iba-worldwide.com

# PROTECT, ENHANCE AND SAVE LIVES

# NOTE

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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.

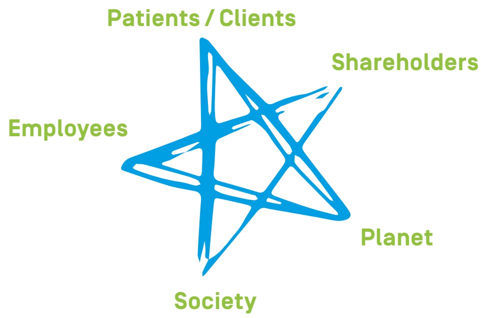
Through our four core activities: Industrial Solutions, RadioPharma Solutions, Proton Therapy and Dosimetry, we offer health care professionals the solutions that allow them to take a fully integrated approach to their patient care.

## How do we work?

At IBA, we believe that companies can be one of the most powerful levers for positive action on the world, 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.

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 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.




In 2020, we embedded this sustainability philosophy in our mission and decision-making process both at the Board and Management levels, making IBA one of the first listed Belgian companies to incorporate such a stakeholder approach into its articles of association.

## 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 products and 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 2020
## at a glance

| | | |
|---|---|---|
| **100 000+** patients treated on IBA PT equipment | **590+** accelerators sold | **5** continents |
| **4** business activities | **10%** of turnover invested in R&D | **40** countries |
| **1 528** employees | **60** PT centers sold | **53** Service contracts |
| **+10%** revenues in 2020 | **Score C** Awarded score C in the CDP project | |
| **56** nationalities | **25%** women | **42%** proton therapy market share |

"IBA is a leader in particle beam technology. Our purpose, which inspires and motivates our staff, is clear: to protect, improve and save more lives, every day, while creating value for all our stakeholders."

**Olivier Legrain**
Chief Executive Officer

# MESSAGE from Olivier Legrain

I am proud of the strong performance and resilience shown by IBA during a particularly challenging year. I would like to extend my sincere thanks to our teams for the incredible work they have done, and to express my gratitude to our partners and customers who have instilled their confidence in us during this challenging period.

Based on our 35 years of world-renowned expertise in particle beam technologies, IBA has developed four robust activities: Industrial Solutions, RadioPharma Solutions, Proton Therapy, and Dosimetry.

Our long-term strategy is to create sustainable growth and profitability by providing the best services to our customers, while embracing the values of a responsible corporate citizen. The roadmap we use to help achieve these goals in our four business areas is clear: capitalize on our market leading position, invest for strategic impact, and deliver operational execution in order to improve our margins.

The transformation of our business model that began several years ago continues with success. IBA's profitability is becoming increasingly based on recurring revenues supported by Proton Therapy service contracts, as well as revenue from our other areas of activity with shorter business cycles.

With new contracts on the horizon, the outlook for Proton Therapy is promising, however, we can also see that RadioPharma, Industrial and Dosimetry continue to prosper, with a good level of order intake.

Our financial results are backed by a healthy balance sheet and an excellent cash position with investment in R&D remaining a key aspect of our long-term growth plan.

The role of a company extends, however, far beyond that of maximizing its profits! Though it must of course reward its shareholders, its primary purpose is to satisfy its customers, to ensure the well-being of its employees and to work for the benefit of the community and the environment of which it is an integral part.

This social responsibility is reflected in all efforts to strike a fair balance between the company's stakeholders. We must consider their needs and interests in the way we operate and how we stand out from a business point of view. It is this consistency that helps us to fulfill the company's purpose, generating the profit necessary to make our business sustainable, and creating value for all our stakeholders.

During 2020, we have made further progress in our journey as a corporate citizen. In particular, we are working towards B-Corp certification, which highlights that IBA is working to build a more inclusive, sustainable economy in all its activities, whilst aiming for the highest levels of performance, transparency and reliability, both in social and environmental terms. This certification is not an end goal, however, it will allow us to identify our strengths and weaknesses and, in doing so, to set new objectives in the sphere of value creation in all aspects.

In the same token, we modified our company's articles of associations and our dividend policy to reinforce the commitment of our shareholders for the long term. We believe that this policy should allow IBA to remunerate its shareholders while protecting its resources and maintaining its ability to make strategic investments, in order to make the most of new opportunities. Starting in 2021, we intend to pay a stable, or slightly growing, dividend that acknowledges the fluctuations in our results and reflects the performance of our activities over the longer term.

On the back of our strong financial performance, the encouraging outlook for our four business units in the long term, and based on our vision of being a responsible corporate citizen, we look forward to the remainder of 2021 with confidence.

**Olivier Legrain**
Chief Executive Officer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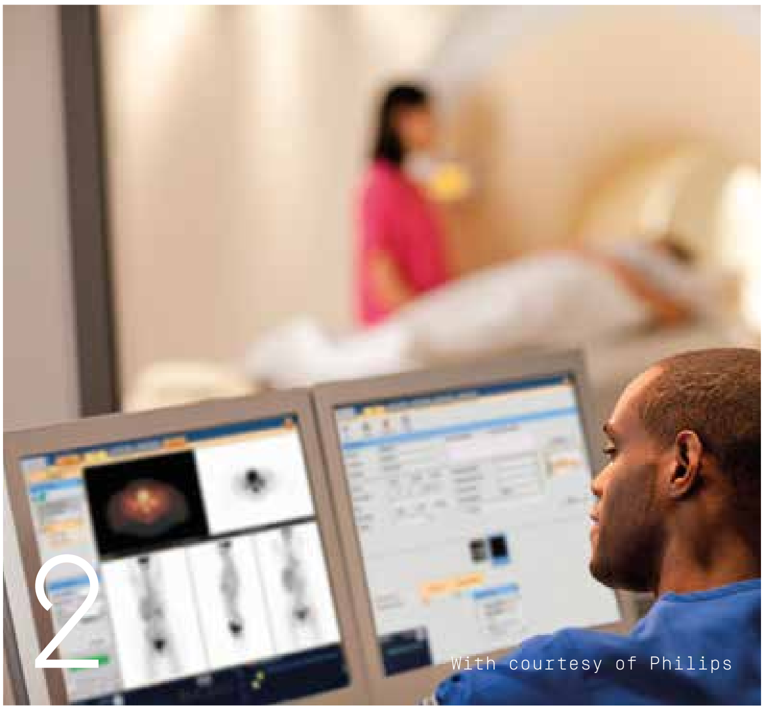

2
With courtesy of Philips


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 medical device sterilization. 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.

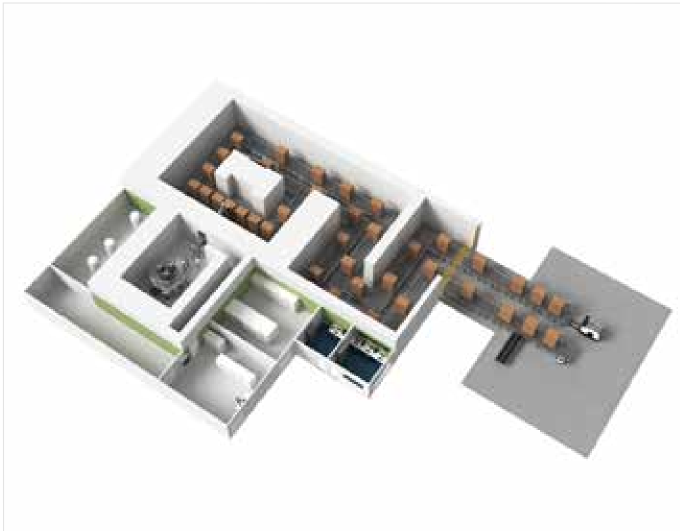
### 3 Treatment

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 applications and 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.

## Always on the cutting edge of innovation with advanced research programs

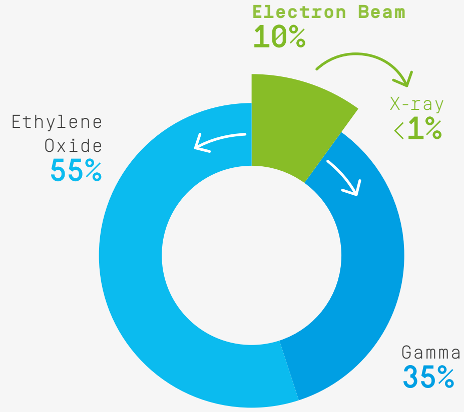
### E-beam and x-ray accelerators are increasingly the preferred choice

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 comercialized, 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 technologies. 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.

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, harmful 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.

## 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.

Due to the shutdown of several nuclear power plants, the supply of molybdenum-99, the most used radio-isotope for diagnosis in oncology or cardiology, was a major concern in the early 2010s. Several initiatives were thus launched around the world to find alternative ways to produce this critical isotope. One of them involves using high energy photons to create photonuclear reactions from molybdenum-100 metal disks.

It was in this context that the Rhodotron® TT300-HE project set up, after a discussion between IBA industrial and NorthStar, a US company which develops one of these alternatives and the chemistry modules needed to process molybdenum-99.

By producing Mo99 from the high-energy electrons of the Rhodotron®, our customer, NorthStar, will be able to avoid using uranium and provide an optimized way to deliver its decay product, technetium-99. The Rhodotron® -based solution will thus produce the most used radioisotope in a safer and cleaner way for the benefit of the nuclear medicine community and the planet.

This project is the result of combining IBA Industrial know-how and RadioPharma Solutions' network and expertise in medical applications, as both divisions are part of the IBA Group. The first machine was tested over a period of several months in one of our underground vaults and has now left the IBA factory to go to its final destination, in Wisconsin, USA.

The interest in the Rhodotron®-based solution has even grown recently. The emergence of theragnostics, - a new type of therapy combining therapy and diagnostic, - has created a high demand for new radio-isotopes such as copper-67 and actinium-225. Both isotopes can be produced with the Rhodotron® in a similar way to Mo99. Several projects are being studied.

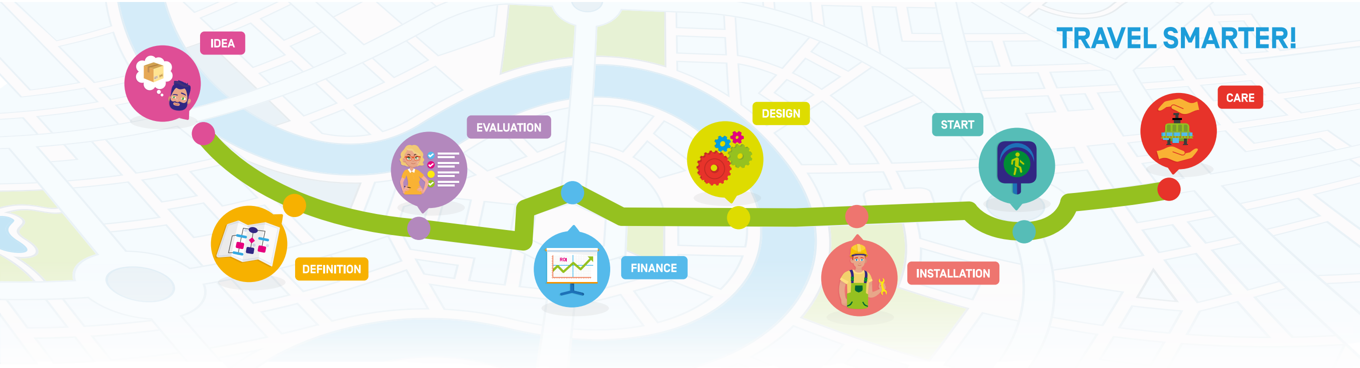
Rhodotron® TT300HE

## The customer at the heart of our solution

Because our customers are always our top priority, and because it is 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.

## 25th year of production with Rhodotron® at Studer Cables AG, Switzerland




## INDUXcenter – Industrial User Experience

As we are convinced that training our teams and our customers is the key to success, we have set up a high-tech training center on IBA's premises, equipped with real equipment used in the industry. This center will be made operational in several stages and we will be able to offer a wide range of training courses. The first stage aims at providing internal training for the team and started in autumn 2020.

This center offers many possibilities such as hands-on training with experienced trainers, remote assistance, production simulation with Beagle, the ability to operate a Rhodotron®, distance and face-to-face training, research and development, etc.

## Food irradiation

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.

The needs in this field are becoming more tangible and today we are positioning ourselves as active members of the food irradiation community by developing our solution dedicated to food and educating the market through symposiums and webinars.

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.

**"The Rhodotron® is really a powerful machine. The construction technology is compact, the performance is very high and the access for maintenance is user-friendly. The scope of application extremely varied. This is a useful advantage, especially for a service center. We can process products with a very low dose and products that require an extremely high dose in a single pass.**

**The Rhodotron® is an important unit in our service center, along with other accelerators in our plant.**

**Our 25-year-old control panel system is very easy to use and operate. An ingenious system with many different interlocks protects the machine. Many thanks from us to IBA for all the competent support and friendship over the last 25 years."**

**Martin Kohler**
Production Manager BETA Networking – Studer Cables AG

# 2 | RADIOPHARMA SOLUTIONS

With courtesy of Philips

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[1] (WHO) figures from 2020 indicate that 10 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[2] 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

1. https://gco.iarc.fr/today/data/factsheets/cancers/39-All-cancers-fact-sheet.pdf
1. https://www.cancerresearchuk.org/about-cancer/cancer-symptoms/why-is-early-diagnosis-important

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.

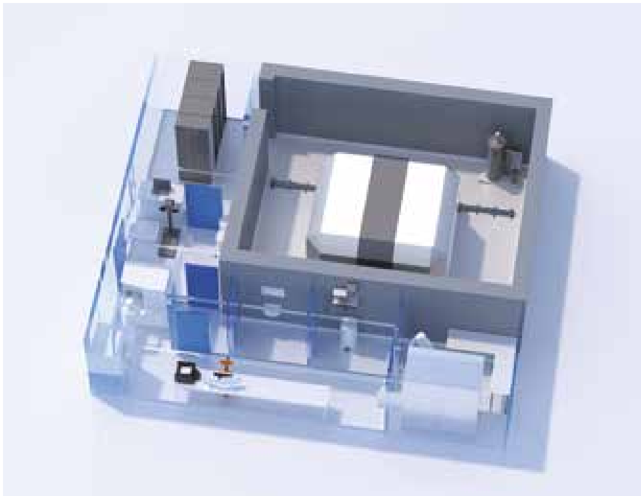
Finally, RadioPharma Solutions offers adjustable production solutions. The Cyclone® KIUBE produces the widest range of radioisotopes, enabling it to produce fluorodeoxyglucose (FDG, the most commonly used radiopharmaceutical for cancer diagnosis), Gallium-68 for the diagnosis of neuroendocrine tumors,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

**"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

**91.8%** IBA USERS SATISFACTION
Result of the Customer Satisfaction Survey Cyclotron 2019


Cyclone®KIUBE



IntegraLab®ONE

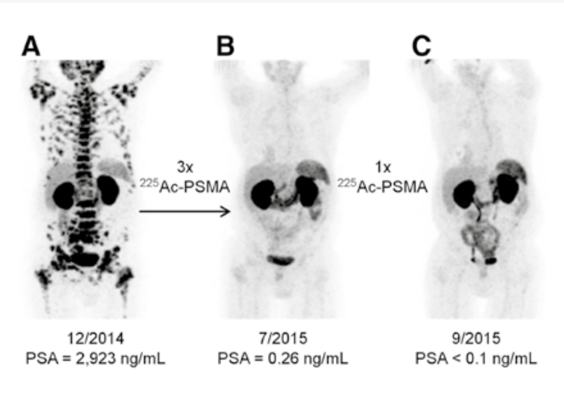
## A combination of diagnosis and therapy: theranostics

The past two decades have brought a sea change in the way many types of cancer are treated. Targeted therapies shut down specific proteins in cancer cells that help them grow, divide, and spread.

Researchers are developing a new class of drugs called theranostics, which deliver radiation therapy directly and specifically to cancer cells. The last several years have seen an explosion of research and clinical trials testing new radiopharmaceuticals.

Depending on the type of radioactive compound used, the resulting energy can penetrate the cell bound to the radiopharmaceutical as well as about 10 to 30 cells surrounding that cell. This increases the number of cancer cells that can be killed with a single radiopharmaceutical molecule.

Fig. 1.




Prostate-specific membrane antigen [PSMA] is a promising target in prostate cancer. Recently, a study published in the Journal of Nuclear Medicine[1] [JNM] conducted by JRC Karlsruhe and Heidelberg University Hospital showed a complete response to 225Ac-PSMA-617 therapy for patients with advanced-stage prostate cancer.

Targeted $\alpha$-therapy with 225Ac-PSMA-617, although still experimental, obviously has strong potential to significantly benefit advanced-stage prostate cancer patients.

68Ga-PSMA-11 PET/CT scans of patient A. Pretherapeutic tumor spread [A], restaging 2 months after third cycle of 225Ac-PSMA-617 [B], and restaging 2 months after one additional consolidation therapy [C].

1. https://jnm.snmjournals.org/content/57/12/1941

"Because the PSMA PET scan has proven to be more effective in locating these tumors, it should become the new standard of care for men who have prostate cancer, for initial staging or localization of recurrence."

**Jeremie Calais**
Director, Clinical Research Program of the UCLA Nuclear Medicine and Theranostics Division

### IBA supports the Oncidium Foundation

The Oncidium foundation focuses on raising awareness about radiotheranostics as an alternative to current 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 potentially be treated effectively with low side effects**

# Cardiology

"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

## A preferred modality for cardiac imaging

In cardiology, a Positron Emission Tomography (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 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.


With courtesy of Philips

# 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

Synthera®

According to the WHO[1], 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

1. https://www.who.int/news-room/fact-sheets/detail/dementia

# 3 | PROTON THERAPY

Protect, enhance and save lives by contributing to

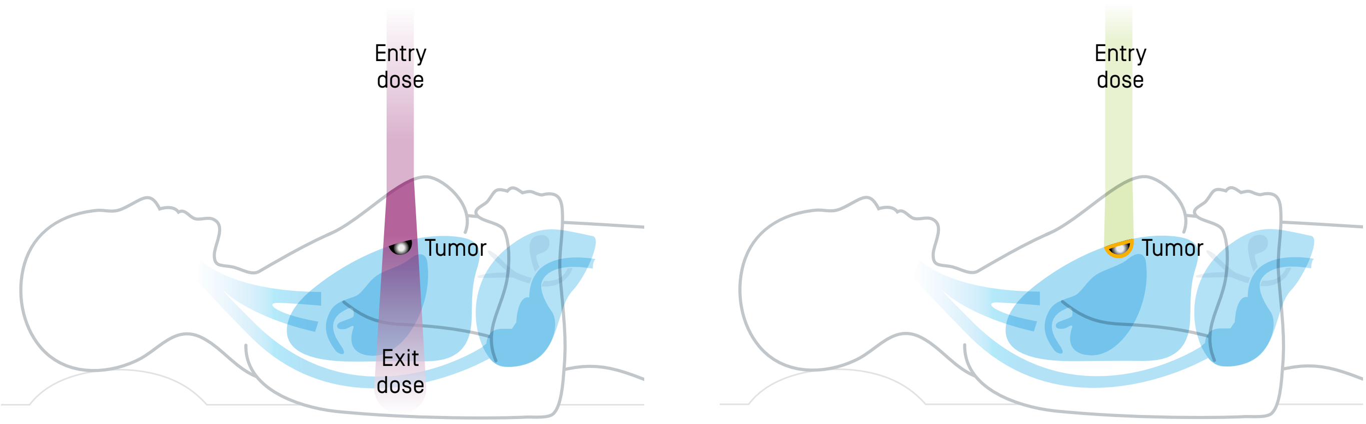
# MORE TARGETED TREATMENT

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 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[1].

Photon-based Radiotherapy | Proton Therapy




Deposits most of its energy before reaching the tumor

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[1]

**223,000 PATIENTS**

223,000 patients treated with PT worldwide at the end of 2019[2] [including 65,000 treated non-branded systems]

1. Makbule Tambas et al, Radiotherapy and Oncology https://doi.org/10.1016/j.radonc.2020.07.056
2. source: PTCOG

## IBA is the world leader in proton therapy

IBA is the world leader in proton therapy with IBA customers having treated more than half of the proton therapy patients treated on commercial systems.

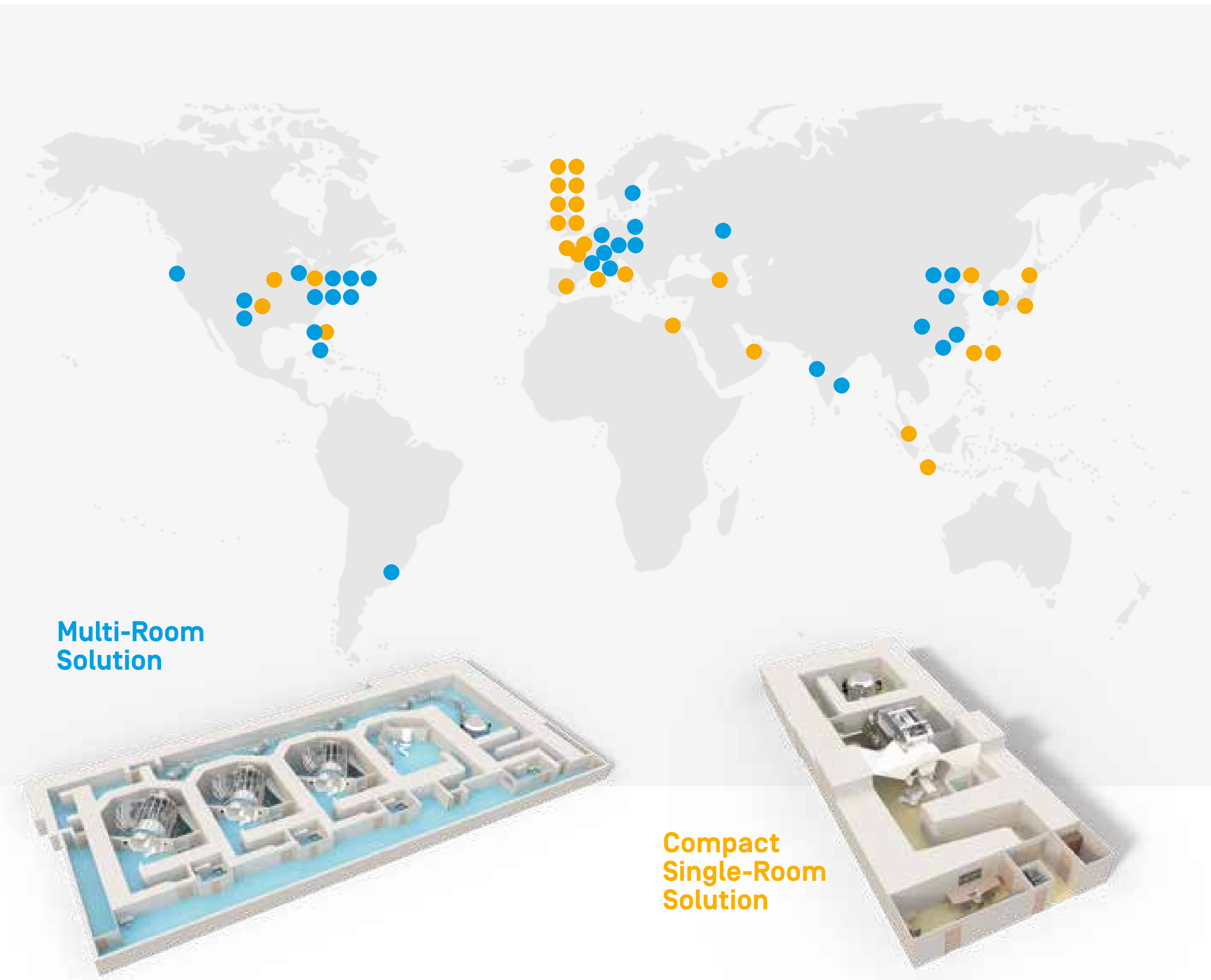
The company has been leading proton therapy development for the last 30 years and has built the largest user community worldwide. IBA offers the highest uptime rates and can install a system in less than 12 months.

**54% of proton therapy patients[2] have been treated by IBA customers**

## IBA proton therapy centers at end 2020 – Largest network & experience

**31** Proteus®**PLUS** Centers

**29** Proteus®**ONE** Centers[1]




1. 3 centers not activated yet.
2.most recent reported figures on PTCOG website

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

## The largest proton therapy users community in the world: Ninth Annual Proteus®User Meeting – Online edition

IBA Proteus User meeting 2019 in Miami

| 280 | 22 | 58 |
| --- | --- | --- |
| PARTICIPANTS | COUNTRIES | INSTITUTIONS REPRESENTED |

## 100,000 patients treated with IBA Proton Therapy technology

2020 has been a special year for IBA as more than 100,000 patients have now been treated with IBA proton therapy systems around the world. This is an important milestone that marks a step towards IBA's mission to make proton therapy available to all patients who could benefit from it, by providing healthcare professionals with the most advanced, high performance proton therapy solutions. This milestone is a proud moment for IBA's employees and clinical partners around the world as they remain united in their efforts to maximize the positive impact on cancer patients' lives.

> **"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

## 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. IBA supports all efforts to develop initiatives that help to select patients upfront that would most benefit from proton therapy.

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[3]. 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[1]. 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, 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.

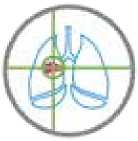

3. Makbule Tambas et al, Radiotherapy and Oncology https://doi.org/10.1016/j.radonc.2020.07.056

# 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



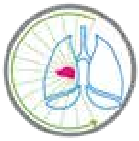
Motion management tools are needed to ensure accurate treatment delivery by managing the challenges caused by tumor motion. With motion management, a proton therapy clinic will be able to treat more patients with more confidence.

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 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.

Proteus®ONE

## Proton arc therapy[2]



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

- **Potentially enhanced dose conformity at the tumor level and a potential reduction of the total dose received by the patient[3]**
- **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[4]**

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.
2. Arc Therapy is currently under research and development phase and will be available for sale when regulatory clearance is received.
3. Ding et al, International Journal of Radiation Oncology Biology Physics 2016 (http://dx.doi.org/10.1016/j.ijrobp.2016.08.049)
4. Data on file

**"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 [5]

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 [6]**
- **It has the potential to significantly reduce side effects for patients [7]**

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 [8].

Proteus®PLUS

5. Flash Therapy is currently under research and development phase and will be available for sale when regulatory clearance is received.
6. Pierre Montay-Gruel et al, AACR Journal DOI: 10.1158/1078-0432.CCR-20-0894 (https://clincancerres.aacrjournals.org/content/27/3/775)
7. Favaudon V, Caplier L, Monceau V, Pouzoulet F, Sayarath M, Fouillade C, et al. Ultrahigh dose-rate FLASH irradiation increases the differential response between normal and tumor tissue in mice. Sci Transl Med 2014;6. https://doi.org/10.1126/scitranslmed.3008973. 245ra93-245ra93.
8. 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 2020, 12 Proteus One centers are fully operational.

*"I am Karolien Coenen, a 30-year old woman with a brain tumor. I didn't know anything about radiation myself, so when they said that both the brain and the entire spine had to be irradiated, I was very happy that they started talking about proton therapy because the other organs are spared. After 20 sessions of radiation therapy, they wanted to do 10 more of the tumor. Because proton therapy is so specific, the rest of the brain was also spared. I think that the precision of proton therapy has also prevented many side effects, so that I did not suffer that much from side effects."*

*"In the beginning, I was impressed by the mask that you have to wear under the machine. The fact that I could choose my own music playlist and change the ambient lightning in the treatment room helped distract me. So I am very happy that I was given the opportunity to receive proton therapy. And I am also very grateful to the nurses and doctors at UZ Leuven hospital for making proton therapy so comfortable."*

**Karolien Coenen,**
treated with proton therapy for a brain tumor at UZ Leuven hospital, Belgium

**"We are very pleased to bring this cutting-edge technology to patients in Belgium. The integration of the compact Proteus®ONE system into our existing radiotherapy department enables us to better serve patients. Up to now, Belgian patients eligible for proton therapy had to go abroad to be treated, but now they can receive this treatment in their home country. We are excited about the potential of this technology, which destroys cancer cells while limiting the exposure of healthy tissues surrounding the tumor and reducing the risk of secondary cancers. We look forward to collaborating further with our Belgian network of hospitals and IBA so that all patients who could benefit from proton therapy can access it."**

**Prof. Dr. Wim Robberecht**
Chief Executive Officer of UZ Leuven

## 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.

> **For the comfort of our patients, it is essential to have a fast and hassle-free course of treatment.**
>
> **Since we started clinical operations in 2018, we have been able to reduce patients' average time in the treatment room by about 20%.**
>
> **In addition, thanks to the very good collaboration with our local IBA team and the support of the central Technical Support team, we have achieved an average system uptime of 99.33% over the past year. This has allowed us to treat all of our patients as originally scheduled making their experience in our center as smooth as possible.**

**Hans Langendijk, MD, PhD,**
Chair of Radiation Therapy, University Medical Centre Groningen

### Staying at the cutting edge of proton therapy: Centre Antoine Lacassagne and Northwestern Medicine Chicago Proton Therapy Center

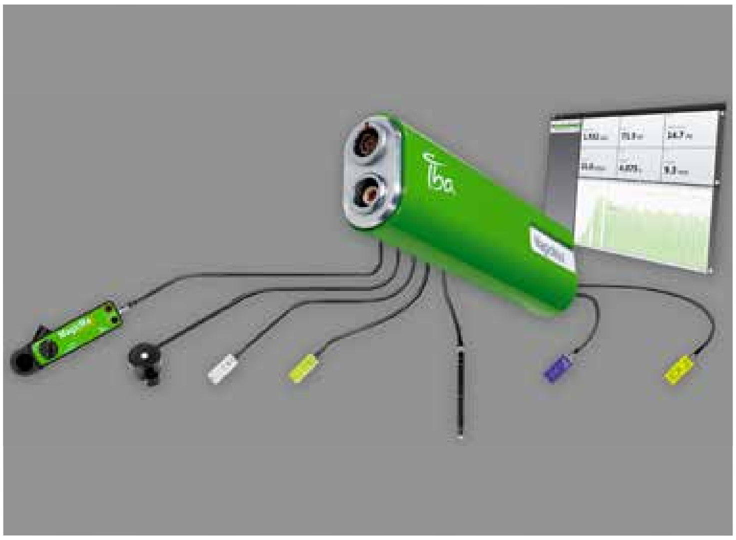
With courtesy of Centre Antoine Lacassagne

IBA is committed to the continuous development of upgrades for its proton therapy customers. Northwestern Medicine Proton Center in Chicago and the Centre Antoine Lacassagne in Nice -two well-renowned proton therapy centers with many years of operational experience- have contracted for the Cone-Beam CT (CBCT) upgrade to their current system, on Proteus®PLUS* and Proteus®ONE* respectively.

"At Northwestern University, we have a long successful experience of upgrades with IBA since we started treating patients in 2010. We successfully added Pencil Beam Scanning to our existing Proteus®PLUS center in 2018. Thanks to an excellent collaboration with the IBA team, we completed this process in record time and without any treatment interruption, maintaining uptime of 99% throughout the entire process. We are excited to add CBCT to continuously improve the performance of our system for the many years to come."

**Mark Pankuch,Director** of Medical Physics at Northwestern Medicine Proton Center

# 4 | DOSIMETRY




Discover all IBA Dosimetry Solutions.
Visit the new Interactive Clinic
Linkedin
IBA 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.

**"The ability to automate our patient QA, and the flexibility to use irradiation logfiles, real dose measurements, and Monte Carlo secondary recalculations in one system will bring us to a new level in PT treatment plan QA efficiency and accuracy."**

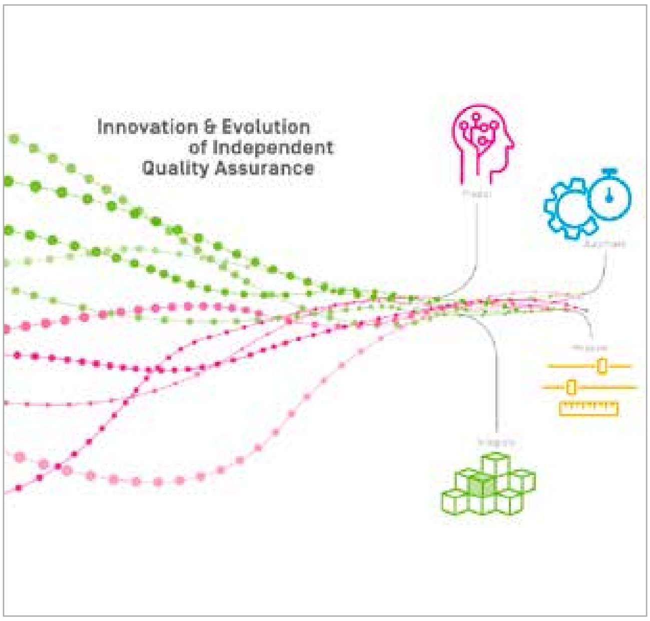
**Zuofeng Li, DSc**
Physics Director, University of Florida Health Proton Therapy Institute
Jacksonville, FL, USA

## Safe medical imaging: quality assurance for a better diagnosis

Our quality assurance solutions for medical imaging systems such as X-ray or CT (Computed Tomography) contribute to improving the image quality. This ensures a more accurate diagnosis and therapy, while also controlling the radiation dose released by the machine. Our dosimetry solutions offer a complete and instant analysis of the released dose to complete the required test efficiency and with highest precision.

## 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.





## 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.

## Leading innovations in Quality Assurance

Through cutting-edge innovations, IBA Dosimetry has a long history of advancing Quality Assurance (in radiation therapy, proton therapy and medical imaging). As we continue on this path, we are convinced that three drivers are essential to further innovate QA:

- Independence of QA Solutions
- Convergence of Machine QA and Patient QA
- Smart synthesis of the four QA pillars: Measurement, Integration, Automation, and Prediction

# COMMITTED


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.

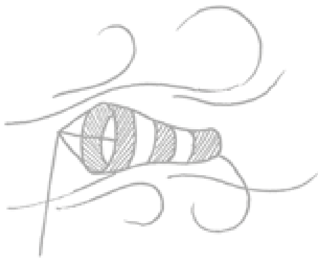
"**I am convinced that in future, talented individuals wishing to work for a company will list sustainable development as an essential criterion in their choice.**"

**Olivier Legrain**
Chief Executive Officer

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

## At Our Best

Peak performance is achieved when we are at our best. A complete set of new tools and practices was developed in 2020, covering the areas of Performance Management (Working Collaboratively), Engagement Monitoring (Constant Dialogue), Learning (Develop knowledge and skills) and Compensation (Sharing value created).



### Working Collaboratively

We focus our energy on collective objectives and have discontinued annual individual goals. The Objective and Key Results (OKR) approach continues to drive all departments. Teams define priorities together and adapt them quickly. This makes us more agile and real-time capable.

The OKR and other agile tracking methodologies allow teams to establish clear priorities on what drives results. That approach enabled IBA to deal with the Covid-19 crisis in an agile way, with teams regularly assessing if things move in the right direction or need to be adapted.

Check-in meetings with managers allows meaningful feedback and validation of priorities and progress. We moved to continuous performance management and, therefore, phased out annual individual goals which are less powerful than team OKRs. And we will not perform annual year-end evaluations and we will remove performance score for 2021.

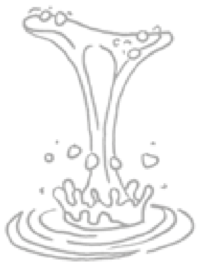
### Constant Dialogue

Thanks to constant dialogue and monitoring, we are able to observe the health of our organization at all levels. Managers understand what is in the way of performance and take direct action.

We collect frequent feedback from all employees through pulse surveys (Glint). This provides us with a real-time measure of the engagement, both at the level of the teams as well as the organization as a whole.

Managers gain a real-time insight into engagement levels and organizational health and receive guidance to take effective actions (combined with LinkedIn Learning).

Managers are in the driving seat to steer their teams with the help of specific and regular indicators.



## Continuous Learning, developing knowledge and skills

We make continuous learning a top priority for our teams. We invest in training for managers to enable them to become real-time coaches.

We want to make IBA a company where personal development and training are easily accessible, when employees need it. All employees now have open access to the LinkedIn Learning platform.

We will continue to deploy people management training modules to enable managers to become team coaches, and training paths for specific functions.

> **"One of the ideas behind this change is that before we evaluated people and granted them a bonus on the basis of objectives they achieved. Now, we have changed the mindset and we give them the bonus because we trust they are engaged and will fulfill the tasks, projects, and objectives that are needed on a daily basis, and these objectives might be reviewed more often."**

**Soumya Chandramouli**
Chief Financial Officer

## Creating value and sharing it together

A new compensation system is in place, in line with this approach: the base salary rewards competence, while – other compensation elements reward achievements, aligning the interests of our people and of our shareholders.

Base salary rewards competence and achievement of personal results, with more agile rewards spotlighting those who grow quickly or go the extra mile.
The value we create together at company level will be shared with everyone. IBA's ambition is to reward shareholders and employees on the same basis.

Example of online information sessions held within the different departments (22/02/2020 with Enabling employees):

## Diversity, equity, inclusion

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 providing equal employment and training opportunities, and to treating 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, and we have designated individuals responsible for diversity, equity and inclusion.

**25%** women

**56** nationalities within IBA Group

## Health, Wellness and Safety

At IBA, respect for universal human rights is fundamental.

IBA is committed to providing a positive, productive, and safe work environment with freedom of association, good ergonomics and great employee facilities. We promote the prevention of involuntary labor and human trafficking, the prevention of underage labor and burnout prevention, in a work environment that is free from violence, threats, harassment, intimidation, mental or physical coercion, and other disruptive behaviour.

We do 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.

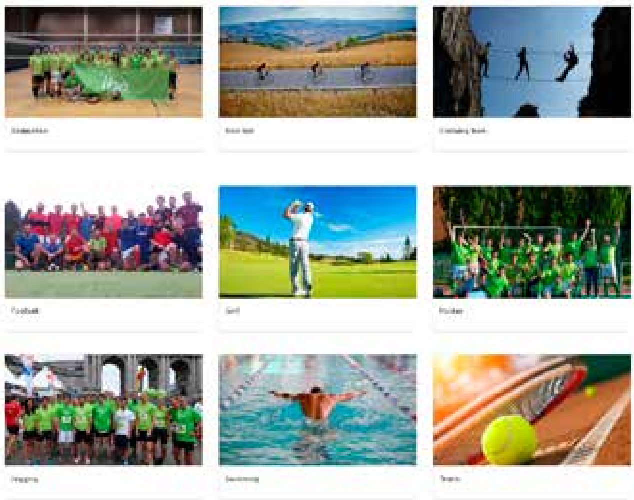
To achieve this result, we:

- **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.

At IBA, we recognize that time 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. 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.



In the US, we launched in 2020 our IBA Wellness Portal, which is a web-based wellness platform that provides IBA employees fun and engaging challenges (running, walking, etc.), online training, exercise and nutrition tracking, health coaching tools, social features, wellness blog articles, company announcements, Human Resource documents and more.

