

ION BEAM APPLICATIONS SA ("IBA")

UNAUDITED INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021

MID YEAR REPORT 2021//1



Pierre Pottet
Board Chairman



Olivier Legrain
Managing Director

IFRS INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

In accordance with IAS 34, IBA SA has chosen to publish its interim consolidated financial statements as of June 30, 2021 in condensed form.

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GENERAL INFORMATION

Ion Beam Applications SA (the "Company"), founded in 1986, together with its subsidiaries (referred to as the "Group" or "IBA") continue to develop key technologies for the diagnosis and treatment of cancer and provides efficient and reliable solutions with an unequaled accuracy. IBA also offers innovative solutions to improve everyday hygiene and safety.

IBA is organized into two business segments to manage its activities and monitor its financial performance.

- The **Proton therapy and other accelerators** segment, which constitutes the technological basis of the Group's businesses and encompasses development, fabrication and services associated with medical and industrial particle accelerators and proton therapy solutions as well as proton therapy licencing.
- The **Dosimetry** segment, which 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 Company is a limited liability company incorporated and registered in Belgium. The address of the registered office is: Chemin du Cyclotron, 3, B-1348 Louvain-la-Neuve, Belgium.

The Company is listed on the pan-European stock exchange Euronext and is included in the BEL Mid Index (BE0003766806).

Consequently, IBA has agreed to follow certain rules to enhance the quality of financial information provided to the market. These 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 unaudited report covering the first six months of the financial year within two months from the end of the second quarter;
- Publication of half-year and annual consolidated financial statements prepared in accordance with IFRS;
- Audit of its annual consolidated financial statements by its auditors in accordance with the auditing standards of the International Federation of Accountants ("IFAC").

These interim condensed consolidated financial statements have been approved for issue by the Board of Directors on August 23, 2021. The Board of Directors of IBA is composed as follows:

Internal directors: Messrs. Olivier Legrain and Yves Jongen, and Saint-Denis SA represented by Mr. Pierre Mottet. Olivier Legrain is Managing Director and Chief Executive Officer. His mandate was renewed at the Ordinary General Meeting of shareholders held on June 10, 2020; his term will expire at the Ordinary General Meeting of shareholders in 2023, which will approve the 2022 financial statements. Yves Jongen is Managing Director and Chief Research Officer. His mandate was renewed at the Ordinary General Meeting of shareholders of June 9, 2021; his term will expire at the Ordinary General Meeting of shareholders in 2024, which will approve the 2023 financial statements. The mandate of Saint-Denis SA was renewed as an internal director at the Ordinary General Meeting of shareholders of May 8, 2019; his term will expire at the Ordinary General Meeting of shareholders in 2022, which will approve the 2021 financial statements.

External Directors: Consultance Marcel Miller SCS represented by Mr. Marcel Miller, Hedvig Hricak, Bridging for Sustainability SPRL represented by Sybille Van Den Hove d'Ertsenryck. Consultance Marcel Miller SCS was renewed as an external director during the Ordinary General Meeting of shareholders held on June 10, 2020; its term will expire at the Ordinary General Meeting of shareholders of 2023, which will approve the 2022 financial statements. Hedvig Hricak was renewed as an external director during the Ordinary General Meeting of shareholders held on May 9, 2018; her term will expire at the Ordinary General Meeting of shareholders of 2022, which will approve the 2021 financial statements. Bridging for Sustainability SPRL (represented by Sybille Van Den Hove d'Ertsenryck) was appointed external director during the Ordinary General Meeting of shareholders held on June 10, 2020; its term will expire at the Ordinary General Meeting of shareholders of 2023, which will approve the 2022 financial statements.

Other directors:

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.

Their mandates were renewed at the Ordinary General Meeting of shareholders of June 9, 2021 and will expire at the Ordinary General Meeting of shareholders in 2024, which will approve the 2023 financial statements.

The Board acts in accordance with the guidelines established in its Corporate Governance Charter as approved by the Board of Directors meeting of December 18, 2020. A copy of the charter can be found on the IBA website (<https://www.iba-worldwide.com/investor-relations/governance>).

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

The Group has chosen to present its balance sheet on a current/non-current basis. The notes on pages 10 to 37 are an integral part of these condensed interim consolidated financial statements.

(EUR 000)	Note	December 31, 2020 (audited)	June 30, 2021 (unaudited)
ASSETS			
Goodwill	6.2	3 821	3 821
Other intangible assets	6.2	4 527	4 016
Property, plant and equipment	6.2	18 329	17 814
Right-of-use assets	6.2	29 266	28 257
Investments accounted for using the equity method		1 273	541
Other investments		13 088	13 713
Deferred tax assets	3.1	7 797	7 872
Long-term financial assets		600	164
Other long-term assets	6.3	19 767	20 258
Non-current assets		98 468	96 456
Inventories	6.4	84 458	85 225
Contract assets	6.5	30 110	41 246
Trade receivables		103 400	76 449
Other receivables	6.6	39 071	44 394
Short-term financial assets		1 578	78
Cash and cash equivalents	6.7	153 911	145 277
Current assets		412 528	392 669
TOTAL ASSETS		510 996	489 125
EQUITY AND LIABILITIES			
Capital stock	6.8	42 294	42 294
Share Premium	6.8	41 978	41 978
Treasury shares	6.8	-5 907	-11 393
Reserves		17 152	14 457
Foreign Currency Reserve		-5 569	-6 015
Retained earnings		51 883	44 071
Capital and reserves		141 831	125 392
Non-controlling interests		0	0
EQUITY		141 831	125 392
Long-term borrowings	6.9	41 174	36 671
Long-term lease liabilities	6.10	24 598	23 352
Long-term provisions	6.11	7 879	8 429
Long-term financial liabilities		3	783
Deferred tax liabilities		521	128
Other long-term liabilities	6.12	19 278	18 630
Non-current liabilities		93 453	87 993
Short-term borrowings	6.9	15 557	11 941
Short-term lease liabilities	6.10	4 797	4 806
Short-term provisions	6.11	4 169	4 017
Short-term financial liabilities		57	2 414
Trade payables		41 858	35 987
Current income tax liabilities		2 892	2 907
Other payables	6.13	48 212	53 562
Contract liabilities	6.5	158 170	160 106
Current liabilities		275 712	275 740
TOTAL LIABILITIES		369 165	363 733
TOTAL EQUITY AND LIABILITIES		510 996	489 125

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED JUNE 30

The Group has chosen to present its income statement using the “function of expenses” method. The notes on pages 10 to 37 are an integral part of these IFRS interim condensed consolidated financial statements.

(EUR 000)	Note	June 30, 2020 (unaudited)	June 30, 2021 (unaudited)
Sales		50 536	77 738
Services		59 197	59 445
Sales	4.1	109 733	137 183
Cost of sales and services (-)	4.1	-74 785	-92 110
Gross profit		34 948	45 073
Selling and marketing expenses (-)		-9 612	-9 490
General and administrative expenses (-)		-19 469	-19 593
Research and development expenses (-)		-15 807	-15 316
Other operating expenses (-)	6.14	-487	-378
Operating result (EBIT)	4	-10 427	296
Financial expenses (-)		-2 801	-3 115
Financial income		2 123	2 709
Share of profit/(loss) of associates accounted for using the equity method		-721	-733
Profit/(loss) before taxes		-11 826	-843
Tax income/(expenses)	6.15	-217	-1 092
Profit/(loss) for the period		-12 043	-1 935
Attributable to :			
Equity holders of the parent		-12 043	-1 935
Non-controlling interests		0	0
		-12 043	-1 935
Earnings per share from operations (EUR per share)			
Basic	5.1	-0.4069	-0.0657
Diluted	5.2	-0.4069	-0.0657

INTERIM CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED JUNE 30

(EUR 000)	Notes	June 30, 2020 (unaudited)	June 30, 2021 (unaudited)
Profit/(loss) for the period		-12 043	-1 935
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
- Exchange differences on translation of foreign operations		-644	-107
Exchange differences on translation of foreign operations		-644	-107
- Exchange difference related to permanent financing		98	-339
- Reserves movements		0	0
- Net movement on cash flow hedges		535	-3 698
- Revaluation at fair value of other investments		-903	625
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		-914	-3 519
Other comprehensive income not to be reclassified to profit or loss in subsequent periods :			
- Reserves movements in post-employment benefit reserves		-41	0
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		-41	0
Total comprehensive income for the year		-12 998	-5 454

