

Visioneering a bright tomorrow

2022 Integrated annual report

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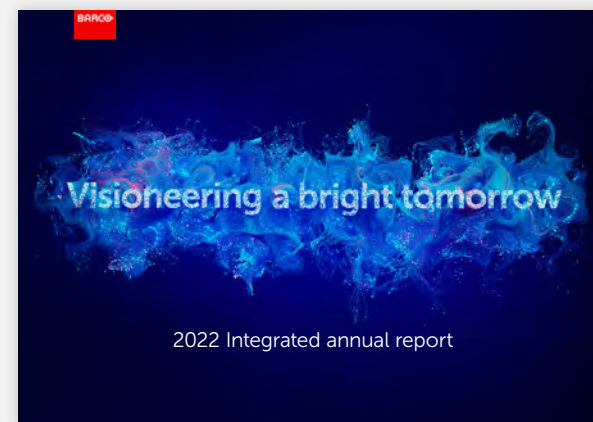
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This is the core section of Barco's 2022 integrated annual report. Other sections are available via the download center at ir.barco.com/2022.

CORE

MORE

- [Governance & risk report](#)
- [Report on planet - people - communities](#)
- [Financial report](#)

ANNEX

- [Integrated Data Pack](#)
- [Glossary](#)
- [GRI Content index](#)
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Visioneering a bright tomorrow #wearevisioneers

'Visioneering a bright tomorrow', highlights our belief that truly great engineering starts with a clear vision – **a vision of a better, smarter, healthier world**. We are constantly thinking about how we can help and transform the quality of life of our customers, our employees and the world around us – not only today, but also in the next 10 or even 20 years.

The concept of **integrated reporting**, which we launched in 2020, aligns perfectly with that vision. Integrated reporting focuses on how a company **creates long-term value**, and effectively tells the story of how value is created, both internally and externally.

By sharing that story, openly and transparently, with our investors, employees and all other stakeholders, we can win their trust, which we need to achieve our 'visioneering a brighter tomorrow' mission.



Interview with our CEOs

While the world economic outlook is shaky, our co-CEOs Charles Beauduin and An Steegen look back upon 2022 with satisfaction – and even a sense of pride. During their first full year at the helm of Barco, they have been able to turn the tide and steer the business forward. More than that, they're confident the future looks good for Barco, even in today's uncertain economic climate.

Barco endured some rough times during the pandemic. Last year, you anticipated that 2022 would be a year of transition. Did this turn out to be true?

Charles: I'd call 2022 a year of recovery. The engine picked up speed and kept accelerating as the year progressed. Barco met or maybe even exceeded expectations: both our sales and share price went up, which are clear tokens of market confidence.

An: What's just as important – or even more so – is the renewed dynamics in our teams. We managed to bring back a positive vibe, which became really apparent to us at our Capital Markets Day in September 2022. We gave our different teams the stage to talk about their performance, vision and strategy, and they did so with enormous enthusiasm. Our brand-new experience center, by the way, was a fantastic setting for showcasing the power of Barco technology.

In 2022, the engine picked up speed and kept accelerating. That was reflected in our financials, yet just as important – or even more so – is the renewed dynamics in our teams.

An Steegen



Looking back: keys to our 2022 success**So, what is the secret behind that recovery and the new vibe?**

Charles: When we came on board, we immediately decided to simplify our organization. The structure had become too complex, at the cost of efficiency, accountability, innovation and customer intimacy. While there was some skepticism about the reshuffle in the beginning, I'm pretty sure that everyone will now agree that this was a smart thing to do

An: Indeed, that is one of the keys to our success. On top of that, we keep highlighting all the opportunities that Barco has in its markets and invest intensely, up to 11% of our sales, to accelerate innovation. Of course, we know that we won't reap all the fruit of those investments immediately, but they are an absolute must for a successful future.

Charles: We shouldn't forget our investments in our manufacturing capabilities. The focused factories that are underway will be largely automated and state-of-the-art, which will boost efficiency, quality and agility. I'm sure these investments inspire trust as well, among all our stakeholders.

China strategy**China plays a leading role in Barco's plans, yet 2022 hasn't been the best year for the Chinese economy. Does that impact your China strategy?**

An: We can't ignore the fact that it's been a difficult year to conduct business in China. The covid lockdowns have really burdened the economy. Still, the foundations remain unshaken and we are hopeful that the economy will recover in 2023.

Charles: Let me highlight that there are multiple reasons for us to strengthen our foothold in China. Sure, we are expanding our manufacturing footprint there, but not for mere cost-saving reasons. China is the world's second largest economy and our market potential there is huge, especially in entertainment and healthcare. In our Chinese factories, we research, design and produce solutions for both local and global markets, and our on-site sales team understands the needs like no other.

Looking forward: challenges along the way**Looking forward, what do you consider to be Barco's biggest challenges?**

An: Accelerating innovation, for sure. Image processing is part of everything we do at Barco and we've always been a visualization champion, but we need more groundbreaking, value-added solutions that ultimately set us apart. And we need them quickly, in order to keep ahead of our competitors. That does require a different mindset and new skills. We've taken great leaps forward in the field over the past year.

What about the looming recession. Are you afraid it might impact Barco's business?

Charles: Most economists and other experts predict a mild recession in Europe and the Americas, and we hope they are right. Our portfolio is strong enough to weather a recession. Just look at today's major market trends: images take center stage, hybrid is the new normal, big data is on the rise ... Barco has the solutions to meet those exact needs.

Sure, we are expanding our manufacturing footprint in China, but not merely to save costs.

China is the world's second largest economy and our market potential there is huge, especially in entertainment and healthcare.

Charles Beauduin



ESG: more than Environmental, also Social

**Sustainability is also one of the mega trends.
Barco has set the tone in that field for years.
Can you retain that frontrunner position?**

Charles: Sustainability has been in Barco's roadmap for years and we keep sharpening our focus in that field. Besides boosting the sustainability of our own operations, we also help our customers cut CO₂ emissions, by providing them with increasingly modular, energy-efficient and circular solutions.

An: What's more, some Barco products are really part of the sustainability solution, like our ClickShare tools for hybrid meetings. When looking at the Social pillar of our ESG approach, we decided to put diversity and inclusion high on the agenda. It's apparent even at the very top of Barco how diversity spurs dialogue, discussions and, therefore, creativity and innovation – and that's just what we need as a global technology company.

It's apparent even at the very top of Barco how diversity spurs dialogue, discussions and, therefore, creativity and innovation – and that's just what we need as a global technology company.

An Steegen

Barco has tons of experience and expertise in visualization, which is a field with huge potential these days. And we have diverse, smart and ambitious teams. I'm positive about what's coming.

Charles Beauduin

2023 and beyond

In conclusion, what are your expectations for 2023 and beyond?

Charles: To continue along the path that we have been busy paving. Barco has tons of experience and expertise in visualization, which is a field with huge potential these days. And we have diverse, smart and ambitious teams who all work hard to build our future. I'm positive about what's coming.

An: I can't agree more. And let's not forget our customers, partners and investors who help us shape our story. Thanks to every single stakeholder for their continued support.



A word from our chairman Frank Donck

Barco delivered strong results in 2022. We managed to reconnect with our long-term strategic growth ambitions. Thanks to the entrepreneurship and creativity of all our teams, we reached our financial targets, in spite of the supply chain constraints and unstable macro-economic context.

2022 was the first full year under the leadership of CEOs An Steegen and Charles Beauduin. The new organization they put in place has spurred the entrepreneurship, customer intimacy and focus in every single team. Together with the reopening of many of our markets, this has definitely accelerated our growth.

Looking ahead, we remain vigilant about the macro-economic situation, but we are confident that Barco has laid solid foundations for further growth. We are expanding our markets and product portfolio and accelerating our innovation efforts to continue setting the standard in visualization and collaboration technology in the years to come.

Looking ahead, we are confident
that Barco has laid solid
foundations for further growth.

Frank Donck





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

1.

How does the recession impact Barco?

After two challenging years due to the pandemic, the world looks a lot brighter for Barco today. Our activities are well **spread geographically** across the globe, and the **end-markets** where our products are sold are very **diverse**. This provides a natural balance and buffer. Although the recession and inflation are impacting many people and businesses around the world, Barco is **resilient**, as **the underlying growth trends in its business areas are strong and sustainable**: hybrid working, digitization of healthcare and an increasing demand for compelling entertainment experiences.

» [Read more](#)

2.

Is ClickShare ready to thrive on the hybrid meeting trend?

2022 has proven that hybrid office working – and, consequently, hybrid meetings – are here to stay. Yet, 71% of meeting participants complain that it's hard to truly **collaborate and interact in hybrid meetings**. ClickShare's wireless conferencing room solutions are agnostic, utterly user-friendly and super secure. In this way, they **ensure meeting equity**: they make sure that everyone in a hybrid meeting is valued and heard, whatever platform and device they are using.

» [Read more](#)

3.

What is the future of cinema?

Cinema is alive and kicking. Throughout 2022, the box office has improved significantly and is expected to continue its recovery in 2023. What is changing, however, is the need for **premium experiences**. More than reliving a great story, movie-goers want to enjoy a real night out – something they can't experience from their couch at home. Cinionic and Barco are perfectly positioned to deliver that experience with **the all-laser portfolio**. By replacing the first generation of lamp-based digital projectors, exhibitors get absolute **peace of mind**, while **reducing operational costs** and **lowering energy consumption**.

» [Read more](#)

Key figures

Ecoscore

50%



% revenues from products
with [Barco ECO label](#)

Customer NPS

(Net Promoter Score)

44



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

Employees

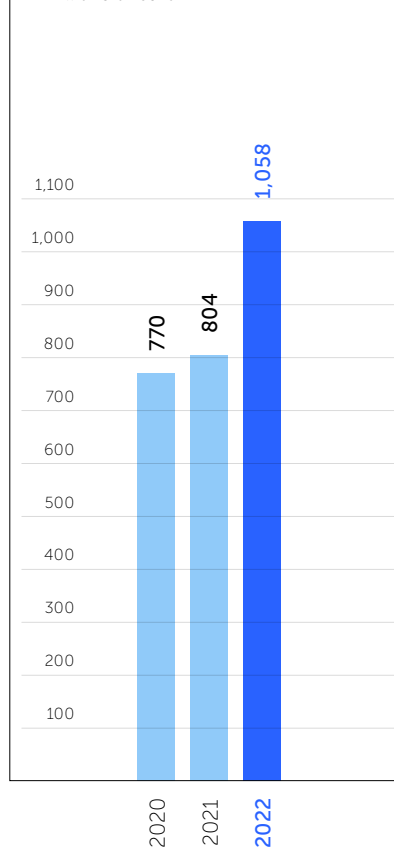
Reported in heads, excluding temporary workforce

2020	3,303
2021	3,141
2022	3,302

(Database Corporate Associates per 31/12/2022)

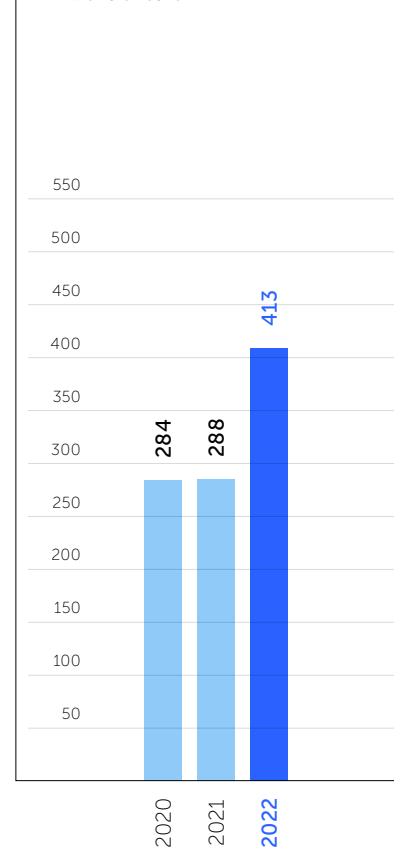
Sales

In millions of euro



Gross profit

In millions of euro

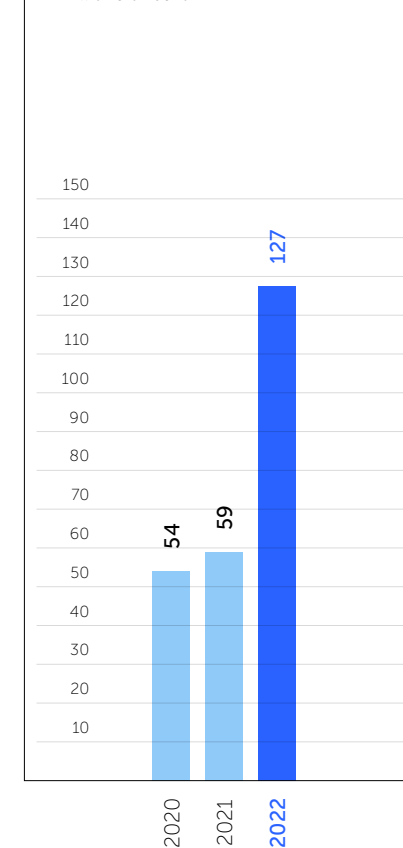


Gross profit margin

37%
36%
39%

EBITDA

in millions of euro



EBITDA margin

7%
7%
12%

Highlights



FEBRUARY

Dubai's new Museum of the Future celebrates the power of technology

Crafted by visionary designers, artists and engineers, Dubai's Museum of the Future is the pinnacle of interactivity and immersion. It features the very latest technology, including an impressive range of Barco solutions.

» [Read more](#)

FEBRUARY

Expanding our single-chip projector range to meet every need and budget

Our successful family of single-chip projectors keeps growing. With 3 new G62 projectors launched in February and September 2022, we offer the fixed install market an ever-larger range of solutions for every budget.

» [Read more](#)



APRIL

Ensuring a premium cinema experience in 3,500 AMC theaters

AMC, the world's largest theatrical exhibitor, goes laser. Thanks to Cinionic's Cinema-as-a-Service program, they will be able to elevate the cinema experience with minimal upfront investment.

» [Read more](#)

MAY

Wireless conferencing made easier with ClickShare smart meeting flows

The 2022 software update to our ClickShare range takes our meeting solution to the next level of simplicity. New meeting flow features make hosting hybrid meetings from a laptop as simple as making a phone call.

» [Read more](#)



MAY

The most reliable LED solution in the market? TruePix ticks all the boxes

From the installation through to after sales support: our new TruePix LED video wall was designed from the ground up to ensure a seamless experience in control rooms, broadcasting and any other enterprise environment.

» [Read more](#)

JUNE

weConnect makes healthcare training more accessible and sustainable

The weConnect virtual classroom that we set up with Nipro Medical Europe in 2020 won a Life Sciences Trainers & Educators Network Excellence Award for providing the highest-standard virtual and hybrid training in the sector.

» [Read more](#)



SEPTEMBER

Introducing Dermicus, a new digital health skin solutions company

Our healthcare incubator Demetra merged with the teledermatology platform of Gnosco to become Dermicus. The new company will help clinicians transform the way they diagnose and manage skin conditions.

» [Read more](#)

SEPTEMBER

ITEA Innovation Award of Excellence for healthcare-related project IMPACT

How can data intelligence help optimize patient treatment and clinical workflows? Together with 13 other firms, Barco researched the topic in the IMPACT project. It led to several breakthroughs – and an ‘innovation award’.

» [Read more](#)



NOVEMBER

Giving Schiphol operators a shared view on airport operations

Thanks to the Barco OpSpace workstations, control room operators at the brand-new Schiphol Airport Operations Center now have all the information they need to plan, monitor and control the entire airport logistics, at the moment they need it, 24/7.

» [Read more](#)

NOVEMBER

Healthcare team launches new diagnostics and surgical displays

In the course of 2022, our diagnostics and surgical teams extended their portfolios with the high-brightness Nio Gray 5.8MP display specially for breast imaging and the MDSC-8532 and MDSC-8527 4K UHD surgical displays, which ensure excellence in surgical precision.

» [Read more](#)



NOVEMBER

Lightweight, compact and designed with the planet in mind

When designing the UDM projector in 2019, we made zero concessions. As technology evolves, we keep raising the bar. The result: 2 new 30K projectors, a brightness upgrade path and an A+ ECO label.

» [Read more](#)

NOVEMBER

Standing ovation for Barco HDR Lightsteering at Asian World Film Festival

Our innovative HDR Lightsteering technology dropped jaws during the Asian World Film Festival in LA. The moviemakers and audience were impressed with the bright highlights, black levels and the high dynamic range in the images.

» [Read more](#)

Our company

Introduction to Barco

About Barco

Barco. Visioneering a bright tomorrow.

Barco is a global company with headquarters in Kortrijk (Belgium). Our **visualization and collaboration technology** helps professionals accelerate innovation in the healthcare, enterprise and entertainment markets. We count over 3,000 visioneers, whose passion for technology is captured in over 500 unique patents. Our company is listed on the Brussels Stock Exchange.

Our purpose: visioneering a bright tomorrow

At Barco, we believe truly great engineering starts with a clear vision. A vision of a **better, smarter, healthier world**.

With technology, we accelerate the brightest minds in entertainment, enterprises and healthcare to create a bright tomorrow.

To touch people's hearts and minds. To work better together.
To transform the quality of life.



Our organization

A focused organizational structure

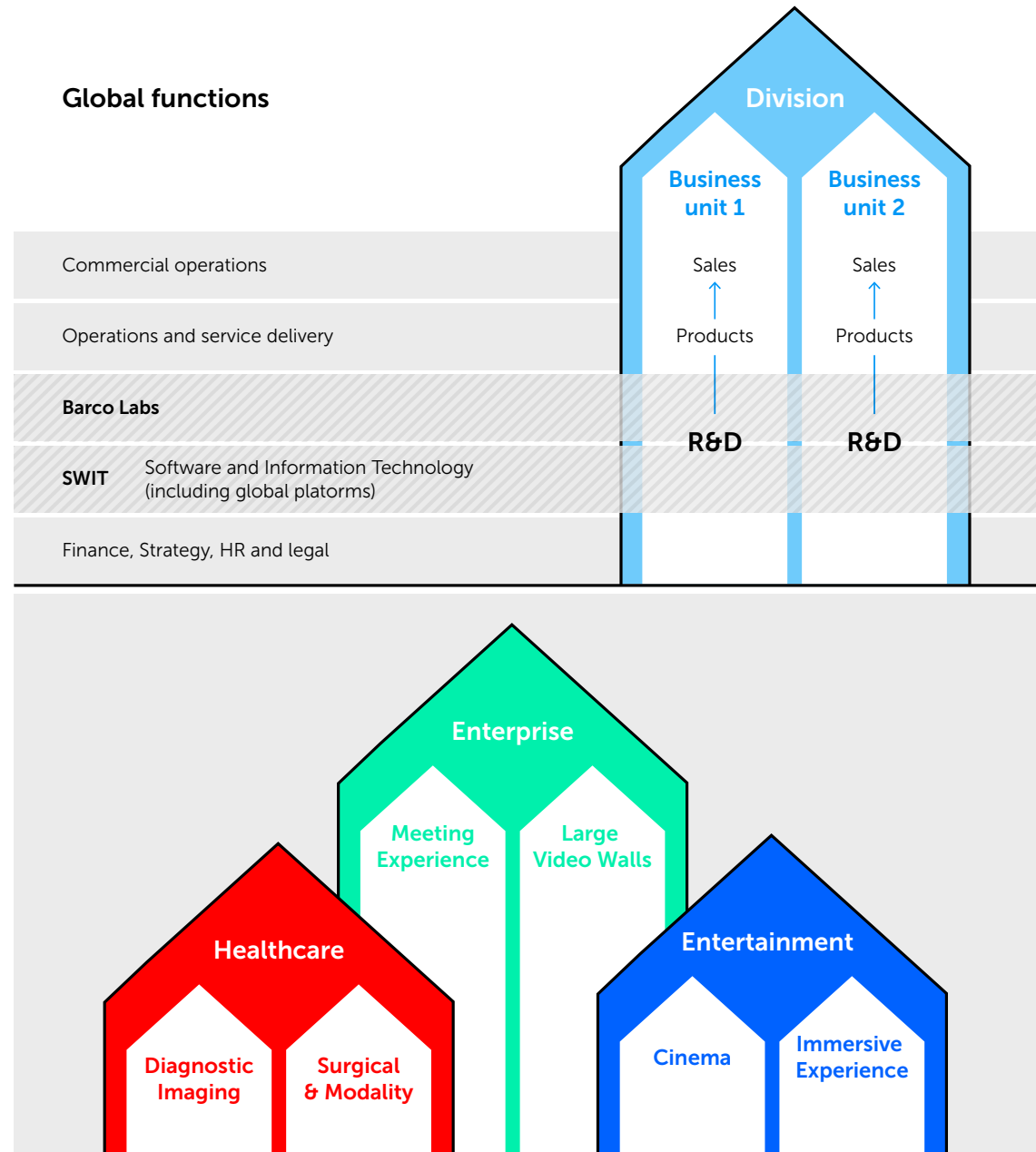
When our new leadership team came on board in 2021, they decided to overhaul Barco's organizational structure. The matrix organization was replaced by a more focused model with **six global business units**. Every business unit handles sales, product management and R&D, while more general functions (services, sales support, operations, digitization, finance, HR, legal and Barco Labs) are managed on a global level.

It is clear that the new structure has boosted agility, market responsiveness as well as accountability and has been the perfect stepping-stone to get Barco's business back to pre-covid-19 levels and ready for further growth.

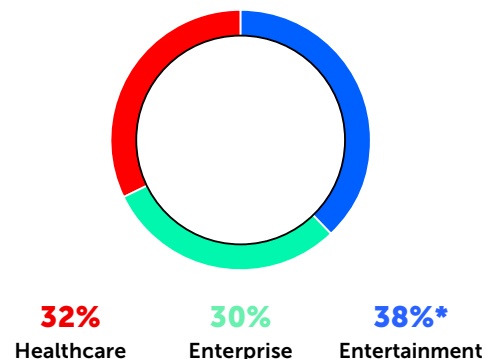
It makes so much business sense to bring R&D, supply chain, product and sales together in one team. More than accountability, this has truly fostered customer intimacy. It's hard to prove but I'm sure our solid customer bonds helped grow our business in 2022.

Johan Fornier
EVP Surgical & Modality

Global functions

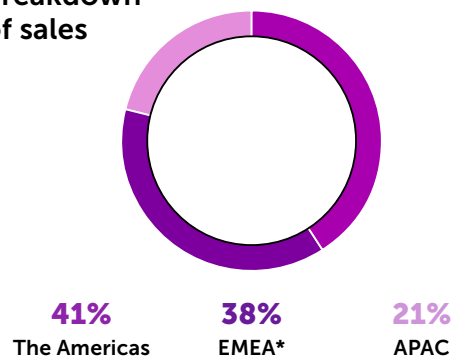


Sales per division



* Breakdown based on sales 2022

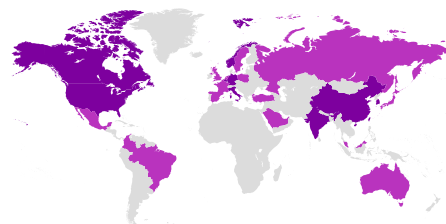
Geographical breakdown of sales



* EMEA: Europe & Middle East & Africa

Geographical footprint

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



Americas

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

Asia-Pacific

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

Europe, Middle East & Africa

- **Belgium**
- France
- **Germany**
- **Italy**
- The Netherlands
- **Norway**
- Poland
- Russia
- Spain
- Saudi Arabia
- Sweden
- Turkey
- United Arab Emirates
- United Kingdom

- Sites
- R&D and/or manufacturing facilities

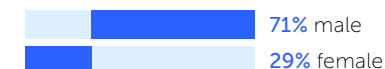
The people of Barco

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

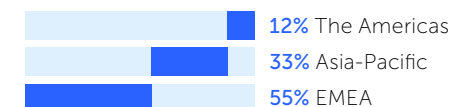
Number of employees

2020	3,303
2021	3,141
2022	3,302

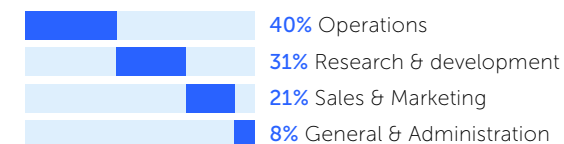
Gender



Geographical



Per functional group



Figures reported are in heads (not FTE). For definitions on indicators: see glossary. We refer to [note 4 in the financial chapter](#) for more information on the headcount evolution.

Leadership

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

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

Board of Directors

The composition of the Board of Directors meets the gender diversity requirements. All directors hold or have held senior positions in leading international companies in organizations. The Board of Directors remained unchanged in 2022.



Frank Donck
Chairman



An Steegen
CEO



Charles Beauduin
CEO



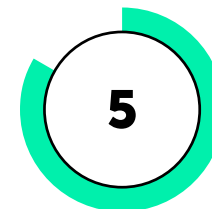
Ashok K. Jain



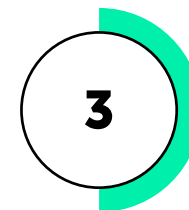
Hilde Laga



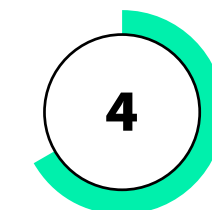
Lieve Creten



Directors with
5 years of seniority



Female members of
the Board



Independent
directors

Our Core Leadership Team

The CLT, which operates under the chairmanship of the CEOs, comprises key officers from various functions, businesses and regions. Two new CLT members came on board in 2022.



An Steegen
CEO



Charles Beauduin
CEO



Wim Buyens
Cinionic



Geert Carrein
Diagnostic Imaging



Stijn Henderickx
Meeting & Learning
Experience



Gerwin Damberg
Cinema & Acting CTO



Ann Desender
Chief Financial Officer



Johan Fornier
Surgical & Modality



Anthony Huyghebaert
Chief HR Officer



Rob Jonckheere
Global Operations



Chris Sluys
Large Video Wall
Experience



Tom Sys
Chief Digital &
Information Officer



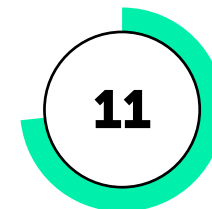
Erdem Soyak
Immersive Experience



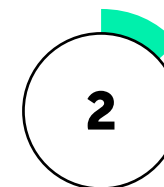
Kurt Verheggen
General Counsel



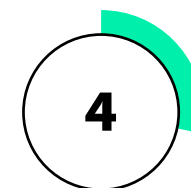
Kenneth Wang
MD Barco China



CLT members with
5 years of seniority



Female CLT
members



Non-Belgian
CLT members

Culture & ethics

Every organization has a culture; implicit or explicit. It is its personality – a set of unwritten rules on how an organization behaves. And it reveals itself in many different forms. Our corporate culture, which we rejuvenated in 2019, defines the cultural traits that we must embrace to continue leading in our dynamic markets. In 2022, we took a next step in our culture journey.

Barco culture: how we live our DNA

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

» [Learn more about our corporate culture](#)



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

The importance of ethics and compliance

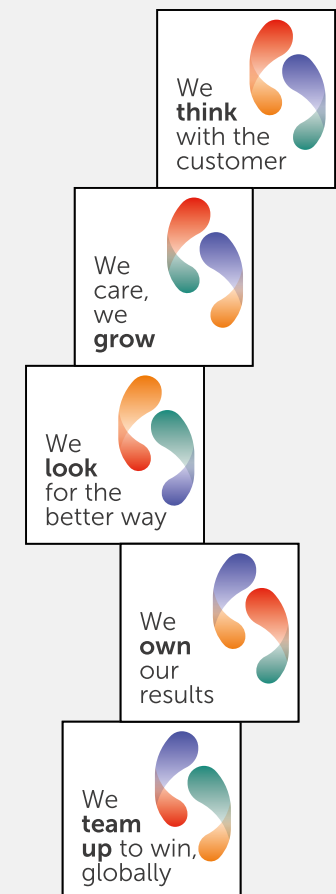
Barco's reputation and continued success depend on the conduct of its employees as well as its business partners. That's why we put great emphasis on ethics and compliance: we continuously invest in building a company culture in which ethical conduct and compliance with our policies and the applicable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

We team up to win globally

In 2022, we took the next step in our culture journey, organizing workshops to make sure that everyone at Barco understands and lives and breathes our culture. The focus in 2022 was on the building block: 'We team up to win, globally', as it highlights our growing commitment to diversity and inclusion.

» [Learn more in the 'people' chapter of our PPC report](#)

The 5 building blocks that summarize the Barco culture



Planet, people and communities

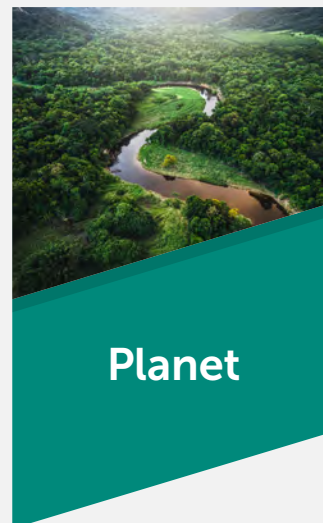
At Barco, we firmly believe that **sustainable business is good business** – and vice-versa. To that end, we are committed to taking ownership of a sustainable future. Our sustainability strategy ('Go for Sustainable Impact') has been an integral part of our corporate strategy for quite some years now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

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

It is our ambition to fully integrate sustainability in our corporate DNA, the design of our products and solutions and the way we act and operate. We want to take the lead in topics that are real value drivers, like product security, lower energy consumption and employee engagement.

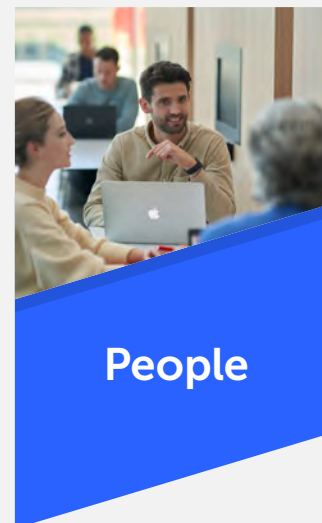
Ann Desender
CFO

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



Planet

We will lower the **environmental footprint** of our customers and further reduce our own footprint.



People

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



Communities

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

Diversity and inclusion at Barco

As markets are evolving strongly and customer demands are changing, diversity and inclusion (D&I) is more important than ever. Barco is committed to becoming a truly diverse and inclusive organization. To achieve that aim, we consider diversity and inclusion not as a standalone project, but work hard to fully embed it in our Barco culture.

Why is diversity and inclusion so key to Barco?

- **It drives our innovation:** Innovation is at the core of what we do at Barco. Every day, our people collaborate closely to come up with the brightest ideas to solve customer problems. By actively bringing together people with diverse perspectives we are able to **face the most complex challenges**.
- **Serving world markets requires having world leaders:** We are a global company that serves markets all over the world. We believe it is essential to represent the same diversity internally as the **diversity present in the markets we serve**.
- **It sparks employee engagement:** An inclusive culture where different perspectives are welcomed and actively encouraged has a **positive impact on employee engagement**. We believe diversity and inclusion are key to ensure that we nourish the potential every employee brings.

How we fully embed diversity and inclusion in our culture

We have defined a D&I strategy in line with our business goals that outlines what steps we want to take in the next three years to embed D&I into our culture. **Creating 'awareness' is the starting point.** In addition, we have also **defined actions to take throughout our employee journey** to ensure we can attract, grow and retain diverse talent. All these actions gradually drive change, putting D&I top of mind in our daily operations.

Every person in our company has a role to play to ensure people are given equal opportunities and are well accepted for their differences. We embrace one and another's uniqueness to become a more diverse and inclusive organization.



Erdem Soyak
Program sponsor Diversity and Inclusion

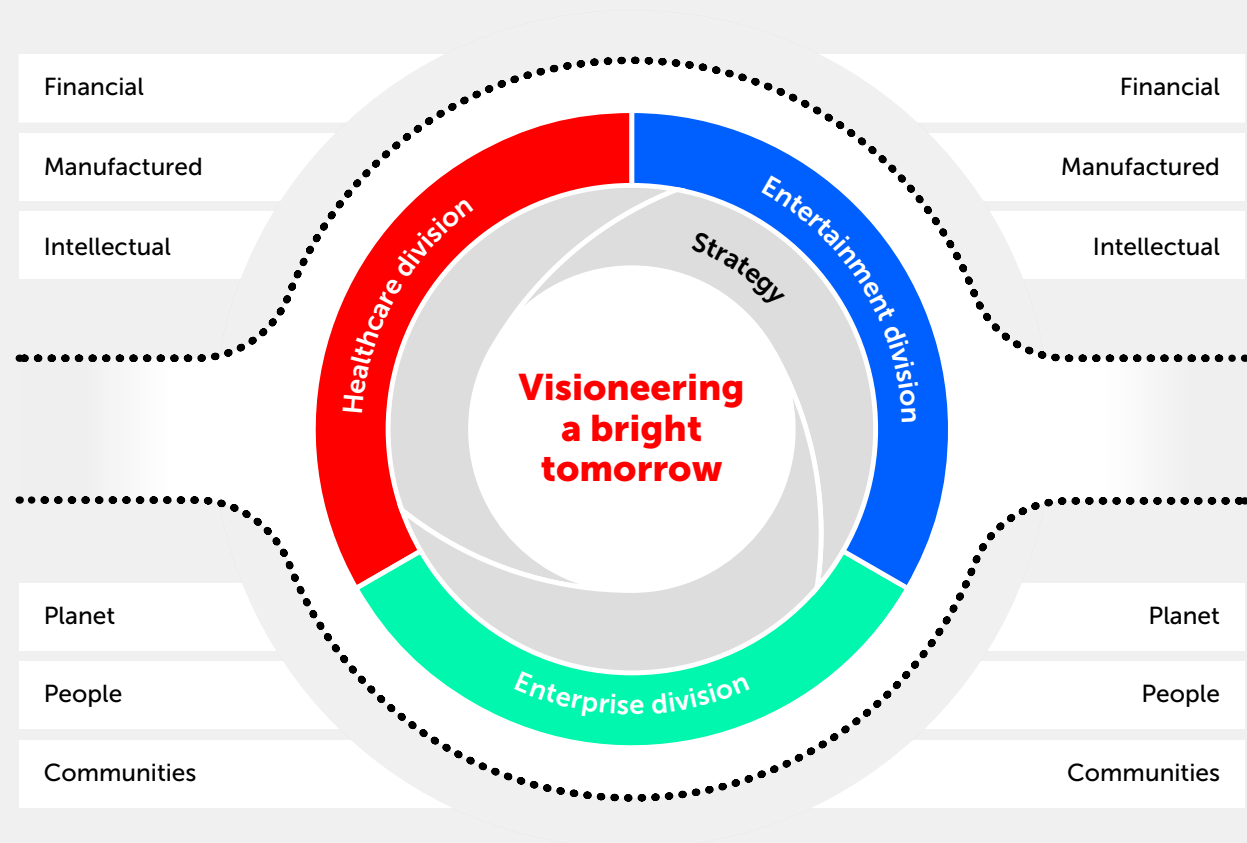
How we create value

Value creation model

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

» [Check the full Value creation model on our website](#)

» [Check the Integrated Data Pack for a full set of KPIs \(financial and non-financial\) with the respective performance over the last 3 years.](#)



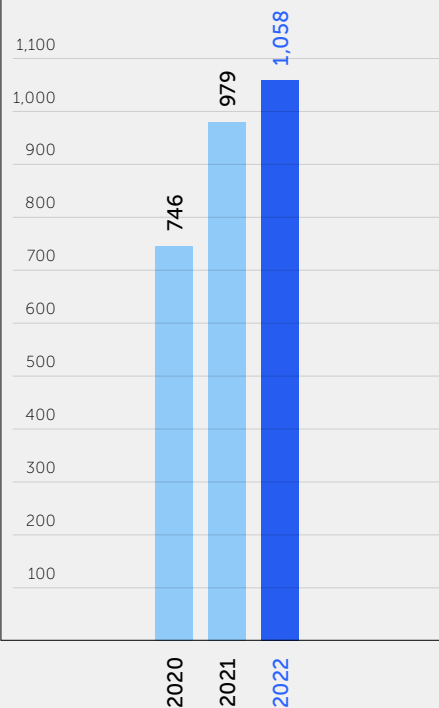
* Together these 6 capitals represent stores of value that are the basis of an organization's value creation. See background paper of International Integrated Reporting Council (IIRC).
The capitals and underlying KPIs remained the same in the annual report of 2022 compared to 2021 and aligned with the recommendations of IIRC. Only the KPIs with 'materiality' and 'value driver' properties for Barco were selected for reporting in the value creation model.



Financial

Orders

(in millions of euro)

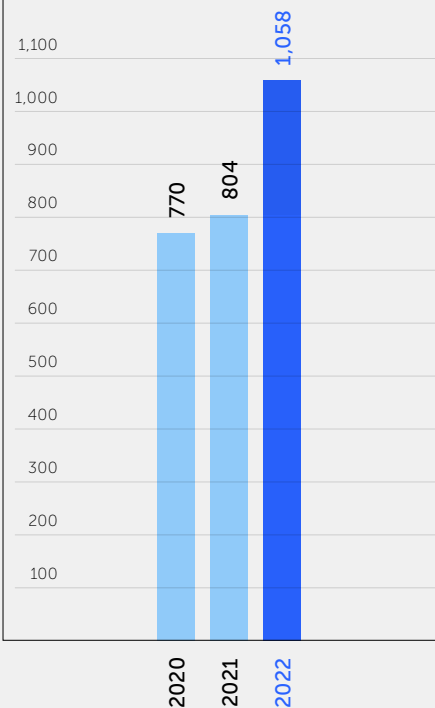


-32%
+31%
+8%

% growth

Sales

(in millions of euro)

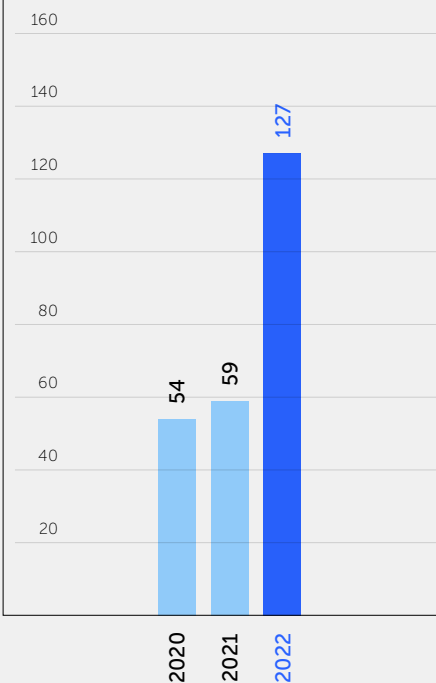


-29%
+4%
+32%

% growth

EBITDA

(in millions of euro)

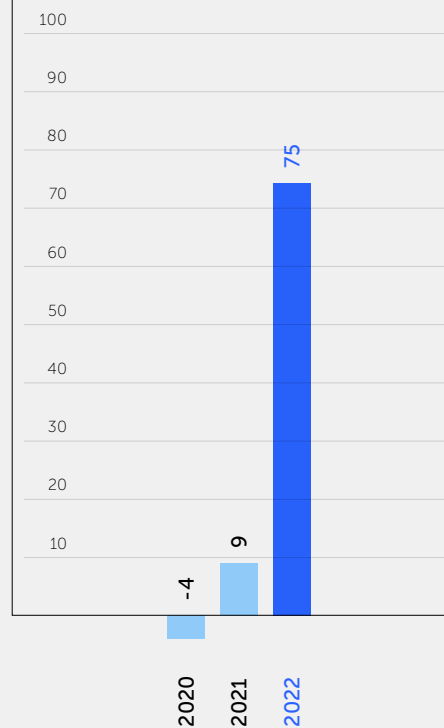


7%
7%
12%

EBITDA margin

Net earnings

(in millions of euro)

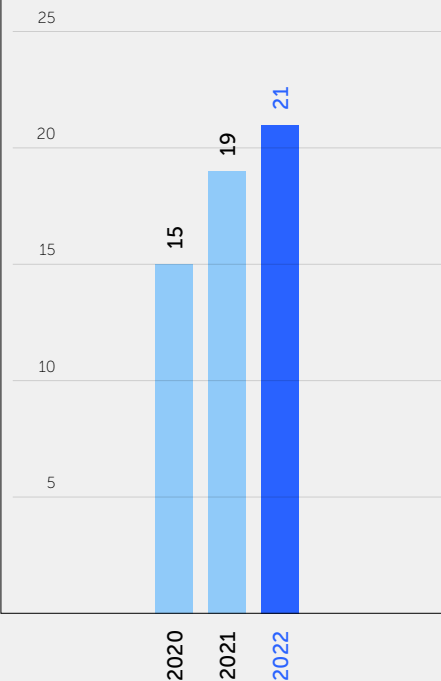




Manufactured

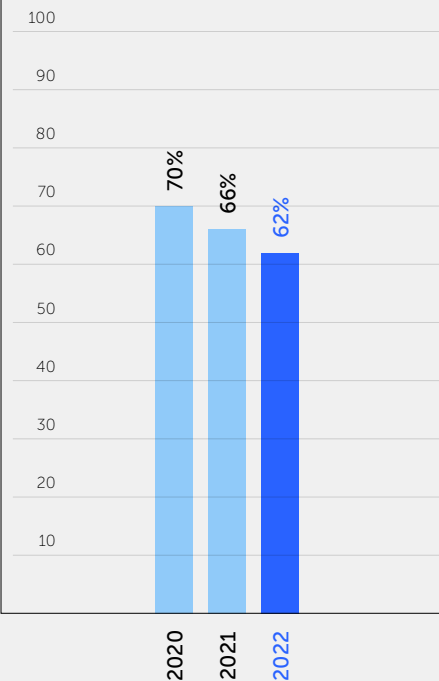
Capex

(millions of euro)



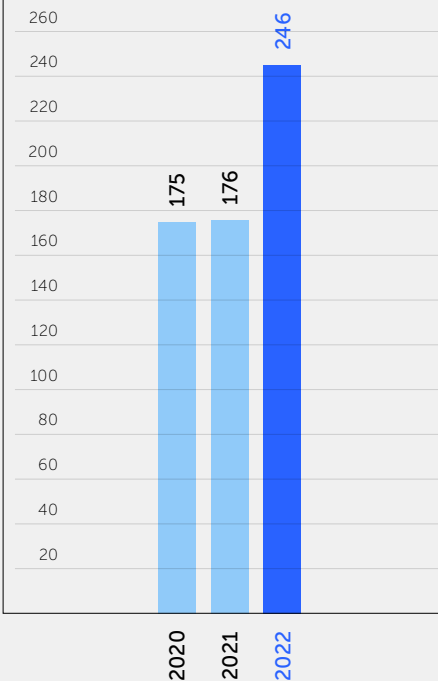
Product revenues inhouse manufactured

(over hardware revenues)



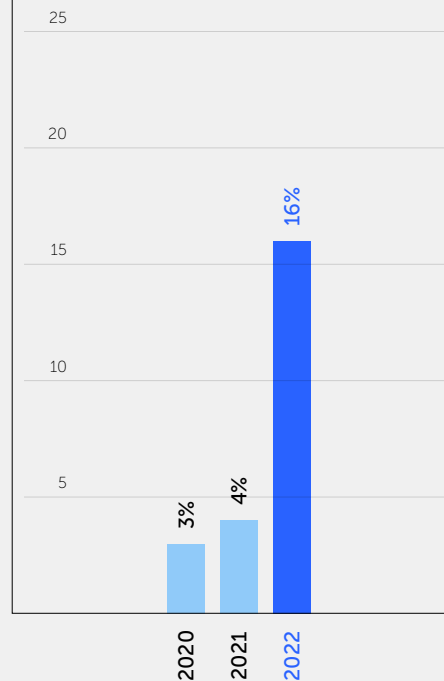
Inventory value

(millions of euro)



