in China (borrower: Ion Beam Applications Co. Ltd.) for the same reason, for an amount of CNY 35 million (undrawn as of December 31, 2019).

Treasury notes

In February 2016, IBA issued 5-year treasury notes for a total amount of EUR 5.75 million. An amount of EUR 0.50 million was repaid to one noteholder in 2018 and the remaining outstanding amount of EUR 5.25 million will be repaid in one single instalment in February 2021.

The financial covenants applying to these treasury notes (i.e. a maximum net senior leverage ratio, a maximum gearing ratio and a minimum interest cover ratio) were complied with at December 31, 2019.

Available credit facilities

As at December 31, 2019, the Group has at its disposal credit facilities up to EUR 101.61 million of which 35.8% are used to date (65.0% in 2018).

(EUR 000)	Credit facilities used	Credit facilities amount
S.R.I.W. - subordinated	17 140	17 140
S.F.P.I. - subordinated	5 000	5 000
Treasury notes	5 250	5 250
5 years Term loan	9 000	30 000
Short-term credit facilities	0	44 219
TOTAL	**36 390**	**101 609**

The maturities of bank and other borrowings are detailed as follows:

(EUR 000)	December 31, 2018	December 31, 2019
One year or less	41 615	3 534
Between 1 and 2 years	4 145	8 784
Between 2 and 5 years	22 685	16 603
Over 5 years	3 560	7 469
TOTAL	**72 005**	**36 390**

The payments of bank and other borrowings are as follows:

(EUR 000)	December 31, 2018	December 31, 2019
One year or less	42 792	4 949
Between 1 and 2 years	5 200	9 988
Between 2 and 5 years	24 389	19 031
Over 5 years	3 718	8 060
	76 099	**42 028**
Future interest expense on bank and other borrowings (-)	-4 094	-5 638
TOTAL	**72 005**	**36 390**

The effective interest rates for bank and other borrowings at the financial position date are as follows:

	December 31, 2018		December 31, 2019		
	EUR	INR	EUR	INR	CNY
Bank and other borrowings	3.18%	10.40%	2.92%	10.40%	4.94%

The carrying amounts of the Group's borrowings are denominated in the following currencies:

(EUR 000)	December 31, 2018	December 31, 2019
EUR	70 535	36 390
INR	1 470	0
USD	0	0
TOTAL	**72 005**	**36 390**

Utilized credit facilities are as follows:

(EUR 000)	December 31, 2018	December 31, 2019
FLOATING RATE		
Repayment within one year	37 470	1 800
Repayment beyond one year	0	7 200
TOTAL FLOATING RATE	**37 470**	**9 000**
FIXED RATE		
Repayment within one year	4 145	1 734
Repayment beyond one year	30 390	25 656
TOTAL FIXED RATE	**34 535**	**27 390**
TOTAL	**72 005**	**36 390**

Unutilized credit facilities are as follows:

(EUR 000)	December 31, 2018	December 31, 2019
FLOATING RATE		
Expiring within one year	32 290	2 744
Expiring beyond one year	0	62 475
TOTAL FLOATING RATE	**32 290**	**65 219**
FIXED RATE		
Expiring within one year	0	0
Expiring beyond one year	0	0
TOTAL FIXED RATE	**0**	**0**
TOTAL	**32 290**	**65 219**

The facilities expiring within one year include the short-term portion of long-term debt, annual facilities subject to review at various dates during the 12 months following the end of the financial year, and uncommitted facilities having no firm expiry date (available "until further notice").

19. LONG-TERM AND SHORT-TERM PROVISIONS

	Environment	Warranties	Litigation	Defined employee benefits	Other employee benefits	Other	Total
As at January 1, 2018	**438**	**2 896**	**223**	**4 244**	**175**	**4 721**	**12 697**
Additions (+)	0	4 131	0	479	75	0	4 685
Write-backs (-)	-284	-635	0	0	0	-1 061	- 1 980
Utilizations (-)	-46	-2 484	0	0	-69	-1 445	-4 044
Actuarial (gains)/losses generated during the year	0	0	0	-248	0	0	-248
Transfers to liabilities directly related to assets held for sale	-108	-235	-83	0	0	-12	-438
Currency translation difference	0	6	0	0	0	1	7
Total movement	**-438**	**783**	**-83**	**231**	**6**	**-2 517**	**2 018**
As at December 31, 2018	**0**	**3 679**	**140**	**4 475**	**181**	**2 204**	**10 679**

	Environment	Warranties	Litigation	Defined employee benefits	Other employee benefits	Other	Total
As at January 1, 2019	**0**	**3 679**	**140**	**4 475**	**181**	**2 204**	**10 679**
Additions (+)	0	6 830	125	344	93	126	7 518
Write-backs (-)	0	-487	0	0	0	0	-487
Utilizations (-)	0	-4 136	-50	0	-48	-2 038	-6 272
Actuarial (gains)/losses generated during the year	0	0	0	-596	0	0	-596
Currency translation difference	0	2	0	0	-1	0	1
Transfers from liabilities directly related to assets held	108	255	0	0	0	12	375
Total movement	**108**	**2 464**	**75**	**-252**	**44**	**-1 900**	**539**
As at December 31, 2019	**108**	**6 143**	**215**	**4 223**	**225**	**304**	**11 218**

19.1 ENVIRONMENT

Environmental provisions include environmental compliance provisions related to natural radiation sources for EUR 0.11 million.

19.2 WARRANTIES

Provisions for warranties cover warranties for machines sold to customers.

Movements can be detailed as follows:

- New provisions in relation to Proton therapy and other accelerators amounting to EUR 6.83 million mainly due to the delivery of several projects to customers.
- Reversals of provisions in relation to Proton therapy and other accelerators amounting to EUR -0.49 million.
- Utilizations of provisions in relation to Proton therapy and other accelerators amounting to EUR -4.14 million.

19.3 DEFINED EMPLOYEE BENEFITS

See note 28.

19.4 OTHER EMPLOYEE BENEFITS

Other employee benefits provisions as at December 31, 2019 consisted primarily of the following:

- An amount of EUR 0.23 million relating to retirement plan for our Italian personnel.

19.5 OTHER

Other provisions as at December 31, 2019 consisted primarily of the following:

- An amount of, an amount of EUR 0.17 million covering the Group's commitments under the agreement with SK Capital Partners and an amount of EUR 0.13 million covering tax risks.

Details of the main movements are as follows:

- New provisions covering tax risks amounting to EUR +0.13 million.
- Utilizations of provisions amounting to EUR -0.66 million covering the Group's estimated commitments under the agreement with SK Capital Partners, EUR 1.02 million relating to non-recurring commitments on proton therapy projects and EUR -0.36 million covering tax risks.

20. OTHER LONG-TERM LIABILITIES

(EUR 000)	December 31, 2018	January 1, 2019	December 31, 2019
Advances received from local government	4 744	4 744	4 126
Emphyteutic land lease (see note 24)	4 270	0	0
Other	4 290	4 290	59
TOTAL	**13 304**	**9 034**	**4 185**

In 2019, advances from local government were impacted by a discounting of EUR +0.04 million and the reclassification to short term for EUR -0.66 million.

In 2018, the Group has received new advances from local government for EUR 5.8 million, after impact of discounting, of which EUR 4.7 million is due in more than one year and of which EUR 1.1 million are due in less than one year.

In 2018, the caption "Other" primarily includes of long-term contractual obligations related to proton therapy projects for EUR 4.24 million. In 2019, an amount of EUR 0.18 million has been used to meet the contractual obligations. The remainder of the accrual was no more justified and therefore EUR 2.27 million and EUR 1.79 million have been reversed in respectively other operating income (see note 25.2) and gross profit.

21. OTHER FINANCIAL ASSETS AND LIABILITIES

(EUR 000)	December 31, 2018	December 31, 2019
HEDGE-ACCOUNTED FINANCIAL INSTRUMENTS		
Forward foreign exchange contracts	0	62
Foreign exchange rate swaps	25	82
INSTRUMENTS RECOGNIZED AT FAIR VALUE		
Forward foreign exchange contracts	0	41
Foreign exchange rate swaps	70	135
Short-term financial assets	**95**	**320**
HEDGE-ACCOUNTED FINANCIAL INSTRUMENTS		
Forward foreign exchange contracts	33	0
INSTRUMENTS RECOGNIZED AT FAIR VALUE		
Forward foreign exchange contracts	0	0
Foreign exchange rate swaps	0	0
Long-term financial assets	**33**	**0**
HEDGE-ACCOUNTED FINANCIAL INSTRUMENTS		
Forward foreign exchange contracts	247	1 238
Foreign exchange rate swaps	24	70
INSTRUMENTS RECOGNIZED AT FAIR VALUE		
Forward foreign exchange contracts	39	120
Foreign exchange rate swaps	261	4
Short-term financial liabilities	**571**	**1 432**
HEDGE-ACCOUNTED FINANCIAL INSTRUMENTS		
Forward foreign exchange contracts	220	496
INSTRUMENTS RECOGNIZED AT FAIR VALUE		
Forward foreign exchange contracts	0	85
Foreign exchange rate swaps	0	0
Long-term financial liabilities	**220**	**581**

The Group's policy on the use of financial instruments is detailed in Note 1.11 on Group accounting policies and Note 2.1 on financial risk management.

As at December 31, 2019, an amount of EUR 0.32 million recognized as a short-term financial asset represents EUR 0.14 million in cash flow hedging instruments and EUR 0.18 million in hedging instruments recognized at fair value through profit and loss.

As at December 31, 2018, an amount of EUR 0.10 million recognized as a short-term financial asset represents EUR 0.03 million in cash flow hedging instruments and EUR 0.07 million in hedging instruments recognized at fair value through profit and loss.

As at December 31, 2018, an amount of EUR 0.03 million recognized as a long-term financial asset represents EUR 0.03 million in cash flow hedging instruments.

As at December 31, 2019, an amount of EUR 1.43 million recognized as short-term financial liabilities represents EUR 1.31 million in cash flow hedging instruments and EUR 0.12 million in hedging instruments recognized at fair value through profit and loss.

As at December 31, 2018, an amount of EUR 0.57 million recognized as short-term financial liabilities represents EUR 0.27 million in cash flow hedging instruments and EUR 0.30 million in hedging instruments recognized at fair value through profit and loss.

As at December 31, 2019, an amount of EUR 0.58 million recognized as long-term financial liabilities represents EUR 0.50 million in cash flow hedging instruments and EUR 0.08 million in hedging instruments recognized at fair value through profit and loss.

As at December 31, 2018, an amount of EUR 0.22 million recognized as long-term financial liabilities represents EUR 0.22 million in cash flow hedging instruments.

Some of these financial instruments are designated as hedging instruments as they hedge specific exchange rate risks to which the Group is exposed. Hedge accounting has been applied to these contracts because they are deemed to be effective hedges. Those transactions are highly probable as they are linked to contracts. For these cash flow hedges, movements are recognized directly in equity and released to the income statement to offset the income statement impact of the underlying transactions.