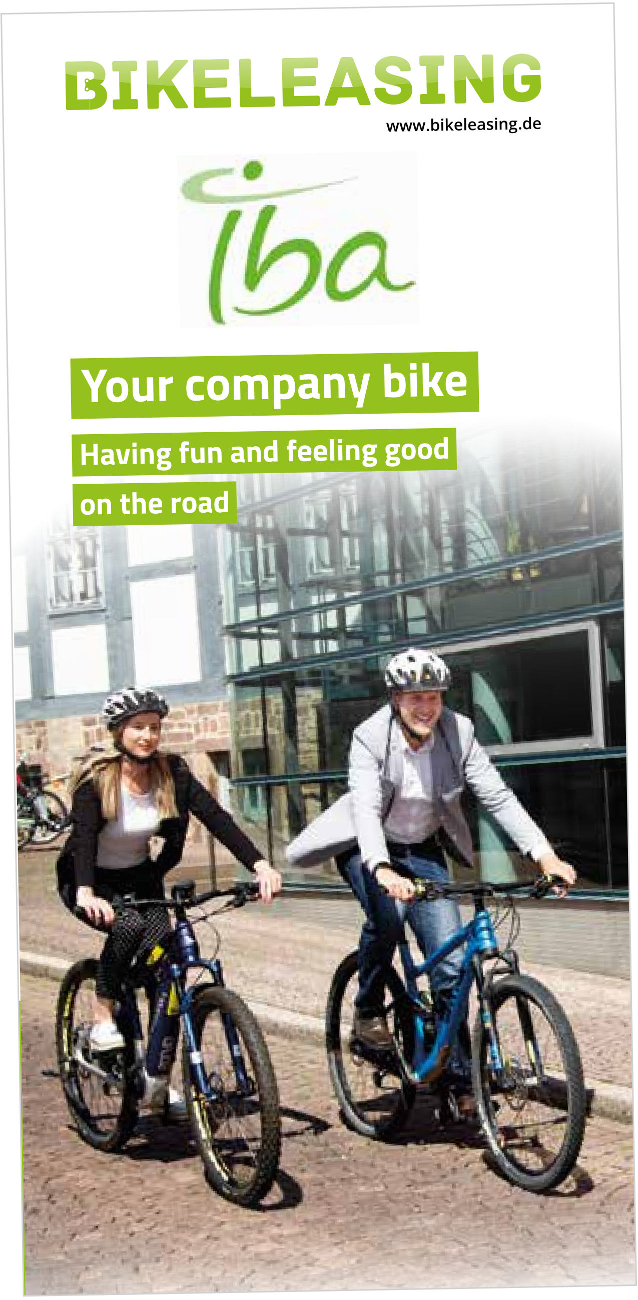

In Germany, we organize health weeks to promote health and wellbeing activities and practices. We sponsor sport activities and events (cycling, running, etc.). And employees have access to a financially attractive bike lease program in an effort to promote sport, low impact commuting and wellbeing.

All IBA employees have, since 2020, access to a global high-quality Employee Assistance Program, regardless of where they live and work, for assistance in the local language in more than 70 countries.

Through this program, practical information and counselling on a variety of topics is available to the employees and their relatives, and counselling is offered at the most convenient time and location.

## 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.




Bike leasing program in Germany

**20%** staff in Belgium and Germany have leased a bicycle

More than 200 bicycles were under lease in 2020 in Belgium and Germany, representing a 20% uptake by IBA staff. IBA is regularly awarded at the Belgian "Active Bike" challenge, ranking among the most proactive Belgian companies in the matter.

IBA also promotes electric cars through attractive leasing conditions, free charging and adapted infrastructures: specific parking lots, high-power charging stations.

> **"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**
Chief Executive Officer

> **"IBA is not a perfect company - we have our strengths and our weaknesses. Knowing that we are also working on our weaknesses gives meaning to our action."**

**Thomas Canon**
IBA Sustainability Program Director

# 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. We believe that passing our knowledge on to younger generations is vital.

Over the long term, we will continue to support partnerships with NGOs, foundations and universities which will help improve the educational environment. In 2020, IBA continued its collaboration with Foundation for Future Generations, as a partner of the whole program, and its partnership with the University of Louvain by supporting the "Civil Biomedical Engineer" diploma program, enabling the Louvain School of Engineering (École Polytechnique de Louvain - EPL) to expand its range of courses.

IBA employees regularly share their experience and knowledge with universities and high schools. We have an active policy of integrating young people into professional life, by offering internships, end of study work, and student jobs. IBA mainly hires local employees in the countries where it has operations, creating jobs and providing wages to residents in the local area, and thus boosting the local economy. This is our way of making a positive contribution to the future of society at large, and attracting new talents to IBA.

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

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 ISO 13485:2016. 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, which 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.


SUSTAINABLE DEVELOPMENT GOALS

## 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 "Relay for Life", "FunRun", "Rock Against Cancer" or "Golf Against Cancer" events.

Associations such as "Compass to Care Childhood Cancer Foundation" in the US, Muni Seva Ashram in India, "La vie-là" in Belgium, which supports and accompanies people with cancer in order to offer them a better quality of life, have benefited from the on-going support of IBA and its employees for many years.


Rock Against Cancer 2021


IBA Golf against Cancer 2021

# Committed to our planet

IBA is conscious of the current major environmental crisis. Amongst the many challenges to address, 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** $CO_2eq$

## 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' travels.
- An indirect impact through our installed product base: production at our suppliers' facilities, transport within the value chain, and, once installed at the customer's location, there is electricity consumption, servicing, and decommissioning.

**Inspired by the EU Climate targets we have set ourselves targets for bringing our 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.

Green energy contracts are in place, and IBA Headquarter facility has been designed to save energy and be self-sufficient in energy production.

We have started to assess the impact of our digital infrastructures and software usage, to better understand the carbon footprint of this ever-increasing part of modern organizations.

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.

> **"IBA's support to pay farmers for storing carbon really was a necessary condition for success of this project."**
>
> **Chuck de Liedekerke**
> CEO Soil Capital LTD


Céline Tellier, Walloon Minister of the Environment

Through a pilot project led by 'Soil Capital', IBA has also decided to purchase carbon certificates from Walloon farmers to offset part of its greenhouse gas emissions. This initiative contributes to the creation of a market for said certificates in Wallonia, by supporting transitional agricultural practices that reduce net greenhouse gas emissions at farm level. Such practices increase biodiversity, supports the local economy and sustainable food systems while creating a framework allowing other private, public and voluntary actors, to join and improve this pilot project.

To address its installed base impact, IBA also continuously reduces the $CO_2$ footprint of its installed based, following two paths:

- Increasing the energy efficiency of its product portfolio. The Proteus One proton therapy system offers significantly improved energy performance thanks to the use of superconductivity.
- Improving the geographic distribution of centers, making them more accessible. It reduces patient travel (hence $CO_2$ emissions) and accommodation impact.

Our RadioPharma Solutions division has now completed the technological transition to the Cyclone Kiube, with significantly greater compactness (less resources used) and energy efficiency.

Our Industrial Solutions division is also continuing to transition with the arrival of the Rhodotron® new generation, the energy performance of which has greatly improved. If requested to do so, IBA is ready to substitute 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).

With a view to increasing transparency and benchmarking our practices, we disclose our environmental data every year through the Carbon Disclosure Project (CDP). IBA received a C score in 2019.


IBA purchases carbon certificates from agriculture in transition

## 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 processes at our suppliers' facilities, transport within the value chain, 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 the impact of our logistics, manufacturing and offices. Product packaging, for instance, is being continually improved to reduce its overall environmental impact.

Our product management takes into consideration the principles of circularity – avoid, reduce, reuse, recycle. All products from the four business lines, namely Proton Therapy Solutions, RadioPharma Solutions, Dosimetry Solutions, and Industrial Solutions are designed to facilitate maintenance and servicing. 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 our new headquarters.

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.

# Materiality and reporting

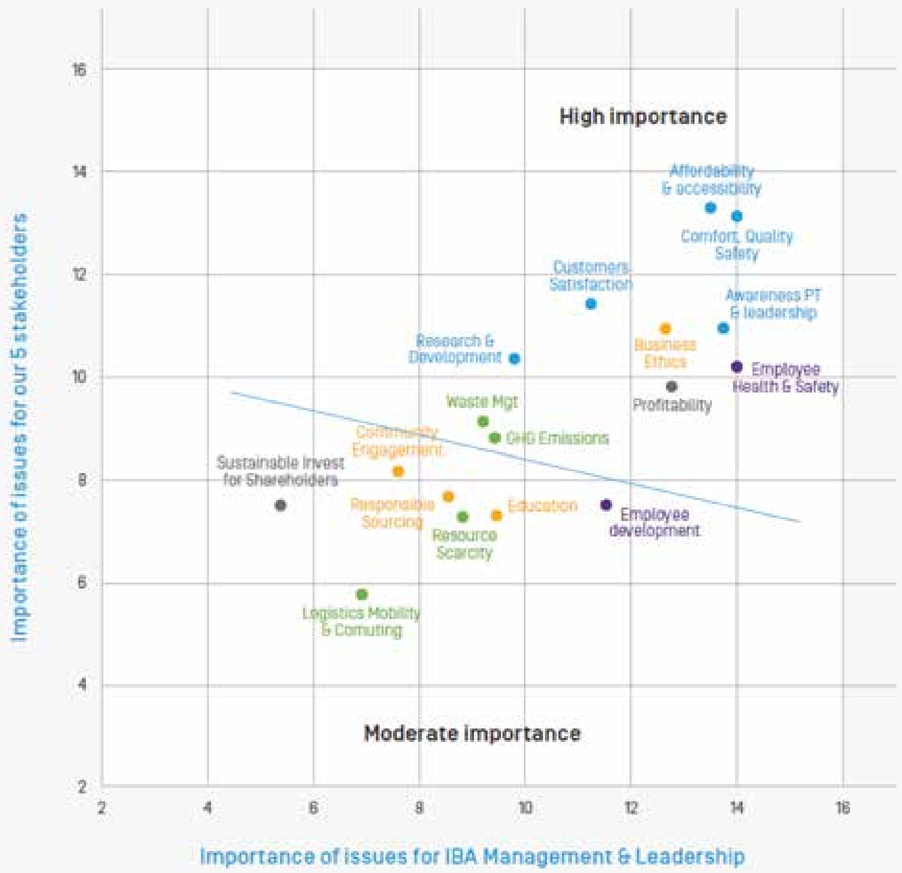
To clarify its priority topics, IBA has built a materiality matrix based on a dialogue with its stakeholders and the reference framework recommended by the Global Reporting Initiative (GRI). It is in this broad area that we are concentrating our thoughts. The hierarchy of our priorities is obtained by 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 March 23, 2021

This report on the FY 2020 has been drafted pursuant to sections 3:23 and 3:32, §1, *in fine*, of the Belgian Companies and Associations' Code (hereafter the "**BCAC**"), which allows to combine the management report on the annual accounts of the Company (*rapport de gestion sur les comptes annuels*) with the management report on the group consolidated annual accounts (*rapport de gestion sur les comptes consolidés*). Hence, the present report is a unique and integrated report.

The management report contains a fair presentation and a balanced and exhaustive analysis of the business' development, the results and the situation of the Company, as well as a description of the main associated risks and uncertainties.

To the necessary extent to understand the development of business, results or the condition of the Company, the analysis includes key performance indicators of both financial and, where applicable, non-financial nature related to the specific activity of the Company, in particular information related to environmental and employees' aspects.

The management report also includes information on:

- The foreseeable development of the business.
- Research and development activities.
- Acquisitions of own shares,
- The existence of branches of the Company;
- The use of financial instruments, when relevant to assess the assets, financial situation, and results of the Company.
- The objectives and policy of the Company in terms of financial risk management, including its policy concerning the hedging of each main category of transactions planned to be used by hedge accounting; and
- The company's exposure to price risk, credit risk, liquidity risk, and treasury risk.

## 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.

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

**The main events of the 2020 financial year, further details of which are contained in the Management report, were as follows:**

- Proteus®PLUS* licensing deal with Chinese partner CGN Nuclear Technology Application Co Ltd (CGNNT) worth minimum of EUR 100 million announced during the year, with EUR 63.5 million revenues recognized in 2020
- Four-room contract for a Proteus®PLUS Proton Therapy Solution announced in Chengdu, Sichuan Province, China
- Contract signed with the National Cancer Center (NCC) Korea for a Proteus®ONE* solution, following a competitive tender process. NCC is already an IBA customer, having previously purchased a three-room Proteus®PLUS solution
- Strong order intake for Other Accelerators with 17 systems sold, of which 12 were signed in the second half
- Resilient performance of Dosimetry with a strong order intake in the year to date, up 10% from 2019
- Strong cost control measures still in place, partially offsetting COVID-19 related impact, whilst allowing for strategic investments in R&D
- Board strengthened with appointment of Ms. Christine Dubus and Dr Richard Hausmann as Non-Executive Directors

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

- Total order intake of EUR 112 million for Proton Therapy and Other Accelerators (excluding CGNNT contract) and EUR 54 million for Dosimetry
- Total 2020 Group revenues of EUR 312 million, up 10.4%, strongly boosted by the strategic licensing deal with CGNNT
- Strong growth in Proton Therapy Services for the third consecutive year, up 7.2% from 2019
- Equipment and Services backlog conversion delayed due to effects of pandemic but remains at all time high of EUR 1.1 billion
- Significant increase to full year REBIT, with a profit of EUR 40.4 million (2019: EUR 0.1 million)
- Total Group net profit of EUR 31.9 million (2019: EUR 7.6 million)
- Very strong balance sheet with EUR 151.3 million gross cash (2019: EUR 46 million) and EUR 65.2 million net cash position (2019: net debt of EUR -21.3 million), with all bank covenants met at year-end
- Total direct COVID-19 impact for 2020 estimated to be around EUR 15 million
- The Board of Directors will recommend to the annual general assembly the distribution of a total dividend of EUR 0.2 per share, in line with the transition to a new dividend policy

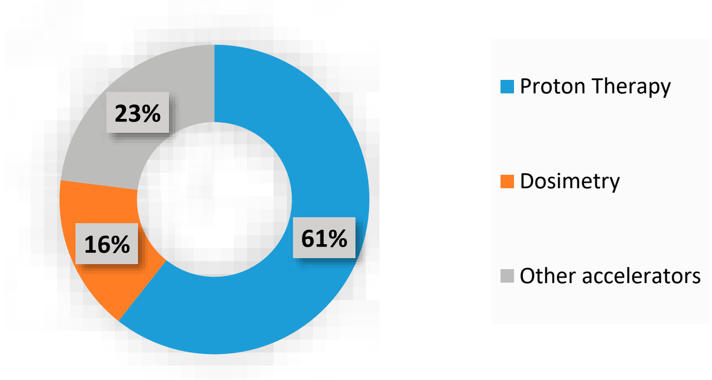
# EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD (SECTIONS 3:6, §1, 2° AND 3:32, §1, 2°, OF THE BCAC)

- In January, IBA was selected for the supply of a multi-room Proteus®PLUS solution in China, with contract negotiations ongoing
- In February, IBA received the third payment related to the CGNNT contract, for EUR 20 million, bringing total cash received to date on this contract to EUR 70 million

- In March, IBA received the first down payment on the NCC Korea contract signed in December 2020.
- In April 2021, IBA signed a binding term sheet with Advocate Radiation Oncology for the delivery of a Proteus®ONE solution in Southwest Florida.

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

## BREAKDOWN OF CONSOLIDATED TURNOVER BY ACTIVITY




## PROTON THERAPY AND OTHER ACCELERATOR

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).

| (EUR 000) | FY 2019 | FY 2020 | Variance | Variance % |
|---|---|---|---|---|
| Net Sales | 228 706 | 260 895 | 32 189 | **14%** |
| - Proton therapy | 158 273 | 189 150 | 30 877 | 20% |
| - Other accelerators | 70 433 | 71 745 | 1 312 | 2% |
| | | | | |
| **REBITDA** | 5 844 | 51 601 | 45 757 | **783%** |
| % of Sales | *3%* | *20%* | | |
| **REBIT** | -4 827 | 37 883 | 42 710 | **-885%** |
| % of Sales | *-2%* | *15%* | | |

| (EUR 000) | FY 2019 | FY 2020 | Variance | Variance % |
|---|---|---|---|---|
| Equipment Proton Therapy | 73 867 | 98 644 | 24 777 | 34% |
| Equipment Other Accelerators | 46 851 | 49 684 | 2 833 | 6% |
| **Total equipment revenues** | **120 718** | **148 328** | **27 610** | **23%** |
| | | | | |
| Services Proton Therapy | 84 406 | 90 506 | 6 100 | 7% |
| Services Other Accelerators | 23 582 | 22 061 | -1 521 | -6% |
| **Total service revenues** | **107 988** | **112 567** | **4 579** | **4%** |
| | | | | |
| **Total revenues Proton Therapy & Other Accelerators** | **228 706** | **260 895** | **32 190** | **14%** |
| Service in % of segment revenues | *47%* | *43%* | | |

## Overview

- Total net sales were up 14.1% for the full year to EUR 260.9 million, primarily as a result of the CGNNT deal, with licensing revenue of EUR 63.5 million. The remainder of the revenues will be recognized over the next four years as the different components of the contract are delivered to CGNNT
- Proton Therapy (PT) equipment revenues were strongly affected by delays in backlog conversion as a result of restrictions related to the pandemic
- Two new orders were received for PT equipment, in China and South Korea, with COVID-19 delaying some other new prospects
- Other Accelerators equipment sales were up 6%, reflecting continued strong order intake, with 17 systems sold in the period
- Services continued to perform well, with a 4.2% increase from 2019. This has resulted in a positive impact on recurring revenues as proton therapy centers remained fully operational. Other Accelerators Services were affected by COVID-19 related difficulties in installing some upgrades
- Overall REBIT margin of 14.5%.

## PROTON THERAPY

During 2020, IBA maintained its global leadership position in PT, marking the milestone of 100,000 patients treated by IBA customers. Overall, we are focused on capitalizing on our strong presence across regions, developing our customer base and further strengthening our commercial execution.

A core strategic growth area for us is the Asia-Pacific region, particularly China, with both the CGNNT and Chengdu deals a positive reflection of the opportunities there. More broadly in Asia, we see many further opportunities. Post-period end we received the down payment for a Proteus®ONE contract in Korea from the National Cancer Center (NCC) Korea. NCC is an existing IBA customer, and the expansion of the partnership is a testament to its success over the past 14 years, whilst highlighting how IBA is able to capitalize on its existing agreements. As previously communicated, IBA has also been selected in 2021 for the supply of a multi-room Proteus®PLUS solution in China, with negotiations ongoing.

In the US, we have taken steps to reinforce our presence, including bolstering resources to capture further market share and are seeing a resultant uptick in sales activity. A recent extension of PT indications in the National Comprehensive Cancer Network (NCCN) guidelines in the US is also encouraging.

Despite the pandemic leading to overall delays to installations of several months we commenced two PT installations with one in Mumbai, India, and the other in Taipei, Taiwan.

The Services component of our PT business is an important part of our revenue stream and a key focus for us has been on increasing this as a recurring element. Alongside this, we are continuously improving our installed base, driving further operational efficiency. IBA closed the year with a strong system availability performance, achieving 97% in the fourth quarter with similar performances for both Proteus®ONE and Proteus®PLUS.

In terms of future innovation, we continue to make progress with technologies that we believe are critical to the future of PT. Our focus in the short-term is being able to offer ARC[1] to new and existing customers as a more efficient and simple way to deliver PT. Longer term, we remain committed to partnering with key knowledge leaders around FLASH therapy[1]. Pre-clinical research of FLASH on IBA systems internationally is already underway and future clinical adoption is a key discussion point for IBA's next Clinical Advisory Board.

Post-period end we were pleased to strengthen our long-term collaboration with Elekta, with its latest proton therapy solution, Monaco® treatment planning for protons, receiving FDA 510(k) clearance in March. We also continue to work in close collaboration with RaySearch Laboratories on providing state-of-the-art integrated solutions, as demonstrated at UZ Leuven in Belgium, the first customer to combine IBA's Proteus with the RayCare® and RayStation® technology.

## OTHER ACCELERATORS

Other Accelerators performed strongly in 2020, with a notable second half weighting as a result of the pandemic. There were five new orders in the first half, and 12 in the second half, taking the total for the year to 17. Of these machines, 11 were sold in Asia (five in China), again demonstrating the strong growth in this region. Market recovery has continued into 2021 with four machines sold during the first months of 2021.

The Other Accelerators services and upgrades business performed well despite a slight drop in revenues as upgrade installations were delayed due to the pandemic, continuing to offer services to the largest installed base of accelerators in the world.

***IBA RadioPharma Solutions***

IBA's leading RadioPharma business helps nuclear medicine departments to design, build and operate Positron Emission Tomography (PET) centers for the production of radiopharmaceuticals used for the detection of cancer. The nuclear medicine market has shown constant growth, increasing by nearly 6% per year over the last seven years[2]. The division adapted to the changing environment in 2020, including carrying out several successful remote installations of its radiochemistry modules.

The new generation Cyclone® KIUBE cyclotron offers the highest production capacity currently available, enabling increased diagnostic capabilities, whilst producing the widest range of radioisotopes. IBA has also seen strong demand for its high energy accelerators with the sale of two Cyclone® IKON machines. This innovative cyclotron is more compact and matches its customer's need when expanding its offering to meet the growing demand of the nuclear medicine market.

Post-period end, IBA announced an expanded collaboration with NorthStar Medical Radioisotopes to increase global availability of technetium-99m (Tc-99m), the most widely used medical radioisotope.

***IBA Industrial Solutions***

IBA Industrial provides leading industrial solutions to the ion beam sterilization industry. Our Rhodotron® solution continues to create strong interest in the global market, offering a cleaner alternative to cobalt and ethylene oxide for sterilization, bringing a new perspective to sterilization processes. IBA's new generation Rhodotron® TT1000 enables the production of X-rays to sterilize in much larger volumes, in particular for medical devices, and the first has been recently installed in the Netherlands.

In the short term, IBA will focus on the completion of the new Rhodotron® TT300 HE electron beam accelerator for the production of the radioisotope molybdenum-99 (Mo-99), which has successfully

[1] Arc Therapy and Flash Therapy are currently under research and development phase and will be available for sale when regulatory clearance is received.

[2] MEDraysintell Nuclear Medicine Report & Directory www.medraysintell.com

completed its test phase. Looking ahead the focus will be on investing in new features for existing products, whilst exploring potential growth opportunities through new business development.

## DOSIMETRY

| (EUR 000) | FY 2019 | FY 2020 | Variance | Variance % |
|---|---|---|---|---|
| Net Sales | **53 846** | **51 060** | **-2 786** | **-5%** |
| - Dosimetry | 53 846 | 51 060 | -2 786 | -5% |
| | | | | |
| **REBITDA** | 6 615 | 4 384 | -2 231 | **-34%** |
| % of Sales | *12.3%* | *8.6%* | | |
| **REBIT** | 4 914 | 2 523 | -2 391 | **-49%** |
| % of Sales | *9.1%* | *4.9%* | | |

*Dosimetry numbers for 2019 include figures for the RadioMed business which was sold end of 2019

### Overview

- A strong year for Dosimetry with order intake up 10% from the previous year, despite a declining radiotherapy market which was impacted by the pandemic
- Strong growth particularly in the Asia-Pacific region
- Net sales of EUR 51.1 million (2019: 53.8 million), with 2019 figure including the RadioMed business which was sold at the end of 2019
- On a like-for-like basis, sales grew by around 1% versus 2019 and at constant exchange rate, growth would have been nearly 2%
- REBIT decreased by EUR 2.4 million against the previous year, due to the disposal of RadioMed at the end of 2019 and investments in new Patient QA products developments
- Backlog grew by nearly EUR 2 million in the year, providing a solid start to 2021

IBA Dosimetry is a world leading provider of innovative high-end quality assurance (QA) solutions and imaging markers for radiation diagnostics and therapy.

The Dosimetry business continued to gain market share in QA and conventional radiotherapy in 2020. During the year there were several software updates to the myQA patient Quality Assurance range, increasing IBA's customer offering. There was also continued regulatory progress: myQA iON, the unique Patient QA software solution for proton therapy, received FDA approval in July 2020.

Post-period end, myQA® Phoenix, the high-resolution digital detector array for PT commissioning, was released. IBA continues to invest in its patient QA radiotherapy offering and its market-leading Dosimetry tools for PT.

At the virtual meeting of ASTRO (the American Society for Radiation Oncology) in 2020, IBA Dosimetry attracted strong market attention with its new detectors for Patient QA, myQA SRS and Matrixx Resolution that will be released in the course of 2021, again showcasing IBA as a key driver of innovation in Dosimetry.

# PRINCIPAL RISKS AND UNCERTAINTIES FACED BY THE COMPANY (SECTIONS 3:6, §1, 1° to 3° AND 3:32, §1, 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 responsible for the implementation of appropriate risk responses.

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

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

## IBA RISK MANAGEMENT FRAMEWORK

Risk management is a core component of the IBA strategy and performance management process. The Board of Directors considers risk appetite when making decisions.

The design and effectiveness of IBA's risk management, practices, and the recommendations from internal and external audits are reported and discussed periodically with the Risk Management Committee. Internal auditors monitor independently the quality of the risk management, governance, and control processes through operational, financial, and compliance audits. The purpose and authority of the Internal Audit function are documented in an Audit Charter and the Head of Internal Audit reports regularly to the Audit Committee.

In addition to the Risk Management Committee, the Quality Management Review (QMR) assists the Management Team in fulfilling its management 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 (2017) established by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

IBA continuously pursues improvement in the risk management process and regularly assesses changes that might affect its strategy and objectives.

A review of the key risk areas was conducted in 2020 to evaluate potential changes in our key risk areas including the impact of Covid-19. Social distancing and lockdown measures have had profound health and economic impacts in all our countries. The safety of employees has been a priority, with the rollout of measures including telework, the installation of individual and protective equipment in our premises, and the alignment of our work procedures for installation and maintenance. In addition, we have taken steps to evaluate the level of risk for the sourcing and inventory level for the major components.

The risk overview highlights the main risk areas known by IBA, which could affect the achievement of its strategic and financial business objectives. The risk overview may, however, not include all the risks that may ultimately affect IBA. IBA describes the relevant factors within each risk category and provides insight into the most prominent areas.

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 Rsks**

*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 the IBA's 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.

The November Sustainability Board focussed amongst others on environmental risks and the intention to work on an action plan for 2021 and the following years. Hence, the Risk Management Committee will consider more broadly the environmental risk as of 2021.

## 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 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 do 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 that 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 a maintenance contract. Nevertheless, the evolution of the product and variability of the demand may impact the provision required for obsolete and excess 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 obtaining 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 products 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 the risk of maintenance, upgradability, and ability to update.

IBA strategy of open vendor for software drives additional risks to maintain interoperability all along with product life, and product development. It has an impact on 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 is subject to the 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 potential dangers. 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 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 latest revision includes additional principles on environment protection, respect of human rights, and anti-corruption matters.

In addition to the Code of Conduct, control mechanisms are implemented throughout the organization to prevent and detect frauds, including separation of duties, regular independent audits of travel and entertainment expenses, and the availability of a fraud reporting procedure.

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

### INTELLECTUAL PROPERTY RISK

The Company holds intellectual property rights. Some of these rights are generated by employee or production process know-how 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 inasmuch 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 for 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 details regarding section 3:6, § 1, 8°, and 3:32, §1, 5° of the BCAC is provided, where appropriate, in the section "Financial Instruments" of this annual report, see page 122.

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

Financial risk management is carried out by a central treasury department (Group Treasury). The latter issues and enforces written policies. These policies provide written principles related to overall financial risk management, as well as written policies covering specific areas, such as foreign exchange risk, use of derivative and non-derivative financial instruments, and investment of excess liquidity. Group Treasury identifies, evaluates, and hedges financial risks. These activities are undertaken 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.

Besides, the consolidated financial statements presents the financial assets and the financial liabilities 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 Group operates internationally and as such, is exposed to foreign exchange risks arising from commercial transactions (sales and supply contracts), from financial assets and liabilities, and from net investments in non-Eurozone operations.

While the functional currency of the parent company of the Group is the euro, the Group's exposure to foreign currencies is related primarily to the US dollar, Chinese yuan, Indian rupee, Czech krona, Polish zloty, Russian ruble, British pound, Japanese yen, Swedish krona, South Korean won, Argentine peso, Singapore dollar, Canadian Dollar, Vietnamese Dong, Egyptian pound, New Taiwan dollar, Thai Baht, and Georgian Lari. In particular, the US dollar and the Chinese yuan are considered as material for the Group.

To the fullest extent possible and provided there is no natural hedging opportunity, the Group Treasury uses financial instruments to hedge its net exposure to these risks, including forwarding exchange contracts, currency swaps, and forex options.

For segment reporting purposes, each of these contracts is classified as a fair value hedge or a cash flow hedge.

They are further designated at the 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 policy is to hedge 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 of the Group 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 rates.

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

Proton Therapy services are impacted by the fluctuation of the USD exchange rate against EUR. In 2020 a fluctuation of -3% of USD against EUR would have had a negative impact on the Proton Therapy Services sales segment of -1.48% (-1.67% in 2019).

The Dosimetry segment is impacted by the fluctuation of the USD exchange rate against EUR. In 2020 a fluctuation of -3% of USD against EUR would have had a negative impact on the sales of the Dosimetry segment of -0.49% (-0.70% in 2019).

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, Swedish kronas, British pounds, Czech korunas, Hong Kong dollars, South Korean won, and Polish zlotys.

Approximately 5.9% of the Group's sales (5.9% in 2019) are denominated in currencies other than the functional currency of the operating unit making the sales, while 91.4% of costs (93.1% in 2019) 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's 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 considers that the fluctuation of interest rates could have a significant impact on its financial results, the Group will use interest rate swaps in order to mitigate 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 2020 and 2019, the Group did not have any outstanding interest rate swaps.

IBA's sensitivity analysis on a 1% increase in interest rates applied to the average amount outstanding under the floating-rate term loan (EUR 28.5 million in 2020) results in a – EUR 0.3 million impact on the income statement.

## LIQUIDITY RISK

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities as well as available (undrawn) credit facilities, in consideration of the dynamic nature of the Group's businesses. These credit facilities are detailed hereunder.

### 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) investment funds.

As of December 31, 2020, borrowings include unsecured subordinated bonds from S.R.I.W. for a total of EUR 15.41 million (EUR 17.14 million in 2019), an unsecured subordinated bond from S.F.P.I. for EUR 5 million (unchanged). In March 2018, IBA obtained new subordinated bonds of EUR 5 million each from 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).

### Credit facilities

The existing bank facilities at the level of IBA SA include EUR 64 million syndicated facilities comprising

- a EUR 27 million (initially, EUR 30 million) amortizing term loan (5 years maturity) and
- Revolving credit facilities for EUR 37 million (3 years initial maturity, with extension options up to 5 years). The revolving credit facilities remained undrawn as of December 31, 2020.

In 2020, the maturity of the term loan was extended from December 2024 to June 2025, while the maturity of the revolving credit facilities was extended from December 2022 to December 2023 in order to strengthen the group's access to long-term financing.

In addition, the bank overdraft facility in India (borrower: IBA Particle Therapy India Private Limited) was reduced to INR 130 million and its maturity extended by one year to the end of 2021 in order to support local working capital fluctuations (undrawn as of December 31, 2020).

Similarly, in China, the overdraft facility that was set up in 2019 (borrower: Ion Beam Applications Co. Ltd) was maintained for an amount of CNY 35 million (undrawn as of December 31, 2020).

Finally, in 2020, "Paycheck Protection Program" loans were signed with Wells Fargo by IBA Dosimetry America Inc., IBA Proton Therapy Inc., and IBA Industrial Inc. for respectively USD 0.4 million, USD 4.1 million, and USD 0.5 million.

### Treasury notes

In February 2016, IBA issued 5-year treasury notes. The remaining amount of EUR 5.25 million will be fully repaid in February 2021.

As of December 31, 2020, the Group has at its disposal credit facilities amounting to EUR 99.54 million, of which 57.0% were used.

| (EUR 000) | Credit facilities total amount | Credit facilities used | Credit facilities available |
|---|---|---|---|
| S.R.I.W. - subordinated | 15 406 | 15 406 | 0 |
| S.F.P.I. - subordinated | 5 000 | 5 000 | 0 |
| Treasury notes | 5 250 | 5 250 | 0 |
| 5 years Term loan | 27 000 | 27 000 | 0 |
| PPP Loans | 4 075 | 4 075 | 0 |
| Short-term credit facilities | 42 813 | 0 | 42 813 |
| **TOTAL** | **99 543** | **56 731** | **42 813** |

## COVENANT RISK

The above facilities are subject to certain financial 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 of December 31, 2020.

The financial covenants applying to the syndicated 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 of December 31, 2020.

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 on December 31, 2020.

## DIGITAL RISKS

### INFORMATION QUALITY RISK

Erroneous information or information not received in a 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 ensure employee awareness, govern our data protection procedures, and protect the information technology infrastructure against Cyberfraud.

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

Although IBA has experienced some cyber-attacks, none led to any significant damage. However, there can be no assurance that IBA will be able to continuously avoid damages and potential losses originating from cyber-attacks.

# BRANCHES OF THE COMPANY (section 3:6, §1, 5°, of the BCAC)

At the end of 2020, 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).

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

During the 2020 financial year, there were four conflicts of interest between the Company and some of its directors, in the meaning of section 7:96 of the BCAC.

Firstly, during the meeting of the Board of Directors held on February 23, 2020, the Board of Directors notably discussed the sale of treasury shares from IBA Investments SC to Belgian Anchorage SC.

During the aforementioned meeting, Messrs. Yves Jongen, Eric de Lamotte, Pierre Mottet, and Olivier Legrain informed the other Directors that, in their capacity as shareholders of Belgian Anchorage SC, they would indirectly benefit from the sale of the treasury shares by IBA Investments SC to Belgian Anchorage SC. They informed the other Directors that they were, with respect to this sale, in a situation of conflict of interest, within the meaning of Article 7:96 of the BCAC.

The Board of Directors made sure that the statutory auditor of the Company, EY Réviseurs d'Entreprises SRL, represented by Vincent Etienne, was duly informed of the existence of such conflict of interest.

Bearing in mind the declaration made by Messrs. Yves Jongen, Eric de Lamotte, Pierre Mottet, and Olivier Legrain at the occasion of the meeting of February 23, 2020, the undersigned Directors acknowledged the possible existence of a conflict of interest within the meaning of Article 7:96 of the BCAC.

The other Directors acknowledged that Belgian Anchorage offered to acquire 200,000 IBA shares currently held by IBA Investments SC. Messrs. Yves

Jongen, Eric de Lamotte, Pierre Mottet, and Olivier Legrain, as shareholders of Belgian Anchorage SC, would indirectly benefit from the sale, if any. Consequently, Messrs. Yves Jongen, Eric de Lamotte, Pierre Mottet, and Olivier Legrain were in a situation of conflict of interest within the meaning of Article 7:96 BCAC.

The written resolution was therefore unanimously taken and signed by all Directors of the Company who were not in a situation of conflicting interest within the meaning of Article 7:96 of the BCAC.

During the aforementioned meeting held on February 23, 2020, the undersigned Directors unanimously decided to approve the sale of the treasury shares by IBA Investments SC to Belgian Anchorage on 24 February 2020, after the closing time of Euronext Brussels, at a price at least equal to the lowest independent bid on Euronext Brussels at the time of the transaction.

The second situation to be mentioned is the following. During the meeting of the Board of Directors held on May 13, 2020, the Board of Directors discussed the reasons underlying the offer of stock options to several individuals and legal entities, as well as the structure, the contemplated beneficiaries, the main terms and conditions, and the costs, the timing and practical modalities of the envisaged implementation of the stock option plan (hereafter “the May 2020 Plan”).

During the aforementioned meeting, Messrs. Olivier Legrain and Yves Jongen informed the other Directors that they were on the list of potential beneficiaries of the stock option plan that was sent by the Remuneration Committee to the Board of Directors as part of the proposals of the Remuneration Committee.

During the same meeting of the Board of Directors held on May 13, 2020, Messrs. Olivier Legrain and Yves Jongen declared a financial interest conflicting with the decisions to be taken to the extent that the Board of Directors had to confirm

- whether or not the Company would offer options to Messrs Olivier Legrain and Yves Jongen; and
- the number of options to be offered to them by the Company, as the case may be.

The options at stake, if offered to Messrs. Olivier Legrain and Yves Jongen, would have entitled them, upon exercise of the said options, to acquire shares in the Company from the Company itself.

The Board of Directors made sure that the statutory auditor of the Company, EY Réviseurs d’Entreprises SRL, represented by Vincent Etienne, was duly informed of the existence of such conflict of interest and received a copy of both (i) the minutes of the meeting of May 13, 2020, and (ii) the written resolutions.

Bearing in mind the declaration made by Messrs. Olivier Legrain and Yves Jongen at the occasion of the meeting of May 13, 2020, the undersigned Directors acknowledged the possible existence of a conflict of interest within the meaning of Article 7:96 of the Companies and Associations Code.

The undersigned Directors were of the opinion that the financial conflict of interest at stake might, in particular, relate to the decisions to be taken by the undersigned Directors with respect to the related written resolutions. The undersigned Directors had to decide whether options would be offered to Messrs. Olivier Legrain and Yves Jongen and, if options were offered, how many.

The financial impact of these decisions for the Company could have depended on the number of options offered to Messrs. Olivier Legrain and Yves Jongen, the proportion of options they would accept and subsequently exercise if options were indeed offered to them, and the price at which the Company would acquire its own shares on Euronext Brussels pursuant to the decision to be taken in accordance with the related item of the written resolutions.

As the decisions relating to items in questions of the written resolutions were closely related to the decision to be taken with respect to those items and as the written resolutions were taken further to the meeting of the Board of Directors held on May 13, 2020, the undersigned Directors considered that it was better to avoid that Messrs. Olivier Legrain and Yves Jongen sign or be involved in any way in the decisions to be taken through these written resolutions.

These written resolutions were therefore unanimously taken and signed by all Directors of the Company who were not in a situation of conflicting interest within the meaning of Article 7:96 of the Companies and Associations Code.

During the aforementioned meeting held on May 13, 2020, the undersigned Directors unanimously decided to approve the May 2020 Plan. The main features of the stock option plan are as follows :

- Rights granted by one option: One option allows its beneficiary to acquire one share in the Company.
- Aggregate maximum number of options to be offered at this stage under the stock option plan: 500,000, but the Board could adapt this number in the future if required.
- Options price: Options are granted for free to persons that are subject to Belgian taxes on their professional income for services rendered to the benefit of the Company or its affiliates.

  Persons that are not subject to Belgian taxes on their professional income for services rendered to the benefit of the Company or its affiliates will have to pay an option price equivalent to 3% of the Exercise Price of the Option.
- Term of the options: Half of the options offered will lapse after 6 years, the other half after 10 years.
- Offer Date: 1st June 2020, for the first series of options to be offered under the stock option plan.
- Acceptance period for the options: 45 days as from the offer date.
- Vesting period: The options will vest from the 1st business day of the calendar year following the third anniversary of the offer date.
- Leavers: The beneficiaries whose contractual relationship with the Company or its affiliates ceases will lose the benefit of any options which were not exercised (i) prior to the termination of the said contractual relationship or (ii) during a 6 months period following the termination of the contractual relationship.

  This latter opportunity will not be granted to the beneficiaries in case the contractual relationship between the leaver and the Company or its affiliates can be terminated by the Company or its affiliates without any indemnity or notice period.
- Transfer of options: No transfer except in case of (i) death (for vested options only) or (ii) transfer by a legal entity to one of its shareholders or directors as identified in the offer letter.
- Exercise period: Options may be exercised at any time as from vesting, unless when the exercise would be prohibited under applicable laws or regulations.
- Exercise price: Either the last closing price of the share on Euronext Brussels preceding the offer Date or the average closing price of the share on Euronext Brussels during the last 30 days preceding the offer date, as determined in the Offer Letter.
- Trade Sale:
  - Anticipated vesting and early exercise in certain specific events leading to a change of control over the Company ;
  - Undertaking to sell the underlying shares in the Company acquired by the beneficiary pursuant to the exercise of its options; and
  - Lapse of the options if not exercised in the context of the event leading to a change of control over the Company.