ROCE

(%)



% of sales

2%
2%
2%

Inventory turns

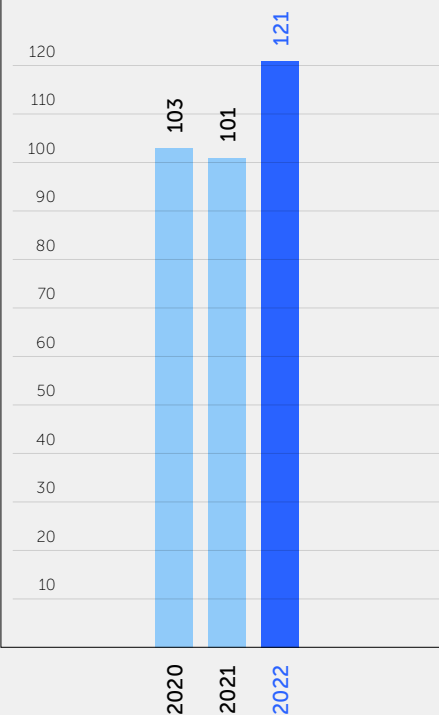
2.3
2.4
2.1



Intellectual

R&D spend

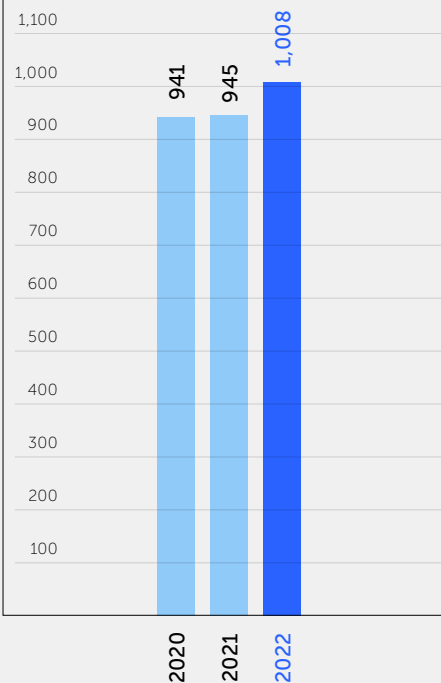
(in millions of euro)



13%
13%
11%

% of sales

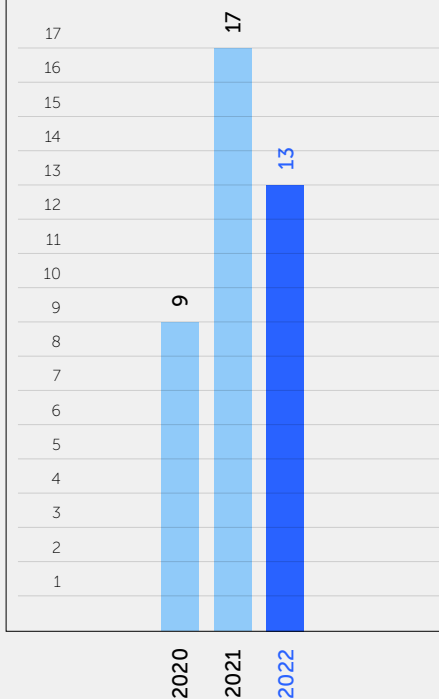
Employees in R&D



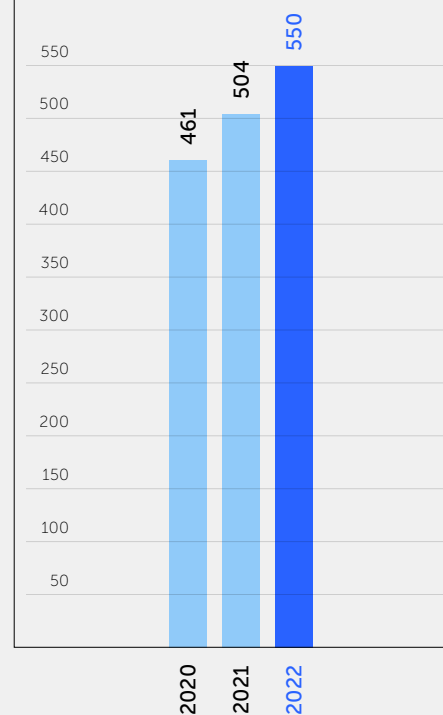
29%
30%
31%

% of total employees

of new patent filings



of patents at year-end



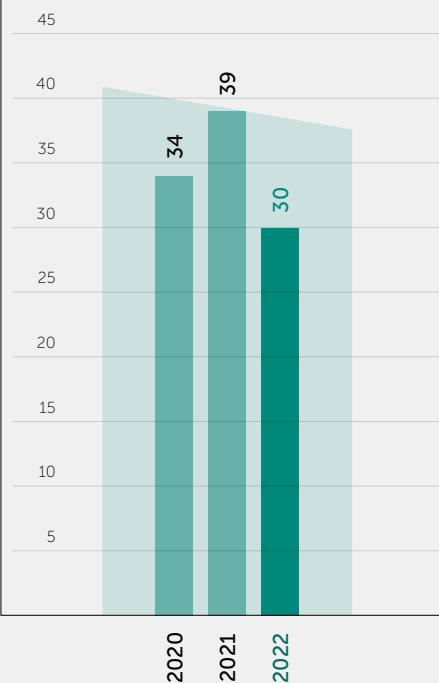


Planet

Energy consumption in own operations

(MWh/mio € revenues)

TARGET 2023: 38



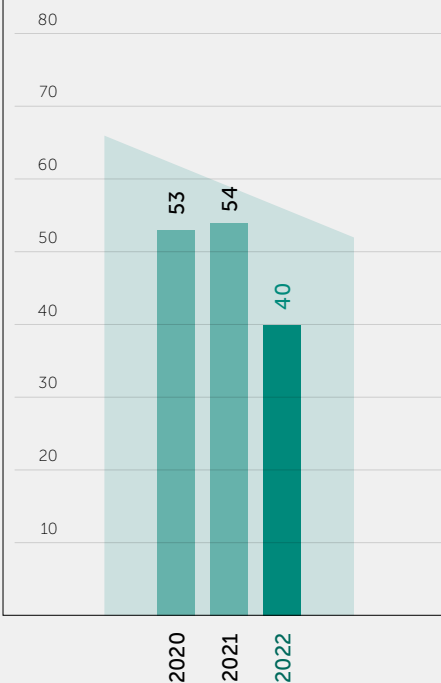
54%
52%
57%

% renewable

Greenhouse gas emissions from own operations

(tonnes CO₂e/mio € revenues)

TARGET 2023: 52



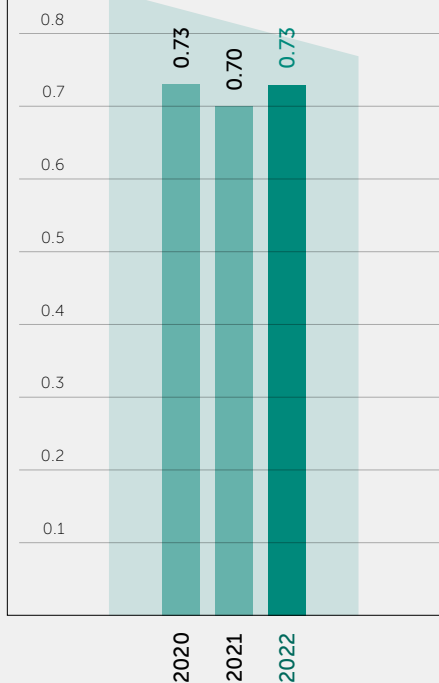
-34%
-33%
-51%

% reduction vs 2015

Energy footprint of sold products

(relative reduction vs base year 2015)

TARGET 2023: -25%

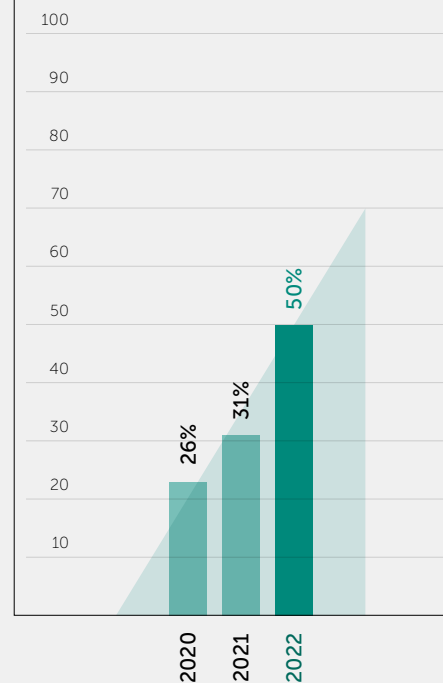


-27%
-30%
-27%

% reduction vs 2015

% of revenues* from products with ECO label

TARGET 2023: 70%



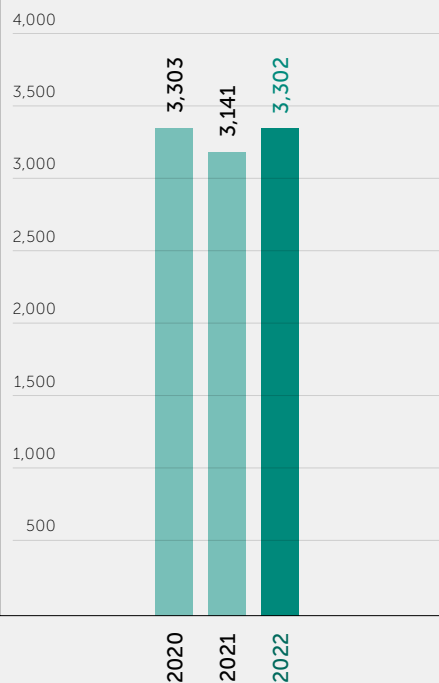
* Product and project revenues as reported in [Note 3 of the financial chapter](#) of our integrated report



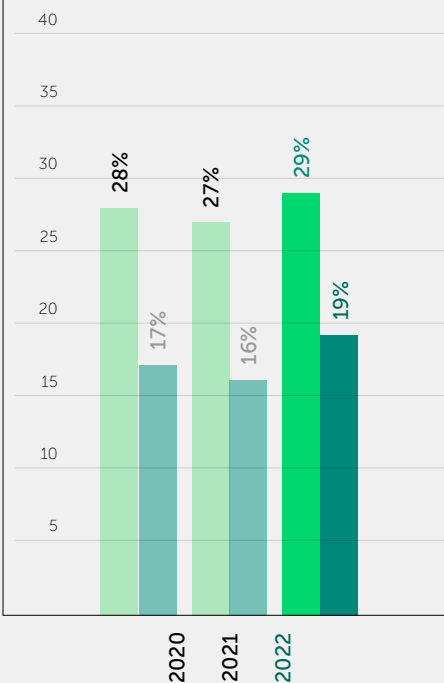
People

Total number of employees

(# heads)

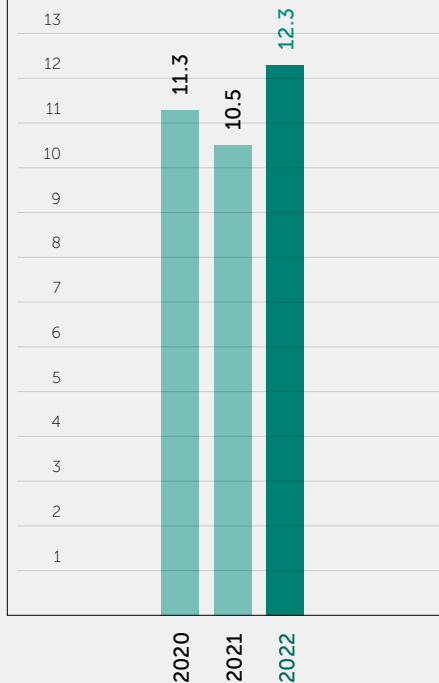


% women overall & senior management



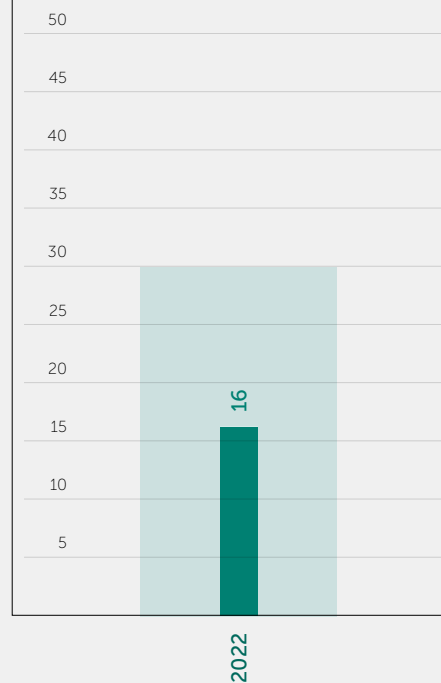
overall
senior management

Average training hours/employee



Employee Net Promoter Score

TARGET: 30

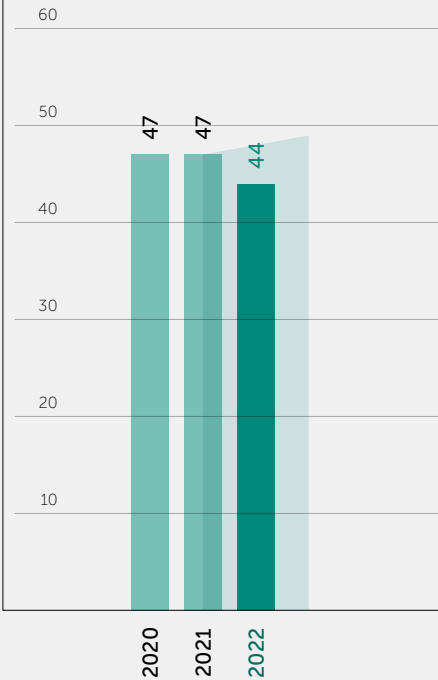




Communities

Customer Net Promoter Score

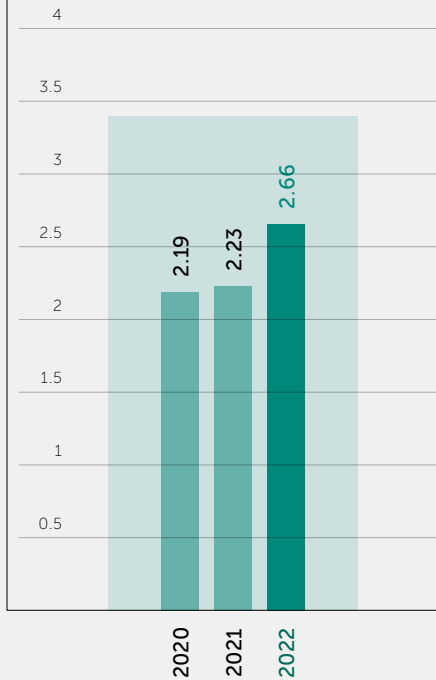
(Relationship NPS)



Average cybersecurity maturity score

(NIST CSF)

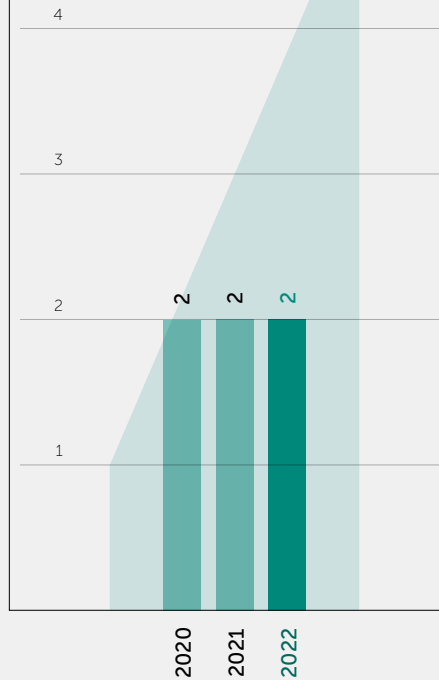
TARGET 2025: 3.4



ISO 27001 certification (security)

(# of product lines in scope)

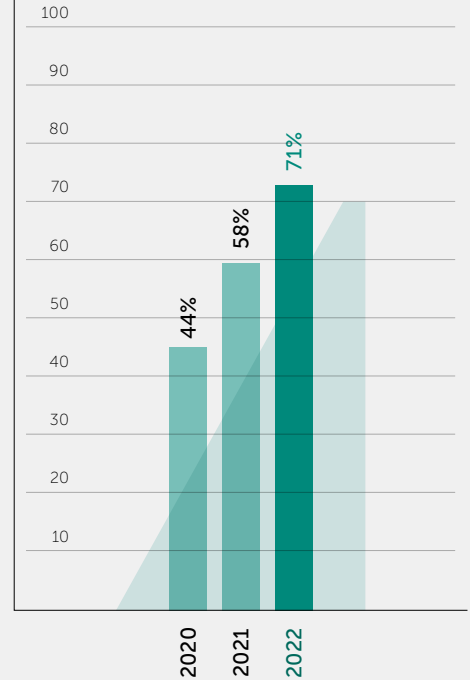
TARGET: + 1 YEARLY



Suppliers scored on sustainability performance

(% of production spend)

TARGET 2023: 70%



Shaping our strategy

CORE Report

Barco

Integrated report 2022

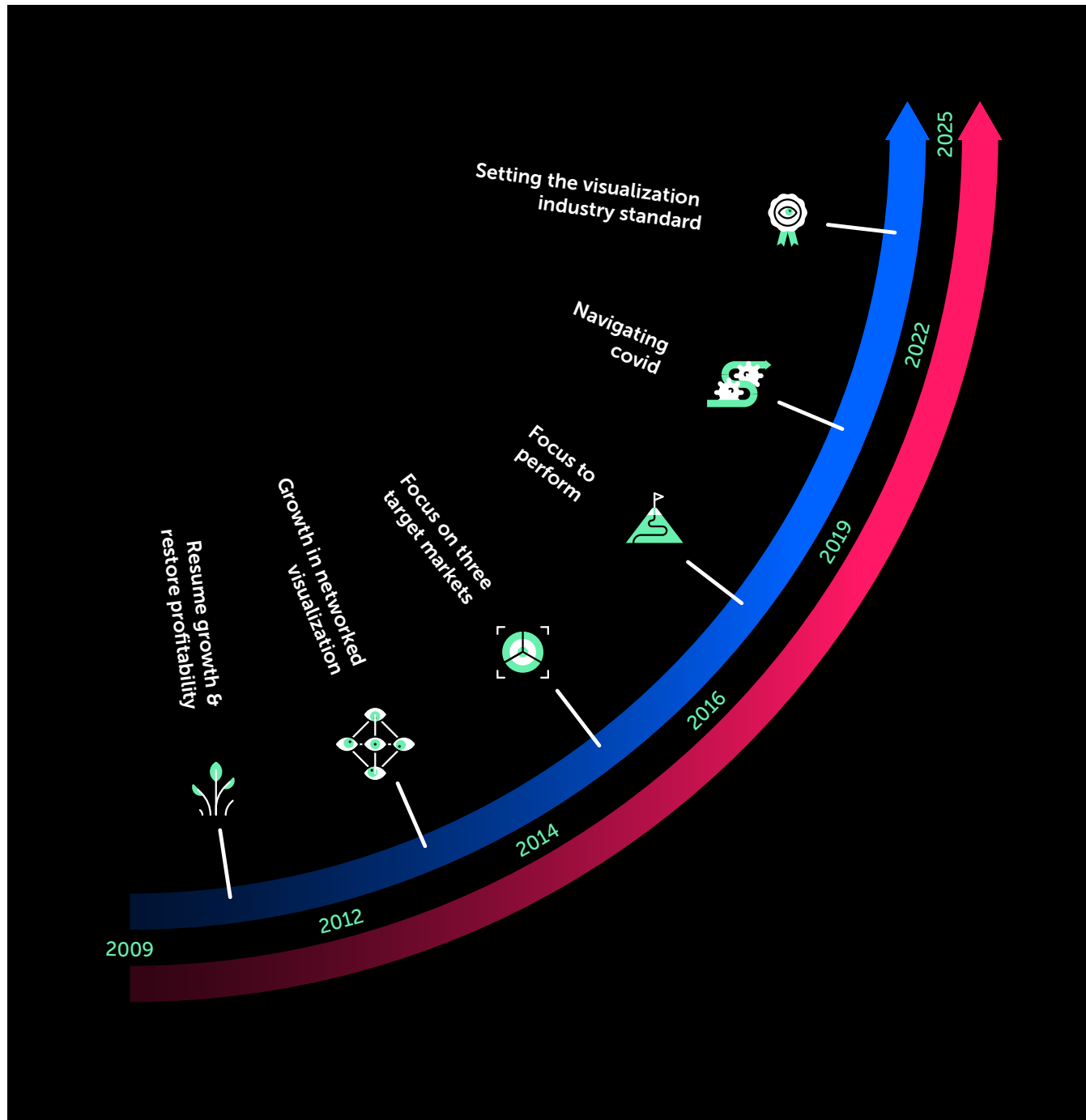
Stepping up for the next episode

At Barco, our strategy acts as a guiding light: it defines how we play to win in our markets. While the foundations of a corporate strategy should remain unaltered, the strategy itself needs to be dynamic and agile, particularly in today's disruptive, volatile markets. Over the past few years, we have continuously refined our approach and priorities to keep them in line with changing dynamics, including relevant [market trends](#), [material topics](#) and [risks](#).

In the post-covid year 2022, we decided to review our strategy more thoroughly. Our revamped, **three-levered strategy** will help us gear up to **set the visualization industry standard** and **capture commanding market shares** in our markets.

Our vision

To be a 'One Barco' company defined around our 'image processing' capability. The solutions that we develop and provide are to set the industry standard and make a visible impact. In this way, we are able to seize commanding market shares in healthy markets.

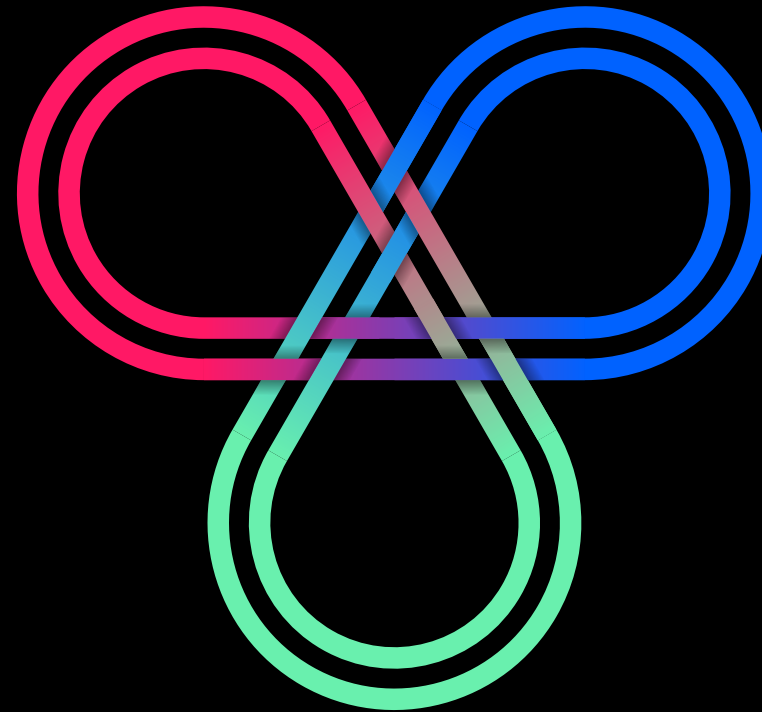


Three strategic levers

To accelerate progress towards our vision, we redefined our strategic levers in 2022. Our renewed strategy now comprises three levers: **capture profitable and efficient growth**, **innovate for impact** and **go for sustainable impact**. These are the priorities we want to focus on to remain relevant and flourish in the short-, mid- and long-term. They help us prioritize our business activities.

**Capture
profitable
and efficient
growth**

**Innovate
for
impact**



**Go for
sustainable
impact**



Lever 1: Capture profitable and efficient growth

Barco has been a global technology leader for decades. Just look at our massive expertise and experience, and smart, committed teams. We are active in markets with solid foundations, where we offer mission-critical solutions. In order to optimally seize all the market opportunities ahead and further strengthen our leading role in our markets, we are determined to **exploit our strengths** to the fullest, and even more than we've done in the past.

To achieve that aim, we set a number of short- and mid-term strategic objectives:

- **reshuffle our organization** into 6 business units (BUs) in order to step up accountability, entrepreneurship, and customer intimacy;
- increase operational effectiveness through **digital transformation** and standardization;
- grasp our **market potential** by broadening our geographic coverage with a focus on **China** and by developing **adjacent markets**.

Assessment

Overall, we score between 2 and 3 out of 4 on the 'Capture profitable and efficient growth' focus areas. The reorganization positively impacted accountability, customer intimacy and entrepreneurship in 2022 and we continued investing in our business in China, despite the covid hurdles. In the field of 'developing new market segments', several initiatives have been taken, but with plenty of potential remaining.

Focus areas	Status	Proof points in 2022
Organizational redesign to enhance customer intimacy, end-to-end accountability and entrepreneurship		<ul style="list-style-type: none"> • Roll-out of simplified organization with 6 BUs and global support services • Integrated BU teams with sales, product development and R&D all in close contact with the customer
Commercial and operational effectiveness through digital transformation		<ul style="list-style-type: none"> • Global roll-out of Salesforce CRM for sales and customer service • Launch of new services e-portal for customer service • Strengthening platform strategy for major IT applications • Finance functions and processes are certified future-proof
Seize the China opportunity with stronger local presence		<ul style="list-style-type: none"> • New healthcare plant in Suzhou operational since December 2021 and ramping up throughout 2022. • Start of construction Wuxi plant, focused on the projection technology market • STEP talent development program for Chinese healthcare team, embedding strong local presence for product development and sales
Develop new market segments and expand in healthcare, control rooms and immersive entertainment		<ul style="list-style-type: none"> • Broadening the Immersive Experience portfolio with mid-market products • Expanding expertise in digital immersive art experiences into Asia • Strengthening our business in the digital pathology segment (Healthcare) with the world's first FDA approved pathology monitor • Launch of TruePix, a gamechanger in LED video walls, offering a premium visualization experience • LTEN Excellence award for Barco and partner Nipro as provider of highest-standard virtual and hybrid training in life sciences sector • New Dermicus digital health skin solutions company combines the strengths of Barco Demetra and Gnosco Dermicus • New collaboration with Strategic Radiology, an association of 1,500+ private radiology practices in the USA

Related to these highly material topics: Customer engagement // Product quality, safety & security // Information security & data protection // Financial resilience // Sustained profitable growth // Product stewardship



Lever 2: Innovate for impact

We are determined to retain our position as a technology leader and further differentiate ourselves from our competitors. To achieve that aim, we will continue to **accelerate our innovation and technology capabilities**. While innovating, we always keep in mind that innovation at Barco should deliver **impact**, i.e. add value for all our stakeholders, including the broader communities in which we operate.

Innovating for impact is about more than mere technology innovation. It includes:

- enhancing and extending our **product portfolio**
- increasing the **efficiency of our operations** with focused factories and a stronger supply chain
- creating **new business models** to strengthen our downstream value chain.

Assessment

Overall, we score between 2 and 3 out of 4 on the focus areas in the 'Innovate for impact' lever. In 2022, we were successful in minimizing the supply-chain constraints caused by the pandemic. We managed to instill a stronger innovation governance, which will help us achieve more breakthrough innovation in the mid to long term. The focused factories strategy, for its part, has just been launched and will help us optimize the manufacturing footprint in the coming years.

Focus areas	Status	Proof points in 2022
Focused factories		<ul style="list-style-type: none"> • Kick-off of focused factories approach: create factories that produce a limited set of products, for a particular business unit.
Strengthen downstream value chain through OPEX business models and channel management		<ul style="list-style-type: none"> • Roll-out of OPEX business models (Cinema-as-a-Service, weConnect, Dermicus) focusing on customer experience and full lifecycle management of products • Addition of new distribution and channel partner agreements
Strengthen supply chain, reducing component dependency through redesign and bringing critical components in-house		<ul style="list-style-type: none"> • Reduction of dependency on critical components (semiconductor and other) through product redesigns that allow for more flexibility to change components during the products' lifecycle • Bringing production of critical subassemblies in-house (e.g. optical components for projectors or bonding glass for healthcare displays)
Rebalance R&D investment portfolio		<ul style="list-style-type: none"> • 11% of turnover spent on R&D, with a more balanced R&D pipeline focusing more on new growth investments • Strengthened patent management with 13 new patent filings and holding 550 patents at year-end 2022 • Global platforms software development strengthened under cross-divisional management in SWIT (Software and IT) organization • Barco selected as Euronext Tech Leader, among Europe's top innovative high-growth companies
Develop adjacencies and new solutions based on core technologies		<ul style="list-style-type: none"> • HDR Lightsteering, for the next-gen laser cinema projector piloted and presented to cinema industry professionals • Expanding ClickShare proposition with new functionalities on a continuous basis, such as smart meeting flows and digital signage
Enhance ROI in innovation combining entrepreneurship and financial discipline		<ul style="list-style-type: none"> • R&D managed in the business units, close to customer, enhancing market effectiveness • Strengthened innovation governance, led by CEO An Steegen, with frequent innovation boards and fast-fail principles

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



Lever 3: Go for sustainable impact

Sustainable business is good business. Barco has been convinced of that for many years. When first deciding how to execute our strategy, we chose to operate with respect for the **planet**, our **people** and the local **communities**. Year after year, that commitment has become more deeply embedded in our corporate DNA. That's why, 'Go for sustainable impact' remains a key lever for our long-term success.

To remain the sustainability frontrunner we've been in our sector for years, we keep

- refining and strengthening our sustainability **governance** and organization
- reinforcing our sustainability **strategy**
- improving the sustainability **performance** of our operations and our products

Assessment

Overall, we score between 2 and 3 out of 4 in the field of 'Go for sustainable impact'. In 2022, we kept strengthening our governance and organization, and reinforcing our sustainability strategy. Improving our sustainability performance in all fields – planet, people and communities – remains an ongoing commitment in everything we do at Barco.

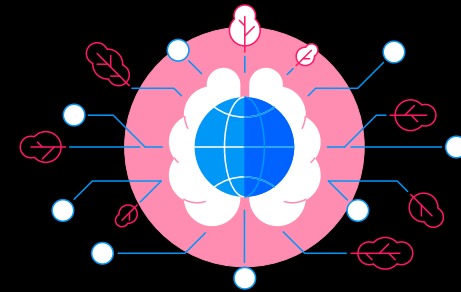
Focus areas	Status	Proof points in 2022
Strengthen governance and organization		<ul style="list-style-type: none"> • Strong ESG governance in place, under the leadership of CEO An Steegen as chair of the executive sustainability steerco, and workstream leads for every highly material topic • Bottom-up operator engagement strengthened with iGemba program taking further momentum in Kortrijk, Suzhou and Noida plants • Raising continuous internal and external awareness and communication about sustainability, e.g. in our Bright Insights magazine
Reinforce our sustainability strategy		<ul style="list-style-type: none"> • Next milestone reached in Barco's wind turbine project, with the environmental permit granted (pending on further appeal) • Further electrification of the company car fleet: 100+ charging stations installed at HQ • Diversity and inclusion launched as a global workstream, with senior sponsorship and dedicated ambassador group
Improve our sustainability performance in the fields of planet, people and communities		<ul style="list-style-type: none"> • On track with our main planet sustainability goals for 2022: <ul style="list-style-type: none"> - Greenhouse Gas emissions from own operations at -51% versus 2015 - 50% of revenues from products with ECO label • Broadening limited assurance audit to include ECO labelled products and emissions of own products; first time taxonomy-aligned reporting with 27.0% aligned revenues • Acknowledgements for increased transparency and improved performance: <ul style="list-style-type: none"> - Barco recognized by The Financial Times and Statista as one of Europe's climate leaders, companies that contributed the most to the prevention of global warming - ESG ratings: consistently scoring in top-20% among Electronics Industry sector peers with a score upgrade to AA for MSCI in 2022 (see external evaluations) - ISO 45001 Health and Safety certification for sites in Beijing: Tai Yang Gong and Chang Ping

Related to these highly material topics: Information security & data protection // Business ethics // Employee engagement // Diversity & inclusion // Product stewardship // Climate change & energy

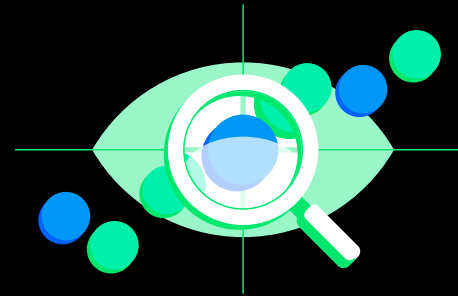
Managing our strategy in a changing world

Even the best plan must be adapted continuously. The global pandemic, the Ukraine war, the persistent inflation and the accelerating climate crisis that have been impacting our business in the past few years, all highlight the need for agility and resilience. That is why we constantly question, fine-tune and even reimagine our strategy to ensure that it remains anchored in the realities of our business and the rapidly changing world around us.

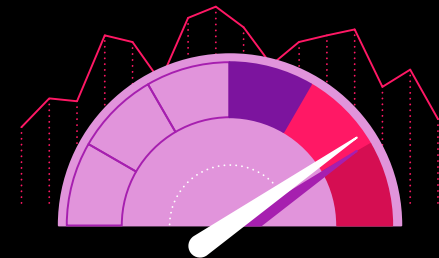
In order to keep our strategy in shape, we look at it through different lenses. We monitor [relevant market trends](#), keep track of evolutions in the [material topics](#) and closely follow up on the [risks](#) that could affect our business.



Market
trends



Materiality



Risks

5 relevant market trends

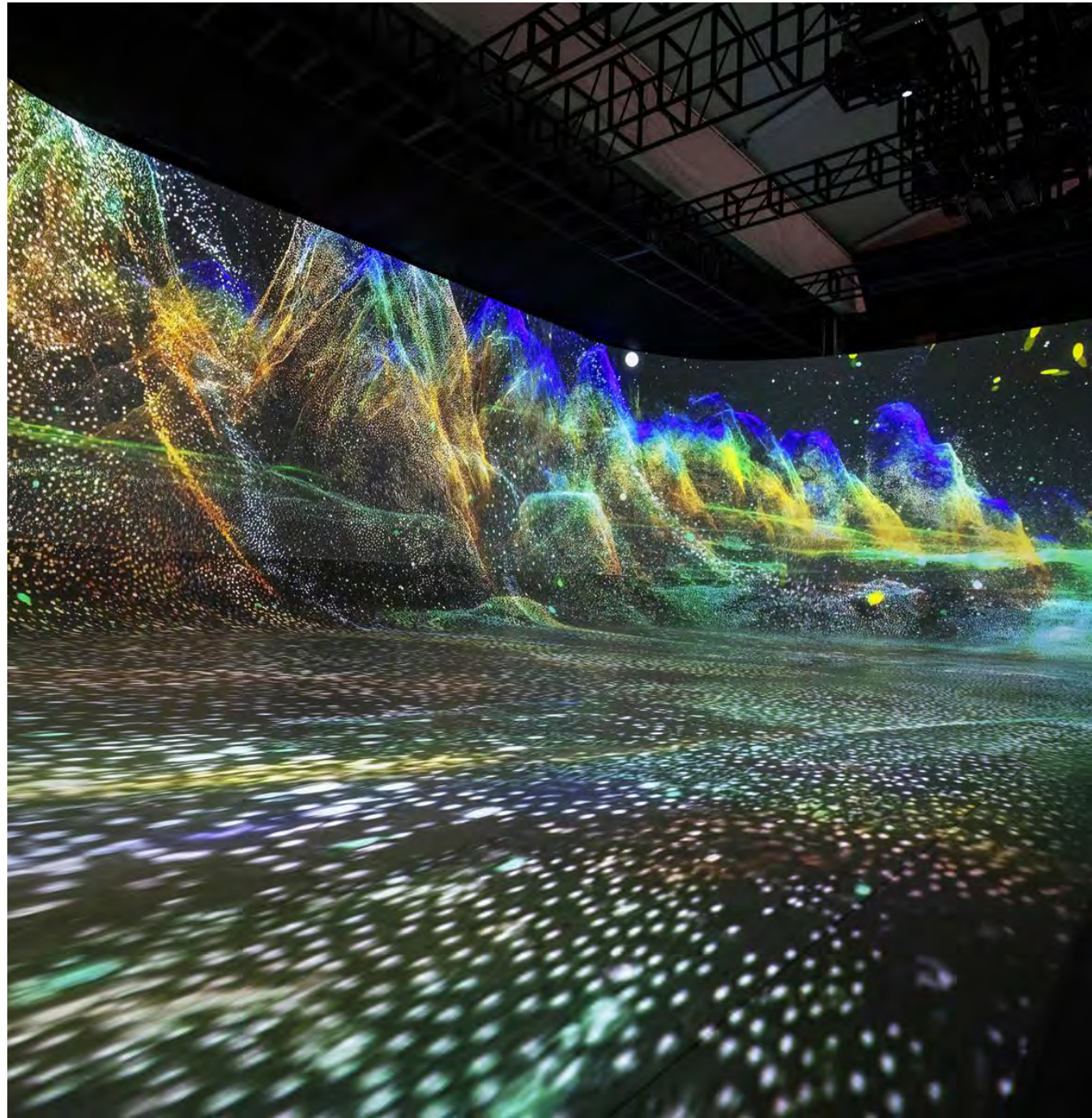
Our customers, our markets and even our world are changing faster than ever. As these changes largely impact our business, we keep a close eye on trends and act upon them when going forward. The following shortlist of five market trends is not exhaustive but is considered as really relevant for the business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

TREND #1

We live in a visual world.

YouTube, TikTok, marketing videos, infographics, large billboards, digital signage: images are anywhere these days. As technology evolves, so does the way we process information and even the way we interact with our environment. On laptops and smartphones, in meeting rooms and boardrooms, in hospitals as well as in museums, movie theaters and during events: **images always say more than a thousand words**. Crisp, clear, high-quality visuals are a must to meet the needs of users and audiences.

» [Get wowed by the ultimate visual experience: projection mapping](#)



TREND #2

The continuing rise of all things hybrid

Meetings, seminars, training courses and even surgeries are no longer fully in-person or fully virtual. Hybrid collaboration has become the new normal. The big challenge for organizations, universities and hospitals is **creating equity** for participants, no matter where they are. Technology that connects people and makes collaboration truly flow while keeping it secure will lead to success in the new, hybrid world.

» [Discover how to optimize your digital meeting experience](#)

TREND #3

Customer is king

A familiar adage, the 'Customer is king', remains relevant in the 2020s, as savvy consumers demand flexible, personalized, customer-centric services. More than ever, in fact, consumers want to feel a **strong connection with brands** and be part of a community. Organizations that manage to ensure customer intimacy, listen and respond to customer needs, and provide outstanding customer services throughout the customer life-cycle are set for success.

» [Read all about our efforts to boost customer intimacy](#)



TREND #4

The need for insights

Whether in boardrooms, control rooms, radiology or operating rooms: everyone generates astronomical volumes of **digital data** these days. A massive amount of computing power, smart visualization solutions and intelligent software are needed to collect, store, process, distribute and retrieve this data to then distill insights from it. Organizations that invest in solid, reliable solutions for data processing, analysis and visualization are sure to enhance decision-making and gain an edge over their competitors.

» [Read how Barco provides the right perspective on data in control rooms](#)

TREND #5

The world wants genuinely sustainable outcomes

Authorities, investors, customers, suppliers and employees are all challenging companies to set more ambitious environmental, social and governance (ESG) targets. Greenwashing, however, will no longer do. They demand genuine commitments to reduce CO₂ emissions, embrace diversity and ensure sustainable employability. Organizations that have the courage to **embrace ESG targets** beyond box-ticking will be rewarded and win in their markets.

» [Check out Barco's carbon emission reduction commitments](#)



Materiality

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

Linking our materiality matrix to the UN SDGs

Our last extensive [materiality assessment](#) was done in 2020, in close cooperation with a broad group of [stakeholders](#). It remains relevant, as stakeholder interactions in 2022 did not reveal major changes. Our Board of Directors decided to raise the topic 'Diversity and inclusion' from medium to highly material in 2021. In 2022, we started accelerating our efforts to create a more inclusive workplace that embraces the diversity of our people.

In the table, we link the highly material topics to the six [UN SDGs](#) that best fit our materiality matrix and our own corporate strategy.

» [Read all about our materiality assessment, the UN SDGs and our stakeholder engagement on our corporate website](#)

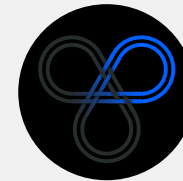
HIGHLY MATERIAL TOPICS

UN SDGs



Capture profitable and efficient growth

1. Customer engagement
2. Product quality, safety & security
3. Information security & data protection
10. Financial resilience
11. Sustained profitable growth
18. Product stewardship



Innovate for impact

2. Product quality, safety & security
8. Innovation management
18. Product stewardship



Go for sustainable impact

3. Information security & data protection
4. Business ethics
13. Employee engagement
17. Diversity & inclusion
18. Product stewardship
19. Climate change & energy



Risks

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







Risk management process

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

2022: main risks

Every year in the fourth quarter, Barco performs a company-wide risk assessment and compliance gap analysis. In 2022, that led to a slight reclassification and renaming of certain risks, leading to the following overview.

» [Read more on Barco's risk management](#)

	Risk	Trend	Material topics	Strategic levers
1	Innovation, new technologies & product portfolio		<ul style="list-style-type: none"> • Innovation management • Market reach • Product stewardship • Customer engagement 	<ul style="list-style-type: none"> • Innovate for impact • Capture profitable and efficient growth
2	Supply chain & 'Nth' party risk		<ul style="list-style-type: none"> • Responsible supply chain management • Sustainable profitable growth • Product quality, safety and security 	<ul style="list-style-type: none"> • Capture profitable and efficient growth • Go for sustainable impact
3	Human capital & talent management		<ul style="list-style-type: none"> • Employee engagement • Learning and development • Employee health, safety and wellbeing • Diversity and inclusion 	<ul style="list-style-type: none"> • Capture profitable and efficient growth • Go for sustainable impact
4	Product quality		<ul style="list-style-type: none"> • Product quality, safety and security • Customer engagement • Brand 	<ul style="list-style-type: none"> • Innovate for Impact • Capture profitable and efficient growth
5	Macroeconomic & geopolitics risk		<ul style="list-style-type: none"> • Market reach 	<ul style="list-style-type: none"> • Capture profitable and efficient growth
6	Information security risk		<ul style="list-style-type: none"> • Information security and data protection • Product quality, safety and security 	<ul style="list-style-type: none"> • Innovate for impact • Go for sustainable impact

Innovation and technology



Visioneering a bright tomorrow

Barco can build on decades of engineering excellence in **visualization and imaging technologies** to realize its purpose of 'visioneering a bright tomorrow'.

In the last years, we invested on average 11% to 13% of our turnover in **R&D** in order to meet – or, rather anticipate – the rapidly evolving market demands. Since 2022, we have been strengthening, sharpening, and accelerating our innovation efforts, with more focus on breakthrough, **disruptive solutions** – primarily for our core and adjacent markets but also in totally new domains.

While we are reinforcing our teams with visioneers who **spark innovation**, we retain a **disciplined approach** to innovation, with a dedicated budget. Every new product, solution or service is the result of extensive market research, and stems from **dialogue** with our customers and partners, together with internal teams. Moreover, exceptional **product performance** and quality, not forgetting **security**, **stewardship** and **sustainability** are all deeply embedded in our solution design processes.