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE

	Capital stock (Note 6.8)	Share premium (Note 6.8)	Treasury shares (Note 6.8)	Hedging reserves	Other reserves – value of stock option plans and share-based compensation	Other reserves – defined benefit plans	Other reserves - Revaluation reserves	Other reserves - Other	Currency translation difference	Retained earnings	TOTAL Shareholders' equity and reserves
(EUR 000)											
Balance at January 1, 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	535	0	-41	-903	0	-546	0	-955
Profit/(loss) for the period	0	0	0	0	0	0	0	0	0	-12 043	-12 043
Total comprehensive income for the period	0	0	0	535	0	-41	-903	0	-546	-12 043	-12 998
Dividends	0	0	0	0	0	0	0	0	0	-2 285	-2 285
Employee stock options and share-based payments	0	0	0	0	0	0	0	0	0	0	0
Purchase & sale of treasury shares	0	0	2 595	0	0	0	0	0	0	-507	2 088
Other changes	0	0	0	0	0	0	0	0	0	11	11
Balance at June 30, 2020 (unaudited)	42 294	41 978	-5 907	-2 201	15 714	-3 085	5 384	154	-4 049	7 876	98 158
Balance at January 1, 2021	42 294	41 978	-5 907	529	15 840	-3 550	4 179	154	-5 569	51 883	141 831
Other comprehensive income	0	0	0	-3 698	0	0	625	0	-446	0	-3 519
Profit/(loss) for the period	0	0	0	0	0	0	0	0	0	-1 935	-1 935
Total comprehensive income for the period	0	0	0	-3 698	0	0	625	0	-446	-1 935	-5 454
Dividends	0	0	0	0	0	0	0	0	0	-5 863	-5 863
Employee stock options and share-based payments	0	0	0	0	378	0	0	0	0	0	378
Purchase of treasury shares (note 6.8)	0	0	-5 620	0	0	0	0	0	0	0	-5 620
Sale of treasury shares (note 6.8)	0	0	134	0	0	0	0	0	0	-14	120
Balance at June 30, 2021 (unaudited)	42 294	41 978	-11 393	-3 169	16 218	-3 550	4 804	154	-6 015	44 071	125 392

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE SIX MONTHS ENDED JUNE 30

The group has chosen to present the cash flow statement using the indirect method. The notes on pages 10 to 37 are an integral part of these IFRS interim condensed consolidated financial statements.

(EUR 000)	Note	June 30, 2020 (unaudited)	June 30, 2021 (unaudited)
CASH FLOW FROM OPERATING ACTIVITIES			
Net loss for the period		-12 043	-1 935
Adjustments for :			
Depreciation of tangible assets	6.2	4 302	4 138
Depreciation of intangible assets	6.2	1 177	775
Allowance for estimated credit loss on receivables		396	-204
Changes in fair value of financial assets (profits)/losses		78	1 374
Changes in provisions	6.11	178	1 579
Deferred taxes	6.15	-583	-360
Share of result of associates and joint ventures accounted for using the equity method		721	733
Other non-cash items		-1 475	-1 994
Net cash flow changes before changes in working capital		-7 249	4 106
Trade receivables, other receivables and deferrals		24 752	21 642
Inventories and contracts in progress		11 796	-11 209
Trade payables, other payables and accruals		-1 669	1 606
Other short-term assets and liabilities		-528	-2 826
Changes in working capital		34 351	9 213
Net income tax paid/received		-931	-627
Interest expense		1 118	1 255
Interest income		-1	-40
Net cash (used)/generated from operations		27 288	13 907
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	6.2	-813	-1 202
Acquisition of intangible assets	6.2	-1 023	-262
Disposals of fixed assets		124	0
Acquisition of third-party and equity-accounted investments		-100	0
Cash release on disposals of subsidiaries from previous years	2.3.2	0	1 291
Other investing cash flows		-1	-8
Net cash (used)/generated from investing activities		-1 813	-181
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings		27 686	0
Repayment of borrowings		-1 500	-8 250
Repayment of lease liabilities	6.10	-2 745	-2 740
Interest paid		-1 103	-1 368
Interest received		0	40
Dividends paid		0	-4 579
(Acquisitions)/disposal of treasury of shares		2 088	-5 400
Other financing cash flows		0	-370
Net cash (used)/generated from financing activities		24 426	-22 667
Net cash and cash equivalents at beginning of the year		46 090	153 911
Net change in cash and cash equivalents		49 901	-8 941
Exchange (profits)/losses on cash and cash equivalents		-67	307
Net cash and cash equivalents at end of the year	6.7	95 924	145 277

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. FINANCIAL STATEMENTS – BASIS OF PREPARATION

1.1 BASIS OF PREPARATION

These interim condensed consolidated financial statements of IBA cover the six months ended June 30, 2021 (unaudited). They have been prepared in accordance with IAS 34 "Interim Financial Reporting".

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements as at December 31, 2020 (audited).

These interim condensed consolidated financial statements have been approved for issue by the Board of Directors on August 23, 2021.

1.1.1 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2020 (audited), except for the adoption of new standards and interpretations effective as of 1 January 2021.

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments and interpretations apply for the first time in 2021, but do not have an impact on the interim condensed consolidated financial statements 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.

1.2 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 transaction date (historical rate) or at an average rate for the month.

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

	Closing rate on June 30, 2020 (unaudited)	Average rate for the 6 months period at June 30, 2020 (unaudited)	Closing rate on December 31, 2020 (audited)	Average annual rate 2020	Closing rate on June 30, 2021 (unaudited)	Average rate for the 6 months period at 2021
USD	1.1198	1.1048	1.2271	1.1427	1.1884	1.2050
SEK	10.4948	10.7687	10.0343	10.5535	10.1110	10.1256
CNY	7.9219	7.7476	8.0225	7.8679	7.6742	7.7954
INR	84.6235	81.3833	89.6605	84.3159	88.3240	88.2940
RUB	79.6300	76.5919	91.4671	82.5414	86.7725	89.5044
JPY	120.6600	119.2565	126.4900	121.7617	131.4300	129.7850
CAD	1.5324	1.5025	1.5633	1.5289	1.4722	1.5031
GBP	0.9124	0.8742	0.8990	0.8890	0.8581	0.8680
ARS	79.0247	71.0452	103.1526	80.7564	113.6192	109.9083
THB	34.6240	34.7724	36.7270	35.6316	38.1180	37.0570
SGD	1.5648	1.5403	1.6218	1.5729	1.5976	1.6052
EGP	18.0968	17.4118	19.2623	18.0104	18.5901	18.8647
TWD	33.0366	33.0413	34.4332	33.5753	33.1163	33.7497
KRW	1 345.8300	1 348.6363	1 336.0000	1 357.0051	1 341.4100	1 345.7482
GEL	3.4075	3.4077	3.9878	3.8305	3.7266	3.9734

1.3 CURRENT AND EXPECTED IMPACT OF THE COVID-19 SITUATION ON THE FINANCIAL POSITION, PERFORMANCE AND CASH-FLOWS

The 6 months period ending June 30, 2021 remained mixed due to the COVID-19 pandemic which has significantly delayed the execution of some of our projects. The challenges experienced in 2020 remained in the first half of 2021 however 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:

- 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 H2 and subsequent periods.
- Postponement of certain new orders for equipment and upgrades
- There was no major impact on customer services as all active proton therapy centers remain fully operational and continue to treat patients

- Manufacturing and supply chain remained fully operational and in constant contact with IBA's global network of key suppliers and manufacturing partners, identifying potential risks in time and taking appropriate measures to ensure minimal disruption to production and delivery
- Additional expenses related to COVID-19 prevention and equipment.