Thirdly, during the meeting of the Board of Directors held on December 18, 2020, the Board of Directors discussed the reasons underlying the offer of stock options to several individuals and legal entities, as well as the structure, the contemplated beneficiaries, the main terms and conditions, and the costs, the timing and practical modalities of the envisaged implementation of the stock option plan (hereafter, “the December 2020 plan”).

During the aforementioned meeting, Mr. Olivier Legrain informed the other Board Members that he was one of the potential beneficiaries of the stock option plan that was sent by the Remuneration Committee to the Board of Directors as part of the proposals of the Remuneration Committee.

During the same meeting of the Board of Directors held on December 18, 2020, Mr. Olivier Legrain declared a financial interest conflicting with the decisions to be taken to the extent that the Board of Directors had to confirm:

- whether or not the Company would offer options to Mr. Olivier Legrain; and
- the number of options to be offered to him, as the case may be.

The Board of Directors made sure that the statutory auditor of the Company EY Réviseurs d'Entreprises SRL, represented by Romuald Bilem, was duly informed of the existence of such conflict of interest and received a copy of the minutes of the meeting of December 18, 2020.

Bearing in mind the declaration made by Mr. Olivier Legrain at the occasion of the meeting of December 18, 2020, the undersigned Directors acknowledged the possible existence of a conflict of interest within the meaning of Article 7:96 of the Companies and Associations Code.

The undersigned Directors were of the opinion that the financial conflict of interest at stake might, in particular, relate to the decisions to be taken by the undersigned Directors with respect to the proposed stock option plan.

The undersigned Directors considered that it was better to avoid that Mr. Olivier signs or be involved in any way in the decisions to be taken through these written resolutions.

These written resolutions were therefore unanimously taken and signed by all Directors of the Company who were not in a situation of conflicting interest within the meaning of Article 7:96 of the Companies and Associations Code.

During the aforementioned meeting held on December 18, 2020, the undersigned Directors unanimously decided to approve the December 2020 Plan with up to 650,000 options, including the requirement for the exercise price of the options to correspond to the average closing price of the Company's share on the Euronext Brussels during the last 30 days preceding the offer date and the list of potential beneficiaries identified by the Remuneration Committee. The undersigned Directors decided to purchase up to 650,000 IBA shares on Euronext Brussels with the sole purpose to be able to execute the stock option plan described above.

Lastly, during the same meeting of the Board of Directors held on December 18, 2020, the Board of Directors also discussed the pre-read documentation and offer from Mr. Olivier Legrain representing IB Anchorage (hereafter, "the Participation Plan").

During the aforementioned meeting, Mr. Olivier Legrain informed the other Board Members that he was one of the initiative takers of and would benefit from the participation plan that was sent by him to the Board. Mr. Olivier Legrain declared a financial interest conflicting with the decisions to be taken:

i) in his capacity as CEO to the extent that the Board had to approve the participation plan, and

ii) in his capacity as co-founder and shareholder of IB Anchorage S.R.L. (or the same legal entity subsequently carrying a different name), potential acquirer of the Company's own shares held by IBA Investments S.C.

The Board acknowledged the possible existence of a conflict of interest within the meaning of Article 7:96 of the Companies and Associations Code. The Board was of the opinion that the financial conflict of interest at stake might, in particular, relate to the decisions to be taken by the Board with respect to the proposed participation plan.

The Board made sure that the statutory auditor of the Company, EY Réviseurs d'Entreprises SRL, represented by Romuald Bilem, was duly informed of the existence of such conflict of interest and received a copy of the minutes of the meeting.

During the aforementioned meeting held on December 18, 2020, the undersigned Directors unanimously decided to approve the participation plan as presented to the Board of Directors.

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:

Mrs. Christine Dubus (representing Nextstepefficiency SRL), chairwoman of the Audit Committee since August 24, 2020, member of the Audit Committee and Board member since August 24, 2020, is also Executive Director at *CIC Conseil*, *Crédit Mutuel Alliance Fédérales*'s Subsidiary. Previously an audit partner at a leading international firm, she has extensive experience in all financial matters including group financial reporting, working capital management, transversal finance transformation programs, and efficiency tracking.

Mrs. Christine Dubus is an independent as defined in article 7: 87 of the CSA. She does not maintain relations with the company or any of its shareholders that would jeopardize its independence.

## CORPORATE GOVERNANCE STATEMENT (SECTION 3:6, §2 AND §3, AND 3:32, §1, 7° AND 8° 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 Governance Charter (the "Charter"). The Charter is available on the Company's website http://www.iba-worldwide.com, on the following page https://iba-worldwide.com/investor-relations/legal.

The Company has implemented the principles laid out in the 2020 Belgian Code of Corporate Governance by adopting the Charter. The Company has explained in its Corporate Governance Charter, as well as further in this Management Report where and why it deviates from the Code.

The Charter was endorsed by IBA's Board of Directors during its meeting held on 18th December 2020. The Charter may be updated from time to time as governance of the Company evolves.

According to section 3:6, §2, 2°, of the BCAC, IBA reports that it deviates from principle 5.3/1 of the 2020 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 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 from receiving 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.

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

Management has established an Internal Control system addressing its operations and financial reporting objectives.

#### CONTROL ENVIRONMENT

The Board of Directors and senior management establish the tone at the top regarding the importance of internal control. Management sets expectations at the various levels of the organization. After the establishment of the Group's annual objectives, operational targets are prepared for each division, department, and employee. An annual evaluation process is established to monitor employee performance and the achievement of objectives.

The organization of the accounting and finance department supports the target setting process. The Chief Executive Officer (CEO) and Chief Financial Officer (CFO) jointly agree with the department objectives and the CFO further cascades the objectives throughout the organization. In addition, Human Resources has established a library of functions with detailed job descriptions for all IBA activities. Individual responsibilities for maintaining accounts and financial information are identified in the library.

The process of preparing consolidated financial information is supported by procedures and work instructions to guide subsidiaries in the preparation of their local accounts.

### RISK MANAGEMENT PROCESS

Financial statements are consolidated monthly. This procedure enables the timely identification of accounting issues.

The finance department works closely with the legal department and external auditors, to comply with changes in legislation and accounting standards.

These efforts are made to provide financial information in full compliance with company law, deadlines, and quality standards.

Senior management has introduced a range of analyses to identify, evaluate and track financial and operational risks. These include:

- A four-year strategic plan and annual budget
- A yearly enterprise risk management process
- A monthly management dashboard (versus budget, versus previous year);
- Treasury forecast tables;
- Project status reports;
- Procedures for establishing technical documents;
- Request forms for recruitment approvals;
- A committee to approve major investments;
- A table of the firm and current orders for the Equipment sector;
- A signature matrix for all Group commitments to third parties;
- A dual-signature authorization for payments and bank-related transactions

In addition, the Chief Compliance Officer is responsible for monitoring compliance with the Code of Business Conduct and company procedures. A reporting procedure is established allowing all employees to report any incidents or events representing a risk for the company.

The Board of Directors and the Audit Committee fulfill their responsibilities for monitoring risk management by reviewing the reports and analysis prepared by senior management, such as:

- Management dashboard;
- The Monitoring and review of investments analysis;
- Analysis of research and development achievements and performance;
- The strategic plan and budgets for the following period;
- The analysis of the treasury position;
- Internal audit reports.

### CONTROL ACTIVITIES

The 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 remain vigilant for any situation that could indicate internal or external fraud. A program of complementary tests and specific actions is conducted if a red flag is identified.

Controls of procedures for the 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 review 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.

The procedures for establishing the financial statements of the Group are applicable to 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 to ensure their effectiveness. The maintenance of the IT systems is an integral part of the IT department's mission.

Accounting and financial information are communicated to Management monthly 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 the 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 on 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 department. 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 2020, the respective percentage of shares held by the Company's main and historical shareholders as of December 31, 2020 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.

According to article 35 of the Company's Articles of Association applicable as of 31 December 2020, and in accordance with article 18 of the law of 2nd May 2007 relating to the disclosure of significant holdings in issuers whose shares are admitted to trading on a regulated market and laying down various provisions, the notification obligation provided for in articles 6 and following of this law is applicable to the crossing, upward or downward, of any minimum portion of one percent (1%), two percent (2%), three percent (3%), four percent (4%), five percent (5%), seven point five percent (7.5%), and in portions of ten percent (10%), fifteen percent (15%) and so on in increments of five percent (5%), of the total voting rights in circulation at the time of the occurrence of the situation giving rise to a declaration under this law.

| Situation as at | | December 31, 2019 | | December 31, 2020 | | Variation | |
|---|---|---|---|---|---|---|---|
| **Dénominator** | | **30 133 920** | | **30 133 920** | | | |
| **Entity** | | **Shares** | **%** | **Shares** | **%** | **Shares** | **Variation** |
| **Sustainable Anchorage SRL** | | 6 204 668 | 20,59% | 6 204 668 | 20,59% | 0 | **0,00%** |
| **IBA Investment SCRL** | | 610 852 | 2,03% | 410 852 | 1,36% | - 200 000 | **-32,74%** |
| **IBA SA** | | 63 519 | 0,21% | 63 369 | 0,21% | - 150 | **-0,24%** |
| | **Subtotal** | **6 879 039** | **22,83%** | **6 678 889** | **22,16%** | | |
| **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% | 715 491 | 2,37% | 11 000 | |
| **SFPI SA** | | 58 200 | 0,19% | 58 200 | 0,19% | 0 | **0,00%** |
| **Belfius Insurance SA** | | 903 754 | 3,00% | 1 189 196 | 3,95% | 285 442 | **31,58%** |
| **Institut des Radioéléments FUP** | | 1 423 271 | 4,72% | 1 423 271 | 4,72% | 0 | **0,00%** |
| **Paladin Asset Mgmt** | | 0 | 0,00% | 768 765 | 2,55% | 768 765 | **1,33%** |

| | | | | | | |
|---|---|---|---|---|---|---|
| **Capfi Delen Asset Management NV** | 40 000 | 0,13% | 0 | 0,00% | -40 000 | **n/a** |
| **BlackRock, Inc.** | 0 | 0,00% | 405 300 | 1,34% | 405 300 | **1,34%** |
| **Norges Bank Investment Management** | 1 409 069 | 4,68% | 1 133 108 | 3,76% | - 275 961 | **-19,58%** |
| **Kempen Capital Management NV** | 875 388 | 2,90% | 875 388 | 2,90% | 0 | **0,00%** |
| **Subtotal** | **5 414 173** | **17,97%** | **6 568 719** | **21,80%** | | |
| **Total** | **12 900 097** | **42,81%** | **13 854 493** | **45,98%** | | |
| **Public** | **17 233 823** | **57,19%** | **16 279 427** | **54,02%** | | |
| **Grand Total** | **30 133 920** | **100%** | **30 133 920** | **100%** | | |

All transparency notifications received by the Company are available on its website, on the following page: [https://iba-worldwide.com/investor-relations/legal](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), the Company is managed by a Board of Directors composed of a minimum of three and a maximum of 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 full knowledge of the facts.

During the financial year 2020, the Board of Directors met 8 times on the occasion of regular board meetings - under the chairmanship of Mr. Pierre Mottet -, once for the Sustainability Board meeting, and once for the Product Board meeting. Attendance at meetings of the Board was very high. A large majority of the directors attended all meetings.

During the Ordinary General Meeting (held on June 10, 2020), three directors' mandates were renewed, i.e., the mandate of Bridging for Sustainability, represented by its permanent representative, Mrs. Sybille van den Hove, the mandate of Consultance Marcel Miller SCS, represented by its permanent representative, Mr. Marcel Miller and the mandate of Mr. Olivier Legrain. The term of their mandate is set at the Ordinary General Meeting to be held in 2023 (i.e. the Ordinary General Meeting that will be convened to approve the annual accounts as of 31 December 2022).

During the same Ordinary General Meeting (held on June 10, 2020), two directors' mandates came to an end, i.e., the mandate of Bayrime SA, represented by its permanent representative, the late Mr. Eric de Lamotte, and the mandate of Katleen Vandeweyer Comm. V., represented by its permanent representative, Mrs. Katleen Vandeweyer.

Following a decision of the Board of directors held on August 24, 2020, the Board unanimously decided to coopt Nextstepefficiency SRL, represented by its permanent representative, Mrs. Christine Dubus, and Dr. Richard A. Hausmann as Independent Directors.

Board of Directors as of December 31, 2020:

| NAME | START OF TERM | END OF TERM | DUTIES AT IBA | PRIMARY DUTIES OUTSIDE IBA |
|---|---|---|---|---|
| **Olivier Legrain** (1) | 2012 | GM 2023 | Chief Executive Officer / Internal Director / Managing Director / NC / PC / SC | N/A |
| **Saint-Denis SA (represented by Pierre Mottet)**(1) | 1998 | GM 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 | GM 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) |
| **Nextstepefficiency (represented by Christine Dubus)** (2) | 2020 | GM 2021 | Independent Director / AC (chairwoman) / RC / PC / SC | Executive Director at CIC Conseil, Crédit Mutuel Alliance Fédérales's Subsidiary / Member of the Board of Directors of Columbus, Mobivia and Via ID / Member of the Audit Committee of Decathlon |
| **Consultance Marcel Miller SCS (represented by Marcel Miller)** (2) | 2011 | GM 2023 | Independent Director / AC / RC / NC / SC / PC | Former President Alstom Benelux / Member of the Board of Schréder / Chairman of the Board of Technord |
| **Hedvig Hricak** (2) | 2017 | GM 2022 | Independent Director / PC / SC | 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 |
| **Dr. Richard A. Hausmann** (2) | 2020 | GM 2021 | Independent Director / AC / RC / NC / PC / SC | Formerly President and CEO of Elekta AB, Sweden / Hold various CEO positions in Med Tech companies for diagnostic imaging business lines in Siemens and GE / From 2004 to 2010 President and CEO of Siemens Ltd China |
| **Bridging for Sustainability SRL (represented by Sybille van den Hove)** (2) | 2015 | GM 2023 | Independent Director / PC / SC (chairwoman) | Sustainability research and advice / Former chair of the scientific committee of the European Environment Agency / Associate Member of Woman on Board |

*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.*

## REMUNERATION COMMITTEE

The Remuneration Committee met 5 times in 2020. A report on each meeting was provided to the Board.

Topics of discussion included matters relating to the 2020 bonuses, long terms incentives, and compensation schemes in general.

As of December 31, 2020, the Remuneration Committee was comprised of Saint-Denis SA represented by its managing director, Mr. Pierre Mottet, Consultance Marcel Miller SCS represented by its permanent representative, Mr. Marcel Miller, Nextstepefficiency SRL, represented by its permanent representative Mrs. Christine Dubus and Dr. Richard A. Hausmann. The latter three 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 2020 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 June 10, 2020 (i) to approve the renewal of Mr. Marcel Miller mandate as independent director, the renewal of Mrs. Sybille van den Hove mandate as independent director and the renewal of Mr. Olivier Legrain as internal director and to set the term of their mandate at the OGM to be held in 2023, called to resolve on the 2022 annual accounts, and (ii) to acknowledge the resignation of two other directors with effect from June 10, 2020, namely Mrs. Katleen Vandeweyer and Mr. Eric de Lamotte.

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 of December 31, 2020, the Nomination Committee was comprised of Saint-Denis SA represented by its managing director, Mr. Pierre Mottet, Consultance Marcel Miller SCS represented by its permanent representative, Mr. Marcel Miller, Mr. Olivier Legrain, Mr. Yves Jongen, and Dr. Richard A. Hausmann. This Committee is chaired by Mr. Pierre Mottet.

## PRODUCT COMMITTEE – PRODUCT BOARD MEETING

A Product Committee has been set up as an IBA Board Committee to overview the Protontherapy product strategy, to analyze and validate the research and development projects in Protontherapy, and to report its activities to the Board. That Committee did not meet in 2020 but is considered since the second semester of 2020 as a full board meeting with a specific topic: the IBA products.

As of December 31, 2020, the former product committee consists of all members of the Board of Directors: Mr. Olivier Legrain, Saint-Denis SA represented by its managing director, Mr. Pierre Mottet, Mr. Yves Jongen, Nextstepefficiency represented by its permanent representative, Christine Dubus, Consultance Marcel Miller SCS, represented by its permanent representative, Marcel Miller, Ms. Hedvig Hricak, Dr. Richard A. Hausmann, and Bridging for Sustainability SRL represented by its permanent representative Ms. Sybille van den Hove. The Product Board is chaired by Mr. Pierre Mottet and met on October 14, 2020.

No absence was recorded for the Product Board.

## AUDIT COMMITTEE

The Audit Committee met 4 times in 2020, in the presence of Mr. Olivier Legrain and Mr. Pierre Mottet. On each occasion, the Committee reported on its meetings to the Board of Directors. The main topics addressed were the financial results, liquidity situation, analysis of the external auditors' review, a recommendation for the renewal of the audit mandate of the Statutory Auditor and the change in representative of the Statutory Auditor, examination of the 2021 budget, and follow-up of 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 appropriate departments in the organization.

As of December 31, 2020, the Audit Committee was comprised of three members: Consultance Marcel Miller SCS, represented by its permanent representative Mr. Marcel Miller, Nextstepefficiency SRL, represented by its permanent representative Mrs. Christine Dubus and Dr. Richard A. Hausmann. It is chaired by Mrs. Christine Dubus.

### SUSTAINABILITY COMMITTEE – SUSTAINABILITY BOARD MEETING

The sustainability committee was set-up in 2018 as an IBA Board Committee.

That committee met once on March 10, 2020, to define the strategy and ambition of IBA on the Sustainability fronts which is, at IBA, defined through commitments to our 5 stakeholders: our customers and their patients, our employees, our shareholders, society, and the planet.

This meeting was held in the presence of several members of Management interested in these questions, but not all members were present during the meeting.

Since October 2020, the Sustainable Committee is considered as a full board meeting with sustainability as a specific topic, as sustainability is key for IBA's strategy.

As of December 31, 2020, the former sustainability committee consisted of all members of the Board of Directors: Mr. Olivier Legrain, Saint-Denis SA represented by its managing director, Mr. Pierre Mottet, Mr. Yves Jongen, Nextstepefficiency represented by its permanent representative, Christine Dubus Consultance Marcel Miller SCS, represented by its permanent representative, Marcel Miller, Ms. Hedvig Hricak, Dr. Richard A. Hausmann, and Bridging for Sustainability SRL represented by its permanent representative Ms. Sybille van den Hove. The Sustainability Board is chaired by Mr. Pierre Mottet and met on November 18, 2020.

No absence was recorded for that Sustainability Board.

### 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 the 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, submits 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 2021 budget.

Management Team as of December 31, 2020:

| MANAGEMENT TEAM MEMBERS | POSITIONS | OTHER AND PRIOR DUTIES |
|---|---|---|
| **Olivier Legrain (representing Lamaris Group SRL)** | Chief Executive Officer | Internal Director/ Managing Director/ Member of Nomination Committee/ Member of the Product Committee (prior to its integration)/ Member of the Sustainability Committee (prior to its integration) |
| **Yves Jongen (representing Research Management Systems SRL)** | Chief Research Officer | Internal Director / Managing Director / Member of the Nomination Committee / Member of the Product Committee (prior to its integration)/ Member of the Sustainability Committee (prior to its integration) 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 Officer | Joined IBA in 2007 as HR Director Particle Therapy/ Previously working at Abbott Vascular (Guidant) and GSK in various HR roles |

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

The Code of Business Conduct sets out the principles of IBA's social and staff-related policy. It is, among others, based on the International Labor Organization's Declaration on Fundamental Principles and Rights at Work. The Code of Business Conduct is today our reference to describe our commitment to diversity in our corporate culture.

As covered in our IBA Corporate brochure, Diversity is fundamental to our corporate 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 providing equal employment and training opportunities and treating 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, and we have designated individuals responsible for diversity, equity, and inclusion.

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 2020 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.

As of December 31, 2020, 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 from the early '40s to mid-'70s, testifying of a fair and balanced value between the said members.

Management is preparing a global diversity policy that will confirm the current practice in line with our "Stakeholder Approach", and will extend it further through an action plan, for approval by the Board and implementation in 2021.

## INFORMATION DISCLOSED PURSUANT TO SECTION 34 OF THE ROYAL DECREE OF 14 NOVEMBER 2007 (SECTIONS 3:6, §2, 7° AND 3:32, §1, 8°, 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 CATEGORY OF SHARES AND % OF THE SHARE CAPITAL THAT THEY REPRESENT

As of 31 December 2020, the Company has issued 30 133 920 shares, without a nominal value, each representing 1/30 133 920$^{th}$ of the Company's share capital and each 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. 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.

## V. 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.

## VI. CONTROLLING MECHANISM IN A SYSTEM OF STAFF-SHAREHOLDING

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

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

As of 31 December 2020, articles 27 and 28 of the Company's coordinated Articles of Association provide the following limitations:

*"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 as 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 rights provided by the law for those shares compared to other shares representing a same fraction of the share capital."*

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

There are no such arrangements in place.

## IX. 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 of 31 December 2020, articles 11 and 12 of the Company's Articles of Association provided the following:

"*Article 11:*

*The company is managed by a board of directors comprised of a minimum of three members and a maximum of 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 of 31 December 2020, article 29, §2, of the Company's Articles of Association provided the following:

*"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.*"

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

As of 31 December 2020, the Board of Directors was authorized to issue new shares or redeem the Company's own shares. In this respect, article 6 of the Company's Articles of Association provide the following:

*"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").*

## REMUNERATION REPORT (SECTION 3:6, §3, 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.*

### 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, and subject to approval by the shareholders.

### Remuneration policy Managing Directors and others Executive Management Team Members

*Procedure*

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 and the employees of the Company, 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*

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.

External competitiveness currently is assessed by reference to a general cross-section of companies active in the markets where the executives are based.

IBA does 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.

Employees pay and conditions were taken into account when establishing this policy. The profit-sharing plan described below applies to all staff in the same manner as to the managing directors and management team members.

As from 2021 IBA is implementing two revisions of its remuneration policy:

- Introducing a Minimal Holding Requirement (MHR) of IBA shares for its managing directors and management team members.
- Modifying the variable pay formula by integrating the profit-sharing plan as applicable to all employees, matching the dividend paid to shareholders

The expected outcome of these measures is to align Shareholders and Management interests, with a proper balance between short term performance and long-term goals in support of the realization of IBA’s strategic commitment to its multi-stakeholders approach.

## TOTAL REMUNERATION (section 3:6, §3, 1°, of the BCAC)

### Total Remuneration non-Managing Directors

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 (before its integration) 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 (before its integration) 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.

Non-Managing Directors do not receive any form of variable remuneration and no other form of fixed, equity-based or in-kind remuneration in the course of the year.

No share-based remuneration is offered given the international mix of non-managing directors and incompatibility of such a practice with independence requirements in some jurisdictions

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.

*Table of Total Remuneration non-Managing Director*

The gross amounts that were paid to non-Managing Directors in 2020 are as follows:

| Board Member | TOTAL FEES (EUR) | LUMP-SUM FEE (EUR) | | MEETING RELATED FEES* (EUR) |
|---|---|---|---|---|
| Saint-Denis SA, represented by Pierre Mottet (internal director, Chairman of the Board, of the Nomination Committee and of the Compensation Committee) | 90 000 | 12 000 | BM<br>AC<br>CC/NC<br>MAC<br>PC<br>SC<br>Other | 33 000<br>9 000<br>24 000<br>N/A<br>6 000<br>6 000<br>None |
| SCS Consultance Marcel Miller, represented by Marcel Miller (independent director) | 47 600 | 6 000 | BM<br>AC<br>CC/NC<br>MAC<br>PC<br>SC<br>Other | 17 600<br>6 400<br>12 800<br>N/A<br>3 200<br>1 600<br>None |
| Bayrime SA, represented by Eric de Lamotte (director) until June 10, 2020 | 3 000 | 3 000 | BM<br>AC<br>CC/NC<br>MAC<br>PC<br>SC<br>Other | None<br>None<br>None<br>None<br>None<br>None<br>None |
| Hausmann Consulting, represented by Dr. Richard Hausmann (independent director starting August 24, 2020) | 23 800 | 3 000 | BM<br>AC<br>CC/NC<br>MAC<br>PC<br>SC<br>Other | 8 000<br>3 200<br>4 800<br>N/A<br>3 200<br>1 600<br>None |
| Nextstepefficiency Srl, represented by Christine Dubus (independent director, chairwoman of the Audit Committee, starting August 24, 2020) | 26 500 | 4 500 | BM<br>AC<br>CC/NC<br>MAC<br>PC<br>SC<br>Other | 8 000<br>4 400<br>4 800<br>N/A<br>3 200<br>1 600<br>None |
| Bridging for Sustainability, represented by Sybille van den Hove (independent director, chairwoman of the Sustainability Committee) | 34 200 | 9 000 | BM<br>AC<br>CC/NC<br>MAC<br>PC<br>SC<br>Other | 17 600<br>N/A<br>N/A<br>N/A<br>3 200<br>4 400<br>None |
| Katleen Vandeweyer Comm.V., represented by Katleen Vandeweyer (independent director, chairwoman of the Audit Committee until June 10, 2020) | 23 300 | 4 500 | BM<br>AC<br>CC/NC<br>MAC<br>PC<br>SC<br>Other | 8 000<br>4 400<br>6 400<br>N/A<br>None<br>None<br>None |

| | | | | |
|---|---|---|---|---|
| Hedvig Hricak (independent director) | 28 800 | 16 000 | BM<br>AC<br>CC/NC<br><br>MAC<br>PC<br>SC<br>Other | 9 600<br>N/A<br>N/A<br><br>N/A<br>1 600<br>1 600<br>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 2020, 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 276.732.

**Total Remuneration components for Managing Directors and other Executive Management Team members**

For Managing Directors and other Executive Management Team members, total remuneration generally consists of fixed remuneration, variable remuneration and long-term incentives. Retirement plan contributions and other components are offered to salaried Executive Team Members. Each individual member does not necessarily benefit from each remuneration component: this is primarily dependent upon the nature and structure of the individual agreement. 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:

MANAGING DIRECTORS AND OTHER EXECUTIVE MANAGEMENT TEAM MEMBERS

| REMUNERATION COMPONENT | PART OF TOTAL REMUNERATION (WHEN OFFERED) |
|---|---|
| Annual fixed remuneration | Between 46% and 63% |
| Annual variable remuneration (at target) | Between 18% and 46% |
| Annualized value of long-term incentives | Between 5% and 9% |
| Annual value of retirement plan contributions | Up to 3% |
| Annual value of other components | Up to 8% |

*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.

*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 annual fixed remuneration, depending on the position.

For performance year 2020, collective performance is measured against Profit Before Tax (PBT) and Order Intake targets, geared towards achieving and exceeding the Company's fiscal year objectives.

As from performance year 2021, IBA is introducing a profit-sharing plan matching the total dividend paid to shareholders. A number of Profit-Sharing Points is assigned to each IBA employee, usually corresponding to the portion of their variable remuneration linked to collective performance. The Profit-Sharing envelope is allocated between all employees accordingly. Managing Directors and other Executive Management Team members participate to this plan alongside with employees, 50% of their variable pay being based on this profit-sharing plan.

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) financial targets (PBT) ii) commercial targets and iii) strategic objectives. The maximum payout is set at 150% of target in case of exceptional 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. The IBA Corporate Governance Charter of December 2020 explicitly cautions for conflicts of interests and how to subsequently act (see points 4.3.3 and 4.4.2 and 7.1)

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 (LTI)*

A new Stock Options Plan has been offered in 2021 to Managing Directors and members of the Executive Management Team, as well as to some other senior leaders. The plan vests on January 1st, 2025 and can be exercised through December 31st, 2026. Any proceeds earned under this plan will be handed to beneficiaries in the form of full shares until their MHR as set here below is met. When their MHR is met, the plan beneficiaries may elect to obtain their proceeds in the form of shares or in cash. The options under this plan have an exercise price of 13,39€.

*Minimum Holding Requirement (MHR)*

A minimum number of Company registered shares are to be held by the Managing Directors and members of the Executive Management Team. Each of them has to acquire, hold and retain directly or indirectly a number of Company shares corresponding to 100.000 IBA shares for the Managing Directors and to 10.000 IBA shares for members of the Executive Management Team. Other senior leaders who are participating to the stock options plan described above are also subject to a MHR corresponding to 40% of their 2021 Stock Options for those based in Belgium and to 25% of it for those based elsewhere. The MHR shall have to be reached at the latest by 31st December 2026. The MHR can be built up in the manner which is deemed most appropriate by the individual on whom such minimum is imposed, including through the Stock Options Plan described above.

The MHR is applicable during the entire period of the contractual relationship with IBA, and during a three-year period starting at the date the said contractual relationship terminates unless the termination of the contractual relationship is consecutive to the retirement or death of the concerned Executive.

The Managing Directors are significant owners of the reference shareholder and already comply with the MHR provision.

*Retirement Plan*

IBA does not pay any pension contribution to its Managing Directors, who operate under a Management Company agreement.

Depending on the terms and conditions of their agreement 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 defined contribution type of plans.

*Other Components*

IBA does not pay any other compensation components to its Managing Directors, who operate under a Management Company agreement.

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.

**Context of remuneration during financial year 2020**

The general policy is explained in the Annual Report 2019. 2020 was however a special year. While the rules were applied to pay out the 2019 variable plan, in front of the uncertainty pertaining to the impact of the Covid-19 crisis on its business, IBA decided to freeze its remuneration unless where required by law or otherwise. A limited Stock Option Plan, to be hedged by a share buy-back by the Company, was added for the Executive team and senior leadership to foster long term targets beyond the hard crisis management linked to the Covid situation.

*Total Remuneration*

In line with our Remuneration Policy, Managing Directors and Executive Managers compensation was composed in 2020 of a Base Salary, an Annual Variable Pay and, depending on their contractual arrangement pension contribution and other compensation elements such as lunch vouchers, healthcare insurance, a company car and fringe benefits. A Stock Options Plan was also offered in 2020, as described in this report.

The Managing Directors operate under a Management Company and as such do not benefit from an IBA sponsored pension plan or of the other compensation elements described here above.

Variable Pay – short term incentives

*Plan Criteria*

The variable compensation paid in 2020 relates to 2019 performance year. The plan was based for 50% on business results vs goals and for 50% on individual contribution. The business results were measured for 60% against Profit Before Tax (PBT) and for 40% against Order Intake.

The choice of these performance criteria contributes to the long-term development of the company, being a mix of current financial performance (back-log conversion), new business (back-log creation) and qualitative objectives.

In order to protect its competitive position, IBA does not disclose targets nor individual objectives.

Each criterion is assessed separately against pre-approved targets. A performance score is assigned to each criterion, resulting in the corresponding pay-out as described in the following table:

| Score | | Unsatisfactory | Improvement Needed | Medium | Good | High | Exceptional |
|---|---|---|---|---|---|---|---|
| Pay-out | | 0% | 0% | 75% | 100% | 120% | 150% |

*Actual Pay-Out*

At the group level, the minimal threshold to obtain a payment on the achieved PBT was not met, resulting in 0% pay-out. The Order Intake portion reached maximum level with a payment at 150% (https://iba-worldwide.com/content/iba-annual-report-2019). This resulted in a final pay-out of 60% for the portion related to business results.

The individual contribution was assessed by the Remuneration Committee and validated by the Board of Director, for each Managing Director and for each member of the Executive Management Team. It was based on the performance against the 2019 pre-approved individual goals.

The variable pay was capped at 150% of target payment. There was no need to apply this cap for performance year 2019.

In 2020 Executive Managers' variable compensation was paid in a combination of cash, warrants and pension contributions. The corresponding total value of their variable compensation is indicated in the table below.

### Total Remuneration of the Managing Directors

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

| Name | Title | Currency | Year | Annual fixed remune-ration | Annual variable remune-ration | Long-term incentive | Retirement benefits | Other benefits |
|---|---|---|---|---|---|---|---|---|
| **Olivier Legrain (1)** | CEO | EUR | 2020 | 388 982 | 313 750 | 65 323 | None | None |
| | | *% of total* | | *51%* | *41%* | *8%* | *0%* | *0%* |
| | | EUR | 2019 | 386 393 | 189 093 | None | None | None |
| | | *% of total* | | *67%* | *33%* | *0%* | *0%* | *0%* |
| **Yves Jongen (2)** | CRO | EUR | 2020 | 344 533 | 172 705 | 26 129 | None | None |
| | | *% of total* | | *63%* | 32% | 5% | 0% | 0% |
| | | EUR | 2019 | 351 908 | 104 087 | None | None | None |
| | | *% of total* | | *87%* | *13%* | *0%* | *0%* | *0%* |

1. Managing Director and representative of Lamaris SRL
2. Managing Director and representative of Research Management Systems SRL

### Details of 2020 variable pay for Managing Directors

| Name | Title | Currency | Profit Before Tax<br>a. % pay-out<br>b. amount | Order Intake<br>a. % pay-out<br>b. amount | Individual Goals<br>a. % pay-out<br>b. amount |
|---|---|---|---|---|---|
| **Olivier Legrain (1)** | CEO | EUR | a. 0%<br>b. 0€ | a. 150%<br>b. 117.656€ | a. 100%<br>b. 196.094€ |
| **Yves Jongen (2)** | CRO | EUR | a. 0%<br>b. 0€ | a. 150%<br>b. 64.764€ | a. 100%<br>b. 107.941€ |

1. Managing Director and representative of Lamaris SRL
2. Managing Director and representative of Research Management Systems SRL

### Total Remuneration of the Executive Management Team

| Title | Currency | Year | Annual fixed remuneration | Annual variable remuneration | Long-term incentive | Retirement benefits | Other benefits* |
|---|---|---|---|---|---|---|---|
| **Executive Management Team** | EUR | 2020 | 367,143 | 99,493 | 52.258 | 15,772 | 45,257 |
| | *% of total* | | *63%* | *17%* | *9%* | *3%* | *8%* |
| | EUR | 2019 | 368,493 | 53,999 | None | 13,764 | 40,383 |
| | *% of total* | | *77%* | *11%* | *0%* | *3%* | *8%* |

*i.e. hospitalization insurance, long term disability insurance, car, bicycle, lunch vouchers, representation allowance, minor fringe benefits, in-line with local practices

### Details of 2020 variable pay for Executive Management Team

| | Currency | Profit Before Tax<br>a. % pay-out<br>b. amount | Order Intake<br>a. % pay-out<br>b. amount | Individual Goals<br>a. % pay-out<br>b.amount |
|---|---|---|---|---|
| **Executive Management Team** | **EUR** | a. 0%<br>b. 0€ | a. 150%<br>b. 33.164 | a. 120%<br>b. 66.329 |

## REMUNERATION RELATED TO SHARES (SECTION 3: 6, §3, 2 °, OF THE BCAC)

**Remuneration in the form of shares**

In 2020 IBA issued a Long Term Incentive in the form of a Stock Options plan (SOP2020). This LTI was offered on June 1st, 2020 in the form of a stock option plan on IBA shares with a strike price at EUR 7,54 (being the average closing price of the prior 30 days). This plan will vest on January 1st, 2024. 50% of the options will expire on May 31st 2026, the other 50% on May 31st 2030.

One other plan is still active (SOP2014). SOP2014 was granted in on July 1st, 2014. This plan fully vested on January 1st, 2019 and will expire on June 30th, 2024. The exercise price is equal to the fair market value of the share at grant, i.e., EUR 11.52.

IBA has not entered into derivative contracts related to such stock options or to hedge the risks attached.

IBA has chosen to value share options at their fair value according to IFRS2.

| Compensation in Stock Options | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Name, Position | Main Provisions of the Stock Option Plan | | | | | | Information relating to the Financial Year covered by the Report | | | |
| | | | | | | | Opening balance sheet | During the Year (*) | | Closing balance |
| | 1. Plan Identification | 2. Proposal Date | 3. Acquisition Date | 4. End of the Retention Period | 5. Exercise period | 6. Exercise Price | 7. Number of Options at the start of the year (2) | 8.a) Number of Options Offered<br>8.b) Value of Underlying Shares @ Date of Proposal (3) | 9.a) Number of Options Granted<br>9.b) Value of Underlying Shares @ Acquisition Date<br>9.c) Valeur @ Prix d'Exercice<br>9.d) Capital gain @ Date of Acquisition (4) | 10. Number of Options Proposed but not yet Granted (5) |
| Olivier LEGRAIN, CEO | SOP 2020 | 06-01-20 | 01-02-24 | N/A | 5.a) 50% from 02-01-24 to 31-05-26 5.b) 50% from 02-01-24 to 31-05-30 | 7,54 € | 0 | 8.a) 25.000<br>8.b) 188.500 € | | 25.000 |
| | SOP 2014 | 07-01-14 | 12/31/2018 | N/A | from 01-01-2019 to 30-06-2024 | 11,52 € | 50.000 | | | |
| | | | | | | Total : | 50.000 | 8.a) 25.000<br>8.b) 188.500 € | | 25.000 |
| Yves JONGEN, CRO | SOP 2020 | 06-01-20 | 01-02-24 | N/A | 5.a) 50% from 02-01-24 to 31-05-26 5.b) 50% from 02-01-24 to 31-05-30 | 7,54 € | 0 | 8.a) 10.000<br>8.b) 75.400 € | | 10.000 |
| | SOP 2014 | 07-01-14 | 12/31/2018 | N/A | from 01-01-2019 to 30-06-2024 | 11,52 € | 10.000 | | | |
| | | | | | | Total : | 10.000 | 8.a) 10.000<br>8.b) 75.400 € | | 10.000 |
| Soumya CHANDRAMOULI, CFO | SOP 2020 | 06-01-20 | 01-02-24 | N/A | 5.a) 50% from 02-01-24 to 31-05-26 5.b) 50% from 02-01-24 to 31-05-30 | 7,54 € | 0 | 8.a) 10.000<br>8.b) 75.400 € | | 10.000 |
| | | | | | | Total : | 10.000 | 8.a) 10.000<br>8.b) 75.400 € | | 10.000 |
| Frédéric NOLF, CHRO | SOP 2020 | 06-01-20 | 01-02-24 | N/A | 5.a) 50% from 02-01-24 to 31-05-26 5.b) 50% from 02-01-24 to 31-05-30 | 7,54 € | 0 | 8.a) 10.000<br>8.b) 75.400 € | | 10.000 |
| | SOP 2014 | 07-01-14 | 12/31/2018 | N/A | from 01-01-2019 to 30-06-2024 | 11,52 € | 10.000 | | | |
| | | | | | | Total : | 10.000 | 8.a) 10.000<br>8.b) 75.400 € | | 10.000 |

(*) During the year, no options were exercised and no options had expired due to the expiration of the option term

## DEPARTURE ALLOWANCES (SECTION 3: 6, §3, 3°, 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 | GM 2022 | None | None |
| **Consultance Marcel Miller SCS, represented by Marcel Miller)** | 2011 | GM 2023 | None | None |
| **Hedvig Hricak** [(2)] | 2017 | GM 2022 | None | None |
| **Nextstepefficiency (represented by Christine Dubus)** | 2020 | GM 2021 | None | None |
| **Dr. Richard A. Hausmann** | 2020 | GM 2021 | None | None |
| **Bridging for Sustainability SRL, represented by Sybille van den Hove** | 2015 | GM 2023 | None | None |

### Termination agreements with Managing Directors and others Executive Management Team Members

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 SRL, represented by Olivier Legrain** | Mandate: 2012; Management agreement: 2011 | Mandate: GM 2023; 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 SRL, represented by Yves Jongen** | Mandate: 1991; Management agreement: prior to 2009, amended in 2012 | Mandate: GM 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 12 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 | As provided by law, i.e. currently a total of 12 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** |

## USE OF RESTITUTION RIGHTS (SECTION 3: 6, §3, 4 °, OF THE BCAC)

Not applicable.