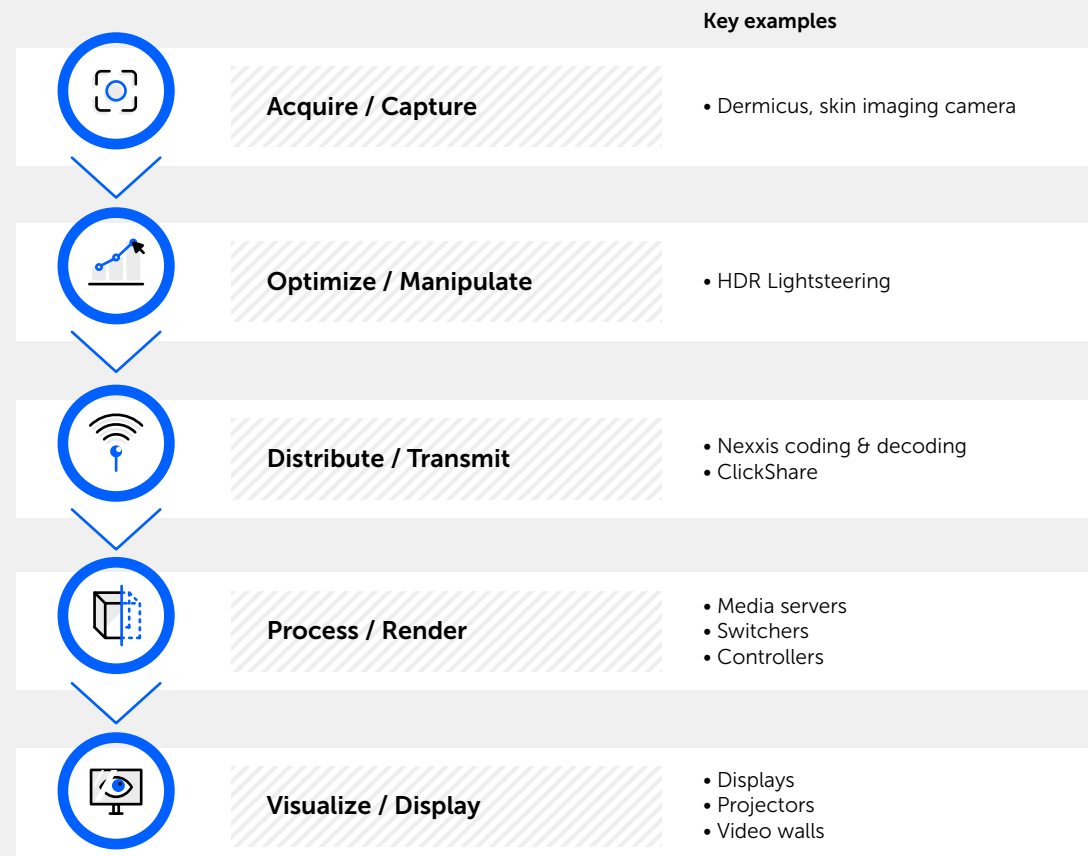
The challenge is to innovate radically – and dare to fail.

Charles Beauduin
Barco CEO, in Trends Magazine

Mastering the entire visual chain

Innovation has always been the lifeblood of Barco. Ever since our company was founded back in 1934, we have been pioneers. While displays and visualization hardware were our initial focus in our earlier days,

we now master the entire visual chain, from acquisition through to the display of images, adding all the capabilities that help bring the image to the screen.



Our innovation approach

Successful innovation creates both value for the customer and true business benefit. To ensure that our ideas are tightly connected to our strategy and purpose, and can be turned into revenue growth potential, we adopt a disciplined approach to innovation:

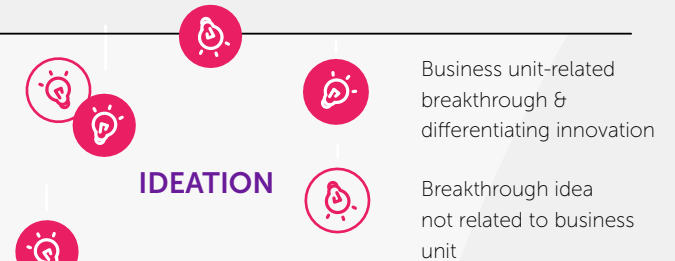
- Balancing **start-up dynamics** with **fast-fail principles**
- Focus on **early customer involvement**
- Governance: **disciplined management** with dedicated budget

Sustainable, high-quality product innovation

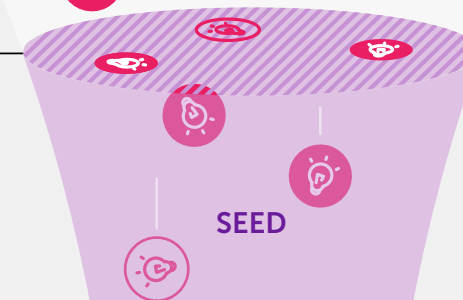
Barco products stand for top quality, safety, reliability – and increasingly also for sustainability. To make sure that every new Barco solution exceeds the most stringent sustainability criteria, we take sustainability into account in **the earliest phases of our innovation and design processes**. Before any prototype is conceptualized and presented, we estimate the impact of the materials, its energy consumption, packaging, shipping, etc., so that we can still adjust the design if needed.

Our innovation process

1. FUNNEL ENTRY GATE



2. SEED FUNDING GATE



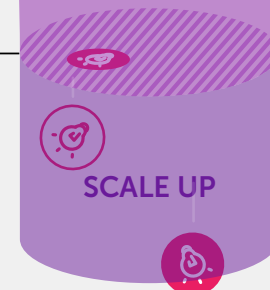
3. PROOF OF CONCEPT

Idea is feasible with a promising business case.



4. BREAK-EVEN GATE

Proof of concept becomes a viable product/solution



Central organization / BarcoLabs

Business unit

We've found a new innovation cadence

Things have changed significantly at Barco, since Gerwin Damberg came on board as CTO in 2020 – not least in the field of innovation and technology. The start-up like approach, that he dreamt of instilling, got an extra impulse when An Steegen and Charles Beauduin became CEO.

"Ramping up over two years, we now have **the right mindset, people and processes** in place to innovate successfully," says Gerwin, "and we can be proud of our first results already. Some early products, like Dermicus, weConnect and our HDR Lightsteering projection technology, proceeded from early seed into the growth phase. Many new ideas make it into the seed funnel. Successful entrepreneurship however also requires having the courage to stop, if an idea is not viable or cannot add enough value.. That's painful, yet it's good to understand it won't work, sooner than later. That too, is key in an innovation mindset."

Innovation board

Decisions on whether a new innovation idea will receive funding, are made in the **innovation board** that meets three times a year. The board comprises our co-CEOs, Gerwin himself and stakeholders from BarcoLabs and the business units. "This is where new ideas are pitched and assessed, where we discuss the progress of ongoing projects, exchange ideas and provide advice," Gerwin explains.

I'm happy to see that we're no longer innovating in a vacuum.

Gerwin Damberg
CTO

These meetings are a **source of inspiration** for everyone involved. As are the demo sessions that our BarcoLabs teams organize for everyone at Barco. On top of that, BarcoLabs increasingly collaborates with people from the business units, which creates a new, dynamic vibe. I'm happy to see that we're no longer innovating in a vacuum."

Entrepreneurial spirit

"Now that we've built a strong foundation for execution, we have to keep going beyond 9 to 5, to get our seed ideas to the next level. That's not always easy in a corporate environment but it is great to get clear, authentic sponsorship from our CEOs and we are progressing really well. We've definitely found a new innovation cadence," Gerwin concludes.



Creating big sparks: how BarcoLabs truly visioneers the future

How can we, as a company, remain relevant in today's – and tomorrow's – global, tech-driven world? By developing disruptive solutions that add value to our customers' lives – and doing it quickly. A growing group of visioneers is helping us to achieve that objective. Peru Dharanipathy is one of them. He joined our central R&D group, BarcoLabs, in early 2022 to head our Advanced Displays X team.

If you ask Peru, the sky is the limit when it comes to innovation. Or, rather, there are no limits: Peru loves to shoot for the stars. "These are such extraordinary times to be active in technology," he starts. "Still, for a tech company to remain meaningful, being disruptive is a must."

Innovation is a process of creating as many sparks of disruptive ideas as we can – and hoping that the best idea catches fire.

Peru Dharanipathy
Technology Director, BarcoLabs

Organic, bottom-up innovation

"The input we get there is really valuable. Our colleagues from the business units, for example, can quickly tell if our prototype addresses a real market need. Moreover, we hope that our demos inspire other colleagues, from whichever business unit and whatever role, to come up with new ideas.

Dirty prototypes: choose progress over perfection

"The key to creating groundbreaking new technology is **being fast and unafraid to fail**," he goes on. "On top of that, you must keep the **dialogue** open from the start and involve as much people as possible, so that you can explore all available opportunities and spot limitations."

To improve the speed of innovation and arouse interest in innovative new technologies, Peru introduced the concept of 'dirty prototypes': his team converts ideas into basic prototypes fairly quickly and then demonstrates them to everyone at Barco during informal demo days.

Innovation is a process of creating as many sparks of disruptive ideas as we can – and hoping that the best idea catches fire. This bottom-up approach, where **ideas bubble up from anywhere in the organization**, is sure to result in more innovation. It's pretty new at Barco, but we're making steady progress."

Sneak peek: the future of displays

The prototypes that Peru and his team demonstrated most recently were 3D displays. Still, that is just the beginning, he says: "Until now, displays have remained fairly static: they emit light, just like displays have always done. It becomes more fun when you can turn walls, curtains, glass and any other surface



The real purpose of our innovation is to come up with solutions for people to connect with the massive amounts of data available in the world.

Peru Dharanipathy
Technology Director, BarcoLabs

or object into a display. Or better still: if images popped up everywhere as we walk in a room. While that still feels like science fiction, these **dynamic, displays** will eventually become part of the display technology mix. Additionally, the case of **reflective** display technology can be particularly interesting too, is that it brings energy use down by over 90% – that **sustainability** aspect is a very valuable argument to look further into these types of technology.”

Connecting people and data

While Peru is passionate about technology and innovation, he stresses that it is the relevance of the solutions that really counts: “What attracted me to Barco, apart from its global scale, is how Barco technology **improves the lives of people** around the world. Just take our projectors. The photons of Barco projectors have touched the faces of billions of people and made them smile.”

“When it comes to displays, our real purpose is to invent solutions for people to **connect with and get insights** out of the massive amounts of **data** available in the world, in order to help solve key problems. We’ve got a great team here to visioneer that future, in close cooperation with our other colleagues from BarcoLabs and from the BUs.”



Towards mature patent management

Intellectual Property (IP) represents a **competitive advantage** for a technology company like Barco: patent holders have a higher chance of attracting customers, investors and even employees.

In the past two years, we have been strengthening our IP management and refocused our strategy. We assigned patent delegates in each business unit and also hired a new patent engineer in Taiwan, a Paralegal and a Patent Attorney in Belgium thus further **strengthening our internal patent group** and adding much important international expertise to the team.

More than **educating employees** on the importance of IP, the team has now fully **incorporated IP in our innovation process**. Patentability is checked early on in the new product development cycle, more patents are filed and we introduced professional IP infringement checks. As a result, the quality of our patent portfolio is clearly improving.

We keep strengthening our internal patent group and adding much important international expertise to the team.

Anders Ballestad
Director Innovation Strategy

Focused factories: another face of Barco innovation

Innovation at Barco is not just about new products. New workflows, business models and tools all complement product innovation to retain our leadership position. The focused factory strategy that we introduced in the second half of 2022 is a great example of that: Barco will invest 100 million euro in new manufacturing facilities and in the automation and digitization of its manufacturing processes over the period 2023 - 2025. Rob Jonckheere explains.

What is a focused factory?

"A focused factory manufactures a **limited set of products**, for a particular business unit. It's a different approach than conventional plants, which often mix many manufacturing processes and even serve different business lines."

Why did Barco choose to invest in focused factories?

"The focused factory approach will simplify the organization and speed up decision making. Moreover, thanks to the large degree of automation in manufacturing and logistics we'll be able to further simplify our production processes and increase efficiency. Last but not least, product quality will structurally improve. Our products increasingly integrate miniaturized components with narrow tolerances, which are difficult to handle with manual assembly processes. So all-in-all, the implementation of the focused factory strategy will **increase our competitiveness** and also reduce the supply chain risks."

How exactly do focused factories reduce supply chain risks?

"We're moving from a pure assembly factory towards a more vertically integrated factory. That means producing laser drivers, for example, assembling optical components for projectors

Focused, automated factories will simplify the production processes, improve and speed up decision-making, and lead to faster and better results.



Rob Jonckheere
EVP Global Operations

or bonding glass for healthcare displays. This allows us to **move up within the value chain**, capture 'more share of wallet' and limit our supply chain risks."

With new plants in Suzhou and Wuxi, China remains key in Barco's manufacturing strategy?

"As China is a crucial market for Barco, a regional presence of manufacturing and development is crucial to **support our growth ambitions**. Our focused factory strategy does ensure that every factory in China has a **mirror factory** outside China. This allows us to answer specific market or customer requests, but also means we can quickly anticipate in case of geographic and/or geopolitical issues."



Technology: domains

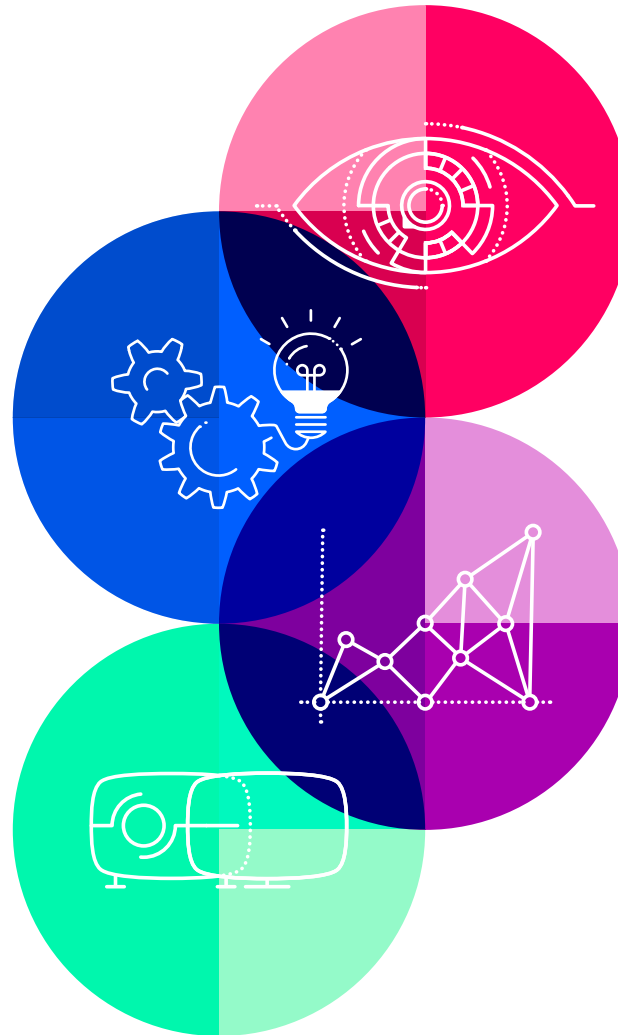
Image processing has been and remains the cornerstone of Barco's technology map. On the base of this first component, we have defined three more building blocks which form the foundation for Barco's innovation for impact in the future.

Image processing

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

Advanced display & projection

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



Computational optics

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

Connectivity & data analytics

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

Our markets



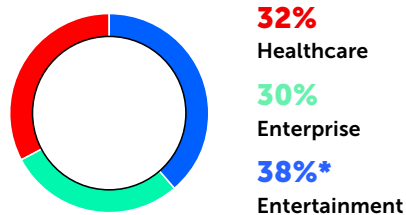
Three healthy markets, three divisions

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

Our presence in these three markets goes back many years and is mainly based on the potential of our technology to deliver **top-notch imaging capabilities**. Thanks to our deep-rooted expertise and experience, we are well equipped to lead the pack in all three markets. We work hard to keep consolidating our leadership position, by offering **innovative, high-quality and increasingly also truly sustainable solutions that create value** and meet – or rather: exceed – the expectations of our customers and end-users.

Three divisions, six business units

We serve our markets through three divisions, which are split into two business units each. Each business unit is fully empowered to execute strategic priorities.



* Breakdown based on sales 2022

Healthcare



Enterprise



Entertainment



Customer engagement

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

The word 'customer' was probably used more than any at Barco in 2022. While we've always been closely involved with our customers, at Barco, the commitment to take customer engagement to the next level has really never been higher.

Rebecca Vanderpiete
VP Global Marketing

Connecting to customers and their ecosystems

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

How our reorganization fosters customer intimacy

2022 has demonstrated that the reorganization that we carried out in October 2021 greatly helps to improve the customer experience. By centralizing sales among the managers of the business units, we got **closer to our customers**. This allows us to respond faster and more effectively to their questions and needs.

A mature customer experience management model

The customer experience roadmap that we launched in 2018 has reached maturity: it's a solid foundation on which to build further initiatives. As we move forward, we increasingly **digitize** the end-to-end customer engagement process to meet customer needs for speed and high-quality services.

» Read more on our [customer engagement initiatives](#)

Our new experience center: where Barco and customers get together

In 2022, our experience center was given a thorough makeover, converting it into a fully-immersive environment and the perfect place for Barco, customers and partners to meet. This new space at our One Campus HQ is an extra motivation for customers and partners to come and visit us in Kortrijk and share experiences, learn and co-create.



Healthcare

Enabling better healthcare outcomes for more people

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

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

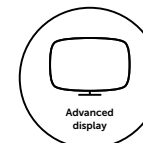
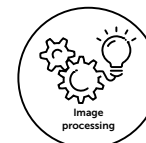
What if you could diagnose people before they get sick?

Barco Healthcare: quick facts

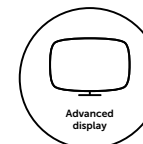
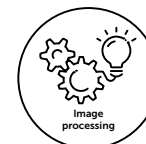
- +30 years of experience, **recognized market and technology leader**
- Trusted brand, providing solutions and services that healthcare professionals can rely on with **top-notch product quality**
- Focused on **clinical outcomes**, beyond product features and specs
- Large installed base: **800k+ installations** since start

32%
Healthcare

46%
Diagnostic
Imaging



54%
Surgical &
Modality



How Barco Healthcare creates value



Solutions and services that healthcare professionals can rely on

There's no room for compromise when Barco develops medical displays: we systematically **exceed product quality guidelines**. After all, our healthcare solutions can make the difference between life or death.

We provide radiologists, surgeons and other physicians with reliable, medical-grade display solutions that promote **clear and consistent image quality**, anytime, anywhere, to make accurate diagnoses, identify the best options for treatment and perform flawless surgical procedures.

A trusted brand that puts customers first

To make sure our healthcare solutions truly help healthcare professionals in delivering better patient outcomes, we involve medical professionals in the **design, concept and validation stages** of every new product development.

A Radiology Advisory Board and a Surgical Advisory Board that consist of customers as well as key opinion leaders help our teams to understand their needs, spot trends and discuss ideas, roadmaps and solutions.

As a surgeon, you should be able to just concentrate on the main goal of the procedure, which is delivering optimal care to your patient. Technology should not be a distraction. For Barco, that's very important to keep in mind when developing new products or improving existing ones.

Nick Maynard
Upper GI Surgeon at Oxford University Hospitals
and member of our Surgical Advisory Board



A division with a purpose: we go for sustainable impact

Our healthcare team is on a mission to ensure **better health outcomes** for more people. That mission makes us a division with an intrinsic purpose: everything we do is aimed at improving people's lives. More than that, we are truly dedicated to the environment. Since 2005 already, we have been considering the carbon footprint and recyclability of our products when designing new solutions.

More than having a sustainable impact, our healthcare division has a true purpose: we're here to make the lives of patients better. That makes it easier to retain and attract talent, as jobseekers and employees increasingly look for purpose-driven careers.

Geert Carrein
EVP Diagnostic Imaging

Healthcare division - Diagnostic Imaging

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

Our strategy

Capture profitable and efficient growth

With over 30 years' experience, Barco is the world's No. 1 in diagnostic imaging. Building on those strong fundamentals, we want to **grab growth opportunities in adjacent markets**, like mammography home reading and pathology, and strengthen our position across geographies, like in China.

Innovate for impact

To **extend our indisputable leadership position in diagnostic imaging**, we will further accelerate innovation in different fields: launching propositions beyond display hardware, developing new flagship products, and addressing new trends, such as cloud, AI and 3D. Investments in focused factories and innovative business models like Display as a Service will further fuel growth.

Go for sustainable impact

Our healthcare division started lowering its carbon footprint in 2005 already. While it remains a challenge to **reconcile the exceptional image quality and protection** that radiologists need with **environmental concerns**, we are making significant progress year by year, in close collaboration with our suppliers. Recently, we started implementing more **circular business models** to further enhance the lifecycle of our medical products.

Cancer rates continue to rise globally and 70 to 80% of diagnosis and treatment decisions involve pathology – while the number of pathologists is dropping. Digital pathology helps face this challenge. We are a frontrunner in this field, providing unique solutions for multiple digital pathology vendors. Moreover, the Barco-branded pathology display is the first to have received regulatory clearance as a medical device in this market.



Geert Carrein
EVP Diagnostic Imaging

In a nutshell

- Leader and innovator for **30+ years**
- Strong position with **flagships** in radiology and mammography
- New adjacent markets in **digital pathology and dentistry**
- Installed base: **350k+ displays** in last 7 years



2022 ZOOM

The rise of remote radiology reading

Remote radiology, including mammography, is dramatically on the rise, especially in the US. Our product line offers **robust remote display systems**, flexible **controllers** and high-quality **medical platforms** that address the issues remote radiologists experience: performance and workflow, security and patient privacy, quality and **compliance with the stringent regulations**.

Related trend: [The rise of hybrid](#)

Healthcare division - Surgical & Modality

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

Our strategy

Capture profitable and efficient growth

Barco defined and led the transition to IP in operating rooms over 10 years ago and has remained a leader ever since. To **grasp the huge market opportunity** (200k+ operating rooms worldwide), we are **strengthening our commercial focus**, by reinforcing our partnership approach, driving service revenues (maintenance contracts and SaaS) and strengthening our foothold in China.

Innovate for impact

While innovation has always been in our DNA, we are now accelerating our efforts. **Increasing product differentiation** is our number one goal. To-do's on our innovation roadmap include developing a premium and mid-segment Nexxis offering, co-creating new solutions with customers, integrating more features and embracing new tech trends, such as OLED, HDR and 3D.

More than our pioneering role in OR-over-IP, our focus on customer intimacy helps us win deals. Strategic Partner Success Team and Account teams are in close touch with our customers and we increasingly interact with clients to discuss possible new solutions and product improvements.



Johan Fornier
EVP Surgical & Modality

Go for sustainable impact

Just like in diagnostic imaging, it remains a challenge to **reconcile exceptional image quality and protection with sustainability**, in Surgical & Modality. Yet here too, we are making significant progress. In 2022, we launched several **new products with an A ecoscore**, including three different modality displays for OEM customers and two new encoders/decoders for our Nexxis ecosystem.

In a nutshell

- Leader and innovator in **digital operating rooms (OR)**
- Supports trends of **minimal invasive surgery** and remote collaboration
- **Pioneer**: first digital OR over 10 years ago
- Installed base: **7k+** digital ORs



2022 ZOOM

NexxisLive: remote collaboration in operating rooms

Similar to all other sectors, remote collaboration is gaining importance in **surgical training, assistance and conferences** too. Our NexxisLive platform enables participants to talk, chat and annotate as if they were in the same OR, with excellent audio and video quality, and low latency.

Related trend: [The rise of hybrid](#)

Enterprise

Engaging you to unleash the power of knowledge and emotions

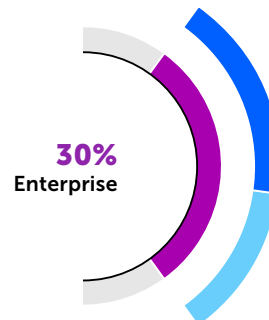
Every Barco enterprise solution is designed to help people collaborate better by ensuring engaging experiences. From boardrooms and workplaces to control rooms and classrooms: all our solutions help people unleash the power of knowledge, insights and emotions – for brighter ideas, stronger collaboration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

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

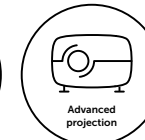
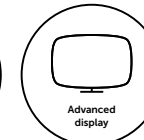
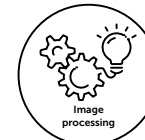
What if the hybrid workspace was better than in real life?

Barco Enterprise: quick facts

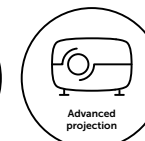
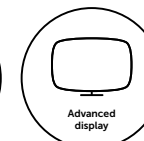
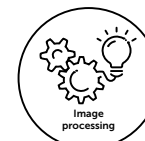
- **Market and technology leader** in wireless presentation and conferencing
- **Long-standing reputation** in control room market
- **Wide portfolio**, for every meeting and control room
- Large installed base: **1.1 mio ClickShare meeting room installations**, **15k control rooms**



58%
Meeting Experience



42%
Large Video Walls



How Barco Enterprise creates value



Solutions and services that organizations can rely on

Our collaboration and control room solutions are marked by a **relentless focus on the user experience**. Thanks to a continuous stream of ClickShare feature upgrades, we constantly elevate the experience for meeting participants. In control rooms, every innovation that we launch aims to simplify the operator workflows and speed up response times. Everyone in the Enterprise division is committed to **exceptional quality, reliability, and durability**.

A trusted brand that puts customers first

In 2018, the Enterprise division decided to take customer engagement to the next level and started mapping the customer journey and launching initiatives to **boost customer intimacy**. In the meantime, that initiative has been rolled out company-wide. By **working closely together** with customers, end-users and partners, we understand their hardware and software needs. In turn, we **share expertise and experience** with our resellers and consultants, which helps them reinforce their market position.

We want to be at the forefront of expertly integrating new advancements in AV technology to better serve our clients. To do that, working closely and in collaboration with Barco's first-rate technical team enables us to provide exceptional customer service, and deliver the high-quality workmanship that we are known for.

Jim Fertino
President of Vistacom



A division with a purpose: we go for sustainable impact

Over the course of 2022, we have been preparing a major next step in our sustainability journey: the launch of our **first fully carbon-neutral product**: the Barco ClickShare CX-50 second generation. This achievement further underlines our position as an **industry-broad leader** in sustainability. Moreover, Barco is also supporting the wider industry to move towards more eco-friendly solutions through our leading role in the [AVIXA sustainability initiatives](#).

95%

The Ecopower standby of TruePix reduces the power consumption by up to 95% versus black mode. Thanks to this functionality, amongst others, our new LED video wall platform received the A++ ecoscore.

Enterprise division - Meeting Experience

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

Our strategy

Capture profitable and sustainable growth

Barco is a global leader in wireless presentation and conferencing. Thanks to the hybrid working trend, demand for video-enabled rooms is growing, which spurs our growth potential. To **accelerate the growth of ClickShare and strengthen our leadership position**, we are expanding our presence in the market, refining our value propositions and continuously launching new software features that improve the user experience and raise the bar.

Innovate for impact

The constant evolution of ClickShare as a state-of-the-art meeting and video conferencing solution is a fine example of bright innovation at Barco. Yet, we don't want to limit ourselves to the scope of wireless presentation and conferencing. In our quest to elevate the **user experience**, we want to also **explore other innovative meeting room solutions**; and move into collaboration workflows and analytics.

We have the technology, expertise and market knowledge to meet the needs of today's and tomorrow's collaboration market. We want to elevate the meeting experience further by addressing the strong market potential for ClickShare and exploring new innovative propositions for meeting rooms, together with our partners in the broader collaboration eco-system.



Stijn Henderickx
EVP Meeting Room Experience

Go for sustainable impact

The hot topic of sustainability has many different faces. Our Meeting Experience team meets all expectations: ClickShare has the A++ ecoscore, new products will be **carbon neutral**, and we have a very **diverse, global team** – which is a must to fully understand our customer needs.

In a nutshell

- **Market and technology** leader in wireless presentation and conferencing
- **Wireless conferencing** solutions accounting for 60% of volumes
- Installed based ClickShare: **1.1 million meeting rooms**
- Award-winning product design: **55+ awards**
- Strong innovation **with 50 patents** in US, Canada, EU and China



2022 ZOOM

The quest for meeting equity

Successful hybrid meetings keep the connection going between in-house and remote workers. Still, 1 in 3 remote workers feel disengaged in hybrid calls. Our ClickShare wireless conferencing room solution can help ensure that **all meeting participants have equal opportunities** to communicate, contribute and share ideas, wherever they are located.

Related trend: [The rise of hybrid](#)

Enterprise division - Large Video Walls

Large Video Walls offers a package of solutions to help control room operators view better, share faster and resolve quicker – and make well-informed decisions: video walls, video wall controllers, control room software and a full suite of support services.

Our strategy

Capture profitable and sustainable growth

We have a long-standing reputation in mission-critical control rooms. To become a **true leader in the control room market**, we want to strengthen our software solutions with a special focus on our security roadmap; leverage our installed base for renewal opportunities and increase our operational efficiency.

Innovate for impact

To ensure sustained growth of our business unit, we explore the potential of new, 'deeper' solutions in adjacent markets: expand to mid-end through advanced integrated video wall and operator desk solutions and deepen our reach in specific verticals by widening our application focus.

Go for sustainable impact

Energy-efficiency has become a major concern in the control room business, both for cost and sustainability reasons. Yet, our large video wall solutions tick a lot more sustainability boxes. TruePix got the **A+ ecoscore** for its energy efficiency, optimized packaging, use of halogen-free plastics and repair-friendly design. Moreover, we increasingly **refurbish existing rear-projection video walls** and repair their lenses on-site.

The OpSpace installations at Heathrow and Schiphol were definitely two highlights of 2022. The latest version of our OpSpace software solution makes it much easier for operators at the Airport Operations Centers to manage the complex passenger flows and the increasing number of flights.



Chris Sluys
EVP Large Video Walls

In a nutshell

- **Top 3** in control rooms
- Integrated solutions, based on unique **triple-play** video wall technologies
- **Technological leader** with control software, UniSee and TruePix video walls
- **Installed base:** 15k+ control rooms worldwide



2022 ZOOM

It's a data-driven world

Our world has become data driven. Whether in boardrooms or in traffic, airport or emergency control rooms: there is an abundance of information to **analyze and manage** – in order to gain insights. As humans are highly visual creatures, they want to be able to correlate images, data and infographics to drive discussions and decisions. Large video walls provide the canvas they need to do so.

Related trend: [Need for insights](#)

Entertainment

No Barco, no show

At Barco Entertainment we bring experiences to life. Because we believe in the power of images to amplify great ideas. For everyone and anywhere on this planet. This belief drives our passion every day to continuously design the highest performing, most innovative, most reliable immersive experience and cinema solutions. Enabling our partners and customers to create and deliver their visual miracles. To everyone. Everywhere. All the time.

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

What if you could bring a T-rex back to life?

Barco Entertainment: quick facts

- Industry's **most complete range** of laser-based projection and image processing solutions
- Long-lasting market position, **recognized market and technology leader**
- Strong reputation for product quality, reliability and brand
- Large installed base: **100k+ cinema projectors** and **10k+ high-end entertainment projectors**

38%
Entertainment

48%
Cinema

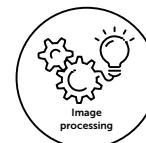
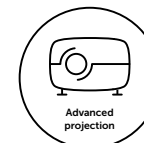


Image processing



Advanced projection

52%
Immersive Experience

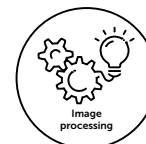
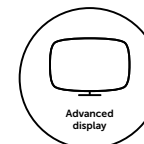
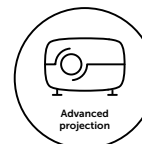


Image processing



Advanced display



Advanced projection

How Barco Entertainment creates value



Solutions and services that entertainment professionals can rely on

Barco stands out from the crowd in every entertainment and simulation market, thanks to its **wide portfolio of visualization solutions**. From graphics processing, media handling, projectors to direct view displays and more: every solution is designed with an unwavering **dedication to product performance, reliability and service quality**. To maintain and further elevate this high standard and meet customers' needs, we continually invest in product innovation and improvement, end-to-end services and new business models.

A trusted brand that puts customers first

A close relationship with the customer is key in the entertainment market. More than that, the customer comes first **when designing new solutions**. From dedicated Facebook groups and customer advisory boards to early field trials: every new channel for sharing our customers' experiences, insights and ideas with our teams brings us one step closer to delivering **exceptional end-user experiences**.

From custom solutions to the on-site professional services, the Barco team thought outside the box every step of the way.

Phil Marlowe

Managing Director Middle East at AVI-SPL on his cooperation with Barco when setting up the [Museum of the Future](#).



A division with a purpose: we go for sustainable impact

As the world's largest cinema projector maker, we deeply engrain sustainability in our design culture and consider it **from the earliest concept until the end of life of our products**. Our solutions increasingly meet the most stringent ecoscoring criteria, thanks to measures like the shift to a complete laser technology portfolio, lighter projectors, less packaging, modularity and ecofriendly materials.

70%

Thanks to their EcoPure™ design, our [Series 4 laser cinema projectors](#) ensure energy savings of as much as 70% vs. traditional Xenon-based illumination.

Entertainment division - Cinema

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

Our strategy

Capture profitable and sustainable growth

Barco has been a leader in the cinema market for years. With more than 200,000 cinemas worldwide, the market opportunity remains immense. To **consolidate our No. 1 market position and grow our market share**, we want to lead the renewal and upgrade to laser, further expand our No. 1 technology position in Premium Large Format with new and disruptive technologies and grow in private, residential and independent cinema with compact models.

Innovate for impact

Barco has been a cinema technology innovator for years. We are again accelerating our efforts, by leading the industry adoption of HDR Lightsteering and anchoring recurring software and services revenue within our portfolio. In addition, we want to **further diversify our portfolio to cover all market segments**, including non-exhibition adjacencies such as (post)production, content creation software, delivery, services...

Go for sustainable impact

Today's exhibitors want to know how every part of their cinema value chain is working to support the green value proposition. With 200,000 cinema screens and only 50,000 laser-powered (of which 30,000 Barco-branded) projectors sold, there is still a lot of room for improvement. Barco ensures **sustainability on**

We can be incredibly proud of the products resulting from the Series 4 projector platform. We really invested big in ensuring its modularity – like Lego building blocks. It took quite a bit of time and effort but it was definitely worth it. Customers across the board with large premium screens to small cinemas can now all benefit from one family of Barco laser cinema projectors to meet their demanding needs.



Gerwin Damberg
EVP Cinema

steroids, offering ever more energy-efficient and eco-friendly products. While our laser projectors were already top, our next-gen HDR Lightsteering technology is even more **energy-efficient** than laser.

In a nutshell

- **Market leader** with 50+% share worldwide
- **Installed base:** 100,000+ projectors
- **All-laser projector portfolio** and strong technology for Premium Large Format screens
- Strong innovation with **HDR Lightsteering**



2022 ZOOM

Cinema goes premium

Whether it's image, sound or seating, you can't beat the **premium viewing experience** in a cinema. So, exhibitors invest big in this premium experience to attract more moviegoers back to their theatres. Cinionic/Barco offer all the technology they need: bright laser projectors and in the future also HDR Lightsteering technology that makes the images pop out of the screen – as if visitors were within the story.

Related trend: [We live in a visual world](#)

Cinionic: our ultimate commitment to cinema

Since 2018, Cinionic has been the marketing and sales channel for Barco's wide range of cinema projectors and media servers in all regions except China. As a full-service channel to the market, Cinionic connects with exhibitors and the wider world of cinema to offer them peace of mind – through exceptional services, unique financing models and, increasingly, the new Cinema-as-a-Service model.

As of 2022, Barco holds 80% of the shares in Cinionic, versus 55% in the period 2018-2021.

After two decades and more than 100,000 projectors, we have built a strong foundation for the future of cinema. The opportunity to elevate the experience for millions of moviegoers every day is thanks to the partnership and trust of those who stand beside us.



Wim Buyens
CEO Cinionic



Entertainment division - Immersive Experience

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

Our strategy

Capture profitable and sustainable growth

To **outperform the market**, we invest big in commercial excellence and service capabilities; go for large and strategic deals; expand our image processing offering to any screen; build on our experiences in digital art and enter into global partnerships. The **customer experience is a key focus** in everything we do.

Innovate for impact

We aim to become an **unrivalled leader** in the markets of themed entertainment and events. To achieve that aim, we are focusing our innovation efforts on next-generation image **processing and projection** platforms; growing our 4K portfolio; offering more hardware, software and service solutions and expanding in the mid-segment market with cost-efficient projectors.

Go for sustainable impact

We aim to create impressive visual experiences with truly sustainable impact. When designing new tools, we ensure they can promote the highest quality at the **lowest ecological impact**. UDM, for example, was our first projector with an A+ ECO label. Year after year, the range of products with an A or A+ ECO label grows. More than that, our teams are **diverse** and international and we constantly intensify our focus on **customer engagement**.

The Museum of the Future in Dubai is one of the most iconic projects in 2022. It hosts a wide array of Barco projectors, including the Guinness Book of records canvas screen, built by our experts to deliver visitors a truly immersive experience.



Erdem Soyal
EVP Immersive Experience

In a nutshell

- **Strong market position** in high-end (global top-3)
- **Expanding in mid-segment**
- **No. 1 in simulation** applications for training
- **Large installed base**, including 10k+ high-end UDX projectors



2022 ZOOM

A futureproof museum is digital

Technology is changing the way art and culture are consumed. Museums are looking for ways to meet the needs of their audiences, who want **experiences, stories and immersion** instead of static artifacts or artwork. From South Korea to Dubai and from Paris to the US: Barco's immersive visualization technologies, unique display solutions and tools for interactivity help tell stories with an experience-driven approach.

Related trend: [We live in a visual world](#)

Our results

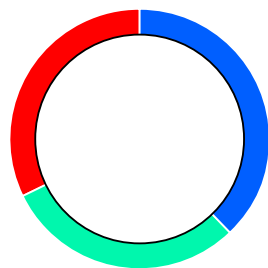
Core Report

Barco

Integrated report 2022

Group results

Sales per division



32% Healthcare **30%** Enterprise **38%*** Entertainment

* Breakdown based on sales 2022

Ecoscore

50%



% revenues from products with [Barco ECO label](#)

Customer NPS

(Net Promoter Score)

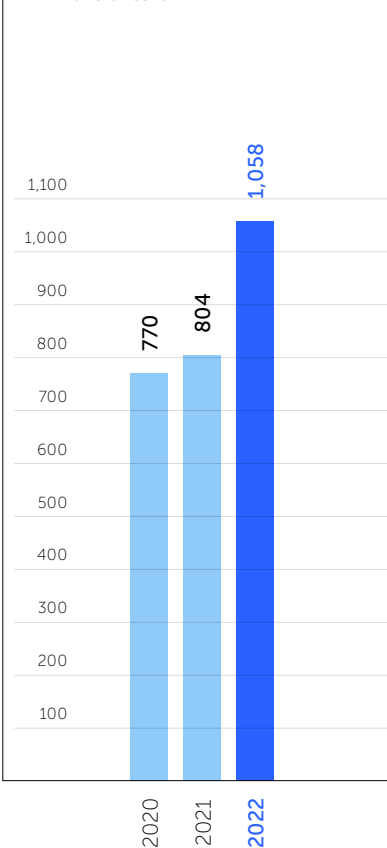
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Barco's standard customer experience metric, measured quarterly (upper quartile industry performance)

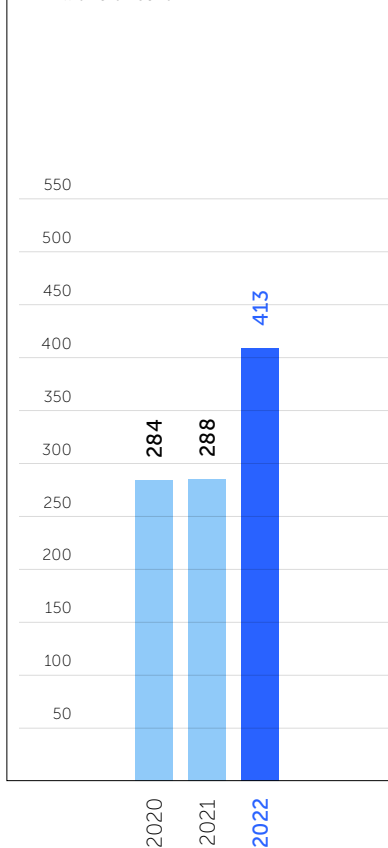
Sales

In millions of euro



Gross profit

In millions of euro

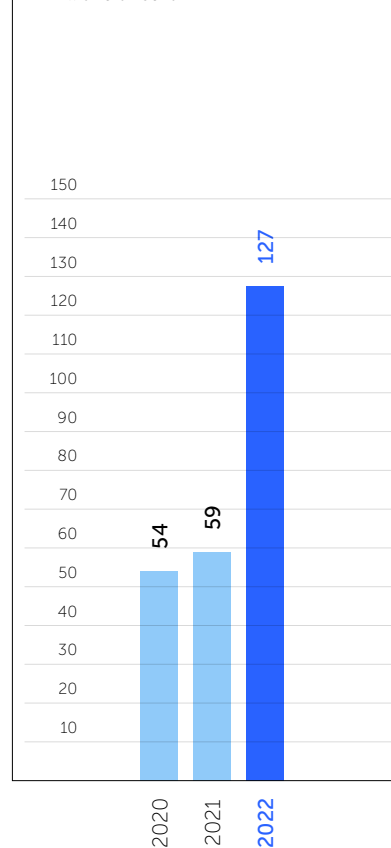


Gross profit margin

37% 36% **39%**

EBITDA

in millions of euro



EBITDA margin

7% 7% **12%**

Comments on the group results

32% topline growth with significant profitability improvement, positioning Barco well for long-term profitable growth

Financial highlights fiscal year 2022⁽¹⁾

- **Orders** € 1,058.4 million, +8% versus orders in 2021
- **Sales** € 1,058.3 million, +32% versus sales in 2021 (+24% at constant currencies)
- **Orderbook year-end** € 496.5 million, up € 9.5 million euro versus year-end 2021
- **EBITDA** € 126.5 million euro or 12.0 % of sales versus € 58.5 million in 2021
- **Adjusted EBIT** € 90.1 million compared to € 19.4 million in 2021
- **Free cash flow** € 13.1 million versus € 78.0 million in 2021
- **Net earnings** € 75.2 million euro versus € 8.9 million euro in 2021
- Proposal to increase the **gross dividend to 0.44 euro** per share from 0.40 euro last year

Group topline – strong sales and order growth across all divisions

Order intake for 2022 was 1,058.4 million euro, 8% more than in 2021. This result was driven by a solid recovery of demand across all divisions.

Sales for the year increased 32% to 1,058.3 million euro, close to the pre-pandemic level in 2019. Excluding China, all regions posted sales back at the levels of 2019. We expect the Chinese activity to pick up from the second quarter of 2023 onwards.

Year-over-year, all divisions delivered double-digit sales growth. The steady improvement in the supply chain over the second half of 2022 allowed for faster delivery of the existing orderbook, which was still at a record-high year-end position. The order book at the end of December 2022 stood at 496.5 million euro, which is more than 50% above the level at year-end 2019.

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

Division topline – confirmed rebound in all divisions and business units

In Healthcare, order intake remained strong throughout 2022. This reflects the resumption of demand in both the Diagnostic Imaging and Surgical & Modality market segments, in all regions, including China. The Diagnostic Imaging business unit benefited from further customer investments in replacement displays for radiology and from the resumption of mammography display sales which have been softer during the pandemic. The Surgical & Modality business unit generated particularly strong growth in the Americas and in China, driven by large modality projects and digital operating rooms.