All of the above was partially compensated by continuing 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:

1.3.1 Liquidity

Despite the difficult situation induced by the pandemic, thanks to a cost saving program launched early into the pandemic, prudent investments and spending, resilient customers and a close follow-up of its balance sheet positions, IBA has been able to maintain a good cash position and remains net cash positive as at June 30, 2021 (unaudited).

IBA has credit lines available from its financing institutions worth EUR 37 million that are not drawn down and was not in breach of its bank covenants at June 30, 2021 (unaudited)

1.3.2 Goodwill impairment

The Company had performed an impairment test of goodwill as at December 31, 2020 (audited), which led to no impairment being necessary as of December 31, 2020 (audited). Despite the uncertainty in the business outlook generated by the pandemic the business of the group remained in line with 2020 and the activities of the CGU Dosimetry (which the goodwill relate to) remained profitable during the first half of the year ending June 30, 2021 (unaudited). On that basis, the Group concluded that the pandemic did not represent an indicator of impairment on the goodwill; it will perform a more detailed analysis as at December 31, 2021.

1.3.3 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.

1.3.4 Deferred taxes

As of June 30, 2021 (unaudited), 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.

1.3.5 Hedge accounting

The Company has maintained its hedge accounting policies as defined in the 2020 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 June 30, 2021 (unaudited). The company will continue to review its positions going forward to identify any potential new trigger for hedge disqualification.

1.3.6 Expected credit loss

The Company has also considered the impact of the 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 the first half-year 2021. As a result of this review no significant additional credit losses have been recorded in the first half-year 2021.

2 CONSOLIDATION SCOPE AND THE EFFECTS OF CHANGES IN THE COMPOSITION OF THE GROUP

IBA Group consists of IBA S.A. and a total of 25 companies and associated companies in 15 countries. Of these, 22 are fully consolidated and 3 are accounted for using the equity method.

2.1 LIST OF SUBSIDIARIES IN IBA GROUP

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

2.2 LIST OF EQUITY-ACCOUNTED INVESTMENTS

NAME	Country of incorporation	Equity ownership (%)	Change in % ownership over December 31, 2020
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 (no commitment to participate in any potential future capital increase).

2.3 BUSINESS COMBINATIONS AND OTHER CHANGES IN THE COMPOSITION OF IBA GROUP

2.3.1 ACQUISITIONS OF COMPANIES

There were no acquisitions during the first 6 months of 2021.

2.3.2 DISPOSAL OF COMPANIES

There was no disposal during the first 6 months of 2021. The escrow account for the sale of Radiomed (2019) was released in June 2021 for EUR 1.3 million.

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. We present below estimates and assumptions that could cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3.1 INCOME TAX – DEFERRED TAX

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.

As at June 30, 2021 (unaudited), the Group had accumulated net operating losses of EUR 148.3 million usable to offset future profits taxable mainly in Belgium, Germany and Russia. The Company recognized deferred tax assets of EUR 5.3 million with the view to use these tax losses carried forward.

The temporary differences for EUR 48.1 million mainly originate in the United States, Belgium, China, Germany and Singapore. The temporary differences recognised as gross deferred tax assets amount to EUR 3.3 million and as gross deferred tax liabilities amount to EUR -4.2 million.

The negative result of the Group in June 30, 2021 (unaudited) does not significantly affect the existing budgeted plan of German entities which remained in profit for the period. A net deferred tax asset of EUR 4.2 million is recognized on these entities on usable tax losses carried forward and there is therefore no indicator that would trigger the reassessment of the deferred tax assets.

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.

(iii) *Performance obligations in the licencing contract with CGN and the performance bond*

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.

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)

3.3 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.

The loss of the current period does not significantly affect the existing revised budgeted plan and there is therefore no indicator that would trigger an impairment test as of June 30, 2021 (unaudited).

3.4 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.

3.5 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.

3.6 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).

3.7 FINANCIAL ASSETS AND LIABILITIES – ADDITIONAL INFORMATION

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

(EUR 000)	December 31, 2020 (audited)		June 30, 2021 (unaudited)	
	Net carrying	Fair value	Net carrying	Fair value
FINANCIAL ASSETS				
Trade receivables	103 400	103 400	76 449	76 449
Other long-term receivables	19 767	19 767	20 258	20 258
Non-trade receivables and advance	20 729	20 729	24 289	24 289
Other short-term receivables	18 343	18 343	20 106	20 106
Other investments	13 088	13 088	13 713	13 713
Cash and cash equivalents	153 911	153 911	145 277	145 277
Hedging derivative products	1 520	1 520	237	237
Derivative products – other	658	658	5	5
TOTAL	331 416	331 416	300 334	300 334
FINANCIAL LIABILITIES				
Bank and other borrowings	56 731	56 731	48 612	48 612
Lease liabilities	31 456	31 456	28 158	28 158
Trade payables	41 858	41 858	35 987	35 987
Hedging derivative products	60	60	2 771	2 771
Derivative products – other	0	0	426	426
Other long-term liabilities	19 278	19 278	18 630	18 630
Other short-term liabilities	27 066	27 066	31 592	31 592
TOTAL	176 449	176 449	166 176	166 176

At December 31, 2020 (audited) and June 30, 2021 (unaudited), 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.

The Group may acquire non-controlling interests in other companies, depending on the evolution of its strategy. Equity investments included in “Other investments” relate primarily to Rutherford Estates Limited (previously Proton Partners International (PPI)), value at fair value level 1, for which a gain of EUR 0.6 million has been recorded in the other comprehensive income, and HIL Applied Medical Ltd valued at fair value at Level 2).

3.8 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 balance sheet 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 the 6 first months of the year, there was no transfer between the various categories for the financial instruments existing as of June 30, 2021 (unaudited).

New financial instruments were acquired and are classified in level 2.

(EUR 000)	Level 1	Level 2	Level 3	June 30, 2021 (unaudited)
Forward foreign exchange contracts		73		73
Foreign exchange rate swaps		164		164
Derivative hedge-accounted financial assets		237		237
Foreign exchange rate swaps		5		5
Derivatives assets at fair value through the income statement		5		5
Other investments at Fair value	11 887	1 793		13 680
Forward foreign exchange contracts		1 304		1 304
Foreign exchange rate swaps		1 467		1 467
Derivative hedge-accounted financial liabilities		2 771		2 771
Forward foreign exchange contracts		109		109
Foreign exchange rate swaps		317		317
Derivatives liabilities at fair value through the income statement		426		426

3.9 EXPECTED CREDIT LOSS

As at June 30, 2021 (unaudited), no significant credit losses have been recorded by the Group on 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 the first half-year 2021.

4 OPERATING SEGMENTS

IBA identified its Management Team as its CODM (Chief Operating Decision Maker) because this is the committee that decides how to allocate resources and assesses performance of the components of the Group.

On the basis of its internal financial reports to the Board of Directors and given the Group's primary source of risk and profitability, IBA has identified two levels of operating information:

- Operating segment-based information (Level 1);
- Entity wide disclosure information (Level 2) not presented in the interim condensed consolidated financial statements.