In 2019, a cumulative loss of EUR 2.09 million was therefore directly recorded in equity (under "Hedging Reserves") resulting in accumulated losses amounting to EUR 2.74 million as at December 31, 2019. At December 31, 2018, the accumulated losses amounted to EUR 0.65 million.

22. TRADE PAYABLES

As at December 31, the payment schedule for trade payables was as follows:

(EUR 000)	TOTAL	Due	Due in less than 3 months	Due between 4-12 months
2018	**42 074**	24 426	16 681	967
2019	**41 133**	10 753	12 439	17 941

23. OTHER PAYABLES

(EUR 000)	December 31, 2018	December 31, 2019
Social debts	15 235	18 046
Accrued charges	1 069	1 894
Accrued interest charges	192	162
Deferred income related to maintenance contracts	7 105	12 455
Capital grants	3 617	5 654
Non-trade payables	5 437	7 539
Other	3 033	2 096
TOTAL	**35 688**	**47 846**

At December 31, 2019, the heading "Other" is mainly composed of advances of EUR 1.46 million received from the Walloon Region of Belgium and other amounting to EUR 0.64 million.

At December 31, 2018, the heading "Other" is mainly composed of advances of EUR 2.06 million received from the Walloon Region of Belgium and other amounting to EUR 0.97 million.

24. LEASES

The Group has lease contracts for various items of land, plant, machinery, vehicles and other equipment used in its operations. The Group's obligations under its leases are secured by the lessor's title to the leased assets. The Group is restricted from assigning and subleasing the leased assets. No financial covenants are applying to leases except for the factory lease liability in Belgium.

The Group also has certain lease of machinery, bikes and hardware with lease terms of 12 months or less (above 1 month) and leases of low-value assets recognition exemptions for these leases.

The Group does not have contracts with variable payments. The Group has several lease contracts that include extension and termination options. These options are negotiated by the Management to provide flexibility in managing the leased asset portfolio and align with the Group's business needs.

Leases have the following lease terms:

- Land: term of ninety-nine years.
- Buildings: terms between one and fifteen years. The Group has the option to lease the assets for additional term negotiable with the lessor or for an additional term of four years for two operating leases in the United-States.
- Apartments: terms between one and four years.
- New factory in LLN: term of twenty years.
- Machinery: terms between three and nine years. The Group has the option, under some of its leases, to lease the assets for an additional term negotiable with the lessor.
- Vehicles: terms between one and four years and no option to lease the assets for an additional term.
- Hardware: terms between one and five years.
- Bikes: term of 3 years.

24.1 RIGHT-OF-USE ASSETS

Set out below are the carrying amounts of right-of-use assets recognized and the movements during the period:

	Building (EUR 000)	Vehicles (EUR 000)	Machinery (EUR 000)	Hardware (EUR 000)	Total (EUR 000)
As at January 1, 2019	**6 676**	**2 864**	**35**	**310**	**9 885**
Transfer from Property, Plant and equipment at January 1, 2019	13 802	0	47	0	13 849
Transfer Emphyteutic rent LLN at January 1, 2019	4 055	0	0	0	4 055
As at January 1, 2019	**24 533**	**2 864**	**82**	**310**	**27 789**
Additions	954	1 239	4	89	2 286
Disposal	-49	-27	0	-128	-204
Depreciation expenses	-2 146	-1 649	-42	-101	-3 938
Currency translation difference	3	0	0	0	3
Transfer from financial position of discontinued operations	4 031	240	138	55	4 464
As at December 31, 2019	**27 326**	**2 667**	**182**	**225**	**30 400**

24.2 LEASE LIABILITIES

(EUR 000)	December 31, 2018	January 1, 2019	December 31, 2019
Non-current	12 888	23 968	26 117
Current	895	4 019	4 870
TOTAL	**13 783**	**27 987**	**30 987**

The lease liabilities as at January 1, 2019 include the lease of the new factory in Belgium (EUR 13.78 million), the transfer from long term payables of the emphyteutic land rent in LLN (EUR 4.28 million) and first-time adoption of IFRS 16 (EUR 9.92 million excluding Dosimetry).

The carrying amounts of lease liabilities and the movements during the period are as follows:

	Lease liabilities				
	Building (EUR 000)	Vehicles (EUR 000)	Machinery (EUR 000)	Hardware (EUR 000)	Total (EUR 000)
As at January 1, 2019	**24 618**	**2 933**	**47**	**389**	**27 987**
Additions	1 888	1 165	36	15	3 104
Disposal	-50	-27	0	-129	-206
Payments	-2 539	-1 689	-46	-104	-4 378
Currency translation difference	-8	0	0	1	-7
Reclassification from liabilities directly related to assets held for sale	4 058	242	132	55	4 487
As at December 31, 2019	**27 967**	**2 624**	**169**	**227**	**30 987**

The 2019 lease liabilities opening balance includes the transfer from long term payables of the emphyteutic land rent in LLN for an amount of EUR 4.28 million and IFRS 16 leases liabilities of EUR 9.92 million.

Lease liabilities payments are as follows:

(EUR 000)	December 31, 2018	December 31, 2019
Due	136	0
One year or less	1 029	5 406
Between 1 and 2 years	1 042	4 239
Between 2 and 5 years	3 096	9 394
Over 5 years	10 390	14 422
TOTAL	**15 693**	**33 461**
Future financial charges on lease liabilities (-)	-1 910	-2 474
Present value of lease liabilities	**13 783**	**30 987**

The present value of lease liabilities is as follows:

(EUR 000)	December 31, 2018	December 31, 2019
Due	98	0
One year or less	797	4 870
Between 1 and 2 years	825	3 813
Between 2 and 5 years	2 521	8 605
Over 5 years	9 542	13 699
TOTAL	**13 783**	**30 987**

The carrying amounts of lease liabilities are denominated in the following currencies:

(EUR 000)	December 31, 2018	December 31, 2019
EUR	13 762	27 717
CNY	21	679
USD	0	2 438
RUB	0	97
YEN	0	56
TOTAL	**13 783**	**30 987**

As at December 31, 2018, the average interest rate paid on lease debts was not relevant due to the fact that the new lease liability for the new factory in Belgium has been accounted in December 2018 for EUR 13.8 million. As at December 31, 2019, the average interest rate paid on lease liabilities is 1.94%.

As at December 31, 2019, there were no significant undiscounted potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term.

As at December 31, 2019, the future cash outflows of leases liabilities not yet commenced to which the Group is committed are as follows:

	Building (EUR 000)	Vehicles (EUR 000)	Machinery (EUR 000)	Hardware (EUR 000)	Total (EUR 000)
One year or less	0	206	0	0	206
Between 1 and 2 years	0	260	0	0	260
Between 2 and 5 years	0	547	0	0	547
Over 5 years	0	0	0	0	0
TOTAL	**0**	**1 013**	**0**	**0**	**1 013**

The following are the amounts recognized in the income statement:

(EUR 000)	December 31, 2019
Depreciation expenses of right-of-use assets	-5 098
Interest expenses on lease liabilities	-589
Expenses relating to short-term leases	-243
Expenses relating to leases of low-value assets	-325
Income from subleasing right-of- use assets	2
Variable lease payments	0
TOTAL AMOUNT RECOGNIZED IN INCOME STATEMENT	**-6 253**

Expenses relating to short-term leases were recognized in the income statement in the “Cost of sales and services”, “Sales and marketing expenses”, “General and administrative expenses” and “Research and development expenses”.

Expenses relating to leases of low-value assets were recognized in the income statement in the “Cost of sales and services”, “Sales and marketing expenses”, “General and administrative expenses” and “Research and development expenses”.

The Group had total cash outflows for leases of EUR 4.64 million in 2019. The Group also had non-cash additions to right-of-use assets and lease liabilities of EUR 3.10 million in 2019 (right-of-use has been reduced by a sublease of a building in the United states for EUR 1.08 million).

25. OTHER OPERATING EXPENSES AND INCOME

25.1 OTHER OPERATING EXPENSES

Other operating expenses can be broken down as follows:

(EUR 000)	December 31, 2018	December 31, 2019
Write-offs	-114	0
Reorganization expenses	-1 438	-3 742
Costs related to specific projects	-607	-375
Other	-157	-110
TOTAL	**-2 316**	**-4 227**

At December 31, 2019, the heading '' costs related to specific projects'' includes the costs engaged by the Group for the strategic review of the Dosimetry business.

At December 31, 2018, the heading '' costs related to specific projects'' includes the costs engaged by the Group for the strategic review of the Dosimetry business.

25.2 OTHER OPERATING INCOME

Other operating income can be broken down as follows:

(EUR 000)	December 31, 2018	December 31, 2019
Gain realized on disposal of RadioMed Corporation ("RadioMed") (see note 7.2)	0	13 505
Reversal of long-term accruals (see note 20)	0	2 272
Gain realized on sale of intangible assets to NHA (see note 10.1.2)	0	3 009
TOTAL	**0**	**18 786**

26. FINANCIAL EXPENSES AND INCOME

26.1 FINANCIAL EXPENSES

(EUR 000)	December 31, 2018	December 31, 2019
Interest paid on debts	-2 311	-2 488
Foreign exchange differences	-268	-318
Change in fair value of derivatives	-2 168	-2 251
Discounting on financial notes (see note 12)	-1 252	0
Write-offs on financial loans (see note 12)	-677	-322
Other	-1 371	-1 292
TOTAL	**-8 047**	**-6 671**

As at December 31, 2019, the heading "Other" mainly includes discount impact on long-term liabilities of EUR 0.11 million and commission and bank charges of EUR 1.10 million.

As at December 31, 2018, the heading "Other" mainly includes commission and bank charges of EUR 1.26 million.

26.2 FINANCIAL INCOME

(EUR 000)	December 31, 2018	December 31, 2019
Interest received on cash and cash equivalents	41	76
Foreign exchange differences	1 938	770
Change in fair value of derivatives	1 119	777
Other	709	2 292
TOTAL	**3 807**	**3 915**

As at December 31, 2019, the heading "Other" mainly includes EUR 0.32 million of rebilling of interest charges in relation to a proton therapy project, EUR 1.85 million of interest on deferred payments in relation to proton therapy projects and EUR 0.12 million of other interests.

As at December 31, 2018, the heading "Other" mainly includes EUR 0.31 million of rebilling of interest charges in relation to a proton therapy project, EUR 0.22 million of interest on long-term receivables and EUR 0.18 million of other interests.

27. INCOME TAXES

The tax profit/(charge) for the year can be broken down as follows:

(EUR 000)	December 31, 2018	December 31, 2019
Current taxes	-2 819	-3 045
Deferred taxes	399	-111
TOTAL	**-2 420**	**-3 156**

The tax charge on IBA's result before taxes differs from the theoretical amount that would have resulted from application of the average applicable tax rates to the profits of the consolidated companies. The analysis is as follows:

(EUR 000)	December 31, 2018	December 31, 2019
Result from continuing operations before taxes	**-894**	**10 766**
Deduct share of profit of companies consolidated using equity method	0	1 124
Result before tax and before share of associate	**-894**	**11 890**
Tax (charge)/profit calculated based on local tax rates	**476**	**-2 671**
Unrecognized deferred tax assets	-2 633	-3 369
Recognized deferred tax assets	431	0
Tax-exempt transactions and non-deductible expenses	-1 907	1 746
Tax exempt transactions - CIRD & Grants	566	770
Adjustments in respect of income tax charges of previous years	-424	437
Utilization of previously unrecognized tax losses	16	84
Utilization of deferred tax assets	-32	0
Other tax (income)/expense	0	-153
Booked tax (charge)/profit	**-3 507**	**-3 156**
Theoretical tax rate	**-53.23%**	**22.46%**
Effective tax rate	**392.31%**	**26.54%**

Given the available tax losses, IBA did not calculate deferred taxes on items credited or charged directly to other comprehensive income.