Enterprise saw continued recovery from the pandemic with significant sales growth in both segments. Meeting Experience sales accelerated in all regions, starting in EMEA, followed by Americas and Asia. This growth was supported by the return-to-the-office wave, the increasing trend towards video-enabled hybrid meetings and the growing recognition of ClickShare's Bring Your Own Meeting value proposition. Large Video Walls realized double-digit sales growth in all regions, fueled by deployments of control rooms.

The Entertainment division produced encouraging results in 2022. During the first half of the year, the division dealt with component shortages. From mid-year onwards, the situation improved steadily, allowing for a ramp up of deliveries on the high order book. While 2022 Cinema sales have not yet returned to pre-pandemic levels, Cinema ended the year with an order book that was twice as high as year-end 2019. For Cinema, solid demand for Barco's all-laser portfolio led to growth in all regions except Asia, where the lockdowns in China impacted the business. The Immersive Experience topline reached an all-time high, with a particularly strong uptake in the fixed install business that reflected greater demand from museums, projection mapping and theme parks.

Profitability and free cash flow – significant EBITDA margin improvement

The gross profit margin improved quarter-over-quarter throughout 2022 to an average level of 39.0%, up 3.3 pts year-over-year. This rebound in gross profit margin back nearly to 2019 is attributable to gross profit actions, a more favorable product mix most outspoken in the Enterprise division and a less constrained supply chain during the second half of the year.

The EBITDA margin reached 12.0% for the full year, up 4.7 pts versus last year. Both gross margin recovery and operational leverage on the topline growth contributed to this result. As the supply chain constraints were largely resolved, the EBITDA margin jumped from 9.8% in the first half of the year to 13.7% in the second half, reconnecting with the 2019 level. Each of the business units contributed positively to the EBITDA margin except Large Video Walls where the profitability keeps lagging. Management intends to conduct a strategic review of the business unit in 2023, focusing on profitable products and markets.

Free cash flow for 2022 was 13.1 million euro compared to 78.0 million euro in 2021. This decrease is entirely due to higher working capital. First, we ended the year with higher trade receivables after the record-high sales in the fourth quarter. Second, inventory levels of mainly components remained high as a result of volume purchases and a build-up of safety stocks for critical components. We expect working capital to return to normalized levels in 2023.



Ready for Barco's further growth ambitions

2022 was a transition year for Barco but it managed to bring its business back on a successful track. Throughout the year Barco kept accelerating, and the company is ready for its further growth ambitions.

Barco's CEOs were happy to see the renewed dynamics in all the Barco teams, with more accountability and customer-centricity. The supply chain was challenging, but creativity and perseverance from the teams turned 2022 into a success.

Barco starts 2023 fully engaged to deliver on its long-term strategic growth plans. Besides optimizing the company's operational efficiency and manufacturing footprint, Barco is looking forward to expanding its market potential with growth in both the company's core and adjacent markets. Furthermore, Barco intends to focus more than ever on world-class innovations with its visualization and collaboration technology.

Outlook FY23

The following statements are forward looking on a like-for-like basis and actual results may differ materially

Assuming stabilizing macro-economic conditions, management confirms its expectation of sales growth between 10 and 15% for 2023 versus the previous year.

The EBITDA margin is expected to further improve and move above 14% for the full year 2023, reflecting operating leverage on higher sales and an increase in gross margin as a result of the further easing of the supply chain constraints.

Dividend

Barco's Board of Directors will propose to the General Assembly to distribute a gross dividend of 0.44 euro per share, a 10% increase from 0.40 euro a year ago.

Consolidated results for the fiscal year 2022

Order intake

Order intake was 1,058.4 million euro, up 8% from 978.8 million euro a year ago. All regions contributed to the increase except APAC, where the lockdowns in China significantly impacted market demand.

Order book

Order book at year end was at 496.5 million euro compared to 487.0 million euro at FY21 year-end, an increase of 2% versus last year. After a period of component shortages, we are now delivering on this orderbook and gradually shortening the lead times. The book-to-bill ratio for the full year 2022 was very close to 1.

Order intake

In millions of euro	FY22	FY21	FY20	Change vs FY21
Order intake	1,058.4	978.8	746.0	+8%

Order book

In millions of euro	FY22	FY21	FY20	Change vs FY21
Order book	496.5	487.0	281.5	+2%

Order intake by division

In millions of euro	FY22	FY21	FY20	Change vs FY21
● Healthcare	319.7	329.8	262.1	-3%
● Enterprise	281.3	262.4	215.2	+7%
● Entertainment	457.4	386.6	268.7	+18%
Group	1,058.4	978.8	746.0	+8%

Order intake breakdown by region

In millions of euro	FY22	FY21	FY20	Change (in nominal value)
The Americas	43%	37%	39%	+24%
EMEA	37%	37%	35%	+8%
APAC	20%	26%	26%	-15%
Global	100%	100%	100%	+8%

Sales

Sales for the year 2022 were up 32% versus 2021, with a tailwind from the currency effect. At constant currencies, the sales growth would have been 24%. Sales growth was driven by an improving order-to-sales conversion, especially in the second half of the year. The topline grew in all divisions and business units and all three regions. In Asia, the sales reached a double-digit growth despite the lockdowns in China which persisted throughout 2022.

Sales

In millions of euro	FY22	FY21	FY20	Change vs FY21
Sales	1,058.3	804.3	770.1	+32%
<i>Sales at constant currencies</i>	996.3			+24%

Sales by division

In millions of euro	FY22	FY21	FY20	Change vs FY21
● Healthcare	341.7	261.5	261.9	+31%
● Enterprise	317.2	233.1	216.8	+36%
● Entertainment	399.3	309.7	291.4	+29%
Group	1,058.3	804.3	770.1	+32%

Sales by region

In millions of euro	FY22	FY21	FY20	Change vs FY21
The Americas	41%	37%	39%	+45%
EMEA	38%	38%	36%	+33%
APAC	21%	25%	25%	+10%
Global	100%	100%	100%	+32%

Profitability

Gross profit

The gross profit margin was 39.0%, increasing 3.3 percentage points from 35.7% last year. In addition to a favorable product mix, the higher broker and transport costs related to component shortages levelled off in the second half of the year. Diverse margin actions were implemented to compensate for the cost inflation, mostly related to labor, transport and higher component prices.

Indirect expenses & other operating results

Total indirect expenses grew 21% to 320.9 million euro versus 265.4 million euro for 2021, partly in connection with the growing topline and increased headcount, but also due to the significant impact of general inflation, which reached peak levels not seen in decades notably in the Americas and Europe.

As a percentage of sales indirect expenses were 30.3% in 2022 compared to 33.0% in 2021.

- Research & Development expenses increased to 120.5 million euro compared to 101.3 million euro last year. As percentage of sales, R&D expenses were 11.4% of sales compared to 12.6% a year earlier.
- Sales & Marketing expenses increased slightly to 142.7 million euro, compared to 116.2 million euro for 2021. As a percent of sales, Sales & Marketing expenses were 13.5% of sales compared to 14.5% in 2021.
- General & Administration expenses amounted to 57.7 million euro compared to 47.9 million euro last year and were 5.5% as a percentage of sales compared to 6.0% in 2021.

Other net operating expenses amounted to 1.7 million euro.

EBITDA & adjusted EBIT

The increase in indirect expenses was offset by the significant increase in gross profit, which resulted in an EBITDA level of 126.5 million euro, more than double the 2021 EBITDA of 58.5 million euro. EBITDA margin grew to 12.0% versus 7.3% in 2021.

All three divisions posted profitable growth:

- Healthcare's EBITDA margin increased to 11.2%, driven by operating leverage on the topline growth. The profitability level of Healthcare is still 2.1 percentage points lower than 2019, reflecting product mix and temporary higher expenses linked to the ramp up of the new factory.
- The Enterprise EBITDA margin was 19.1%, more than 3 times the margin of 2021 of 6.3%, and approaching the level of 2019. This result was fueled by operating leverage and a more favorable product mix for Meeting Experience, in addition to topline growth and cost control in Large Video Walls.
- Entertainment's EBITDA margin at 6.9% was flat versus 2021. Severe supply chain constraints hampered the order to sales conversion in the first semester, resulting into a negative EBITDA margin of -1.7 % in the first half of the year. As these constraints were largely resolved and production capacity was ramped up, Entertainment turned around to a 12.6% EBITDA margin in the second semester.

In millions of euro	Sales	EBITDA	EBITDA %
● Healthcare	341.7	38.4	11.2%
● Enterprise	317.2	60.7	19.1%
● Entertainment	399.3	27.5	6.9%
Group	1,058.3	126.5	12.0%

EBITDA by division 2022 versus previous years:

In millions of euro	FY22	FY21	FY20	Change vs FY21
● Healthcare	38.4	22.4	35.0	+71%
● Enterprise	60.7	14.6	18.2	+316%
● Entertainment	27.5	21.5	0.3	+28%
Group	126.5	58.5	53.6	+116%

Adjusted EBIT² was 90.1 million euro or 8.5% of sales, compared to 19.4 million euro or 2.4% of sales for 2021.

As a result of reorganisations and team synergies in the enterprise division, Barco booked 2.5 million euro in restructuring charges. Taking this charge into account, EBIT in 2022 was 87.6 million euro compared to 13.0 million euro in 2021.

² Adjusted EBIT is EBIT excluding restructuring charges and impairments, see [Glossary](#) of the Annual Report.

Cash flow & balance sheet

Income taxes

Taxes in 2022 were 15.9 million euro for an effective tax rate of 18%, compared to 2.1 million euro in 2021 for the same effective tax rate.

Net income

Full year net income attributable to the equity holders was 75.2 million euro compared to 8.9 million euro a year ago.

Net income per ordinary share (EPS) was 0.84 euro versus 0.10 euro in 2021. Fully diluted earnings per share were 0.83 euro compared to 0.10 in 2021.

Free cash flow and working capital

Free cash flow for 2022 was 13.1 million euro. A significant uptake in gross operating free cash flow, was offset by increased working capital, due to higher inventory levels and higher trade receivables. The higher trade receivables are

linked to the peak sales of the fourth quarter. The higher inventories include proactive buying of inventories, as a response to supply chain challenges and inflation.

In millions of euro	FY22	FY21	FY20
Gross operating Free Cash Flow	127.0	50.5	43.9
Changes in trade receivables	-35.6	-4.9	41.4
Changes in inventory	-70.2	4.4	-12.3
Changes in trade payables	7.4	42.8	-59.9
Other Changes in net working capital	2.8	13.2	-24.0
Change in net working capital	-95.5	55.5	-54.8
Net operating Free Cash Flow	31.5	106.1	-10.8
Interest Income/expense	0.8	-1.1	-0.1
Income Taxes	-6.0	-8.4	-10.4
Free cash flow from operating activities	26.3	96.6	-21.4
Purchase of tangible and intangible FA	-21.2	-18.8	-15.0
Proceeds on disposal of tangible and intangible FA	8.0	0.2	0.5
Free cash flow from investing	-13.2	-18.6	-14.5
Free cash flow	13.1	78.0	-35.9

Working capital

Net working capital increased to 14.3% of sales compared to 5.8% of sales in 2021.

The increase in working capital was caused mainly by an increase in inventory levels. Due to the component shortages, safety buffers were stocked for a number of scarce components. Additional purchases were made in anticipation of upcoming price increases. High sales in the last quarter helped to start reducing inventories, however inventory levels remained higher than usual at year end. In addition to the increase in inventory, higher trade receivables contributed to the increase in working capital, mainly due to very strong sales in December, for which cash will be collected in 2023.

Capital expenditure

Capital expenditure was 21.2 million euro, slightly higher than 18.8 million euro reported in 2021. This capital expenditure included investments in the expansion of the China footprint, renewal of the Experience Centre and the first Cinema-as-a-Service contracts.

ROCE

ROCE for the year 2022 was 16% versus 4% last year.

In millions of euro	FY22	FY21	FY20
Trade Receivables	194.6	157.0	146.1
DSO	54	56	67
Inventory	245.7	175.5	175.4
Inventory turns	2.1	2.4	2.3
Trade Payables	-121.9	-114.0	-70.3
DPO	68	80	53
Other Working Capital	-168.0	-171.7	-170.6
Total working capital	150.4	46.8	80.6

Cash position

Net financial cash position, including net cash held in Cinionic, was 264.0 million euro, compared to 309.8 million euro end of 2021.

The decrease versus last year is attributable to the lower free cash flow caused by increased working capital, a number of minority investments and the increase of Barco's share in Cinionic from 55% to 80%.

Update Planet - People - Communities

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

For each of these three sustainability pillars, the company has formulated an overall ambition statement and defined several focus areas. In this chapter we offer some highlights on the progress we made in 2022 within each of these pillars. For a more comprehensive sustainability chapter please read our [Planet – People – Communities report](#).

Planet

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

	FY22	FY21	FY20	Change vs 2021
Greenhouse gas emissions from own operations reduction (vs 2015)	-51%	-33%	-34%	-18 ppts
% revenues from ECO labelled products	50%	31%	26%	+19 ppts

Barco's environmental footprint reduction showed a significant progress during 2022, with Greenhouse Gas emissions from our own operations 51% reduced versus the base level of 2015. This was driven by a logistics modal shift from air to sea transport, and on infrastructure level the temporary additional ventilation requirements, linked to covid-19, could be lifted.

To reduce the footprint of its products and to improve the eco-friendliness of its solutions portfolio Barco has rolled out a company-wide ECO labelled scoring methodology from 2020 onwards. The target level for 2023 is set at 70% ECO labelled revenues.³ In 2022, 50% of revenues came from products with

a Barco ECO label compared to 31% for 2021. This is driven by a steady increase of ECO labelled product releases. Healthcare made a step up mostly with new releases in the modality area. In the Enterprise division, the full ClickShare range and the newest LED portfolio are now ECO labelled. Entertainment is driven by the uptake of Series 4 laser projector shipments in the second half of the year.

³ For more information about Barco eco scoring methodology, see Barco's latest Annual report on [the Barco website](#).

People

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

As the business picked up, the number of employees in 2022 grew to 3,302, a net increase of 161 employees year-over-year. Diversity and inclusion are key elements in our recruitment process and in 2022 this has led to a more diverse workforce on all three of our diversity dimensions: age, nationality and gender.

In 2022, Barco launched an enhanced employee survey, including a specific eNPS (Employee Net Promotor Score) question. Due to the different methodology, this score cannot be compared with previous surveys. The eNPS survey resulted in a score of 16, which breeds into the category "good engagement". With the insights of this more granular survey and our continued focus and actions on employee engagement, our target is to bring this score above 30, "great engagement".

	FY22	FY21	FY20	Change vs 2021
Number of employees at year-end (heads)	3,302	3,141	3,303	+5%
Employee Net Promotor Score (eNPS)	16	-	-	NA

Communities

Barco is committed to playing an active role in the communities in which it operates in by upholding the highest ethical and quality standards and holding its business partners to the same standards. In this context Barco remains focused on a value-add customer experience. The company gathers feedback from end-customers as well as partners on a quarterly basis using the relational Net Promotor Score (NPS) as its standard customer experience metric.

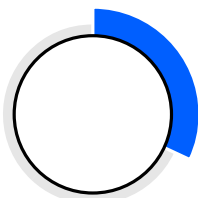
In 2022, Barco achieved an NPS score of 44, a decline of 3 points versus the previous year. This is mainly related to the component shortages in the market that Barco has been facing throughout the year, with longer lead times and impacting post-sales service. The NPS scores were mostly flat versus last year in Europe and China, while Americas and the rest of Asia showed a decrease. A score above 50 is considered excellent and that is also where we want to steer the company's rating.

	FY22	FY21	FY20	Change vs 2021
Customer Net Promotor Score	44	47	47	-3

Results of the Healthcare division

Division in the group

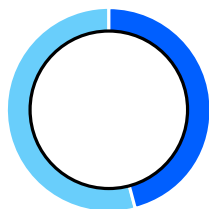
32%
Healthcare



Distribution based on sales

46%
Diagnostic Imaging

54%
Surgical & Modality



Ecocode

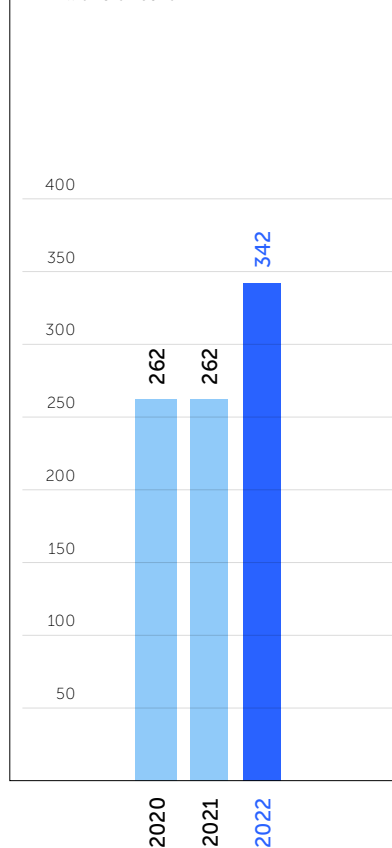
30%



% revenues from products with [Barco ECO label](#)

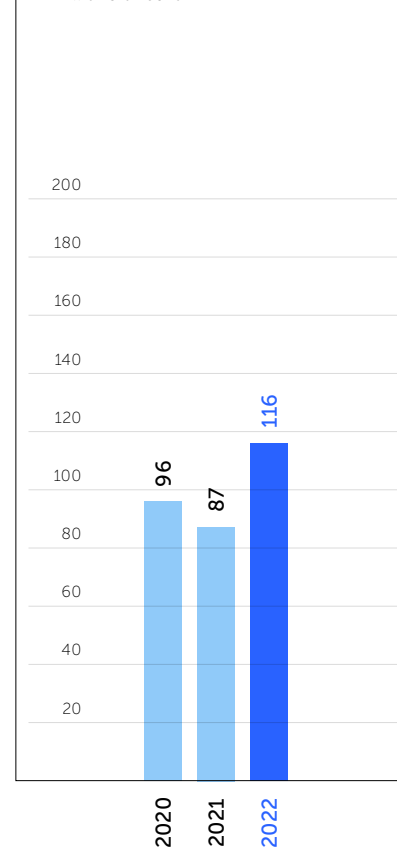
Sales

In millions of euro



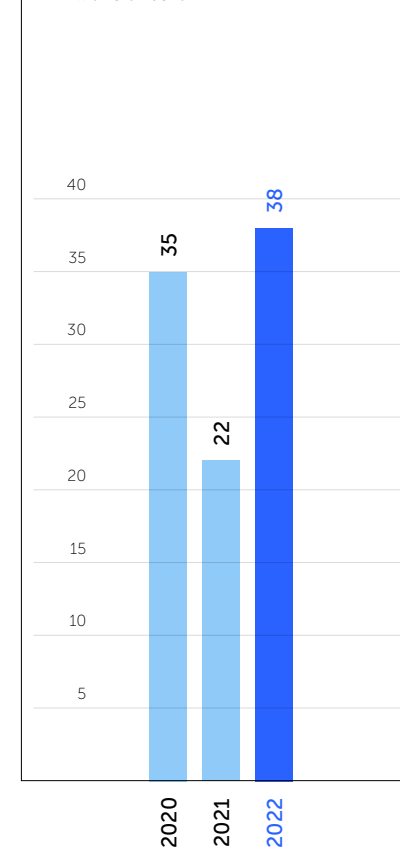
Gross profit

In millions of euro



EBITDA

in millions of euro



Gross profit margin

37%
33%
34%

EBITDA margin

13%
9%
11%

The Healthcare division posted continued solid order intake following the strong order intake in 2021. Although the demand for our healthcare products was remarkably resilient throughout the pandemic in 2020 and 2021, we saw a gradual resumption of healthcare investments in Diagnostic Imaging and Surgical & Modality in 2022.

Sales for the Healthcare division reached an all-time high in 2022, in part delivering on the high orderbook that had been built up in the previous year.

For the **Diagnostic Imaging segment**, orders increased versus last year and the business unit delivered double-digit sales growth in all regions. Sales in the Americas were particularly strong with high volumes and a greater mix of high-end product. Mammography sales resumed, after being softer during the pandemic, when many doctor consultations were delayed. The segment also grew further with the world's first stand-alone approved digital pathology display. The Diagnostic

Imaging segment accounted for approximately 46% of the divisional sales, versus 50% last year.

In **Surgical & Modality**, orders were slightly lower than last year's high order levels, mostly in EMEA and Americas. On the other hand, Asia, notably China, produced a strong increase in the order book. Sales reached a record-high level, with double-digit growth in all regions. Sales were particularly strong in the Americas and Asia, with the strongest growth in China. The performance of the segment was driven by higher volumes in several large modality projects. Furthermore, Barco's digital operating room solutions gained momentum, reflecting the growing adoption of digital solutions in the operating room infrastructure market. The Surgical & Modality segment accounted for approximately 54% of the divisional sales, versus 50% last year.

The EBITDA margin for the division improved to 11.2% from 8.6% last year, which is still below the level of 2019, a

reflection of product mix, investments in product roadmaps and go-to-market, as well as temporary transfer and ramp-up costs linked to the new factory.

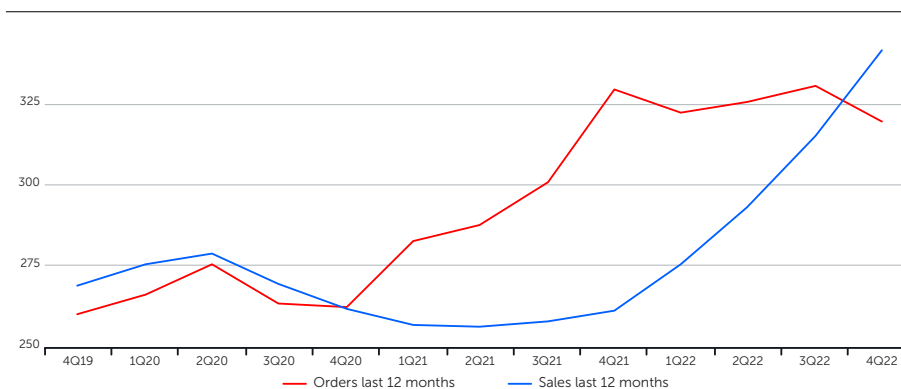
More than accountability, our new business unit structure has truly fostered customer intimacy in 2022. During the supply chain crisis, we sat together with our customers to find alternatives in case of shortages. That installed a feeling of connection that has reinforced the bond with our clients.

Johan Fornier
EVP Surgical & Modality

Healthcare division

In millions of euro	FY22	FY21	FY20	Change vs FY21
Orders	319.7	329.8	262.1	-3%
Sales	341.7	261.5	261.9	+31%
EBITDA	38.4	22.4	35.0	+71%
EBITDA margin	11.2%	8.6%	13.4%	

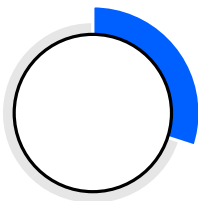
Last 12 months (LTM) orders and sales 2019-2022



Results of the Enterprise division

Division in the group

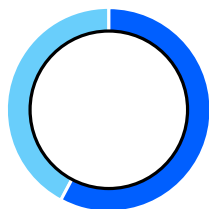
30%
Enterprise



Distribution based on sales

58%
Meeting Experience

42%
Large Video Walls



Eco score

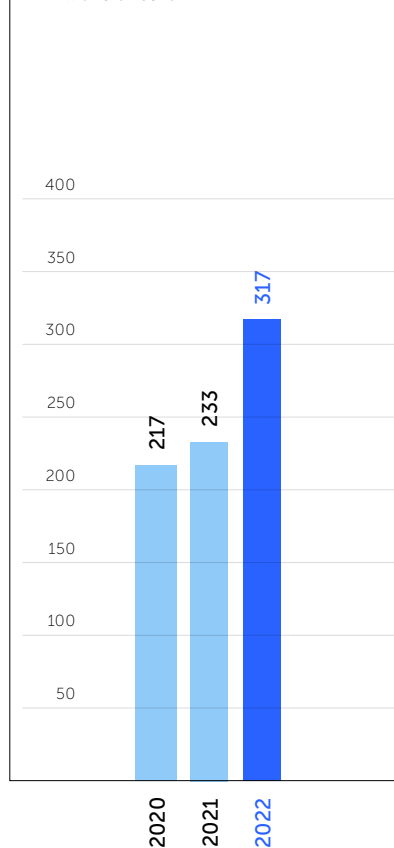
79%



% revenues from products with [Barco ECO label](#)

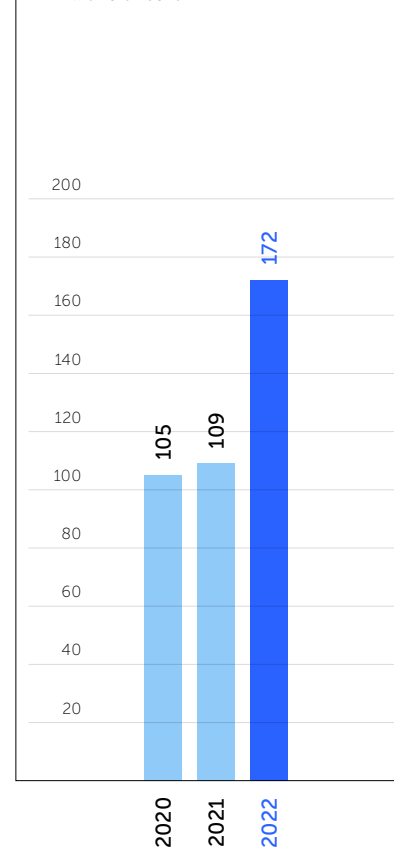
Sales

In millions of euro



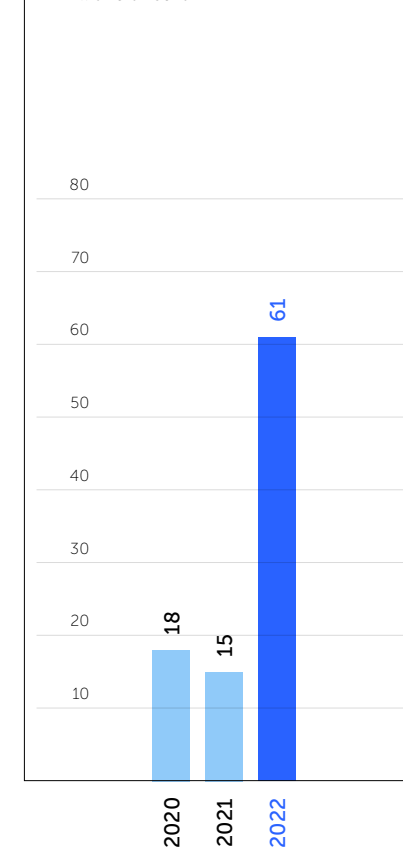
Gross profit

In millions of euro



EBITDA

in millions of euro



Gross profit margin

49%
47%
54%

EBITDA margin

8%
6%
19%

In the Enterprise division, orders increased by more than 7% and sales by 36% year-over-year. As pandemic measures eased, the business picked up, starting in the second quarter. In terms of the sales mix, the Meeting Experience business unit accounted for about 58% of Enterprise sales for 2022, while 42% of the sales were for Large Video Walls. In 2021, each business unit delivered half of the turnover.

Meeting Experience saw growing adoption for wireless conferencing, as hybrid meetings have become the “new normal”. From a regional perspective, sales in 2022 were particularly strong in EMEA, where the return-to-the-office trend started earlier than in other regions. Later in the year, this trend also picked up in the Americas and Asia. ClickShare has now been installed in more than 1.1 million meeting rooms globally. ClickShare Conference accounted for more than 60% of ClickShare’s volume for the full year. The installed base of ClickShare Conference more than doubled in 2022 versus last year with over 150,000 units shipped and installed since it was launched in 2020. In 2022, Barco further strengthened

its community of leading meeting room ecosystem players from around the globe making ClickShare the most compatible solution for hybrid meetings.

The division’s virtual conferencing weConnect growth initiative brought in a growing number of new customer references in different regions and a growing funnel of new opportunities.

The **Large Video Walls segment** sales rebounded nearly to the level of 2019 with the contribution from a particularly strong fourth quarter. The Americas region performed well with larger projects in utility and governmental applications. In EMEA, growth was driven by large installations in the Middle East and the Benelux. APAC showed a mixed view: there was significant uptake in many Asian countries, while China sales were lower. As the profitability of Large Video Walls is lagging, management intends to conduct a strategic review of the business unit in 2023, focusing on profitable products and markets.

The division produced a 19.1% EBITDA margin up from 6.3% last year. This was driven by operating leverage and a favorable product mix, which resulted in a significantly higher average gross margin.

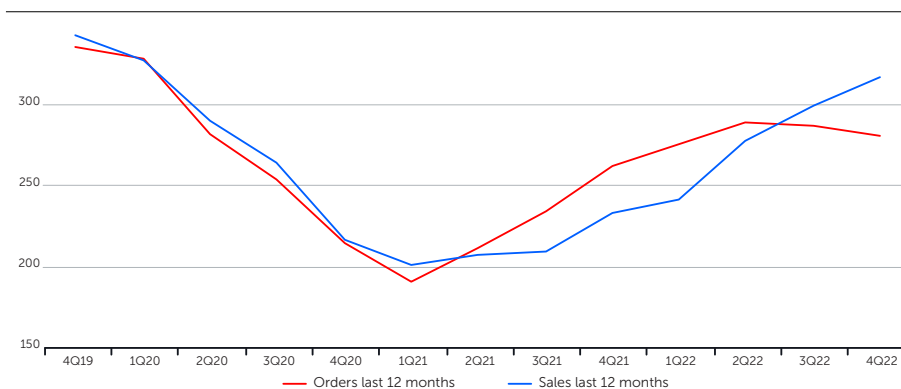
2022 was a stellar year for Meeting Experience as the ClickShare product family proved to be very well positioned to address our customers’ collaboration needs. Looking forward, our focus on the user experience, strong innovation capacity and seasoned team will help us expand our role as a leading player in the collaboration market.

Stijn Henderickx
EVP Meeting Room Experience

Enterprise division

In millions of euro	FY22	FY21	FY20	Change vs FY21
Orders	281.3	262.4	215.2	+7%
Sales	317.2	233.1	216.8	+36%
EBITDA	60.7	14.6	18.2	+316%
EBITDA margin	19.1%	6.3%	8.4%	

Last 12 months (LTM) orders and sales 2019-2022

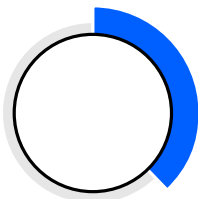


Results of the Entertainment division

Division in the group

38%

Entertainment



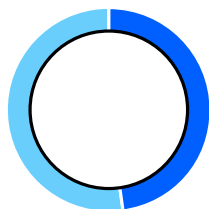
Distribution based on sales

48%

Cinema

52%

Immersive Experience



Ecospcore

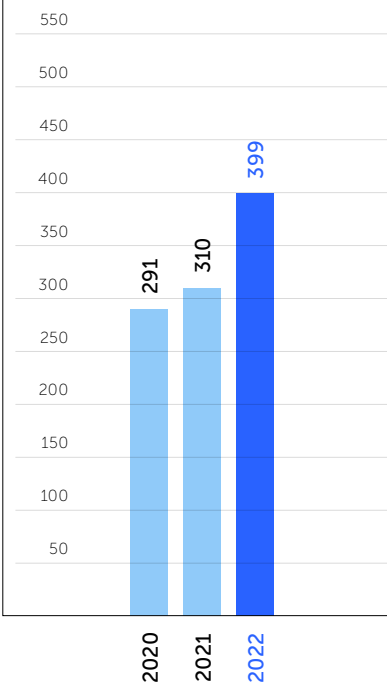
35%



% revenues from products with [Barco ECO label](#)

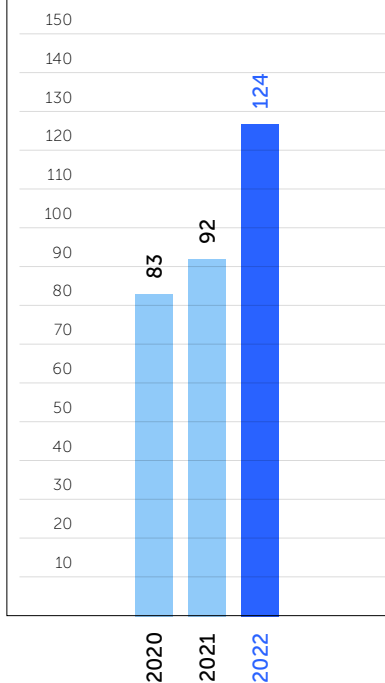
Sales

In millions of euro



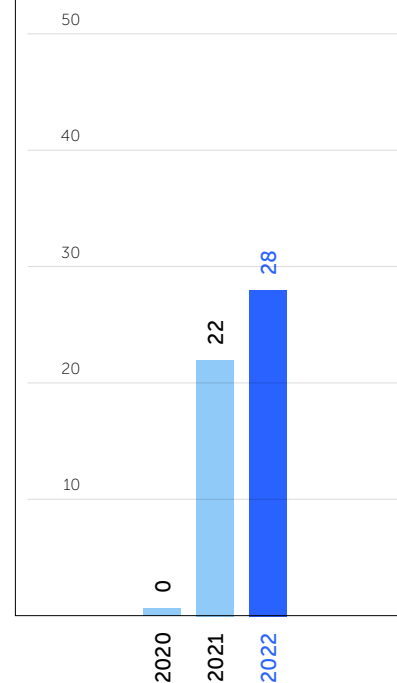
Gross profit

In millions of euro



EBITDA

in millions of euro



Gross profit margin

28%
30%
31%

EBITDA margin

0%
7%
7%

The Entertainment division delivered an 18% increase in order intake and a 29% increase in sales for the year compared to 2021. Orders and sales gains reflect the resumption of the Cinema business and the strong demand for fixed installations (museums, theme parks) and projection mapping in the Immersive Experience segment.

Cinema sales growth was strong in Europe and Americas, while sales in Asia were lower hampered by the continued lockdowns in China. Throughout the year sales grew steadily quarter-over-quarter with a remarkable uptake in the fourth quarter. Order intake was also particularly strong in the last quarter resulting into an all-time-high order book at year-end. Laser projection has now become the norm for cinema. Barco has capitalized on the maturity of this technology with its leadership position and all-laser portfolio. Demand was driven in part by returning visitor counts in theatres, but just as much by the total cost of ownership value proposition for laser projectors, which feature more than 50% lower energy consumption and no need for lamp replacements during the

lifetime of these projectors. This provides a clear incentive to replace first-generation lamp-based projectors with laser projectors. The roll-out of Cinema-as-a-Service was a growing success in 2022, offering exhibitors an all-in-one proposition, including service and support over the lifetime of the projector. Cinema accounted for approximately 48% of the divisional sales in 2022, compared to 50% last year.

Just like in Cinema, sales grew steadily quarter-over-quarter in the **Immersive Experience segment**, with a record-high fourth quarter. Significant growth was achieved across all regions, with lowest but still double-digit growth in Asia, hampered by the China covid-19 regulations. Business resumed across all product segments, most outspoken in the fixed AV installation business, with strong demand for installations in digital museums, immersive digital art experiences and projection mapping. The rental and staging segment benefited from the return of events, mostly in Europe, Middle East, and the Americas. The simulation business grew with a significant number of new reference customer projects, both in flight

More than ever, people want to be entertained these days. The pandemic has taught us that there's more to life than material things, so people crave experiences – and that's exactly what we do at Barco: touch people's hearts and minds. As a result, 2022 surpassed our growth records from 2019."

Erdem Soyak
EVP Immersive Experience

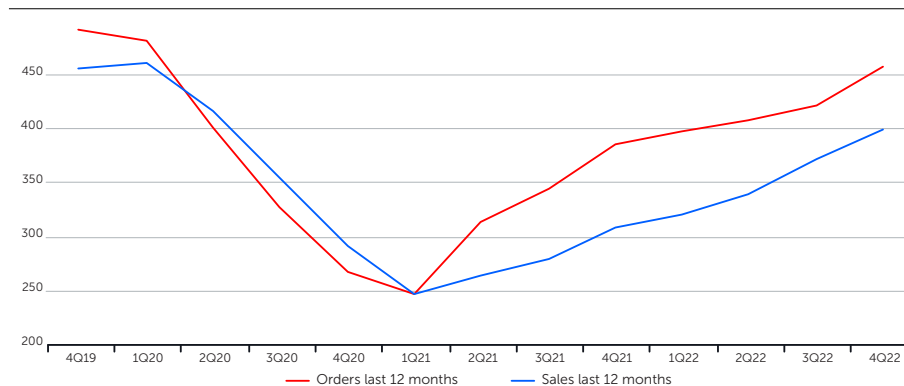
and driving simulators. Immersive Experience accounted for approximately 52% of the divisional sales in 2022, compared to 50% last year.

The EBITDA margin for Entertainment was 6.9% for the full year, the same as last year, reflecting the significant impact of higher component and freight costs. This impact was most pronounced in the first half of the year which resulted in a negative EBITDA of -1.7%, while EBITDA jumped to 12.6% in the second half of the year as the supply chain challenges got largely resolved.

Entertainment division

In millions of euro	FY22	FY21	FY20	Change vs FY21
Orders	457.4	386.6	268.7	+18%
Sales	399.3	309.7	291.4	+29%
EBITDA	27.5	21.5	0.3	+28%
EBITDA margin	6.9%	6.9%	0.1%	

Last 12 months (LTM) orders and sales 2019-2022



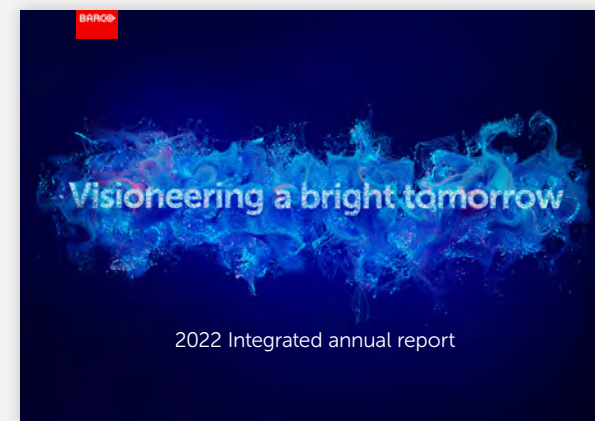
2022 Integrated annual report

Governance &
Risk Report

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This is the Governance & Risk Report section of Barco's 2022 Integrated annual report. Other sections are available via the download center at ir.barco.com/2022.

CORE

MORE

- [Report on planet - people - communities](#)
- [Financial report](#)

ANNEX

- [Integrated Data Pack](#)
- [Glossary](#)
- [GRI Content index](#)
- [Assurance report](#)

Corporate governance

Governance & Risk Report

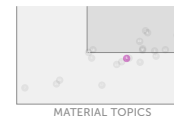
Barco

Integrated report 2022

CGR

3





Corporate governance statement

Declaration regarding the information given in the Integrated Annual Report 2022

The undersigned declare that:

- The annual accounts, which are in line with the standards applicable for annual accounts, give a true and fair view of the capital, the financial situation and the results of the issuer and the consolidated companies.
- The annual report gives a true and fair view of the development and the results of the company and of the position of the issuer and the consolidated companies, as well as a description of the main risks and uncertainties they are faced with.

Charles Beauduin, CEO

An Steegen, CEO

Ann Desender, CFO

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

There are no dual voting rights for certain shareholders.

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

Below is an overview of the articles of the Belgian Code on Corporate Governance which Barco does not comply with, as well as an explanation for such non-compliance.

- Art. 7.6: The Board of Directors decided not to grant shares to non-executive board members as part of their remuneration. Such grant will trigger tax and practical ramifications for non-Belgian residents. Moreover, several directors already hold a significant number of Barco shares.
- Art. 7.8: The variable part of the executive remuneration package is linked to the overall corporate or business unit performance and sustainability criteria, which have become increasingly important for investors. Both are a function of, and thus also a measure for, the executives' individual performance.
- Art. 7.9: The Board of Directors has not set a minimum threshold of shares to be held by the executives. The remuneration package for executives is sufficiently balanced with various components to incentivize executives to pursue a strategy of sustainable profitable growth.
- Art. 7.12: The Board of Directors endeavors to insert a 'clawback provision' in contracts of employment with executives to the extent permissible by the law governing such contract.

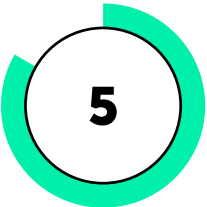
Board of Directors

Changes to the Board of Directors

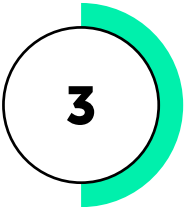
The composition of the Board of Directors meets the gender diversity requirement laid down in article 7:86 of the Code of Companies and Associations. Moreover, a majority of directors is independent.

All directors hold or have held senior positions in leading international companies or organizations. Their biographies can be found on Barco's [corporate website](#).

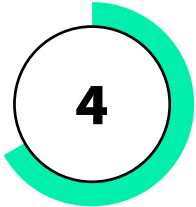
The General Meeting of 28 April 2022 approved the qualification of Adisys Corporation, permanently represented by Mr. Ashok K. Jain, as independent director as referred to in article 7:87 Code of Companies and Associations.



Directors with
5 years of seniority



Female members of
the Board



Independent
directors

Board of Directors		
Situation on 6 February 2023		
Chair	Frank Donck ⁽¹⁾	2023*
Directors	Charles Beauduin	2023*
	An Steegen	2023*
	Adisys Corporation (represented by Ashok K. Jain) ⁽¹⁾	2023*
	Hilde Laga ⁽¹⁾	2024*
	Lieve Creten ⁽¹⁾	2024*
Secretary	Kurt Verheggen General Counsel	

⁽¹⁾ independent directors
* date on which the term of office expires: end of the annual meeting

Core Leadership Team

Changes to Core Leadership Team

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

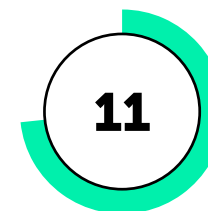
In April 2022, the CLT composition has gone through a number of changes:

- Iain Urquhart, EVP of Global Customer Success resigned from Barco to pursue career opportunities outside of Barco. The activities of the Global Customer Success organization were restructured with Sales Operations (including partner management) now reporting into CFO Ann Desender, Global Marketing reporting into CEO An Steegen and the Services organization reporting into EVP Operations Rob Jonckheere.
- Marc Spenlé stepped down from his role as CDIO, and

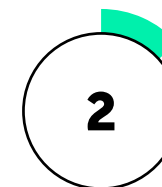
resigned from Barco. Tom Sys joined the CLT as new CDIO, responsible for IT and software platforms. The GEAX organization was folded in the respective business units (with the exception of software platforms).

- A change in the Business Unit leadership was announced with Stijn Henderickx stepping up as EVP Meeting Experience, taking over from Olivier Croly who resigned from Barco. Erdem Soyal joined the CLT as new business unit lead for Immersive Experience.

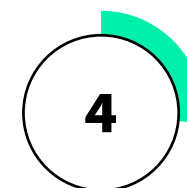
The full biographies of the Core Leadership Team can be found on Barco's [corporate website](#).