## DEVIATION FROM THE REMUNERATION POLICY (SECTION 3: 6, §3, 5 °, OF THE BCAC)

No deviation in 2020

## EVOLUTION OF THE REMUNERATION AND PERFORMANCE OF THE COMPANY (SECTION 3: 6, §3, 5 ° & 6 °, OF THE BCAC)

*a) Annual evolution of remuneration*

The annual remuneration of the Managing Directors and the members of the Executive Management Team combined has evolved as follows (€):

| | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|
| **Actual total remuneration** | 2.527.114 | 2.113.239 | 1.263.316 | 1.508.119 | **1.891.345** |
| **Number of positions included** | 6 | 5 | 5 | 4 | **4** |
| **In order to allow a useful comparison over the years the remainder of the schedule below shows the evolution for the same positions as existing in 2020** | | | | | |
| **Actual total remuneration** | 2.033.322 | 1.765.683 | 994.890 | 1.508.119 | **1.891.345** |
| **Number of positions included** | 4 | 4 | 4 | 4 | **4** |
| **Annual fixed remuneration** | 1.107.113 (1) | 997.318 | 941.012 (2) | 1.106.793 | **1.100.658** |
| **Annual target variable remuneration** | 675.541 | 619.158 | 647.048 | 672.894 | **671.391** |
| **Annual actual variable remuneration (related to prior year performance)** | 849.903 | 714.393 | - | 347.179 | **585.948** |
| **Annual target remuneration (fixed + variable)** | 1.782.653 | 1.616.476 | 1.588.060 | 1.779.687 | **1.772.049** |
| **Annual actual remuneration (fixed + variable)** | **1.957.016** | **1.711.711** | **941.012** | **1.453.972** | **1.686.606** |

(1) CFO was JM Bothy until 31 May 2016, followed by S Chandramouli from 1 June 2016
(2) Effect of economical unemployment and voluntary fee reduction

*b) Annual evolution of company performance*

| | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|
| **PBT** | 27.899 | (19.607) | (894) | 10.766 | **33.054** |
| **Order Intake** | 297.178 | 162.039 | 167.797 | 306.021 | **165.696** |
| **Net profit** | **24.440** | **(39.201)** | **(4.401)** | **7.610** | **31.921** |

*c) Annual evolution of average employee remuneration (€)*

| | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|
| **Average annual target remuneration (fixed + variable) Belgium** | **63.924** | **64.698** | **65.530** | **67.543** | **68.017** |

The average employee remuneration is calculated as follows :

- Selection of all people under employment present and active on December 31 of the fiscal year.
- Determination of the target annual remuneration (fixed + variable) per person based on the gross remuneration as of December 31. This remuneration is determined at the individual activity rate applicable on the same date.
- Sum of all target annual remuneration amounts.

- The average is obtained by dividing the sum by the number of FTEs (full-time equivalents) present and active on December 31. The number of FTEs corresponds to the sum of the activity rate, on the same date, of each person included in the selection.

The number is provided calculating the average remuneration of employees of the company in Belgium.

*d) Ratio between highest and lowest remuneration*

The ratio between the highest and the lowest employee remuneration of the company in Belgium is 25-1.

For this calculation the lowest employee remuneration corresponds to the lowest target annual remuneration (fixed + target variable) included in the selection for the calculation in c) above, as applicable on December 31 of the fiscal year and, if needed, recalculated to its full-time equivalent.

The highest remuneration is equal to 784.375€, which corresponds to the target annual remuneration (fixed + target variable) of the CEO, Mr Olivier Legrain, applicable as of December 31 of the fiscal year.

When considering base pay only, the ratio between the highest and the lowest employee remuneration of the company in Belgium is 13-1

### SHAREHOLDER VOTE (SECTION 7: 149, 3 °, OF THE BCAC)

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 report was 91.57% in favor. No remarks were made to consider for the edition of this report.

## CODES OF CONDUCT (SECTIONS 3:6, §4 AND 3 :32, § 2, OF THE BCAC)

### 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. IBA's values here detailed are fully part of its business model and drives IBA's objectives, strategies, and organization. For this reason, the Company has worked to create a Code of Business Conduct and updates it on a regular basis.

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 Board of directors on December 18, 2020. This new version underlines the importance of and details specific actions taken against corruption and bribery as well as for the active protection of Human Rights. 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.

This Code is the object of a specific training mandatory for all IBA employees. The purpose of this training is to remind employees of the fundamental principles contained in the Code, which we apply every day at IBA. It also aims at informing employee of the different options to report non-compliance with the Code. Although several reporting channels are available, the Compliance Officer remains the central point of contact with the responsibility to monitor compliance and follow up on reported incidents of non-compliance. In 2020, one incident of non-compliance was reported and investigated ultimately resulting in disciplinary action.

In 2020, 94% of IBA's employees passed the training on the Code of Business Conduct (with a score of more than 80%). At the end of 2020, a total of 1550 employees had acknowledged understanding of the principles.

Due diligence is regularly carried out to assess compliance with specific points of the Code.

### Social and Staff Related Matters

- Policy and Targets

The Code of Business Conduct sets out the principles of IBA's social and staff-related policy. It's, among others, based on the International Labor Organization's Declaration on Fundamental Principles and Rights at Work.

IBA's employees are the most valuable resources of the Company and are essential to its success. Diversity is fundamental to IBA's culture and the uniqueness of individuals and the various perspectives and talents they bring are recognized and valued. The Company promotes diversity within our workforce and an inclusive environment that helps each and every one of us to fully contribute to its success.

IBA is committed to provide equal employment opportunities and treating applicants and employees without discrimination. No discrimination is based on race, color, age, sex (including pregnancy, sexual orientation, or gender identity), national origin, religion, language, veteran status, genetic information (including family medical history), and physical or mental disability. The Company's policy is that no one at IBA should ever be subject to any kind of discrimination. The membership or non-membership of a trade union is also free.

Management is preparing a global diversity policy that will confirm the current practice in line with our "Stakeholder Approach", and will extend it further through an action plan, for approval by the Board and implementation in 2021.

IBA commits itself to a positive, productive, and safe work environment that is free from violence, threats, harassment, intimidation, mental or physical coercion, and other disruptive behavior. The Company does not permit any form of violence, whether physical, verbal, or mental; all threats of violence are considered serious. IBA is also committed to a workplace free of harassment. Social rights, as an integral part of human rights, are actively protected by the Company.

IBA also ensures the highest standards of safety for all employees. IBA's target, as defined in the Code of Business Conduct, is "No Harm" to our people. As an example, the Code of Business Conduct clearly states that all employees are empowered to stop any activity which they judge hazardous and goes against the "No Harm" principle. The Code also defines working times that cannot be exceeded, even if local rules and regulations allow for such excess. Other internal policies ensure a high level of safety for all employees (e.g.: the "Working at Height Policy", the "PPE Matrix Policy", the "Global Radiation Safety Policy", the "LOTO Policy", the "Electrical Policy",…). The implementation, monitoring, and updating of these policies are discussed in the Committee for Protection and Prevention at Work.

Beyond mere compliance with the law, IBA conducts its business in accordance with the highest standards of honesty and integrity.

In addition to the Code of Business Conduct, IBA's Data Handling Policy explains how IBA complies with the General Data Protection Regulation (GDPR) to protect the Personal Data of clients, suppliers, patients, investors, contractors, staff members, and anyone else IBA is doing business with.

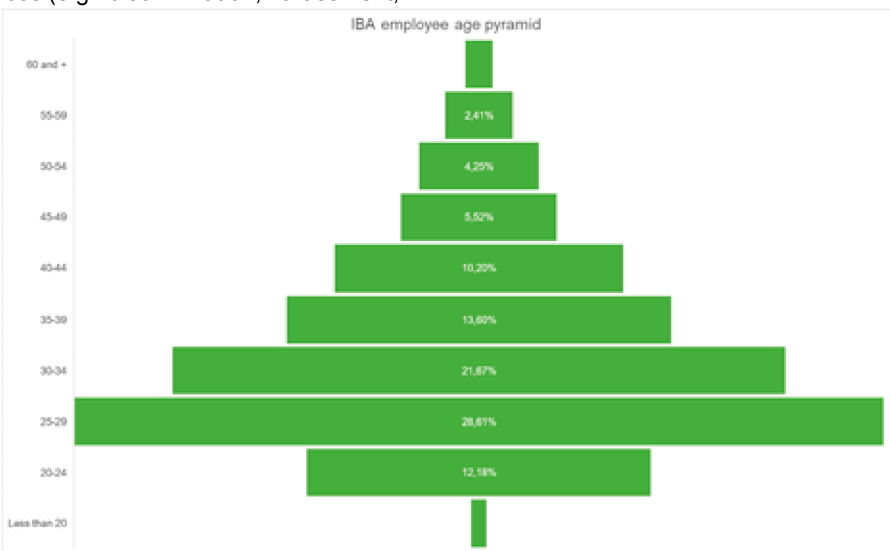
IBA has put in place a Code of Conduct for Suppliers. Through this Code, the Company commits to work with third parties that share its commitment to health and safety and that provide a safe work environment.

IBA supports local businesses, strengthening communities, and reducing emissions associated with transporting goods. IBA also recognizes that establishing long-term relationships with significant suppliers is an indicator of steadiness and provides revenue and job stability for the supplier and their employees. IBA hires employees in majority in-country, creating jobs and providing wages to residents in the local area, boosting the local economy. IBA facilities themselves are built, maintained, and controlled in respect of local regulations, have waste recycling in place, and no toxic air or water emissions that could affect local communities.

- Non-financial Indicators and Results

A system of formal reporting is described in the Code of Conduct and encourages the denunciation of infringing practices (e.g.: discrimination, harassment, coercion, etc.). A dedicated online tool allows everybody to notice any security threat or incident. When such notification is made to IBA, IBA promptly takes appropriate measures: i) to bring the situation back into conformity with the policies, and ii) to prevent a recurrence of such a situation.

The age distribution within the IBA Group is quite wide, going to the early ‘40s to mid-‘70s, testifying of a fair and equilibrate value between the said employees.




The percentage of women remains stable at 25% and employees of 56 different nationalities are now part of IBA.

At the level of the IBA group, we are already tracking different Diversity and Inclusion data in our recruitment, performance management, salary review to make sure we do not have any unconscious bias in our management decisions.

Our recruitment policy and internal mobility offer every year development opportunities to our employees and for applicants to join IBA all around the world.

In 2020, IBA opened more than 300 positions in 16 countries:

- 30% were opportunities for IBA employees to benefit from internal mobility within the group
- We hired 200+ new colleagues from 24 nationalities from 22 to 60 years old, quite equilibrate to the IBA Age pyramid

IBA regularly runs equity analysis, in the context of the worker council analysis (‘Conseil d’Entreprise), under chapter II.13 Egalité des chances (“Equal Opportunities”).

This addresses the following topics – a.o.:

- F/M ratio, absolute, and per work category
- F/M ratio for candidates (candidate to a job, but not yet hired)
- Access to training
- Pay equity
- Nationalities
- Access to part-time

The pay equity by gender is addressed every 2 years. Here below are the latest data 30 June 2020, per grade and currency, at the group level (ATTR+ = annual base salary including bonuses):

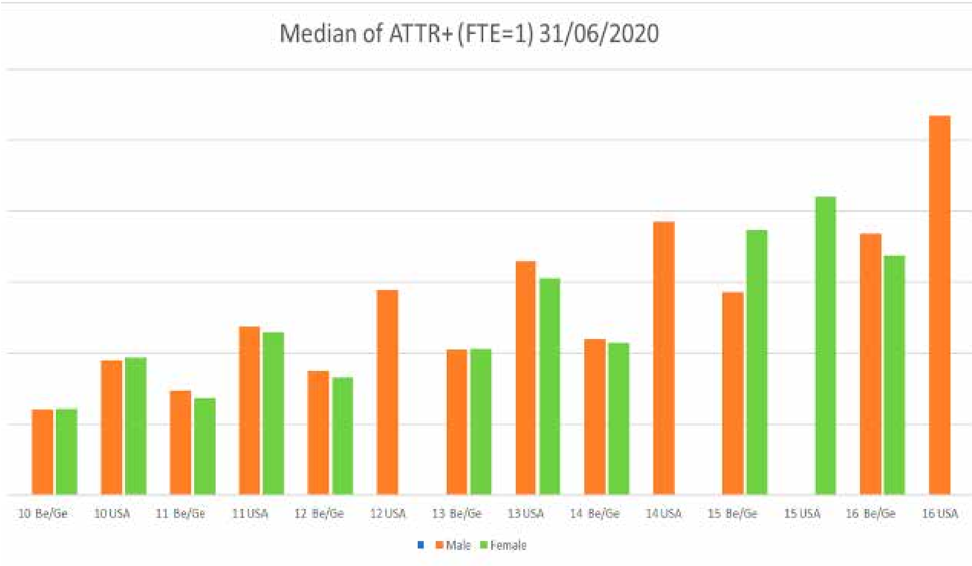


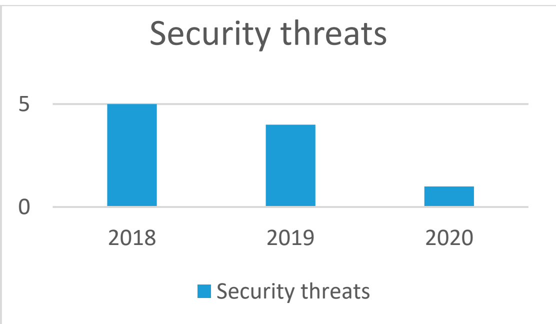

*Figure Male/female average pay (normalized in Eur) per grade, for Belgium, Germany, and US*

- Vertical: ATTR+, normalized in euro, with the indication of the number of people represented
- Horizontal: Grade, male vs female, for Belgium and Germany combined, vs the USA

Note: small number may distort comparison especially above grade 12.

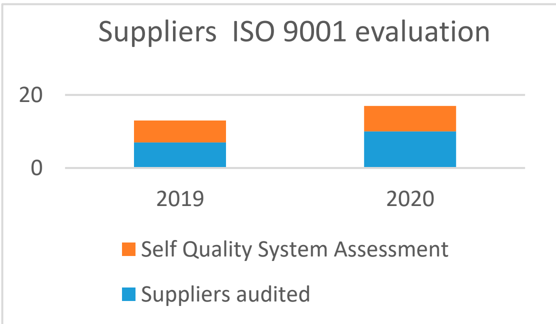
The conclusion of these analyses is that IBA's policy is not only respectful of women and men but tends to respect all people without distinction, across the group's 3 main regions Belgium, Germany and USA.

In 2020, one incident was flagged as a security threat. It was quickly resolved. For comparison purposes, in 2019, four incidents were flagged as security threats (cfr. Table below).




No data privacy incident were reported in 2020. No incident of discrimination or harassment were reported in 2020.

In 2020, ten suppliers were audited (on the basis of the ISO 9001 – Quality Management Systems-standard), and seven other suppliers filled a Self Quality System Assessment.




Depending on the nature of their services, certain suppliers must be ISO 45001 (Occupational Health and Safety) or OHSAS 18001 certified in order to become an IBA supplier.

In 2020, all new IBA suppliers were requested to acknowledge and sign the Code of Conduct for Suppliers.

IBA supports local businesses, with more than 30% of goods in value purchased in-country of its facilities. IBA also encourages long-term relationships with suppliers: the average tenure of IBA relationships with its main suppliers exceeds ten years.

- Risks and Risk Management

The risks and risk management of the social and staff related matters are both described above, in the dedicated Section "Principal Risks and Uncertainties faced by the Company" (Sections 3:6, §1, 1° to 3° and 3:32, §1, 1° to 3°, of the BCAC).

## Environmental Matters

- Policy and Targets

IBA promotes a sustainable entrepreneurial business model that serves society while respecting the limits of our planet, and, in order to do so, develops and introduces environmentally compatible technologies and processes, whether:

→ in its business activities, by working to help create a society with sound material cycles, by supporting efforts to better understand environmental issues.

→ by establishing environmental management processes in its factories, seeking continuous improvement in its environmental management;

→ by supporting communication and cooperation regarding environmental protection worldwide;

→ by supporting as much as possible any personal initiative that would help reduce the impact of the Company's activities on the environment.

IBA is attentive to the impact of its activities, products, and services on the environment and takes measures to decrease its ecological footprint, including initiatives to:

- consume less energy and resources (including promoting circular economy and sustainable transport);

- reduce emissions (in particular greenhouse gas);

- protect surrounding nature (substance of concern management, ground and groundwater contamination, and biodiversity protection surrounding our facilities); and

- better manage waste (minimization and recycling).

Within IBA, every employee is expected to perform his/her job with green awareness and to apply the principles of prevention, precaution and rectification at source.

Through its Code of Conduct for Suppliers, the Company further encourages its major suppliers to share its commitment to the environment and who strive to reduce the environmental impact of their designs, manufacturing processes, waste, and emissions.

Upstream, the IBA's Articles of Associations now specify in article 3 *"(…) The Company's objectives include having, in the course of its activities, a significant positive impact on all of its stakeholders, notably patients, shareholders, employees, customers, society and the planet. The Company is managed taking into account the interests of these stakeholders, respecting living beings and present and future generations, and reducing as much as possible negative environmental and societal impacts."*

- Non-financial Indicators and Results

A system of formal reporting is described in the Code of Business Conduct and encourages the denunciation of practices that would not conform to IBA's environmental priorities. In the event that a denunciation is made to IBA, IBA will promptly take appropriate measures: i) to bring the situation back into conformity, and ii) to prevent a recurrence of such a violation.

Depending on the nature of their services, certain suppliers are required to be ISO 14001 (Environmental Management) or ISO 50001 (Energy Management Systems) certified in order to become an IBA supplier.

In 2020, all new IBA suppliers were requested to acknowledge and sign the Code of Conduct for Suppliers.

Other non-financial indicators and results can be found in the "Corporate Brochure" part of this Annual Report.

- Risks and Risk Management

The November Sustainability Board focussed amongst others on environmental risks and the intention to work on an action plan for 2021 and the following years. Hence, the Risk Management Committee will consider the environmental risk as of 2021.

### Anti-corruption and Bribery Matters

- Policy and Targets

IBA has as an objective to prevent and prohibit bribes or any sort of corruption and as such, the Company is compliant with the applicable anti-corruption and bribery legislation.

IBA complies with anti-corruption and bribery laws and enforces them, as well as the values they contain, within the Company. In order to do so, IBA has made corruption and anti-bribery one of the key principles of its Code of Business Conduct; bribery of any government official in any country or of any private person as well as corrupt practices are strictly against IBA's policy, even if refusing to make such payment would result in the Company losing a business opportunity.

As such, IBA, including its employees and representatives, must not accept, neither directly, nor through any family member or anyone else, gifts or favours of any kind from a business partner, or offer the same to the latter, or to any public official, except if they are courtesy gifts, considered as modest in value and to the extent that the time and place is appropriate.

In any case, such favours are prohibited if they may affect or even appear to affect the integrity or independence of the business partner, the public official, IBA, or its employees. The duty of integrity and trust are of primary importance within the Company and any illegal or unethical act would not be tolerated.

Through its Code of Conduct for Suppliers, the Company moreover targets to work with third parties that share its commitment to ethics and that share its values of business integrity.

Hence, the target is to achieve the objective of no IBA's third-party providers, customers, and partners involved in any corrupt practices.

- Non-financial Indicators and Results

A two-phase plan is being implemented to increase awareness and monitoring targets. The first phase took place in 2020, with an in-depth evaluation of IBA's practices, the conduction of a fraud risk assessment, and an update of a number of internal processes. This evaluation focuses on key risk areas such as corruption, asset misappropriation, financial statement fraud, cyberfraud of theft of data, and contract and procurement fraud. Besides this, informal training of employees is taking place on a daily basis. A system of formal reporting is also described in the Code of Business Conduct and encourages the denunciation of such practices. This reporting process will be reviewed in 2021 in accordance with the Whistleblower Directive (EU 2019/1937), as it should be soon transposed in Belgium.

The second phase of the plan will occur in 2021 and will consist of targeting recommendations arising from the due diligence conducted, the issuance of new policies where required, and the implementation of a formal whistleblower reporting channel with subsequent training.

In 2020, the Compliance Officer received one notification of a potential non-disclosed conflict of interest. After a proper assessment of the situation, adequate steps have been taken to remedy this situation.

In 2020, IBA has not come across possible incidents of corrupted practices in its supply chain. In 2020, all new IBA suppliers acknowledged and signed the Code of Conduct for Suppliers.

In 2020, we initiated a full inventory of our contracts to ensure proper inclusion and affirmation of our principles. A total of 956 contracts have been reviewed and archived in our new repository database.

At the end of 2020, no material legal actions or allegations are open on matters related to anti-competitive behaviors.

- Risks and Risk Management

The risks and risk management of the anti-corruption and bribery matters are described above, in the dedicated Section "Principal Risks and Uncertainties faced by the Company" (Sections 3:6, §1, 1° to 3° and 3:32, §1, 1° to 3°, of the BCAC).In order to limit its bribery and corruption risk, IBA is continuously identifying the specific risks it could be exposed to by (i) strictly analyzing third-party providers' (with whom we are working) reputation including anti-money laundering due diligence, (ii) examining transactions with governments or government institutions and representatives, (iii) creating new legal entities overseas with due diligence, and (iv) educating employees through communications and proper training.

### Protection and Respect of Human Rights

- Policy and Targets

The Universal Declaration of Human Rights defines human rights as rights inherent to all human beings, regardless of race, sex, nationality, ethnicity, language, religion, or any other status. Human rights include the right to life and liberty, freedom from slavery and torture, freedom of opinion and expression, the right to work and education, and many more. Everyone is entitled to these rights, without discrimination.

Respect of Human Rights is essential to ensure a sustainable working environment for everyone. It is also essential to act for a better world and it is a part of how the Company wants to behave and the values we want to be known for. To that extent, IBA complies with all applicable local, national, and international laws and regulations dealing with or impacting Human Rights. The relevant international sources we refer to are the International Bill of Human Rights, UN Guiding Principles on Business and Human Rights, and the principles set out in the International Labor Organization's Declaration on Fundamental Principles and Rights at Work.

This Code of Business Conduct contains the IBA's policy regarding Human Rights. It establishes the common principles applicable in every market where IBA has activities.

The Company prohibits forced or indentured labor, in all its forms. Employment agreements are to be made on a voluntary basis, and every employee receives regular payment for work and an explanation on their pay slips. Moreover, employees are, as per the applicable laws, allowed to terminate their employment relationship with reasonable notice. The rules and regulations when it comes to – notably but not limited to - working time, travel time, and time recovery are respected.

IBA also prohibits the employment of children. Every child has the right not to perform work that is mentally, physically, socially, or morally harmful or that interferes with its schooling. IBA vets the age of all applicants prior to their employment.

Equal employment opportunities are offered to all IBA employees. No discrimination is made on any basis whatsoever. Decisions relating to employment are solely based on the skills, abilities, and performance of the employee.

Every IBA employee has the right to join a trade union or any other organization. As per its "Equal opportunity" principle, no one at IBA should ever be subject to any kind of discrimination because of accession to or creation of a trade union nor because of the employee's choice not to join or create such group.

The right to a healthy and sustainable environment is the cornerstone between Human Rights and their interaction with the environment. It includes the environment's impact on many rights such as the right to life, health, food, water, sanitation, property, housing, private life, culture, development, and non-discrimination. IBA is aware of the importance of this right as our generation faces a serious environmental crisis and associated impact on Human Rights. The environment ("the Planet") is therefore included as one of the five stakeholders of IBA and receives central attention in the day-to-day work within the Company.

Compliance with Human Rights is not only required by IBA and its employees, but also from its customers and suppliers. Through its Code of Conduct for Suppliers, the Company ensures to work with third parties that share its commitment to Human Rights and that do not violate the Human Rights of their employees. All consultants and other parties acting on behalf of IBA are also expected to fully respect the Human Rights of their employees, suppliers, and customers.

- Non-financial Indicators and Results

A system of formal reporting is also described in the Code of Business Conduct and encourages the denunciation of practices that would be contrary to IBA's Human Rights policy. In the event that a denunciation is made to IBA, IBA will promptly take appropriate measures: i) to bring the situation back into conformity with human rights, and ii) to prevent a recurrence of such a violation.

IBA is continuously assessing its suppliers to ensure that their activities do not contribute to the infringement of Human Rights. This assessment is dependent on the nature of the services that are required from the supplier and on the geographical location of this supplier.

In 2020, all new IBA suppliers acknowledged and signed the Code of Conduct for Suppliers.

No incident with respect to Human Rights relating to the IBA's activities or decisions were noticed in 2020.

A large majority of IBA's facilities are accessible to persons with reduced mobility. As an example, the four main buildings in Louvain-la-Neuve are fully adapted for such people. If necessary, a constructive discussion is held with the person with reduced mobility in order to guarantee him or her a workspace where he or she can move around as independently as possible.

- Risks and Risk Management

The risks and risk management of the protection and respect of Human Rights are described above, in the dedicated Section "Principal Risks and Uncertainties faced by the Company" (Sections 3:6, §1, 1° to 3° and 3:32, §1, 1° to 3°, of the BCAC).

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

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

The closing periods for the year 2020 were:

- from February 26, 2020, to March 26, 2020, for the annual report;
- from April 13, 2020, to May 20, 2020, for OGM (technical ban), and
- from July 27, 2020, to August 27, 2020, for the mid-year report.

During the period between the completion of the financial results and the announcement of those results to the public, no purchase or sale transaction took place in any way.

## NON-FINANCIAL ACTIVITIES REPORT (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 (SECTIONS 3 :23, 3 :31 AND 3 :32, OF THE BCAC)

### INCOME STATEMENT

IBA reported a 10.41% increase in revenues to EUR 312.0 million during 2020 (2019: EUR 282.6 million) largely driven by the licensing revenues from the deal with CGN Nuclear Technology Development Co., Ltd. (CGNNT) in August and also due to an excellent order intake for Proton Therapy and Other Accelerators, with continued high Services revenues and a strong performance for Dosimetry.

As of December 31, 2020, the Group gross margin (44%) improved compared to 2019 (33%) which was largely driven by the revenue recognised on the sale of the license to CGN.

As of December 31, 2020, Group operating expenses were EUR 95.6 million, a 2.79% increase from 2019 (2019: EUR 93.1 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

Recurring operating profits before interest and taxes (REBIT) increased from a gain of EUR 0.1 million in 2019 to a gain of EUR 40.4 million, reflecting the strong revenue received from the sale of the licence to CGN offset by gross margin weakness as a result of pricing pressure on new contracts and increased investment in research and development.

As of December 31, 2020, the other operating result (loss) was EUR -0.4 million (2019: EUR 14.6 million gain driven by to the gain on the sale of Radiomed), primarily composed of some reorganisation expenses (redundancies amongst others) for EUR 0.2 million.

As of December 31, 2020, the financial result (expenses) was EUR -3.7 million (2019: EUR -2.8 million expenses). In 2019, the financial result was positively affected by interest on deferred payments in relation to proton therapy projects. In 2020, the financial result includes higher interest expense, offset by positive net foreign currency transactions.

As of December 31, 2020, the share of the loss of equity-accounted entities IBA's minority interest in losses of Normandy Hadrontherapy and Cyclhad was EUR 3.2 million, driven by the current investment phase at both these entities.

As a result of the above effects, IBA reported a net gain of EUR 31.9 million up from a gain of EUR 7.6 million in the prior year. The sale of the license to CGN resulted in additional sales of EUR 63.5 million.

## CONSOLIDATED FINANCIAL POSITION AND FINANCIAL STRUCTURE

The Group's non-current assets amount to EUR 98.5 million, decreased by EUR 8.1 million during the 2020 financial year, essentially due to the following effects:

- A lower amount invested in fixed assets (EUR 7.9 million) compared to the depreciation and amortisation charged (EUR 12.0 million), resulting in a decrease of land and buildings, plant machinery, furniture and fixtures, computer hardware, software, and right of use assets for a total of EUR 4.2 million;
- the increase of deferred tax assets by EUR 0.8 million;
- the decrease of investments under equity method by EUR 1.6 million explained by the additional investment of EUR 1.6 million in Cyclhad and Normandy Hadrontherapy which was offset by the Group's share in the loss of these investments for EUR 3.2 million;
- reevaluation at a fair value of the investment in Rutherford Estates Limited (previously Proton Partners International) for EUR 2.1 million;
- the decrease of other long-term receivables by EUR -1.6 million

Goodwill at the end of 2020 (EUR 3.8 million) relates to the Dosimetry business and remained unchanged.

Under IFRS 16, the Group presents the assets that are under a lease contract where the group is the lessee as "Right-Of-Use assets". These are depreciated over shorter of the lease term and the useful life.

The Group's fixed assets amount to EUR 4.5 million in other intangible assets, EUR 18.3 million in tangible assets, and EUR 29.3 million in right of use assets. The change during the year is mainly attributable to investments in software, buildings, and equipment as well as new leased assets for a total new acquisitions of EUR 7.9 million, disposals/reclassification for EUR -0.6 million, and depreciation and amortization for EUR -12.0 million.

Other long-term assets decreased by EUR 1.6 million to EUR 19.8 million. This change is essentially attributable to the recognition of additional research tax credits of EUR 2.1 million, the transfer to short term of research tax credits of EUR -1.6 million, reclassification of the escrow account for the sale of Radiomed (2019) to current assets for EUR 1.3 million and foreign currency conversion impacts for EUR -0.5 million.

Current assets amount to EUR 412.5 million at the end of 2020 and have increased by EUR 94.0 million.

The main factor of this increase is an increase of cash and cash equivalents by EUR 107.8 to close on a balance of EUR 153.9 million at December 31, 2020. This reflects the strong cash collection on existing and new customers with down payments received on large projects and is impacted by the first installment on the licensing sale contract with CGN (EUR 50 million).

The other receivables also increased by EUR 7.5 million related to the increase of the non-trade receivables for EUR 2.9 million, the increase of current income tax receivables by EUR 0.9 million, the increase of accrued income by EUR 3.2 million, the transfer of the Radiomed sale escrow account from long term receivables for EUR 1.3 million, and the increase of the research tax credit receivable for EUR 0.3 million offset by the reversal of an insurance indemnity accrued receivable for EUR -0.7 million and the decrease of prepaid expenses for EUR 0.20 million

Inventories and contracts in progress amount to EUR 114.6 million at the end of 2020 decreased by EUR -5.8 million explained by the following :

- a decrease of contracts in progress for EUR -14.4 million,
- a decrease of work in progress for EUR -2.0 million,
- an increase of raw material and supplies for EUR 11.2 million,
- an increase of the write-off on inventories for EUR -0.6 million.

Trade receivables decreased by EUR 16.8 million mainly thanks to a strong cash collection across the entities of the group.

Non-current liabilities increased by EUR 21.8 million to close with a balance of EUR 93.5 million at end of 2020. This increase is mainly attributable to the following factors:

- Long-term borrowings increased by EUR 8.3 million, due to:
  - new borrowings for EUR 25.5 million (further drawdown on the syndicated bank term loan for EUR 21 million and the Paycheck Protection Program loans in the US for EUR equivalents of 4.5 million),
  - the short-term reclassifications of the portion of all facilities due in 2021 for EUR 17.8 million.
- Long term lease liabilities decreased by EUR 1.5 million, the main movements of the year are:
  - new lease liabilities under IFRS 16 for EUR 4.3 million
  - the reclassification to short-term of a portion of the lease liabilities of EUR -5.4 million,
  - Leases terminated and foreign currency conversion impact for EUR 0.4 million.
- The long-term provisions have increased by EUR 1.1 million.
- The decrease of deferred tax liabilities of EUR 0.6 million
- The increase of the other long term liabilities is related to the amount of consideration in the licensing contract with CGN subject to the performance bond (EUR 15 million) which was recognized as a refund liability until the uncertainty associated with the variable consideration is resolved, this is until this bond has expired.
- The decrease of long-term financial liabilities of EUR 0.6 million

Current liabilities amounted to EUR 275.7 million at the end of 2020. The following elements are to be noted:

Short-term borrowings of EUR 15.6 million at the end of 2020 include the short-term portion of the loan from a syndicated 5 years term loan for EUR 6.0 million, the short-term portion of S.R.I.W. loan of EUR 1.7 million, the short-term portion of the treasury note program of EUR 5.3 million and the short-term portion of the Paycheck Protection Program loans in the US for EUR equivalents of 2.6 million. During the year, the short-term borrowings have increased by EUR 12.0 million due to:

- The transfer from the long term of the portion of all facilities due in 2021 for EUR 17.8 million;
- Offset by the repayment of EUR 3.00 million on the 5 years term loan for and EUR 1.7 million on the S.R.I.W. loan.

Short-term lease liabilities for EUR 4.8 million decreased by EUR 0.1 million (reclassification from long-term for EUR +5.4 million offset by payments EUR -5.5 million).

Short-term provisions amount to EUR 4.2 million at the end of 2020, decreased by EUR -0.3 million. The movement on the total provisions (short-term and long-term) is an increase of EUR 0.8 million) due to

- new provision for EUR 4.3 million mainly for loss-making contracts (EUR 2.9 million) and warranties (EUR 1.1 million);
- An actuarial loss on the pension provision for EUR 0.5 million;
- the utilization of provisions for warranties for EUR -2.8 million and for Group's commitments under the agreement with SK Capital Partners for EUR -0.2 million,
- the reversal of provisions for warranties for EUR -0.9 million

Other short-term payables at the end of 2020 amount to EUR 48.2 million which represents an increase of EUR 0.4 million compared to 2019. This increase is mainly explained by the increase of social debts for EUR 3.1 million (mainly driven by an increase of bonus and commission provisions), the recognition of a liability for the cash deposit received on a blocked account to secure future payments from a customer for EUR 2.6 million, an increase of the capital grants received but not used by EUR 0.3 million. The movement of the other short-term payables also includes the decrease of the deferred income for EUR 2.0 million, the decrease of other non-trade payables (such as customers with credit balances, VAT, etc) for EUR 3.1 million, and the decrease of accrued expenses for EUR -0.2 million.

Advances received on contracts in progress at the end of 2020 amount to EUR 158.2 million which represent an increase of EUR 21.4 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 107.8 million in 2020, mainly due to:

- a positive operating cash-flow of EUR 100.4 million mainly related to the net profit of EUR 31.9 million and to the improvement of working capital for EUR 49.0 million,
- a financing cash-flow of EUR 13.4 million related to the proceeds from borrowings for EUR 25.5 million (drawn on a syndicated bank term loan facility of EUR 21 million with a 5-year maturity and the Paycheck Protection Program loans in the US for an equivalent of EUR 4.5 million) and the cash received on the sale of treasury shares for EUR 2.1 million. The financing cash flows are also impacted by the repayment of borrowings and lease liabilities for EUR -10 million (lease liabilities for EUR -5.3 million, S.R.I.W. for EUR -1.7 million, and Bank loan for EUR -3 million), the interest payments for EUR -2.4 million, the dividend paid for EUR -2.3 million, new grants and cash advances from local government repaid in Belgium for EUR -0.5 million and received for EUR 0.7 million.
- partially offset by a negative investing cash-flow of EUR -5.6 million mainly related to acquisitions of tangible and intangible assets of EUR -4.0 million and further capital contribution in equity-accounted investments for EUR -1.6 million.

Net financial cash increased by EUR 89.1 million from EUR -21.3 million (net debt) at the end of 2019 to EUR 65.2 million at the end of 2020.

## RESEARCH AND DEVELOPMENT

Research and development expenses related to the Group's businesses amounted to EUR 35.0 million (11.23% of sales) in 2020 less EUR 1.9 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

In 2020, IBA issued a stock option plan (called the "2020 Stock Option Plan"). These options are not exercisable until 2026. These are further detailed in the General Information – Capital Section. The capital was not increased during the year.

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

As of 31 December 2020, article 9, first paragraph of the Company's Articles of Associations provided as follows: *"The Company may, without any further decision of the general assembly, acquire its own shares, profit shares or certificates, in accordance with legal conditions (articles 7: 215 et seq. of the BCAC) in one or more transactions, up to a maximum of twenty percent (20%) of the total number of issued securities concerned, for a minimum equivalent of ten cents (0,10 EUR) and a maximum of twenty percent (20%) higher than the last share price. This authorization is granted for a renewable period of five years starting on the date of publication of this statutory authorization (or of its renewal).(…)"*

During financial year 2020, IBA SA, mainly through its subsidiary IBA Investments SCRL, sold 200.150 own shares. As of December 31, 2020, IBA SA held 63,369 treasury shares and IBA Investments SCRL, 410,852 shares.

## IBA SA STATUTORY ACCOUNTS AND APPROPRIATION OF NET RESULT (SECTION 3 :6 OF THE BCAC)

### INCOME STATEMENT

In 2020, IBA SA reported a profit of EUR 107.5 million compared to a profit of EUR 55.8 million in 2019, representing a variation of EUR 51.7 million, distributed as described in the following paragraphs.

Operating income (excluding other extraordinary income) increased by 10%, from EUR 271.8 million in 2019 to EUR 298.7 million in 2020, predominantly due to the strategic licensing deal with CGN for the People's Republic of China.

The operating profit amounted to EUR 42.5 million in 2020 against a loss of EUR 7.6 million in 2019, a net improvement of EUR 50.1 million. This is again driven by the strategic licensing deal that was concluded with CGN.

Operating expenses decreased by EUR 28.1 million in 2020 to EUR 256.3 million. The R&D expenditure of EUR 37.2 million in 2020 (EUR 34.4 million in 2019) is capitalized. The development expenditure capitalized for EUR 35.4 million is depreciated over three years while research expenses capitalized for EUR 1.8 million are depreciated immediately in the same year.

IBA presented a financial profit of EUR 68.9 million compared to a profit of EUR 63.6 million in 2019. A large portion of the profit comes from the non-recurring capital gain (EUR 75 million) realized as a result of the intercompany transfer of the Dosimetry business (see section on Investments in affiliates). This gain will be not considered for future distribution of dividend. The remainder (EUR 2.7 million) includes mostly interest expenses, foreign exchange impacts, and bank charges.

The operational perspectives of IBA SA remain positive.

At the end of 2020, the Company had ten branches, in the following locations: 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 2020 profit amounts to EUR 107.5 million, the profit carried forward from the previous years is EUR 80.1 million, making a total profit for appropriation of EUR 187.6 million. However, the capital gain realized on the intercompany transfer of the Dosimetry business will be not considered for future distribution of dividend.

IBA's Board of Directors proposes to the General Assembly to distribute a dividend of EUR 6 million, and to carry forward the remaining amount (EUR 101.5 million) to the next financial year.

## BALANCE SHEET

### FIXED ASSETS

### *INVESTMENTS IN INTANGIBLE ASSETS*

Intangible assets amounted to EUR 37.5 million per December 31, 2020 compared to EUR 36.5 million per December 31, 2019. These intangible assets relate mainly to:

- Development costs for EUR 35.4 million
- Software for a net worth of EUR 3.2 million (SAP, Microsoft, CRM, CMM (maintenance) and PLM systems

In 2020 management decided to impair an intangible asset related to market authorizations for an amount of EUR 1.5 million, given limited prospects in that market over the next few years.

In accordance with the Royal Decree of December 15, 2015, research costs have been capitalized and amortized over the year since January 1, 2016. Research costs in 2020 amounted to EUR 1.8 million and were fully amortized over the exercise.

### *INVESTMENTS IN TANGIBLE ASSETS*

Tangible fixed assets represent EUR 28.8 million as of December 31, 2020. The decrease of EUR 1.6 million year-on-year is mainly related to depreciation of existing assets given that investments of the year were limited.