28. EMPLOYEE BENEFITS

DEFINED CONTRIBUTION PLANS

As at December 31, 2019, the Group recognized expenses in the United stated of EUR 0.44 million for contribution-based plans accounted for using the intrinsic value method.

DEFINED BENEFIT PLANS

In Belgium, the Group operates a contribution-based plan funded through payments to an insurance company. The employer guarantees a minimum return on employer contributions resulting in a financial risk to be borne by the Group.

Up to December 31, 2015, the Group had opted to account for these plans using the intrinsic value method.

Following the evolution with respect of minimum guaranteed return, the plans are to be considered as defined benefit plans instead of contribution plans following IAS 19. Since January 1, 2016, the Group has changed its valuation rule and has adopted the projected unit credit method.

Changes in the present value of defined benefit obligations are presented as follows:

(EUR 000)	January 1, 2018	Service cost	Net interest expenses	Actuarial change arising from change in financial assumptions	Contributions by employer	Benefits plan	December 31, 2018
Defined benefit obligation	**-10 834**	-1 368	-169	1 036	-18	520	**-10 833**
Fair value of plan assets	**6 590**	0	106	-788	970	-520	**6 358**
Benefit liability	**-4 244**	**-1 368**	**-63**	**248**	**952**	**0**	**-4 475**

(EUR 000)	January 1, 2019	Service cost	Net interest expenses	Actuarial change arising from change in financial assumptions	Contributions by employer	Benefits plan	December 31, 2019
Defined benefit obligation	**-10 833**	-1 197	-224	413	-14	580	**-11 275**
Fair value of plan assets	**6 358**	0	136	184	954	-580	**7 052**
Benefit liability	**-4 475**	**-1 197**	**-88**	**597**	**940**	**0**	**-4 223**

The employee benefit provisions have been calculated on the basis of the following assumptions at December 31, 2017:
Discount rate: 1.70%, 1.40% or 0.85% based the respective duration of each plan
Mortality table: IABE
Inflation rate: 1.6%
Salary adjustment rate: 1.83% per annum
Retirement age: 65

At December 31, 2018:
Discount rate: 2.20%, 2.00% or 1.50% based the respective duration of each plan
Mortality table: IABE
Inflation rate: 1.9%
Salary adjustment rate: 2.15% per annum
Retirement age: 65

At December 31, 2019:
Discount rate: 1.85%, 1.30% or 0.60% based the respective duration of each plan
Mortality table: IABE
Inflation rate: 2.0%
Salary adjustment rate: 2.90% per annum
Retirement age: 65

The impact on the benefit liability of the fluctuation of the discount rate is as follows:

(EUR 000)	December 31, 2018	December 31, 2019
Discount rate 0.25% increase	-4 339	-4 132
Discount rate apply	-4 475	-4 223
Discount rate 0.25% decrease	-4 619	-4 319

The impact on the benefit liability of the fluctuation of the salary adjustment rate is as follows:

(EUR 000)	December 31, 2019
Salary adjustment rate 0.5% increase	-4 562
Salary adjustment rate apply	-4 223
Salary adjustment rate 0.5% decrease	-3 910

29. CASH FLOW STATEMENT

29.1 OPERATING CASH FLOW

	Note	December 31, 2018 (EUR 000)	December 31, 2019 (EUR 000)
CASH FLOW FROM OPERATING ACTIVITIES			
Net profit/(loss) for the period		**-4 401**	**7 610**
Adjustments for:			
Depreciation and impairment of tangible assets	9	3 311	8 860
Depreciation and impairment of intangible assets and goodwill	8	3 476	3 571
Write-off on receivables	14	-502	-503
Changes in fair value of financial assets (profits)/losses		769	-1 056
Changes in provisions	19	2 633	7 052
Deferred taxes		-521	-18
Share of result of associates and joint ventures accounted for using the equity method	10.1	0	1 124
(Profit)/loss on disposal of assets held for sale	7.2	0	-13 505
Other non-cash items		2 359	-4 918
Net cash flow changes before changes in working capital		**7 124**	**8 217**
Trade receivables, other receivables and deferrals		-41 410	-21 746
Inventories and contracts in progress		15 572	65 653
Trade payables, other payables and accruals		2 358	2 867
Other short-term assets and liabilities		-2 723	-6 838
Changes in working capital		**-26 203**	**39 936**
Net income tax paid/received		-1 712	-1 939
Interest expense		2 311	2 487
Interest income		-41	-76
Net cash (used)/generated from operations		**-18 521**	**48 625**

As at December 31, 2019, the heading “Other non-cash items” mainly includes the net impact of losses and write-downs on inventories (EUR +1.46 million), the impact of research tax credit not received in cash during the year (EUR -2.16 million), the impact of the scrapping of fixed assets (EUR +0.31 million), the impact of grant depreciation (EUR -0.57 million), the impact of the margin elimination on the sale of a proton therapy center to an equity accounted company (EUR -1.79 million), discount impact on long term advances from local government in Belgium (EUR +0.04 million) and the reversal of a long-term Accrual related to a proton therapy project (EUR -2.27 million).

As at December 31, 2018, the heading “Other non-cash items” mainly includes expenses in connection with employee stock option plans and stock plans (EUR +0.24 million), the net impact of losses and write-downs on inventories (EUR +1.38 million), the impact of research tax credit not received in cash during the year (EUR -1.74 million), the impact of the scrapping of fixed assets (EUR +0.27 million), the impact of grant depreciation (EUR -0.93 million), the impact of the margin elimination on the sale of a proton therapy center to an equity accounted company (EUR +0.37 million), discount impact on long term advances from local government in Belgium (EUR -0.52 million), discount impact on the long term liability relating to the emphyteutic lease of the land of the new factory in Belgium (EUR +0.07 million), write-offs and discounting on long-term financial assets on proton therapy customers (EUR +3.21 million).

29.2 INVESTING CASH FLOW

	Note	December 31, 2018 (EUR 000)	December 31, 2019 (EUR 000)
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	9	-18 024	-4 582
Acquisition of intangible assets	8	-717	-541
Disposals of fixed assets		10	2 008
Acquisition of subsidiaries net of acquired cash	7	0	0
Acquisition of third-party and equity-accounted investments	10.2	0	-6 105
Disposals of subsidiaries		0	12 487
Disposals of other investments and equity method accounted companies, net of assigned cash	7	0	0
Other investing cash flows		12	-1 516
Net cash (used)/generated from investing activities		**-18 719**	**1 751**

As at December 31, 2019, "Other cash flows from investing activities" mainly included a subordinated loan granted to Normandy Hadrontherapy SAS for EUR 1.5 million (see note 12).

29.3 FINANCING CASH FLOW

	Note	December 31, 2018 (EUR 000)	December 31, 2019 (EUR 000)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings	18 and 24.2	46 333	9 000
Repayment of borrowings	18 and 24.2	-3 313	-50 120
Interest paid		-2 320	- 2 808
Interest received		41	76
Capital increase (or proceeds from issuance of ordinary shares)	16	766	131
Dividends paid		0	0
(Acquisitions)/disposal of treasury of shares		0	0
Other financing cash flows		8 126	1 348
Net cash (used)/generated from financing activities		**49 633**	**-42 373**

As at December 31, 2019, "Other cash flows from financing activities" includes new payment of grants in Belgium and advances from local government in Belgium (EUR +2.60 million) and repayments of advances from local government in Belgium (EUR -1.25 million).

As at December 31, 2018, "Other cash flows from financing activities" includes new payment of grants in Belgium and advances from local government in Belgium (EUR +8.46 million), changes in liabilities towards Group employees in connection with the exercise of stock option plans (EUR -0.15 million) and repayments of advances from local government in Belgium (EUR -0.19 million).

30. LITIGATION

The Group is currently not involved in any significant litigation. The potential risks connected to minor proceedings are deemed to be either groundless or insignificant, or when the risk of payment of potential damages seems actual, are either adequately covered by provisions or insurance policies.

31. COMMITMENTS

31.1 FINANCIAL GUARANTEES

As at December 31, 2019, IBA held financial guarantees for EUR 49.1 million given by Group's business units as security for debts or commitments, mainly in advance payment guarantees (EUR 63.2 million December 31, 2018).

The Group is paying financial interest at a fixed rate on its financial guarantees. The interest depends on the duration of the guarantee. Therefore, the Group is not exposed to financial credit risk.

31.2 LEASES NOT YET COMMENCED

See note 24.2.

32. RELATED PARTY TRANSACTIONS

32.1 CONSOLIDATED COMPANIES

A list of subsidiaries and equity-accounted companies is provided in Note 5.

32.2 TRANSACTIONS WITH AFFILIATED COMPANIES

The main transactions completed with affiliated companies (companies using the equity accounting method) are the following:

(EUR 000)	December 31, 2018	December 31, 2019
ASSETS		
Receivables		
Long-term receivables	0	1 520
Inventory and contracts in progress	0	0
Trade and other receivables	0	247
Impairment of receivables	0	0
TOTAL RECEIVABLES	**0**	**1 767**
LIABILITIES		
Payables		
Trade and other payables	0	0
TOTAL PAYABLES	**0**	**0**
INCOME STATEMENT		
Sales	2 324	1 873
Costs (-)	-1 203	0
Financial income	0	0
Financial expense (-)	0	0
Other operating income	0	3 009
Other operating expense (-)	0	0
TOTAL INCOME STATEMENT	**1 121**	**4 882**

32.3 SHAREHOLDERS' RELATIONSHIPS

The following table shows IBA shareholders as at December 31, 2019:

	Number of shares	%
Belgian Anchorage SC	6 204 668	20.59%
IBA Investments SC	610 852	2.03%
IBA SA	63 519	0.21%
UCL	426 885	1.42%
Sopartec SA	180 000	0.60%
SRIW SA	704 491	2.34%
SFPI SA	58 200	0.19%
Belfius Insurance SA	903 754	3.00%
Institut des Radioéléments FUP	1 423 271	4.72%
Capfi Delen Asset Management N.V.	40 000	0.13%
Norges Bank Investment Management	1 409 069	4.68%
Kempen Capital Management NV	875 388	2.90%
Public	17 233 823	57.19%
TOTAL	**30 133 920**	**100.00%**

The main transactions completed with the shareholders are the following:

(EUR 000)	December 31, 2018	December 31, 2019
ASSETS		
Receivables		
Long-term receivables	0	0
Trade and other receivables	0	0
Impairment of receivables	0	0
TOTAL RECEIVABLES	**0**	**0**
LIABILITIES		
Payables		
Bank and other borrowings	24 285	22 140
Trade and other payables	69	59
TOTAL PAYABLES	**24 354**	**22 199**
INCOME STATEMENT		
Sales	0	0
Costs (-)	0	0
Financial income	0	0
Financial expense (-)	-1 106	-1 115
Other operating income	0	0
Other operating expense (-)	0	0
TOTAL INCOME STATEMENT	**-1 106**	**-1 115**

To the best of the Company's knowledge, there are no other relationships or special agreements among the shareholders at December 31, 2019.