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 as well as proton therapy licencing.
- **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

(EUR 000)	Proton Therapy and Other Accelerators	Dosimetry	Group	Inter-segment transactions eliminated	Total segments
Six months ended June 30, 2021 (unaudited)					
Sales	54 066	23 672	77 738	871	78 609
Services	56 692	2 753	59 445	0	59 445
Sales	110 758	26 425	137 183	871	138 054
Costs of sales and services (-)	-77 921	-14 189	-92 110	-871	-92 981
Operating expenses (-)	-35 004	-9 395	-44 399	0	-44 399
Other operating income expenses	-378	0	-378	0	-378
Operating result (EBIT)	-2 545	2 841	296	0	296
Financial income/(expenses)	-359	-47	-406	0	-406
Share of profit/(loss) of companies consolidated using the equity method	-733	0	-733	0	-733
Result before taxes	-3 637	2 794	-843	0	-843
Tax income/(expenses)	-853	-239	-1 092	0	-1 092
Profit/(loss) for the period	-4 490	2 555	-1 935	0	-1 935
REBITDA	2 021	3 724	5 745	0	5 745

(EUR 000)	Proton Therapy and Other Accelerators	Dosimetry	Group	Inter-segment transactions eliminated	Total segments
Six months ended June 30, 2020 (unaudited)					
Sales	29 030	21 506	50 536	784	51 320
Services	56 511	2 686	59 197	0	59 197
Sales	85 541	24 192	109 733	784	110 517
Cost of sales and services (-)	-61 271	-13 514	-74 785	-784	-75 569
Operating expenses (-)	-35 439	-9 449	-44 888	0	-44 888
Other operating expenses	-394	-93	-487	0	-487
Operating result (EBIT)	-11 563	1 136	-10 427	0	-10 427
Financial income/(expenses)	-542	-136	-678	0	-678
Share of profit/(loss) of companies consolidated using the equity method	-721	0	-721	0	-721
Result before taxes	-12 826	1 000	-11 826	0	-11 826
Tax income/(expenses)	-404	187	-217	0	-217
Profit/(loss) for the period	-13 230	1 187	-12 043	0	-12 043
REBITDA	-6 415	2 432	-3 983	0	-3 983

As at June 30, 2021 (unaudited), the Group recognised revenue for EUR 137.2 million, representing an increase of 25% from 2020 (EUR 109.7 million).

As at June 30, 2021 (unaudited), the group's gross margin improved slightly compared to the same period last year, despite the effects of the pandemic.

The revenue and gross margin for the two operating segments are detailed in the table above and can be explained as follow:

- The segment of Proton Therapy and Other Accelerators segment has revenue of EUR 110.8 million and a gross margin of EUR 32.8 million. This performance has slightly increased compared to 2020 mainly thanks to the equipment business which had some projects starting again after long delays due to the ongoing pandemic. The service business remains stable.
- The segment of Dosimetry had a strong first quarter and recognised revenue for EUR 26.4 million, a slight increase from 2020 (2020: EUR 24.2 million) reflecting the stable order intake of that segment.

As at June 30, 2021 (unaudited), the Group had incurred operating expenses for EUR 44.4 million which show a decrease of -1% compared to 2020. These expenses include General and Administrative expenses for EUR 19.6 million, Sales and Marketing expenses for EUR 9.5 million and Research and Development net of research credit for EUR 15.3 million. The slight

decrease evidences the cost control measures taken during the pandemic whilst absorbing inflation and maintaining strategic R&D on both operating segments to ensure IBA's technological leadership in all business lines.

As at June 30, 2021 (unaudited), the other operating result (expenses) was EUR -0.4 million in line with the prior year and primarily composed of the costs of the two stock options plans the Group recently issued.

As at June 30, 2021 (unaudited), the financial result (expenses) was EUR -0.4 million (2020: EUR -0.7 million), primarily composed of:

- Net Financial expenses for the Proton Therapy and Other Accelerators segment for EUR -0.3 million. The expenses mainly include interest paid on debts for EUR -1.2 million, commission/bank charges for EUR -0.3 million, other financial expenses for EUR -0.2 million. The financial revenue is driven by the recognition of interest under the amortised cost method on financial notes following a revision in the risk of the debtor for EUR 1.2 million and net foreign exchange differences for EUR 0.1 million.
- Net Financial expenses for the Dosimetry segment for EUR 0.1 million including interest paid on debts, commissions and bank charges.

As at June 30, 2020, the share of the loss of equity-accounted entities included costs from IBA's partial ownership of Normandy Hadrontherapy.

4.1.2 FINANCIAL POSITION

(EUR 000)	Proton Therapy and Other Accelerators	Dosimetry	Group
Six months ended June 30, 2021 (unaudited)			
Non-current assets	81 002	14 913	95 915
Current assets	373 655	19 014	392 669
Segment assets	454 657	33 927	488 584
Investments accounted for using the equity method	541	0	541
TOTAL ASSETS	455 198	33 927	489 125
Non-current liabilities	85 236	2 757	87 993
Current liabilities	264 904	10 836	275 740
Segment liabilities	350 140	13 593	363 733
TOTAL LIABILITIES	350 140	13 593	363 733
Other segment information			
Six months ended June 30, 2021 (unaudited)			
Capital expenditure - Intangible assets and "Property, Plant and Equipment"	1 087	377	1 464
Capital expenditure - Right-of-use assets	1 306	146	1 452
Depreciation of property, plant and equipment	3 376	762	4 138
Depreciation and impairment of intangible assets	645	129	774
Salary expenses	59 927	7 548	67 475
Non-cash expenses/(income)	1 752	-16	1 736
Headcount at year-end (EFT)	1 298	214	1 512

(EUR 000)	Proton Therapy and Other Accelerators	Dosimetry	Group
Year ended December 31, 2020 (audited)			
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			
Six months ended June 30, 2020 (unaudited)			
Capital expenditure - Intangible assets and "Property, Plant and Equipment"	940	896	1 836
Capital expenditure - Right-of-use assets	1 307	233	1 540
Depreciation of property, plant and equipment	3 446	856	4 302
Depreciation and impairment of intangible assets	1 039	138	1 177
Salary related expenses	58 689	7 543	66 232
Non-cash expenses/(income)	434	222	656
Headcount at year-end (EFT)	1 251	203	1 454

5 EARNINGS PER SHARE

5.1 BASIC EARNINGS PER SHARE

Basic earnings are calculated by dividing the net profit attributable to the 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	June 30, 2020 (unaudited)	June 30, 2021 (unaudited)
Earnings attributable to parent equity holders (EUR 000)	-12 043	-1 935
Weighted average number of ordinary shares	29 598 776	29 471 388
Net earnings per share from operations (EUR per share)	-0.4069	-0.0657

5.2 DILUTED EARNINGS PER SHARE

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. The Company has only one category of potential dilutive ordinary shares: stock options issued in 2014 and 2015.

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	June 30, 2020 (unaudited)	June 30, 2021 (unaudited)
Weighted average number of ordinary shares	29 598 776	29 471 388
Weighted average number of stock options	186 958	179 075
Average share price over period	9.1	15.7
Dilution effect from weighted number of stock options	0	40 966
Weighted average number of ordinary shares for diluted earnings per share	29 598 776	29 512 354
Earnings attributable to parent equity holders (EUR 000)	-12 043	-1 935
Diluted earnings per share from operations (EUR per share)	-0.4069	-0.0657

() 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).*

6 OTHER SELECTED DISCLOSURES

6.1 SEASONALITY OR CYCLICALITY OF INTERIM OPERATIONS

IBA's business is not subject to any seasonal or cyclical effect.

6.2 CAPITAL EXPENDITURE AND COMMITMENTS

Six months ended June 30, 2021 (unaudited)

(EUR 000)	Property, plant and equipment	Right of use	Intangible	Goodwill
Net carrying amount at January 1, 2021	18 329	29 266	4 527	3 821
Additions	1 202	1 452	262	0
Disposals	-1	-100	0	0
Currency translation difference	20	41	2	0
Depreciation/amortization and impairment	-1 736	-2 402	-775	0
Net carrying amount at June 30, 2021 (unaudited)	17 814	28 257	4 016	3 821

Six months ended June 30, 2020 (unaudited)

(EUR 000)	Property, plant and equipment	Right of use	Intangible	Goodwill
Net carrying amount at January 1, 2020	19 572	30 400	6 355	3 821
Additions	813	1 540	1 023	0
Disposals	0	-124	0	0
Currency translation difference	-23	16	1	0
Depreciation/amortization and impairment	-1 770	-2 532	-1 177	0
Net carrying amount at June 30, 2020 (unaudited)	18 592	29 300	6 202	3 821

In 2021, the group mainly invested in general asset maintenance and in the research and development facility. The largest part of additions to Right of use relates to the lease of vehicles.

In 2020, additional investments were made for general asset maintenance.

The loss for the 6-month period ending June 30, 2021 (unaudited) does not significantly affect the existing revised budgeted plan. No impairment losses are therefore recognized on property, plant and equipment or intangible assets in the 2021 interim condensed financial statements.