### *FINANCIAL FIXED ASSETS*

Financial fixed assets amount to EUR 146,3 million in 2020 compared to EUR 72.7 million in 2019. The main increase is due to an internal transfer within the Group of the shares related to the Dosimetry business which has resulted in a gain of around EUR 75 million. The company also increased the capital of its subsidiaries in Egypt, Korea and Taiwan for a total amount of EUR 0.24 million.

During 2020, 3 new entities were established:

- IBA Proton Therapy Canada, Inc. In Canada – no minimum capital required
- IBA Georgia LLC in Georgia – no minimum capital required
- Ion Beam Applications Korea Ltd. in South-Korea

In addition to the participations in affiliated companies (EUR 129.6 million), IBA SA also holds equity investments in some companies:

- A 39.8% (EUR 6.1 million) stake in NHa SA, a French company active in the development of a carbon therapy treatment system
- A 33% stake in Cyclhad, a French company active in treatment of patients using Proton Therapy. During 2020 IBA provided a subordinated shareholder's loan to the entity for an amount of EUR 1.5 million, increasing its total stake to EUR 3 million. After assessing the short term outlook for this investment, management decided to impair both investment and subordinated loan for a total of EUR 3 million.
- A receivable of EUR 1.5 million in NHa SA

Other stocks and shares:

- An 11.4% (USD 2 million) stake in HIL Applied Medical Ltd, an Israelian developer of laser-based proton therapy systems.
- A 2.7% (GBP 5 million) stake acquired in 2015 in Proton Partners International Plc, now Rutherford Health Plc, a UK-based stock listed company, with which IBA SA has signed contracts for production, installation and maintenance of Proteus®One systems in the United Kingdom.

## CURRENT ASSETS

### *LONG-TERM RECEIVABLES*

Long-term receivables amounted to EUR 13.7 million at end of 2020, similar to the end of 2019 (EUR 13.4 million). This amount mainly consists of a tax credit received for Research and Development activities ('CIRD'). Given these R&D activities remain year-on-year at a comparable level, the tax credit also remains stable.

### *INVENTORIES AND WORK/CONTRACTS IN PROGRESS*

Inventories and contracts in progress amounted to EUR 110.2 million in 2020 compared to EUR 113.1 million in 2019. Supplies and work in progress increased by EUR 8.4 million. Contracts in progress decreased from EUR 50.6 million to EUR 39.4 million. Since 2016, the amounts of contracts in progress and down-payments received on such contracts are shown as a net position at the level of each project whereby the ones with a down-payment that is lower than the contract in progress value are shown as a net 'contract in progress' position under this section.

### *SHORT-TERM RECEIVABLES*

Short-term receivables increased by EUR 9.8 million from EUR 142.7 million in 2019 to EUR 152.5 million in 2020. This increase is mainly driven by an increase of the Trade Accounts Receivable section in which the third-party receivables decreased significantly compensated by an increase of the Intercompany debtors of around EUR 24 million. Third party customers had large balances outstanding as per the end of 2019, and many of these were paid during 2020.

### *CASH INVESTMENTS*

Cash investments amounted to EUR 0.6 million at the end of 2020 and correspond to treasury shares.

### *CASH AND CASH EQUIVALENTS*

Cash and cash equivalents amount to EUR 111.5 million as per the end of 2020 which is a sharp increase compared to prior year-end balance of EUR 33.3 million. The main driver for this increase was the excellent cash collection over 2020 and the payments received for the strategic licensing deal with CGN in the People's Republic of China.

### *CUT-OFF ACCOUNTS*

The assets-side cut-off accounts remain stable year-on-year with a balance per the end of 2020 of EUR 12.6 million, which is an increase compared to 2019 with EUR 1.0 million. These accounts are used to ensure that revenues and charges are correctly cut off at year-end.

## LIABILITIES

### *SHAREHOLDERS EQUITY*

#### *SUBSCRIBED CAPITAL AND SHARE PREMIUM*

The subscribed capital is EUR 42.3 million as per December 31, 2020, in line with the previous year. Share premiums amount to EUR 42.0 million. Both subscribed capital and share premium did not fluctuate as no stock options under the plans offered to staff were exercised during 2020.

IBA SA currently has three stock option plans in place, fully subscribed per December 31, 2020. The two plans for 2014 and 2015 expire on June 30, 2024. In June 2020, a new stock option plan was issued comprising medium-term options as well as long-term options: medium-term options expire on June 30, 2026; long-term options expire on June 30, 2030.

The allocation of the result proposed to the General Meeting is as follows:

- Distribution of dividend EUR 6 million
- Profit carried forward for the financial year 2020 EUR 101.5 million

#### *TREASURY SHARES*

IBA SA holds 63,369 treasury shares as per December 31, 2020, compared to 63.519 in 2019.

The value of these treasury shares amounts to EUR 0.6 million as per December 31, 2020.

*PROVISIONS FOR RISKS AND CHARGES*

Provisions for risks and charges equivalent to EUR 4.0 million in 2020 compared to EUR 6.5 million in 2019. These mainly correspond to provisions for technical and order fulfilment guarantees.

### LONG-TERM FINANCIAL DEBTS

Amounts payable after more than one year in 2020 amount to EUR 198,7 million compared to EUR 154.2 million in 2019:

- Bank debts and other long-term financial debts increased by EUR 7 million and amount to EUR 50.9 million:
    - A loan from the S.R.I.W. (EUR 13.7 million) and SFPI (EUR 5.0 million). The decrease compared to last year relates to a portion of the SRIW loan (EUR 1.7 million) which will be reimbursed within the year 2021.
    - Finance lease debt (EUR 11.2 million).
    - A term loan from financial institutions (EUR 21 million)
    - The treasury bond issued amounting to EUR 5.2 million as per 31 December 2019, will be reimbursed within one year and has therefore been presented in another section of the Balance sheet (2020: EUR 0)
- Long-term down payments received on orders amounted to EUR 119.6 million in 2020 compared to EUR 96.2 million in 2019
- Other debts amount to EUR 28.2 million and generally relate to repayable advances and intragroup loans, and more specifically this year a EUR 15 million refund liability related to the strategic licensing deal with CGN.

### SHORT-TERM DEBTS

Debts within one year represent EUR 131.2 million in 2020 compared to EUR 114.8 million in 2019:

- Long-term debts maturing in the year amount to EUR 8.8 million in 2020 (cf. above-mentioned private bond)
- Short-term bank loans amount to EUR 6 million in 2020 against EUR 1.8 million in 2019
- Debts to affiliated companies represent EUR 7.2 million in 2020 against EUR 8.9 million in 2019
- Trade payables represent EUR 54.2 million in 2020, a small increase of 4.4 million compared to 2019
- Short-term down payments on orders remain stable compared to 2019: in 2020 they amount to EUR 28.9 million against EUR 32.2 million in 2019
- Tax and social debts are stable (EUR 17.0 million) which is in line with the prior year debts (EUR 15.3 million in 2019)
- Other debts include the dividend for the year to be distributed (EUR 6 million) as well as a guarantee through escrow account for an amount of EUR 2.6 million.

IBA group refinanced its debt in 2019, full details are available in the section “BANK AND OTHER BORROWINGS” of the consolidated financial statements.

## FINANCIAL INSTRUMENTS (article 3:6, §1, 8°, OF THE BCAC)

The main financial instruments consist of inter-company loans, bank loans, bank balances, and bank and / or intragroup deposits. The main objective of these financial instruments is to raise funds for the financing of the activities of the company.

The Company also has other financial assets and liabilities such as trade receivables and payables, which arise directly from its activity.

In addition, the Company also has external foreign exchange contracts which are entered into at the level of the Company for the purpose of hedging operations against foreign exchange risks on assets, liabilities or specific transactions, committed or to come, in gross terms.

General financial risk management policy focuses on the unpredictability of financial markets and attempts to minimize potential negative effects on financial results. IBA uses derivative financial instruments to hedge its exposure to certain risks.

Financial risk management is carried out by a central treasury department (Group Treasury). Rules are in place which establish written principles for the management of financial risks as well as written rules covering specific areas, such as currency risk, the use of derivative and non-derivative financial instruments and the investment of excess liquidity. The Group's Treasury identifies, assesses and covers financial risks in close cooperation with the Company.

More details on the management of financial risks are available in the chapter “FINANCIAL RISKS (ARTICLES 3: 6, §1, 8 ° AND 3:32, §1, 5 °, OF THE BCAC)” of the consolidated financial statements, see page 122.

## SIGNIFICANT ACQUISITIONS AND DIVESTMENTS IN 2020

No significant acquisitions and divestments in 2020.

## GENERAL OUTLOOK FOR 2021

Whilst 2020 presented challenges to IBA due to the global pandemic, considerable resilience was shown across all of the business lines. We were encouraged in particular by the overall improvement in performance in the second half.

The situation remains complex in 2021 with regards to installations of projects and IBA continues to closely monitor the situation.

Other Accelerators and Dosimetry continue to have a healthy order intake, and in Proton Therapy new contracts are on the horizon in key strategic regions. IBA remains committed to progressing new tenders internationally and the overall pipeline is encouraging. Service activities in all businesses continue to provide stable recurring revenues and backlog remains high.

The business is underpinned by a strong balance sheet and an excellent cash position and R&D investment will continue to be a core aspect of our plan for longer-term growth.

However, given the ongoing COVID-19 conditions, IBA remains unable to provide reliable projected 2021 performance at this time. The Group continues to focus on delivering value to its stakeholders and is committed to remaining the leader in all of its markets, while driving efficiency across the board

# IFRS CONSOLIDATED FINANCIAL

## STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2020

# 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 unequalled 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).

These consolidated financial statements have been approved for release by the Board of Directors on March 23, 2021.

## STATEMENT OF CONSOLIDATED FINANCIAL POSITION AS AT DECEMBER 31, 2020

The Group has chosen to present its financial position on a current/non-current basis. The notes on pages 104 to 168 are an integral part of these consolidated financial statements.

| (EUR 000) | Note | December 31, 2019 | December 31, 2020 |
|---|---|---|---|
| ASSETS | | | |
| Goodwill | 7 | 3 821 | 3 821 |
| Other intangible assets | 7 | 6 355 | 4 527 |
| Property, plant and equipment | 8 | 19 572 | 18 329 |
| Right-of-use assets | 24.1 | 30 400 | 29 266 |
| Investments accounted for using the equity method | 9 | 2 900 | 1 273 |
| Other investments | 9 | 15 196 | 13 088 |
| Deferred tax assets | 10 | 6 985 | 7 797 |
| Long-term financial assets | 21 | 0 | 600 |
| Other long-term assets | 11 | 21 372 | 19 767 |
| **Non-current assets** | | **106 601** | **98 468** |
| Inventories | 12 | 75 879 | 84 458 |
| Contract assets | 13 | 44 490 | 30 110 |
| Trade receivables | 14 | 120 199 | 103 400 |
| Other receivables | 14 | 31 532 | 39 071 |
| Short-term financial assets | 21 | 320 | 1 578 |
| Cash and cash equivalents | 15 | 46 090 | 153 911 |
| **Current assets** | | **318 510** | **412 528** |
| | | | |
| **TOTAL ASSETS** | | **425 111** | **510 996** |
| | | | |
| EQUITY AND LIABILITIES | | | |
| Capital stock | 16 | 42 294 | 42 294 |
| Capital surplus | 16 | 41 978 | 41 978 |
| Treasury shares | 17 | -8 502 | -5 907 |
| Reserves | 17 | 16 375 | 17 152 |
| Currency translation difference | 17 | -3 503 | -5 569 |
| Retained earnings | 17 | 22 700 | 51 883 |
| **Capital and reserves** | | **111 342** | **141 831** |
| Non-controlling interests | | 0 | 0 |
| **EQUITY** | | **111 342** | **141 831** |
| | | | |
| Long-term borrowings | 18 | 32 856 | 41 174 |
| Long-term lease liabilities | 24.2 | 26 117 | 24 598 |
| Long-term provisions | 19 | 6 775 | 7 879 |
| Long-term financial liabilities | 21 | 581 | 3 |
| Deferred tax liabilities | 10 | 1 112 | 521 |
| Other long-term liabilities | 20 | 4 185 | 19 278 |
| **Non-current liabilities** | | **71 626** | **93 453** |
| Short-term borrowings | 18 | 3 534 | 15 557 |
| Short-term lease liabilities | 24.2 | 4 870 | 4 797 |
| Short-term provisions | 19 | 4 443 | 4 169 |
| Short-term financial liabilities | 21 | 1 432 | 57 |
| Trade payables | 22 | 41 133 | 41 858 |
| Current income tax liabilities | | 2 150 | 2 892 |
| Other payables | 23 | 47 846 | 48 212 |
| Contract liabilities | 13 | 136 735 | 158 170 |
| **Current liabilities** | | **242 143** | **275 712** |
| **TOTAL LIABILITIES** | | **313 769** | **369 165** |
| **TOTAL EQUITY AND LIABILITIES** | | **425 111** | **510 996** |

# CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2020

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

| (EUR 000) | Note | December 31, 2019 | December 31, 2020 |
|---|---|---|---|
| Sales | 4 | 168 727 | 194 002 |
| Services | 4 | 113 825 | 117 953 |
| **External sales** | **4** | **282 552** | **311 955** |
| Cost of sales and services (-) | | -189 415 | -175 900 |
| **Gross profit** | | **93 137** | **136 055** |
| | | | |
| Selling and marketing expenses (-) | | -24 504 | -20 735 |
| General and administrative expenses (-) | | -37 413 | -41 792 |
| Research and development expenses (-) | | -31 133 | -33 122 |
| Other operating expenses (-) | 25 | -4 227 | -442 |
| Other operating income | 25 | 18 786 | 65 |
| **Segment result (EBIT)** | **4** | **14 646** | **40 029** |
| Financial expenses (-) | 26 | -6 671 | -6 264 |
| Financial income | 26 | 3 915 | 2 516 |
| Share of profit/(loss) of companies consolidated using the equity method | 9.1 | -1 124 | -3 227 |
| **Profit/(loss) before taxes** | | **10 766** | **33 054** |
| Tax income/(expenses) | 27 | -3 156 | -1 133 |
| **Profit/(loss) for the period from continuing operations** | | **7 610** | **31 921** |
| Profit/(loss) for the period from discontinued operations | | 0 | 0 |
| **Profit/(loss) for the period** | | **7 610** | **31 921** |
| | | | |
| **Attributable to :** | | | |
| Equity holders of the parent | | 7 610 | 31 921 |
| Non-controlling interests | | 0 | 0 |
| | | **7 610** | **31 921** |
| **Earnings per share from continuing operations and discontinued operations (EUR per share)** | | | |
| Basic | | +0,2584 | +1,0773 |
| Diluted | | +0,2581 | +1,0743 |
| **Earnings per share from continuing (EUR per share)** | | | |
| Basic | | +0,2584 | +1,0773 |
| Diluted | | +0,2581 | +1,0743 |
| **Earnings per share from discontinued operations (EUR per share)** | | | |
| Basic | | - | - |
| Diluted | | - | - |

# CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2020

| (EUR 000) | Notes | December 31, 2019 | December 31, 2020 |
|---|---|---|---|
| **Profit/(loss) for the period** | | **7 610** | **31 921** |
| Other comprehensive income to be reclassified to profit or loss in subsequent periods: | | | |
| - Exchange differences on translation of foreign operations | | -428 | *-2 259* |
| Exchange differences on translation of foreign operations | | *556* | *-2 259* |
| Reclassification adjustment of CTA following IAS 21.48 | 6 | *-984* | *0* |
| - 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 | | 224 | 193 |
| - Reserves movements | | -1 | 0 |
| - Net movement on cash flow hedges | 17 | -2 086 | 3 265 |
| - Revaluation at fair value of other investments | 9.2 | 2 191 | -2 108 |
| **Net other comprehensive income to be reclassified to profit or loss in subsequent periods** | | **-100** | **-909** |
| Other comprehensive income not to be reclassified to profit or loss in subsequent periods : | | | |
| - Reserves movements in post-employment benefit reserves | 28 | 596 | -506 |
| - 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** | | **596** | **-506** |
| **Total comprehensive income for the year** | | **8 106** | **30 506** |

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| EUR 000 | Capital stock (Note 16.1) | Capital surplus (Note 16.1) | Treasury shares (Note 16.1) | Hedging reserves | Other reserves – value of stock option plans and share-based compensation (Note 16.2) | Other reserves – defined benefit plans (Note 28) | Other reserves - Revaluation reserves (Note 9) | Other reserves - Other | Currency translation difference (Note 17) | Retained earnings (Note 17) | TOTAL Shareholders' equity and reserves |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Balance at 01/01/2019** | **42 278** | **41 863** | **-8 502** | **-650** | **15 714** | **-3 640** | **4 097** | **154** | **-3 299** | **15 076** | **103 091** |
| Other comprehensive income | 0 | 0 | 0 | -2 086 | 0 | 596 | 2 190 | 0 | -204 | 0 | 496 |
| Profit/(loss) for the period | 0 | 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** | **0** | **-204** | **7 610** | **8 106** |
| Dividends | 0 | 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 | 0 |
| Increase/ (decrease) in capital stock/ capital surplus (note 17) | 16 | 115 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 131 |
| Other changes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 14 | 14 |
| **Balance at 31/12/2019** | **42 294** | **41 978** | **-8 502** | **-2 736** | **15 714** | **-3 044** | **6 287** | **154** | **-3 503** | **22 700** | **111 342** |
| | | | | | | | | | | | |
| **Balance at 01/01/2020** | **42 294** | **41 978** | **-8 502** | **-2 736** | **15 714** | **-3 044** | **6 287** | **154** | **-3 503** | **22 700** | **111 342** |
| Other comprehensive income | 0 | 0 | 0 | 3 265 | 0 | -506 | -2 108 | 0 | -2 066 | 0 | -1 415 |
| Profit/(loss) for the period (note 4) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 31 921 | 31 921 |
| **Total comprehensive income for the period** | **0** | **0** | **0** | **3 265** | **0** | **-506** | **-2 108** | **0** | **-2 066** | **31 921** | **30 506** |
| Dividends (note 17) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | -2 254 | -2 254 |
| Employee stock options and share-based payments (note 16.2) | 0 | 0 | 0 | 0 | 126 | 0 | 0 | 0 | 0 | 0 | 126 |
| Purchase & sale of treasury shares (note 16.1) | 0 | 0 | 2 595 | 0 | 0 | 0 | 0 | 0 | 0 | -507 | 2 088 |
| Other changes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 23 | 23 |
| **Balance at 31/12/2020** | **42 294** | **41 978** | **-5 907** | **529** | **15 840** | **-3 550** | **4 179** | **154** | **-5 569** | **51 883** | **141 831** |

# CONSOLIDATED CASH FLOW STATEMENT

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

| (EUR 000) | Note | December 31, 2019 | December 31, 2020 |
|---|---|---|---|
| **CASH FLOW FROM OPERATING ACTIVITIES** | | | |
| Net profit/(loss) for the period | | **7 610** | **31 921** |
| Adjustments for : | | | |
| Depreciation of tangible assets | 8, 24.1 | 8 860 | 8 775 |
| Depreciation and impairment of intangible assets | 7 | 3 571 | 3 184 |
| Write-off on receivables | 14 | -503 | 2 898 |
| Changes in fair value of financial assets (profits)/losses | | -1 056 | -547 |
| Changes in provisions | 19 | 7 052 | 3 458 |
| Deferred taxes | | -18 | -1 457 |
| Share of result of associates and joint ventures accounted for using the equity method | 9.1 | 1 124 | 3 227 |
| (Profit)/loss on disposal of assets held for sale | 6 | -13 505 | 0 |
| Other non-cash items | 29 | -4 918 | -1 075 |
| **Net cash flow changes before changes in working capital** | | **8 217** | **50 384** |
| Trade receivables, other receivables and deferrals | | -21 746 | 20 794 |
| Inventories and contracts in progress | | 65 653 | 26 056 |
| Trade payables, other payables and accruals | | 2 867 | 2 165 |
| Other short-term assets and liabilities | | -6 838 | -24 |
| **Changes in working capital** | | **39 936** | **48 991** |
| Net income tax paid/received | | -1 939 | -1 132 |
| Interest expense | | 2 487 | 2 309 |
| Interest income | | -76 | -127 |
| **Net cash (used)/generated from operations** | | **48 625** | **100 425** |
| **CASH FLOW FROM INVESTING ACTIVITIES** | | | |
| Acquisition of property, plant and equipment | 8 | -4 582 | -2 555 |
| Acquisition of intangible assets | 7 | -541 | -1 446 |
| Disposals of fixed assets | 8 | 2 008 | 0 |
| Acquisition of subsidiaries net of acquired cash | 6 | 0 | 0 |
| Acquisition of third-party and equity-accounted investments | 9.1 | -6 105 | -1 600 |
| Disposals of subsidiaries | 6 | 12 487 | 0 |
| Disposals of other investments and equity method accounted companies, net of assigned cash | | 0 | 0 |
| Other investing cash flows | 29 | -1 516 | 0 |
| **Net cash (used)/generated from investing activities** | | **1 751** | **-5 601** |
| **CASH FLOW FROM FINANCING ACTIVITIES** | | | |
| Proceeds from borrowings | 18 | 9 000 | 25 508 |
| Repayment of borrowings | 18 | -44 245 | -4 734 |
| Repayment of lease liabilities | 24.2 | -5 875 | -5 254 |
| Interest paid | | -2 808 | -2 298 |
| Interest received | | 76 | 127 |
| Capital increase (or proceeds from issuance of ordinary shares) | 16 | 131 | 0 |
| Dividends paid | | 0 | -2 254 |
| (Acquisitions)/disposal of treasury of shares | | 0 | 2 088 |
| Other financing cash flows | 29 | 1 348 | 185 |
| **Net cash (used)/generated from financing activities** | | **-42 373** | **13 368** |
| | | | |
| **Net cash and cash equivalents at beginning of the year** | | **38 696** | **46 090** |
| Net change in cash and cash equivalents | | 8 003 | 108 192 |
| Exchange (profits)/losses on cash and cash equivalents | | -609 | -371 |
| **Net cash and cash equivalents at end of the year** | 15 | **46 090** | **153 911** |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENT

## NOTES

# 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, 2020 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 December 31, 2020 are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2019 , except for the adoption of new standards and interpretations effective as of 1 January 2020.

### 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 2020. 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 2020, they do not have a material impact on the consolidated financial statements of the Group. The nature and the impact of each of the following new standards, amendments and/or interpretations are described below:

- The Conceptual Framework for Financial Reporting
- Amendments to IFRS 3 - *Definition of a Business*
- Amendments to IFRS 9, IAS 39 and IFRS 7 – *Interest Rate Benchmark Reform (phase 1)*
- Amendments to IAS 1 and IAS 8 – *Definition of material*
- Amendment to IFRS 16 - *Covid-19-Related Rent Concessions*

#### *THE CONCEPTUAL FRAMEWORK FOR FINANCIAL REPORTING*

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. This will affect those entities which developed their accounting policies based on the Conceptual Framework. The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts.

The IASB has also issued a separate accompanying document, Amendments to *References to the Conceptual Framework in IFRS Standards*, which sets out the amendments to affected standards in order to update references to the Conceptual Framework. In most cases, the standard references are updated to refer to the Conceptual Framework. except to IFRS 3 *Business Combinations* and IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*. These amendments had no impact on the consolidated financial statements of the Group.

### *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.

These amendments will apply only to any future business combinations of the Group and there was no business combination during the year.

### *AMENDMENTS TO IFRS 9 FINANCIAL INSTRUMENTS, IAS 39 FINANCIAL INSTRUMENTS: RECOGNITION AND MEASUREMENT AND IFRS 7 FINANCIAL INSTRUMENTS: DISCLOSURES - INTEREST RATE BENCHMARK BEFORM*

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:

- The assessment of whether a forecast transaction (or component thereof) is highly probable
- Assessing when to reclassify the amount in the cash flow hedge reserve to profit and loss
- 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.

The Group applies hedge accounting but as the group does not have any hedging relationship directly affected by the IBOR reform uncertainties, the consolidated financial statements were not affected by the changes.

### *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’s consolidated financial statements were not affected.

### AMENDMENTS TO IFRS 16 – COVID-19 RELATED RENT CONCESSIONS

On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases.

The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.

The amendment applies to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted. This amendment had no impact on the consolidated financial statements of the Group as no rent concession was received.

## 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.

- IFRS 17 *Insurance contracts*, effective 1 January 2023
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - Interest Rate Benchmark Reform (Phase 2), effective 1 January 2021
- Amendments to IFRS 3 *Business Combinations* – reference to the Conceptual Framework, effective 1 January 2022
- Amendments to IAS 1 *Classification of Liabilities as Current or Non-current*, effective 1 January 2023
- Amendments to IAS 16 *Property, Plant and Equipment* – Proceeds before Intended Use, Effective 1 January 2022
- Amendments to IAS 37 *Onerous Contracts* – Costs of Fulfilling a Contract, effective 1 January 2022
- Amendments to IFRS 1 *First – time adoption of IFRS* – Subsidiary as a first-time adopter, effective 1 January 2022
- Amendments to IFRS 9 *Financial Instruments* – Fees in the '10 per cent' test for derecognition of financial liabilities, effective 1 January 2022
- Amendments to IAS 41 *Agriculture* – Taxation in fair value measurements, effective 1 January 2022

### IFRS 17 INSURANCE CONTRACTS

IAS 17 is a new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure, replacing IFRS 4.

The group does not issue insurance contract, the financial guarantees that may be issued by the Group are treated as financial instruments in accordance with IFRS 9. It is therefore highly unlikely that the new standard will have any impact on the consolidated financial statements as from the effective date.

### AMENDMENTS TO IFRS 3 BUSINESS COMBINATIONS – REFERENCE TO THE CONCEPTUAL FRAMEWORK

The changes in Reference to the Conceptual Framework (Amendments to IFRS 3):

- Update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework;
- add to IFRS 3 a requirement that, for transactions and other events within the scope of IAS 37 or IFRIC 21, an acquirer applies IAS 37 or IFRIC 21 (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination; and
- add to IFRS 3 an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

Companies are required to apply this amendments to 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, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - Interest rate benchmark reform (Phase 2)

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

In particular, the amendments include a practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest, as well as a relief from discontinuing hedging relationships, allowing changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued. Permitted changes include redefining the hedged risk to reference an RFR and redefining the description of the hedging instruments and/or the hedged items to reflect the RFR.

The amendments are mandatory and effective for annual periods beginning on or after 1 January 2021, with earlier 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.

### Amendments to IAS 1 Classification of liabilities as current or non-current

The amendments clarify the requirements for classifying liabilities as current or non-current. In specific, the amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument, would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. 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 IAS 16 Property, Plant and Equipment – Proceeds before Intended Use

The amendment prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

Given the nature of the Group's business, the Group does not expect any effect on its consolidated financial statements.

### Amendments to IAS 37 Onerous Contracts – Costs of Fulfilling a Contract

The amendments clarify that the 'costs of fulfilling a contract', when assessing whether a contract is onerous or loss-making, comprise both:

- the incremental costs – e.g. direct labour and materials; and
- an allocation of other direct costs – e.g. an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract

These amendments are effective for reporting periods beginning on or after 1 January 2022. 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 1 First – time adoption of IFRS – Subsidiary as a first-time adopter

The amendment permits a subsidiary to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. These amendments will apply only to any future business first adoption of IFRS by a subsidiary of the Group.

#### AMENDMENTS TO IFRS 9 FINANCIAL INSTRUMENTS – FEES IN THE '10 PER CENT' TEST FOR DERECOGNITION OF FINANCIAL LIABILITIES

In determining whether to de-recognise a financial liability that has been modified or exchanged, an entity assesses whether the terms are substantially different. The amendment to IFRS 9 clarifies the fees that a company includes when performing this assessment. These fees include only those paid or received between the borrower and the lender or on their behalf.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The Group will apply the amendments to financial liabilities that are modified or exchanged from 1 January 2022.

#### AMENDMENTS TO IAS 41 AGRICULTURE – TAXATION IN FAIR VALUE MEASUREMENTS

The amendment removes the requirement for entities to exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41, Agriculture.
Given the nature of the Group's business, the Group does not expect any effect on its consolidated financial statements.

## 1.3 BASIS OF 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, 2019 | Average annual rate 2019 | Closing rate on December 31, 2020 | Average annual rate 2020 |
|---|---|---|---|---|
| **USD** | 1.1234 | 1.1195 | 1.2271 | 1.1427 |
| **SEK** | 10.4468 | 10.5772 | 10.0343 | 10.5535 |
| **CNY** | 7.8205 | 7.7296 | 8.0225 | 7.8679 |
| **INR** | 80.1870 | 78.6673 | 89.6605 | 84.3159 |
| **RUB** | 69.9563 | 72.4099 | 91.4671 | 82.5414 |
| **JPY** | 121.9400 | 122.0465 | 126.4900 | 121.7617 |
| **CAD** | 1.4598 | 1.4850 | 1.5633 | 1.5289 |
| **GBP** | 0.8508 | 0.8769 | 0.8990 | 0.8890 |
| **ARS** | 67.1443 | 53.7670 | 103.1526 | 80.7564 |
| **THB** | 33.4150 | 34.6852 | 36.7270 | 35.6316 |
| **MXN** | 21.2202 | 21.5353 | - | - |
| **SGD** | 1.5110 | 1.5266 | 1.6218 | 1.5729 |
| **EGP** | 17.9625 | 18.8046 | 19.2623 | 18.0104 |
| **TWD**[1] | 33.5916 | 33.8430 | 34.4332 | 33.5753 |
| **KRW**[2] | n/a | n/a | 1 336.0000 | 1 357.0051 |
| **GEL**[3] | n/a | n/a | 3.9878 | 3.8305 |

*1 Average rate is calculated on the basis of 4 months of activity in 2019*

*2 Average rate is calculated on the basis of 8 months of activity in 2020*

*3 Average rate is calculated on the basis of 4 months of activity in 2020*

## 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 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.

#### *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.

| 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 |

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

#### *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.

### 1.6.2 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.

### 1.6.3 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

IBA Group applies IFRS 15 in determining how revenue is recognised. IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires applying significant judgement to account for the revenue which is provided by IBA under note 3.2.

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.

When the outcome of a contract (i.e. estimation of the final margin) can be reliably estimated, revenue is recognized either over time or at a point in time as explained further for each type of revenue.

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.

### 1.9.1 Equipment and installation services

The main activity of the Group consists of realizing and constructing proton-therapy equipment and arrange the installation services for its customers. Such contracts with customers are referred as equipment and installation services, it represents the most important portion of IBA's revenue and are presented in the income statement as "Sales".

The equipment and installation services are always contracted and sold as a bundle package which is because the equipment is so specialized nature that only IBA can provide the installation services to the customers. As a result, IBA promises relate to the transfer of a combined output integrating both the promised equipment and relating installation services. The Group determined that due to the nature of its promises, the equipment and installation services contract have to be considered as one performance obligation.

In connection with the timing of the revenue recognition the Group assessed that its performance creates or enhances an asset that the customer controls as the asset is created. In addition 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 and the Group recognizes revenue by measuring the progress using the input method on the basis of the costs incurred which are compared to the total expected cost of the project (formerly referred as "*percentage of completion*").

Expected contract costs comprise:

- Direct and indirect production costs (e.g., resources consumed, labour hours expended, costs incurred, time elapsed or machine hours used);
- 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.

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.

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.

### 1.9.2 Services

In addition to the equipment and installation services, the Group provides operation and maintenance services (reported as "Services") which relate to the daily functioning and maintenance activity of the proton therapy centers once those have been transferred to the customer. For these contracts, the revenue recognition occurs over time using the straight-line revenue recognition method because IBA considers that the customer simultaneously receives and consumes the benefit and its efforts are expended evenly throughout the performance period that is the term of the contract.

### 1.9.3 Licence revenue

Occasionally, IBA group sells licence for the intellectual property. This is not part of IBA's main business activity and will, in most cases, constitute a distinct performance obligation. Based on the criteria defined in IFRS 15, the Group determines that it transfers a right to use the intellectual property rather than a right to access the intellectual property. As a result, the revenue from the sale of the licence is recognised at a point in time when the rights are being transferred.

### 1.9.4 Transaction price

Under the equipment and installation services and the operation and maintenance services, IBA considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised bundle package or services to a customer. IBA's contract with the customers typically does not contain variable amounts and the financing component is also considered to be non-significant.

### 1.9.5 Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due which is typically the case for the equipment and installation services, a contract asset is recognized for the earned consideration that is conditional.

### 1.9.6 Trade receivables

A receivable represents IBA's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due) which are presented as "*Trade receivables*".

### 1.9.7 Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before IBA transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract.

### 1.9.8 Refund liabilities

A refund liability is recognised for consideration that IBA has received in advance from a customer and expects to refund to the customer, and is measured at the amount of consideration received for which the entity does not expect to be entitled (ie amounts not included in the transaction price).

## 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.

## 1.11 FINANCIAL ASSETS

### *1.11.1* CLASSIFICATION AND MEASUREMENT

Under IFRS 9, 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 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.

### 1.11.2 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. The matrix used is as follow:

- 25% after 90 days overdue;
- 50% after 180 days overdue;
- 75% after 270 days overdue;
- 100% after 360 days overdue.

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.

### 1.11.3 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.

### 1.11.4 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.

### 1.11.5 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.

### 1.11.6 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.

### 1.11.7 Interest Income

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).

## 1.12 FINANCIAL LIABILITIES

### 1.12.1 Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group’s financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

### 1.12.2 Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

### 1.12.3 Financial liabilities at fair value through profit or loss

This category mainly includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9 and explained in 1.11.3.

### 1.12.4 Financial liabilities at amortised cost (loans and borrowings)

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortization process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings.

## 1.13 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.

## 1.14 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.

## 1.15 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.

## 1.16 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.

## 1.17 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.

## 1.18 PENSIONS AND OTHER EMPLOYEE BENEFITS

### 1.18.1 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.

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.

### 1.18.2 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.

## 1.19 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.

## 1.20 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.

## 1.21 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:

*(i)* The loan is made in either the functional currency of the reporting entity or the foreign operation; and

*(ii)* The loan is made between the reporting entity and a foreign operation.

## 1.22 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 50.

## 2.2 FINANCIAL ASSETS AND LIABILITIES – ADDITIONAL INFORMATION

The tables below summarize the maturity profile of the Group’s financial assets and financial liabilities:

(EUR 000)

| December 31, 2019 | 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** |
| **December 31, 2020** | **Due** | **< 1 year** | **1-2 years** | **2-5 years** | **> 5 years** | **Total** |
| FINANCIAL ASSETS | | | | | | |
| Trade receivables | 52 591 | 50 809 | 0 | 0 | 0 | **103 400** |
| Other ST and LT assets | 0 | 40 650 | 2 834 | 7 954 | 9 579 | **61 017** |
| **TOTAL** | **52 591** | **91 459** | **2 834** | **7 954** | **9 579** | **164 417** |

(EUR 000)

| December 31, 2019 | 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 | 44 212 | 4 782 | 25 | 0 | **56 193** |
| **TOTAL** | **17 927** | **84 947** | **19 054** | **28 450** | **22 437** | **172 815** |
| **December 31, 2020** | **Due** | **< 1 year** | **1-2 years** | **2-5 years** | **> 5 years** | **Total** |
| FINANCIAL LIABILITIES | | | | | | |
| Bank and other borrowings (*) | 0 | 17 002 | 12 442 | 28 205 | 3 941 | **61 590** |
| Lease liabilities | 0 | 5 282 | 4 760 | 8 451 | 12 963 | **31 456** |
| Trade payables | 19 763 | 22 095 | 0 | 0 | 0 | **41 858** |
| Other ST and LT liabilities | 0 | 51 161 | 19 281 | 0 | 0 | **70 442** |
| **TOTAL** | **19 763** | **95 540** | **36 483** | **36 656** | **16 904** | **205 346** |

*The bank and other borrowings and the lease liabilities shown above include the future interest payments for EUR 4.86 million and EUR 2.06 million respectively.

The assets and liabilities of the Group are valued as follows:

| EUR 000 | December 31, 2019 | | December 31, 2020 | |
|---|---|---|---|---|
| | Net carrying value | Fair value | Net carrying value | Fair value |
| FINANCIAL ASSETS | | | | |
| Trade receivables | 120 199 | 120 199 | 103 400 | 103 400 |
| Other long-term receivables | 21 372 | 21 372 | 19 767 | 19 767 |
| Non-trade receivables and advance payments | 17 827 | 17 827 | 20 729 | 20 729 |
| Other short-term receivables | 13 705 | 13 705 | 18 343 | 18 343 |
| Other investments | 15 196 | 15 196 | 13 088 | 13 088 |
| Cash and cash equivalents | 46 090 | 46 090 | 153 911 | 153 911 |
| Hedging derivative products | 144 | 144 | 1 520 | 1 520 |
| Derivative products – other | 176 | 176 | 658 | 658 |
| **TOTAL** | **234 709** | **234 709** | **331 416** | **331 416** |

| FINANCIAL LIABILITIES | | | | |
|---|---|---|---|---|
| Bank and other borrowings | 36 390 | 36 390 | 56 731 | 56 731 |
| Lease liabilities | 33 461 | 33 461 | 31 456 | 31 456 |
| Trade payables | 41 133 | 41 133 | 41 858 | 41 858 |
| Hedging derivative products | 1 804 | 1 804 | 60 | 60 |
| Derivative products – other | 209 | 209 | 0 | 0 |
| Other long-term liabilities | 4 185 | 4 185 | 19 278 | 19 278 |
| Other short-term liabilities | 29 800 | 29 800 | 27 066 | 27 066 |
| **TOTAL** | **146 982** | **146 982** | **176 449** | **176 449** |

As at December 31, 2019 and 2020, 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, 2019 |
|---|---|---|---|---|
| Forward foreign exchange contracts | | 62 | | 62 |
| Foreign exchange rate swaps | | 82 | | 82 |
| **Derivative hedge-accounted financial assets** | | **144** | | **144** |
| | | | | |
| Forward foreign exchange contracts | | 41 | | 41 |
| Foreign exchange rate swaps | | 135 | | 135 |
| **Derivatives assets at fair value through the income statement** | | **176** | | **176** |
| | | | | |
| **Equity instruments at fair value** | **13 370** | **1 793** | | **15 163** |
| | | | | |
| Forward foreign exchange contracts | | 1 734 | | 1 734 |
| Foreign exchange rate swaps | | 70 | | 70 |
| **Derivative hedge-accounted financial liabilities** | | **1 804** | | **1 804** |
| | | | | |
| Forward foreign exchange contracts | | 205 | | 205 |
| Foreign exchange rate swaps | | 4 | | 4 |
| **Derivatives liabilities at fair value through the income statement** | | **209** | | **209** |

| (EUR 000) | Level 1 | Level 2 | Level 3 | December 31, 2020 |
|---|---|---|---|---|
| Forward foreign exchange contracts | | 654 | | 654 |
| Foreign exchange rate swaps | | 866 | | 866 |
| **Derivative hedge-accounted financial assets** | | **1 520** | | **1 520** |
| | | | | |
| Forward foreign exchange contracts | | 9 | | 9 |
| Foreign exchange rate swaps | | 649 | | 649 |
| **Derivatives assets at fair value through the income statement** | | **658** | | **658** |
| | | | | |
| **Equity instruments at fair value** | **11 262** | **1 793** | | **13 055** |
| | | | | |
| Forward foreign exchange contracts | | 59 | | 59 |
| Foreign exchange rate swaps | | 1 | | 1 |
| **Derivative hedge-accounted financial liabilities** | | **60** | | **60** |
| | | | | |
| Forward foreign exchange contracts | | 0 | | 0 |
| Foreign exchange rate swaps | | 0 | | 0 |
| **Derivatives liabilities at fair value through the income statement** | | **0** | | **0** |

### 2.3.1 HEDGE-ACCOUNTED FINANCIAL INSTRUMENTS

IBA assesses the hedge effectiveness through a critical terms match between the hedged item (future probable cash flows) and the hedging instrument including amount and maturity. Some limited ineffectiveness may however arise when actual timing of cash flows differ from the initial expectation and the hedging position has to be rolled-over as a result.