32.4 DIRECTORS AND MANAGEMENT

See remuneration report on page 73.

33. FEES FOR SERVICES RENDERED BY THE STATUTORY AUDITORS

Ernst & Young Réviseurs d'Entreprises SRL, auditors of the statutory accounts of IBA SA and auditors of the consolidated accounts of IBA, provided the following services during the year:

(EUR 000)	December 31, 2018	December 31, 2019
Remuneration for statutory audits and audit of consolidated accounts	-298	-306
Other audit work and reports	-156	-57
Other services	-160	0
TOTAL	**-614**	**-363**

34. EVENTS AFTER THE FINANCIAL POSITION DATE

An Extraordinary General Meeting of the Company's shareholders was held on March 10, 2020. During that EGM, the shareholders approved the update of the Company's articles of association in accordance with the new Belgian Companies & Associations' Code (the "BCAC") and the introduction of the loyalty vote. The result of the votes on each item of the agenda of such EGM is available on the Company's website, in accordance with section 7:141, indent 2, of the BCAC.

IBA operates worldwide and in many geographies that are being impacted by the coronavirus (COVID-19) outbreak. This very same geographical spread allows the Group to mitigate the impact of the crisis to some extent, as countries are in varying stages of management of the outbreak. IBA continues to monitor the situation proactively in order to protect its employees, its customers and their patients, while ensuring the least possible disruption to its activities. IBA has a strong balance sheet and an excellent cash position, putting it in a good position to face the challenges of the current situation. As of today, all of IBA's operating proton therapy centers continue to treat patients. IBA is fully focused on ensuring that these patients continue to receive its life-saving diagnosis and therapies. Moreover, some signs of economic revival are already being seen in some countries, such as China and discussions are continuing as normal in this market and internationally on ongoing tenders. Some inevitable delays are currently being experienced in IBA's supply chain and on ongoing installations. At present, these delays are manageable and we are monitoring the situation very closely, however, given the rapidly changing nature of the current crisis that is leading to increasing confinement rules and travel bans in certain countries including Belgium, the Group's ability to operate efficiently might be hindered at some point in time. IBA continues to focus on delivering value to its stakeholders, remaining the leader in all of its markets, while driving efficiency across the board, but stays prudent on the evolution of its markets in the mid-term. Given the current COVID-19 situation conditions, IBA cannot reliably guide to its projected 2020 performance at this time but will update the market on this situation as soon as possible.

35. NET EARNINGS PER SHARE

35.1 NET BASIC EARNINGS

Net basic earnings per share are calculated by dividing the net profit attributable to Company shareholders by the weighted average number of ordinary shares outstanding during the period. The weighted average number of ordinary shares excludes shares purchased by the Company and held as treasury shares.

BASIC EARNINGS PER SHARE	December 31, 2018	December 31, 2019
Earnings attributable to parent equity holders (EUR 000)	-4 401	7 610
Weighted average number of ordinary shares	29 320 173	29 449 033
Net earnings per share from continuing and discontinued (EUR per share)	**-0.150**	**+0.2584**
Earnings from continuing operations attributable to parent equity holders (EUR 000)	-4 401	7 610
Weighted average number of ordinary shares	29 320 173	29 449 033
Basic earnings per share from continuing operations (EUR per share)	**-0.150**	**+0.2584**
Earnings from operations held for sale attributable to parent equity holders (EUR 000)	0	0
Weighted average number of ordinary shares	29 320 173	29 449 033
Basic earnings per share from discontinued operations (EUR per share)	**+0.000**	**+0.000**

35.2 DILUTED EARNINGS

Diluted earnings per share are calculated by adjusting the weighted average number of ordinary shares outstanding for the effects of conversion of all dilutive potential ordinary shares. In 2018 and 2019, the Company had only one category of dilutive potential on ordinary share: stock options. The calculation is performed for the stock options to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding stock options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the stock options.

DILUTED EARNINGS PER SHARE	December 31, 2018	December 31, 2019
Weighted average number of ordinary shares	29 320 173	29 449 033
Weighted average number of stock options	198 500	187 108
Average share price over period	19.96	14.56
Dilution effect from weighted number of stock options	194 692	37 121
Weighted average number of ordinary shares for diluted earnings per share	29 514 865	29 486 154
Earnings attributable to parent equity holders (EUR 000)	-4 401	7 610
Diluted earnings per share from continuing and discontinued operations (EUR per share)	**-0.150**	**+0.2581**
Earnings from continuing operations attributable to parent equity holders (EUR 000)	-4 401	7 610
Diluted earnings per share from continuing operations (EUR per share)	**-0.150**	**+0.2581**
Earnings from operations held for sale attributable to parent equity holders (EUR 000)	0	0
Diluted earnings per share from discontinued operations (EUR per share)	**+0.000**	**+0.000**

(*) In compliance with IAS33, which stipulates that the diluted earnings per share does not take into account assumptions for conversion, financial year, or other issuing of potential ordinary shares which may have an anti-dilutive effect on the earnings per share (shares whose conversion involves a decrease in the loss per share).

36. GLOSSARY OF ALTERNATIVE PERFORMANCE MEASURES (APM)

GROSS PROFIT	
Definition:	Gross profit is the difference of the aggregate amount recognized on "Sales" and "Services" after deducting the costs associated with the construction and production of the associated equipment and incurred in connection with the provision of the operation and maintenance services.
Reason:	Gross profit indicates IBA's performance by showing how it is able to generate revenue from the expenses incurred in the construction, operation and maintenance of dosimetry, proton-therapy and other accelerators.
EBIT	
Definition:	Earning before interests and taxes (''EBIT'') shows the performance of the group (or segment) before financial income/expenses and taxes. It shows all operating income and expenses incurred during the period.
Reason:	EBIT is a useful performance indicator as it shows IBA's operational performance of the period by eliminating the impact of the financial transactions and taxes.
REBIT	
Definition:	Recurring earning before interests and taxes (''REBIT'') shows the result of the group (or segment) before financial income/expenses and taxes and before the other operating income and other operating expenses. REBIT is an indicator of a company's profitability of the ordinary activities of the group, adjusted with the items considered by the management to not be part of the underlying performance.
Reason:	Management considers REBIT as an improved performance indicator for the group allowing year-on-year comparison of the profitability, as cleaned up with transactions not considered part of the underlying performance.
NET FINANCIAL DEBT	
Definition:	The net financial debt measures the overall debt situation of IBA.
Reason:	Net financial debt provides an indication of the overall financial position strength of the Group and measures IBA's cash position.

(EUR 000)	2018*	2018**	2019
EBIT = Segment result (Note 4)	**-787**	**3 346**	**14 646**
Other operating expenses (+)	1 672	2 316	4 227
Other operating income (-)	-0	-0	-18 786
REBIT	**885**	**5 662**	**87**
Depreciation and impairment of intangible and tangible assets (+)	6 509	6 786	12 432
Write-offs on receivables and inventory (+/-)	388	763	-60
REBITDA	**7 782**	**13 211**	**12 459**

(EUR 000)	2018*	2018**	2019
Long-term borrowings and lease liabilities (+)	43 278	43 278	58 973
Short-term borrowings and lease liabilities (+)	42 510	42 510	8 404
Cash and cash equivalents (-)	-36 402	-38 696	-46 090
Net financial debt	**49 386**	**47 092**	**21 287**

(*) Amounts as published in the 2018 annual report where Dosimetry was qualified as "Asset held for sale" (financial position) and "Discontinuing operations" (income statement).

(**) Amounts 2018 including Dosimetry segment. Following the decision in Q4 2019 to cancel the selling process of Dosimetry segment as a whole, Dosimetry is presented as continuing operations in 2019 and the comparative income statement 2018 has been re-presented to present Dosimetry as continuing operations. The decision has no impact on the amounts of the financial position as presented in the 2018 annual report and therefore the net debt 2018 with Dosimetry segment is just indicative.

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Building a better working world

Independent auditor's report to the general meeting of Ion Beam Applications SA for the year ended 31 December 2019

As required by law and the Company's articles of association, we report to you as statutory auditor of Ion Beam Applications SA (the "Company") and its subsidiaries (together the "Group"). This report includes our opinion on the statement of consolidated financial position as at 31 December 2019, the consolidated income statement, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year ended 31 December 2019 and the disclosures (all elements together the "Consolidated Financial Statements") as well as our report on other legal and regulatory requirements. These two reports are considered one report and are inseparable.

We have been appointed as statutory auditor by the shareholders' meeting of 10 May 2017, in accordance with the proposition by the Board of Directors following recommendation of the Audit Committee and following recommendation of the workers' council. Our mandate expires at the shareholders' meeting that will deliberate on the Consolidated Financial Statements for the year ending 31 December 2019. We performed the audit of the Consolidated Financial Statements of the Group during 14 consecutive years.

Report on the audit of the Consolidated Financial Statements

Unqualified opinion

We have audited the Consolidated Financial Statements of Ion Beam Applications SA, that comprise of the statement of consolidated financial position on 31 December 2019, the consolidated income statement, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement of the year and the disclosures, which show a consolidated balance sheet total of thousand € 425.111 and of which the consolidated income statement shows a profit for the year of thousand € 7.610.

In our opinion, the Consolidated Financial Statements give a true and fair view of the consolidated net equity and financial position as at 31 December 2019, and of its consolidated results for the year then ended, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union ("IFRS") and with applicable legal and regulatory requirements in Belgium.

Basis for the unqualified opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the Consolidated Financial Statements" section of our report.

We have complied with all ethical requirements that are relevant to our audit of the Consolidated Financial Statements in Belgium, including those with respect to independence.

We have obtained from the Board of Directors and the officials of the Company the explanations and information necessary for the performance of our audit and we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other statement

We draw your attention to the disclosures of the Consolidated Financial Statements with regards to the consequences of the measures taken relating to the Covid-19 virus on the Company. The situation changes on a daily basis and inherently gives rise to uncertainty. The impact of these developments on the Company is disclosed in the note 34 "Events after the financial position date" to the Consolidated Financial Statements. Our opinion is not modified in respect of this matter.

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 reporting 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 consequently we do not provide a separate opinion on these matters.

Revenue recognition on long-term contracts

Description of the key audit matter

The Group applies the percentage-of-completion ("POC") method in determining revenue and cost recognition for its Proton therapy long-term contracts. For these contracts, management has to estimate the completion of the contract work, which is used to measure the POC for the recognition of contract revenue.