6.3 OTHER LONG-TERM ASSETS

(EUR 000)	December 31, 2020 (audited)	June 30, 2021 (unaudited)
Long-term receivables on contracts in progress	582	582
Research tax credit	12 452	11 669
Subordinated loan to NHA	1 520	1 520
Financial notes granted to proton therapy customers	4 083	5 415
Other assets	1 130	1 072
TOTAL	19 767	20 258

The other long-term assets have not significantly changed compared to December 31, 2020 (audited). The decrease of the research tax credit represents the tax credit to be obtained on the expenditures in research and development for the current 6-months period

(compared to 12-months as at December 31, 2020 (audited)).

The financial notes have increased following the recognition of interests under the amortised cost method on financial notes after a revision in the risk of

the debtor. These interests are included in “Financial income “ in the income statement.

The “Other assets” mainly include a sublease accrued income for EUR 0.3 million, bank deposits for EUR 0.4 million and other long-term assets for EUR 0.4 million.

6.4 INVENTORIES

Work in progress relates to production of inventory for which a customer has not yet been secured, while

contracts in progress (note 6.5) relate to production for specific customers in performance of a signed contract.

(EUR 000)	December 31, 2020 (audited)	June 30, 2021 (unaudited)
Raw materials and supplies	85 755	87 692
Finished products	2 334	2 439
Work in progress	7 446	6 579
Allowance for write-down of inventories (-)	-11 077	-11 485
Inventories and work in progress at lower of cost & Net Realisable Value	84 458	85 225

6.5 CONTRACTS ASSETS AND CONTRACTS LIABILITIES

(EUR 000)	December 31, 2020 (audited)	June 30, 2021 (unaudited)
Costs to date and recognized revenue	391 958	376 841
Less : progress billings	-361 848	-335 595
Contracts assets	30 110	41 246
Contract liabilities	-158 170	-160 106
Net amounts on contracts in progress	-128 060	-118 860

6.6 OTHER RECEIVABLES

(EUR 000)	December 31, 2020 (audited)	June 30, 2021 (unaudited)
Non-trade receivables and advance payments	20 735	24 298
Deferred charges	2 282	4 021
Accrued income related to maintenance contracts	10 397	10 758
Accrued income other	181	183
Current income tax receivables	2 425	3 064
Other current receivables	3 051	2 070
TOTAL	39 071	44 394

The other receivables have increased compared to December 31, 2020 (audited). The main drivers of this increase are the increase of advance payments to suppliers for EUR 2.9 million, the increase of expenses paid in advance for EUR 1.8 million and the increase of VAT to be received for EUR 1.1 million. The “other

current receivables” have decreased as the escrow account for the sale of Radiomed (2019) was released to IBA in June 2021.

6.7 CASH AND CASH EQUIVALENTS

For the purpose of the interim condensed consolidated cash flow statement, cash and cash equivalents are comprised of the following:

(EUR 000)	June 30, 2020 (unaudited)	December 31, 2020 (audited)	June 30, 2021 (unaudited)
Bank balances and cash	95 924	151 315	145 277
Accounts with restrictions shorter than 3 months	-	2 596	0
CASH AND CASH EQUIVALENTS	95 924	153 911	145 277

At December 31, 2020 (audited), the restricted cash represented an escrow account with cash received from a customer as a payment guarantee for future

transactions with IBA. Following negotiation with the customer, the cash was released to the customer.

6.8 ORDINARY SHARES, SHARE PREMIUM AND TREASURY SHARES

	Number of shares	Issued capital stock (EUR)	Share Premium (EUR)	Treasury shares (EUR)	Total (EUR)
Balance as at December 31, 2020 (audited)	30 133 920	42 294 182	41 978 166	-5 906 504	78 365 844
Stock options exercised	0	0	0	0	0
Capital increases (other)	0	0	0	0	0
Purchase of treasury shares	0	0	0	-5 486 728	-5 486 728
Other	0	0	0	0	0
Balance as at June 30, 2021 (unaudited)	30 133 920	42 294 182	41 978 166	-11 393 232	72 879 116

During the 6-month period, the Group bought 363 215 treasury shares and granted 10 298 shares to share option beneficiaries who decided to exercise their options.

6.9 MOVEMENT ON BANK AND OTHER BORROWINGS

(EUR 000)	December 31, 2020 (audited)	June 30, 2021 (unaudited)
Non-current	41 174	36 671
Current	15 557	11 941
Total	56 731	48 612
Opening amount	36 390	56 731
New borrowings	25 508	0
Repayment of borrowings	-4 734	-8 250
Currency translation difference	-433	131
Closing balance	56 731	48 612

As at June 30, 2021 (unaudited), the bank and other borrowings include unsecured subordinated bonds from the Belgian Walloon region investment fund, S.R.I.W. for a total of EUR 15.4 million, an unsecured subordinated bond from the Belgian Federal investment fund, S.F.P.I. for EUR 5 million, a 5-year syndicated term loan for EUR 24 million and a loan under the Paycheck Protection Program in the US for EUR 4.2 million.

As at June 30, 2021 (unaudited), the Group also benefits from unused revolving (short term) credit

facilities for EUR 37 million and unused overdraft facilities in India and China for a total of EUR 6.0 million.

In the 6-month period ending June 30, 2021 (unaudited), the Group repaid EUR 5.3 million on the 5-year treasury notes issued in 2016 and EUR 3 million on the 5-year term loan (EUR 24 million outstanding at June 30, 2021 (unaudited)).

6.9.1 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 level).

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 (audited) and June 30, 2021 (unaudited).

6.9.2 Bank credit facilities

The existing bank facilities at the level of IBA SA were refinanced in 2019 by EUR 67 million syndicated facilities comprising (i) a EUR 30 million amortizing term loan (5 years maturity, out of which EUR 3 million were repaid in the reporting period ending June 30, 2021 (unaudited)) and (ii) EUR 37 million revolving credit facilities (3 years, with extension options up to 5 years, unused to date).

The financial covenants applying to these 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). Both covenants were complied with as

at December 31, 2020 (audited) and June 30, 2021 (unaudited).

In addition, the bank overdraft facility in India (borrower: IBA Particle Therapy India Private Limited) was maintained at INR 130 million with a maturity to the end of 2021 in order to support local working capital fluctuations (undrawn as of June 30, 2021 (unaudited)).

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 June 30, 2021 (unaudited)).

6.9.3 Available credit facilities

As at June 30, 2021 (unaudited), the Group has at its disposal credit facilities up to EUR 91.6 million of which 53.04% are used to date.

(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
5 years Term loan	24 000	24 000	0
"PPP" Loans	4 207	4 207	0
Short-term credit facilities	43 033	0	43 033
TOTAL	91 646	48 612	43 033

Utilized credit facilities are as follows:

(EUR 000)	December 31, 2020 (audited)	June 30, 2021 (unaudited)
FLOATING RATE		
Repayment within one year	6 000	6 000
Repayment beyond one year	21 000	18 000
TOTAL FLOATING RATE	27 000	24 000
FIXED RATE		
Repayment within one year	9 557	5 941
Repayment beyond one year	20 174	18 671
TOTAL FIXED	29 731	24 612
TOTAL	56 731	48 612

Unutilized credit facilities are as follows:

(EUR 000)	December 31, 2020 (audited)	June 30, 2021 (unaudited)
FLOATING RATE		
Repayment within one year	1 450	1 472
Repayment beyond one year	41 363	41 561
TOTAL FLOATING RATE	42 813	43 033
FIXED RATE		
Repayment within one year	0	0
Repayment beyond one year	0	0
TOTAL FIXED	0	0
TOTAL	42 813	43 033

6.10 LEASE LIABILITIES

(EUR 000)	December 31, 2020 (audited)	June 30, 2021 (unaudited)
Non-current	24 598	23 352
Current	4 797	4 806
TOTAL	29 395	28 158

Changes in financial lease liabilities as follows:

(EUR 000)	Lease liabilities				
	Building	Vehicles	Machinery	Hardware	Total
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 (audited)	24 808	4 269	50	268	29 395
As at January 1, 2021	24 808	4 269	50	268	29 395
Additions	170	1 277	0	95	1 542
Disposal	-26	-30	0	-48	-104
Payments	-1 662	-1 017	-14	-47	-2 740
Currency translation difference	62	0	1	2	65
As at June 30, 2021 (unaudited)	23 352	4 499	37	270	28 158

6.11 PROVISIONS

(EUR 000)	Environment	Warranties	Litigation	Defined employee benefits	Other employee benefits	Other	Total
As at January 1, 2021	108	3 553	170	4 948	225	3 044	12 048
Additions (+)	0	699	0	0	92	1 218	2 009
Write-backs (-)	0	-202	0	0	-52	-176	-430
Utilizations (-)	0	-897	-30	0	-33	-307	-1 267
Reclassifications	0	-573	0	0	0	573	0
Actuarial (gains)/losses generated during the year	0	0	0	0	0	0	0
Currency translation difference	0	1	0	0	2	83	86
Total movement	0	-972	-30	0	9	1391	398
As at June 30, 2021 (unaudited)	108	2 581	140	4 948	234	4 435	12 446

The provisions for warranties have decreased as the utilisations (EUR 0.9 million) and reversals (EUR 0.2 million) in relation to Proton therapy and other accelerators were higher than the additional provisions made during the period (EUR 0.7 million).