As at December 31, 2020, the Group held 20 forward exchange contracts (16 as at December 31, 2019) and 11 foreign exchange swaps (9 as at December 31, 2019) to cover future cash flow movements US dollars, British pounds, Singapore dollars, Canadian dollars and Chinese Yuan. These hedges are deemed highly effective. These hedges generated a EUR 1.30 million gain in 2020 (loss of EUR 1.47 million in 2019). This loss is recognized in the other items of the comprehensive income statement.

| (EUR 000) | | Equity | Hedge instrument maturities < 1 year | 1-2 years | > 2 years |
|---|---|---|---|---|---|
| **December 31, 2019** | | | | | |
| Foreign exchange hedge in | CNY | 43 | 43 | 0 | 0 |
| Foreign exchange hedge in | GBP | 573 | -70 | 0 | 643 |
| Foreign exchange hedge in | SGD | -779 | -572 | -207 | 0 |
| Foreign exchange hedge in | USD | -2 573 | -1 915 | -464 | -194 |
| | | **-2 736** | **-2 514** | **-671** | **449** |
| **December 31, 2020** | | | | | |
| Foreign exchange hedge in | CAD | 99 | 76 | 23 | 0 |
| Foreign exchange hedge in | CNY | 302 | 213 | 89 | 0 |
| Foreign exchange hedge in | GBP | 704 | 0 | 0 | 704 |
| Foreign exchange hedge in | SGD | -147 | -147 | 0 | 0 |
| Foreign exchange hedge in | USD | -429 | 12 | -183 | -258 |
| | | **529** | **154** | **-71** | **446** |

### 2.3.2 FAIR VALUE THROUGH PROFIT OR LOSS

As at 31 December 2020, the Group holds 2 forward exchange contracts (17 on December 31, 2019), 12 exchange rate swaps (9 swaps as at December 31, 2019), to cover future cash flows of US dollars, Canadian dollars, Chinese Yuan and Euro.

As they do not qualify for hedge accounting under IFRS, the various hedge instruments discussed in this section are measured at fair value through profit or loss. The gain generated on these instruments included in the income statement amounts to EUR -0.9 million at December 31, 2020 (loss of EUR 0.1 million for the year ended December 31, 2019 ).

## 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.

## 3.1 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 6.99 million as at year ended December 31, 2019 to 7.80 EUR million as at December 31, 2020 mainly due to the increase of temporary differences by EUR 1.0 million and the increase of usable tax losses carried forward by EUR 0.58 million.

As at December 31, 2020, the Group had accumulated net operating losses of EUR 148.4 million usable to offset future profits taxable mainly in Belgium, Germany, United States of America, Argentina and Russia and temporary differences amounting to EUR 46.0 million mainly in Belgium, Germany, the United States, Singapore and in China. The Company recognized deferred tax assets of EUR 5.3 million with the view to use the tax losses carried forward and EUR 3.3 million as temporary differences.

## 3.2 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.

*(i)* Equipment and installation considered as one performance obligation

As indicated in the accounting policies section, IBA assessed that its commitment under the equipment and the installation service is to transfer a combined item to which the equipment and the installation are inputs but these elements do not represent separate performance obligations.

*(ii)* 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.

## 3.3 REVENUE RECOGNITION – LICENSING CONTRACT WITH CGN

In August 2020, the group signed a technology license agreement with CGN Dasheng Electron Accelerator Technology Co., Ltd for the provision of goods and services related to its Multi-Room Proton Therapy System. The contract applies to the mainland territory of the People's Republic of China. The agreement includes the sale of a license, the supply of proton therapy equipment and the provision of relevant support and training for a total value of EUR 100 million.

Under IFRS 15, Management determined that the contract has 3 performance obligations:

- Licensing of exclusive IP rights for the manufacturing and sale of multi-room therapy systems in the territory.
- Supply of equipment components.
- Support and training.

Management allocated the transaction price to the second and third performance obligation based upon the sale price of similar transactions in the past. The residual value was allocated to the licensing performance obligation. Given the contract contains an element of variable consideration in the form of an unconditional and irrevocable performance bond the customer can draw upon for a maximum value of EUR 15 million, management decided not to recognize the full revenue of the license, given the level of uncertainty linked to this type of sale (unique in its kind for IBA). Instead, the amount of variable consideration that is highly susceptible to factors outside the entity's influence is recognized as a refund liability until the uncertainty associated with the variable consideration is resolved, which is likely to occur at the expiration date of the bond. The bond will expire at the earliest of the shipment of the equipment components or 48 months from the effective date of the agreement (August 25, 2024).

## 3.4 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.

## 3.5 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.

## 3.6 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.

## 3.7 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.

## 3.8 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).

## 3.9 IMPACT OF COVID-19

The year 2020 was mixed due to the COVID-19 pandemic which has significantly delayed the execution of some of our projects. Whilst 2020 presented challenges to IBA, considerable resilience was shown across all of the business lines. As a global business, the COVID-19 pandemic and associated lockdown restrictions particularly impacted the signing and installation of new contracts.

The following elements related to the pandemic significantly impacted the Company's Income Statement for more than EUR 15 million

- Postponed revenues for existing Proton Therapy and Other Accelerator equipment contracts and upgrades. As installations across all accelerator businesses shifted due to difficulties in accessing client sites, several installations of both new equipment and upgrades were either prolonged or delayed, leading to additional costs and shifting revenues to a future period
- Postponement of certain new orders for equipment and upgrades
- Difficult financial situation for some proton therapy centers, leading IBA to recognize write-downs on some receivables in line with Group accounting policies
- Additional expenses related to COVID prevention and equipment

All of the above was partially compensated by a lower level of travel both on equipment and service contracts and in SG&A.

The analysis of the impact of the COVID- 19 pandemic on IBA's financial position and cash-flow is summarized below:

### 3.9.1 Liquidity

Despite the difficult situation induced by the pandemic, thanks to a cost saving program launched early into the pandemic, prudent investments and spending and a close follow-up of its balance sheet positions, IBA has been able to maintain a strong cash position with a closing gross cash balance of EUR 151 million gross cash and net cash position of EUR 65 million position, with all bank covenants met as at December 31, 2020. In addition, IBA has credit lines available from its financing institutions worth EUR 42.8 million that are not drawn down

IBA has applied for certain support measures issued by governments or other public institutions such temporary unemployment measures in Belgium and access to loans under the Paycheck Protection Program in the USA.

### 3.9.2 Goodwill impairment

The Company has performed an impairment test of goodwill, which led to no impairment being necessary as of December 31, 2020, despite the uncertainty in the business outlook generated by the pandemic. Goodwill is allocated to the CGU Dosimetry and this CGU was not impacted by COVID-19 as at December 31, 2020.

### 3.9.3 Tangible and intangible assets, Other Investments and Other Long-Term Financial Assets

IBA has assessed that the COVID-19 situation has not led to any indication of impairment of assets and therefore concluded that none of the impairment indicators in IAS 36 have been triggered.

### 3.9.4 Deferred taxes

As of December 31, 2020, the recoverability of deferred tax assets has been assessed based on the latest information available and resulting from the COVID-19 pandemic. This has not led to any impairment of deferred tax assets related to losses carried forward.

### 3.9.5 Hedge accounting

The Company has maintained its hedge accounting policies as defined in the 2019 year-end financial statements. As IBA has not identified any trigger for hedge disqualification due to COVID-19, the financial result has not been impacted as at December 31, 2020. The company will continue to review its positions going forward to identify any potential new trigger for hedge disqualification.

### 3.9.6 Expected credit loss

The Company has also considered the impact of COVID-19 pandemic on the expected credit loss of its financial instruments (mainly loans, trade and other receivables (short-term and long-term)). The amount and timing of the expected credit losses, as well as the probability assigned thereto, has been based on the available information at the end of year 2020. As a result of this review, the group has recognised additional credit losses for customers facing financial difficulties.

## 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:

| (EUR 000) | Proton Therapy and Other Accelerators | Dosimetry | Group | Inter-segment transactions eliminated | Total segments |
|---|---|---|---|---|---|
| **Year ended December 31, 2020** | | | | | |
| Sales | 148 328 | 45 674 | 194 002 | 1 497 | 195 499 |
| Services | 112 567 | 5 386 | 117 953 | - | 117 953 |
| **External Sales** | **260 895** | **51 060** | **311 955** | **1 497** | **313 452** |
| | | | | | |
| Costs of sales and services (-) | - 147 314 | - 28 586 | - 175 900 | - 1 497 | - 177 397 |
| Operating expenses (-) | - 75 698 | - 19 951 | - 95 649 | - | - 95 649 |
| Other operating income/(expenses) | - 375 | - 2 | - 377 | - | - 377 |
| **Segment result (EBIT)** | **37 508** | **2 521** | **40 029** | **-** | **40 029** |
| Financial income/(expenses) | - 3 184 | - 564 | - 3 748 | - | - 3 748 |
| Share of profit/(loss) of companies consolidated using the equity method | - 3 227 | - | - 3 227 | - | - 3 227 |
| **Result before taxes** | **31 097** | **1 957** | **33 054** | **-** | **33 054** |
| Tax income/(expenses) | - 901 | - 232 | - 1 133 | - | - 1 133 |
| **RESULT FOR THE PERIOD FROM CONTINUING OPERATIONS** | **30 196** | **1 725** | **31 921** | **-** | **31 921** |
| Profit/(loss) for the period from discontinued operations | - | - | - | - | - |
| **Profit/(loss) for the period** | **30 196** | **1 725** | **31 921** | **-** | **31 921** |
| | | | | | |
| **REBITDA** | **51 601** | **4 384** | **55 985** | **-** | **55 985** |

| (EUR 000) | Proton Therapy and Other Accelerators | Dosimetry | Group | Inter-segment transactions eliminated | Total segments |
|---|---|---|---|---|---|
| **Year ended December 31, 2019** | | | | | |
| Sales | 120 718 | 48 009 | 168 727 | 1 846 | 170 573 |
| Services | 107 988 | 5 837 | 113 825 | - | 113 825 |
| **External Sales** | **228 706** | **53 846** | **282 552** | **1 846** | **284 398** |
| | | | | | |
| Cost of sales and services (-) | - 161 536 | - 27 879 | - 189 415 | - 1 846 | - 191 261 |
| Operating expenses (-) | - 71 997 | - 21 053 | - 93 050 | - | - 93 050 |
| Other operating income/(expenses) | 1 353 | 13 206 | 14 559 | - | 14 559 |
| **Segment result (EBIT)** | **- 3 474** | **18 120** | **14 646** | **-** | **14 646** |
| Financial income/(expenses) | - 2 478 | - 278 | - 2 756 | - | - 2 756 |
| Share of profit/(loss) of companies consolidated using the equity method | - 1 124 | - | - 1 124 | - | - 1 124 |
| **Result before taxes** | **- 7 076** | **17 842** | **10 766** | **-** | **10 766** |
| Tax income/(expenses) | - 1 877 | - 1 279 | - 3 156 | - | - 3 156 |
| **RESULT FOR THE PERIOD FROM CONTINUING OPERATIONS** | **- 8 953** | **16 563** | **7 610** | **-** | **7 610** |
| Profit/(loss) for the period from discontinued operations | - | - | - | - | - |
| **Profit/(loss) for the period** | **- 8 953** | **16 563** | **7 610** | **-** | **7 610** |
| | | | | | |
| **REBITDA** | **5 844** | **6 615** | **12 459** | **-** | **12 459** |

*The segments information presented is net of intercompany transactions between segments. The cost of sales primarily includes the cost of materials and the employee benefit costs directly related to the production of the equipment and the rendering of the services. The operating expenses also mainly include employee benefits expenses*

As at December 31, 2020, Group revenue was EUR 312.0 million, a 10.41% increase from December 31, 2019 (2019: 282.6 EUR million), primarily composed of:

- revenues for the Proton Therapy and Other Accelerators segment of EUR 260.9 million, an increase of 14.07% from 2019 (2019: EUR 228.7 million) explained by the sale of the licence for EUR 63.5 million and 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 51.1 million, a -5.17% decrease from 2019 (2019: EUR 53.8 million) explained by the sale of Radiomed in 2019, which contributed to the segment's sales for 11 months in that year.

As at December 31, 2020, the Group gross margin (43.61%) improved compared to December 31, 2019 (32.96%) which was largely driven by the high-margin revenue recognised on the sale of the licence to CGN.

As at December 31, 2020, Group operating expenses were EUR 95.6 million, a 2.79% increase from December 31, 2019 (2019: EUR 93.1 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, 2020, the other operating result (loss) was EUR -0.4 million (2019: EUR 14.6 million income), primarily composed of some reorganisation expenses (redundancies amongst other) for EUR 0.2 million. The decrease is mainly due to a gain of EUR 13.5 million on the sale of Radiomed included in the other operating income of 2019 (see note 6.2).

As at December 31, 2020, the financial result (expenses) was EUR -3.7 million (2019: EUR -2.8 million expenses), primarily composed of:

- interest paid on debts for EUR -2.68 million, a net foreign currency result (realised and un-realised gains and losses) of EUR -1.77 million and commission/bank charges for EUR -0.27 million. These are partially compensated by interest revenues on bank accounts and in relation to proton therapy projects for EUR 0.42 million and the net change in fair value of derivatives for EUR 1.29 million for the Proton Therapy and Other Accelerators segment.
- interest paid on debts for EUR -0.10 million, commission and bank charges for EUR -0.17 million for the Dosimetry segment and a net foreign currency result (realised and un-realised gains and losses) of EUR -0.33 million.

As at December 31, 2020, the share of the loss of equity-accounted entities included costs from IBA's minority interest in Normandy Hadrontherapy and Cyclhad SAS.

As at December 31, 2020, despite the profit of the year, the Group tax recognises a tax expense for an amount of 1.1 million representing 3.4% of the profit before tax. In the Proton Therapy and Other Accelerators segment, the sale of the licence to CGN does not have a taxable impact and leads to "Patent Income Deduction" tax credits in Belgium. In the Dosimetry segment the current income tax expense is partially offset by additional deferred tax assets that were previously not recognised on operating losses in Germany.

### 4.1.2 FINANCIAL POSITION

| (EUR 000) | Proton Therapy and Other Accelerators | Dosimetry | Group* |
|---|---|---|---|
| **December 31, 2020** | | | |
| Non-current assets | 81 918 | 15 277 | 97 195 |
| Current assets | 396 630 | 15 898 | 412 528 |
| **Segment assets** | **478 548** | **31 175** | **509 723** |
| Investments accounted for using the equity method | 1 273 | 0 | 1 273 |
| **TOTAL ASSETS** | **479 821** | **31 175** | **510 996** |
| Non-current liabilities | 90 288 | 3 165 | 93 453 |
| Current liabilities | 265 046 | 10 666 | 275 712 |
| **Segment liabilities** | **355 334** | **13 831** | **369 165** |
| **TOTAL LIABILITIES** | **355 334** | **13 831** | **369 165** |
| **Other segment information** | | | |
| Capital expenditure - Intangible assets and "Property, Plant and Equipment" | 2 400 | 1 601 | 4 001 |
| Capital expenditure - Right-of-use assets | 3 928 | 410 | 4 338 |
| Depreciation of property, plant and equipment | 6 986 | 1 789 | 8 775 |
| Depreciation and impairment of intangible assets | 2 927 | 257 | 3 184 |
| Salary expenses | 108 629 | 15 245 | 123 874 |
| Non-cash expenses/(income) | 7 259 | -171 | 7 088 |
| Headcount at year-end (EFT) | 1 270 | 203 | 1 473 |

| (EUR 000) | Proton Therapy and Other Accelerators | Dosimetry | Group* |
|---|---|---|---|
| **December 31, 2019** | | | |
| Non-current assets | 92 392 | 11 309 | 103 701 |
| Current assets | 300 935 | 17 575 | 318 510 |
| **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 |
| **Segment liabilities** | **298 866** | **14 903** | **313 769** |
| **TOTAL LIABILITIES** | **298 866** | **14 903** | **313 769** |
| **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 of property, plant and equipment | 6 973 | 1 888 | 8 861 |
| Depreciation and impairment of intangible assets | 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 | 213 |

**Financial 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.

| (EUR 000) | Belgium | USA | ROW | Group |
|---|---|---|---|---|
| **December 31, 2020** | | | | |
| Net sales and services* | 2 486 | 72 889 | 236 580 | 311 955 |
| | | | | |
| Non-current assets | 72 044 | 8 714 | 16 438 | 97 195 |
| Current assets | 335 288 | 24 244 | 52 997 | 412 528 |
| **Segment assets** | **407 331** | **32 958** | **69 435** | **509 723** |
| Investments accounted for using the equity method | 1 273 | | | 1 273 |
| **TOTAL ASSETS** | **408 604** | **32 958** | **69 435** | **510 996** |
| Capital expenditure Intangible assets and “Property, Plant and Equipment” | 2 123 | 127 | 1 751 | 4 001 |

| (EUR 000) | Belgium | USA | ROW | Group |
|---|---|---|---|---|
| **December 31, 2019** | | | | |
| Net sales and services* | 9 363 | 88 770 | 184 419 | 282 552 |
| | | | | |
| Non-current assets | 76 279 | 10 672 | 16 750 | 103 701 |
| Current assets | 266 963 | 19 734 | 31 813 | 318 510 |
| **Segment assets** | **343 242** | **30 406** | **48 563** | **422 211** |
| Investments accounted for using the equity method | 2 900 | 0 | 0 | 2 900 |
| **TOTAL ASSETS** | **346 142** | **30 406** | **48 563** | **425 111** |
| Capital expenditure Intangible assets and “Property, Plant and Equipment” | 4 099 | 305 | 719 | 5 123 |

**There is no breakdown of sales and services available by geographical sector.*

As at December 31, 2020, no single customer represents more than 10% of the Group’s sales and services.

# 5 LIST OF SUBSIDIARIES AND EQUITY-ACCOUNTED INVESTMENTS

As at December 31, 2020, IBA Group consists of IBA SA and 25 companies and associates in 15 countries. 22 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, 2019 |
|---|---|---|---|---|
| IBA Participations SRL (BE 0465.843.290)<br>Cyclotron Road, 3, B-1348 LLN, Belgium | No | Belgium | 100% | - |
| IBA Investments SCRL (BE 0471.701.397)<br>Chemin du Cyclotron, 3, B-1348 LLN, Belgium | 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 Ltd.<br>Waidmarkt 11, 50676 KÖLN, Germany | No | Germany | 100% | - |
| IBA RadioIsotopes France SAS<br>59 Blvd Pinel, 69003 LYON, France | No | France | 100% | - |
| IBA Dosimetry Ltd.<br>Bahnhofstrasse 5, 90592 Schwarzenbruck. Germany | No | Germany | 100% | - |
| IBA Dosimetry America Inc.<br>3150 Stage Post Dr., Ste. 110, Bartlett, TN 38133, USA | No | USA | 100% | - |
| IBA Proton Therapy Inc.<br>152 Heartland Blvd, Edgewood New York 11717, USA | No | USA | 100% | - |
| IBA Industrial Inc.<br>152 Heartland Blvd, Edgewood New York 11717, USA | No | USA | 100% | - |
| IBA USA Inc.<br>151 Heartland Blvd, Edgewood New York 11717, USA | No | USA | 100% | - |
| IBA Particle Therapy Ltd.<br>Bahnhofstrasse 5, 90592 Schwarzenbruck, Germany | No | Germany | 100% | - |
| LLC Ion Beam Applications<br>15, Savvinskaya nab.,<br>119435, 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<br>Ortiz de Ocampo 3302 Modulo 1<br>Buenos Aires (1425), Argentina | No | Argentina | 100% | - |
| IBA Japan KK<br>3/F Shiodome Building, 1-2-20 Kaigan<br>Minato-ku, Tokyo, Japan | No | Japan | 100% | - |
| Ion Beam Applications Singapore PTE. Ltd<br>1 Scotts Road #21-10, Shaw centre, Singapore (228208) | No | Singapore | 100% | - |
| IBA Egypt LLC<br>Building no.75/77 (Degla Plaza), 10th floor, Street no. 199,<br>Degla, Maadi, Cairo, Egypt | No | Egypt | 100% | - |
| Ion Beam Applications Limited<br>Rm.) 9-5 F, No. 162, Sec. 4, ZhongXiao East Rd. (St.), Daan Dist – Taipei City | No | China | 100% | - |
| IBA Proton Therapy Canada, Inc. 1 3044 Rue Marcel-Proust Laval QC H7P 6A6 Quebec, Canada | No | Canada | 100% | 100% |
| IBA Georgia LLC2<br>Tbilisi, Didube district, Udnadze st., N111, apartment N11, building N2 , Georgia | No | Georgia | 100% | 100% |
| Ion Beam Applications Korea, Ltd. [3]<br>408-ho A11, 15, Jeongbalsan-ro, Ilsandong-gu, Goyang-si, Gyeonggi-do, Republic of Korea | No | South Korea | 100% | 100% |

New subsidiary created on January 28, 2020 (100% (Dormant in 2020))
New subsidiary created on February 06, 2020
New subsidiary created on May 06, 2020

## 5.2 LIST OF EQUITY-ACCOUNTED INVESTMENTS

| NAME | Country of incorporation | Equity ownership (%) | Change in % ownership over December 31, 2019 |
|---|---|---|---|
| Cyclhad SAS | France | 33.33% | - |
| Normandy Hadrontherapy SAS | France | 39.81% | - |
| Normandy Hadrontherapy SARL | France | 50.00% | - |

IBA does not account for its share of the loss in Cyclhad SAS above the value of its investment as there is no commitment to participate in any potential future capital increase (see note 9.1).

# 6 BUSINESS COMBINATIONS AND OTHER CHANGES IN THE COMPOSITION OF THE GROUP

## 6.1 ACQUISITIONS OF COMPANIES

No acquisition was carried out in 2020.

## 6.2 DISPOSAL OF COMPANIES

No disposal was carried out in 2020. In 2019, IBA sold RadioMed Corporation ("RadioMed"), IBA's VISICOIL™ fiducial markers business, to IZI Medical Products LLC, a leading interventional medical device company.

## 6.3 DISCONTINUED OPERATIONS

In 2018, the Group initiated a disposal process for IBA Dosimetry and determined that all criteria of IFRS 5 had been met, as a result all assets and liabilities IBA Dosimetry were presented as held-for-sale.

In 2019, the Group sold "RadioMed" and decided to retain the remainder of the Dosimetry segment which continued to perform strongly. The remaining activities were therefore presented as continuing operations in the 2019 group consolidated financial statements.

In 2020, the Dosimetry segment is performing well and the Group has maintained the presentation of these activities as continuing operations. The reintegration of the Dosimetry segment in the 2019 financial position can be seen as transfer from assets held for sale in the notes showing the movements from 1 January 2019, however as these transactions have no impact on the current year, no further disclosure is being made in this 2020 annual report.

# 7 GOODWILL AND OTHER INTANGIBLE ASSETS

## 7.1 GOODWILL

Movements of goodwill are detailed as follows:

| | |
|---|---|
| **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** |

| | |
|---|---|
| **As at January 1, 2020** | **3 821** |
| Additions | 0 |
| Goodwill impairment | 0 |
| Currency translation difference | 0 |
| **As at December 31, 2020** | **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 operating segment:

| (EUR 000) | Proton therapy and Other accelerators | Dosimetry | Group |
|---|---|---|---|
| **December 31, 2019** | 0 | 3 821 | 3 821 |
| | | | |
| Pre-tax discount rate applied in 2019 | | 4.26% | |
| Long-term growth rate 2019 | | 2.60% | |

| (EUR 000) | Proton therapy and Other accelerators | Dosimetry | Group |
|---|---|---|---|
| **December 31, 2020** | 0 | 3 821 | 3 821 |
| | | | |
| Pre-tax discount rate applied in 2020 (1) | | 4.81% | |
| Long-term growth rate 2020 (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 17 000 million, market value of IBA Dosimetry GmbH debt of EUR 9 994 million and corporate tax rate of 10%.*

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 2020 and in 2019.

## 7.2 OTHER INTANGIBLE ASSETS

| EUR 000 | Software | Patents and trademarks | Development costs | Other | Total |
|---|---|---|---|---|---|
| **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** |
| | | | | | |
| **Gross carrying amount as at January 1, 2020** | **27 137** | **134** | **0** | **3 959** | **31 230** |
| Additions | 423 | 0 | 0 | 1 023 | 1 446 |
| Disposals | -90 | 0 | 0 | 0 | -90 |
| Transfers | 418 | 0 | 0 | -418 | 0 |
| Currency translation difference | -80 | -11 | 0 | -14 | -105 |
| **Gross carrying amount as at December 31, 2020** | **27 808** | **123** | **0** | **4 550** | **32 481** |
| | | | | | |
| **Accumulated depreciation as at January 1, 2020** | **22 540** | **134** | **0** | **2 201** | **24 875** |
| Additions | 1 722 | 0 | 0 | 1 462 | 3 184 |
| Disposals | -5 | 0 | 0 | 0 | -5 |
| Transfers | 0 | 0 | 0 | 0 | 0 |
| Currency translation difference | -75 | -11 | 0 | -14 | -100 |
| **Accumulated depreciation as at December 31, 2020** | **24 182** | **123** | **0** | **3 649** | **27 954** |
| | | | | | |
| **Net carrying amount as at January 1, 2020** | **4 597** | **0** | **0** | **1 758** | **6 355** |
| **Net carrying amount as at December 31, 2020** | **3 626** | **0** | **0** | **901** | **4 527** |

In 2020, additional investments were made in software, mainly for CMMS, a web sales platform, a 3D model for the business integration of our P1, as well as the accounts payable automation tool and the roll-out of SAP to three additional entities in Asia.

In 2019, additional investments were made in software, mainly for CMMS, the web sales platform and accounts payable automation tool.

The heading “Other” mainly includes internally generated software under construction.

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.

In 2020, an impairment loss was recognized on the intangible assets related to a market license (included in the category “other”) for EUR 1.46 million (none in 2019) given limited sales opportunities in that region currently. This is included in the line additions to accumulated depreciation in the table above, and the impairment loss was recognised in sales and marketing expenses in the income statement.

## 8 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, 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 |
| 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 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 |
| 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 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** |
| | | | | | |
| **Gross carrying amount as at January 1, 2020** | **20 594** | **14 924** | **3 847** | **8 226** | **47 591** |
| Additions | 402 | 754 | 163 | 1 236 | 2 555 |
| Disposals | 0 | -139 | -15 | -48 | -202 |
| Transfers | 99 | 26 | 37 | -162 | 0 |
| Currency translation difference | -40 | -95 | -71 | -88 | -294 |
| **Gross carrying amount as at December 31, 2020** | **21 055** | **15 470** | **3 961** | **9 164** | **49 650** |
| | | | | | |
| **Accumulated depreciation as at January 1, 2020** | **9 025** | **9 716** | **2 356** | **6 922** | **28 019** |
| Additions | 912 | 1 907 | 271 | 647 | 3 737 |
| Disposals | 0 | -134 | -15 | -48 | -197 |
| Transfers | 0 | 0 | 0 | 0 | 0 |
| Currency translation difference | -14 | -90 | -59 | -75 | -238 |
| **Accumulated depreciation as at December 31, 2020** | **9 923** | **11 399** | **2 553** | **7 446** | **31 321** |
| | | | | | |
| **Net carrying amount as at January 1, 2020** | **11 569** | **5 208** | **1 491** | **1 304** | **19 572** |
| **Net carrying amount as at December 31, 2020** | **11 132** | **4 071** | **1 408** | **1 718** | **18 329** |

"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 of the tangible assets was recognized on December 31, 2019 and December 31, 2020.

In 2020 and 2019, additional investments were made for asset maintenance and for the new factory that became operational end 2018.

In 2020 and 2019, the disposals of tangible assets mainly correspond to the scrapping of unused assets by the Group.

# 9 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD AND OTHER INVESTMENTS

| (EUR 000) | December 31, 2019 | December 31, 2020 |
|---|---|---|
| Investments accounted for using the equity method | 2 900 | 1 273 |
| Other investments | 15 196 | 13 088 |
| **TOTAL** | **18 096** | **14 361** |

## 9.1 MOVEMENTS IN EQUITY-ACCOUNTED INVESTMENTS

Equity-accounted companies are listed in note 5.2 and are Cyclhad SAS, Normandy Hadrontherapy SAS and Normandy Hadrontherapy SARL.

Changes in equity-accounted investments are as follows:

| (EUR 000) | December 31, 2019 | December 31, 2020 |
|---|---|---|
| **As at January 1** | **0** | **2 900** |
| Share of profit/(loss) of equity-accounted investments | -1 124 | -3 227 |
| Additions | 6 015 | 1 600 |
| Unrealized gain on sale of an intangible asset | -1 991 | 0 |
| **As at December 31** | **2 900** | **1 273** |

The additions of the year are represented by an increase of the participations in:

- Cyclhad SAS: In September 2020, IBA contributed EUR 1.5 million as a long-term shareholders loan which can be converted in equity. Given the terms of the loan, the group has accounted for this contribution as equity-accounted investments.
- NHA SAS: In June 2020, IBA increased its contribution to NHA SAS by EUR 0.1 million to finalise the capital increase transaction initiated in 2019.

The Group's holdings in its principal associates, all unlisted, are as follows:

| (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 | -2 515 | 39.81% |
| Normandy Hadrontherapy SARL | France | 56 | 46 | 2 | 0 | 50.00% |

| (EUR 000) | Country | Assets | Liabilities | Revenue | Profit/ (Loss) | % Interest |
|---|---|---|---|---|---|---|
| **2020** | | | | | | |
| **CONTINUING OPERATIONS** | | | | | | |
| Cyclhad SAS | France | 66 728 | 75 043 | 3 223 | -2 035 | 33.33% |
| Normandy Hadrontherapy SAS | France | 58 838 | 50 714 | 2 735 | -4 691 | 39.81% |
| Normandy Hadrontherapy SARL | France | 50 | 5 | 124 | 35 | 50.00% |

### 9.1.1 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:

| (EUR 000) | Cyclhad SAS December 31, 2019 | Cyclhad SAS December 31, 2020 |
|---|---|---|
| **Investment in affiliated companies** | | |
| Current assets | 6 229 | 3 897 |
| Non-current assets | 63 832 | 62 831 |
| Current liabilities (-) | -1 546 | -3 971 |
| Non-Current liabilities (-) | -73 102 | -71 072 |
| **Equity** | **-4 587** | **-8 315** |
| Group's share in equity – 33.33% | -1 529 | -2 771 |
| Cumulative unrecognized share of losses of associate | 1 529 | 2 771 |
| **Group's carrying amount of Investment accounted for using the equity method** | **0** | **0** |

IBA has no capital commitments as at December 31, 2019 and December 31, 2020 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 beyond its value of the capital invested.

### 9.1.2 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, 2020 IBA retains 39.81 % (no change from 2019) 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 11).

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:

| (EUR 000) | Normandy Hadrontherapy SAS December 31, 2019 | Normandy Hadrontherapy SAS December 31, 2020 |
|---|---|---|
| **Investment in affiliated companies** | | |
| Current assets | 20 282 | 29 133 |
| Non-current assets | 17 885 | 29 705 |
| Current liabilities (-) | -4 631 | -1 552 |
| Non-Current liabilities (-) | -21 020 | -49 162 |
| **Equity** | **12 516** | **8 124** |
| Group's share in equity – 39.81% | 4 983 | 3 234 |
| Unrealized gain on sale of an intangible asset | -1 991 | -1 991 |
| Other | -97 | 7 |
| **Group's carrying amount of Investment accounted for using the equity method** | **2 895** | **1 250** |

## 9.2 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) | 2019 | 2020 |
|---|---|---|
| **As at January 1** | **13 005** | **15 196** |
| Equity stake acquisition | 0 | 0 |
| Equity stake disposal | 0 | 0 |
| Movements through reserves (Valuation at fair value - IFRS 9) | 2 191 | -2 108 |
| Impairment | 0 | 0 |
| **As at December 31** | **15 196** | **13 088** |

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. This transaction remains relevant for our assessment as at December 31, 2020.

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 Aquis Exchange PLC stock exchange in London, this investment has been reevaluated at its fair value based on its share price as at December 31, 2020, i.e. 2.025 GBP/share. In 2020, this reassessment at fair value decreased the value of our investment by EUR 2.11 million against the Group's Other reserves (cumulative impact of EUR 4.18 million as at December 31, 2020).

## 10 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, 2019 | December 31, 2020 |
|---|---|---|
| **DEFERRED TAX ASSETS** | | |
| Deferred tax assets to be recovered after 12 months – Tax losses on carry-forward | 4 682 | 4 828 |
| 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 | 432 |
| Deferred tax assets to be recovered within 12 months - Temporary differences | 2 303 | 3 303 |
| **TOTAL** | **6 985** | **8 563** |
| Deferred tax liabilities netted to deferred tax assets in the statement of financial position for entities that are part of the same fiscal group | 0 | -766 |
| **Total DTA recognised** | **6 985** | **7 797** |
| | | |
| **DEFERRED TAX LIABILITIES** | | |
| Deferred tax liabilities to be paid after 12 months - temporary differences | 1 112 | 1 287 |
| Deferred tax liabilities to be paid within 12 months - temporary differences | 0 | 0 |
| **TOTAL** | **1 112** | **1 287** |
| Deferred tax liabilities netted to deferred tax assets in the statement of financial position for entities that are part of the same fiscal group | 0 | -766 |
| **Total DTL recognised** | **1 112** | **521** |
| | | |
| **Net deferred tax assets** | **5 873** | **7 276** |

Deferred tax assets increased from EUR 6.99 million in 2019 to EUR 7.80 million in 2020 mainly due to the increase of temporary differences in the US entities.

In 2020 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) | |
|---|---|
| **DEFERRED TAX ASSETS** | |
| **As at January 1, 2019** | **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** |
| Credited/(charged) to the income statement | 886 |
| Transfers from other current assets | 136 |
| Currency translation difference | -210 |
| **As at December 31, 2020** | **7 797** |

The heading "Transfers from other current assets" represents deferred tax assets misclassified as other current assets as at December 31, 2019 which were reclassified in the current year.

| (EUR 000) | |
|---|---|
| **DEFERRED TAX LIABILITIES** | |
| **As at January 1, 2019** | **0** |
| Charged/(credited) to the income statement | 445 |
| Transfers from liabilities directly related to assets held for | 669 |
| Currency translation difference | -2 |
| **As at December 31, 2019** | **1 112** |
| Charged/(credited) to the income statement | -571 |
| Currency translation difference | -20 |
| **As at December 31, 2020** | **521** |

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, 2020, EUR 42.10 million of deferred taxes were not recognized as assets in the financial position (EUR 42.21 million in 2019). Tax losses and corresponding temporary differences have no expiry dates.

## 11 OTHER LONG-TERM ASSETS

| (EUR 000) | December 31, 2019 | December 31, 2020 |
|---|---|---|
| Long-term receivables on contracts in progress | 646 | 582 |
| Research tax credit | 11 978 | 12 452 |
| Subordinated loan to NHA | 1 520 | 1 520 |
| Escrow account related to the disposal of the RadioMed Corporation | 1 384 | - |
| Financial notes granted to proton therapy customers | 4 460 | 4 083 |
| Other assets | 1 384 | 1 130 |
| **TOTAL** | **21 372** | **19 767** |

As at December 31, 2020, “Other assets” mainly consist of a sublease accrued income for a total amount of EUR 0.43 million, bank deposits to EUR 0.34 million and other long-term assets for EUR 0.35 million.

As at December 31, 2019, “Other assets” mainly consists of sublease accrued income for a total amount of EUR 0.67 million, bank deposits to EUR 0.35 million and other long-term assets for EUR 0.15 million.

## 12 INVENTORIES

Work in progress relates to production of inventory for which a customer has not yet been secured, while contracts in progress (note 13) relate to production for specific customers in performance of a signed contract.

| (EUR 000) | December 31, 2019 | December 31, 2020 |
|---|---|---|
| Raw materials and supplies | 74 555 | 85 755 |
| Finished products | 2 332 | 2 334 |
| Work in progress | 9 459 | 7 446 |
| Write-off of inventories (-) | -10 467 | -11 077 |
| **Inventories and contracts in progress** | **75 879** | **84 458** |

## 13 CONTRACTS ASSETS AND CONTRACT LIABILITIES

Contracts in progress have the following balances at the end of the year:

| (EUR 000) | December 31, 2019 | December 31, 2020 |
|---|---|---|
| Costs to date and recognized revenue | 440 152 | 391 958 |
| Less : progress billings | -395 662 | -361 848 |
| **Contracts assets** | **44 490** | **30 110** |
| Contract liabilities | -136 735 | -158 170 |
| **Net amounts on contracts in progress** | **-92 245** | **-128 060** |
| Amounts invoiced on contracts in progress but for which payment has not yet been received at financial position date | 18 709 | 13 548 |

As at December 31, 2020 and December 31, 2019, there are no contract assets set as a warranty to cover the financing of a proton therapy contract.

As at December 31, 2020, contracts in progress and amounts due to customers for contract assets showed a net position of EUR -128.06 million compared to EUR -92.25 million as at December 31, 2019. The positive evolution amounting to EUR 35.82 million is primarily explained by the high level of billings during 2020 coupled with some delays on some projects.

As at December 31, 2020, the transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) was EUR 1 100.3 million, out of which EUR 233.9 million are related to performance obligations to be satisfied within 12 months.

## 14 TRADE AND OTHER RECEIVABLES

### 14.1 TRADE RECEIVABLES

Trade account receivables are detailed as follows:

| (EUR 000) | December 31, 2019 | December 31, 2020 |
|---|---|---|
| Amounts invoiced on contracts in progress but for which payment has not yet been received at financial position date | 18 709 | 13 548 |
| Other trade receivables | 102 678 | 93 878 |
| Allowance for expected credit losses on trade receivables (-) | -1 188 | -4 026 |
| **TOTAL** | **120 199** | **103 400** |

The decrease in trade receivables amounts to EUR 16.8 million as at December 31, 2020. This decrease is mainly explained by a good cash collection level as well as a slower invoicing of several new and existing customers.

The trade receivables (excluding allowance for expected credit losses) include in 2020 an amount of EUR -0.67 million related the revaluation of trade receivables in another currency than the functional currency of the various consolidated entities (EUR 0.46 million in 2019).

As at December 31, the ageing of the 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 |
|---|---|---|---|---|---|---|---|---|---|
| **2019** | **121 387** | 58 257 | 23 365 | 9 414 | 749 | 8 602 | 6 282 | 1 155 | 13 563 |
| **2020** | **107 426** | 50 808 | 3 622 | 2 768 | 2 690 | 19 760 | 2 017 | 360 | 25 401 |

As at December 31, 2020, the allowance for expected credit losses on trade receivables amounts to EUR 4.03 million. To calculate the expected credit losses, the group applies the overall matrix described in the accounting policies. The credit loss is then reviewed in detail to take into consideration other customer specific factors such as re-negotiation, customer refinancing, and guarantees received.

The increase in the expected credit loss in the current year is primarily attributable to payments delays and financial difficulties faced by our customer following COVID-19.