Significant judgements are used to estimate the POC and total contract costs. In making these estimates, management has relied on the expertise of the Group's experts to determine the progress of the contract and also on past experience of completed projects and industry practices.

The nature of these judgements result in them being susceptible to management bias, and inaccuracy in estimating POC and total contract costs can have a significant effect on the Consolidated Financial Statements.

We have considered this to be a key audit matter as significant judgements are involved in estimating the POC and total contract costs.

Summary of the procedures performed

- Updated our understanding of the revenue recognition process.
- Analyzed sales contracts characteristics and ensured specific financial impacts have been identified and addressed by management.
- Reviewed significant components of estimated total contract costs and revenues for a sample of projects and challenged the completeness and accuracy of total contract costs estimated by management by comparing the total contract costs for selected ongoing projects to similar projects.
- Evaluated management's estimations of total expected costs per project by comparing initial to actual total expected costs.
- Traced significant actual costs incurred for selected contracts to the relevant supporting documents to ensure that the costs are directly attributable to the contracts tested.
- Assessed the correct application of the POC method.
- Performed detailed analytical review procedures by comparing results on these contracts with prior year.

Asset held for Sale and Discontinued Operations

Description of the key audit matter

In 2018, following the decision to initiate a sale process for the Dosimetry segment, management had presented and classified the 2018 results for this segment as "results from discontinued operations" in accordance with IFRS 5. On the balance sheet, all assets and liabilities of the segment had been presented and classified as "Assets and liabilities held for sale".

In 2019, RadioMed Corporation, one of the entities in the Dosimetry segment, was sold and management has also decided to no longer sell the other entities in the Dosimetry segment (IBA Dosimetry GMBH and IBA Dosimetry America Inc).

Given the decisions of 2018 and the developments observed in 2019, we believe that the classification and presentation of the assets and liabilities of the Dosimetry segment on the balance sheet and of the results of the activities carried out in the income statement is a key point of the account audit. given the specific requirements of IFRS and the significant impact of this presentation on the balance sheet and in the income statement.

Summary of the procedures performed

- Evaluate, in accordance with IFRS 5, the consequences on the presentation of the Consolidated Financial Statements of management's decision to no longer sell the Dosimetry segment.
- Evaluate, in accordance with IFRS 5, the consequences on the presentation of the Consolidated Financial Statements resulting from the disposal of RadioMed Corporation.

- Assess whether management has included the required adjustments when assets cease to be classified as held for sale because the criteria of IFRS 5 are no longer applicable.
- Assess the appropriateness and completeness of the information included in Note 6 to the Consolidated Financial Statements in accordance with IFRS 5.

Responsibilities of the Board of Directors for the preparation of the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the Consolidated Financial Statements that give a true and fair view in accordance with IFRS and with applicable legal and regulatory requirements in Belgium and for such internal controls relevant to the preparation of the Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of Consolidated Financial Statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, and provide, if applicable, information on matters impacting going concern, The Board of Directors should prepare the financial statements using the going concern basis of accounting, unless the Board of Directors either intends to liquidate the Company or to cease business operations, or has no realistic alternative but to do so.

Our responsibilities for the audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance whether the Consolidated Financial Statements are free from material misstatement, whether due to fraud or error, and to express an opinion on these Consolidated Financial Statements based on our audit. Reasonable assurance is a high level of assurance, but not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and 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.

As part of an audit in accordance with ISAs, we exercise professional judgment and we maintain professional skepticism throughout the audit. We also perform the following tasks:

- identification and assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, the planning and execution of audit procedures to respond to these risks and obtain audit evidence which is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting material misstatements resulting from fraud is higher than when such misstatements result from errors, since fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining insight in the system of internal controls that are relevant for the audit and with the objective to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluating the selected and applied accounting policies, and evaluating the reasonability of the accounting estimates and related disclosures made by the Board of Directors as well as the underlying information given 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 or not a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's or 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 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 audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company to cease to continue as a going-concern;
- evaluating the overall presentation, structure and content of the Consolidated Financial

Statements, and evaluating whether the Consolidated Financial Statements reflect a true and fair view of the underlying transactions and events.

We communicate with the Audit Committee within the Board of Directors 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.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the audits of the subsidiaries. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities.

We provide the Audit Committee within the Board of Directors 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 within the Board of Directors, 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 report, unless the law or regulations prohibit this.

Report on 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 Board of Directors' report on the Consolidated Financial Statements, the non-financial information attached to the Board of Directors' report, and other information included in the annual report.

Responsibilities of the auditor

In the context of our mandate and in accordance with the additional standard to the ISAs applicable in Belgium, it is our responsibility to verify, in all material respects, the Board of Directors' report on the Consolidated Financial Statements, the non-financial information attached to the Board of Directors' report, and other information included in the annual report, as well as to report on these matters.

Aspects relating to Board of Directors' report and other information included in the annual report

In our opinion, after carrying out specific procedures on the Board of Directors' report, the Board of Directors' report is consistent with the Consolidated Financial Statements and has been prepared in accordance with article 3:32 of the Code of companies and associations. (former article 119 of the Belgian Company code).

In the context of our audit of the Consolidated Financial Statements, we are also responsible to consider whether, based on the information that we became aware of during the performance of our audit, the Board of Directors' report and other information included in the annual report, contain any material inconsistencies or contains information that is inaccurate or otherwise misleading. In light of the work performed, there are no material inconsistencies to be reported. In addition, we do not provide any assurance regarding the Board of Directors' report and other information included in the annual report.

The non-financial information required by article 3:32, § 2 of the Companies and Associations Code is included in different sections of the annual report and is the subject of an index annexed to the annual report. For the preparation of this non-financial information, the Group used the "GRI Standards" reference framework. We do not however rule on the question of whether this non-financial information is established in all material respects in accordance with the aforementioned "GRI Standards" frame of reference. In addition, we do not express any assurance on individual elements included in this non-financial information.

Independence matters

Our audit firm and our network have not performed any services that are not compatible with the audit of the Consolidated Financial Statements and have remained independent of the Company during the course of our mandate.

The fees related to additional services which are compatible with the audit of the Consolidated Financial Statements as referred to in article 3:65 of the Code of companies and associations were duly itemized and valued in the notes to the Consolidated Financial Statements.

Other communications

This report is consistent with our supplementary declaration to the Audit Committee as specified in article 11 of the regulation (EU) nr. 537/2014.

Diegem, 30 April 2020

EY Bedrijfsrevisoren BV
Statutory auditor
Represented by

Vincent Etienne *
Partner
*Acting on behalf of a BV/SRL

Ref.: 20VE0072

IBA SA

ANNUAL FINANCIAL STATEMENT

In accordance with section 3:17 of the Belgian Companies & Associations' Code, the following statements represent a condensed version of the annual financial statements. The full text is available on request from the headquarters of the Company and will be filed with the National Bank of Belgium. This condensed version does not contain all the appendixes or the auditor's report, who expressed an unqualified opinion.

ASSETS (EUR 000)	2018	2019
FIXED ASSETS	**135 929**	**139 611**
Formation expenses	**0**	**0**
Intangible fixed assets	**38 750**	**36 456**
Tangible fixed assets	**29 921**	**30 407**
Land and buildings	9 402	10 761
Plant, machinery, and equipment	4 542	3 738
Furniture and vehicles	1 812	2 030
Leases and similar rights	13 826	13 404
Assets under construction and advance payments	340	473
Financial assets	**67 258**	**72 747**
Affiliated companies	58 184	54 674
Other investments	0	9 033
Others financial assets	9 074	9 040
CURRENT ASSETS	**302 805**	**314 602**
Accounts receivable in more than one year	**12 248**	**13 384**
Inventories and contracts in progress	**127 600**	**113 068**
Inventories	73 524	62 468
Contracts in progress	54 076	50 599
Accounts receivable within one year	**129 332**	**142 717**
Trade receivables	118 169	125 585
Other receivables	11 163	17 133
Investments	**621**	**580**
Cash at bank and in hand	**26 118**	**33 304**
Deferred charges and accrued income	**6 885**	**11 550**
TOTAL ASSETS	**438 734**	**454 213**

LIABILITIES AND EQUITY (EUR 000)	2018	2019
SHAREHOLDERS' EQUITY	**119 326**	**175 011**
Capital stock	**42 278**	**42 294**
Capital surplus	**41 863**	**41 978**
Reserves	**4 960**	**5 012**
Legal reserve	4 177	4 229
Reserves not available for distribution	580	580
Untaxed reserves	203	203
Retained earnings	**26 608**	**80 073**
Capital grants	**3 617**	**5 654**
PROVISIONS AND DEFERRED TAXES	**6 080**	**6 509**
LIABILITIES	**313 327**	**272 693**
Accounts payable in more than one year	**129 269**	**154 167**
Financial debts	43 257	44 912
Advances received on contracts in progress	70 122	96 162
Other accounts payable	15 890	13 093
Accounts payable within one year	**177 513**	**114 779**
Financial debts - current portion of long-term financial debts	7 098	4 009
Financial debts – current	86 141	10 678
Trade debts	60 235	49 873
Advances received on contracts in progress	7 950	32 161
Current tax and payroll liabilities	15 250	15 284
Other accounts payable	840	2 774
Accrued charges and deferred income	**6 544**	**3 747**
TOTAL LIABILITIES	**438 734**	**454 213**

INCOME STATEMENT (EUR 000)	2018	2019
Operating income	**262 953**	**276 802**
Turnover	167 799	192 924
Work in progress, finished goods and contracts in progress	12 326	-11 842
Capitalized production	30 894	34 442
Other operating income	51 934	56 279
Other extraordinary income	0	5 000
Operating expenses (-)	**-271 709**	**-284 369**
Raw materials, consumables, and goods for resale	-74 773	-70 433
Services and other goods	-89 549	-97 255
Salaries, social security, and pensions	-63 664	-67 586
Depreciation and write-offs on fixed assets	-38 622	-40 034
Increase/(Decrease) in write-downs on inventories, work in progress, and trade debtors	-3 362	-2 404
Provisions for liabilities and charges	508	-766
Other operating expenses	-1 461	-3 595
Other extraordinary expenses	-785	-2 297
Operating profit/loss)	**-8 756**	**-7 567**
Financial income	**15 690**	**71 756**
Income from financial assets	7 000	15 937
Income from current assets	525	2 451
Other financial income	8 165	4 018
Extraordinary financial income	0	49 350
Financial expenses (-)	**-10 830**	**-8 189**
Interest expense	-3 215	-2 658
Amounts written off on current assets other than inventories, work in progress and trade debtors - increase (decrease)	0	0
Other financial charges	-7 615	-5 531
Extraordinary financial expenses (-)	0	0
Profit/(loss) for the period before taxes	**-3 896**	**55 999**
Income taxes (-) (+)	-769	-197
Profit/(loss) for the period	**-4 665**	**55 802**
Transfers to tax free reserves (-)	**0**	**0**
Profit/(loss) for the period available for appropriation	**-4 665**	**55 802**