The other provisions mainly include loss making contracts. Increases to future planned costs in a European contract led to an increase in the provision as included in the EUR 1.2 million increase above.

6.12 OTHER PAYABLES AND ACCRUALS

The contract with CGN, explained in detail in the Group consolidated financial statements for 2020, 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).

6.13 OTHER PAYABLES AND ACCRUALS

(EUR 000)	December 31, 2020 (audited)	June 30, 2021 (unaudited)
Payroll debts	21 137	21 970
Accrued charges	1 679	1 960
Accrued interest	166	53
Deferred income related to maintenance contracts	10 468	15 480
Capital grants	5 918	5 297
Non-trade payables	4 489	6 951
Other	4 355	1 851
TOTAL	48 212	53 562

The "Other" payable at December 31, 2020 (audited) included cash received on an escrow account (restricted cash) from a customer as a security for future payment for EUR 2.60 million, this was released to the customer following further commercial negotiations.

The deferred income related to maintenance contract represents the periodic invoicing to customers for revenue that is recognised over time on a linear basis. The movement represents the normal billing profile of these contracts.

6.14 OTHER OPERATING EXPENSES

The other operating expenses of EUR 0.4 million in 2021 include the costs related to the share-based payments for the option plans issued in 2020 and 2021. The other operating expenses of EUR 0.5 million in

2020 included reorganization expenses for EUR 0.2 million, costs related to specific projects for EUR 0.2 million and other expenses for EUR 0.1 million.

6.15 INCOME TAX

The tax charge for the 6-month period can be broken down as follows:

(EUR 000)	June 30, 2020 (unaudited)	June 30, 2021 (unaudited)
Current taxes	-800	-1 452
Deferred taxes	583	360
TOTAL	-217	-1 092

6.16 LITIGATION AND CONTINGENT ASSETS

The Group is not involved in any significant litigation currently. 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.

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.

6.17 EMPLOYEE BENEFITS

For more information on employee benefits see annual report note 28 as movements for the six months period ending June 2021 in employee benefits are not significant.

6.18 PAID AND PROPOSED DIVIDENDS

A dividend of EUR 0.2 per share was approved at the Ordinary General Meeting of June 9, 2021. This dividend was paid in June and July 2021.

6.19 RELATED PARTY TRANSACTIONS

6.19.1 CONSOLIDATED COMPANIES

A list of subsidiaries and equity-accounted associates is provided in Note 2.

6.19.2 TRANSACTIONS WITH AFFILIATED COMPANIES

The main transactions completed with related parties (companies using the equity accounting method) are as follows:

(EUR 000)	June 30, 2020 (unaudited)	June 30, 2021 (unaudited)
ASSETS		
Receivables		
Long-term receivables	1 520	1 520
Trade and other receivables	118	424
TOTAL RECEIVABLES	1 638	1 944
INCOME STATEMENT		
Sales	970	674
TOTAL INCOME STATEMENT	970	674

6.19.3 SHAREHOLDER RELATIONSHIPS

The following table shows IBA shareholders at June 30, 2021 (unaudited)

	Number of shares	%
Sustainable Anchorage SRL	6 204 668	20.59%
IBA Investments SCRL	400 554	1.33%
IBA SA	404 462	1.34%
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.	407 194	1.35%
Norges Bank Investment Management	1 133 108	3.76%
Kempen Capital Management NV	875 388	2.90%
BNP Paris	528 425	1.75%
Public	15 418 313	51.17%
TOTAL	30 133 920	100.00%

The Group had the following transactions with its shareholders:

(EUR 000)	June 30, 2020 (unaudited)	June 30, 2021 (unaudited)
LIABILITIES		
Payables		
Bank and other borrowings	22 140	20 406
Trade and other payables	67	53
TOTAL PAYABLES	22 207	20 459
INCOME STATEMENT		
Financial expense (-)	-560	-537
TOTAL INCOME STATEMENT	-560	-537

To the best of the Company's knowledge, there were no other relationships or special agreements among the shareholders at June 30, 2021 (unaudited).

6.20 EVENTS AFTER THE BALANCE SHEET DATE

In August, the first down payment was received for a five-room Proteus@PLUS* solution in China

Post closing, the Group signed three new contracts for the sale of equipment in the Other Accelerators market in Europe and South America.

In July and August, the Group continued its share-buyback program. As at August 20, 2021, the Group bought 141 579 additional treasury shares since June 30, 2021.

In August, IBA announced the launch a large-scale, multi-institutional, randomized controlled clinical trial in conjunction with 19 industry and academic partners. The consortium will conduct the "ProtectTrial" in oesophageal cancer with the aim of improving access to proton therapy for patients, whilst validating a model-based approach for the use of proton therapy treatment in cancer more broadly.

7 INTERIM MANAGEMENT REPORT

7.1 FIGURES AND SIGNIFICANT EVENTS:

(EUR 000)	H1 2021	H1 2020	Variance	Variance %
PT & Other Accelerators	110 758	85 541	25 217	29.5%
Dosimetry	26 425	24 192	2 233	9.2%
Total Net Sales	137 183	109 733	27 450	25.0%
REBITDA*	5 745	-3 983	9 728	-244.2%
% of Sales	4.2%	-3.6%		
REBIT*	674	-9 940	10 614	-106.8%
% of Sales	0.5%	-9.1%		
Profit Before Tax	-843	-11 826	10 983	-92.9%
% of Sales	-0.6%	-10.8%		
NET RESULT	-1 935	-12 043	10 108	-83.9%
% of Sales	-1.4%	-11.0%		

REBITDA: Recurring earnings before interest, taxes, depreciation and amortization

REBIT: Recurring earnings before interest and taxes

Business Highlights

- Received B Corporation ("B Corp") certification in recognition of IBA meeting some of the highest in environmental, transparency and social responsibility standards
- Proteus®ONE* selected by Advocate Radiation Oncology for new proton therapy center in Florida
- In Other Accelerators, 14 new sales recorded over the first half and two additional machines sold post-period end. Excellent performance driven by growth in new geographies and further strengthening of IBA's market leadership.
- One new installation started in PT and 13 installations in Other Accelerators started in H1 despite pandemic
- New high-energy cyclotron, the Cyclone® IKON, launched with enhanced availability of theranostic radiopharmaceuticals
 - Collaboration with NorthStar Medical Radioisotopes expanded to enable global availability of diagnostic radioisotope technetium-99m (Tc-99m)
- Initiation of global DynamicARC®¹ Consortium for the roll-out of Proton Arc Therapy

Financial Highlights

- Total H1 2021 Group revenues of EUR 137.2 million, up 25%, primarily driven by increased activity and backlog conversion versus the same period last year
- Gross margin improvement of 1.1 bp versus H1 2020 driven by product mix and stringent cost management
- Order intake of EUR 78.8 million for Proton Therapy and Other Accelerators with revenues up 29.5% to EUR 110.8 million as a result of improving backlog conversion
- Proton Therapy equipment revenues improved strongly, up 129% to EUR 24 million as backlog conversion accelerated strongly
- Other Accelerators equipment revenue increased by 62% to EUR 30.1 million, reflecting continued order intake, production and backlog conversion
- Resilient performance for Dosimetry with strong order intake of EUR 26.8 million reaching the same level as last year and revenue up 9.2% to EUR 26.4 million in H1 2021
- Stable performance of Services as centers remain fully operational

¹ DynamicARC is a registered brand of the IBA's Proton Arc therapy solution currently under research and development phase. It will be available for sale when regulatory clearance is received.