The table below explains the relationship between expected credit losses and trade receivables:

| (EUR 000) | Not overdue | Due from 1 to 90 days | Due from 91 to 180 days | Due from 181 to 270 days | Due from 271 to 360 days | Due more than 360 days | Total Trade receivable |
|---|---|---|---|---|---|---|---|
| ***Expected credit loss rate*** | | ***0%*** | ***25%*** | ***50%*** | ***75%*** | ***100%*** | |
| Trade receivables | 50 808 | 9 080 | 19 760 | 2 017 | 360 | 25 401 | **107 426** |
| Calculated credit loss | | | 4 940 | 1 009 | 270 | 25 401 | **31 620** |
| Adjustment for individual balances not at risk | | | -2 121 | -902 | -42 | -24 529 | **-27 594** |
| **Provision for credit loss recognised at December 31, 2020** | | | 2 819 | 107 | 228 | 872 | **4 026** |

| (EUR 000) | Not overdue | Due from 1 to 90 days | Due from 91 to 180 days | Due from 181 to 270 days | Due from 271 to 360 days | Due more than 360 days | Total Trade receivable |
|---|---|---|---|---|---|---|---|
| ***Expected credit loss rate*** | | ***0%*** | ***25%*** | ***50%*** | ***75%*** | ***100%*** | |
| Trade receivables | 58 257 | 33 528 | 8 602 | 6 282 | 1 155 | 13 563 | **121 387** |
| Calculated credit loss | | | 2 151 | 3 141 | 866 | 13 563 | **19 721** |
| Adjustment for individual balances not at risk | | | -1 906 | -3 018 | -805 | -12 805 | **-18 533** |
| **Provision for credit loss recognised at December 31, 2019** | | | 245 | 123 | 62 | 758 | **1 188** |

The changes in the provision for expected credit losses for the past two years are as follows:

| (EUR 000) | |
|---|---|
| **As at January 1, 2019** | **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** |
| Charge for the year | 4 576 |
| Utilizations | -25 |
| Write-backs | -1 678 |
| Currency translation difference | -35 |
| **As at December 31, 2020** | **4 026** |

The charge for expected credit loss is included in “General and Administrative expenses” in the Income Statement.

## 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, 2020, the increase of ''Other receivables'' by EUR 7.5 million is primarily explained by the increased advance payments on accrued income following the start of several operation and maintenance service contracts in 2020.

The other receivables are detailed as follows:

| (EUR 000) | December 31, 2019 | December 31, 2020 |
|---|---|---|
| Non-trade receivables and advance payments | 17 827 | 20 735 |
| Deferred charges | 2 489 | 2 282 |
| Accrued income related to maintenance contracts | 7 196 | 10 397 |
| Accrued income other | 236 | 181 |
| Current income tax receivables | 1 517 | 2 425 |
| Other current receivables | 2 267 | 3 051 |
| **TOTAL** | **31 532** | **39 071** |

As at December 31, 2020, the ''non-trade receivables and advance payments'' heading is mainly composed of VAT receivable for EUR 2.72 million (EUR 3.05 million in 2019), advance payments to supplier for EUR 12.59 million (EUR 9.12 million in 2019), grants receivable for EUR 5.03 million (EUR 4.65 million in 2019) and other tax receivables for EUR 0.39 million (EUR 1.01 million in 2019).

As at December 31, 2020, the "Other current receivables" heading is mainly composed of ''research tax credit" for EUR 1.59 million (EUR 1.33 million in 2019), the escrow account related to the disposal of RadioMed Corporation for EUR 1.27million (2019: unchanged but transferred from other long-term assets) and other receivables for EUR 0.2 million (identical to 2019). The balance of other current receivables at December 31, 2019, also included an insurance indemnity accrued for EUR 0.74 million which has been reversed in the current year.

As at December 31, 2020, the ''Current income tax receivable'' heading is composed of tax in Belgium for EUR 1.97 million (EUR 0.73 million in 2019), in Germany for EUR 0.19 million (none in 2019), in Russia for EUR 0.17 million (EUR 0.05 million in 2019), in India for EUR 0.05 million (EUR 0.14 million in 2019) and in Japan for EUR 0.04 million (none in 2019). In 2019, the current tax receivable also included tax assets in the United States for EUR 0.60 million (EUR 0.60 million in 2019).

The group has an open tax litigation regarding the deductibility of some R&D expenditures for EUR 0.94 million, however the group is confident that the risk is mitigated. Consequently, the Group has recognized both a current tax liability and an equivalent current tax receivable included in the above balance.

# 15 CASH AND CASH EQUIVALENTS

| (EUR 000) | December 31, 2019 | December 31, 2020 |
|---|---|---|
| Bank balances and cash | 46 090 | 151 315 |
| Accounts with restrictions shorter than 3 months | 0 | 2 596 |
| Short-term bank deposits | 0 | 0 |
| **CASH AND CASH EQUIVALENTS** | **46 090** | **153 911** |

As at December 31, 2020, the effective interest rate on the cash position was 0.13% (0.24% in 2019). Short-term deposits have an average maturity of less than 30 days.

The restricted cash represents an escrow account with cash received from a customer as a payment guarantee for future transactions with IBA. The cash is restricted and will be released to the customer at the end of the term unless the customer defaults on its payment obligations under the sale contract, in which case, IBA can utilize this guarantee.

# 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, 2019** | **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 January 1, 2020** | **30 133 920** | **42 294 182** | **41 978 166** | **-8 501 979** | **75 770 369** |
| Stock options exercised | 0 | 0 | 0 | 0 | 0 |
| Capital increases (other) | 0 | 0 | 0 | 0 | 0 |
| Disposal of treasury shares | 0 | 0 | 0 | 2 595 475 | 2 595 475 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **Balance as at December 31, 2020** | **30 133 920** | **42 294 182** | **41 978 166** | **-5 906 504** | **78 365 844** |

As at December 31, 2020, 54.02% 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 2020 financial year, IBA's Board of Directors intends to recommend to the General Assembly to pay a dividend of EUR 0.20 per share in 2021.

## 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.

In July 2020, 357 000 stock options (the "Stock Options") were granted to members of the Group top management (including some determined persons). These Stock Options will vest on 2 January 2024. Each Stock Option allows its beneficiary to subscribe to one newly issued share against payment of a strike of EUR 7.54. Each participant can exercise fifty percent of their options before May 31, 2026 (the "Medium Term Plan") and fifty percent before May 31, 2030 (the "Long Term Plan").

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.

Details of the plans launched in 2020 are given in this section:

| | Medium term plan | Long term plan |
|---|---|---|
| Type of plan | Stock option | Stock option |
| Date of grant | July 16, 2020 | July 16, 2020 |
| Number of options granted | 178 500 | 178 500 |
| Exercise price | 7.54 | 7.54 |
| Share price at date of grant | 7.92 | 7.92 |
| Contractual life (years) | 6 | 10 |
| Settlemnent | Shares | Shares |
| Expected volatility | 42.04% | 38.79% |
| Risk-free interest rate | 0% | 0% |
| Expected dividend (stated as % of share price at grant date) | 2.15% | 2.15% |
| Expected departures at grant date | 3.60% | 3.60% |
| Fair value per granted option at grant date | 2.57 | 2.65 |
| Valuation model | Black & Scholes | Black & Scholes |

As at December 31, 2020, the Group recognised EUR 0.1 million as other operating expenses for employee stock options (EUR 0 million in 2019).

The stock options outstanding as at December 31 have the following expiration dates and exercise prices:

| | December 31, 2019 | | December 31, 2020 | |
|---|---|---|---|---|
| Expiration date | Exercise price (EUR) | Number of stock options | Exercise price (EUR) | Number of stock options |
| June 30, 2024 | 11.52 | 167 108 | 11.52 | 163 608 |
| June 30, 2024 | 31.84 | 20 000 | 31.84 | 20 000 |
| May 31, 2026 | | | 7.54 | 178 500 |
| May 31, 2030 | | | 7.54 | 178 500 |
| **TOTAL outstanding stock options** | | **187 108** | | **540 608** |

Stock option movements can be summarized as follows:

| | December 31, 2019 | | December 31, 2020 | |
|---|---|---|---|---|
| | 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** | **13.57** | **198 500** | **13.57** | **187 108** |
| Issued | | 0 | 7.54 | 357 000 |
| Forfeited (-) | | 0 | 11.52 | -3 500 |
| Exercised (-) | 11.52 | -11 392 | | |
| Expired (-) | | 0 | | 0 |
| **Outstanding as at December 31** | **13.57** | **187 108** | **9.64** | **540 608** |
| **Exercisable as at December 31** | | **187 108** | | **183 608** |

## 17 RESERVES

| (EUR 000) | December 31, 2019 | December 31, 2020 |
|---|---|---|
| Hedging reserves | -2 736 | 529 |
| Other reserves - Value of stock option plans and share-based | 15 714 | 15 840 |
| Other reserves – Other | 153 | 154 |
| Other reserves - Equity instruments at fair value through Profit or Loss | 6 288 | 4 179 |
| Other reserves - Defined benefit plan | -3 044 | -3 550 |
| **Reserves** | **16 375** | **17 152** |
| Currency translation difference | **-3 503** | **-5 569** |
| **Retained earnings** | **22 700** | **51 883** |

The hedging reserves include changes in the fair value of financial instruments used to hedge cash flows of future transactions. Hedging reserves have increased by EUR 3.27 million in 2020 (decrease of EUR 2.09 million in 2019).

In 2019 and 2020, the changes of ‘’ Other reserves - Equity instruments at fair value through Profit or Loss” is related to the reevaluation at fair value of the other investment in Rutherford Estates Limited (see note 9.2).

The decrease of “Other reserves – Defined benefit plan” for EUR 0.5 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, 2020, a cumulated loss of EUR -0.3 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 -0.5 million as at December 31, 2019).

As at December 31, 2020 and 2019, the loans of CNY 45.0 million and CNY 14.8 million between IBA SA and Ion Beam Beijing Medical Applications Technology Service Co. Ltd are designated as the Group’s permanent financing in foreign operations.

## 18 BORROWINGS

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, 2020 (EUR 000) | Currency | Interest | Maturity | Repayment |
|---|---|---|---|---|---|---|---|---|
| S.R.I.W. | Subordinated | Unsecured | 3 570 | 3 060 | EUR | Fixed | 2026 | Amortizing |
| S.R.I.W. | Subordinated | Unsecured | 8 570 | 7 346 | 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 |
| Term loan 5-years | Senior | Secured | 9 000 | 27 000 | EUR | Floating* | 2025 | Amortizing |
| Overdraft facility - India | Senior | Secured | 0 | 0 | INR | Floating** | 2021 | Revolving |
| Overdraft facility - China | Senior | Secured | 0 | 0 | CNY | Floating*** | UFN **** | Revolving |
| Revolving credit facilities | Senior | Secured | 0 | 0 | EUR | Floating* | 2023 | Revolving |
| Paycheck Protection Program ("PPP") Loan | Senior | Secured | 0 | 4 075 | USD | Fixed | 2022 | Amortizing |

** EURIBOR + margin dependent on Net Leverage ratio*
*° prepaid in the framework of the refinancing*
*** MCLR + margin*
**** "Funding cost" + margin*

The table below outlines the bank borrowings by maturity and explains the movements of the year:

| (EUR '000) | December 31, 2019 | December 31, 2020 |
|---|---|---|
| Non-current | 32 856 | 41 174 |
| Current | 3 534 | 15 557 |
| **Total** | **36 390** | **56 731** |
| | | |
| **Opening amount** | **72 005** | **36 390** |
| New borrowings | 9 000 | 25 508 |
| Repayment of borrowings | -44 605 | -4 734 |
| Currency translation difference | -10 | -433 |
| **Closing balance** | **36 390** | **56 731** |

In December 2019, IBA successfully closed a refinancing, by securing a EUR 30 million 5-year term loan and extending the average maturity of the Group's indebtedness, while maintaining an adequate level of flexibility to accommodate for short-term working capital fluctuations thanks to EUR 37 million revolving credit facilities.

The new borrowings relate to a EUR 21 million drawdown under the EUR 30 million 5-year term loan and the Paycheck Protection Program ("PPP") loans in the US for EUR equivalents (converted from USD at the time when the loans were granted) of 4.51 million which are described further.

Repayments of borrowings relate to the term loan (EUR 3 million), and the S.R.I.W. bonds for an aggregate amount of EUR 1.73 million.

The currency translation difference arises from the conversion of the PPP loans at the rate in the month of issue and the closing rate.

As at December 31, 2020, the bank and other borrowings include unsecured subordinated bonds from S.R.I.W. for a total of EUR 15.41 million (EUR 17.14 million in 2019), 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 27 million (EUR 9 million in 2019), unused revolving (short term) credit facilities (unused in 2019), unused overdraft facilities in India and China and the PPP loans for EUR 4.08 million (USD 5.00 million).

### 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, 2020.

### BANK CREDIT FACILITIES

The existing bank facilities at IBA SA level include the EUR 64 million syndicated facilities comprising (i) a EUR 27 million amortizing term loan (5 years initial maturity) and (ii) EUR 37 million revolving credit facilities (3 years initial maturity, with extension options up to 5 years).

During 2020, the maturity of the term loan was extended from December 2024 to June 2025, while the maturity of the revolving credit facilities was extended from December 2022 to December 2023 in order to strengthen the group's access to long term financing.

The financial covenants applying to these syndicated facilities consist of (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, 2020.

In addition, the bank overdraft facility in India (borrower: IBA Particle Therapy India Private Limited) was reduced to INR 130 million and its maturity extended by one year to end of 2021 in order to support local working capital fluctuations (undrawn as of December 31, 2020).

Similarly in China, the overdraft facility that was set up in 2019 (borrower: Ion Beam Applications Co. Ltd) was maintained for an amount of CNY 35 million (undrawn as of December 31, 2020).

Finally, in 2020, the Group applied for a loan through Wells Fargo bank under the terms of the Paycheck Protection Program ("PPP"), a federal relief program in the US to support business employment as a result of the COVID-19 pandemic.

The loans were signed by IBA Dosimetry America Inc., IBA Proton Therapy Inc. and IBA Industrial Inc. for respectively USD 0.4 million, USD 4.1 million and 0.5 million. They have a maturity of 2 years and participants can apply for loan forgiveness under certain conditions.

Management will submit a loan forgiveness application once the rules to be applied are sufficiently clear; given that as a consequence, the outcome of the forgiveness application is uncertain, management has decided not to recognize any impact of the anticipated forgiveness in the accounts of 2020.

### TREASURY NOTES

In February 2016, IBA issued 5-year treasury notes. The remaining outstanding amount of EUR 5.25 million will be fully repaid 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, 2020.

### AVAILABLE CREDIT FACILITIES

| (EUR 000) | Credit facilities total amount | Credit facilities used | Credit facilities available |
|---|---|---|---|
| S.R.I.W. - subordinated | 15 406 | 15 406 | 0 |
| S.F.P.I. - subordinated | 5 000 | 5 000 | 0 |
| Treasury notes | 5 250 | 5 250 | 0 |
| 5 years Term loan | 27 000 | 27 000 | 0 |
| "PPP" Loans | 4 075 | 4 075 | 0 |
| Short-term credit facilities | 42 813 | 0 | 42 813 |
| **TOTAL** | **99 544** | **56 731** | **42 813** |

As at December 31, 2020, the Group has at its disposal credit facilities amounting to EUR 99.54 million of which 56.99% are used (35.81% in 2019).

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").

The maturities of bank and other borrowings are detailed as follows:

| (EUR 000) | December 31, 2019 | December 31, 2020 |
|---|---|---|
| One year or less | 3 534 | 15 557 |
| Between 1 and 2 years | 8 784 | 11 236 |
| Between 2 and 5 years | 16 603 | 26 204 |
| Over 5 | 7 469 | 3 734 |
| **TOTAL** | **36 390** | **56 731** |

The payments of bank and other borrowings are as follows:

| (EUR 000) | December 31, 2019 | December 31, 2020 |
|---|---|---|
| One year or less | 4 949 | 17 002 |
| Between 1 and 2 years | 9 988 | 12 442 |
| Between 2 and 5 years | 19 031 | 28 206 |
| Over 5 years | 8 060 | 3 941 |
| | **42 028** | **61 591** |
| Future interest expense on bank and other borrowings (-) | -5 638 | -4 860 |
| **TOTAL** | **36 390** | **56 731** |

The effective interest rates for bank and other borrowings at the financial position date are as follows:

| | December 31, 2019 | | | December 31, 2020 | | | |
|---|---|---|---|---|---|---|---|
| | EUR | INR | CNY | EUR | USD | INR | CNY |
| Bank and other borrowings | 2.92% | 10.40% | 4.94% | 2.83% | 0.00% | 13.95% | n/a - credit line not used |

The carrying amounts of the Group's borrowings are denominated in the following currencies:

| (EUR 000) | December 31, 2019 | December 31, 2020 |
|---|---|---|
| EUR | 36 390 | 52 656 |
| INR | 0 | 0 |
| USD | 0 | 4 075 |
| **TOTAL** | **36 390** | **56 731** |

Utilized credit facilities are as follows:

| (EUR 000) | December 31, 2019 | December 31, 2020 |
|---|---|---|
| **FLOATING RATE** | | |
| Repayment within one year | 1 800 | 6 000 |
| Repayment beyond one year | 7 200 | 21 000 |
| **TOTAL FLOATING RATE** | **9 000** | **27 000** |
| | | |
| **FIXED RATE** | | |
| Repayment within one year | 1 734 | 9 557 |
| Repayment beyond one year | 25 656 | 20 174 |
| **TOTAL FIXED RATE** | **27 390** | **29 731** |
| | | |
| **TOTAL** | **36 390** | **56 731** |

Unutilized credit facilities are as follows:

| (EUR 000) | December 31, 2019 | December 31, 2020 |
|---|---|---|
| **FLOATING RATE** | | |
| Repayment within one year | 2 744 | 1 450 |
| Repayment beyond one year | 62 475 | 41 363 |
| **TOTAL FLOATING RATE** | **65 219** | **42 813** |
| | | |
| **FIXED RATE** | | |
| Repayment within one year | 0 | 0 |
| Repayment beyond one year | 0 | 0 |
| **TOTAL FIXED RATE** | **0** | **0** |
| | | |
| **TOTAL** | **65 219** | **42 813** |

## 19 LONG-TERM AND SHORT-TERM PROVISIONS

| | 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 for sale | 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** |
| | **Environment** | **Warranties** | **Litigation** | **Defined employee benefits** | **Other employee benefits** | **Other** | **Total** |
| **As at January 1, 2020** | **108** | **6 143** | **215** | **4 223** | **225** | **304** | **11 218** |
| Additions (+) | 0 | 1 129 | 0 | 306 | 0 | 2 941 | 4 376 |
| Write-backs (-) | 0 | -904 | 0 | 0 | 0 | -14 | -918 |
| Utilizations (-) | 0 | -2 813 | -45 | -79 | 0 | -165 | -3 102 |
| Actuarial (gains)/losses generated during the year | 0 | 0 | 0 | 506 | 0 | 0 | 506 |
| Currency translation difference | 0 | -2 | 0 | -8 | 0 | -22 | -32 |
| **Total movement** | **0** | **-2 590** | **-45** | **725** | **0** | **2 740** | **830** |
| **As at December 31, 2020** | **108** | **3 553** | **170** | **4 948** | **225** | **3 044** | **12 048** |

### 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 primarily in relation to Proton therapy and other accelerators amounting to EUR 1.13 million following delivery of several projects to customers.
- Reversals of provisions in relation to Proton therapy and other accelerators amounting to EUR -0.9 million following the end of warranty periods.
- Utilizations of provisions in relation to Proton therapy and other accelerators amounting to EUR -2.81 million.

### 19.3 DEFINED EMPLOYEE BENEFITS

See note 28.

### 19.4 OTHER EMPLOYEE BENEFITS

Other employee benefits provisions as at December 31, 2020 consisted primarily of a retirement plan for the Italian personnel for an amount of EUR 0.23 million.

### 19.5 OTHER

Other provisions as at December 31, 2020 consisted primarily of the following:

- A provision for onerous contracts for equivalents of EUR 2.48 million
- An amount of EUR 0.13 million covering tax risks.

Main movements are related to new provisions for the onerous contracts for the amounts described above

## 20 OTHER LONG-TERM LIABILITIES

| (EUR 000) | December 31, 2019 | December 31, 2020 |
|---|---|---|
| Advances received from local government | 4 126 | 4 070 |
| Refund liability | 0 | 15 000 |
| Other | 59 | 208 |
| **TOTAL** | **4 185** | **19 278** |

In 2020, advances from local government for research and development were impacted by a discounting of EUR +0.03 million and the reclassification to short term for EUR -0.09 million.

As indicated in note 3.3, the contract with CGN contains an element of variable consideration in the form of an unconditional and irrevocable performance bond linked to the execution of certain contractual obligations related to the transfer of the license. The customer can draw upon this bond for a maximum value of EUR 15 million. Considering the facts and circumstances of the agreement, IBA's management is of the view that uncertainty associated with the exercise of the performance bond by the customer constitutes a constraint on the recognition of the variable consideration, as the amount of variable consideration is highly susceptible to factors outside the entity's influence (i.e., it depends on action of a third party). Accordingly, the amount of consideration subject to the performance bond (EUR 15 million) was recognized as a refund liability until the uncertainty associated with the variable consideration is resolved, this is until this bond has expired. The bond will expire at the earliest of the shipment of the equipment components or 48 months from the effective date of the agreement (August 25, 2024).

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.

## 21 OTHER FINANCIAL ASSETS AND LIABILITIES

| (EUR 000) | December 31, 2019 | December 31, 2020 |
|---|---|---|
| **HEDGE-ACCOUNTED FINANCIAL INSTRUMENTS** | | |
| Forward foreign exchange contracts | 62 | 354 |
| Foreign exchange rate | 82 | 566 |
| **INSTRUMENTS RECOGNIZED AT FAIR VALUE** | | |
| Forward foreign exchange contracts | 41 | 9 |
| Foreign exchange rate | 135 | 649 |
| **Short-term financial assets** | **320** | **1 578** |
| | | |
| **HEDGE-ACCOUNTED FINANCIAL INSTRUMENTS** | | |
| Forward foreign exchange contracts | 0 | 300 |
| Foreign exchange rate | 0 | 300 |
| **INSTRUMENTS RECOGNIZED AT FAIR VALUE** | | |
| Forward foreign exchange contracts | 0 | 0 |
| Foreign exchange rate | 0 | 0 |
| **Long-term financial assets** | **0** | **600** |
| | | |
| **HEDGE-ACCOUNTED FINANCIAL INSTRUMENTS** | | |
| Forward foreign exchange contracts | 1 238 | 56 |
| Foreign exchange rate swaps | 70 | 1 |
| **INSTRUMENTS RECOGNIZED AT FAIR VALUE** | | |
| Forward foreign exchange contracts | 120 | 0 |
| Foreign exchange rate swaps | 4 | 0 |
| **Short-term financial liabilities** | **1 432** | **57** |
| | | |
| **HEDGE-ACCOUNTED FINANCIAL INSTRUMENTS** | | |
| Forward foreign exchange | 496 | 3 |
| Foreign exchange rate swaps | 0 | 0 |
| **INSTRUMENTS RECOGNIZED AT FAIR VALUE** | | |
| Forward foreign exchange | 85 | 0 |
| Foreign exchange rate swaps | 0 | 0 |
| **Long-term financial** | **581** | **3** |

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, 2020, an amount of EUR 1.58 million recognized as a short-term financial asset represents EUR 0.92 million in cash flow hedging instruments and EUR 0.65 million in hedging instruments recognized at fair value through profit and loss.

As at December 31, 2020, an amount of EUR 0.6 million recognized as a long-term financial asset fully represents cash flow hedging instruments.

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, 2020, an amount of EUR 0.06 million recognized as short-term financial liabilities fully represents cash flow hedging instruments recognized at fair value through profit and loss.

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, 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.

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 2020, a gain of EUR 3.27 million was therefore directly recorded in equity (under "Hedging Reserves") resulting in accumulated gains amounting to EUR 0.5 million as at December 31, 2020. At December 31, 2019, the accumulated losses amounted to EUR -2.74 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 |
|---|---|---|---|---|
| **2019** | 41 133 | 10 753 | 12 439 | 17 941 |
| **2020** | 41 858 | 19 764 | 1 215 | 20 879 |

## 23 OTHER PAYABLES

| (EUR 000) | December 31, 2019 | December 31, 2020 |
|---|---|---|
| Payroll debts | 18 046 | 21 137 |
| Accrued charges | 1 894 | 1 679 |
| Accrued interest | 162 | 166 |
| Deferred income related to maintenance contracts | 12 455 | 10 468 |
| Capital grants | 5 654 | 5 918 |
| Non-trade payables | 7 539 | 4 489 |
| Other | 2 096 | 4 355 |
| **TOTAL** | **47 846** | **48 212** |

At December 31, 2020, the heading "Other" is mainly composed of advances of EUR 1.05 million received from the Walloon Region of Belgium (2019: EUR 1.46 million), the amount received in cash on an escrow account (restricted cash) from a customer as a security for future payment for EUR 2.60 million (2019: none) and other miscellaneous payable amounting to EUR 0.70 million (2019: EUR 0.64 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:

| (EUR 000) | Building | Vehicles | Machinery | Hardware | Total |
|---|---|---|---|---|---|
| **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 assets held for sale | 4 031 | 240 | 138 | 55 | 4 464 |
| **As at December 31, 2019** | **27 326** | **2 667** | **182** | **225** | **30 400** |
| **As at January 1, 2020** | **27 326** | **2 667** | **182** | **225** | **30 400** |
| Additions | 424 | 3 680 | 32 | 202 | 4 338 |
| Disposal | -167 | -81 | -1 | -62 | -311 |
| Depreciation expenses | -2 825 | -1 950 | -157 | -106 | -5 038 |
| Currency translation difference | -116 | 0 | -1 | -6 | -123 |
| **As at December 31, 2020** | **24 642** | **4 316** | **55** | **253** | **29 266** |

### 24.2 LEASE LIABILITIES

| (EUR 000) | December 31, 2019 | December 31, 2020 |
|---|---|---|
| Non-current | 26 117 | 24 598 |
| Current | 4 870 | 4 797 |
| **TOTAL** | **30 987** | **29 395** |

The lease liabilities as at December 31, 2020 include the lease of the beam factory in Belgium (EUR 12.04 million).

The carrying amounts of lease liabilities and the movements during the period are as follows:

| | Lease liabilities | | | | |
|---|---|---|---|---|---|
| (EUR 000) | Building | Vehicles | Machinery | Hardware | Total |
| **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** |
| | | | | | |
| **As at January 1, 2020** | **27 967** | **2 624** | **169** | **227** | **30 987** |
| Additions | 384 | 3 686 | 32 | 202 | 4 304 |
| Disposal | -99 | -89 | -7 | -63 | -258 |
| Payments | -3 264 | -1 952 | -144 | -92 | -5 452 |
| Currency translation difference | -180 | 0 | 0 | -6 | -186 |
| **As at December 31, 2020** | **24 808** | **4 269** | **50** | **268** | **29 395** |

Lease liabilities payments are as follows:

| (EUR 000) | December 31, 2019 | December 31, 2020 |
|---|---|---|
| Due | 0 | 0 |
| One year or less | 5 406 | 5 282 |
| Between 1 and 2 years | 4 239 | 4 715 |
| Between 2 and 5 years | 9 394 | 8 451 |
| Over 5 years | 14 422 | 13 008 |
| **TOTAL** | **33 461** | **31 456** |
| Future financial charges on lease liabilities (-) | -2 474 | -2 061 |
| **Present value of lease liabilities** | **30 987** | **29 395** |

The present value of lease liabilities is as follows:

| (EUR 000) | December 31, 2019 | December 31, 2020 |
|---|---|---|
| Due | 0 | 0 |
| One year or less | 4 870 | 4 797 |
| Between 1 and 2 years | 3 813 | 4 340 |
| Between 2 and 5 years | 8 605 | 7 815 |
| Over 5 years | 13 699 | 12 443 |
| TOTAL | **30 987** | **29 395** |

The carrying amounts of lease liabilities are denominated in the following currencies:

| (EUR 000) | December 31, 2019 | December 31, 2020 |
|---|---|---|
| EUR | 27 717 | 27 147 |
| CNY | 679 | 359 |
| USD | 2 438 | 1 680 |
| RUB | 97 | 70 |
| YEN | 56 | 131 |
| INR | 0 | 8 |
| TOTAL | **30 987** | **29 395** |

As at December 31, 2020, the average interest rate paid on lease liabilities is 1.65% (1.94% as at December 31, 2019).

As at December 31, 2020 and 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.

The future cash outflows of leases liabilities not yet commenced to which the Group is committed are as follows:

| (EUR 000)<br>December 31, 2019 | Building | Vehicles | Machinery | Hardware | Total |
|---|---|---|---|---|---|
| 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** |
| **December 31, 2020** | | | | | |
| One year or less | 0 | 102 | 0 | 4 | **106** |
| Between 1 and 2 years | 0 | 113 | 0 | 4 | **117** |
| Between 2 and 5 years | 0 | 203 | 0 | 12 | **215** |
| Over 5 years | 0 | 0 | 0 | 0 | **0** |
| **TOTAL** | **0** | **418** | **0** | **20** | **438** |

The following are the amounts recognized in the income statement:

| (EUR 000) | December 31, 2019 | December 31, 2020 |
|---|---|---|
| Depreciation expenses of right-of-use assets | 5 098 | 4 710 |
| Interest expenses on lease liabilities | 589 | 579 |
| Expenses relating to short-term leases | 243 | 42 |
| Expenses relating to leases of low-value assets | 325 | 305 |
| Income from subleasing right-of- use assets | -2 | 0 |
| Variable lease payments | 0 | 0 |
| **TOTAL AMOUNT RECOGNIZED IN INCOME STATEMENT** | **6 253** | **5 636** |

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 5.45 in 2020 (4.64million in 2019). The Group also had non-cash additions to right-of-use assets and lease liabilities of EUR 4.30 million in 2020 (EUR 3.10 million in 2019).

# 25 OTHER OPERATING EXPENSES AND INCOME

## 25.1 OTHER OPERATING EXPENSES

Other operating expenses can be broken down as follows:

| (EUR 000) | December 31, 2019 | December 31, 2020 |
|---|---|---|
| Write-off | 0 | 0 |
| Reorganization | 3 742 | 216 |
| Costs related to specific projects | 375 | 10 |
| Costs of share-based payments | 0 | 125 |
| Costs related to the disposal of “RadioMed” (disposed in 2019) | 0 | 91 |
| Others | 110 | 0 |
| **TOTAL** | **4 227** | **442** |

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.

## 25.2 OTHER OPERATING INCOME

Other operating income can be broken down as follows:

| (EUR 000) | December 31, 2019 | December 31, 2020 |
|---|---|---|
| Gain realized on disposal of RadioMed Corporation (“RadioMed”) | 13 505 | 0 |
| Reversal of long-term accruals | 2 272 | 0 |
| Gain realized on sale of intangible assets to NHA | 3 009 | 0 |
| Others | 0 | 65 |
| **TOTAL** | **18 786** | **65** |

In 2019, the group reversed an accrual for EUR 2.27 million which was created in the previous years for long term contractual obligations in proton therapy contracts.

# 26 FINANCIAL EXPENSES AND INCOME

## 26.1 FINANCIAL EXPENSES

| (EUR 000) | December 31, 2019 | December 31, 2020 |
|---|---|---|
| Interest paid on debts | 2 488 | 2 782 |
| Foreign exchange differences | 318 | 2 312 |
| Change in fair value of derivatives | 2 251 | 572 |
| Discounting on financial notes | 0 | 0 |
| Write-offs on financial loans | 322 | 0 |
| Other | 1 292 | 598 |
| **TOTAL** | **6 671** | **6 264** |

As at December 31, 2020, the heading “Other” mainly includes commission and bank charges for EUR 0.43 million.

As at December 31, 2019, the heading “Other” mainly includes the discount impact on long-term liabilities for EUR 0.11 million and commissions and bank charges for EUR 1.10 million.

## 26.2 FINANCIAL INCOME

| (EUR 000) | December 31, 2019 | December 31, 2020 |
|---|---|---|
| Interest received on cash and cash equivalents | 76 | 127 |
| Foreign exchange differences | 770 | 203 |
| Change in fair value of derivatives | 777 | 1 859 |
| Other | 2 292 | 327 |
| **TOTAL** | **3 915** | **2 516** |

As at December 31, 2020, the heading “Other” mainly includes EUR 0.29 million of rebilling of interest charges in relation to a proton therapy project.

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.

# 27 INCOME TAXES

The tax profit/(charge) for the year can be broken down as follows:

| (EUR 000) | December 31, 2019 | December 31, 2020 |
|---|---|---|
| Current taxes | -3 045 | -2 591 |
| Deferred taxes | -111 | 1 458 |
| **TOTAL** | **-3 156** | **-1 133** |

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, 2019 | December 31, 2020 |
|---|---|---|
| **Result from continuing operations before taxes** | **10 766** | **33 054** |
| **Tax (charge)/profit calculated based on local tax rates** | **2 671** | **27 153** |
| Unrecognized deferred tax assets | 3 369 | 62 |
| Recognized deferred tax assets | 0 | 18 |
| Tax-exempt transactions and non-deductible expenses | -1 746 | -17 363 |
| Tax exempt transactions - CIRD & Grants | -770 | -763 |
| Adjustments in respect of income tax charges of previous years | -437 | -830 |
| Utilization of previously unrecognized tax losses | -84 | -132 |
| Share of result of an associate | 281 | 807 |
| Other tax (income)/expense | -128 | -7 819 |
| **Booked tax (charge)/profit** | **3 156** | **1 133** |
| | | |
| **Theoretical tax rate** | **-24.81%** | **-82.15%** |
| **Effective tax rate** | **-29.31%** | **-3.43%** |

Given the available tax losses, IBA did not calculate deferred taxes on items credited or charged directly to other comprehensive income.

The large tax exempt transaction mainly originates from the gain on an intragroup sale of subsidiary’s shares. This gain is not taxable in Belgium and the transaction is eliminated at group level.

The other tax income primarily includes a “Patent Income Deduction” tax credit in Belgium related to the licensing activities of the year.

## 28 EMPLOYEE BENEFITS

### 28.1 DEFINED CONTRIBUTION PLANS

As at December 31, 2020, the Group recognized expenses in the United stated of EUR 0.41 million for contribution-based plans accounted for using the intrinsic value method.

### 28.2 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:

| | 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** |

| (EUR 000) | January 1, 2020 | Service cost | Net interest expenses | Actuarial change arising from change in financial assumptions | Contributions by employer | Benefits plan | December 31, 2020 |
|---|---|---|---|---|---|---|---|
| Defined benefit obligation | -11 275 | -997 | -189 | -1 929 | -14 | 465 | -13 939 |
| Fair value of plan assets | 7 052 | 0 | 120 | 1 464 | 907 | -465 | 9 078 |
| **Benefit liability** | **-4 223** | **-997** | **-69** | **-465** | **893** | **0** | **-4 861** |

The employee benefit provisions have been calculated based on 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

At December 31, 2020:
Discount rate: 0.55%, 0.50% or 0.30% based the respective duration of each plan
Mortality table: IABE
Inflation rate: 1.6%
Salary adjustment rate: 2.90% per annum
Retirement age: 66

The impact on the benefit liability of the fluctuation of the discount rate is as follows:

| (EUR 000) | December 31, 2019 | December 31, 2020 |
|---|---|---|
| Discount rate 0.25% increase | -4 132 | -4 740 |
| Discount rate applied | -4 223 | -4 861 |
| Discount rate 0.25% decrease | -4 319 | -4 987 |

The impact on the benefit liability of the fluctuation of the salary adjustment rate is as follows:

| (EUR 000) | December 31, 2020 |
|---|---|
| Salary adjustment rate 0.4% increase | -5 230 |
| Salary adjustment rate applied | -4 861 |

# 29 CASH FLOW STATEMENT

## 29.1 OPERATING CASH FLOW

| (EUR 000) | Note | December 31, 2019 | December 31, 2020 |
|---|---|---|---|
| **CASH FLOW FROM OPERATING ACTIVITIES** | | | |
| Net profit/(loss) for the period | | **7 610** | **31 921** |
| Adjustments for: | | | |
| Depreciation and impairment of tangible assets | 8, 24.1 | 8 860 | 8 775 |
| Depreciation and impairment of intangible assets and goodwill | 7 | 3 571 | 3 184 |
| Write-off on receivables | 14 | -503 | 2 898 |
| Changes in fair value of financial assets (profits)/losses | | -1 056 | -547 |
| Changes in provisions | 19 | 7 052 | 3 458 |
| Deferred taxes | | -18 | -1 457 |
| Share of result of associates and joint ventures accounted for using the equity method | 9.1 | 1 124 | 3 227 |
| (Profit)/loss on disposal of assets held for sale | 6 | -13 505 | 0 |
| Other non-cash items | | -4 918 | -1 075 |
| **Net cash flow changes before changes in working capital** | | **8 217** | **50 384** |
| Trade receivables, other receivables and deferrals | | -21 746 | 20 794 |
| Inventories and contracts in progress | | 65 653 | 26 056 |
| Trade payables, other payables and accruals | | 2 867 | 2 165 |
| Other short-term assets and liabilities | | -6 838 | -24 |
| **Changes in working capital** | | **39 936** | **48 991** |
| Net income tax paid/received | | -1 939 | -1 132 |
| Interest expense | | 2 487 | 2 309 |
| Interest income | | -76 | -127 |
| **Net cash (used)/generated from operations** | | **48 625** | **100 425** |

As at December 31, 2020, the heading "Other non-cash items" mainly includes the net impact of losses and write-downs on inventories (EUR +0.73 million), the impact of research tax credit not received in cash during the year (EUR -1.92 million), the reversal of the insurance receivable accrual (EUR 0.74 million), the impact of grant depreciation (EUR -0.80 million), impact on long term advances from local government in Belgium (EUR +0.03 million) and the costs of the stock option plan (EUR +0.13 million).

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).

## 29.2 INVESTING CASH FLOW

| (EUR 000) | Note | December 31, 2019 | December 31, 2020 |
|---|---|---|---|
| **CASH FLOW FROM INVESTING ACTIVITIES** | | | |
| Acquisition of property, plant and equipment | 8 | -4 582 | -2 555 |
| Acquisition of intangible assets | 7 | -541 | -1 446 |
| Disposals of fixed assets | | 2 008 | 0 |
| Acquisition of subsidiaries net of acquired cash | 6 | 0 | 0 |
| Acquisition of third-party and equity-accounted investments | 9.1 | -6 105 | -1 600 |
| Disposals of subsidiaries | 6 | 12 487 | 0 |
| Disposals of other investments and equity method accounted companies, net of assigned cash | | 0 | 0 |
| Other investing cash flows | | -1 516 | 0 |
| **Net cash (used)/generated from investing activities** | | **1 751** | **-5 601** |

As at December 31, 2019, "Other investing cash flows" mainly included a subordinated loan granted to Normandy Hadrontherapy SAS for EUR 1.5 million (see note 11).

## 29.3 FINANCING CASH FLOW

| (EUR 000) | Note | December 31, 2019 | December 31, 2020 |
|---|---|---|---|
| **CASH FLOW FROM FINANCING ACTIVITIES** | | | |
| Proceeds from borrowings | 18 | 9 000 | 25 508 |
| Repayment of borrowings | 18 | -44 245 | -4 734 |
| Repayment of lease liabilities | 24.2 | -5 875 | -5 254 |
| Interest paid | | -2 808 | -2 298 |
| Interest received | | 76 | 127 |
| Capital increase (or proceeds from issuance of ordinary shares) | 16 | 131 | 0 |
| Dividends paid | | 0 | -2 254 |
| (Acquisitions)/disposal of treasury of shares | | 0 | 2 088 |
| Other financing cash flows | | 1 348 | 185 |
| **Net cash (used)/generated from financing activities** | | **-42 373** | **13 368** |

As at December 31, 2020, "Other financing cash flows" includes new payment of grants in Belgium and advances from local government in Belgium (EUR +0.68 million) and repayments of advances from local government in Belgium (EUR -0.50 million).