CLT members with
5 years of seniority



Female CLT
members



4 non-Belgian
CLT members

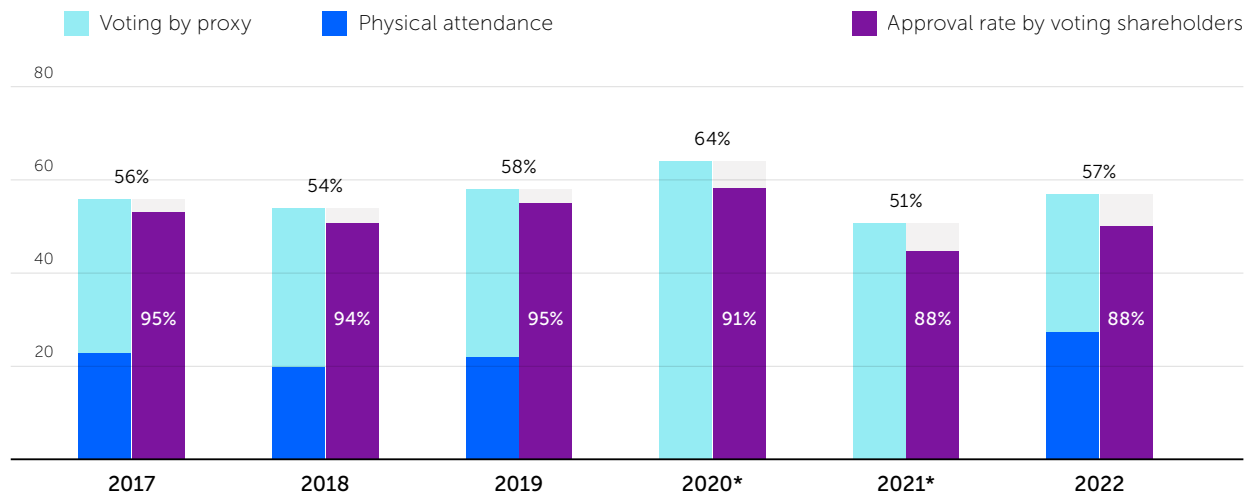
Annual General Meeting

The annual general meeting (AGM) is held on the last Thursday of April. In 2022, the company held its first truly hybrid meeting whereby shareholders could also cast their vote remotely, either prior to or real time during the meeting itself. This hybrid meeting was enabled using the company's own weConnect technology.

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

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

Participation rate & Average of "For" votes



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

Activity report on Board and Committee meetings

Board of Directors

Title 1 and 2 of Barco's Corporate Governance Charter describe the responsibilities of the Board of Directors and its Committees.

The table below provides a comprehensive overview of the directors' attendance at Board of Directors and Committee meetings in 2022.

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

One meeting was closed with a dinner attended by several members of the Core Leadership Team to foster closer interaction between the directors and the managers of the company.

Following the easing of covid-related travel restrictions, the directors have taken the opportunity of familiarizing themselves with the company's activities in North America. In October, the Directors traveled to Vancouver (Canada), Los Angeles and the San Francisco Bay area (USA). The directors visited local offices and discussed the current state of affairs, future business plans and technology trends with the local leadership team. Moreover, they attended technology showcases in different domains relevant to the company (e.g. lightsteering, automated manufacturing, virtual production, robotic surgery, virtual classroom). Finally, the directors also met and discussed business opportunities with current as well as prospective customers of the company.

At every meeting, the Board of Directors reviewed and discussed the financial results as well as the short to mid-term financial forecast of the company. At the beginning of the year, upon recommendation by the Audit Committee, the

Board approved the financial results of 2021 and proposed the dividend for approval by the shareholders. In line with the previous year, the Board also proposed to the shareholders the option to subscribe to newly issued shares by contributing the dividend.

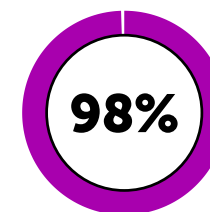
The Board, in close concert with the Core Leadership Team, reflected on each of the business units' strategies for the short to mid-term, discussed and decided upon the growth initiatives for the company and approved the 2023 financial budget.

The Board closely monitored the impact of the corona-related travel restrictions and disruptions in the supply chain, as well as geopolitical conflicts and tensions on the company's operations and financial results.

Directors' attendance at Board and Committee meetings

	Board of directors	Audit committee	Remuneration & nomination committee	Technology committee	Attendance Rate
Charles Beauduin	5			2	100%
Frank Donck ⁽¹⁾	5	5	3		100%
Ashok K. Jain ⁽¹⁾	4			2	85%
Hilde Laga ⁽¹⁾	5	5	3		100%
An Steegen	5			2	100%
Lieve Creten ⁽¹⁾	5	5	3		100%

⁽¹⁾ independent directors



average total
attendance rate

Board Committees

Audit Committee

The Audit Committee is composed of three members. Lieve Creten, who acts as Chair, Frank Donck and Hilde Laga. All members are independent directors. The Audit Committee's members have relevant expertise in financial, accounting and legal matters as shown in the biographies on Barco's [corporate website](#).

The Audit Committee met five times during 2022. All Audit Committee members were present during all the meetings.

The Audit Committee reported the outcome of each meeting to the Board of Directors. The minutes of each Audit Committee meeting were submitted to the Board of Directors.

The CFO and the VP Corporate Finance attended all regular meetings. The CEO Charles Beauduin was present at all regular meetings and the CEO An Steegen attended two Audit Committee meetings. The Group's internal auditor and the Group's external auditor PwC Bedrijfsrevisoren BV were present in 3 meetings. The Group's data protection officer was invited to two audit committee meetings. The overview below indicates a number of matters that were reviewed and/or discussed in Audit Committee meetings throughout 2022:

- The Company's 2021 annual and 2022 interim financial statements, including non-financial information, the Company's 2021 integrated report, prior to publication thereof.
- The Company's 2022 integrated report content and review.
- The Committee also assessed in its quarterly meetings the adequacy and appropriateness of internal control policies and internal audit programs and their findings.
- Matters relating to accounting policies, financial risks and compliance with accounting standards. Compliance with statutory and legal requirements and regulations, particularly in the financial domain, was also reviewed. Important findings, Barco's major areas of risk (including the internal auditor's reporting thereon, as well as the review of litigation and other claims), follow-up actions and appropriate measures were examined thoroughly.
- Quarterly review of critical accounting judgements and uncertainties, including impact of the macro-economic environment.
- Each quarter, the Committee reviewed the Company's free cash flow generation and working capital ratios.
- The Committee monitored potential impairment indicators, reviewed the goodwill impairment test performed, financial impact of strategic investments and risk management.
- The Committee reviewed the report provided by the Group's compliance officer on the application of Corporate Governance and the Code of Conduct and shared with the Board. Regular updates on GDPR were provided by the Group's data protection officer.
- With regard to internal audit, the Committee reviewed and approved the internal audit charter, audit plan, audit scope and its coverage in relation to the scope of the external audit, as well as the staffing, independence and organizational structure of the internal audit function.
- With regard to the external audit, the Committee reviewed the proposed audit scope, approach and fees, the independence of the external auditor and non-audit services provided by the external auditor in conformity with Barco's non-audit fee policy. The Committee also reviewed the key audit matters valuation of goodwill and valuation of deferred tax assets, as well as the group external auditor's management letter, which contained no recommendations with material impact.
- For information on the fees of Group auditor, please refer to note 22 'Related party transactions' in the Financial Statements 2022.

Overview of the Board and Committee meetings in 2022

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

Remuneration and Nomination Committee

- The Committee reviewed the report from the external auditor in which the auditor set forth its findings and attention points during the relevant period. The Committee assessed the overall performance of the internal and external auditor. The Committee also reviewed and confirmed its current Audit Committee schedule

The Board of Directors has combined the Remuneration Committee and the Nomination Committee into a single committee.

The Remuneration & Nomination Committee is composed of Frank Donck, who acts as Chair of the committee, Lieve Creten and Hilde Laga. All members are independent directors.

The Remuneration and Nomination Committee fulfils the mission imposed on it by law and meets at least three times per year, as well as whenever the Committee needs to address imminent topics within the scope of its responsibilities. The CEOs are invited to meetings, except for matters that concern them personally. The meetings are prepared by the Chief HR Officer, who attends the meetings.

In 2022, the Remuneration and Nomination Committee met three times.

First focus point for the Committee has been Barco's HR strategy for 2022-2023, which is articulated around Organizational effectiveness, Workforce Strategy, Culture, People & Leadership Development and Operational Excellence as key enabler.

Second focus point was the continuation of the simplification of the matrix organization. Main initiative has been the transfer of Business Unit specific Application development teams from the CDIO organization to the respective Business Units. The rationale of this reorganization is to have these software development teams closer to the products & services development of the Business Units, and at the same time also closer to the

markets and customers. Additionally, it simplifies the reporting lines and enhances more efficiency and focus within the Business Unit R&D teams.

The CDIO organization, now SW.IT, remained and focuses now on 3 main activities:

- IT and digitalization program
- Cloud platform development team
- Long term software development strategy

Given the dramatic increase of inflation rates, the Committee had as a third focus point the impact of said rates on the overall employment cost of the company.

Other focus points have been: (1) Headcount planning, attrition and forecasting, (2) Leadership development and the launch of a management enablement track, (3) employee engagement, and (4) Performance management for CLT and their leadership teams.

Also, the allocations of Stock Options for 2022 have been prepared and brought to the Board for approval.

Evaluation of the Board of Directors and its Committees

Technology Committee

The Technology Committee is an advisory body to the Board of Directors. The Committee is composed of three members; Charles Beauduin, who acts as Chair, Ashok Jain and An Steegen.

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

Major technology investments relate to investments running over a number of years that involve a minimum commitment by the company of 10 million euro over the entire duration of the project. The investments might also include technology acquisitions.

In 2022, the Technology Committee met two times. The Committee organized specific working sessions by division, thus ensuring appropriate depth and focus for each of Barco's divisions. The Committee also performed the annual general review of foundational technologies as included in its strategic plan update presented to the Board.

Regularly assessing the size, composition, functioning and performance of the Board of Directors and its Committees as well as the interaction with the executive management is an essential element of corporate governance.

The principle of Board assessment is laid down in the Corporate Governance Code as well as Title 1 (1.5) of the company's Corporate Governance Charter.

See www.barco.com/corporategovernance.

The Board of Directors carries out self-assessments under the supervision of the Chair with the aim to evaluate its functioning and that of its Committees.

Further to the in-depth board review by a consultancy firm end of 2019, and the leadership changes of mid 2021, a renewed board assessment was carried out in September 2022. The Chair, assisted by the Company Secretary, developed a questionnaire, building on the findings and improvement actions defined in the 2019 review. The Chair interviewed each director separately using the questionnaire as a basis. The feedback, collected during these interviews, has been summarized in a report, distributed to, and further discussed among, the directors in the Board of Directors meeting of November 21, 2022.

Remuneration report for financial year 2022

General introduction

This remuneration report must be read together with the remuneration policy which, to the extent necessary, should be regarded as forming part of this remuneration report. The remuneration granted to directors, CEO and CLT members with respect to financial year 2022 is in line with the remuneration policy. This report covers the 2022 remuneration of the non-executive board members (Part A), of the Chief Executive Officers (CEOs), who are also a member of the board and thus an executive director (Part B) and other members of the Core Leadership Team (CLT) who are not members of the board (Part C).

Part 1: Introduction to the 2022 remuneration report

The combination of the component shortage crisis that started in 2021 and continued in 2022 together with the energy crisis and resulting inflation rates have had a wide-ranging impact.

This obviously resulted in higher employment and production costs.

In response to that, Barco increased even more its focus on managing expenses, with specific attention on head count management.

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

2.A Remuneration of the non-executive board members

On 28 April 2022, pursuant to article 17 of the Articles of Association, the General Meeting set the aggregate annual remuneration of the entire Board of Directors at 1,963,175 euro for the year 2022. Next to the board fees of the non-executive directors this amount includes the remuneration package of the CEO. Details on the CEOs remuneration are provided in section 2, B hereinafter.

Total remuneration non-executive directors

Name Position	Fixed remuneration			Variable remuneration		Extraordinary items	Pension expense	Total remuneration	Proportion of fixed and variable remuneration	
	Base compensation	Attendance fees	Other benefits	One-year variable	Multi-year variable				Fixed	Variable
Frank Donck, Chair of the Board	€ 120,000	€ 0	NA	NA	NA	NA	NA	€ 120,000	100%	0%
Lieve Creten Member of the Board	€ 30,000	€ 46,025	NA	NA	NA	NA	NA	€ 76,025	100%	0%
Ashok Jain, Member of the Board	€ 30,000	€ 14,250	NA	NA	NA	NA	NA	€ 44,250	100%	0%
Hilde Laga, Member of the Board	€ 30,000	€ 33,150	NA	NA	NA	NA	NA	€ 63,150	100%	0%
Total	€ 210,000	€ 93,425	NA	NA	NA	NA	NA	€ 303,425	100%	0%

The remuneration paid to non-executive directors consists solely of an annual fixed component plus the fee received for each meeting attended. Considering the substantial time he devotes to the ongoing supervision of Barco group affairs, the Chair of the Board receives a different remuneration package that comprises solely a fixed component. Details on the remuneration package of the Board of Directors can be found in the Barco Remuneration Policy. The company has provided one director with a projector for demonstration purposes.

Non-executive directors do not receive any variable compensation linked to results or other performance criteria. They are not entitled to stock options or shares (see comment in the Corporate Governance statement on page 4 regarding the application of Principle 7.6 of the 2020 Belgian Corporate Governance Code), nor to any supplementary pension scheme.

2.B Remuneration of the CEO

2.B.1 Total remuneration

The remuneration package of the CEO consists of a base salary, a variable remuneration, stock options, a pension contribution, and other components. There were no shares granted.

The remuneration package aims to be competitive and is aligned with the responsibilities of a CEO leading a globally operating industrial group with various business platforms. Details of the remuneration package for the CEO can be found in the [Barco Remuneration Policy](#).

The CEOs Mr. Charles Beauduin and Mrs. An Steegen are under analysis of this chapter.

The amount of the remuneration and other benefits granted directly or indirectly to the CEOs, by the Company or its subsidiaries, in respect of 2022 for their CEO role is set forth below.

Base Salary

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

Variable remuneration

The variable remuneration of the CEO consists of an annual bonus which is subject to a deferral period of three years. The CEO is, contrary to other members of the CLT, not entitled to a long-term incentive (LTI) bonus. Variable remuneration, if any, vests on 31 December of the performance year. Therefore, such variable remuneration is reported for the year it vests and not for the (subsequent) year it is paid.

The revised remuneration policy as approved at the annual general meeting of 28 April 2022 introduced a more simple, transparent and efficient STI policy, based on clearly defined financial and sustainability targets.

As of 2022 the annual KPIs for the bonus of the CEO and their weights are the same as those set for the Core Leadership

Team and other executives whereby the specific targets for the CEO relate to the Barco Group and are set annually at the beginning of the calendar year based on the annual Profit Plan as approved by the Board of Directors. In case of a material impact on any of these targets during the year, caused by a change of control (e.g., divestments, change in % ownership) or otherwise, these targets will be recalculated for the same amount as the impact on actual results, subject to approval by the Remuneration Committee. Reference is made to the section on variable remuneration for the CLT on page 18 for more detailed information on the annual bonus KPIs.

The bonus for 2022 was vested in the hands of Mrs. An Steegen on 31 December 2022. Payment of 50% of the realized bonus amount will be made in March 2023, while the payment of 25% is linked to performance goals over a period of 2 years, and another 25% is linked to performance goals over a 3-year period.

Considering his part-time assignment, Mr. Charles Beauduin is not entitled to an annual bonus.

Total remuneration of CEO

Name Position	Fixed remuneration			Variable remuneration		Extraordinary items***	Pension expense	Total remuneration	Proportion of fixed and variable remuneration	
	Base compensation	Foreign director fees	Other benefits	One-year variable*	Multi-year variable**				Fixed	Variable
Charles Beauduin CEO	€ 165,500	€ 150,000	€ 0	€ 0	€ 0	NA	€ 0	€ 315,500	100.00%	0.00%
An Steegen CEO	€ 500,000	€ 0	€ 27,304	€ 226,800	€ 0	€ 120,000	€ 100,000	€ 974,104	64.40%	35.60%

* non-deferred annual bonus 2022

** deferred payments vesting in 2022

*** includes one-time retention bonus paid March 2022

Exceptional payments

As reported in the remuneration report 2021, the Board, concerned about employee retention and engagement after two consecutive years without bonus payments, decided, on the proposal of the Remuneration and Nomination Committee, to provide a one-time retention bonus in March 2022. The one-time retention bonus for Mrs. An Steegen is reported as exceptional payment.

Pension

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

Considering his part-time assignment, Mr. Charles Beauduin is not entitled to a pension arrangement.

Other components of remuneration

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

Considering his part-time assignment, Mr. Charles Beauduin is not entitled to these benefits.

2.B.2 Share based remuneration

No stock options nor shares have been granted to the CEOs in 2022.

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

Stock options

Main provisions of the stock option plan

Information related to the financial year 2022

Name Position	Plan Identification	Grant Date	Vesting Date	End of retention period	Exercise period	Exercise price	Number of options at the beginning of the year	a) Number of options granted b) value underlying shares @ grant date	a) Number of options vested b) value @ exercise price	Number of options exercised
Charles Beauduin CEO	SOP 2021-CEO	06/12/2021	31/12/2022	01/01/2027	01/01/2027 - 05/12/2031	€ 17.80	72,670		a) 72,670 b) € 1,293,526	
	SOP 2021-CEO	06/12/2021	31/12/2023	01/01/2027	01/01/2027 - 05/12/2031	€ 17.80	72,670			
	SOP 2021-CEO	06/12/2021	31/12/2024	01/01/2027	01/01/2027 - 05/12/2031	€ 17.80	72,670			
	SOP 2021-CEO	06/12/2021	31/12/2025	01/01/2027	01/01/2027 - 05/12/2031	€ 17.80	72,670			
	SOP 2021-CEO	06/12/2021	31/12/2026	01/01/2027	01/01/2027 - 05/12/2031	€ 17.80	72,670			
An Steegen CEO	SOP 2021-CEO	06/12/2021	31/12/2022	01/01/2027	01/01/2027 - 05/12/2031	€ 17.80	72,670		a) 72,670 b) € 1,293,526	
	SOP 2021-CEO	06/12/2021	31/12/2023	01/01/2027	01/01/2027 - 05/12/2031	€ 17.80	72,670			
	SOP 2021-CEO	06/12/2021	31/12/2024	01/01/2027	01/01/2027 - 05/12/2031	€ 17.80	72,670			
	SOP 2021-CEO	06/12/2021	31/12/2025	01/01/2027	01/01/2027 - 05/12/2031	€ 17.80	72,670			
	SOP 2021-CEO	06/12/2021	31/12/2026	01/01/2027	01/01/2027 - 05/12/2031	€ 17.80	72,670			

2.C Remuneration of the CLT members

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

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

2.C.1 Total remuneration

The remuneration package of the Core Leadership Team members other than the CEOs consists of a base remuneration, a short-term variable remuneration, a long-term variable bonus, stock options, a pension contribution, and various other components. The remuneration package aims to be competitive and is aligned with the role and responsibilities of each CLT member, being a member of a team leading a globally operating industrial group in the technology market space with various business platforms. Details of the remuneration package for the CLT members can be found in the Barco Remuneration Policy.

The amount of the remuneration and other benefits granted directly or indirectly to the CLT members, by the Company or its subsidiaries, in respect of 2022 is set forth below. Redundancy payments are not included in these amounts.

CLT members

Name	Position	Employer legal entity	Joined/left CLT 2022
Geert Carrein	EVP Diagnostics	Barco nv (BE)	
Olivier Croly		Barco Singapore Pte Ltd. (SG)	left CLT: 30 April 2022
Gerwin Damberg	EVP Cinema & acting CTO	MTT Innovation Inc. (CA)	
Ann Desender	Chief Financial Officer	Barco nv (BE)	
Johan Fornier	EVP Surgical & Modality	Barco nv (BE)	
Stijn Henderickx	EVP Meeting & Learning Experience	Barco nv (BE)	
Anthony Huyghebaert	Chief HR Officer	Barco nv (BE)	
Rob Jonckheere	EVP Global Operations	Barco nv (BE)	
Chris Sluys	EVP Large Video Wall Experience	Barco nv (BE)	
Erdem Soyak	EVP Immersive Experience	Barco Middle East L.L.C.	joined CLT: 1 May 2022
Marc Spenlé		Barco nv (BE)	left CLT: 30 April 2022
Tom Sys	Chief Digital & Information Officer	Barco nv (BE)	joined CLT: 1 May 2022
Iain Urquhart		Barco Inc. (USA)	left CLT: 29 April 2022
Kurt Verheggen	General Counsel	Barco nv (BE)	
Kenneth Wang	MD Barco China	Barco Visual Electronics Co., Ltd. (CN)	

Total remuneration of CLT (excluding CEO)

Name Position	Fixed remuneration			Variable remuneration		Extraordinary items***	Pension expense	Total remuneration	Proportion of fixed and variable remuneration	
	Base salary	Foreign director fees	Other benefits	One-year variable*	Multi-year variable**				Fixed	Variable
Core Leadership Team	€ 3,031,091	€ 50,000	€ 360,667	€ 1,086,023	€ 0	€ 293,500	€ 292,204	€ 5,113,485	73%	27%

* non-deferred annual bonus 2022

** deferred payments vesting in 2022

*** includes one-time retention bonus paid March 2022

Base salary

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

Variable salary

The variable remuneration includes a short-term and a long-term incentive component, delivered in cash and stock options.

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

Annual Bonus

The revised remuneration policy as approved at the annual general meeting of 28 April 2022 introduced a more simple, transparent and efficient STI policy, based on clearly defined financial and sustainability targets.

As of 2022 the individual bonus plan for the members of the Core Leadership Team is a so-called "metric" plan, with only predefined measurable and auditable KPIs and no subjective individual KPIs.

The main characteristics of the annual bonus plan are:

- Three (3) KPIs are defined, and a fixed weight is given to each of them. For CLT members leading a Business Unit or Barco China, the KPIs relate to a specific target group and for other CLT members, the KPIs relate to the Barco Group.
- Each KPI is measured separately
- Minimum threshold and maximum cap per KPI
- Same pay-out schedule for all KPIs target awards
- Maximum total bonus pay-out is capped at 35% of the on-target bonus in case of negative EBITDA at target cluster level.

The specific KPI targets are set annually at the beginning of the calendar year based on the annual Profit Plan as approved by the Board of Directors. In case of a material impact on any of these targets during the year, caused by a change of control (e.g. divestments, change in % ownership) or otherwise, these targets will be recalculated for the same amount as the impact on actual results, subject to approval by the Remuneration Committee.

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

The bonus plan provides for deferred payments, hence will substitute over time the LTI cash plan as it is a hybrid plan, combining both short-term incentive and long-term incentive. For CLT members with a Target Bonus Value \geq 37.5% of the Annual Base Salary, the payment of the achieved bonus is subject to a deferral period of three years, i.e. the bonus for Bonus Plan Period 2022 is paid out as follows:

- Achieved bonus on maximum 37.5% OT of the Annual Base Salary paid in bonus year (performance period) +1.
- Should the OT be above 37.5%: 50% of the achieved bonus on the exceeding OT in bonus year (performance period) +2.
- Should the OT be above 37.5%: 50% of the achieved bonus on the exceeding OT in bonus year (performance period) +3.

No additional KPIs or conditions will apply on the payment of the deferred bonus amounts, except being employed by the company at the moment of payment.

Bonus Plan 2022 - KPIs

Bonus target clusters	Performance criteria (measurable & auditable)	Relative weight	a) Minimum target performance & b) Corresponding payment level*	a) On-target performance & b) Corresponding payment level*	a) Maximum target performance & b) Corresponding payment level*	2022 KPI performance and payment level at Barco group level
Financial target group cluster	KPI 1: sales	45%	a) 70% b) 0.225	a) 100% b) 0.450	a) 125% b) 0.675	a) 99.62% b) 0.447
	KPI 2: EBITDA % at end of Plan period	40%	a) 70% b) 0.200	a) 100% b) 0.400	a) 150% b) 0.600	a) 86.59% b) 0.311
Sustainability Drivers on Barco Group level	KPI 3: Greenhouse Gas emission reduction and Eco-labelled revenues	15%	a) 70% b) 0.075	a) 100% b) 0.150	a) 125% b) 0.225	a) 112.02% b) 0.187
Total Bonus Payment level individual bonus with lineair calculation in between milestones			0.5	1	1.5	0.945
Total Bonus: (individual OT bonus) x (total payment level)						

* payout level expressed as a multiple of the "target" bonus

Long-term incentive Plan

As indicated above, the revised annual bonus plan for members of the CLT also provides for deferred payments, hence will substitute, together with the stock option plan, the Long-Term incentive Plan 2021 – 2023 as of 2024.

The long-term incentive cash bonus 2021 – 2023 is subject to the Barco Group meeting certain defined performance targets:

- Cumulated net earnings, EBITDA % at End of Plan Period and sustainability drivers (Greenhouse Gas Emission reduction and Eco-labeled revenues) over the respective 3-year plan period and continued employment on the last day of the plan period.

Payment is capped at 150% of the target award.

Exceptional payments

As reported in the remuneration report 2021, the Board, concerned about employee retention and engagement after two consecutive years without bonus payments, decided, on the proposal of the Remuneration and Nomination Committee, to provide a one-time retention bonus in March 2022. The one-time retention bonus for CLT Members is reported as exceptional payment.

Pension

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

Other components of remuneration

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

2.C.2 Share based remuneration

As stated above, part of the LTI is delivered as stock options. The target SO value at grant is equal to 25% of the Participant's target variable compensation.

No shares were granted to the CLT members, nor was any other share-based remuneration provided to the CLT members, during 2022. Reference is made to the explanation given in the Corporate Governance Statement on page 4 regarding the reason for this deviation from article 7.9 of the Belgian Corporate Governance Code.

In 2022, following authorization by the general meeting and at the proposal of the Remuneration and Nomination Committee, the Board of Directors allotted stock options to 9 members of the CLT. The exercise price amounts to EUR 21.74 per option, with a three-year vesting period. The number of options to be offered to each individual beneficiary is variable in part. The options are offered to the beneficiaries for no consideration. For CLT members on a Belgian payroll the stock options are taxable at the moment of grant in application of the Belgian tax regulations. 141,465 stock options were granted to the members of the CLT.

All details on the stock options granted, vested, and exercised by the CLT members are provided in the table on page 20.

Stock options

Main provisions of the stock option plan

Information related to the financial year 2022

Name Position	Plan Identification	Grant Date	Vesting Date	End of retention period	Exercise period	Exercise price	Number of options at the beginning of the year	a) Number of options granted b) value underlying shares @ grant date	a) Number of options vested b) value @ exercise price	Number of options exercised	Number of options expired
Geert Carrein, EVP	SOP 2021-P	06/12/2021	31/12/2024	NA	01/01/2025 - 05/12/2031	€ 17.80	5,000				
	SOP 2017-EEA	20/10/2017	31/12/2020	NA	01/01/2021 - 19/10/2027	€ 12.54	7,000				
	SOP 2016-EEA	24/10/2016	31/12/2019	NA	01/01/2020 - 23/10/2026	€ 10.40	4,200				
Gerwin Damberg, EVP	SOP 2022-CLT	08/12/2022	31/12/2025	NA	01/01/2026 - 07/12/2032	€ 21.74	0	a) 15,500 b) € 336,970			
	SOP 2021-P	06/12/2021	31/12/2024	NA	01/01/2025 - 05/12/2031	€ 17.80	11,100				
	SOP 2020-P	29/10/2020	31/12/2023	NA	01/01/2024 - 28/10/2030	€ 12.76	16,100				
	SOP 2019-P	11/10/2019	31/12/2022	NA	01/01/2023 - 10/10/2029	€ 24.83	9,100		a) 9,100 b) € 225,953		
	SOP 2022-CLT	08/12/2022	31/12/2025	NA	01/01/2026 - 07/12/2032	€ 21.74	0	a) 12,500 b) € 271,750			
Ann Desender, CFO	SOP 2021-P	06/12/2021	31/12/2024	NA	01/01/2025 - 05/12/2031	€ 17.80	12,400				
	SOP 2020-P	29/10/2020	31/12/2023	NA	01/01/2024 - 28/10/2030	€ 12.76	29,400				
	SOP 2019-P	11/10/2019	31/12/2022	NA	01/01/2023 - 10/10/2029	€ 24.83	14,000		a) 14,000 b) € 347,620		
	SOP 2018-P	22/10/2018	31/12/2021	NA	01/01/2022 - 21/10/2028	€ 14.40	24,500			2,000	
	SOP 2022-CLT	08/12/2022	31/12/2025	NA	01/01/2026 - 07/12/2032	€ 21.74	0	a) 37,325 b) € 811,445.50			
Johan Fornier, EVP	SOP 2021-P	06/12/2021	31/12/2024	NA	01/01/2025 - 05/12/2031	€ 17.80	5,900				

Stock options

Main provisions of the stock option plan

Information related to the financial year 2022

Name Position	Plan Identification	Grant Date	Vesting Date	End of retention period	Exercise period	Exercise price	Number of options at the beginning of the year	a) Number of options granted b) value underlying shares @ grant date	a) Number of options vested b) value @ exercise price	Number of options exercised	Number of options expired
Stijn Henderickx, EVP	SOP 2022-CLT	08/12/2022	31/12/2025	NA	01/01/2026 - 07/12/2032	€ 21.74	0	a) 18,929 b) € 411,516.46			
	SOP 2021-P	06/12/2021	31/12/2024	NA	01/01/2025 - 05/12/2031	€ 17.80	7,800				
	SOP 2020-P	29/10/2020	31/12/2023	NA	01/01/2024 - 28/10/2030	€ 12.76	15,500				
	SOP 2019-P	11/10/2019	31/12/2022	NA	01/01/2023 - 10/10/2029	€ 24.83	9,100		a) 9,100 b) € 225,953		
	SOP 2017-EEA	20/10/2017	31/12/2020	NA	01/01/2021 - 19/10/2027	€ 12.54	4,200			4,200	
Anthony Huyghebaert, CHRO	SOP 2022-CLT	08/12/2022	31/12/2025	NA	01/01/2026 - 07/12/2032	€ 21.74	0	a) 9,500 b) € 206,530			
	SOP 2021-P	06/12/2021	31/12/2024	NA	01/01/2025 - 05/12/2031	€ 17.80	14,000				
Rob Jonckheere, EVP Operations	SOP 2022-CLT	08/12/2022	31/12/2025	NA	01/01/2026 - 07/12/2032	€ 21.74	0	a) 10,000 b) € 217,400			
	SOP 2021-P	06/12/2021	31/12/2024	NA	1/01/2025 - 5/12/2031	€ 17.80	8,000				
	SOP 2020-P	29/10/2020	31/12/2023	NA	1/01/2024 - 28/10/2030	€ 12.76	12,500				
	SOP 2019-P	11/10/2019	31/12/2022	NA	1/01/2023 - 10/10/2029	€ 24.83	4,550		a) 4,550 b) € 112,976,50		
	SOP 2017-EEA	20/10/2017	31/12/2020	NA	1/01/2021 - 19/10/2027	€ 12.54	1,400				
	SOP 2016-EEA	24/10/2016	31/12/2019	NA	1/01/2020 - 23/10/2026	€ 10.40	1,750			1,000	
Chris Sluys, EVP	SOP 2022-CLT	08/12/2022	31/12/2025	NA	01/01/2026 - 07/12/2032	€ 21.74	0	a) 7,500 b) € 163,050			
	SOP 2021-P	06/12/2021	31/12/2024	NA	01/01/2025 - 05/12/2031	€ 17.80	9,800				

Stock options

Main provisions of the stock option plan

Information related to the financial year 2022

Name Position	Plan Identification	Grant Date	Vesting Date	End of retention period	Exercise period	Exercise price	Number of options at the beginning of the year	a) Number of options granted b) value underlying shares @ grant date	a) Number of options vested b) value @ exercise price	Number of options exercised	Number of options expired
Kurt Verheggen, General Counsel	SOP 2022-CLT	08/12/2022	31/12/2025	NA	01/01/2026 - 07/12/2032	€ 21.74	0	a) 13,072 b) € 284,185.28			
	SOP 2021-P	06/12/2021	31/12/2024	NA	01/01/2025 - 05/12/2031	€ 17.80	8,300				
	SOP 2020-P	29/10/2020	31/12/2023	NA	01/01/2024 - 28/10/2030	€ 12.76	12,600				
	SOP 2019-P	11/10/2019	31/12/2022	NA	01/01/2023 - 10/10/2029	€ 24.83	7,000		a) 7,000 b) € 173,810		
	SOP 2018-P	22/10/2018	31/12/2021	NA	01/01/2022 - 21/10/2028	€ 14.40	10,500			10,500	
Kenneth Wang, EVP	SOP 2022-CLT	08/12/2022	31/12/2025	NA	01/01/2026 - 07/12/2032	€ 21.74	0	a) 17,139 b) € 372,601.86			
	SOP 2021-P	06/12/2021	31/12/2024	NA	01/01/2025 - 05/12/2031	€ 17.80	13,300				

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

Stock options

Main provisions of the stock option plan

Information related to the financial year 2022

Name Position	Plan Identification	Grant Date	Vesting Date	End of retention period	Exercise period	Exercise price	Number of options at the beginning of the year	a) Number of options granted b) value underlying shares @ grant date	a) Number of options vested b) value @ exercise price	Number of options exercised	Number of options expired
Xavier Bourgois, left 31 December 2021	SOP 2019-P	11/10/2019	31/12/2022	NA	01/01/2023 - 31/12/2023	€ 24.83	5,950		a) 5,950 b) € 147,738.50		
	SOP 2018-P	23/10/2018	31/12/2021	NA	01/01/2022 - 31/12/2022	€ 14.40	3,500			3,500	
	SOP 2017-EEA	20/10/2017	31/12/2020	NA	01/01/2021 - 19/10/2027	€ 12.54	10,500				
	SOP 2016-EEA	24/10/2016	31/12/2019	NA	01/01/2020 - 23/10/2026	€ 10.40	10,500				
	SOP 2015-EEA	22/10/2015	31/12/2018	NA	01/01/2019 - 21/10/2025	€ 8.16	1,400				
Tet Jong Chang, retired 31 March 2021	SOP 2020-P	29/10/2020	31/12/2023	NA	01/01/2024 - 28/10/2030	€ 12.76	14,000				
	SOP 2019-P	11/10/2019	31/12/2022	NA	01/01/2023 - 10/10/2029	€ 24.83	11,900		a) 11,900 b) € 295,477		
	SOP 2018-P	23/10/2018	31/12/2021	NA	01/01/2022 - 22/10/2028	€ 14.40	17,500			17,500	
	SOP 2017-ROW	20/10/2017	31/12/2020	NA	01/01/2021 - 19/10/2025	€ 12.54	28,000				
Olivier Croly, left 30 June 2022	SOP 2021-P	06/12/2021	31/12/2024	NA	01/01/2025 - 05/12/2031	€ 17.80	14,800				14,800
	SOP 2020-P	29/10/2020	31/12/2023	NA	01/01/2024 - 28/10/2030	€ 12.76	21,000				
	SOP 2019-P	11/10/2019	31/12/2022	NA	01/01/2023 - 10/10/2029	€ 24.83	11,900				11,900
	SOP 2018-P	22/10/2018	31/12/2021	NA	01/01/2022 - 22/10/2028	€ 14.40	17,500			17,500	
An Dewaele, left 31 December 2021	SOP 2019-P	11/10/2019	31/12/2022	NA	01/01/2023 - 31/12/2023	€ 24.83	9,800		a) 9,800 b) € 243,334		
	SOP 2018-P	23/10/2018	31/12/2021	NA	01/01/2022 - 31/12/2022	€ 14.40	14,700			14,700	
	SOP 2017-EEA	20/10/2017	31/12/2020	NA	01/01/2021 - 19/10/2027	€ 12.54	28,000				

Stock options

Main provisions of the stock option plan

Information related to the financial year 2022

Name Position	Plan Identification	Grant Date	Vesting Date	End of retention period	Exercise period	Exercise price	Number of options at the beginning of the year	a) Number of options granted b) value underlying shares @ grant date	a) Number of options vested b) value @ exercise price	Number of options exercised	Number of options expired
Jan De Witte, left 31 August 2021	SOP 2020-CEO	29/10/2020	31/12/2023	NA	01/01/2024 - 31/12/2024	€ 12.76	182,000				
	SOP 2019-CEO	11/10/2019	31/12/2022	NA	01/01/2023 - 31/12/2023	€ 24.83	147,000		a) 147,700 b) € 3,667,391		
	SOP 2018-CEO	23/10/2018	31/12/2021	NA	01/01/2022 - 31/12/2022	€ 14.40	210,000			210,000	
Johan Heyman, left 30 September 2020	SOP 2019-P	11/10/2019	31/12/2022	NA	01/01/2023 - 31/12/2023	€ 24.83	5,950		a) 5,950 b) €147,738.50		
	SOP 2018-P	23/10/2018	31/12/2021	NA	01/01/2022 - 31/12/2022	€ 14.40	3,500			1,000	
	SOP 2017-EEA	20/10/2017	31/12/2020	NA	01/01/2021 - 19/10/2027	€ 12.54	3,000			3,000	
Filip Pintelon, left 22 October 2021	SOP 2020-P	29/10/2020	31/12/2023	NA	01/01/2024 - 31/12/2024	€ 12.76	16,100				
	SOP 2019-P	11/10/2019	31/12/2022	NA	01/01/2023 - 31/12/2023	€ 24.83	10,500		a) 10,500 b) € 260,715		
	SOP 2018-P	23/10/2018	31/12/2021	NA	01/01/2022 - 31/12/2022	€ 14.40	17,500			17,500	
	SOP 2017-EEA	20/10/2017	31/12/2020	NA	01/01/2021 - 19/10/2027	€ 12.54	35,000				
	SOP 2016-EEA	24/10/2016	31/12/2019	NA	01/01/2020 - 23/10/2026	€ 10.40	28,000				
	SOP 2015-EEA	22/10/2015	31/12/2018	NA	01/01/2019 - 21/10/2025	€ 8.16	5,250				
	SOP 2014-EEA	23/10/2014	31/12/2017	NA	01/01/2018 - 22/10/2024	€ 7.86	12,250				
Marc Spenlé, left 3 July 2022	SOP 2021-P	06/12/2021	31/12/2024	NA	01/01/2025 - 05/12/2031	€ 17.80	11,800				
	SOP 2020-P	29/10/2020	31/12/2023	NA	01/01/2024 - 28/10/2030	€ 12.76	19,600				

Stock options

Main provisions of the stock option plan

Information related to the financial year 2022

Name Position	Plan Identification	Grant Date	Vesting Date	End of retention period	Exercise period	Exercise price	Number of options at the beginning of the year	a) Number of options granted b) value underlying shares @ grant date	a) Number of options vested b) value @ exercise price	Number of options exercised	Number of options expired
George Stromeyer, left 20 October 2021	SOP 2018-P	23/10/2018	31/12/2021	NA	01/01/2022 - 28/02/2022	€ 14.40	42,000			42,000	
	SOP 2017-US	20/10/2015	31/12/2019	NA	01/01/2020 - 03/03/2022	€ 12.54	91,000			91,000	
Iain Urquhart, left 30 April 2022	SOP 2021-P	06/12/2021	31/12/2024	NA	01/01/2025 - 05/12/2031	€ 17.80	13,800				13,800
	SOP 2020-P	29/10/2020	31/12/2023	NA	01/01/2024 - 28/10/2030	€ 12.76	21,150				21,150
	SOP 2019-P	11/10/2019	31/12/2022	NA	01/01/2023 - 10/10/2029	€ 24.83	42,000				42,000
Nicolas Vanden Abeele, left 22 October 2021	SOP 2020-P	29/10/2020	31/12/2023	NA	01/01/2024 - 31/12/2024	€ 12.76	21,700				
	SOP 2019-P	11/10/2019	31/12/2022	NA	01/01/2023 - 31/12/2023	€ 24.83	11,900		a) 11,900 b) € 295,477		
	SOP 2018-P	23/10/2018	31/12/2021	NA	01/01/2022 - 31/12/2022	€ 14.40	17,500			17,500	

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

Part 3: Redundancy payments

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

Upon proposal of the remuneration and nomination committee, the Board agreed on the departure compensation for 2 people, and the basis for its calculation as set forward below.

Iain Urquhart, former EVP Global Customer Success, resigned from the company on 29 April 2022. No severance or other compensation were due.

Effective 30 April 2022, Marc Spénlé, Chief Digital & Information Officer, left the company. In accordance with the employment law and the provisions of his employment contract, the severance agreement included a notice period of 2,5 months and a prorated 2022 bonus based on the YTD KPI results.

Effective 30 April 2022, Olivier Croly, former EVP Meeting & Learning Experience, left the company. In accordance with the provisions of his employment contract, the severance agreement included a termination indemnity based on 4,5 months of remuneration and a prorated 2022 bonus based on the YTD KPI results.

Part 4: Use of the right to reclaim

The company will use the legal options available for payback of variable remuneration in case fraud or other types of misconduct or irregularities in the results of the company would be discovered in a period of 2 years following its payment.

There was no reason for the Board to reclaim any previously paid variable remuneration to the CEO or to any of the CLT members.

Part 5: Deviations from the remuneration policy

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

Part 6: Evolution of remuneration and company performance

As requested by the Belgian Company Law, Barco reports the pay ratio of the highest FTE CEO remuneration versus the lowest FTE employee remuneration in its legal entity Barco nv. The 2022 pay ratio is 21.10.

Part 7: Vote of the shareholder

Further to the leadership changes in 2021 and upon the Remuneration and Nomination Committee's proposal, the Board of Directors agreed to introduce a more simple, transparent and efficient STI policy, based on clearly defined financial and sustainability targets. Subsequently, a revised remuneration policy has been submitted to the shareholders' approval at the annual general meeting of 28 April 2022. The new remuneration policy has been approved with a 56% majority. The remuneration report 2021 was approved with an 85% vote. As no comments were made to the previous remuneration report, there were no such comments to be considered for the remuneration paid or vested during 2022.

In thousands of euro	2017	2018	2019	2020	2021	2022
Remuneration of Non-Executive Directors⁽¹⁾						
Total annual remuneration	512,725	430,449	416,825	402,425	426,475	303,425
Year-on-year difference (%)	3%	-16%	-3%	-3%	6%	-29%
Number of Non-Executive Directors under review	11	9	6	6	6	4
Remuneration of CEOs						
Total annual remuneration of CEOs (EUR)	1,209,183	1,424,544	1,672,362	1,262,683	1,086,038	1,289,604
Year-on-year difference (%)	-24%	18%	17%	-24%	-14%	19%
Remuneration of CLT						
Total annual remuneration (EUR)	4,570,778	5,866,025	6,163,243	4,819,145	4,211,170	5,113,485
Year-on-year difference (%)	10%	28%	5%	-22%	-13%	21%
Number of CLT Members under review ⁽²⁾	14	14	14	14	17	15
Barco Group Performance						
NET SALES (M euro)	1,084,706	1,028,531	1,082,570	770,083	804,288	1,058,291
Year-on-year difference (%)	-2%	-5%	5%	-29%	4%	32%
EBITDA (M euro)	107,126	124,466	153,022	53,563	58,509	126,474
Year-on-year difference (%)	22%	16%	23%	-65%	9%	116%
Net income attributable (M euro)	24,776	74,965	95,363	-4,393	8,881	75,219
Year-on-year difference (%)	125%	203%	27%	-105%	302%	747%
Average remuneration per FTE employee⁽³⁾						
Average employee cost per FTE (EUR) ⁽⁴⁾	76,821	76,505	77,192	65,570	75,003	88,347
Year-on-year difference (%)	0.7%	-0.4%	0.9%	-15.1%	14.4%	17.8%

⁽¹⁾ As indicated in Part 2.A of the Remuneration Report, the remuneration for Non-Executive Directors depends only on the number of meetings and is reported aggregated for this table.

⁽²⁾ As of 2022, we report CLT without the CEO.

⁽³⁾ Average remuneration of employees is calculated on the basis of "wages and direct social benefits", including company cars, divided by the number of employees on a year-over-year basis.