- Equipment backlog reached an all-time high of EUR 429 million and overall equipment and services backlog remains high at EUR 1.1 billion
- Positive HY 2021 REBIT of EUR 0.7 million (H1 2020: EUR 9.9 million loss) reflecting continued strong recovery
- Total Group net loss of EUR 1.9 million (H1 2020: EUR 12 million loss)
- Strong balance sheet with EUR 69 million net cash position (FY 2020: EUR 65 million) and (unaudited) net cash position of over EUR 110 million at date of publication
- 2021 share buyback program launched at end June 2021 for a total of 250,000 shares.

7.2 OPERATING REVIEW

7.2.1 PROTON THERAPY AND OTHER ACCELERATORS

(EUR 000)	H1 2021	H1 2020	Variance	Variance %
Net sales	110 758	85 541	25 217	29.5%
Proton Therapy	70 473	56 836	13 637	24.0%
Other Accelerators	40 285	28 705	11 580	40.3%
REBITDA	2 021	-6 415	8 436	-131.5%
% of Sales	1.8%	-7.5%		
REBIT	-2 167	-11 169	9 002	
% of Sales	-2.0%	-13.1%		

(EUR 000)	H1 2021	H1 2020	Variance	Variance %
Equipment Proton Therapy	23 965	10 480	13 485	128.7%
Equipment Other Accelerators	30 101	18 551	11 550	62.3%
Total equipment revenues	54 066	29 031	25 035	86.2%
Services Proton Therapy	46 508	46 356	152	0.3%
Services Other Accelerators	10 184	10 154	30	0.3%
Total service revenues	56 692	56 510	182	0.3%
Total revenues Proton Therapy & Other Accelerators	110 758	85 541	25 217	29.5%
<i>Service in % of segment revenues</i>	<i>51.2%</i>	<i>66.1%</i>		

Overview

- Total net sales were up 29.5% for the half year to EUR 110.8 million, reflecting improving backlog conversion despite ongoing pandemic restrictions
- Proton Therapy equipment revenues improved strongly, up 128.7% to EUR 24 million, with acceleration of backlog conversion, in particular in Asia
- One new five-room Proteus®PLUS solution was sold in China during the period and a term sheet was signed and the final contract is currently under negotiation in the USA
- Other Accelerators equipment revenue increased 62.3% to EUR 30.1 million, reflecting continued strong order intake with 14 new sales during the

period, increased production and backlog conversion

- Continued good performance for Services with total revenues of EUR 56.7 million as centers remain fully operational
- REBIT loss of EUR 2.2 million, the strong improvement from H1 2020 reflecting increased activity, backlog conversion as well as cost control

Proton Therapy

IBA remains the global market leader in proton therapy and has continued to capitalize on its strong presence across the regions in which it operates whilst continuing to focus on the penetration of new markets as proton therapy is more widely adopted worldwide.

The Asia-Pacific region remains a core strategic growth area, particularly China. In the first half of the year a major contract was secured for a five-room Proteus®PLUS solution in China and the down payment was received post period end. IBA also continues to make solid progress elsewhere in Asia with upcoming tenders and active discussions ongoing.

There has been a resurgence in PT activity in the US and IBA has taken further steps to reinforce its presence in the region. In April IBA signed a term sheet for a Proteus®ONE solution in Florida and contract negotiations are currently ongoing. In addition, IBA is participating in several public and private tenders currently ongoing in the region.

The Services component of our PT business is an important part of our revenue stream and a key focus for us has been on improving its contribution as a recurring element. We are also focused on continuously improving our installed base, driving further operational efficiency.

Sustainable investment in future innovative technologies is a key priority and we continue to make progress with technologies that we believe are critical to the future of PT. In June we announced the initiation of a global DynamicARC® Consortium, in collaboration with leading clinical centers. DynamicARC® proton therapy offers a more targeted approach compared to photon-based techniques and innovations such as this have the potential to improve the treatment options of patients, whilst reducing side effects. Our focus in the short-term is being able to offer DynamicARC® to new and existing customers as a more efficient and simple way to deliver PT.

IBA remains committed to exploring and developing paradigm shifting technologies like FLASH Therapy. In June, at the PTCOG Congress, IBA introduced ConformalFLASH®², a novel method to deliver FLASH Therapy while keeping the benefits of the Proton Bragg Peak properties. IBA works with key knowledge leaders, who explore and demonstrate the science that will allow clinical adoption in the future. FLASH Research on IBA's systems at Penn's Roberts Proton Therapy Center was recently recognized by a Best in

Physics award by the American Association for Physics in Medicine (AAPM)³.

In August, IBA announced that it had joined a European Union consortium of 19 industry and academic partners to validate a model-based approach for the use of proton therapy treatment in esophageal and cancer more broadly. The "ProtectTrial" will enrol approximately 400 patients and be carried out at six of the twelve proton therapy centers involved.

Other Accelerators

Momentum in Other Accelerators has continued from 2020 with 14 new sales and solid backlog conversion resulting in equipment revenue increasing to EUR 30.1 million. The sales have been made on a global scale expanding into several new geographies, with China remaining a major market and sales in Europe, North and South America, Asia and Africa. IBA secured two additional contracts post-period and the pipeline remains strong, demonstrating IBA's clear leadership in all segments of this business line. 13 new installations started during the period and close to 20 systems are also expected to be delivered to customers this year, across the Radiopharma and Industrial businesses, with strong backlog conversion expected to continue into the second half.

IBA's leading RadioPharma business develops integrated equipment and service solutions for the production of radiopharmaceuticals for diagnostic imaging and therapy in oncology, neurology and cardiology. The nuclear medicine market has shown constant growth, increasing by nearly 6% per year over the last seven years⁴, and diagnostics and therapeutic applications in the medical world that use IBA equipment continue to increase.

IBA recently launched its new high energy and high-capacity cyclotron, the Cyclone® IKON, which offers the largest energy spectrum for PET and SPECT isotopes and enhanced availability of theranostic radiopharmaceuticals. Theranostics has evolved rapidly in recent years, combining diagnosis and targeted radiotherapy and offering an important alternative in the treatment of many cancers. The

² ConformalFLASH® is a registered brand of IBA's Proton FLASH irradiation solution currently under development. DynamicARC® is the registered brand name of a specific beam delivery technology currently under development by IBA. Both will be available for sale when regulatory clearance is received.

³ <https://physicsworld.com/a/best-in-physics-multidimensional-mri-and-flash-proton-therapy/>

⁴ MEDraysintell Nuclear Medicine Report & Directory www.medraysintell.com

market for this treatment modality is rapidly growing and represents a significant opportunity for IBA.

In March IBA announced an expanded collaboration with NorthStar Medical Radioisotopes to increase global availability of technetium-99m (Tc-99m), the most widely used medical radioisotope for diagnostics in the world.

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.

7.2.2 DOSIMETRY

(EUR 000)	H1 2021	H1 2020	Variance	Variance %
Net sales	26 425	24 192	2 233	9.2%
REBITDA*	3 724	2 432	1 292	53.1%
% of Sales	14.1%	10.1%		
REBIT*	2 841	1 229	1 612	131.2%
% of Sales	10.8%	5.1%		

* Dosimetry numbers re-integrated, following the decision in 2019 to retain the business. 2019 numbers include figures for the RadioMed business which was sold end of 2019

Overview

- Strong first half for Dosimetry with sales up 9.2% to EUR 26.4 million, as the conventional radiotherapy and medical imaging industries started to recover from the impact of the pandemic
- Order intake for the period was EUR 26.8 million, at the same level as last year while backlog grew by 6%, versus the end of 2020, reaching EUR 16.4 million
- REBIT grew strongly by 131.2% to EUR 2.8 million reflecting the sales growth and effective cost controls
- The Dosimetry business continued to gain market share in QA for conventional radiotherapy and medical imaging in the first half of 2021 with IBA retaining its dominant market share in dosimetry for proton therapy. Several new innovative product launches, were made in the period, in particular myQA SRS and Matrixx Resolution, to further enhance IBA's position in the market.