APPROPRIATION OF RESULTS (EUR 000)	2018	2019
Profit/(Loss) to be appropriated	**26 608**	**82 410**
Profit/(loss) for the period available for appropriation	-4 665	55 802
Profit/(Loss) carried forward	31 273	26 608
Transfers to capital and reserves	**0**	**0**
On capital stock and capital surplus	0	0
From reserves	0	0
Appropriations to capital and reserves	**0**	**0**
To capital stock and capital surplus	0	0
To legal reserve	0	52
To other reserves	0	0
Profit/(Loss) to be carried forward	**26 608**	**80 073**
Profit to distribute	**0**	**2 285**
Dividends	0	2 285

STATEMENT OF CAPITAL (EUR 000)	2018 Amount (EUR 000)	2018 Number of shares	2019 Amount (EUR 000)	2019 Number of shares
Capital				
1. Issued capital				
At the end of the previous financial year	**42 053**		**42 278**	
Changes during the financial year	225	160 282	16	11 392
At the end of the current financial year	**42 278**		**42 294**	
2. Structure of the capital				
2.1. Categories of shares				
• Ordinary shares without designation of face value	24 277	17 420 039	24 293	17 431 431
• Ordinary shares without designation of face value with WPR strips	18 001	12 702 489	18 001	12 702 489
2.2. Registered or bearer shares				
• Registered shares		8 134 075		8 145 467
• Bearer shares		21 988 453		21 988 453
Own shares held by				
• The Company itself	90	63 519	90	63 519
• Its subsidiaries	858	610 852	858	610 852
Stock issue commitments				
Following exercise of share options				
• Number of outstanding share options		198 500		187 108
• Amount of capital to be issued	279		263	
Maximum number of shares to be issued		198 500		187 108
Amount of non-issued authorized capital	**0**		**0**	

GENERAL INFORMATION

CORPORATE NAME

Ion Beam Applications SA, abbreviated IBA SA.

Following a resolution of the Extraordinary General Meeting of the Company's shareholders held on March 10, 2020, Article 1 of the articles of association has been amended and now reads as follows:

"Article 1:

The Company takes the form of a public limited liability company (société anonyme). The legal name of the Company is "Ion Beam Applications", abbreviated "IBA"."

REGISTERED OFFICE

Chemin du Cyclotron, 3; B-1348 Louvain-la-Neuve, Belgium; enterprise number VAT BE0428.750.985, Register of Legal Entities (RLE) of the Walloon Brabant.

DATE, FORM AND PERIOD OF INCORPORATION

IBA was incorporated for an indefinite period on March 28, 1986 as a limited liability company (*société anonyme*) under Belgian law. IBA is a listed company in the meaning of section 1:11 of the Belgian Companies & Associations Code.

CORPORATE PURPOSE (ARTICLE 3 OF THE ARTICLES OF ASSOCIATION)

The purpose of the Company is to engage in research and development and to acquire intellectual property rights with a view to the operation, manufacturing, and marketing of applications and equipment in the field of applied physics. It may carry out financial, commercial and industrial transactions, and all transactions involving movable or immovable property, relating directly or indirectly to its corporate purpose. It may acquire an interest, by contribution, merger, purchase of shares, or any other means, in companies, partnerships, or corporations whose purpose is similar, comparable, related, or useful to the achievement of its corporate purpose in whole or in part.

Furthermore, following a resolution of the Extraordinary General Meeting of the Company's shareholders held on March 10, 2020, Article 3 of the Company's articles of association has been amended to add the following two indents at its end:

- *''The Company's goals include the fact of having, in the framework of its business, a significant positive impact on all of its stakeholders, including the patients, the shareholders, the employees, the clients, the society and the planet''*
- *''The Company is managed taking into account the interests of all those stakeholders, with respect for the natural balance of life cycles and for present and future generations, and by optimally reducing the potentially negative environmental and societal impacts."*

CONSULTATION OF CORPORATE DOCUMENTS

The Company's statutory and consolidated statements are filed with the National Bank of Belgium. Copies of the Company's consolidated articles of incorporation, its annual and semi-annual reports, and all other shareholder documentation may be obtained at the Company's website (www.iba-worldwide.com) or by shareholder's request to the Company's registered office.

CAPITAL

As at December 31, 2019, IBA's share capital amounted to EUR 42 294 182.30 and was represented by 30 133 920 fully paid-up shares with no face value.

In September 2011, the Company issued 1 487 000 stock options for Group employees (the "**2011 Plan**"). They allow the beneficiary to purchase a new share at EUR 5.03 (EUR 5.42 for determined persons) following certain procedures during specific periods between January 1, 2015 and September 30, 2017.

As at December 31, 2018, there were zero outstanding stock options of this 2011 Plan.

In September 2012, the Company issued 870 000 stock options for Group employees (the "**2012 Plan**"). They allow the beneficiary to purchase a new share at EUR 4.78 following certain procedures during specific periods between January 1, 2016 and September 30, 2018.

As at December 31, 2017, there were 161 116 outstanding stock options of this 2012 Plan.

The following exercises of these stock options were recorded by notarial deed in 2018: 28 104 stock options exercised on 19/04/2018, 793 stock options were cancelled on 19/04/2018, 131 282 stocks options were exercised on 28/11/2018 and 937 stocks options were cancelled on 28/11/2018.

As at December 31, 2018, there were zero outstanding stock options of this 2012 Plan.

In June 2014, the Company issued 250 000 stock options for the Group management (the "**2014 Plan**"). They allow the beneficiary to purchase a new share at EUR 11.52 following certain procedures during specific periods, i.e. between January 1, 2019 and June 30, 2024.

As at December 31, 2018, there were 178 500 outstanding stock options of this 2014 Plan.

In 2019, 11 392 of these stock options were exercised (more specifically on December 6, 2019).

As at December 31, 2019, there were 167 608 outstanding stock options of this 2014 Plan.

In December 2015, the Company issued 50 000 stock options for the Group management (the "**2015 Plan**"). They allow the beneficiary to purchase a new share at EUR 31.84 following certain procedures between January 1, 2019 and June 30, 2024.

IBA decided on August 26, 2015 to render the current SOPs exercisable on a continued period (outside of anti-insider dealing blackout periods and outside of any additional technical black out period) as from October 1st, 2015.

All stock options may also be exercised in the event of a takeover bid on IBA or of an increase of shareholders' equity with preemptive rights.

As at December 31, 2019, there were 20 000 outstanding stock options of this 2015 Plan.

AUTHORIZED SHARE CAPITAL

As at December 31, 2019, the Company had no authorized share capital.

However, the Extraordinary General Meeting held on March 10, 2020 decided to authorize the Board of Directors to increase the Company's share capital, within the limits, terms and conditions set out in the decision of such EGM.

PATENTS AND TECHNOLOGIES

IBA is careful to patent all aspects of its technology for which a patent provides a commercial advantage.

In addition, the Company has maintained the secrecy of a significant portion of its know-how that is not patentable or for which the Company believes secrecy is more effective than publication in a patent application. More fundamentally, the Company believes that the best way to protect itself from its competitors is not only by patenting its inventions, but by maintaining its technological lead.

IBA also licenses patents from third parties and pays royalties to them.

LICENSING AND COOPERATION AGREEMENTS

IBA has licensing agreements involving various aspects of its technology. Listing and explaining the nature and terms of these licensing agreements falls beyond the scope of this annual report. These agreements cover, for example, certain aspects of its particle accelerator technology and a number of components of its proton therapy equipment.

FIVE-YEAR CAPITAL HISTORY

OPERATION	Number of new shares	Total number of shares	Variation (∆)	Amount
26/02/2015 Exercise of options under 2006 plan	38.287	28 432 091	53 751.12	39 905 531.82
26/02/2015 Exercise of options under 2006 plan (det pers)	800	28 432 891	1 123.12	39 906 654.94
26/02/2015 Exercise of options under 2009 plan	45.237	28 478 128	63 499.18	39 970 154.12
26/02/2015 Exercise of options under 2010 plan	49.528	28 527 656	69 522.45	40 039 676.57
26/02/2015 Exercise of options under 2011 plan	99.408	28 627 064	139 519.13	40 179 195.70
26/02/2015 Exercise of options under 2011 plan (det pers)	26.456	28 653 520	37 131.00	40 216 326.69
27/05/2015 Exercise of options under extended 2006 plan (det pers)	3.000	28 656 520	4 211.70	40 220 538.39
27/05/2015 Exercise of options under extended 2006 plan	34 205	28 690 725	48 020.40	40 268 558.79
27/05/2015 Exercise of options under extended 2007 plan	13 119	28 703 844	18 415.14	40 286 973.93
27/05/2015 Exercise of options under 2009 plan	141 435	28 845 279	198 532.31	40 485 506.24
27/05/2015 Exercise of options under 2010 plan	65 579	28 910 858	92 053.24	40 577 559.48
27/05/2015 Exercise of options under 2011 plan	72 340	28 983 198	101 529.19	40 679 088.67
27/05/2015 Exercise of options under 2011 plan (det pers)	34 232	29 017 430	48 044.61	40 727 133.28
31/08/2015 Exercise of options under extended 2006 plan (det pers)	3 000	29 020 430	4 211.70	40 731 344.98
31/08/2015 Exercise of options under extended 2006 plan	6 500	29 026 930	9 125.35	40 740 470.33
31/08/2015 Exercise of options under extended 2007 plan (det pers)	3 000	29 029 930	4 211.10	40 744 681.43
31/08/2015 Exercise of options under extended 2007 plan	5 349	29 035 279	7 508.39	40 752 189.82
31/08/2015 Exercise of options under 2009 plan	19 456	29 054 735	27 310.39	40 779 500.21
31/08/2015 Exercise of options under 2010 plan	5 507	29 060 242	7 730.18	40 787 230.38
31/08/2015 Exercise of options under 2011 plan	14 435	29 074 677	20 259.52	40 807 489.91
18/12/2015 Exercise of options under extended 2006 plan	8 750	29 083 427	12 284.13	40 819 774.04
18/12/2015 Exercise of options under extended 2007 plan	3 454	29 086 881	4 848.38	40 824 622.41
18/12/2015 Exercise of options under 2009 plan	20 328	29 107 209	28 534.41	40 853 156.83
18/12/2015 Exercise of options under 2010 plan	1 441	29 108 650	2 022.73	40 855 179.56
18/12/2015 Exercise of options under 2011 plan	6 417	29 115 067	9 006.26	40 864 185.82
22/04/2016 Exercise of options under 2007 plan (det pers prolonged)	3 993	29 119 060	5 604.97	40 869 790. 79
22/04/2016 Exercise of options under 2007 plan (prolonged)	23 656	29 142 716	33 205.93	40 902 996.72
22/04/2016 Exercise of options under 2010 plan	97 925	29 240 641	137 457.32	41 040 454.04
22/04/2016 Exercise of options under 2011 plan (det pers)	14 577	29 255 218	20 458.82	41 060 912.86
22/04/2016 Exercise of options under 2011 plan (empl)	109 472	29 364 690	153 643.95	41 214 556.81
22/04/2016 Exercise of options under 2012 plan	159 194	29 523 884	223 428.78	41 437 985.59
20/09/2016 Exercise of options under 2007 plan (det pers prolonged)	664	29 524 548	932.06	41 438 917.65
20/09/2016 Exercise of options under 2007 plan (prolonged)	1 879	29 526 427	2 637.55	41 441 555.20
20/09/2016 Exercise of options under 2010 plan	23 174	29 549 601	32 529.34	41 474 084.54
20/09/2016 Exercise of options under 2011 plan (det pers)	2 000	29 551 601	2 807.00	41 476 891.54
20/09/2016 Exercise of options under 2011 plan (empl)	5 586	29 557 187	7 839.95	41 484 731.49
20/09/2016 Exercise of options under 2012 plan	28 516	29 585 703	40 022.21	41 524 753.70
15/12/2016 Exercise of options under 2007 plan	8 812	29 594 515	12 369.40	41 537 123.10
15/12/2016 Exercise of options under 2010 plan	21 407	29 615 922	30 049.01	41 567 172.11
15/12/2016 Exercise of options under 2011 plan (det pers)	14 639	29 630 561	20 545.84	41 587 717.95
15/12/2016 Exercise of options under 2011 plan (empl)	100 080	29 730 641	140 462.28	41 728 180.23
15/12/2016 Exercise of options under 2012 plan	33 755	29 764 396	47 375.14	41 775 555.37
21/04/2017 Exercise of options under 2011 plan (det pers)	12 595	29 776 991	17 677.08	41 793 232.40
21/04/2017 Exercise of options under 2011 plan (empl)	35 266	29 812 257	49 495.83	41 842 728.28
21/04/2017 Exercise of options under 2012 plan	40 292	29 852 549	56 549.82	41 899 278.10
22/08/2017 Exercise of options under 2011 plan (empl)	16 128	29 868 677	22 635.65	41 921 913.75
22/08/2017 Exercise of options under 2012 plan	11 574	29 880 251	16 244.11	41 938 157.86
17/11/2017 Exercise of options under 2011 plan (det pers)	16 029	29 896 280	22 496.70	41 960 654.56
17/11/2017 Exercise of options under 2011 plan (empl)	17 582	29 913 862	24 676.34	41 985 330.90
17/11/2017 Exercise of options under 2012 plan	48 384	29 962 246	67 906.94	42 053 237.84
19/04/2018 Exercise of options under 2012 plan (empl)	29 000	29 991 246	1 257.54	42 054 495.38
28/11/2018 Exercise of options under 2012 plan (empl)	125 275	30 116 521	39 443.96	42 093 939.34
28/11/2018 Exercise of options under 2012 plan (det pers)	6 007	30 122 528	184 254.29	42 278 193.63
03/12/2019 Exercise of options under 2014 plan (empl)	11 392	30 133 920	15 988.67	42 294 182.30