As at December 31, 2019, "Other financing cash flows" 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).

# 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 AND CONTINGENT ASSETS

## 31.1 FINANCIAL GUARANTEES

As at December 31, 2020, IBA held financial guarantees for EUR 97.56 million given by Group's business units as security for debts or commitments, mainly in advance payment guarantees (EUR 49.12 million as at December 31, 2019).

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.

## 31.3 CONTINGENT ASSETS

The Group has filed an insurance claim on faulty parts. As the claim does not meet all the criteria to be recognised as an asset on the balance sheet, the group presents this as a contingent asset. The best estimate of Management for the insurance indemnity to be received is EUR 0.7 million.

# 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, 2019 | December 31, 2020 |
|---|---|---|
| **ASSETS** | | |
| **Receivables** | | |
| Long-term receivables | 1 520 | 1 520 |
| Inventory and contracts in progress | 0 | 0 |
| Trade and other receivables | 247 | 191 |
| Impairment of receivables | 0 | 0 |
| **TOTAL RECEIVABLES** | **1 767** | **1 711** |
| **LIABILITIES** | | |
| **Payables** | | |
| Trade and other payables | 0 | 0 |
| **TOTAL PAYABLES** | **0** | **0** |
| **INCOME STATEMENT** | | |
| Sales | 1 873 | 2 507 |
| Costs (-) | 0 | 0 |
| Financial income | 0 | 0 |
| Financial expense (-) | 0 | 0 |
| Other operating income | 3 009 | 0 |
| Other operating expense (-) | 0 | 0 |
| **TOTAL INCOME STATEMENT** | **4 882** | **2 507** |

## 32.3 SHAREHOLDERS' RELATIONSHIPS

The following table shows IBA shareholders as at December 31, 2020:

| | Number of shares | % |
|---|---|---|
| Sustainable Anchorage SRL | 6 204 668 | 20.59% |
| IBA Investments SCRL | 410 852 | 1.36% |
| IBA SA | 63 369 | 0.21% |
| UCL | 426 885 | 1.42% |
| Sopartec SA | 180 000 | 0.60% |
| SRIW SA | 715 491 | 2.37% |
| SFPI SA | 58 200 | 0.19% |
| Belfius Insurance SA | 1 189 196 | 3.95% |
| FUP Institute of RadioElements | 1 423 271 | 4.72% |
| Paladin Asset Mgmt | 768 765 | 2.55% |
| BlackRock, Inc. | 405 300 | 1.34% |
| Norges Bank Investment Management | 1 133 108 | 3.76% |
| Kempen Capital Management NV | 875 388 | 2.90% |
| Public | 16 279 427 | 54.02% |
| **TOTAL** | **30 133 920** | **100.00%** |

The main transactions completed with the shareholders are the following:

| (EUR 000) | December 31, 2019 | December 31, 2020 |
|---|---|---|
| **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 | 22 140 | 20 405 |
| Trade and other payables | 59 | 90 |
| **TOTAL PAYABLES** | **22 199** | **20 495** |
| | | |
| **INCOME STATEMENT** | | |
| Sales | 0 | 0 |
| Costs (-) | 0 | 0 |
| Financial income | 0 | 0 |
| Financial expense (-) | -1 115 | -1 181 |
| Other operating income | 0 | 0 |
| Other operating expense (-) | 0 | 0 |
| **TOTAL INCOME STATEMENT** | **-1 115** | **-1 181** |

To the best of the Company's knowledge, there are no other relationships or special agreements among the shareholders at December 31, 2020.

## 32.4 DIRECTORS AND MANAGEMENT

See remuneration report on page 71..

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## 33 FEES FOR SERVICES RENDERED BY THE STATUTORY AUDITORS

EY 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, 2019 | December 31, 2020 |
|---|---|---|
| Remuneration for statutory audits and audit of consolidated accounts | 306 | 340 |
| Other audit work and reports | 57 | 11 |
| Other services | 0 | 0 |
| **TOTAL** | **363** | **351** |

## 34 EVENTS AFTER THE FINANCIAL POSITION DATE

In February 2021, IBA received the third payment related to the CGNNT contract, for EUR 20 million, as scheduled.
In March 2021, IBA announced that it received the down payment from National Cancer Center Korea (NCCK) in relation to the Proteus®ONE* contract announced at the time of IBA's 2020 Trading Update in January. NCCK is already an IBA customer, having purchased a three-room Proteus®PLUS* solution, which has been in operation since 2007.
In April 2021, IBA signed a binding term sheet with Advocate Radiation Oncology for the delivery of a Proteus®ONE solution in Southwest Florida.

## 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, 2019 | December 31, 2020 |
|---|---|---|
| Earnings attributable to parent equity holders (EUR 000) | 7 610 | 31 921 |
| Weighted average number of ordinary shares | 29 449 033 | 29 629 622 |
| **Net earnings per share from continuing and discontinued (EUR per share)** | **0.2584** | **1.0773** |
| | | |
| Earnings from continuing operations attributable to parent equity holders (EUR 000) | 7 610 | 31 921 |
| Weighted average number of ordinary shares | 29 449 033 | 29 629 622 |
| **Basic earnings per share from continuing operations (EUR per share)** | **0.2584** | **1.0773** |
| | | |
| Earnings from operations held for sale attributable to parent equity holders (EUR 000) | 0 | 0 |
| Weighted average number of ordinary shares | 29 449 033 | 29 629 622 |
| **Basic earnings per share from discontinued operations (EUR per share)** | **0** | **0** |

### 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 2020 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, 2019 | December 31, 2020 |
|---|---|---|
| Weighted average number of ordinary shares | 29 449 033 | 29 629 622 |
| Weighted average number of stock options | 187 108 | 348 452 |
| Average share price over period | 14.6 | 9.8 |
| Dilution effect from weighted number of stock options | 37 121 | 82 500 |
| Weighted average number of ordinary shares for diluted earnings per share | 29 486 154 | 29 712 122 |
| | | |
| Earnings attributable to parent equity holders (EUR 000) | 7 610 | 31 921 |
| **Diluted earnings per share from continuing and discontinued operations (EUR per share)** | **0.2581** | **1.0743** |
| | | |
| Earnings from continuing operations attributable to parent equity holders (EUR 000) | 7 610 | 31 921 |
| **Diluted earnings per share from continuing operations (EUR per share)** | **0.2581** | **1.0743** |
| | | |
| 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** | **0** |

*(*) 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 |
| 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) | 2019 | 2020 |
|---|---|---|
| **EBIT = Segment result (Note 4)** | **14 646** | **40 029** |
| Other operating expenses (+) | 4 227 | 442 |
| Other operating income (-) | -18 786 | -65 |
| **REBIT** | **87** | **40 406** |
| Depreciation and impairment of intangible and tangible assets (+) | 12 432 | 11 959 |
| Write-offs on receivables and inventory (+/-) | -60 | 3 620 |
| **REBITDA** | **12 459** | **55 985** |

| (EUR 000) | 2019 | 2020 |
|---|---|---|
| Long-term borrowings and lease liabilities (+) | 58 973 | 65 772 |
| Short-term borrowings and lease liabilities (+) | 8 404 | 20 354 |
| Cash and cash equivalents (-) | -46 090 | -153 911 |
| Restricted cash (included in cash and cash equivalents) | 0 | 2 596 |
| **Net financial debt** | **21 287** | **-65 189** |

# 37 AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENT

EY Bedrijfsrevisoren
EY Réviseurs d'Entreprises
De Kleetlaan 2
B - 1831 Diegem

Tel: +32 (0) 2 774 91 11
ey.com

## Independent auditor's report to the General Meeting of Ion Beam Applications SA for the year ended 31 December 2020

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 2020, 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 2020 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 June 2020, 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 2022. We performed the audit of the Consolidated Financial Statements of the Group during 15 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 2020, 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 € 510.996 and of which the consolidated income statement shows a profit for the year of thousand € 31.921.

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 2020, 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.

#### 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 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

- We updated our understanding of the revenue recognition process.
- We analyzed sales contracts characteristics and ensured specific financial impacts have been identified and addressed by management.
- We audited 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.
- We evaluated management's estimations of total expected costs per project by comparing initial to actual total expected costs and considering the impact of Covid-19 pandemic.
- We 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.
- We assessed the correct application of the POC method.
- We performed detailed analytical review procedures by comparing results on these contracts with prior year.
- We assessed the disclosures prepared in accordance with IFRS 15.

***Revenue recognition for the agreement signed with CGN***

Description of the key audit matter

As described in note 3.3 to the Consolidated Financial Statements, IBA signed a Technology Licence Agreement with CGN Dasheng Electron Accelerator Technology Co LTD ("CGN") for the provision of goods and services related to its Proteus®PLUS technology. The agreement includes the sale of a license, the supply of proton therapy equipment and the provision of relevant support and training services for a total value of € 100 million. IBA will also receive royalties based on the future sales of equipment and services sold by CGN. The royalties revenue will be recognized when the sales are done by CGN.

Management analyzed the accounting treatment of the contract with the assistance of an external advisor and identified 3 distinct performance obligations : (i) the sale of license, (ii) the sale of equipment and (iii) the provision of relevant support and training services.

In order to allocate the transaction price (€ 100 million) to the different performance obligations, IBA used the "residual approach method" in accordance with IFRS 15 "Revenue from Contracts with Customers". This means that IBA estimated the individual fair value for (i) the supply of equipment and (ii) the provision of training and support services, the price of the license being estimated by difference.

Revenue relating to training and support services will be recognized during the next years when the services are provided. Revenue relating to the sale of equipment will be recognized when the equipment will be delivered to CGN.

The price allocated to the license amounts to € 78.5 million and because it meets the definition of a "right to use", the revenue was recognized at effective date of the agreement. Given the contract contains an element of variable consideration in the form of an unconditional and irrevocable performance bond that the customer can draw upon for a maximum value of € 15 million, the revenue recognized in 2020 amounts to € 63.5 million, excluding the variable consideration. The amount of variable consideration is highly susceptible to factors outside the entity's influence and is recognized as a refund liability as of 31 December 2020 until the uncertainty associated with the variable consideration is resolved, which is likely to occur at the expiration date of the bond. The bond will expire at the earliest of the shipment of the equipment or 48 months from the effective date of the agreement (25 August 2024).

Due to the complexity of the contract, the significant management estimates involved and the significant impact on the Consolidated Financial Statements, we have considered the revenue recognition for the CGN agreement as a key audit matter.

Summary of the procedures performed

- We obtained the contracts as well as the analysis of the accounting treatments prepared by management with the assistance of an external adviser.
- We assessed whether the contract is within the scope of IFRS 15 "Revenue from Contracts with Customers" and ensured that the accounting treatments are in accordance with IFRS 15.
- Based on the analysis of the agreement and discussions with management, we validated the identification of the distinct performance obligations and the revenue recognition principles that need to be applied to each performance obligation.
- We audited, based on similar transactions or relevant internal information (list of components, cost rates, margins,...), the estimated individual fair value allocated to the supply equipment and the provision of training and support services.
- We controlled the mathematical accuracy for the calculation of the price allocated to the license in accordance with the "residual approach method".
- Based on a detailed analysis prepared by management, we assessed the risks linked to the variable consideration and its recognition as a refund liability as of 31 December 2020.
- We verified that the adopted accounting treatment is properly accounted for in the Consolidated Financial Statements.
- We ensured that the disclosures included in the Consolidated Financial Statements are prepared in accordance with IFRS.

## 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.

In performing our audit, we comply with the legal, regulatory and normative framework that applies to the audit of the Consolidated Financial Statements in Belgium. However, a statutory audit does not provide assurance about the future viability of the Company and the Group, nor about the efficiency or effectiveness with which the board of directors has taken or will undertake the Company's and the Group's business operations. Our responsibilities with regards to the going concern assumption used by the board of directors are described below.

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.

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.

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. However, we do not comment on whether this non-financial information has been prepared, in all material respects, in accordance with the "GRI Standards" reference framework.

### 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, 28 April 2021

EY Réviseurs d'Entreprises SRL
Statutory auditor
Represented by

Romuald Bilem*
Partner
*Acting on behalf of a BV/SRL

Ref. 21RB0108

# IBA SA

## ANNUAL FINANCIAL STATEMENT (SECTION 3 :1 OF THE BCAC)

In accordance with sections 3:23 et 3:32, §1, in fine of the Belgian Companies & Associations' Code, the following statements represent an abbreviated 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 abbreviated version does not contains all the appendixes and the auditor's report, who expressed an unqualified opinion.

| ASSETS (EUR 000) | 2019 | 2020 |
|---|---|---|
| **FIXED ASSETS** | **139 610** | **212 598** |
| **Formation expenses** | **-** | **-** |
| **Intangible fixed assets** | **36 456** | **37 536** |
| **Tangible fixed assets** | **30 407** | **28 778** |
| Land and buildings | 10 762 | 10 566 |
| Plant, machinery, and equipment | 3 738 | 2 601 |
| Furniture and vehicles | 2 030 | 1 821 |
| Leases and similar rights | 13 404 | 12 983 |
| Assets under construction and advance payments | 473 | 807 |
| **Financial assets** | **72 747** | **146 284** |
| Affiliated companies | 54 674 | 129 642 |
| Other investments | 9 033 | 7 630 |
| Others financial assets | 9 040 | 9 012 |
| **CURRENT ASSETS** | **314 603** | **401 165** |
| **Accounts receivable in more than one year** | **13 384** | **13 747** |
| **Inventories and contracts in progress** | **113 067** | **110 206** |
| Inventories | 62 468 | 70 866 |
| Contracts in progress | 50 599 | 39 340 |
| **Accounts receivable within one year** | **142 718** | **152 528** |
| Trade receivables | 125 585 | 136 903 |
| Other receivables | 17 133 | 15 625 |
| **Investments** | **580** | **578** |
| **Cash at bank and in hand** | **33 304** | **111 520** |
| **Deferred charges and accrued income** | **11 550** | **12 586** |
| **TOTAL ASSETS** | **454 213** | **613 763** |

| LIABILITIES AND EQUITY (EUR 000) | 2019 | 2020 |
|---|---|---|
| **SHAREHOLDERS' EQUITY** | **175 011** | **276 792** |
| Capital stock | **42 294** | **42 294** |
| Capital surplus | **41 978** | **41 978** |
| Reserves | **5 012** | **5 012** |
| Legal reserve | 4 229 | 4 229 |
| Reserves not available for distribution | 580 | 580 |
| Untaxed reserves | 203 | 203 |
| Retained earnings | **80 073** | **181 590** |
| Capital grants | **5 654** | **5 918** |
| **PROVISIONS AND DEFERRED TAXES** | **6 509** | **4 048** |
| **LIABILITIES** | **272 693** | **332 923** |
| **Accounts payable in more than one year** | **154 167** | **198 691** |
| Financial debts | 44 912 | 50 902 |
| Advances received on contracts in progress | 96 162 | 119 586 |
| Other accounts payable | 13 093 | 28 203 |
| **Accounts payable within one year** | **114 779** | **131 161** |
| Financial debts - current portion of long-term financial debts | 4 009 | 8 863 |
| Financial debts – current | 10 678 | 13 164 |
| Trade debts | 49 873 | 54 224 |
| Advances received on contracts in progress | 32 161 | 28 858 |
| Current tax and payroll liabilities | 15 284 | 16 971 |
| Other accounts payable | 2 774 | 9 081 |
| **Accrued charges and deferred income** | **3 747** | **3 071** |
| **TOTAL LIABILITIES** | **454 213** | **613 763** |

| INCOME STATEMENT (EUR 000) | 2019 | 2020 |
| --- | --- | --- |
| **Operating income** | **276 803** | **298 717** |
| Turnover | 192 924 | 218 854 |
| Work in progress, finished goods and contracts in progress | -11 842 | -13 452 |
| Capitalized production | 34 442 | 37 245 |
| Other operating income | 56 279 | 56 070 |
| Other extraordinary income | 5 000 | 0 |
| **Operating expenses (-)** | **-[illegible]** | **-256 251** |
| Raw materials, consumables, and goods for resale | -70 433 | -57 719 |
| Services and other goods | -97 255 | -87 883 |
| Salaries, social security, and pensions | -67 586 | -71 952 |
| Depreciation and write-offs on fixed assets | -40 034 | -38 414 |
| Increase/(Decrease) in write-downs on inventories, work in progress, and trade debtors | -2 404 | -687 |
| Provisions for liabilities and charges | -766 | 2 433 |
| Other operating expenses | -3 595 | -565 |
| Other extraordinary expenses | -2 297 | -1 464 |
| **Operating profit/loss)** | **-7 567** | **42 466** |
| **Financial income** | **71 756** | **79 916** |
| Income from financial assets | 15 937 | 0 |
| Income from current assets | 2 451 | 531 |
| Other financial income | 4 018 | 4 673 |
| Extraordinary financial income | 49 350 | 74 712 |
| **Financial expenses (-)** | **-8 189** | **-10 981** |
| Interest expense | -2 658 | -2 034 |
| Amounts written off on current assets other than inventories, work in progress and trade debtors - increase | 0 | 0 |
| Other financial charges | -5 531 | -5 944 |
| Extraordinary financial expenses (-) | 0 | -3 003 |
| **Profit/(loss) for the period before taxes** | **56 000** | **111 401** |
| Income taxes (-) (+) | -197 | -3 870 |
| **Profit/(loss) for the period** | **55 803** | **107 531** |
| Transfers to tax free reserves (-) | **0** | **0** |
| **Profit/(loss) for the period available for appropriation** | **55 803** | **107 531** |

| APPROPRIATION OF RESULTS (EUR 000) | 2019 | 2020 |
| --- | --- | --- |
| Profit/(Loss) to be appropriated | **82 410** | **187 604** |
| Profit/(loss) for the period available for appropriation | 55 802 | 107 531 |
| Profit/(Loss) carried forward | 26 608 | 80 073 |
| 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 | 52 | 0 |
| To other reserves | 0 | 0 |
| Profit/(Loss) to be carried forward | **80 073** | **181 590** |

| | | |
| --- | --- | --- |
| **Profit to distribute** | **2 285** | **6 014** |
| Dividends | 2 285 | 6 014 |

| | 2019 | | 2020 | |
|---|---|---|---|---|
| **STATEMENT OF CAPITAL** | **Amount (EUR 000)** | **Number of shares** | **Amount (EUR 000)** | **Number of shares** |
| **Capital** | | | | |
| 1. Issued capital | | | | |
| **At the end of the previous financial year** | **42 278** | | **42 294** | |
| Changes during the financial year | 16 | 11 392 | 0 | 0 |
| **At the end of the current financial year** | **42 294** | | **42 294** | |
| 2. Structure of the capital | | | | |
| *2.1. Categories of shares* | | | | |
| Ordinary shares without designation of face value | 24 293 | 17 431 431 | 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 | | 8 145 467 | | 8 145 467 |
| Bearer shares | | 21 988 453 | | 21 988 453 |
| **Own shares held by** | | | | |
| The Company itself | 90 | 63 519 | 89 | 63 369 |
| Its subsidiaries | 858 | 610 852 | 577 | 410 852 |
| Stock issue commitments | | | | |
| Following exercise of share options | | | | |
| Number of outstanding share options | | 187 108 | | 540 608 |
| Amount of capital to be issued | 263 | | 0 | |
| Maximum number of shares to be issued | | 187 108 | | 540 608 |
| **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 shareholders of the Company held on March 10, 2020, article 1 of the bylaws has been amended and now reads as follows:

*"Article 1:*

*The Company takes the form of a public limited company. The name of the Company is "Ion Beam Applications" and, in short, "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.

In addition, following a resolution of the Extraordinary General Meeting of shareholders of the Company held on March 10, 2020, article 3 of the Articles of association has been amended to add the following two paragraphs:

- *"The Company's objectives include having, in the course of its activities, a significant positive impact on all of its stakeholders, notably patients, shareholders, employees, customers, society and the planet."*
- *"The Company is managed taking into account the interests of these stakeholders, respecting living beings and present and future generations, and reducing as much as possible 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 of December 31, 2020, 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 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 of 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 of December 31, 2019, there were 167 608 outstanding stock options of this 2014 Plan.

As of December 31, 2020, there were 163 608 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.

In 2020, none of these stock options were exercised.

As of December 31, 2020, there were 20.000 outstanding stock options of this 2015 Plan.

In June 2020, the Company issued 357 000 stock options for the Group management. They allow the beneficiary to purchase a new share at 7,54 EUR following certain procedures from January 02, 2024.

IBA decided on May 28, 2020 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 January 02, 2024.

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.

## AUTHORIZED SHARE CAPITAL

As of December 31, 2020, the Company had authorization to increase the Company's share capital, within the limits, terms and conditions set out by the law and the articles of association of the Company.

## 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 |
|---|---|---|---|---|
| 22/04/2016 Exercise of options under 2007 plan pers det | 3 993 | 29 119 060 | 5 604,97 | 40 869 790,79 |
| 22/04/2016 Exercise of options under 2007 plan prolongé | 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 pers det | 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 | 159 194 | 29 523 884 | 223 428,78 | 41 437 985,59 |
| 20/09/2016 Exercise of options under 2007 plan pers det | 664 | 29 524 548 | 932,06 | 41 438 917,65 |
| 20/09/2016 Exercise of options under 2007 plan | 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 pers det | 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 | 28 516 | 29 585 703 | 40 022,21 | 41 524 753,70 |
| 15/12/2016 Exercise of options under 2007 | 8 812 | 29 594 515 | 12 369,40 | 41 537 123,10 |
| 15/12/2016 Exercise of options under 2010 | 21 407 | 29 615 922 | 30 049,01 | 41 567 172,11 |
| 15/12/2016 Exercise of options under 2011 pers dét | 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 pers dét | 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 | 11 574 | 29 880 251 | 16 244,11 | 41 938 157,86 |
| 17/11/2017 Exercise of options under 2011 plan pers dét | 16 029 | 29 896 280 | 22 496,70 | 41 960 654,56 |
| 17/11/2017 Exercise of options under 2011 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 pers dét | 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 |
| 31/12/2020 Exercise of options under 2014 plan empl | 0 | 30 133 920 | | 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 12.20 on December 31, 2020.

The total number of outstanding stock options as of December 31, 2020 amounts to 540 608. There are no convertible bonds or bonds with warrants outstanding as of 31 December 2020.

| **Situation as at** | **31 december 2019** | | **31 december 2020** | |
|---|---|---|---|---|
| **Entity** | Number of shares | **%** | Number of shares | % |
| Sustainable Anchorage SC (1) | 6 204 668 | 20,59% | 6 204 668 | 20,59% |
| IBA Investments SC (2) | 610 852 | 2,03% | 410 852 | 1,36% |
| ONLY SA | 63 519 | 0,21% | 63 369 | 0,21% |
| UCL | 426 885 | 1,42% | 426 885 | 1,42% |
| Sopartec SA | 180 000 | 0,60% | 180 000 | 0,60% |
| SRIW SA | 704 491 | 2,34% | 715 491 | 2,37% |
| SFPI SA | 58 200 | 0,19% | 58 200 | 0,19% |
| Belfius Insurance SA | 903 754 | 3,00% | 1 189 196 | 3,95% |
| FUP Institute of RadioElements | 1 423 271 | 4,72% | 1 423 271 | 4,72% |
| Paladin Asset Mgmt | 0 | 0% | 768 765 | 2,55% |
| Norges Bank Investment Management | 1 409 069 | 4,68% | 1 133 108 | 3,76% |
| Capi Delen Asset Management NV | 40 000 | 0,13% | 0 | 0% |
| BlackRock,Inc. | 0 | 0% | 405 300 | 1,34% |
| Kempen Capital Management NV. | 875 388 | 2,90% | 875 388 | 2,90% |
| **Subtotal** | **12 900 097** | **42,81%** | **13 854 493** | **45,96%** |
| **Public** | **17 233 823** | **57,19%** | **16 279 427** | **54,04%** |
| **Total** | **30 133 920** | **100,00%** | **30 133 920** | **100.00%** |

*(1) Sutainable Anchorage, previously Belgian Anchorage, is a company established and wholly owned by IBA Management and a number of IBA employees.*
*(2) IBA Investments is a subsidiary of IBA SA.*

## SHAREHOLDERS’ SCHEDULE

| | |
|---|---|
| Interim statements, first quarter 2021 | May 20, 2021 |
| 2021 Annual Shareholders’ Meeting | June 09, 2021 |
| Publication of the half-yearly results as of June 30, 2021 | August 25, 2021 |
| Interim statements, third quarter 2021 | November 18, 2021 |

## STOCK MARKET PRICES

# GRI
# CONTENT INDEX

This report has been prepared in accordance with the GRI Standards: Core option.
Period: 1 January 2020 to 31 December 2020.

## 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 | p178 AR2020 General information |
| 102-2 | Activities, brands products and/or services | p46 AR2020 Management report / review of IBA activity sectors |
| 102-3 | Location of headquarters | p178 AR2020 General information |
| 102-4 | Location of operations | p45 AR2020 Management report / highlights of the year |
| 102-5 | Ownership and legal form | p178 AR2020 General information |
| 102-6 | Markets served | p8 AR2020 Four business activities to Protect, Enhance and Save Lives<br>p46 AR2020 Management report / review of IBA activity sectors |
| 102-7 | Scale of the organization | p5 AR2020 IBA in 2020 at a glance<br>p45 AR2020 Management report / highlights of the year<br>p97 AR2020 IFRS consolidated financial |
| 102-8 | Information on employees and other workers | p32 AR2020 A committed company<br>p186 AR2020 GRI content appendix 102-8<br>p68 AR2020 Management report / corporate governance statement / diversity policy<br>p81 AR2020 Management report / corporate governance statement / codes of conduct |
| 102-9 | Supply chain | p40 AR2020 A committed company / society / supply chain |
| 102-10 | Significant changes to the organisation and its supply chain | p45 AR2020 Management report / highlights of the year<br>p96 AR2020 Management report / significant acquisitions and divestments in 2020 |
| 102-11 | Precautionary approach or principle | p50 AR2020 Management report / principal risks and uncertainties faced by the company |
| 102-12 | External initiatives | p8 AR2020 Four business activities to Protect, Enhance and Save Lives<br>p39 AR2020 A committed company / society<br>p41 AR2020 A committed company / planet |
| 102-13 | Membership of associations | p186 AR2020 GRI content appendix 102-13 |

#### 2. Strategy

| Disclosure | Disclosure Title | Cross reference, URL and/or information |
|---|---|---|
| 102-14 | Statement from senior decision-maker | p6 AR2020 Message from Olivier Legrain |
| 102-15 | Key impacts, risks, and opportunities | p50 AR2020 Management report / principal risks and uncertainties faced by the company<br>p40 AR2020 A committed company / society / supply chain<br>p41 AR2020 A committed company / planet<br>p33 AR2020 A committed company / employees<br>p186 AR2020 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 | p50 AR2020 Management report / principal risks and uncertainties faced by the company<br>p81 AR2020 Management report / corporate governance statement / codes of conduct |

## GRI 100 UNIVERSAL STANDARDS

### 4. GOVERNANCE

| Disclosure | Disclosure Title | Cross reference, URL and/or information |
|---|---|---|
| 102-18 | Governance Structure | p60 AR2020 Management report / corporate governance statement |

### 5. STAKEHOLDER ENGAGEMENT

| Disclosure | Disclosure Title | Cross reference, URL and/or information |
|---|---|---|
| 102-40 | List of Stakeholder groups | p2 AR2020 About IBA |
| 102-41 | Collective bargaining agreements | p33 AR2020 A committed company / employees |
| 102-42 | Identifying and selecting stakeholders | p2 AR2020 About IBA<br>p43 AR2020 A committed company / materiality |
| 102-43 | Approach to stakeholder engagement | p2 AR2020 About IBA<br>p8 AR2020 Four business activities to Protect, Enhance and Save Lives<br>p32 AR2020 A committed company<br>p43 AR2020 A committed company / materiality |
| 102-44 | Key topics and concerns raised | p8 AR2020 Four business activities to Protect, Enhance and Save Lives<br>p32 AR2020 A committed company<br>p43 AR2020 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 | p98 AR2020 IFRS consolidated financial / introduction |
| 102-46 | Defining report content and topic Boundaries | p43 AR2020 A committed company / materiality |
| 102- 47 | List of material topics | p43 AR2020 A committed company / materiality |
| 102-48 | Restatements of information | p104 AR2020 IFRS consolidated financial / notes to consolidated financial statements |
| 102-49 | Changes in reporting | p43 AR2020 A committed company / materiality |
| 102-50 | Reporting period | p104 AR2020 IFRS consolidated financial / notes to consolidated financial statements |
| 102-51 | Date of most recent report | 06.05.2020 Annual Report 2019 |
| 102-52 | Reporting cycle | p104 AR2020 IFRS consolidated financial / notes to consolidated financial statements |
| 102-53 | Contact point for questions regarding the report | p190 AR2020 IBA Contact |
| 102-54 | Claims of reporting in accordance with the GRI Standards | AR2020 GRI standards: core option |
| 102-55 | GRI content index | p183 AR2020 GRI content index |
| 102-56 | External assurance | p186 AR2020 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 AR2020 Four business activities to Protect, Enhance and Save Lives<br>p32 AR2020 A committed company<br>p43 AR2020 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 | p50 AR2020 Management report / principal risks and uncertainties faced by the company |
| 203-2 | Significant indirect economic impacts | p81 AR2020 Management report / corporate governance statement / codes of conduct social and staff related matters |
| GRI 2016 – n/a | Profitability GRI 2016: 201 - Economic performance | p45 AR2020 Management report / highlights of the year<br>p97 AR2020 IFRS consolidated financial |
| GRI 2016 – n/a | Research and development | p8 AR2020 Four business activities to Protect, Enhance and Save Lives<br>p45 AR2020 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 | p41 AR2020 A committed company / planet<br>p187 AR2020 GRI content appendix 302-1 |
| 302-2 | Energy consumption outside of the organization | p41 AR2020 A committed company / planet<br>p187 AR2020 GRI content appendix 302-2 |
| 306-2 | Waste by type and disposal method | p41 AR2020 A committed company / planet<br>p188 AR2020 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<br>Occupational health and safety: Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities. | p188 AR2020 GRI content appendix 403-2 |
| 412-2 | Employees training on human rights policies and procedures | p33 AR2020 A committed company / employees<br>p50 AR2020 Management report / principal risks and uncertainties faced by the company<br>p81 AR2020 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:<br>Incidents of non-compliance concerning the health and safety impacts of products and services. | p8 AR2020 Four business activities to Protect, Enhance and Save Lives<br>p45 AR2020 Management report / highlights of the year<br>p188 AR2020 GRI Content appendix 416-2 |
| GRI 2016 – n/a | Affordability and accessibility of our solutions | p8 AR2020 Four business activities to Protect, Enhance and Save Lives<br>p45 AR2020 Management report / highlights of the year |
| GRI 2016 – n/a | Awareness of proton therapy and thought leadership | p8 AR2020 Four business activities to Protect, Enhance and Save Lives |
| GRI 2016 – n/a | Satisfaction of customer: Customer's voice | p8 AR2020 Four business activities to Protect, Enhance and Save Lives |

GRI Appendix: 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. |

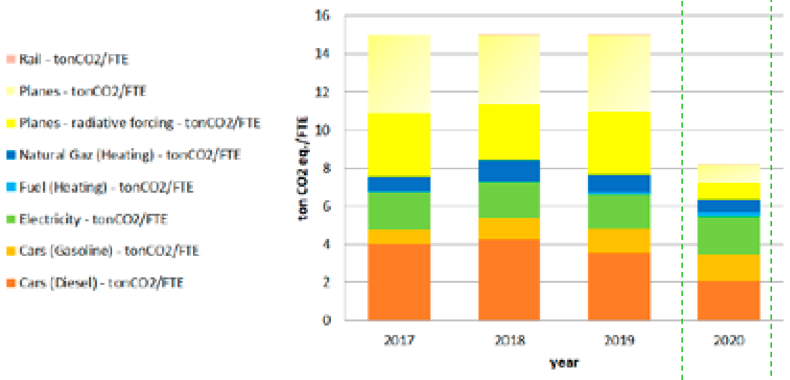
**102-8 INFORMATION ON EMPLOYEES AND OTHER WORKERS**

| Employment Structure | Unit | 2018 | 2019 | 2020 |
|---|---|---|---|---|
| Group | # | 1 451 | 1 466 | 1528 |
| Asia | % | 8% | 10% | 11% |
| EMEA | % | 73% | 71% | 72% |
| AM | % | 19% | 18% | 17% |
| Part-time employees | % | 11% | 8% | 7% |
| Temporary staff | # | 6% | 5% | 5% |
| **Diversity** | **Unit** | **2018** | **2019** | **2020** |
| Nationalities – Group | # | 50 | 56 | 56 |
| Nationalities – Belgium | # | 23 | 24 | 26 |
| Group workforce under 30 years old | % | 17% | 16% | 17% |
| Group workforce between 30-49 years old | % | 63% | 65% | 61% |
| Group workforce 50 years old and older | % | 19% | 18% | 21% |
| **Proportion of female employees** | **Unit** | **2018** | **2019** | **2020** |
| in total workforce | % | 25% | 26% | 25% |
| Asia | % | 24% | 23% | 21% |
| EMEA | % | 27% | 28% | 27% |
| AM | % | 16% | 18% | 18% |
| in part time employees | % | 60% | 72% | 66% |

## GRI DISCLOSURE ADDITIONAL INFORMATION

### 302-1 ENERGY CONSUMPTION WITHIN THE ORGANIZATION

| IBA SA organization direct and indirect GHG emissions (Scope 1-2-3*) | Unit | 2018 | 2019 | 2020 |
|---|---|---|---|---|
| CO2 equivalent emissions - incl radiative forcing | t CO2e | 9 700 | 9 800 | 5400 |
| CO2 equivalent emissions intensity - incl radiative forcing (per FTE) | t CO2e / FTE | 15 | 15 | 8 |




| | | | | |
|---|---|---|---|---|
| CDP Score | txt | C | C | ** |

CO2eq emissions intensity significantly decreased in 2020 (-41%) in large part due to the impact of Covid pandemic on mobility

- Mobility (plane, car, train) dropped down to 65% of our GHG emissions (vs 81% in 2019)
  - Air transport represents 22% of the total impact (from 49% in 2019)
  - Fleet car transport increased to 42% of the total impact, while confirming the shift from diesel to gasoline/electricity

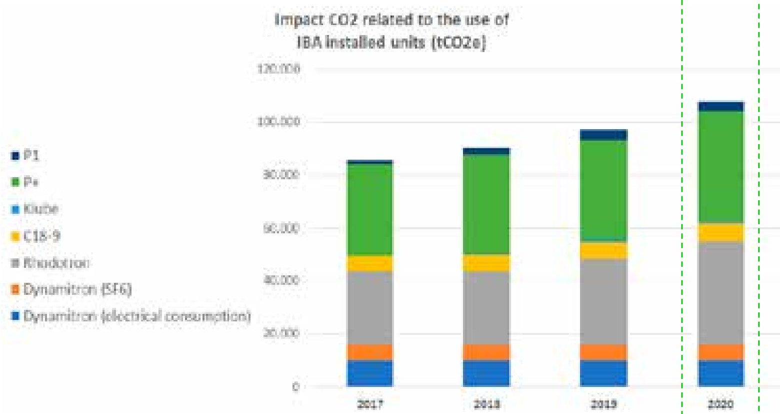
In 2020, IBA continued its policy of encouraging cleaner mobility alternatives:

- Discount for company cars with lower direct emissions (<60gCO2/km) (23% cars on a fleet of 500+ cars by 31st December 2020)
- 100% reimbursement of public transportation
- Electric bike leasing with 0.24€/km reimbursement. 170 bikes in lease by 31st December 2020
- Contracts with our electricity suppliers are 100% green energy (however included in the figure above to monitor our energy efficiency)

*Scope 3: included: car and heating fuel production, plane, rail and waste handling
** Not available at the time of report release

### 302-2 ENERGY CONSUMPTION OUTSIDE OF THE ORGANIZATION

| Installed base indirect greenhouse gas emissions GHG (Scope 3*) | Unit | 2018 | 2019 | 2020 |
|---|---|---|---|---|
| CO2 equivalent emissions | kt CO2e | 90 | 97 | 107 |




| | | | | |
|---|---|---|---|---|
| thereof PT | kt CO2e | 40 | 41 | 45 |
| thereof PT per IBA treated patient | t CO2e/patient | 4,4 | 4,1 | 2.8 |

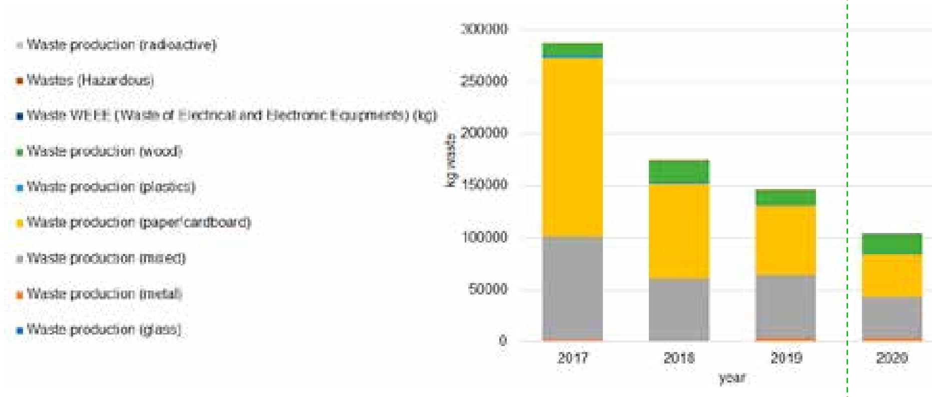
The increased number of treated patients on IBA proton therapy systems outweighed the additional consumption of the newly installed equipment. This leads to a 32% drop of t CO2e/ patient ('functional unit') in 2020. Note that corrections have been made to reporting of previous years, to reflect the actual start date of some installations.

*Scope 3: includes most impacting products, supported by a maintenance contract (in case of Dynamitrons, this amounts to 7% of the installed base)

## GRI DISCLOSURE ADDITIONAL INFORMATION

### 306-2 WASTE BY TYPE AND DISPOSAL METHOD

| Waste and recycling (Belgian production site) | Unit | 2018 | 2019 | 2020 |
|---|---|---|---|---|
| Amount of waste | kg | 173 754 | 145950 | 103507 |




| | | | | |
|---|---|---|---|---|
| Mixed (unsorted): ratio vs total | % | 35% | 41% | 38% |

Relative figures illustrate the reduction in 2020 of offices wastes due to COVID situation – with extensive homeworking all year long resulting in less paper/carboard generated in the offices. Share of unsorted waste remains however stable. Note that corrections have been made to reporting of previous years, to suppress some double counting.
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 | 2018 | 2019 | 2020 |
|---|---|---|---|---|
| Lost time accident cases | # | 4 | 8 | 5 |
| Lost time accident frequency rate | # LTA/million worked hours | 1,6 | 3,3 | 2,0 |
| Medical treatment cases | # | 22 | 16 | 14 |
| Total Recordable Incident Rate | # TRC/million worked hours | 9,0 | 6,5 | 5,7 |
| Attrition | % | 7,4 | 6,8 | 6,4 |

Number of data privacy incidents: IBA did not record any breach of data privacy in 2020
Note: 'Restricted work cases' are now combined with 'Lost time accident cases'. Corrections have been made to previous years' reports to align with the new counting method.

### 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

iba-worldwide.com

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THE CREW

Design & Production : www.thecrew.be

PROTECT +
ENHANCE +
SAVE LIVES