⁽⁴⁾ Employee cost 2022 increase due to (a) high inflation and COL increases versus 2021, and (b) higher attrition combined with recruiting in an overheated labor market.

Policies of conduct

Transparency of transactions involving shares or other financial instruments of Barco

The company has issued a Market Abuse Prevention Policy which is being enforced as part of its compliance management program, available for review on the [company's website](#). It meets the requirements of the EU Regulation of 16 April, 2014 n° 596/2014 on market abuse. Persons discharging managerial responsibilities and persons closely associated with them must notify the Financial Services Market Authority ("FSMA") of any transactions involving shares or other financial instruments of Barco within three business days after the transaction. Such transactions are made public on the website of the FSMA (www.fsma.be) as well as the company's website, the latter on an aggregate basis.

Managing sustainability

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

Conflicts of interest

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

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

In 2022, no conflicts of interest of a financial nature or related party transactions falling within the scope of these procedures arose.

Statutory auditor

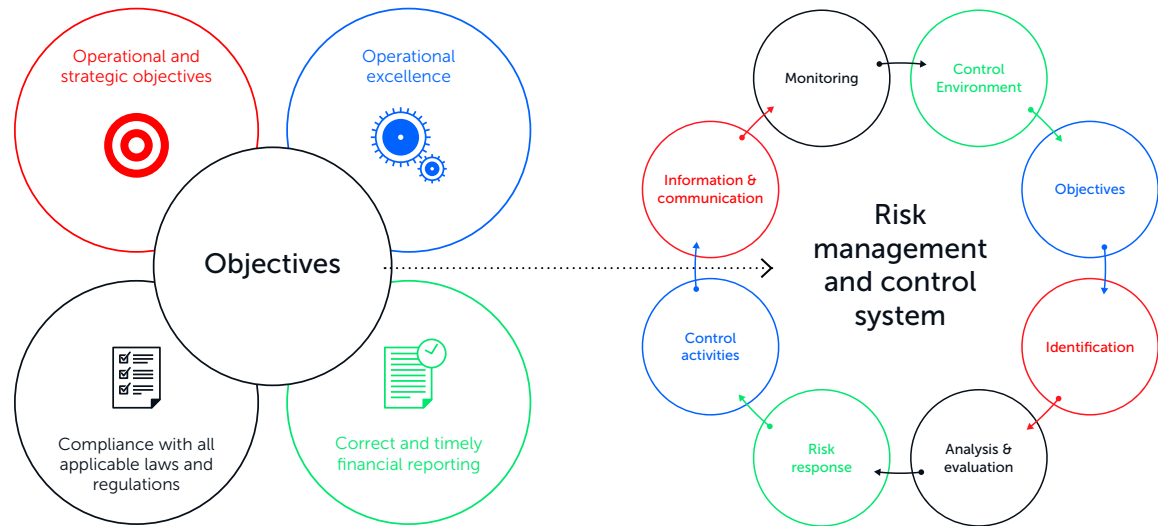
Barco refers to note 22 'Related party transactions' in Financial Statements 2022.

Risk management and control processes

Objectives

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

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



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

Control environment

Barco strives for a strong compliance culture and risk awareness attitude by defining clear roles and responsibilities in all relevant domains. In this way, the company fosters an environment in which it pursues its business objectives and corporate strategy in a controlled manner. This environment is created by implementing various company-wide policies and procedures, such as:

- The Code of Ethics
- Decision and signature authority rules
- The Barco culture building blocks
- Quality and other management systems
- Risk profiling, reporting and mitigation processes

Risk management process

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

The CLT fully endorses this approach. Employees are regularly informed and trained on these subjects to ensure sufficient risk management and control at all levels and in all areas of the organization.

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

The yearly risk assessment and compliance gap analysis is a joint effort of the Risk Manager, the Global Compliance Manager and Internal Audit.

Identification

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

In 2022, no new risks were defined in the Barco risk universe. Two risks were absorbed into existing risks. The 'Digital transformation and new technologies' risk became part of the 'Product portfolio & innovation' risk renamed as 'the 'Innovation, new technologies & product portfolio' risks. The 'Data governance & privacy' risk was added to the 'Information security' risk (Governance) and the 'Innovation, new technologies & product portfolio' risk (Intellectual property). Accordingly, these two risks have been slightly re-defined.

Barco Risk Universe

The following risks are taken into consideration.



- Information security risk
- Macroeconomic & geopolitics risk
- Human capital & talent management
- Product quality
- Supply chain & 3rd / 'Nth' party risk
- Contingency & resilience risk
- Business ethics
- Corporate governance & strategy
- Financial & liquidity risk
- Local compliance & regulatory change
- Sustainability & climate risk
- Innovation, new technologies & product portfolio

Analysis

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

The scoring of Barco's risks was done via an online questionnaire. All 15 CLT members and all 31 senior managers from different subsidiaries completed the questionnaire.

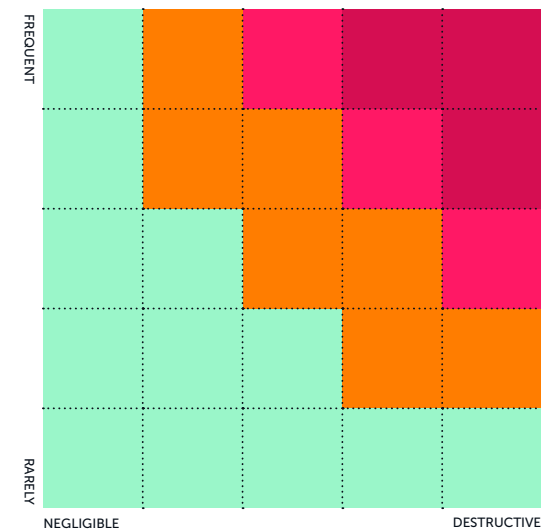
Evaluation

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

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

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

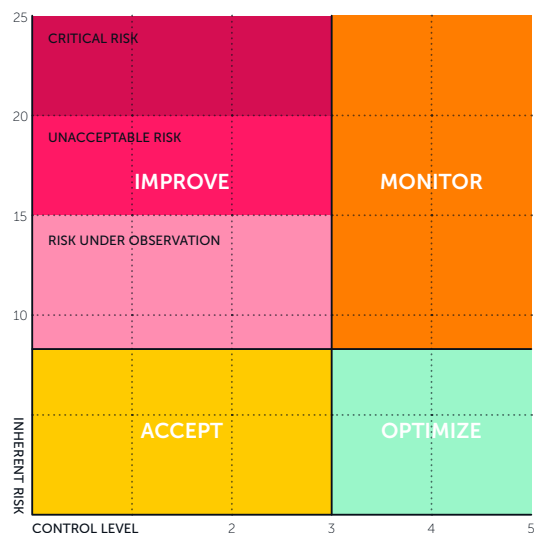
The **CLT then reviews the results**. The top risks are identified and divided into risks to be accepted, monitored or improved. For each top risk, a risk sponsor is designated.



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

Risk response

Management response to the top risks



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

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

The Risk Manager supports the adoption of clear processes and procedures for a wide range of business operations. In addition to these control activities, an insurance program has been implemented for selected risk categories that cannot be absorbed without material impact on the company's balance sheet.

Monitoring

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

Risks in the 'improve' and 'monitor' quadrants are subject to a quarterly review by the CLT risk sponsor, the Risk Manager and a delegation of CLT members.

Control activities

The continuity and the quality of Barco's risk management and control system is assessed by following actors:

- Internal Auditor – the tasks and responsibilities assigned to Internal Audit are recorded in the internal audit charter, which has been approved by the Audit Committee. The key mission of internal audit as defined in the internal audit charter is "to add value to the organization by applying a systematic, disciplined approach to evaluating the internal control system and providing recommendations to improve it".
- External Auditor – in the context of the external audit review of the annual accounts and their assessment of key internal controls.
- Compliance Officer – within the framework of the company's Corporate Governance charter.
- Risk Manager – plays a pivotal role in the organization by ensuring appropriate coordination and follow-up of risk management activities.
- Global Compliance Manager – coordinates between different compliance roles, functionally and regionally. The compliance status and gaps are mapped on a regular basis in order to define compliance risks, priorities and mitigations as needed.
- Audit Committee – the Board of Directors, assisted by its Audit Committee, has the final responsibility with respect to internal control and risk management.

Information and communication

A timely, complete and accurate information flow – both top-down and bottom-up – is a cornerstone of effective risk management.







In all operational domains, Barco has implemented a management control and reporting system to support efficient management and reporting of business transactions and risks. This system enables the Barco management to capture relevant information on particular areas of business operations at regular time intervals. The process enforces the clear assignment of roles and responsibilities, thus ensuring consistent communication to all stakeholders regarding external and internal changes or risks impacting their areas of responsibility.

In addition to the management control and reporting system, the company has put several measures into place to ensure the security of confidential information and to provide a communication channel for employees to report any (suspected) violation of laws, regulations, the company's code of ethics or policies.

Top risks

On the right are the top risks, identified by the 2022 risk management process, along with the trends and related material topic/strategic lever. Certain risks have been slightly regrouped and renamed compared to last year following the most recent risk identification process.

We refer to the extra risk section 'Deep dive on the 2022 consequences and impact of the macroeconomic environment' and to the management discussion and analysis in the 'Results' section for an update on the impact of covid-19 and the impact of supply constraints on the full year 2022 results.

	Risk	Trend	Material topic	Strategic lever
1	Innovation, new technologies & product portfolio		<ul style="list-style-type: none"> Innovation management Market reach Product stewardship Customer engagement 	<ul style="list-style-type: none"> Innovate for impact Capture profitable and efficient growth
2	Supply chain & 'Nth' party risk		<ul style="list-style-type: none"> Responsible supply chain management Sustainable profitable growth Product quality, safety and security 	<ul style="list-style-type: none"> Capture profitable and efficient growth Go fo sustainable impact
3	Human capital & talent management		<ul style="list-style-type: none"> Employee engagement Learning and development Employee health, safety and wellbeing Diversity and inclusion 	<ul style="list-style-type: none"> Capture profitable and efficient growth Go fo sustainable impact
4	Product quality		<ul style="list-style-type: none"> Product quality, safety and security Customer engagement Brand 	<ul style="list-style-type: none"> Innovate for impact Capture profitable and efficient growth
5	Macroeconomic & geopolitics risk		<ul style="list-style-type: none"> Market reach 	<ul style="list-style-type: none"> Capture profitable and efficient growth
6	Information security risk		<ul style="list-style-type: none"> Information security and data protection Product quality, safety and security 	<ul style="list-style-type: none"> Innovate for impact Go fo sustainable impact

Innovation, new technologies & product portfolio

Risk description

Barco's revenue growth depends in large parts on the success of our innovation and technologies in established and new markets which increasingly see more rapid change in technologies, consumer preferences, product introductions, business models and industry standards.

Barco's ability to outperform competitors and remain relevant in the market with new technologies, new business models, faster time-to-market, lower costs or enhanced product features is critical to the company's future success. Technology and innovation are complex activities and require skilled personnel and the ability to accurately predict market and technology trends. We may not be able to achieve this which can result in missed business opportunities and thus eventually a decline in revenue.

The inability to balance between core and transformational innovation with sudden breakthroughs may lead to an overall weaker product portfolio. Not being able to identify customer needs and to successfully convert these into value-adding products and solutions might impact market share and profitability of our business.

An inability to safeguard and monetize our IP and loss of critical IP knowledge would weaken our competitive power.

Trend

Lack of innovation speed, access to and control of new technologies and a competitive product portfolio identified as a main risk in 2021 became the key risk in Barco in 2022 ranked as number 1.

Mitigation plan

The revised, lighter organizational structure, with the regional sales folded into the company's business units together with product management and research & development, allows for short decision paths and end-to-end accountability in each market.

Separate innovation and investment budget is secured to grow the company in the future. An increasing fraction of that budget is reserved for breakthrough long-term innovation projects. Budgets are located based on pay back periods, opportunity size, patentability, sustainability and strategic fit, and are reviewed 3 times a year.

An innovation funnel, consisting of new ideas (funnel entry gate), seeds (shark tank gate), proof of concepts (incubators) and viable product/solutions (break even gate), is managed and reviewed on a quarterly basis. Accordingly, the product roadmaps are updated and aligned with market and customer needs. Derivate portfolios are prepared for adjacent markets. Strong focus is put on breakthrough innovation and concrete M&A opportunities are pursued.

Throughout the company, new ideas both within and outside the scope of the business unit are stimulated and picked up on the seed board, an integral part of the innovation funnel process.

Supply chain & 'Nth' party risk

Risk description

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

Trend

Supply chain and Nth party risks were identified as the main risk in 2021. In 2022, both the inherent risk and residual risk show an improvement as dependency is going down with our stronger multi-source strategy and supply shortage on semi-conductors is further decreasing.

Mitigation plan

We maintained mitigation actions that we had defined in the past years and additionally have introduced 3 main actions focusing on:

- Proactively identify, analyse and mitigate all types of supply chain risks related to our supply base, using Risk methods TM
- Improved supplier relation management to create a more balanced dependency and to reduce possible impact of a sole or single supplier.
- Introduce alternative local supply base near our factories.

More information can be found in "Supply chain responsibility".

Human capital & talent management

Risk description

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

Employee health & safety issues, lack of a healthy work/life balance and an environment of empathy and inclusion could lead to long inactivity, labor accidents and even legal claims and fines.

Trend

Human resources management has been identified as an important risk in the last three years. In 2022, both the inherent risk and residual risk show a slight improvement.

Mitigation plan

The Human Resources team commits to investing in workforce strategy and organizational effectiveness as key focus domains, in addition to delivering professional Human Resources services to attract, develop, reward and engage a diverse and global workforce, while ensuring timely and clear communication to employees. Yet, it remains the main responsibility of each Business Unit leader and all people managers in the organization to take ownership as a leader and work on people topics in their daily activities, based on the tools, solutions and support that HR delivers:

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

- Site & Workforce strategy: HR guides and partners with the business to translate the organizational strategy of the business units into a coherent people plan to develop proactive and strategic recruitment and training plans and ensuring we have a diverse and inclusive workforce at Barco.
- Headcount management strategy: HR leads the recurrent review of headcount status and in-out-turnover, monitoring worldwide talent pools in the diverse regions we are active in, in order to measure and improve the impact of our retention and recruitment plan.

- Culture, people & leadership development: HR provides employees and people leaders with the proper tools and solutions to work on performance management, employee and leadership development (through management enablement) an innovative and entrepreneurial mindset, employee engagement and wellbeing through an employee engagement measurement tool, a dedicated Barco University training offering (classroom, online, e-learning or hybrid) and continuing the culture journey with focus on a global, innovative and entrepreneurial culture.

Read more in the [Report on People](#).

Product quality

Risk description

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

Trend

Product quality was one of our main risks in 2021 and remains so in 2022. We noticed a slight increase in both the ranking and the risk level.

Mitigation plan

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

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

- Key product responsables put emphasis on product maturity, reliability and manufacturability during the design milestones to ensure the market release of high-quality products and solutions.
- Business unit executives monthly review the product quality dashboards and key performance indicators (KPIs) to initiate corrective and preventive actions .
- Product quality and corresponding controls in the whole product life cycle are part of each change program that might affect product quality.

Macroeconomic & geopolitics risk

Risk description

Serious political and (macro) economic evolutions and fluctuations can heavily impact the investment climate and could even slow business in a country or region to a complete halt. Geopolitical tensions (E.g., a more united front against China among Western countries, not only the US, Iran/Israel tensions, political situation in Russia and Ukraine...), pandemics, worsening trade relations and trade policy uncertainties impact the global economic activity and could translate into constraints to Barco's operations (tariffs, IP, investment restrictions, mobility restrictions through travel limitations but also quarantine restrictions impacting the company and its people.) Barco's competitive position could also be impacted by prospects for additional government stimulus and any provisions that would benefit an organization or sector.

Trend

Macroeconomic and geopolitics risk retains its position in the ranking. We do see a slight improvement in the risk level.

Mitigation plan

- The company closely monitors the macroeconomic and geopolitical developments, in particular those affecting the countries in which it is active. The possible impact hereof on the company's operations (geographical footprint, supply chain, operations, import and export activities, commercial and go-to-market strategy, cash management, etc.) and remedial actions are assessed in business review meetings for the short term, and in the strategic Management Plan and Profit Plan for the mid to long term respectively. The construction of so-called focused factories in different countries will create the ability to respond more flexibly to certain constraining geopolitical evolutions.
- The wide spread of activities across different regions and industries contributes to absorbing the risk.

Information security

Risk description

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

Ensuring information security includes, among others, processes that:

- protect IT infrastructure, IT governance, prevention and remediation of IT failure and security awareness.
- ensure the development and sale of secure products.
- safeguarding sensitive, personal (GDPR) and critical data.

Trend

For Cyber risk, we noted a slight increase in both ranking and risk levels.

Mitigation plan

The roadmap on cyber security improvements is reviewed regularly and adjusted as necessary.

The following two elements will be highlighted in particular for the future:

- Continue focusing on people, process and technology to improve the overall security maturity in Barco.
- Progress delivery of the defined security roadmap, and extend in line with risk-based priorities (e.g. cloud security).

Read more on [Corporate security and data privacy](#) and [Product quality, safety & security](#).

Deep dive on the 2022 consequences and impact of the macroeconomic environment

In 2022, especially after the first quarter, the global covid-19 situation improved considerably, allowing operations to be carried out in normal conditions again and with demand for our products resuming in most geographies. The main exception is China, where local lockdowns continued to affect the business and local operations throughout the full year. In the aftermath of the pandemic and as a result of geopolitical events, 2022 posed new macroeconomic challenges affecting businesses all over the world – including Barco. The main ones were:

- The supply chain constraints and component shortages: as previously disclosed, Barco is not immune to component shortages and supply chain constraints which have impacted and continue to impact certain product lines. These impacts relate to shortages and delayed deliveries of components, higher broker costs and higher transport costs.
- High inflation in most geographies, related to salaries, energy and component costs.
- Remaining pandemic-related effects in China. Several lockdowns lead to lower production and sales in the China region (mainly but not limited to the Entertainment business).
- Scarcity of human resources and talent.

As Russia's invasion of Ukraine and sanctions towards Russia have a limited impact on Barco's business, there is no significant risk. Barco has reviewed the impact on Barco financials and concluded that there is no material impact.

Approach

In this section, Barco addresses its risk mitigation plan related to the main 2022 macroeconomic impacts.

Operations and supply chain

The worldwide shortages in different commodities in 2021 and 2022, tested Barco's supply chain resilience. Barco's strong, long-term supplier relationships and agile approach have proven to be key to find solutions to the shortages in many cases. Nevertheless, Barco is not immune to component shortages and supply chain constraints which have impacted and continue to impact certain product lines.

While the team has largely mitigated these challenges, the impact was felt in the form of delayed sales and longer lead times, rather than cancelled orders. Barco experienced a delay in sales after the second quarter of the year of about 40 million euro, primarily in Entertainment for projector-line deliveries. By the end of the third quarter this delay decreased to 20 million euro with further improvement towards the end of the year.

Barco has addressed these challenges by intense collaboration with all suppliers and the temporary involvement of brokers for the sourcing of critical components. Furthermore, the redesign of products has been a significant mitigating factor and will continue to be. For certain components and subassemblies, inventory levels have been temporarily increased to lower the risk of shortages.

Coping with inflation and high commodity prices

The aftermath of the pandemic and the changes in geopolitical situation have led to higher interest rates and a steep increase of the inflation in EMEA and Americas. As Barco has relatively low external debt, the direct cost effect of increased interest rates on 2022 financial costs is limited.

The inflation affects mainly energy costs, salaries, and component sourcing. All these costs are being critically reviewed and optimized on a constant basis. Cross charges of these inflation effects were passed through where possible, reflecting the increased cost basis.

Lifting of pandemic measures, with the exception of China

The pandemic covid-19 situation has improved considerably in most regions throughout 2022, especially after the first quarter. This has allowed to return to normalized operations. It also has fueled the demand for our products, most notably in the Enterprise and Entertainment divisions. In China, the course of the pandemic has followed a different pattern, with quicker recovery in 2020 and 2021, but still significant local lockdowns in 2022, affecting the business operations and the customer demand. In our Chinese locations, the hygienic safety measures (social distancing, ventilation, masks, homework policies) have therefore been continued throughout 2022. Despite all measures put in place, at times the Chinese operations have run at lower capacity than usual.

Retaining and attracting talent

The end of the pandemic has put more pressure on the labor market in many geographies, with higher turnover of personnel seen in many sectors, also affecting Barco. Barco has increased its hiring activity and employer branding campaigns to attract the right talent. Another consequence is an increase of the average labor cost, partly driven by salary indexations. We have cross charged the labor cost inflation effect on our products where possible to reflect this increased cost base.

Strong funding and liquidity structure in place

Barco has a strong balance sheet and ample liquidity. We refer to note 14 for more details on Barco's net cash position.

Barco has sufficient headroom to enable it to conform to covenants on its existing borrowings. The Group complied with all requirements of the loan covenants on its available credit facilities throughout the reporting period.

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

Additional risk information pursuant to the non-financial disclosure directive

As part of our risk assessment we have mapped all top risks to the material topics from the materiality assessment. The unmapped material topics are described here.

Climate change and energy

Risk description

Climate transition and the environmental footprint in general holds a series of risks for Barco. The inability to meet (future) environmental legislation to limit CO₂ emissions and increase energy and material efficiency could lead to regulatory fines (such as a carbon tax). More importantly, failure to adapt to changing customer behavior and address environmental concerns could negatively impact Barco's reputation with customers and investors, thus leading to loss in sales or even shareholder value. Physical climate change risks include impacts of extreme weather events on production facilities, living areas of our employees and/or equipment and disruptions in the supply chain due to these events.

Approach

- **(Upcoming) legislation and regulation:** The Legal counsel, together with the environmental compliance office (ECO office) and the Environment, Health and Safety (EHS) department, closely follows the evolution of regional, national, EU and worldwide climate related guidelines, directives, standards and laws, and voluntary standards. We are closely monitoring the EU regulations that will be linked to the EU Green Deal. The ECO office is in charge to avoid that non-compliant products would be released to the market or are in violation according to market surveillance. After scope assessment and product impact validation, these requirements become part of design requirements, guidance and validation/test reports. For example, all products placed on the market are validated by the product validation group according to strict international standards. Requirements are set prior the design phase and locked into a follow up handshake tool between R&D and the validation group and part of ISO 9001 and ISO 14001 audit. All escalations are handled by the compliance steerco.
- **Physical climate change risks:** Risk management, together with the insurance partner, regularly assesses how extreme weather events could impact our operations. Interruptions to our infrastructure could seriously impact our revenues and our brand reputation. Building and ensuring resilience of our products and services is and remains a top priority. The goal of Barco's business continuity plans is to keep the company up and running through interruptions such as natural disasters. For instance, when building new facilities or setting up business with new suppliers, risk assessment of extreme weather events in the region is included. Another example is the use

of an alert tool: each member of the purchase team receives daily alerts on predefined (core) suppliers he/she is responsible for on amongst other extreme weather events such as floodings or earthquakes, or plans to close down production... This allows for active monitoring of these suppliers, immediate communication with them and if necessary, timely search for alternatives.

- **Transition climate risk:** For Barco this mainly relates to customer behaviour: The awareness about environmental issues is increasing among customers. Barco takes into account customer and market demands, often received via tenders and purchase orders. Via the different departments and central service and strategic marketing these requests are captured and replied to. Market demands are mainly driven by requirements of healthcare integrators, oil and gas industry operators and European governments in line with green deal policies. On the supply side, sustainability risks are increasingly taken into account in the business review meetings with suppliers. In the ecodesign process, we evaluate the environmental impact of insourced components and promote the use of lower impact materials. Examples of how Barco addresses the energy and climate change aspect for its customers can be found in the 'Report on planet, people and communities', section Planet.

Barco's risk management process is not only set up to safeguard the assets and financial strength but also to protect Barco's reputation. In 2020 we communicated an ambitious Science Based climate target, which strengthens our reputation, also confirmed externally (read more in the ['Report on planet, people and communities'](#), section Planet).

Business ethics

Risk description

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

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

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

Approach

Code of Ethics:

- Barco's **Code of Ethics** is fully endorsed and applies to everyone employed by Barco and its partners, regardless of position and level of responsibility.
- The mandatory **training on "Standards@Work"** helps educate our people and reminds them about the group's ethical principles and values.
- The **ethics mailbox** is available to everyone who wishes to report, even anonymously, any issue to the Ethics Committee.

Suppliers

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

Human rights and anti-discrimination

- Barco applies a **human rights policy** in line with the standards and policies set by the Universal Declaration of Human Rights, the International Labor Organization (ILO), the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. Our Human Rights pledge and our anti-discrimination policy are available on our intranet.

- To oversee this pledge, we use the company-wide **compliance management system**. Adherence to the anti-discrimination policy is monitored by the HR department.
- Barco includes all its employees in collective bargaining agreements by complying with all necessary **local workforce regulations** in the countries where Barco operates. Barco handles specific workforce-related topics by closing off company-specific collective bargaining agreements. Where applicable, Barco organizes workers' councils (both national and international).
- We promote **equal opportunity** and do not discriminate against any employee, candidate, contractor or supplier based on nationality, race, age, physical disability, social, political or religious preference or other personal characteristics. Barco encourages social and cultural diversity, and our recruitment, remuneration, evaluation and supplier tender processes are based solely on professional qualifications.

Anti-corruption

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

Read more on '[Ethics and compliance](#)' and '[Supply chain responsibility](#)'.

Financial risk management and internal control

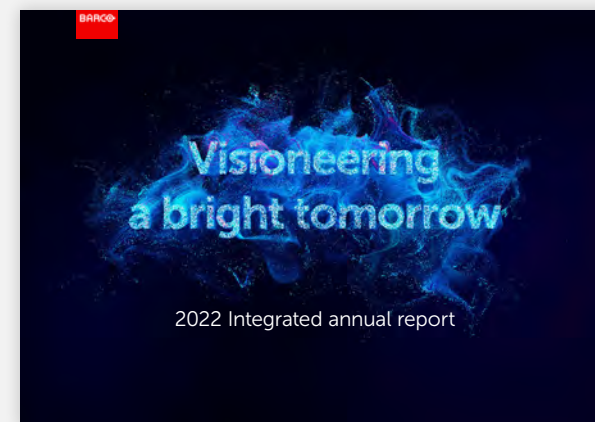
- A **finance management process policy** is in place explaining the Barco policy framework, describing the Barco finance organization and explaining the process for financial reporting in order to provide management and Barco's Audit Committee and Board accurately, completely, timely and consistently applied (across divisions and regions) financial statements and financial information in accordance with IFRS regulations in order to support Barco's CEOs and Board in defining short term (forecast), mid-term (profit plan) and long-term targets (strategic management plan) and strategy.
- **Finance and accounting manuals**, which are available for key accounting sections, ensure the accurate and consistent application of accounting rules throughout the company.
- Specifically, within the financial domain, a **quarterly bottom-up risk analysis** is conducted to identify and document current risk factors (up-down sides reporting) that have potential impact on the forecasted results. Action plans are defined for all key risks. The results of the analysis are discussed with the statutory auditor at least every half year.
- The accounting teams are responsible for producing the **accounting figures** (closing books, reconciliations, etc.), whereas the business partnering (controlling) teams check the validity of these figures. These checks include analytical reviews through comparison with historical and budget figures as well as sample checks of transactions according to their materiality.
- All material areas of the financial statements concerning **critical accounting judgements** and estimates are periodically reported to the Audit Committee.
- Specific internal control activities concerning **financial reporting** are in place, as documented in the financial closing and reporting procedure. This procedure assures clear communication of timelines, completeness of tasks, and clear assignment of responsibilities. Specific identification procedures for financial risks are in place to assure the completeness of financial accruals.
- Uniform **reporting** and a standard chart of accounts throughout the organization ensures a consistent flow of financial information, which allows the detection of potential anomalies.
- To provide Barco's investors and other (external) stakeholders with the information necessary for making sound business decisions, **financial reporting** is shared with the outside world. The external financial calendar is planned in consultation with the Board of Directors and the Core Leadership Team and then announced to external stakeholders.
- Financial reporting and analyses are shared with Barco's CEOs, the CLT and divisional and regional excoms in order to drive actions towards **short-term (forecast), mid-term (budget) and long-term targets** in accordance with the strategy set forward.

2022 Integrated annual report

Report
on planet, people
& communities

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This is the planet - people - communities section of Barco's 2022 Integrated annual report. Other sections are available via the download center at ir.barco.com/2022.

CORE

MORE

- [Governance & risk report](#)
- [Report on planet - people - communities](#)
- [Financial report](#)

ANNEX

- [Integrated Data Pack](#)
- [Glossary](#)
- [GRI Content index](#)
- [Assurance report](#)

Our sustainability ambition statement

Sustainability is an integral part of Barco's DNA. It is our ambition to design and act towards sustainable outcomes for our planet, people and communities.

1. We will lower the **environmental footprint** of our customers by developing sustainable products and further reduce our own footprint.
2. We invest in **sustainable employability** by creating the right conditions for our employees to have an engaging, enriching and healthy career at Barco. We do this by encouraging our people to learn and develop themselves and by ensuring a healthy working environment – both physically and mentally. We engage in building an inclusive workplace that embraces the diversity of our people as this boosts our innovation capacity.
3. We will play an **active role in the communities** we operate in by upholding the highest ethical and quality standards and expecting the same from our business partners. We always aim to deliver added value to our customers through our solutions, services and capabilities. In addition, we help ensure more people can participate in and benefit from Barco's innovation.

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

An Steegen & Charles Beauduin
CEOs Barco

Our sustainability strategy

Planet - People - Communities

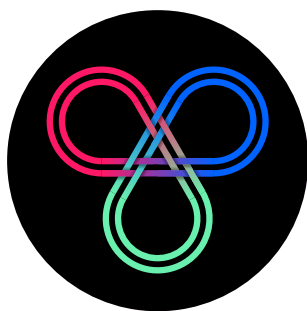
Barco

Integrated report 2022

PPC

4

Go for sustainable impact



Our sustainability strategy 'Go for Sustainable Impact' is an integral part of [our corporate strategy](#). 'Visioneering a bright tomorrow'. Because we believe growing our company goes hand in hand with helping our people and the communities around us thrive, while safeguarding our planet.

That's why Barco's sustainable impact strategy is focused on three pillars: planet, people and communities. For each pillar, we defined an overall ambition statement and linked it to the areas that matter most to our stakeholders and where we can achieve the greatest impact: our material topics. The material topics are defined in our [materiality assessment](#), including the [top 5 of material topics by stakeholder group](#).

We translated our sustainability ambitions in measurable targets, so we can track our progress year over year. An overview of all our measured KPIs can be found in the [Integrated Data Pack](#)

Our sustainable impact pillars, ambitions and material topics

	Planet	People	Communities
AMBITION	We will lower the environmental footprint of our customers and further reduce our own footprint.	We invest in sustainable employability by creating the right conditions for our employees to have an engaging, enriching and healthy career at Barco. We do this by encouraging our people to learn and develop themselves and by ensuring a healthy working environment – both physically and mentally. We engage in building an inclusive workplace that embraces the diversity of our people as this boosts our innovation capacity.	We will play an active role in the communities we operate in by upholding the highest ethical and quality standards and expecting the same from our business partners. We always aim to deliver added value to our customers through our solutions, services and capabilities. In addition, we help ensure more people can participate in and benefit from Barco's innovation.
MATERIAL TOPICS	<ul style="list-style-type: none"> • Climate change & energy* • Product stewardship* • Waste management 	<ul style="list-style-type: none"> • Employee engagement* • Learning & development • Employee health, safety & wellbeing • Diversity & inclusion* • Labor practices & human rights 	<ul style="list-style-type: none"> • Customer engagement* • Product quality, safety & security* • Information security & data protection* • Business ethics* • Responsible supply chain management • Corporate governance • Community engagement

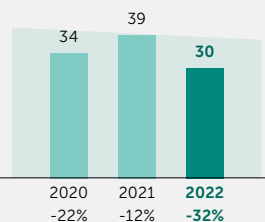
* Highly material topics

Our sustainable impact (primary) targets and progress

1. Take science-based climate action

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

Energy consumption in own operations
MWh/mio € revenues

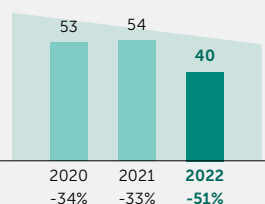


-15%

% reduction vs 2015

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

Greenhouse gas emissions of our own operations
Tonnes CO₂e / mio € revenues

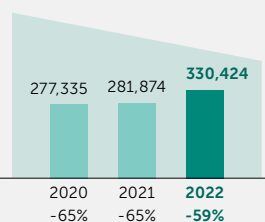


-35%

% reduction vs 2015

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

Total greenhouse gas emissions
Tonnes CO₂e



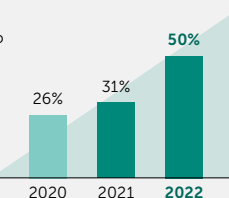
-45%

% reduction vs 2015

2. Enable our customers to lower their environmental footprint

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

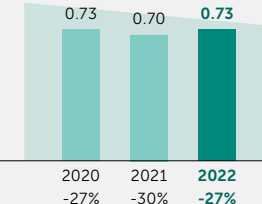
% revenues from products with Barco ECO label



70%

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

Energy efficiency index of sold products (relative vs 2015 base year)
Tonnes CO₂e / mio € revenues



-25%

% reduction vs 2015

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

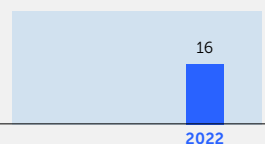
Our sustainable impact (primary) targets and progress

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

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

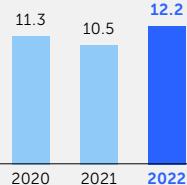
Employee Net
Promoter Score

30

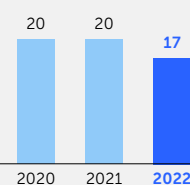


Invest in learning and
development

Average training
hours/employee
hours

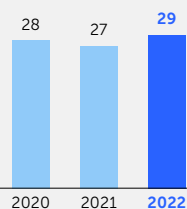


Internal mobility
% vacancies filled internally

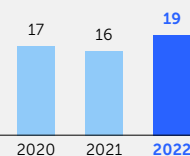


Step up our efforts
in diversity

% women overall



% women in senior
management

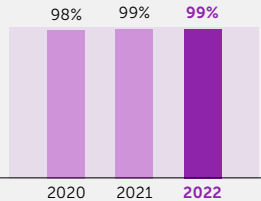


Our sustainable impact (primary) targets and progress

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

Each year, train all our employees in Standards@Work

% employees trained in Standards@Work
% of heads (white collars)

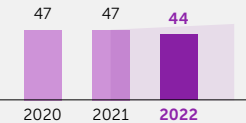


100%

2. Deliver great customer experience

By 2025, we aim to increase our global Net Promoter Score by 2 points per year. All business units have set individual NPS targets to achieve that global target.

Customer Net Promoter Score
Relationship NPS

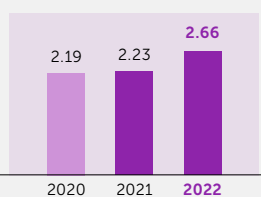


+ 2 yearly

3. Proactively manage information security risks

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

Average cybersecurity maturity score
NIST CSF

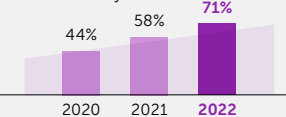


3.4

4. Engage our suppliers in adopting sustainable business practices

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

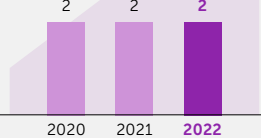
% of production spend covered by supplier sustainability score



70%

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

ISO 27001 certification (security)
of product lines in scope



+1 yearly

How the UN Sustainable Development Goals and the materiality assessment guide Barco's strategy

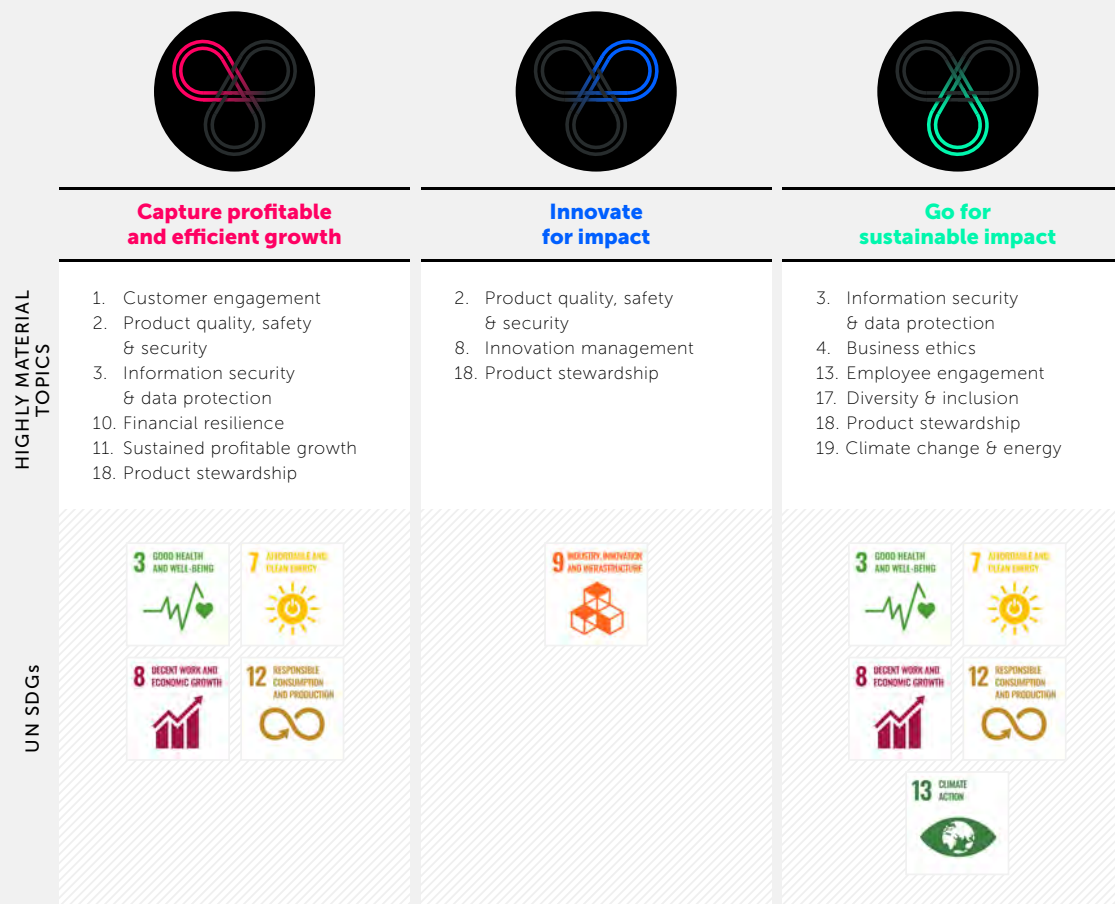
We use the United Nations Sustainable Development Goals (SDGs) as a guideline to shape our strategy and ambitions. Defined in 2015, the SDGs consist of 17 global goals with a 2030 deadline. All 193 countries in the UN General Assembly adopted this resolution.

We realize these goals cannot be met without support from the global business community. Our approach to supporting the SDGs is to focus on the goals where we can have the most impact, while screening and implementing actions that contribute to the other goals as well. To identify the SDGs where Barco can make the most impactful difference, we start from [Barco's strategy](#) and the [material topics](#)^{*}, that our main stakeholders determined in the 2020 materiality assessment. That led to the following six SDGs:

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

Barco plans to update its materiality assessment in a comprehensive way every three to four years, serving as input for the strategic levers.

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



* A description of the material topics can be found on our [website](#).

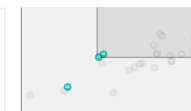
Our sustainability performance

Planet - People - Communities

Barco

Integrated report 2022





Planet

Our ambition

We will lower the environment footprint of our customers and further reduce our own footprint.

Our targets

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

The full list of environmental KPIs can be found in the [Integrated Data Pack](#). Scope and methodology can be found in '[Scope and methodology of carbon footprint and of measurement of products with Barco ECO label](#)'

✓ The KPIs related to these targets were subject to a limited assurance exercise. This limited assurance exercise on a selected number of Planet KPIs that we started in 2021, was continued and extended in 2022 (see [assurance report](#)). All KPIs related to CO₂ emissions have now been covered by this limited assurance exercise.

✓ The assurance opinion on the 2021 indicators subject to limited assurance can be found in the [2021 PPC report](#).

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

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

Our roadmap towards sustainable impact: key initiatives and action plans

1. Take science-based climate action

In 2020, Barco committed to setting science-based targets to further solidify its ambitious climate action. We commit to aligning our business with the **most ambitious** goals of the Paris Agreement: to limit the global temperature rise to 1.5°C above pre-industrial levels.

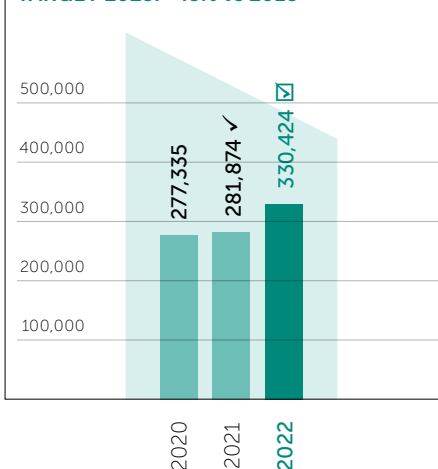
Our absolute target is to reduce scope 1, 2 and 3 greenhouse gas emissions by 45% by 2025 from a 2015 base year. This target was approved by the Science Based Targets initiative in [March 2021](#).



Total greenhouse gas emissions (absolute)

Tonnes CO₂e

TARGET 2025: -45% vs 2015



As expected, the rebound of our activities in 2022 after the covid-19 crisis did result in an increase of absolute greenhouse gas emissions. However, the emissions are still 59% lower compared to 2015. We are still on course to exceed the 45% reduction target by 2023.

Companies are under more pressure than ever to deliver on their carbon emission pledges. At Barco, we set SBTi-aligned ambitions and we keep working hard to reduce our own carbon footprint and that of our customers. Thanks to these efforts, The [Financial Times](#) named us a 2022 FT-Statista Climate Leader - a big honor, as the list includes only four Belgian companies.

Thomas Serbruyns
VP Strategic Initiatives

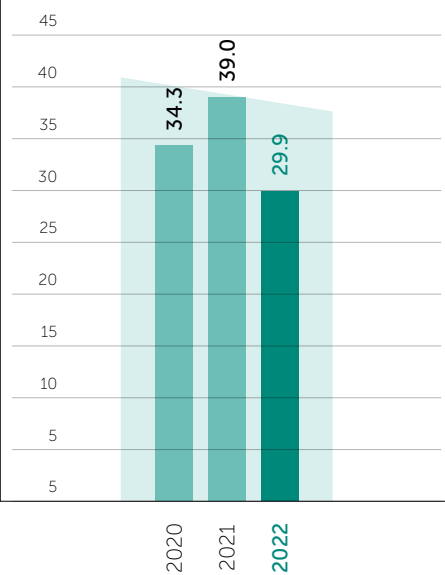


1.1 Lowering energy consumption in our own operations

Energy consumption in own operations

MWh / mio € revenues

TARGET 2023: 37.6 (-15% vs 2015)



Relative reduction compared to 2015

%



% renewable



Energy (electricity and fuel) is consumed in our **facilities**. At the end of 2022, energy consumption amounted to 29.9 MWh/mio € revenues – a 32% decrease against the 2015 baseline (44.2 MWh/mio € revenues). Covid-19 measures, such as extra ventilation, were no longer needed in 2022, which helped us decrease the 2022 results against 2021. Our target for 2023 is to reduce energy consumption by 15% compared to the 2015 base year, so we already realised this target in 2022.