THE STOCK MARKET AND THE SHAREHOLDERS

IBA STOCK'

IBA stock is listed on the Euronext Brussels continuous market (Compartment B since January 17, 2013). It was introduced on the Stock Exchange on June 22, 1998 at a price of EUR 11.90 (adjusted for a 5 to 1 split in June 1999).

IBA stock closed at EUR 13.04 on December 31, 2019.

The total number of outstanding stock options as at December 31, 2019 amounts to 187 108. There are no convertible bonds or bonds with warrants outstanding as at 31 December 2019.

Situation as at	December 31, 2019 Non diluted		December 31, 2019 Fully diluted	
Entity	**Number of shares**	**%**	**Number of shares**	**%**
Belgian Anchorage SC [1]	6 204 668	20.59%	6 204 668	20.46%
IBA Investments SC [2]	610 852	2.03%	610 852	2.01%
IBA SA	63 519	0.21%	63 519	0.21%
UCL	426 885	1.42%	426 885	1.41%
Sopartec SA	180 000	0.60%	180 000	0.59%
SRIW SA	704 491	2.34%	704 491	2.32%
SFPI SA	58 200	0.19%	58 200	0.19%
Belfius Insurance SA	903 754	3.00%	903 754	2.98%
Institut des Radioéléments FUP	1 423 271	4.72%	1 423 271	4.69%
Capfi Delen Asset Management N.V.	40 000	0.13%	40 000	0.13%
Norges Bank Investment Management	1 409 069	4.68%	1 409 069	4.65%
Kempen Capital Management NV.	875 388	2.90%	875 388	2.89%
Subtotal	**12 900 097**	**42.81%**	**12 900 097**	**42.55%**
Public	17 233 823	57.19%	17 420 931	57.45%
Total	**30 133 920**	**100.00%**	**30 321 028**	**100.00%**

[1] Belgian Anchorage is a company established and wholly owned by IBA Management and a number of IBA employees.
[2] IBA Investments is a second-tier subsidiary of IBA SA.

SHAREHOLDERS' SCHEDULE

Interim statements, first quarter 2020	May 13, 2020
2019 Annual Shareholders' Meeting	June 10, 2020
Publication of the half-yearly results as of June 30, 2020	August 27, 2020
Interim statements, third quarter 2020	November 19, 2020

STOCK MARKET PRICES

GRI

APPENDIX

This appendix provides additional information as referred in the GRI Content Index

GRI DISCLOSURE ADDITIONAL INFORMATION

102-13 MEMBERSHIP OF ASSOCIATIONS

IBA is a member of ASTRO (corporate membership) and ESTRO (gold membership), two major associations in the field of radiotherapy, in the United States and Europe. IBA is also a member of the EANM, European Association of Nuclear Medicine and the iiA, an organization which aims to support the global irradiation industry and scientific community. IBA is a member of the Belgian association The Shift, leading the Belgian sustainable development network. IBA develops synergies in both Belgium and the United States and collaborates with numerous associations that aim to promote employment, education and awareness in relation to proton therapy.

102-15 KEY IMPACTS, RISKS, AND OPPORTUNITIES

An internal procedure is in place to document the responsibilities and requirements for identifying environmental, health and safety hazards of the organization's activities, products or services, and for evaluating and controlling the associated risks and impacts. This management tool is used to assess environmental, health and safety risks and impacts. It also records the actions and control measures deployed by our various entities in the context of their continuous improvement process.

102-56 EXTERNAL ASSURANCE

To date, IBA has no ambition to seek external assurance for its sustainability report. This decision will be re-evaluated each year as our maturity evolves in terms of sustainable development reporting.

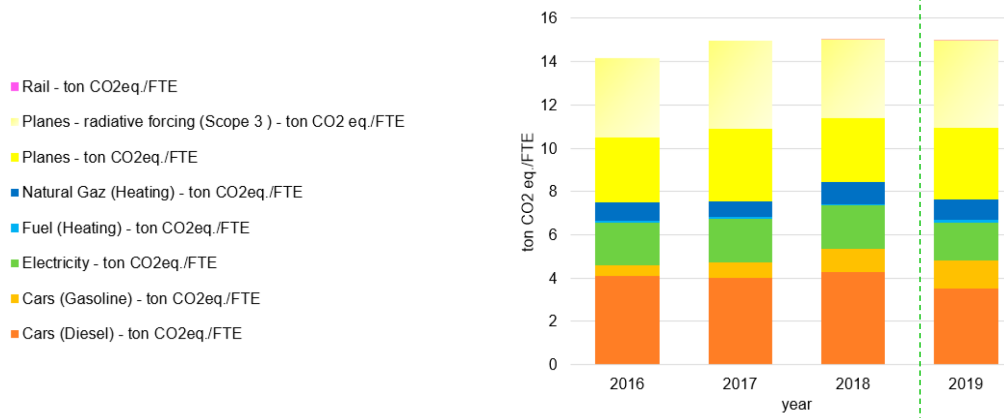
102-8 INFORMATION ON EMPLOYEES AND OTHER WORKERS

Employment Structure	Unit	2017	2018	2019
Group	#	1 518	1 451	1 466
Asia	%	8%	8%	10%
EMEA	%	72%	73%	71%
AM	%	20%	19%	18%
Part-time employees	%	7%	11%	8%
Temporary staff	#	5%	6%	5%
Diversity	**Unit**	**2017**	**2018**	**2019**
Nationalities – Group	#	55	50	56
Nationalities – Belgium	#	24	23	24
Group workforce under 30 years old	%	18	17	16
Group workforce between 30-49 years old	%	63	63	65
Group workforce 50 years old and older	%	18	19	18
Proportion of female employees	**Unit**	**2017**	**2018**	**2019**
in total workforce	%	25%	25%	26%
Asia	%	21%	24%	23%
EMEA	%	28%	27%	28%
AM	%	17%	16%	18%
in part time employees	%	70%	60%	72%

GRI DISCLOSURE ADDITIONAL INFORMATION

302-1 ENERGY CONSUMPTION WITHIN THE ORGANIZATION

IBA SA organization direct and indirect GHG emissions (Scope 1-2-3*)	Unit	2017	2018	2019
CO2 equivalent emissions - incl radiative forcing	t CO2e	9 700	9 700	9 800
CO2 equivalent emissions intensity - incl radiative forcing (per FTE)	t CO2e / FTE	15	15	15



CDP Score	txt	C	C	C

CO2eq emissions intensity remains stable in 2019

- Mobility (plane, car, train) being our main impact on the climate change at 81% of our GHG emissions
- Air transport ratio now represents 49% of the total impact
- Car transport has dropped down to 32% of the total impact, with a significant shift from diesel to gasoline within the fleet

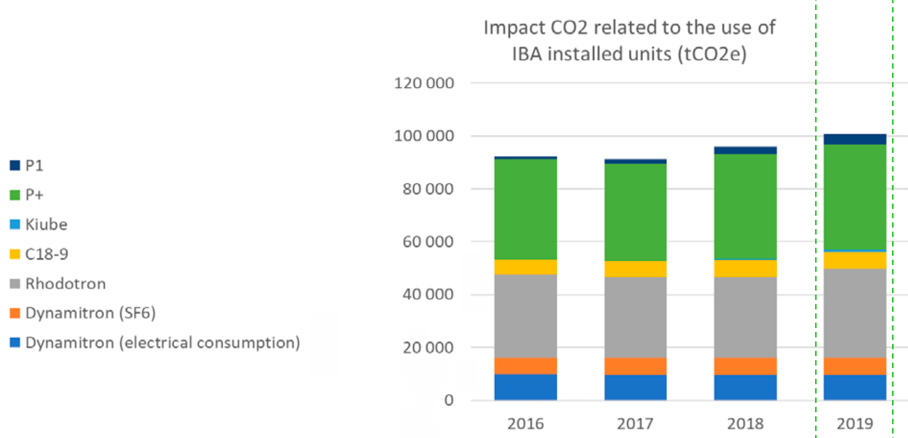
In 2019, IBA continued its policy of encouraging cleaner mobility alternatives:

- Discount for company cars with lower direct emissions (<60gCO2/km) (31 cars on a fleet of 501 cars by 31st December 2019)
- 100% reimbursement of public transportation
- Electric bike leasing with 0.2€/km reimbursement. 170 bikes in lease by 31st December 2019
- Contracts with our electricity suppliers 100% green energy contracts (however included in the figure above to monitor our consumption)