7.3 ACTING AS A BENEFIT CORPORATION

IBA is firmly committed to impactful environmental, social and governance goals. The Group's first major step towards a new sustainable stakeholder approach began this year with the Company receiving B Corp certification in June. IBA has joined a community of around 4,000 companies globally that believe in companies being a "force for good", transforming businesses to contribute to a more sustainable economy.

IBA's B Corp status marks a starting point for the Group which will be driven by a strong ethical culture, underlined by a commitment to contribute, in a transparent manner, to the development of an inclusive and sustainable economy. In terms of specific ESG criteria, IBA aims to be carbon neutral by 2030 and will invest in future technologies and products that will further improve sustainability. Alongside this, IBA will continue to make a significant impact in the diagnosis and treatment of cancer, cardiovascular and neurodegenerative disorders whilst providing a safe, equitable and rewarding work environment for employees.

7.4 FINANCIAL REVIEW

Group revenue in the year was EUR 137.2 million, a 25% increase from HY 2020, largely driven by increased activity versus the same period last year, despite the effects of the pandemic continuing into 2021. Order intake has been good in all businesses in 2021 and backlog conversion has started to recover, converting orders to revenue.

Gross margin in absolute value as well as a percentage of sales improved, rising to EUR 45.1 million in H1 2021 (H1 2020: EUR 34.9 million), driven by product mix, cost strategy deployment and stringent cost management. Operating expenses remained stable, beating inflation as cost containment measures were maintained over H1 2021.

The recurring operating profit before interest and taxes (REBIT) line increased substantially to EUR 0.7 million from a loss of EUR 9.9 million, as a result of the increase in group revenue and margin improvement.

Other operating income of EUR 0.4 million was mainly impacted by costs related to share-based payment plans for employees. The net financial result of EUR 0.4 million predominantly included interest on credit lines and foreign exchange fluctuations compensated by interest accrued on a long-term customer receivable in Proton Therapy. Taxes were impacted by current tax credits in certain countries

As a result of the above, IBA reported a net loss of EUR 1.9 million compared with a net loss of EUR 12.0 million for H1 2020.

Operating cash flow in H1 2021 was EUR 13.9 million driven by close management of working capital and continuing payment from customers, as backlog conversion progressed.

Cash flow used in investing activities was EUR 0.2 million, the reduction was due to lower capex investments to maintain ongoing projects in comparison to last year and the release of a deferred payment following the final completion of the sale of Radiomed.

Cash flow used in financing activities was EUR 22.7 million, which included the dividend paid on 2020 results, repayments on bank borrowings and the acquisition of treasury shares.

The balance sheet significantly strengthened again, with a net cash position at H1 2021 of EUR 68.5 million compared with EUR 65.2 million at the end of 2020. As

of today, IBA has an (unaudited) net cash position of more than EUR 110 million.

7.5 OUTLOOK

Despite the ongoing challenges associated with the global pandemic there has been an encouraging increase in activity, alongside a continued resilience across all business lines and we have continued to perform solidly across the board.

Whilst some slowdown remains in certain regions as a result of ongoing restrictions, the revival of activity is promising, particularly in the key market of the US. We are also encouraged by increasing activity in emerging markets.

IBA's exceptionally strong cash position will enable us to continue to invest in the technologies of the future, whilst seeking value-enhancing business development opportunities.

The overall situation with regards to the pandemic remains complex and IBA continues to be unable to provide reliable guidance. IBA remains confident for global prospects in the second half of the year and beyond, underpinned by the high backlog and healthy pipeline. The Group is firmly committed to its stakeholder approach, remaining the leader in all of its markets, to drive sustainable profitable growth.

7.6 SUBSEQUENT EVENTS

- In August, the first down payment was received for a five-room Proteus®PLUS* solution in China
- Post closing, the Group signed three new contracts for the sale of equipment in the Other Accelerators market in Europe and South America.
- In July and August, the Group continued its share-buyback program. As at August 20, 2021, the Group bought 141 579 additional treasury shares since June 30, 2021.
- In August, IBA announced the launch a large-scale, multi-institutional, randomized controlled clinical trial in conjunction with 19 industry and academic partners. The consortium will conduct the "ProtectTrial" in oesophageal cancer with the aim of improving access to proton therapy for patients, whilst validating a model-based approach for the use of proton therapy treatment in cancer more broadly.

7.7 STATEMENT BY THE DIRECTORS

These interim condensed consolidated financial statements have been prepared by the Chief Executive Officer (CEO) Olivier Legrain and Chief Financial Officer (CFO) Soumya Chandramouli. To their knowledge: they are prepared in accordance with applicable accounting standards, give a true and fair view of the consolidated results. The interim management report includes a fair review of important events and significant transactions with related parties for the first half of 2021 and their impact on the interim condensed consolidated financial statements, as well

as a description of the principal risks and uncertainties that the Company faces.

7.8 CORPORATE GOVERNANCE

On the occasion of the 2021 Annual General Meeting, the following mandates were renewed at the level of the management of the Company:

- The mandate of Mr Yves Jongen as Managing Director and Chief Research Officer was renewed,
- The mandate of Mrs. Christine Dubus as independent director was renewed,
- The mandate of Dr. Richard A. Hausmann as independent director was renewed.

GLOSSARY OF ALTERNATIVE PERFORMANCE MEASURES (APM)

GROSS PROFIT	
Definition:	Gross profit is the difference of the aggregate amount recognized on “Sales” and “Services” after deducting the costs associated with the construction and production of the associated equipment and incurred in connection with the provision of the operation and maintenance services.
Reason:	Gross profit indicates IBA's performance by showing how it is able to generate revenue from the expenses incurred in the construction, operation and maintenance of dosimetry, proton-therapy and other accelerators.
EBIT	
Definition:	Earning before interests and taxes (“EBIT”) shows the performance of the group (or segment) before financial income/expenses and taxes. It shows all operating income and expenses incurred during the period.
Reason:	EBIT is a useful performance indicator as it shows IBA's operational performance of the period by eliminating the impact of the financial transactions and taxes.
REBIT	
Definition:	Recurring earning before interests and taxes (“REBIT”) shows the result of the group (or segment) before financial income/expenses and taxes and before the other operating income and other operating expenses. REBIT is an indicator of a company's profitability of the ordinary activities of the group, adjusted with the items considered by the management to not be part of the underlying performance.
Reason:	Management considers REBIT as an improved performance indicator for the group allowing year-on-year comparison of the profitability, as cleaned up with transactions not considered part of the underlying performance.
NET FINANCIAL DEBT	
Definition:	The net financial debt measures the overall debt situation of IBA.
Reason:	Net financial debt provides an indication of the overall financial position strength of the Group and measures IBA's cash position.

(EUR 000)	June 30, 2020 (unaudited)	June 30, 2021 (unaudited)
EBIT = Segment result (Note 4)	-10 427	296
Other operating expenses (+)	487	378
Other operating income (-)	0	0
REBIT	-9 940	674
Depreciation and impairment of intangible and tangible assets (+)	5 479	4 913
Write-offs on receivables and inventory (+/-)	478	158
REBITDA	-3 983	5 745

(EUR 000)	December 31, 2020 (audited)	June 30, 2021 (unaudited)
Long-term borrowings and lease liabilities (+)	65 772	60 023
Short-term borrowings and lease liabilities (+)	20 354	16 747
Cash and cash equivalents (-)	-153 911	-145 277
Restricted cash (included in cash and cash equivalents)	2 596	0
Net financial debt	-65 189	-68 507

AUDITOR'S REPORT ON THE IFRS INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AT JUNE 30, 2021