The main action to reduce energy consumption in our **facilities is cutting the overall footprint of our facilities**. After moving to a smaller campus in Sacramento (US) in 2021, we did the same in Karlsruhe (Germany) in 2022. This helped us to reduce energy use. In addition, we share tips on saving energy through our internal communication channels, to boost awareness among employees. Energy is also a topic in the mandatory Sustainability [Standards@work training](#) and the [Compliance Challenge](#).

When looking at Barco's total energy consumption (electricity and fuel use), 57% is from **renewable sources**, mainly thanks to the worldwide switch to renewable electricity in all our main sites across the globe. We expect the share of renewables in our energy mix to further increase. In particular, the wind turbine that we want to install at our One Campus site in Kortrijk would help us deliver a large amount of renewable energy. With a projected annual production of 11,290 MWh, it would cover the power consumption of the entire Kortrijk campus, while the surpluses could be stored and shared.

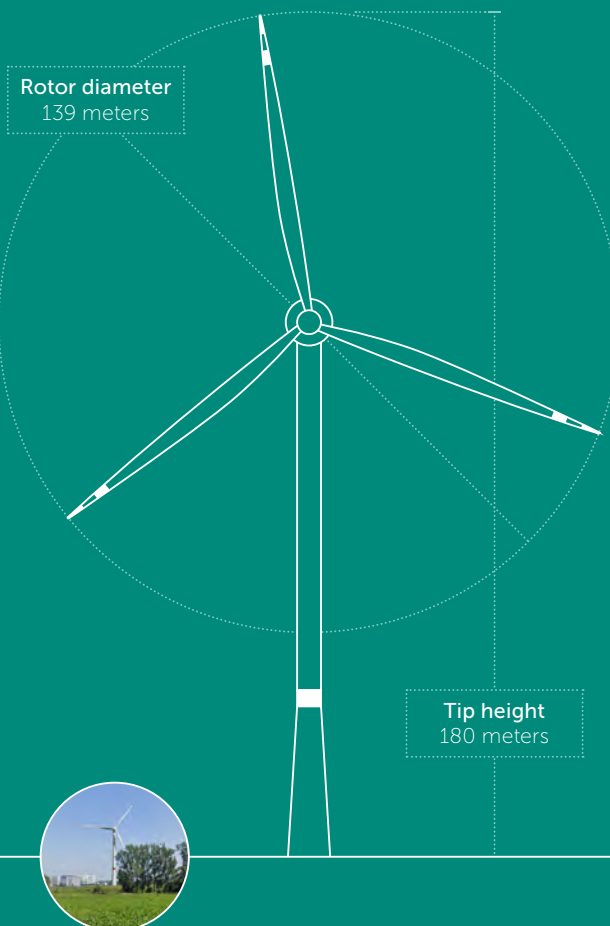
Our wind turbine: waiting for the final green light

For over a decade, Barco has been investigating the construction of a wind turbine to generate its own renewable electricity. On an annual basis, a turbine on the Barco One Campus in Kortrijk would cover the power consumption of the entire plant. However, getting the permission to build such an installation isn't a walk in the park.

As a frontrunner in cutting-edge engineering, it's our responsibility to develop innovative systems to maximize the benefits of our renewable energy production. That's what I call innovating for impact.



Kurt Verheggen
General Counsel



Our wind turbine in numbers

Tip height: 180 meters (= highest point of the rotor blade)

Rotor diameter: 139 meters

Maximum capacity: 4.5 MW

Projected annual production: 11.290 MWh
(= 14.7 football fields full of solar panels)

An engineering office, specialized in the development of wind turbine projects, identified the south side of our parking lot as the perfect spot for our wind turbine. The location is situated in an industrial zone and is very windy. The wind turbine can be easily connected to the electricity grid and will not impact air traffic, and effects on the neighborhood are limited.

Elke Blondeel
Facility Manager

Exploding electricity need

Wind energy is an important asset in the energy transition and will become even more crucial in the years to come as the demand for carbon neutral electricity rises. That also applies to Barco's power needs. Our fleet is being electrified exponentially, which means we'll need a lot more charging stations, and thus a lot of electricity. And within five years, our warehouse will move from Kuurne to Kortrijk, reducing our carbon footprint in terms of transport, but further raising our electricity needs at the Campus.

Contributing to regional sustainability goals

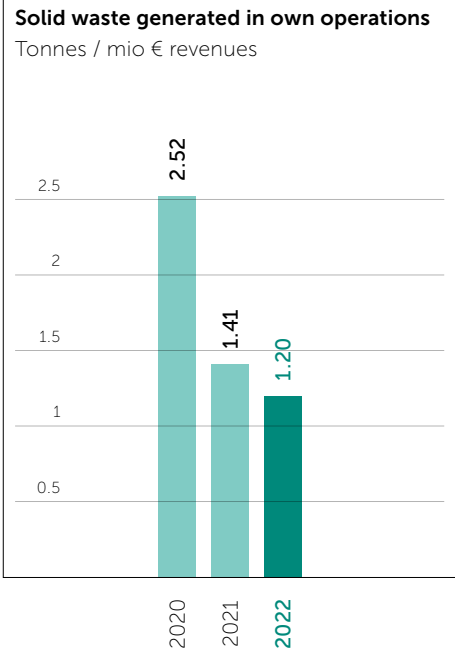
Yet, obtaining the environmental permit takes quite some time. After more than a decade of preparatory work, the province of West-Flanders has now granted an environmental permit, which has been appealed. We're hopeful that the appeal procedure will turn out favorably for Barco. Both local and regional governments understand that renewable energy is indispensable for realizing their sustainability goals. The Flemish government is looking to increase renewable energy production capacity by 150 MW a year, and the city of Kortrijk needs to reduce carbon emissions by 40% before 2030.

Smart storing and sharing

As a frontrunner in cutting-edge engineering, it's our responsibility to develop innovative systems to maximize the benefits of our renewable energy production. So, we intend to explore the possibility of sharing a portion of the renewable energy we produce with neighboring companies such as ScioTeq (Barco's former Defense & Avionics division), Decathlon, or the AZ Groeninge hospital. Another initiative to share the benefits of our wind turbine is the option to co-invest, which Barco granted to 'Vlaskracht', a local cooperative promoting sustainable energy that citizens can sign up for. As you've probably noticed, we're not just standing still while we're waiting for the green light...

More info on barco.com/wind

1.2 Better waste management in our own operations



52%	58%	63%
% recycled/composted waste		
TARGET 2023: 80%		
29%	15%	10%
% waste to landfill		
TARGET 2023: 0%		

The two main sources of solid waste at Barco are **packaging materials** (waste from operations) and **waste from the renovation/refurbishment** of our buildings.

By the end of 2022, total solid waste was 1.20 tonnes/mio € revenues – a 15% decrease compared to last year which is largely due to effective waste volume reductions.

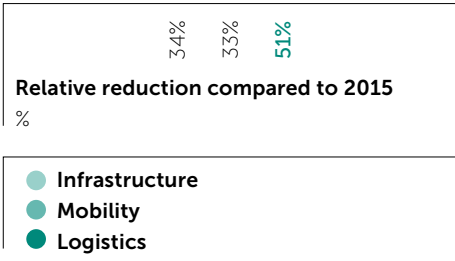
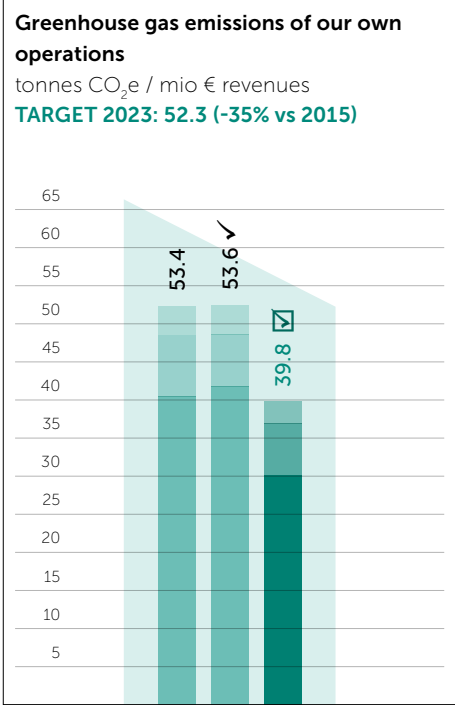
First and foremost, we aim to keep **waste from operations** to a minimum, especially non-sorted waste. We **reduce** the amount of packaging waste of incoming components and products by guiding suppliers on how to reduce packaging. In addition, we aim to have 80% of solid waste **recycled** by 2023 by raising awareness amongst suppliers (use recyclable packaging materials) and employees (efficient and correct sorting of waste). Waste recycling is part of our 5S audit system, where the presence of the different waste recycling bins is checked. The recycling rate went up by 5%, partly thanks to the selection of better waste recycling partners in the US.

While waste from operations is approaching the bare minimum, we did generate some extra construction waste in 2022. In our Atlanta office, for example, we improved roof insulation in order to reduce energy consumption. While largely beneficial to improve our footprint, it did cause a one-off rise in solid waste production.

Our next horizon is 2023, where we aim for **zero waste sent to landfill**. In 2022, we were at 10%.



1.3 Reducing greenhouse gas emissions from our own operations



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

The greenhouse gas emissions of our own operations amounted to 39.8 tonnes CO₂e / mio € revenues – a 13.8 tonnes decrease compared to 2021. The relative reduction in greenhouse gas emissions from our own operations is -51% compared to the 2015 baseline (80.5 tonnes CO₂e / mio € revenues) – an impressive achievement mainly driven by the hard work of our global logistics and supply chain community. Our target is to achieve -35% by 2023 vs 2015.

1. Logistics

Logistics i.e. the transport of incoming goods and outgoing finished products, was responsible for 76% of Barco’s own CO₂ emissions in 2022. Overall logistics-related greenhouse gas emissions dropped by 42% between the 2015 base year (52.2 tonnes CO₂e / mio € revenues) and 2022. Our target is to reduce emissions by 35% by 2023 vs 2015.

Despite the component shortages that impacted our sector, the modal shift from air to sea freight picked up again in the second half of 2022. As a result, 57% of our total kms was

transported via deep-sea shipping in 2022, which brings us beyond 2020 levels. We actively engaged with our partners and customers on the modal shift by, e.g., proposing alternatives for air shipments.

As in the previous years, we continued working in 2022 on:

- **Re-designing packaging for logistics:** when designing new products, we aim to design smaller and lighter packaging, in order to reduce the volume and/or the weight of high-running appliances. Packaging/logistics is one of the four domains in our [ecodesign program](#).
- **Modular product design:** as more new Barco products are built on existing platforms, only the final customization has to be done in a local warehouse. In this way, we can ship larger volumes to overseas destinations up front by sea.
- **Transport and warehousing tenders include a sustainability clause,** articulating that logistics suppliers are expected to inform Barco about their sustainability plans and initiatives. This information is considered in the overall decision matrix and in our supplier selection procedure. In addition, we add sustainability clauses to contracts, driving our suppliers to advance their efforts to cut carbon emissions.

Greenhouse gas emissions of our own operations			
tonnes CO ₂ e / mio € revenues			
	2022	2021	2020
Infrastructure	2.9 ✓	4.0 ✓	3.8
Mobility	6.7 ✓	7.0 ✓	8.3
Logistics	30.2 ✓	42.7 ✓	41.3
Total	39.8 ✓	53.6 ✓	53.4

2. Mobility

The second-largest source of greenhouse gas emissions from our own operations is **mobility**: business travel, company cars and commuting. In 2022, the mobility's share in Barco's CO₂ emissions from own operations was 17%. Our target is to reduce emissions by 23% by 2023 vs 2015.

Overall mobility-related greenhouse gas emissions dropped by 65% between the 2015 base year (19.1 tonnes CO₂e / mio € revenues) and 2022. In the post-pandemic year 2022, work and travel behavior were different than in 2020 and 2021. The year was marked by the following trends:

- 1) **Business travel** increased again after a spectacular drop in 2020 and 2021 due to covid-19 restrictions. In 2022, we wanted to give our people the chance to reconnect with their colleagues and partners, but with the 'Barco travel policy in mind'.
- 2) In 2022, more than 70% of all newly ordered cars were **full electric** – a shift that we had kicked off in 2020. Electrifying our fleet will further reduce mobility-related CO₂ emissions in the coming years. Our One Campus site in Kortrijk now features more than 100 charging stations.
- 3) Emissions from employee **commuting** remained lower than in pre-covid times, as many employees expressed the will to keep working remotely at least some of the time. Barco therefore updated the existing HR policies in many locations, allowing people to work from home for more days a week. Next to this, we continued investing in **hybrid meeting rooms** with ClickShare Conference, which enables us to ensure an inclusive and efficient meeting culture.

3. Infrastructure

The third source of greenhouse gas emissions from our own operations is infrastructure: emissions from the use of electricity, fossil fuels (excl. company cars), waste treatment and the leakage of refrigerant gases from cooling equipment. In 2022, the share of infrastructure in Barco's own CO₂ emissions was 7%, which was mainly attributable to the use of fossil fuels.

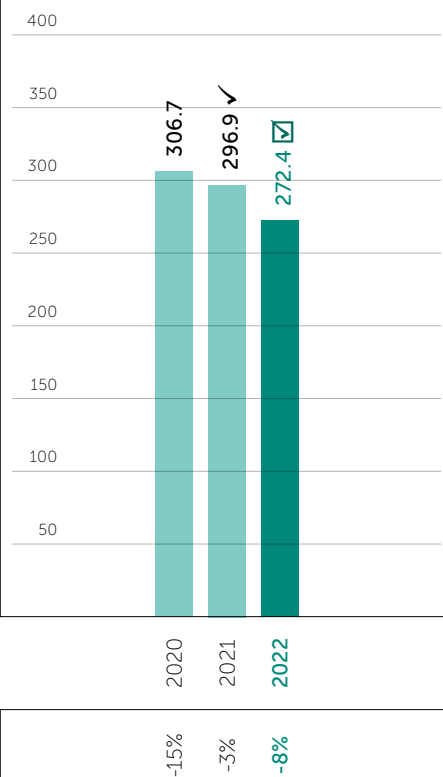
Overall infrastructure-related greenhouse gas emissions dropped by 68% between 2015 (9.2 tonnes CO₂e / mio € revenues) and 2022 – largely thanks to the switch to **renewable electricity** in all our R&D and manufacturing sites in 2020. Our target is to achieve a 66% reduction by 2023 vs 2015.



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

Greenhouse gas emissions of sold products (product use emissions)

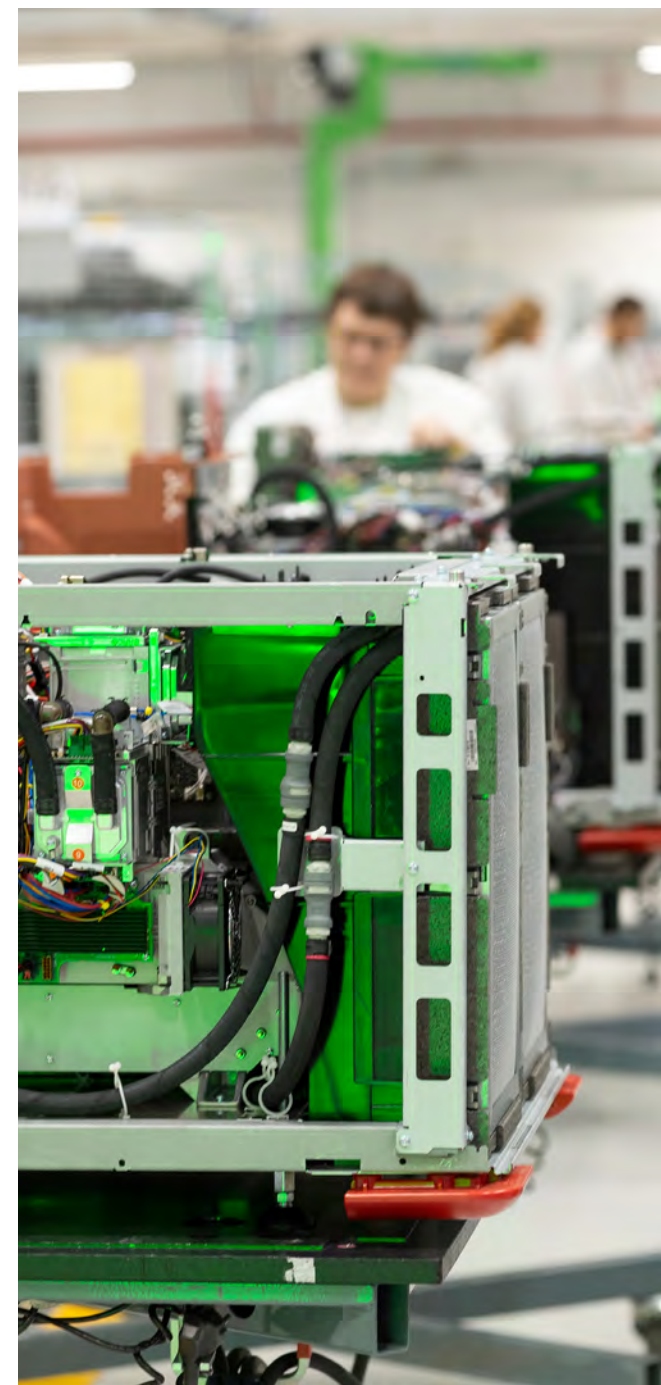
tonnes CO₂e / mio € revenues



Year-on-year evolution

Product use emissions, which are by far our largest source of emissions, are emissions resulting from the energy that Barco products use on our customers' premises.

Product use emissions decreased by 61% between 2015 and 2022. In 2022, total product use emissions amounted to 272 tonnes CO₂e / mio € revenues - an 8% decrease against last year. That reduction was driven by the growth in turnover and our continuous focus on improving the ecoscore of our products, especially that of our high-brightness solutions that are in increasingly high demand among our customers.



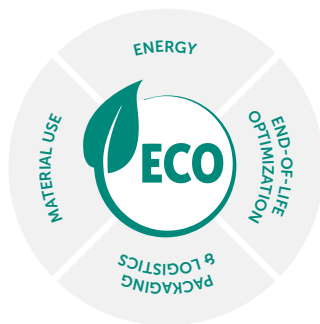
2. Lowering the environmental footprint of our customers

Barco's Planet ambition is not only to reduce our own environmental footprint but also that of our customers, by embedding ecodesign in our new products, improving their energy efficiency and offering circular solutions.

2.1 Refining our ecodesign approach

Back in 2017, we released our **ecoscore tool**, an objective tool to determine the environmental performance of our products. The tool assesses our products on **four domains**: energy performance, use of materials, packaging and end-of-life optimization (i.e., the way products can be maintained, refurbished, upgraded and eventually recycled).

To improve the value and credibility of our tool towards external stakeholders, we submit it to an **external audit** under the framework of the ISO 14021:2006 standard (limited assurance) every year. The audit ensures that the methodology of our ecoscore tool is clear, complete, reliable, objective and based on relevant product aspects.



Most important updates in 2022

We keep improving our ecodesign approach by adapting the tool to new regulations and learning from our experiences using it. These are the main changes we carried out in 2022:

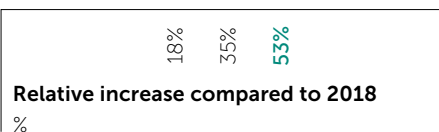
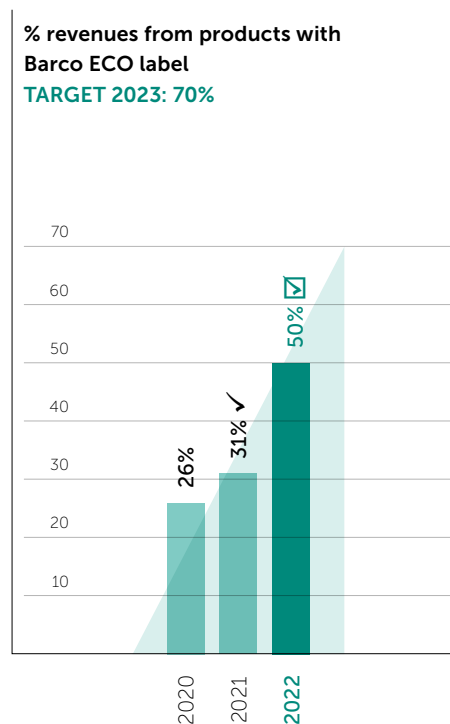
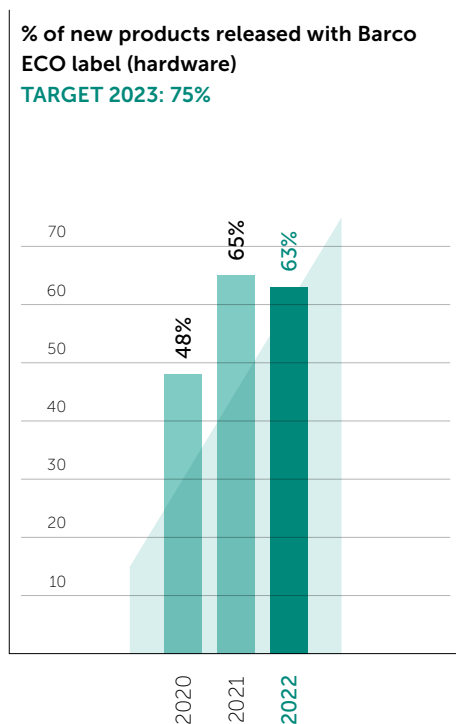
- We started performing **full Life Cycle Assessment (LCA) studies** to go beyond the four domains that comprise our ecoscore tool and calculate the environmental impact of our products. We aim to implement environmental impact in our ecoscore system in the years to come.
- We added **more detailed data** to our scoring process (e.g. data on recycled contents, long-time battery performance) to make our ecoscore more precise.
- We introduced a **financial incentive**: one of the key metrics in the employee bonus program is now on the proportion of ecolabelled revenues in the total revenues.
- The ecoscore tool and practices became an inherent part of the **onboarding training** for new employees. For other colleagues, such as procurement and R&D employees, we organize **refresher courses** several times a year. We also continued our **online supplier trainings**.



A look at our targets

Although the strong engagement of our R&D and product teams in particular, 63% of the new hardware products released in 2022 had a Barco ECO label (ecoscore A or higher), a 2% decrease compared to 2021. Despite this slight decrease, we still believe to be on track to meet the 75% target in 2023.

Focusing on the sustainability of our best-selling products, we aim to draw 70% of our revenues from ECO labelled products by the end of 2023. It's a strong target that we'll dedicate a lot of effort to in 2023. In 2022, we increased our number from 31% to 50%.



ClickShare's A++ ECO label isn't the finish line

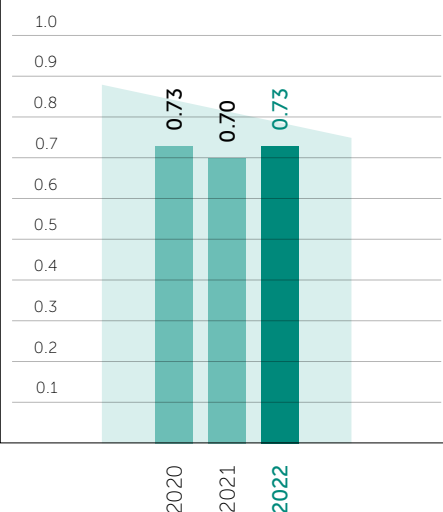
One of our bestselling products to improve its ECO label scoring is the ClickShare collaboration system. "Both our CX-30 and CX-50 product ranges now boast an A++ label," says New Product Introduction Project Manager Kristof Maes. "That improvement is mainly due to the enhanced use of post-consumer recycled material and the fact that our CX-50 range has become halogen-free. Keeping our firmware available online for a longer period to support our clients also extends the lifetime of our ClickShare products."

Madeleine Vandenabeele, Environmental Sustainability Engineer of Barco Labs, adds: "The ecoscoring tool is an essential asset in our New Product Introduction strategy. But even with our A++ labels in hand, we are still looking at what we can do to improve the sustainability of our products. Obtaining and improving our ECO labels is always a great achievement, but our real goal is to become a carbon-neutral company." Kristof confirms: "Tools like our ecoscoring system and the Life Cycle Assessment are injecting sustainability into our DNA. I really see a change in mindset within our company walls. More than that, we also have a positive impact on our suppliers and clients. They rely on us to improve the sustainability of their activities. That's something we can be really proud of."

2.2 Improving energy efficiency of our products

Energy efficiency index of sold products* (relative vs 2015 base year)

TARGET 2023: 0.75 (-25% vs 2015)



Relative reduction compared to 2015

%

27%

30%

27%

* The energy efficiency index of our products represents energy consumption/delivered capability of Barco's major groups: projectors products in the Entertainment division and large video walls & LED products in the Enterprise division. The energy performance is defined as Watt/delivered capability. This indicator is weighted on revenues from the considered products and normalized to a 2015 baseline value (with default value 1,0).

One of the four domains of Barco's ecodesign program is **energy efficiency**. As the energy our products consume on our customers' premises has a major impact on the environment, and more particularly on climate change via Greenhouse Gas (GHG) emissions, improving their energy efficiency is a high-attention topic.

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

In 2022, the average energy footprint of sold products was 0.70, which is lower than the 0.75 target (i.e. a 25% reduction versus baseline 2015). The drop in energy footprint was mainly driven by the **growing adoption of laser projectors**, which consume far less power (-50% to -70%) than traditional lamp-based systems while producing more light, higher brightness levels and a better image quality. Smart and balanced innovation in both video wall and projection technology will be needed to further drive the reduction of energy consumption.



2.3 Offering circular solutions

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

Circular product design

To enable circular solutions for our customers, we engage in circular design. Our ecodesign program embeds several criteria to improve the circularity of our products: **improving the upgradability and modularity** of the devices, facilitating the **repair** and increasing the use of **recyclable and recycled materials**, both in the product and its packaging. In 2022, 12% of new product launches contained PCR plastics, down from last year when we were able to launch an exceptional number of new products with PCR plastics. We aim to boost that number further in the coming years.

The ecodesign program also focuses on **improving material efficiency**. We work to shift our portfolio toward more materials-efficient products and packaging, for example by making our products more robust/long lasting, optimizing the packaging volumetric weight, reducing the number of accessories or digitizing our manuals. In 2022, material use intensity was 3,511kg / mio € revenues.

Next to our internal circular design efforts, we fully support the development of clear, objective criteria that drive the industry toward more circular products. As an active member of the **CEN-CENELEC Joint Technical Committee 10** on

energy-related products, which aims to establish an objective measuring methodology for repairability and recyclability of products, we contribute to future standards that will improve the circularity performance of products.

Product recycling services

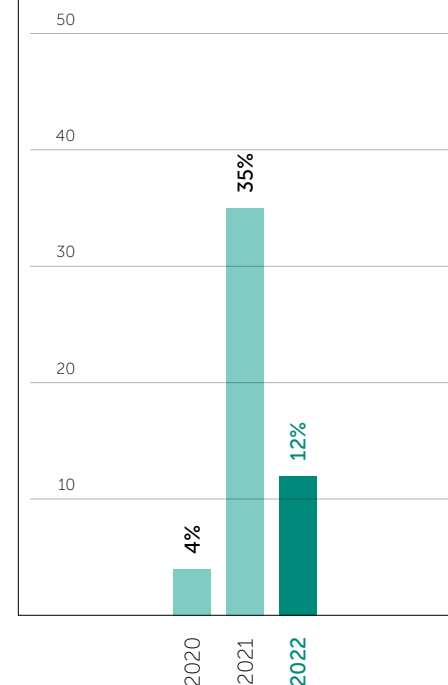
As e-waste is one of the fastest growing waste streams, it is crucial for our products to be recycled at end-of-life. This is the very basic first step in a circular economy. For every product, we provide a user manual that includes information for customers on **how to handle the end-of-life stage**, and a **recycling passport** that offers recycling information to recyclers.

We allow customers to return used products to recycling partners free of charge. In 2022, 65% of our revenues were sold in countries where we participate in and offer **product return and recycling programs**. Where no structured program is in place yet, we offer ad-hoc recycling and collection services. We demand that all our recycling partners are ISO 14001 certified and comply with legislation regarding the prohibition of e-waste export.

As part of the **Extended Producer Recyclability (EPR)**, Barco must pay upfront for the recycling of all electronic waste, batteries and packaging placed on the different markets. In 2022, we signed several additional contracts with waste compliance schemes around the globe in order to fulfill our obligations towards EPR compliance and duly monitor our waste streams.

» [Read more on our website](#)

% of new products released with post-consumer recycled plastics



Keeping up our frontrunner position

To increase transparency into product composition and to improve waste treatment operations, the European Chemicals Agency (ECHA) has deployed a publicly accessible database. The **SCIP* database** provides information on all the substances of very high concern present in articles placed on the EU market. In this way, it ensures that the information on the articles is available **throughout the entire lifecycle** of products and materials, including at the waste stage - information which is particularly interesting for recyclers, amongst others.

Since 2021 Barco has been registering all its active end-products in the ECHA SCIP database. We were able to do that prior to the deadline thanks to our large coverage of Full Material Disclosures (FMDs) (83,6% of active components in 2022) and Restriction of Hazardous Substances (RoHS) certificates with the applicable exemptions. That makes us a **pioneering** company when it comes to providing transparent and up-to-date information. Further regulatory outlooks have triggered Barco to start a program to **roll out the digital passport** as intended by the draft EU Ecodesign for Sustainable Products initiative.

* Substances of Concern In articles as such or in complex objects (Products)



How our Control Room team takes circularity to the next level

Reuse, repair and upgrade

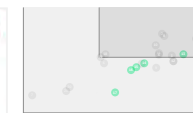
Why buy new components for a rear-projection video wall – or buy an entirely new wall – if the existing parts can be refurbished or replaced by an update? Our Control Room team has been offering refurbishment and upgrading services for a while now...

It all started with repairing worn-out lenses of rear-projection video walls in our labs. Now Barco engineers also travel to customers' locations to refurbish the lenses on-site, which is more cost-efficient and better for the environment. More than that, it's become easy to replace the projection module of video wall installations by an updated version. Year after

year, we extend the coverage of our upgrading services to include more rear-projection video wall types, both Barco and non-Barco branded. In 2023, we'll offer upgrading for our modular UniSee video walls – a service that is unprecedented in the world of LCD.

800+

800 lenses were refurbished in 2022, 5x more than in 2021



People

Our ambition

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

Our targets

Empower all our colleagues to have an engaging, enriching and healthier career

Primary targets

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

Step up our efforts in diversity

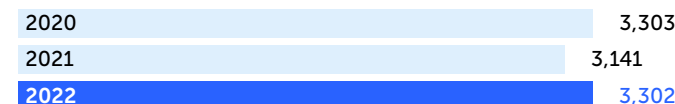
Invest in learning and development

Supporting targets

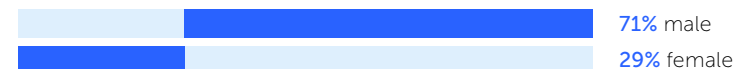
Each year, aim for zero work accidents

The people of Barco

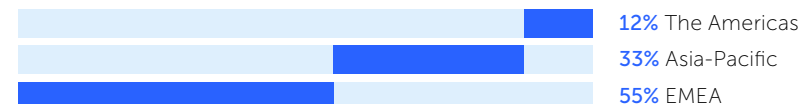
Number of employees



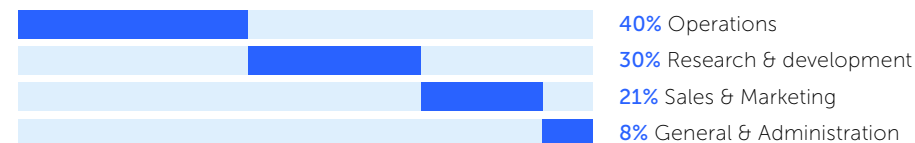
Gender



Geographical



Per functional group



Figures reported are in heads (not FTE). For definitions on indicators: see glossary. We refer to [note 4 in the financial chapter](#) for more information on the headcount evolution.

Our roadmap towards sustainable impact: focus points

After two challenging years, during which covid-19 impacted Barco and its employees, 2022 was the year of rebuilding and reconnecting with growth. More than our business, our organization grew too, in several aspects. We welcomed more new employees, took our organizational structure to the next level and supported our employees on their personal growth paths.

The [new organizational structure](#) that our CEOs had introduced at the end of 2021 took root in 2022. By the end of the year, the Barco **organization was fully aligned with our business strategies** and with one of our core culture building blocks: we team up to win globally.

Reconnecting with growth also meant growing our organization. Recruiting the people with the right competences was, and still is, high on our agenda. In 2022, we took major steps to **build a globally structured and professional recruitment organization**, with more focus on diversity than ever before.

Another key action was the design and deployment of a **manager development program** to improve and strengthen the skills of all of our people managers. Kicked off in 2022, this program will continue to run over the next two years. We are convinced that it will increase the maturity of our people leaders, as well as the engagement of our employees.

Stepping up our culture journey in 2022

In 2019, Barco kicked off a culture journey aimed at rejuvenating its core values. In 2022, we took the next step in this journey, further **bridging the gap between the theory and practice** in a **three-step approach**:

- In the exploration phase, we dig deeper into the meaning of a specific building block. We do this in close cooperation with our CEOs, the management and employees, across the different business units, functions and regions. In addition, we bring in the external view of customers, other companies, etc., making sure to capture the outside-in perspective.
- In the education phase, we seek to upskill our employees in specific competencies, through keynotes, training sessions, workshops, etc.
- In the final phase, the energizing phase, we celebrate what we have learned and share success stories with each other.

At the specific request of our employees, we kicked off this exercise with the culture building block 'We team up to win globally'.

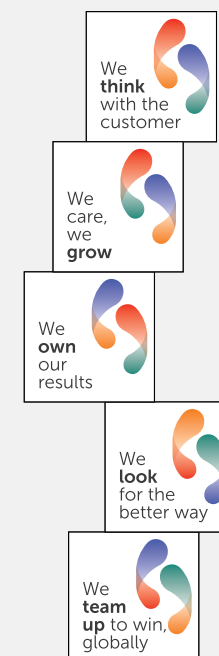
In 2023, we will start working on the 'We look for the better way' building block, which addresses the need for entrepreneurship, continuous improvement and a continuous focus on innovation.

A corporate culture is a collection of values and beliefs that characterizes an organization.

It is, however, only successful if everyone truly lives and breathes that culture in their daily activities.

A focused approach helps us align on the initiatives and ensure implementation throughout the regions.

Anthony Huyghebaert
Chief HR Officer



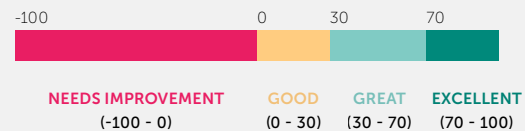
1. Employee engagement

Engaged employees are involved in, enthusiastic about and committed to their work and their workplace – which drives the success of a business. That's why Barco has always made big investments in employee engagement. During the 2020 and 2021 pandemic, the mandatory working from home regime made engagement a challenge. When employees returned to the workplace in 2022, we were all facing a new workplace reality.

1.1 Measuring employee engagement using the Employee Net Promoter Score (E-NPS)

In 2022, Barco launched an enhanced employee survey, including a specific E-NPS (Employee Net Promoter Score) question. Due to the different methodology, this score cannot be compared with previous surveys. The E-NPS survey resulted in a score of 16, which breeds into the category "good engagement". With continued focus and actions on our employee engagement, our target is to bring this score above 30 "great engagement".

What is a good NPS score?



16

Employee Net Promoter
Score in 2022



1.2 Increasing focus on top-down and bottom-up communications

We were happy to read that most colleagues feel respected in their jobs and praise our learning and development approach. There was, however, room for improvement in the fields of communications and strategy. People explicitly stated they wanted a clearer view on where Barco is going.

These insights immediately led to a series of actions taken to make sure strategic information is cascaded down through the organization and ensure that our leaders are more visible, at all levels:

- The quarterly **townhall meetings**, which we had been organizing for a while, remain a great way to inform our employees. It provides a stage for people from different regions and business units to share their vision and strategy and tell their stories.
- All BUs now set up **quarterly hands-on meetings** to share their strategic objectives, priorities, contract wins, etc.
- Blue-collar workers are invited to **local team meetings** to get a view on what's happening at Barco.
- A lot of **local initiatives** crop up to discuss particular topics. From 'lean coffee sessions' and 'world cafés' to 'engagement focus groups', they all have the same objective: to inform our people so that they feel involved.



1.3 Fostering recognition and development

More than strengthening communications, we introduced online LinkedIn Learning courses in 2022, on explicit request of the survey respondents. In addition, the portfolio of leadership training courses was expanded to make sure every Barco people manager knows how to inspire engagement. In the meantime, we are upgrading our performance review sessions in order to meet employees' needs for more frequent feedback on their work.



Barco India named a Great Place to Work® for the third time

For the third time in five years, the Great Place to Work Institute gave Barco India the title of 'A Great Place to Work'. Considered the gold standard for great workplaces, the title is awarded to companies that nurture an attractive, trustworthy, innovative, and rewarding culture.

Obtaining the certificate requires quite a bit of effort. More than a thorough and independent audit and a meticulous assessment process, anonymous employee feedback is taken into account too. No less than 90% of Barco India's employees participated in this survey.

This prestigious certification is an acknowledgement of our commitment to cultivating an environment and culture of pride, respect, camaraderie, equality, and credibility among our employees. The title helps us level up our employer branding in the tech sector so that we can attract and retain the very best talent.

Engaging operators through iGemba: operator-focused initiatives

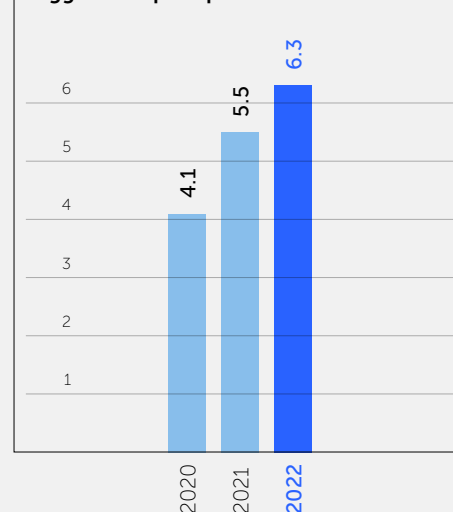
In 2010, Barco introduced the iGemba program: a unique initiative that encourages employees to suggest improvement ideas in many domains, from quality and safety through to ergonomics and the environment. More than highlighting our commitment to continuous improvement, iGemba is also a great way to spur employee engagement in our factories and offices.

While the covid-19 pandemic had slowed the pace of new improvement suggestions and operator-focused initiatives in 2020 and 2021, we saw a strong rebound in all our plants in 2022. A short overview:

- In **Noida (India)**, we re-introduced the **reward & recognition ceremony** and the **iGemba scholarship**. By honoring the most valuable employee-driven improvements (EDIs) during a ceremony and offering our employees scholarships for their children to thank them for the EDIs they propose, we managed to considerably raise the number of new improvement ideas. In addition, we initiated a **closed-loop feedback process** with the employees about their EDIs, explaining why we reject or select a particular idea and communicating about the progress. This way of working, which has already been implemented at other Barco sites, leads to more transparency and accountability.
- In **Suzhou (China)**, we focused on **operator training** in 2022. Training programs were developed for both new and existing operators and the acquired competences were summarized in a competence matrix. Every month, operators are invited to a meeting where they learn improvement methods and are encouraged to **share improvement ideas within the group**. The groundwork was laid in 2022 and the first fruits will be reaped in 2023.

- In **Belgium**, too, we focused on **engaging and involving operators**. Here, we launched a pilot project with MTM-UAS, a tool to **improve the workflows** in the factory and, as such, operator working conditions. After an initial training, operators were asked to use the tool in their daily work so that it could map the processes and the average time needed for every operation. The insights are discussed with the operators during Gemba walks and will lead to improved workstations and processes. Operator involvement will help boost adoption of the new workstations and, as such, engagement of the entire teams.

Number of iGemba improvement suggestions per operator



2. Employee safety, health & wellbeing

At Barco, we care about people. That's why employee health, safety and wellbeing are part of our daily priorities and something we want to propagate on every level and at every site of our company. The [Environment, Health, Safety and Security Pledge](#), which we launched many years ago and is signed by each of our VPs, is our guide on our journey towards a safer and healthier workspace.

2.1 Continuously improving employee safety

As covid-19 was still around in most countries where we are active, we continued to mitigate its impact during 2022. In addition, each of the larger sites made an action plan to **improve safety and employee wellbeing**. A selection of key actions in 2022:

- Standards@Work mandatory **e-learning safety training**, followed by 99% of all employees.
- In our new site in Suzhou (China), June was **safety month**: throughout the month we organized activities on safety and hazard prevention: firefighting training, first-aid training, lectures on safety laws and regulations, etc.;
- More **safety audits** in our Duluth site;
- In-depth training for the **emergency response teams** in our Noida and Kortrijk sites.



Beijing team pioneers with ISO 45001 certificate

Our Beijing (China) team took a major 'safety' step forward by achieving **ISO 45001 certification**. Beijing Tai Yang Gong and Beijing Chang Ping are the **very first Barco sites ever to achieve certification** to the Occupational Health and Safety management system of ISO.

The road to get there was long, yet successful. The team kicked off the preparations early 2022 and the entire organization worked diligently to get ready for the audit in July 2022. Their efforts paid off: the auditors found **zero major non-conformances**, confirming that the health and safety procedures and work instructions are fully in line with the ISO 45001 standard.

2.2 Mental health and wellbeing

The mental health of our employees is getting increasing attention, and rightly so. We took various actions to promote mental health and wellbeing around the globe in 2022.

Barco Noida (India) organized two **sessions on stress management** and a session on the impact of orthopedic problems on a person's wellbeing. In Belgium, employees now have access to a **psychosocial consult** through our external medical office. Every Barco employee can make use of this new service, on

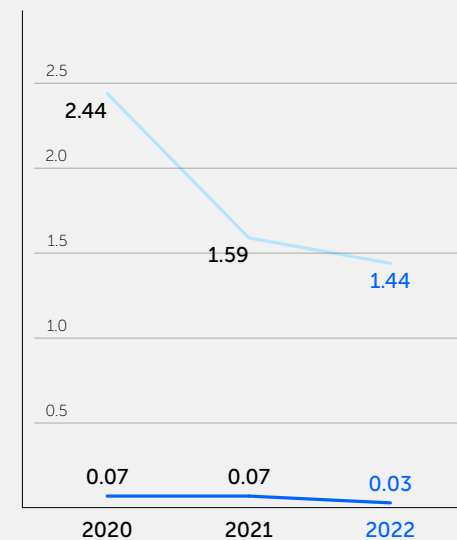
site and during working hours. In this way, we want to further reduce the threshold to discussing psychosocial problems with a professionally trained person (for both work-related and personal topics).

Lost-time injury frequency rate explained

Thanks to our continued focus on safety in the workplace, we managed to further reduce the lost-time injury frequency and severity rate in 2022.

● **Lost time injury frequency rate**
Per 1,000,000 hours worked

● **Lost time injury severity rate**
Per 1,000 hours worked



3. Employee learning & development

At Barco, we are dedicated to promoting and supporting employee development. Every year, we critically review our offering of training programs and development opportunities to continuously improve these.

3.1 Preparing for the future: L&D Governance Board

Barco has six different learning and development (L&D) governance boards: the Standards@work, Product Management & Marketing Excellence, Commercial Excellence, Innovation Excellence, Leadership & Organizational Development and Operational Excellence boards.