*Scope 3: included: car and heating fuel production, plane, rail and waste handling

302-2 ENERGY CONSUMPTION OUTSIDE OF THE ORGANIZATION

Installed base indirect greenhouse gas emissions GHG (Scope 3*)	Unit	2017	2018	2019
CO2 equivalent emissions	kt CO2e	91	96	101



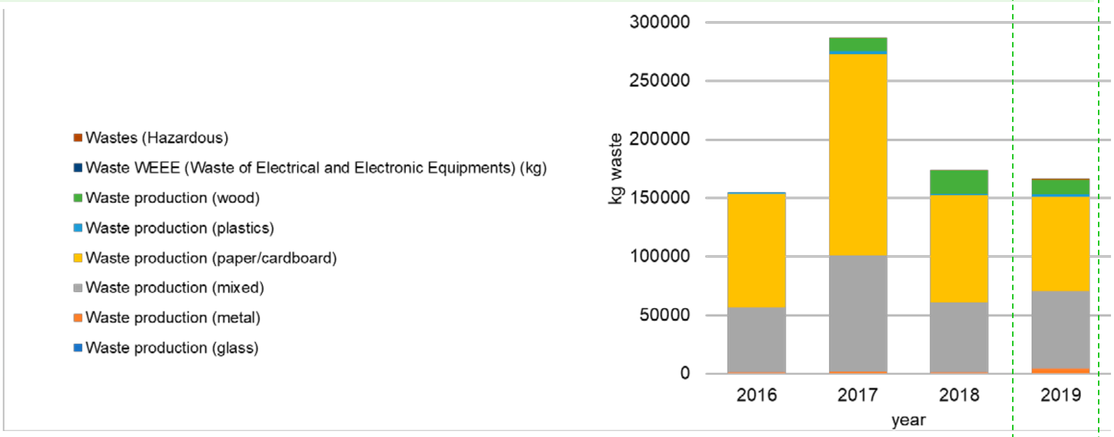
thereof PT	kt CO2e	38	43	44
thereof PT per IBA treated patient	t CO2e/patient	4,1	4,7	4,4

*Scope 3: analysis based on most impacting products, under maintenance contract

GRI DISCLOSURE ADDITIONAL INFORMATION

306-2 WASTE BY TYPE AND DISPOSAL METHOD

Waste and recycling (Belgian production site)	Unit	2017	2018	2019
Amount of waste	kg	286 593	173 754	166 425



Mixed (unsorted): ratio vs total	%	35%	35%	40%

In early 2020, we have set ourselves targets for reducing our unsorted waste intensity by a factor of 3 below 2018 levels by 2025 for our Belgian operations

403-2 EMPLOYEE HEALTH AND SAFETY

Engagement, Health and Safety	Unit	2017	2018	2019
Lost time accident cases	#	9	6	5
Lost time accident frequency rate	# LTA/million worked hours	3,5	2,6	2,4
Restricted work cases	#	4	2	2
Medical treatment cases	#	17	12	12
Total Recordable Incident Rate	# TRC/million worked hours	11,8	10,9	10,5
Attrition	%	4,3	7,4	6,8

Number of data privacy incidents: IBA did not record any breach of data privacy in 2019

416-2 COMFORT, QUALITY AND SAFETY OF OUR MEDICAL AND INDUSTRIAL SOLUTIONS

At IBA, we are constantly improving our products and quality management processes in order to offer the market complete, safe and efficient solutions. We train our clients and help the medical community to provide users and patients with reliable and safe treatments. In order to raise the quality of the product IBA delivers on the market we are ISO13485:2016, ISO9001:2015, MDSAP certified. There have been no material incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of IBA's products and services

GRI
CONTENT INDEX

This report has been prepared in accordance with the GRI Standards: Core option.
Period: 1 January 2019 to 31 December 2019

GRI 100 UNIVERSAL STANDARDS

GRI 102 GENERAL DISCLOSURES

1. ORGANIZATIONAL PROFILE

Disclosure	Disclosure Title	Cross reference, URL and/or information
102-1	Name of the organization	p173 AR2019 General information
102-2	Activities, brands products and/or services	p44 AR2019 Management report / review of IBA activity sectors
102-3	Location of headquarters	p173 AR2019 General information
102-4	Location of operations	p43 AR2019 Management report / highlights of the year
102-5	Ownership and legal form	p173 AR2019 General information
102-6	Markets served	p8 AR2019 Four business activities to Protect, Enhance and Save Lives p44 AR2019 Management report / review of IBA activity sectors
102-7	Scale of the organization	p5 AR2019 IBA in 2019 at a glance p43 AR2019 Management report / highlights of the year p82 AR2019 IFRS consolidated financial
102-8	Information on employees and other workers	p32 AR2019 A committed company p178 AR2019 GRI content appendix 102-8 p69 AR2019 Management report / corporate governance statement / diversity policy p81 AR2019 Management report / corporate governance statement / codes of conduct
102-9	Supply chain	p38 AR2019 A committed company / society / supply chain
102-10	Significant changes to the organization and its supply chain	p43 AR2019 Management report / highlights of the year p54 AR2019 Management report / significant acquisitions and divestments in 2019
102-11	Precautionary approach or principle	p54 AR2019 Management report / principal risks and uncertainties faced by the company
102-12	External initiatives	p8 AR2019 Four business activities to Protect, Enhance and Save Lives p37 AR2019 A committed company / society p39 AR2019 A committed company / planet
102-13	Membership of associations	p178 AR2019 GRI content Appendix 102-13

2. Strategy

Disclosure	Disclosure Title	Cross reference, URL and/or information
102-14	Statement from senior decision-maker	p5 AR2019 Message from Olivier Legrain
102-15	Key impacts, risks, and opportunities	p54 AR2019 Management report / principal risks and uncertainties faced by the company p37 AR2019 A committed company / society / supply chain p38 AR2019 A committed company / society / supply chainp39 AR2019 A committed company / planet p33 AR2019 A committed company / employees p178 AR2019 GRI content Appendix 102-15

3. Ethics and integrity

Disclosure	Disclosure Title	Cross reference, URL and/or information
102-16	Values, principles, standards and norms of behavior	p54 AR2019 Management report / principal risks and uncertainties faced by the company p81 AR2019 Management report / corporate governance statement / codes of conduct

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GRI 100 UNIVERSAL STANDARDS

4. GOVERNANCE

Disclosure	Disclosure Title	Cross reference, URL and/or information
102-18	Governance Structure	p61 AR2019 Management report / corporate governance statement

5. STAKEHOLDER ENGAGEMENT

Disclosure	Disclosure Title	Cross reference, URL and/or information
102-40	List of Stakeholder groups	p2 AR2019 About IBA
102-41	Collective bargaining agreements	p33 AR2019 A committed company / employees
102-42	Identifying and selecting stakeholders	p2 AR2019 About IBA p41 AR2019 A committed company / materiality
102-43	Approach to stakeholder engagement	p2 AR2019 About IBA p8 AR2019 Four business activities to Protect, Enhance and Save Lives p32 AR2019 A committed company p41 AR2019 A committed company / materiality
102-44	Key topics and concerns raised	p8 AR2019 Four business activities to Protect, Enhance and Save Lives p32 AR2019 A committed company p41 AR2019 A committed company / materiality

6. REPORTING PRACTICE

Disclosure	Disclosure Title	Cross reference, URL and/or information
102-45	Entities included in the consolidated financial statements	p83 AR2019 IFRS consolidated financial / introduction
102-46	Defining report content and topic Boundaries	p41 AR2019 A committed company / materiality
102- 47	List of material topics	p41 AR2019 A committed company / materiality
102-48	Restatements of information	p89 AR2019 IFRS consolidated financial / notes to consolidated financial statements
102-49	Changes in reporting	p41 AR2019 A committed company / materiality
102-50	Reporting period	p89 AR2019 IFRS consolidated financial / notes to consolidated financial statements
102-51	Date of most recent report	13.05.2019 Annual Report 2018
102-52	Reporting cycle	p89 AR2019 IFRS consolidated financial / notes to consolidated financial statements
102-53	Contact point for questions regarding the report	p184 AR2019 IBA Contact
102-54	Claims of reporting in accordance with the GRI Standards	AR2019 GRI standards: core option
102-55	GRI content index	p181 AR2019 GRI content index
102-56	External assurance	p178 AR2019 GRI content Appendix 102-56

GRI 103 MANAGEMENT APPROACH

Disclosure	Disclosure Title	Cross reference, URL and/or information
103-1	Explanation of the material topic and its Boundary	p8 AR2019 Four business activities to Protect, Enhance and Save Lives p32 AR2019 A committed company p41 AR2019 A committed company / materiality

GRI TOPIC SPECIFIC DISCLOSURES

GRI 200 ECONOMIC TOPIC DISCLOSURES

Disclosure	Disclosure Title	Cross reference, URL and/or information
205-3	Confirmed incidents of corruptions and actions taken	p54 AR2019 Management report / principal risks and uncertainties faced by the company
GRI 2016 – n/a	Profitability GRI 2016: 201 - Economic performance	p43 AR2019 Management report / highlights of the year AR2019 IFRS Consolidated Financial p82 AR2019 IFRS Consolidated Financial
GRI 2016 – n/a	Research and development	p8 AR2019 Four business activities to Protect, Enhance and Save Lives p43 AR2019 Management report / highlights of the year

GRI 300 ENVIRONMENTAL TOPIC DISCLOSURES

Disclosure	Disclosure Title	Cross reference, URL and/or information
302-1	Energy consumption within the organization	p39 AR2019 A committed company / planet p179 AR2019 GRI content Appendix 302-1
302-2	Energy consumption outside of the organization	p39 AR2019 A committed company / planet p179 AR2019_GRI content appendix 302-2
306-2	Waste by type and disposal method	p39 AR2019 A committed company / planet p180 AR2019 GRI content appendix 306-2

GRI 400 SOCIAL TOPIC DISCLOSURES

Disclosure	Disclosure Title	Cross reference, URL and/or information
403-2	Employee health and safety Occupational health and safety: Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities.	p180 AR2019 GRI content Appendix 403-2
412-2	Employees training on human rights policies and procedures	p33 AR2019 A committed company / employees p54 AR2019 Management report / principal risks and uncertainties faced by the company p81 AR2019 Management report / corporate governance statement / codes of conduct
416-2	Comfort, quality and safety of our medical and industrial solutions GRI 2016: 416 - Customer health and safety: Incidents of non-compliance concerning the health and safety impacts of products and services.	p8 AR2019 Four business activities to Protect, Enhance and Save Lives p43 AR2019 Management report / highlights of the year p180 AR2019 GRI Content Appendix 416-2
GRI 2016 – n/a	Affordability and accessibility of our solutions	p8 AR2019 Four business activities to Protect, Enhance and Save Lives p43 AR2019 Management report / highlights of the year
GRI 2016 – n/a	Awareness of proton therapy and thought leadership	p8 AR2019 Four business activities to Protect, Enhance and Save Lives
GRI 2016 – n/a	Satisfaction of customer: Customer's voice	p8 AR2019 Four business activities to Protect, Enhance and Save Lives

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