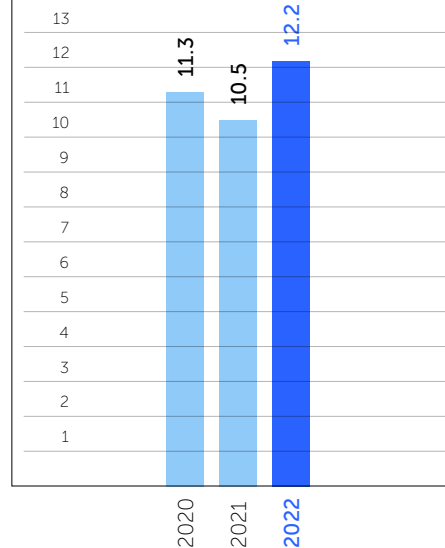
Each board consists of several key Barco stakeholders and an executive sponsor. Together, they identify our business' key strategic learning needs, translate these to relevant L&D programs and follow up on the progress.

3.2 Training in 2022: sessions to meet every role

Throughout 2022, we organized general as well as more specific training sessions. In total, we provided 12,3 hours of training to 91% of our people, back to pre-pandemic levels. Specific training sessions included, amongst other:

- While our **business development managers** were trained in consultative selling and solution selling approaches and skills, **segment marketing and product managers** received pragmatic marketing training sessions.
- In Noida, we organized a local mentoring program to support our **software developers** to take ownership of their own development and maximize their potential.
- In Taiwan, we trained colleagues on the principles of **Lean and Agile**.
- We kept training our worldwide **Sales & Services teams** by giving them regular updates on key products as well on new products we launched into the market.

Average training hours per employee
hours



3.3 Introducing new training formats: online and gamification

In our April Employee Engagement survey, employees indicated that they want more **online self-paced learning opportunities**. To enable our colleagues to learn anytime, anywhere, and on any device, we launched LinkedIn Learning in May 2022. Everyone can now learn on the fly, whenever and wherever it suits them best, which greatly helps foster a culture of continuous learning.

In September 2022, we launched the first module of a new series of [Standards@work](#) e-learning courses on safety in the form of a '**gamified learning experience**'. The goal is to further train our employees about all the Barco standards (ethics, cybersecurity, etc.) in a more animated, game-like environment. In 2023, new courses will be added.

3.4 Leadership development

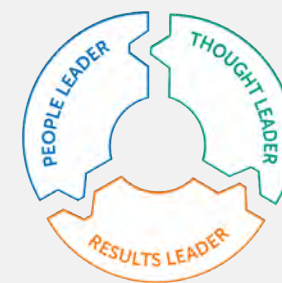
At Barco, we believe that good leaders ensure engaged, motivated employees, good work and, as a result, good business. That's why we invest big in leadership development.

Global programs

- The **Barco Leadership Compass** provides the worldwide framework of what we expect from our leaders in three domains: thought, people and results leadership. In 2022, we added one more domain: **self-leadership**, which is the core of our Leadership Compass.
- Also in 2022, we redesigned the **Business Leader Program** which targets senior leadership. The program now includes three learning modules: leading self, leading others and leading change. 30+ global leaders participated in this program via our weConnect learning platform.
- Last but not least, a new global leadership development program kicked off in November 2022. Using a blended learning approach, the **Management Enablement program** aims at strengthening the people management skills of our people leaders. In a first phase, we covered the foundation, providing the participants with all the ins and outs of Barco as an organization, the 'Barco story', the Leadership Compass (people leader, thought leader and result leader) and the competences that go with it.

Local programs

In addition to the global programs, we also set up **local or team-specific programs**. STEP (Strategic Talent Empowerment Program), for example, is a **China-specific talent development** program for local management in the healthcare business units. In 2022, it helped 18 high-potential Chinese colleagues develop self-awareness, strategic thinking as well as leadership skills.



Barco Leadership Compass

During the STEP program, I learnt more about the Barco Leadership Compass and culture and how we can improve on working together towards a more collaborative and result-oriented team.

Zoe Zhou
Industrialization Project Leader

4. Diversity & inclusion

Our Board of Directors set diversity and inclusion (D&I) as a priority in their meeting of September 2021. Next to the moral and social imperative to embrace diversity and inclusion, research clearly demonstrates the positive impact of D&I on a company's financial performance, innovation and talent attraction and retention.

4.1 Integral part of our strategy

In 2022, a **dedicated workstream** took up the assignment to work on D&I. They conducted extensive research on the topic with internal and external stakeholders, benchmarked data and organized several workshops with an ambassador team consisting of members from different leadership roles throughout the organization. The insights were analyzed and discussed and then summarized in a clear strategy and road-map with actionable and pragmatic initiatives.

As a starting point, it was decided to **embed D&I in our organizational DNA** as part of our culture, rather than introduce it as a separate program. In this way, it will become fully integrated into the way we work together on a daily basis. An integrated strategy will help us achieve this objective.

4.2 Focus areas: gender, age and nationality

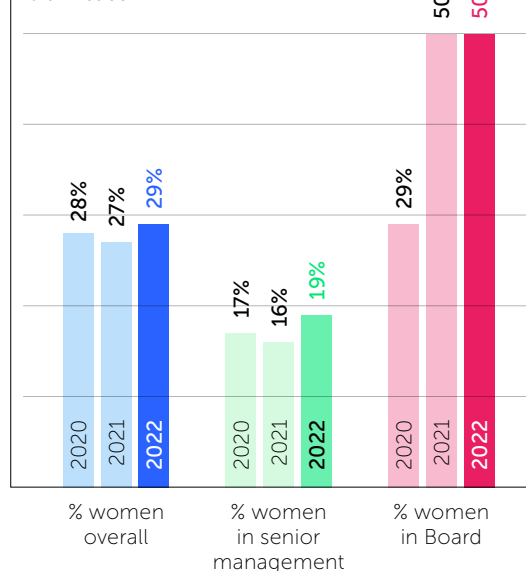
The research clearly indicated the wish to concentrate our strategy on three diversity dimensions: **gender, age and nationality**. These three areas will be the focus of our initiatives and actions, and the areas that we will closely monitor in the coming years.

We will, of course, keep approaching diversity and inclusion in a broad sense, making sure to be as inclusive as possible from the start. Yet, a dedicated focus on specific dimensions helps to set out a pragmatic strategy.

The strategic framework itself consists of three pillars representing the employee experience and two enablers. In total, we have identified **10 leading targets** and **concrete initiatives** to progress towards those targets between **2022 and 2025**.

Diversity by gender

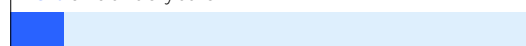
% of heads



Diversity by age in 2022

% of heads

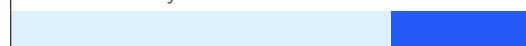
10% under 30 years



61% between 30 and 50



29% above 50 years



Diversity by nationality in 2022

48

Number of nationalities in the global workforce

4.3 D&I governance

In order to implement our strategy and roll out D&I initiatives, we appointed a **dedicated workstream lead**, a **workstream project manager** and a **CLT sponsor**.

Next to that, the **ambassador group** that helped us shape our strategy owns several initiatives and ensures that these get implemented. In addition, each leadership team includes **diversity and inclusion champions** to help us drive the agenda in the several BUs and functions. These champions are the D&I spokespeople. They develop specific BU or regional initiatives and follow up on the metrics.

4.4 Raising awareness as a first step

In 2022, we launched the first initiatives, which mainly aim at raising awareness. Via an expert keynote, for example, colleagues learned about unconscious bias and how to sensitize our teams to the need for an inclusive mindset and culture. A learning session taught us how to reinforce team collaboration across the regions.

We now have a clear action plan outlined for the next three years that aims to push the needle forward to become more diverse and more inclusive at Barco.

4.5 Equal pay monitoring

Barco values equality between men and women and believes this should be reflected in rewards. Our **Job Grading Policy** dictates that the salaries be based on a functional level and not assigned individually, ensuring that there is no material wage gap between women and men. Furthermore, promotions and new hires are a shared responsibility between the HR department and the managers. This extra pair of eyes watching over all processes is another sanity check for equal payment.



At Barco, we want to welcome differences and embrace everyone's uniqueness. It is when we start to recognize, accept and celebrate our differences that we can truly grow and thrive.



Lien Meuleman
Program Lead D&I



5. Labor practices & human rights

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

5.1 Our commitments

Human rights are the fundamental rights, freedoms and standards of treatment to which all people are entitled. Barco commits to manage and respect human rights **in its own operations as well as in the value chain** in accordance with the internationally recognized human rights contained in the following standards and conventions:

1. The Universal Declaration of Human Rights
2. The International Labor Organization's (ILO) Declaration on Fundamental Principles and Rights at Work, and the ILO eight fundamental labor conventions
3. The UN Guiding Principles on Business and Human Rights
4. The OECD Guidelines for Multinational Enterprises

» [The full text of our human rights pledge is available on our website](#)

5.2 Identifying salient risks in our own operations

In 2021, Barco identified three salient human right risks in its own operations: **discrimination, protection of identity and non-retaliation, and emergency preparedness**. In 2022, we continued working on this, adding performance indicators and assigning ownership for following up on these indicators.

Discrimination

In line with [Barco's Code of Ethics](#), we aim to provide challenging, meaningful, and rewarding opportunities for personal and professional growth to everyone regardless of gender, race, ethnicity, religion, sexual orientation, age, pregnancy, national origin, marital status or disability or any other characteristic unrelated to Barco's legitimate business interests. The Compliance function is accountable for following up and reporting on the number of discrimination cases reported in the new whistleblower tool for all our stakeholders (as of 2023).

Protection of identity and non-retaliation

Employees can report requests for ethical guidance and reports of violations or suspected violations to the **Ethics Committee via the Ethics Point**: ethics@barco.com, knowing that all enquiries and reporting will be handled confidentially. The person who receives the report or request is responsible for keeping the identity of the reporter or requester confidential at all stages of the process. Barco will not retaliate against anyone who, in good faith, notifies us of a violation or potential violation of Barco's Ethics Code, nor will we tolerate any intimidation of anybody who reports such a violation. The Legal Council (or delegate) is accountable for following up the number of retaliation cases reported in the new whistleblower tool and reporting.

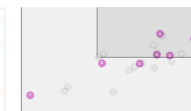
Emergency preparedness

We are committed to providing a safe and healthy work environment wherever we do business. In addition, we provide our employees with the appropriate resources (time, tools, processes, training programs) to carry out their responsibilities in a safe and healthy way – both on company premises and on the premises of business partners, as explicitly stated in our Code of Ethics. Performance is checked in the yearly evaluation as part of the site profile risk scan done by the Corporate Risk Manager. In 2022, 87% of the sites has performed an emergency evacuation exercise.

5.3 Grievance mechanism

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

Read the [Ethics & compliance chapter](#) of this report for more information.



Communities

Our ambition

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

Our targets

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

The full list of community related KPIs can be found in the [Integrated Data Pack](#).

Our roadmap towards sustainable impact: key initiatives and action plans

1. Customer engagement

At Barco, “We think with the customer”. In order to become a truly customer-centric organization, we **switched to an omni-channel listening approach in 2022**: we gather feedback in every step of the customer journey, via a multitude of channels. This feedback enables us to improve our operations continuously, in a pragmatic and proactive way.

1.1 Customer focus: solid foundations

Since the first customer satisfaction measurements in 2018, Barco has been moving forward to reach a mature customer experience management model. Our core customer journey programs have enabled us to develop a series of initiatives to track customer experience:

- In our **customer journey dashboard**, we monitor a number of KPIs on a monthly basis. These are both internal and external ones, such as response time of our support teams, order confirmation lead times, and satisfaction of the Barco website.
- On a quarterly basis, we calculate our **relational Net Promoter Score (NPS)**. This survey tracks how healthy the relationship with our customers and partners is, and drives strategic improvement actions.
- Since 2021, we have been mapping specific **digital touchpoints**. Through this exercise, we can create digital journeys that are easy to navigate for our customers.

1.2 Customer focus at Barco keeps growing: 2022 and 2023 initiatives

In 2022, we took the next step in our customer engagement initiatives:

- We launched a new **omni-channel listening program**, which enables us to gather customer feedback along the entire customer journey, **via every possible channel**. With this approach, we can track the customer experience directly as it evolves after each interaction with Barco, so we can take the necessary actions at the right time and place, by the right person and in the right way.
- The feedback from our website satisfaction measurement is extremely useful for a second big initiative in 2022: building our **new corporate website to improve communications with (potential) customers**. We actively involved customers and partners **to test the concept of our new website**. Their voice drove the decisions we made regarding the new website's architecture. As a result, we are looking forward to a very performant website with a user-centric, simple and clear navigation. Coming soon, in the spring of 2023.

- Our after-sales service organization launched several projects to **improve the overall service process flows** at Barco:

- In 2022, we launched a **new service portal** and conducted a pilot with a chatbot, which will provide ready answers to our website visitors. We organized trainings for customers and partners on the use of the new e-portal as well.
- The service team worked out a series of **new workflows**. Their goal was to efficiently handle the number of incoming calls, ensure more first-time-right installations and follow up logistics more closely with customers.

In 2023, we will continue the initiatives started in 2022, with a focus on digital transformation and automation of our processes:

- Further expand our digital and offline listening points;
- Shorten the time between interaction and customer feedback;
- Shorten the time between feedback and action planning;
- Clearly map who is responsible for solving specific issues.

1.3 How employee engagement plays a key role in customer satisfaction

Each instance of feedback we receive through our surveys helps us to improve our operations. But we don't leave the people that sent this feedback to us unanswered either, and developed a **consistent 'closing the loop' process**. When dissatisfied customers (detractors) reply to our survey, we investigate the situation and reach out with a communication to clarify and solve the situation. We also inform them that their message has resulted in improvement actions from our side. In this way, we strive to convert dissatisfied customers and partners into promoters again.

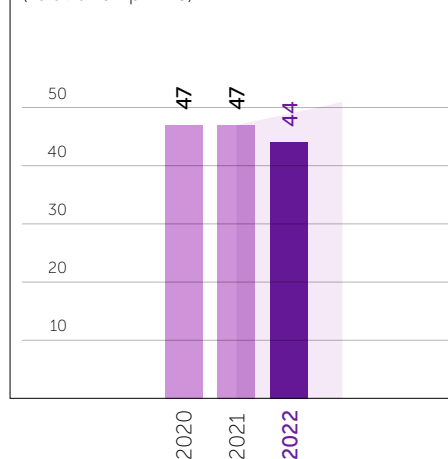


of detractors were turned into promoters in Q4 of 2022, against 3% in Q4 2021

The success of this flow is **dependent on employee engagement**. Therefore, we actively build awareness of the impact that the 'customer-first' approach has. We regularly and repeatedly **train our teams** across Barco on how to effectively close the loop, communicate with customers and appreciate their input as the essential factor of our growth. In 2022, we also actively **praised and celebrated teams and individuals** that contributed to successful customer stories.

In 2022, Barco achieved an NPS score of 44, a decline of 3 points versus the previous year. This is mainly related to the component shortages in the market which Barco has been facing throughout the year, with longer lead times and impacting post-sales service. The NPS scores were mostly flat versus last year in Europe and China, while Americas and the rest of Asia showed a decrease. A score above 50 is considered excellent and that is also where we want to steer the company's rating. Besides our **high product quality** and strong brand, our customers and partners describe our **employees** and their friendly, professional approach as one of **Barco's strengths**.

Customer Net Promoter Score
(relationship NPS)



Improving the customer experience of Barco's leads

The earliest stages of a collaboration with new customers cannot be neglected/underestimated. In fact, **a customer's first impression** is a key moment of brand satisfaction. That's why our Inside Sales team enhances engagement of brand-new customers thanks to automated feedback flows.

By integrating our marketing technologies and **bringing automated listening channels to life in 2022**, our Inside Sales team now gets **outside-in information from our leads** at the right time, so they can immediately act on the findings. By gaining **feedback in the inquiry phase** already, we make sure that our end users are satisfied with **how our teams and partners handle their interest in Barco products**.

In many cases, the first human interaction with our customers is through Inside Sales. Being able to measure the customer journey through satisfaction scores allows us to finetune our processes and strengthen our customer relationships in an ever-shifting business environment.

Erik Forrez
Inside Sales Manager, Global Marketing

1.4 Barco business units cherish customer engagement

In addition to the global initiatives, **various projects** in each of our business units also encouraged customer engagement in 2022.

The Meeting Experience team, for example, took customer engagement to the next level for their ClickShare as well as weConnect solutions:

- The ClickShare team invited customers to **the beta testing of their 'smart meeting flows'**. In addition, they organized consultant councils to capture and discuss market insights. **The ClickShare app** includes a 'star rating feature', which provides us with immediate feedback from ClickShare users, and shows us where in the journey users experienced problems.
- 2022 was a breakthrough year for the **weConnect experience approach**. To meet – or exceed – customer expectations, the team completely **rethought the customer journey for the weConnect SaaS** solution. From the initial awareness presentation through to the entire sales process, site preparation, installation, tech support, training, adoption, quarterly review outreach, and most importantly, securing of ongoing renewals.

Moreover, the weConnect team reviewed their customer success management structure, in order to **secure effective customer onboarding** and provide guidance for leveraging weConnect features to our existing customers. Feedback from product users is now regularly fed into the weConnect **product development roadmap**. All customers who have ideas on how to improve the weConnect experience can join the **weConnect early feedback program and participate** in future developments.

In 2022, **Barco and our customer iMEP/Nipro** won an [LTEN award](#) for "enabling remote learning and interactivity for medical training".

Putting the customer at the center of everything we do, in product development, marketing, sales, etc. is essential for being successful in any business, but even more in the software business. We must go beyond just selling our products and provide customers with solutions to their problems. Rethinking the customer journey from scratch and working on the customers' KPIs (rather than Barco's KPIs) was and still is a difficult exercise that has to get embedded in our Barco DNA... Yet, I am convinced that we are on the right track.

Simone Hammer
Global Head of Marketing, weConnect



2. Product quality, safety & security

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

2.1 Product quality

Barco aims to offer products and solutions that **ensure top quality over their entire lifetimes**. While Barco has always been considered an A brand that delivers quality, we want to **continuously raise the bar** in order to consistently meet and even exceed customers' quality expectations. That commitment is strongly expressed in our [global quality policy](#).

Quality management system

The drive to realize our quality policy and ensure that every product – hardware and software – that we launch is of the highest quality, is ingrained in a company-wide quality management system. This system defines the standard Barco processes – from product planning, design and development, manufacturing and sales all the way to customer service. One of the key aspects of the system is the definition of **clear roles and responsibilities** and the authority of those responsible for product quality throughout the entire product life cycle.

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

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

Quality organization

Our commitment to quality and customer satisfaction is also reflected in our quality organizational structure. Each business unit has dedicated **quality assurance responsables** who supervise process and product quality. In close collaboration with the business unit management teams, they monitor quality-related indicators and spearhead improvement initiatives. Together with the quality responsables assigned to each manufacturing plant and the supplier quality responsables, they form a team that is committed to continuously improving product quality for all our customers. In addition, a dedicated Quality Management System team ensures that our processes remain compliant with the ISO 9001 and ISO 13485 requirements.

Quality by design

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

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

» [Read more on our innovation and product development approach in the Core section of this report](#)

2.2 Product safety

Closing the loop

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

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

Main achievements of 2022

- Successfully passing a global multisite **ISO 9001 recertification**;
- Successfully completing the transfer of the US, Belgian, Korean and Chinese sites to our first **ISO 13485 multisite certificate**;
- Further transition of the medical devices to the new **EU medical device regulation (MDR)**;
- Launch of **quality improvement programs** to strengthen the early focus on product quality during the design phase, harmonize product certification and speed up the customer feedback loop.

A continued focus on product safety

In the past few years, Barco set up a major program to ensure that our complete active product database complies with the **hazard-based safety standard**, which covers an integrated way of assessing joint functionalities and risks of existing and innovative technologies. Various countries in the far East and near East regions are now transitioning to this product safety standard. Testing and recertification for those regions is done to provide our overseas customers with the required country-specific product safety marks. At the same time, the EU is adopting an upgrade of this safety standard. Again, Barco has set up a re-certification program to reflect compliance with the update.

The Brexit has impacted Barco's **certification scope** as the CE marking will no longer be accepted in the UK. Although the UK announced a delay from 31.12.2022 to 31.12.2024, we are ready to ship all our products in scope of the UKCA marking with this required certification mark from 2023 onward.

Interference as a safety issue

Any product that functions thanks to electrical currents, emits and is susceptible to electromagnetic interference. While radio frequency signals that are surrounding us go up in frequency range, so is the need for our products to be immune to susceptibility in these higher frequency ranges. Proper functioning of the product and its safeguards needs to be ensured and propagation of unwanted signals should be blocked. Barco therefore started testing its newly developed products according to the relevant **international immunity standard** before the implementation date and we finished testing the active product list accordingly. None of the products showed susceptibility for the higher test limits of EN 55035.

Safety throughout the product lifecycle

As early as the concept and prototyping phase, we review the applicable safety standards. The result of this review is a list of requirements for critical components, suppliers, product design, use cases, manufacturing, obsolescence and component change management.

Throughout all product lifecycle stages, our product safety engineers provide necessary input and execute **tests against the applicable standards** in our company lab, according to the ISO 17025 standard for test laboratories. The assessment is successful only when the product passes each requirement and the test reports are approved by our external certification partners. Therefore, we CE-label our products with the support of a third-party certification mark such as CEBEC¹ or DEMKO.²

As long as our products are manufactured and/or sold, we ensure compliance with updated and applicable standards and requirements. During that time, reports and certification marks serve as proof that our products adhere to the latest iterations of continuously evolving safety standards.

1 CEBEC: The CEBEC-mark is a Belgian safety certification mark for low voltage electrical products.

2 DEMKO, initially established as Denmark's Electrical Equipment Control and one of the founding members of the CENELEC Certification Agreement (CCA) Scheme, for the mutual acceptance of test results between European countries.

2.3 Product security

Production process safety

The activities of our in-house safety lab also support product safety protocols regarding production processes. Procedures concerning the **control of nonconformity and corrective and preventive actions** are in place, thus meeting one of the requirements of the ISO 9001 certification that we hold. Our employees are continuously **trained** on safety aspects of the new technologies that Barco uses in its products, as well as on changing regulatory requirements.

Market surveillance activities from governments

Market surveillance is the activity carried out by government agencies to ensure that products placed on their markets comply with their regulations – and are sure not to endanger consumers and/or workers. The representatives of these agencies ask for proof of compliance with the applicable regulations by means of review checks (on the TCF (Technical Construction File) in general: certificates, manuals, product and box labels, test reports, ...). Non-compliance may result in actions such as product withdrawals, recalls and bans of products in a specific country or region. Barco products were selected for surveillance in three countries (Germany, China & Mexico) during 2022. **None of the surveillance checks showed any non-conformities.**

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

2020	0
2021	0
2022	0

Cybercrime continues to increase, which forces organizations to implement strict information security governance processes. Barco has a clear commitment to delivering secure products and services to its customers.

Our product security architects and engineers manage product security. In 2022, they took the following actions to strengthen the security of our products and services:

- **Maintain a product security roadmap**

In close cooperation with Barco's Security Office, product security architects and engineers **updated** Barco's product security roadmap in line with new external factors like market requirements and cybersecurity regulations. The roadmap governs different domains where security is crucial: compliance and regulation, the development lifecycle, operational security, sales support, tooling, training, ... This roadmap is Barco's **internal compass** to ensuring that product security focuses on the right domains.

- **ISO 27001 certification**

The current ISO 27001 certification scope, which includes ClickShare and XMS, its cloud management platform, is properly maintained, which guarantees continuous improvement. Extensions to other product lines have been prepared with the aim of extending the scope in 2023, as Covid-19 caused a delay in the certification process. This demonstrates a clear commitment to **continuously extending the scope** of Barco's ISO 27001 certification throughout the next years.

- **Secure development**

Barco continues to focus on maturing the secure software development lifecycle (SDLC). Measuring the adoption maturity of the SDLC provides insights that help identify opportunities for improvement.

- **Training**

The full R&D community followed **technical cybersecurity training** tailored to their day-to-day job content and domains of expertise.

- **Public Key Infrastructure (PKI) for Barco devices**

Barco devices installed on customers' premises get more and more connected. To ensure that all these devices receive a maintainable Barco identity, we **updated and extended** the PKI infrastructure for device certificates to enable renewal and revocation capabilities in the future.

- **Cloud infrastructure**

The cloud infrastructure in which Barco's product-related services are run was **strengthened** to improve application-level filtering and patching.

Our corporate website includes a [responsible disclosure policy](#), which provides customers and security researchers with clear guidelines on how to reach out to us about security vulnerabilities detected in our products. The feedback is carefully handled using a risk-based approach by our product security incident response team (PSIRT). In 2022, we received 289 notifications about potential vulnerabilities (including duplicates) in products or services, reported by customers, ethical hackers and third-party pen-testers contracted by Barco.

3. Supply chain responsibility

In order to meet our customers' expectations for high-quality, innovative products, we rely on service and manufacturing partners from around the world. Sustainability is an inherent part of our global procurement mission and strategy: together with our partners, we continue to drive responsible and ethical behavior and high standards across our supply chain.

3.1 Procurement sustainability policy

Barco has outlined its sustainability commitments in a procurement sustainability policy, which describes how we want to collaborate with our suppliers in a responsible way: respect international Human Rights and Labor regulations, meet product compliance requirements, select and evaluate suppliers in a fair way, raising awareness on the importance of sustainability, ... The policy will be made available on our website and shared with all our suppliers in 2023.

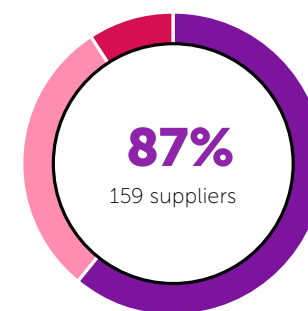
3.2 Barco's supply base

At Barco, we buy a wide range of components, from plastics, optical parts and assemblies, electronic components and sheet metal to finished products, from many different suppliers located in many different countries. As we deal with many suppliers, we have categorized them into **four categories** (key, key+, core and other) based upon supply risk and cost relevance to Barco. The categorization enables us to define a targeted scope and supplier management activities. For each category, we have established different levels of engagement. "Major suppliers" cover the key, key+ and core categories.

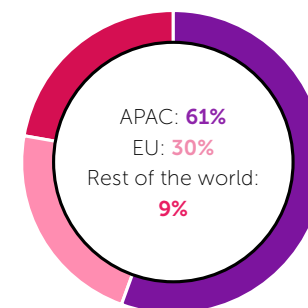
2022: an ongoing effort to increase supply chain resilience

Barco continues to strengthen supplier resilience, given the current dynamics in geopolitical and economic circumstances, including ongoing lockdowns. We keep mitigating these impacts in close cooperation with our suppliers through an agile and proactive approach.

In 2022, we invested in an online, real-time **risk management tool** that will increase the transparency of risks in our supply chain and allow us to proactively mitigate these risks.



In 2022 Barco had **159 major suppliers**, covering **87%** of our total production spend compared to 144 major suppliers with a 84% coverage in 2021. The regional spread of that spend was 61% in APAC, 30% in EU and 9% in the rest of the world.



3.3 Setting clear standards for our suppliers

The key to a high-standard supply chain is ensuring that our **suppliers know our expectations**, including those in the field of sustainability. We adhere to three **important sustainability standards**: the Barco Code of Conduct for suppliers, the Product Compliance requirements and the Responsible Minerals Sourcing policy.

Barco Code of Conduct for suppliers

We require all our suppliers to comply with the Responsible Business Alliance (RBA) code of Conduct, including labor, ethics and health and safety standards.

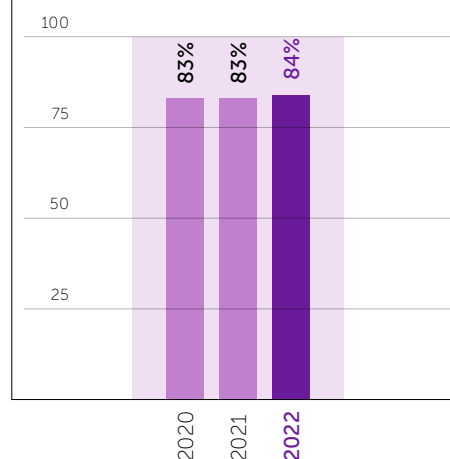
The share of major suppliers who have committed to the Barco Code of Conduct for suppliers or have a similar code, is tracked as a monthly KPI in the Global Procurement dashboard. At the end of 2022, **84% of our production spend** was covered by a signed declaration of compliance with the Barco Code of Conduct for suppliers.

Product Compliance requirements

Every component that our suppliers deliver must comply with the [Barco Product Compliance requirements](#), which includes compliance with different worldwide regulations (such as RoHS10 and REACH, ecodesign requirements, WEEE, SCIP*), industry standards and additional criteria that we defined. Within the Barco product compliance requirements, we also demand compliance with the [Barco substance list](#), in which we restrict the use of specific chemicals or require declaration of specific substances. With the implementation of this list, we go **beyond current legislation**. We urge our suppliers to provide Full Material Disclosures (FMDs) of chemical substances contained in products. In 2022, 83.6% of active components were covered by FMDs.

% of production spend covered by signed Code of Conduct for suppliers

YEARLY TARGET: 75%



Responsible Minerals Sourcing policy

Managing conflict minerals is part of Barco's corporate responsibility. Just like many of our stakeholders, we are concerned about human rights violations in different forms (child labor, human-trafficking, forced labor etc.) as well as armed conflicts causing extreme violence across so-called 'Conflict-Affected and High-Risk Areas' (CAHRAs). We recognize the risk related to illegal extraction and trade of materials such as tin, tungsten, tantalum, gold and cobalt.

Our [Responsible Minerals Sourcing policy](#) is aligned with the 'OECD Due Diligence Guidance for Responsible Chains of Minerals from Conflict-Affected and High-Risk Areas'. Our in-scope suppliers (i.e. suppliers of products containing tin, tungsten, tantalum, gold or cobalt) are expected to complete the Conflict Minerals Reporting Template (CMRT) and submit it to Barco.

In 2022, 100% of in-scope suppliers responded to the CMRT. We perform a detailed responsible minerals risk analysis on the data received through cross referencing and close collaboration with members of the Responsible Minerals Initiative (RMI).



100% of in-scope suppliers responded to the CMRT

* Restriction of Hazardous Substances (RoHS); Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH). Waste of Electric and Electrical Equipment (WEEE), Secure Communications Interoperability Performance (SCIP)

3.4 Embedding sustainability in the procurement process

We encourage our suppliers to share our values and expect them to meet our mandatory ethical, labor and environmental standards. In order to ensure the level of engagement required, we have integrated sustainability into every step of the procurement process.

A. Supplier scouting

The **supplier self-assessment document** includes sustainability-related questions, which are reviewed and form the basis for open discussions when a gap between supplier behavior and our expectations is detected at first glance. Also in 2022, 100% of new production suppliers were screened using the supplier self-assessment.

B. Supplier onboarding

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

C. Purchase contracts

Sustainability clauses are part of Barco's terms and conditions (T&Cs) for purchase as well as our master supply agreements (MSAs) (i.e. contracts with major suppliers). In 2022, 84% of production spend was covered by signed contracts with a sustainability clause, i.e. signed MSAs or T&Cs.

Embedding sustainability in the procurement process

	SCOUTING	ONBOARDING	PURCHASE	PERFORMANCE MONITORING	CAPACITY BUILDING
SCOPE	All potential production suppliers	New critical production suppliers	All suppliers	All key+ & core suppliers	All major suppliers
TOOLS	Supplier self assessment document including sustainability questions	New supplier selection report including mandatory sustainability criteria	Terms & conditions of purchase including sustainability clause (all purchase orders) Contract including sustainability clause (for important spends)	Supplier Performance Review including sustainability score	Webinars and e-learning Supplier innovation days

D. Supplier performance monitoring

In the **annual performance review**, suppliers are scored on their performance in sustainability domains such as product compliance requirements, adherence to Barco's Code of Conduct and transparency (the provision of CMRTs and FMDs). Suppliers are encouraged to proactively share their progress regarding sustainability in their operations and supply chains, and to share innovations that could help us improve the sustainability impact of our products.

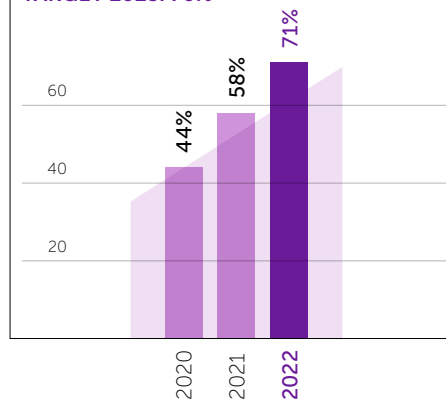
In 2022, suppliers covering 71% of our production spend were scored on their sustainability performance. It's a **big step forward** and is head start to achieve the target of 70% we set for 2023.

Barco also performs audits at existing as well as new suppliers. These audits currently focus on quality, checking quality compliance and assessing process risks that could result in quality defects. In 2022, 37 supplier audits were performed. There were less onsite audits performed compared to 2021 as we were forced to push a number of the audits due to Covid-19 restrictions set by local governments or by management of the suppliers as most audits are conducted in Asia. These audits are rescheduled to early 2023.

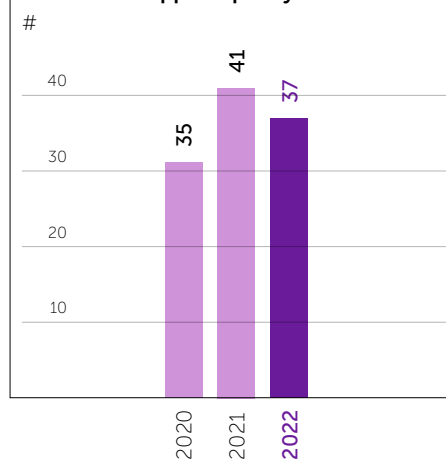
E. Supplier training and awareness

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

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



Number of supplier quality audits



3.5 Training our staff

Just like in 2021, we organized a dedicated training course for all commodity procurement executives worldwide in 2022. The training focused on how to **coach suppliers** in improving environmental compliance data and providing IPC/FMD data.

3.6 Plans for 2023 and beyond

In 2023, we will continue our journey from awareness to cooperative improvement of our suppliers' sustainability performance.

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

Getting ready for the Corporate Sustainability Due Diligence process

Keeping up with sustainability laws and regulations is all about anticipating. That's why Barco participated in a learning network organized by employer federation Agoria and set up its own pilot project to prepare for the Corporate Sustainability Due Diligence (CSDD) process, which is expected to take place in 2025. Sophie De Smul, Supplier Quality Assurance at Barco, elaborates on our approach.

What is a Corporate Sustainability Due Diligence?

In February 2022, the European Commission adopted a proposal for a Directive on Corporate Sustainability Due Diligence. Companies will be obliged to identify, end, prevent, mitigate and account for violations of human rights and environmental impacts in their own operations, but also in those of their subsidiaries and suppliers. Whether the entire value chain or just the supply chain will be taken into account is still being discussed, but it's obvious that the new legislation will have a serious impact on how companies shape their sustainability strategies and implement actions to reach their goals.

Valuable workshops

To map the consequences of the CSDD, Belgian employer federation Agoria invited a dozen of leading technology companies to a learning network. "In a couple of workshops, we explored which place the new legislation will take in companies' ecosystems of sustainability initiatives," explains Sophie De Smul. "We looked at what we're already doing to comply to the CSDD and identified the gaps in our procedures. Barco is certainly not lagging behind compared to other companies, but there's definitely room for improvement to be entirely ready for CSDD introduction."

Talking with other companies about their sustainability strategies and actions was a real eye-opener. Our challenges, such as gathering fragmented data, are quite similar. The CSDD pilot project will help Barco approach these challenges in the most effective way.

Sophie De Smul
Supplier Quality Assurance

Enlightening pilot project

"After the workshops, we decided to take further action by setting up our own pilot project in cooperation with the University of Leuven," Sophie continues. "We went through the entire due diligence cycle of identifying, addressing, monitoring and reporting risks in our supply chain. One thing we learned is that the parameter set we used isn't reliable yet: high-risk suppliers identified by the test all operate in the same market and sector. That means we'll have to add more parameters to the mix to get a more comprehensive view of our suppliers and perform on-site audits to see if a supplier really poses a threat."

Concrete next steps

The learning network and pilot project left us with some concrete next steps for 2023. Sophie: "We'll gather and integrate a larger amount of data in our enterprise security risk management tool to analyze and visualize our supply chain risks. Another challenge is deciding how to deal with high-risk suppliers. Regarding the quality of our suppliers' products, we have fixed escalation scores which are linked to pre-defined measures. We'll have to develop a similar approach for sustainability risks. Defining KPIs and deciding on how to report them is another question we're facing. And the list goes on. It will be an uphill task, but we're doing everything to succeed."

4. Corporate security and data protection

As the world faces an ever-changing threat landscape, Barco continues its focus on corporate security.

4.1 Corporate security

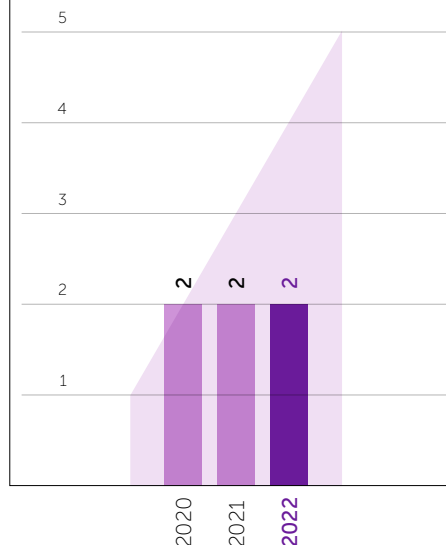
Barco adopted a security organization that operates along three lines of defense. The first line of defense is operational security (e.g. own and manage operational risk). The second line of defense is managed by Barco's Security Office (e.g. the cybersecurity program) and the third line of defense is the cybersecurity audit (e.g. risk assurance).

Highlights in 2022 included:

1. Continuously increasing our security maturity level in accordance with the cybersecurity roadmap by **focusing on people, process and technology**;
2. Embedding **security-by-design** into new projects and initiatives;
3. Providing **additional cybersecurity awareness training** among employees, with new e-learning and phishing simulations;
4. Further **maturing the security and privacy evaluation framework** for third parties in close collaboration with the DPO office;
5. Contributing to the **Product Security Roadmap** in collaboration with the first line of defense;
6. Preparing ISO 27001 scope extension, adding one more product line to the scope.

Number of product lines in scope of ISO 27001

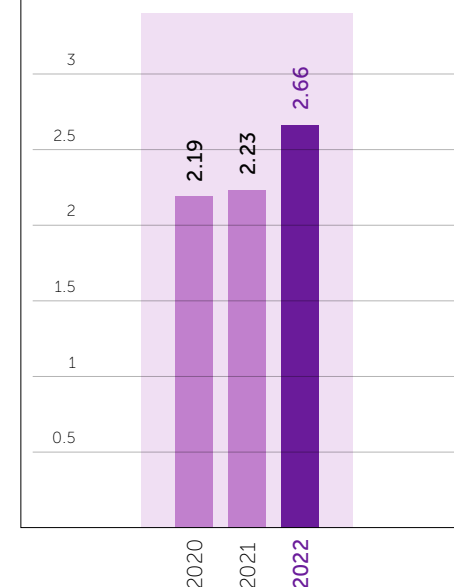
TARGET: + 1 YEARLY



Average cybersecurity maturity score

NIST CSF*

TARGET 2025: 3.4



2.66

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

Our security maturity score increased from 2.23 to 2.66 in 2022 (NIST CSF), thanks to all the initiatives described above. By the end of 2025 we aim to improve that score to 3.4.

4.2 Data governance and data protection

Barco prioritizes the protection and management of personal data in accordance with GDPR and similar data privacy and data protection legislations outside the EU; e.g., the US HIPAA*, the UK General Data Protection Regulation, the California Consumer Privacy Act. Our intragroup data transfer agreement sets the standards and principles that Barco legal entities must apply when processing personal data about individuals subject to GDPR.

Our **data protection officer** (DPO) is in charge of managing our data protection compliance program, which is governed by several guidelines, instructions and templates. A team of privacy liaison officers (the legal & compliance responsables, security & privacy champions and regional knowledge owners) support the DPO by overseeing and ensuring compliance with the GDPR on a day-to-day basis at a local level.

In 2022, Barco installed a **DPO office**, which works in close cooperation with our Security Office. Our internal audit department supports the DPO to facilitate GDPR compliance with independent assessments and reporting on the effectiveness of implemented measures through the testing of controls as defined in the internal audit plan.

Highlights in 2022 included:

- Further implementation of our retention policy;
- Updating our personal data breach handling;
- Kick-off of an **internal workflow system** to deal with data subject right's requests;
- Conducting security and privacy assessments of new third-party cloud service providers and making sure to have data processing agreements in place with **third-party cloud service providers** that are involved in the processing of personal data on behalf of Barco;
- Creating and giving a '**data protection by design training**' to Barco employees involved in product and software development.

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

2020	0
2021	0
2022	0



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

5. Ethics and compliance

Good financial performance does not conflict with high ethical standards. Barco's reputation and continued success depend on the conduct of our employees as well as our business partners. That's why we put great emphasis on building a company culture in which **ethical conduct and compliance with Barco's policies and the applicable regulations** are at the core of how we do business.

5.1 Building a true ethics and compliance culture

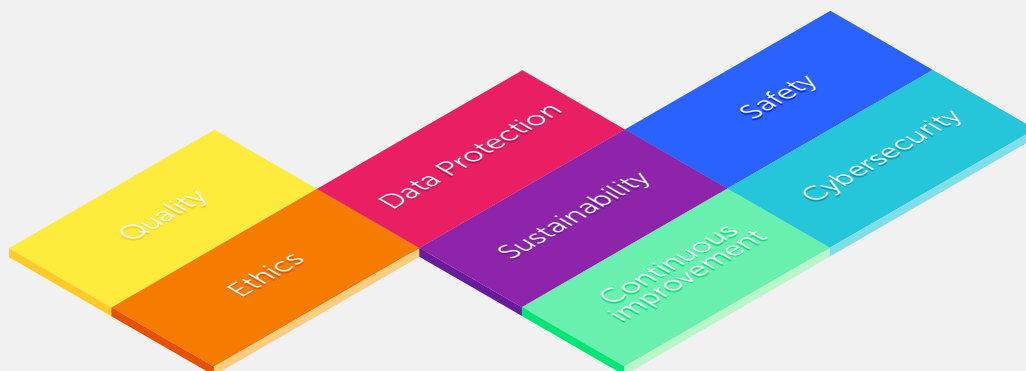
We have deployed a structured, company-wide compliance program, based on our [Code of Ethics](#), which outlines the basic principles of compliant and ethical behavior when dealing with colleagues, business partners, company assets, information, infrastructure, etc. Every manager is required to sign off on the Code of Ethics annually. In addition, every Barco site worldwide has a 'local legal & compliance responsible' who is in charge of overlooking compliance in the country where the site is situated. Every year, the local legal and compliance responsible completes a risk and compliance assessment, which is an integral part of our compliance program.

5.2 Compliance awareness actions

To raise awareness about the Code of Ethics, we undertake several initiatives. For example, almost half of our white-collar workers participate in the Compliance Challenge, a live quiz organized in all our sites across the world. Every year, the compliance officer updates all Barco employees on relevant compliance topics. To target a broad audience, the 2022 update was distributed as a video message instead of a letter. The topic of compliance is part of the monthly onboarding sessions for new employees.



After two consecutive silver medals, Cinionic was happy to claim the cup of the 7th Compliance Challenge..



COMPLIANCE AWARENESS

5.3 Global compliance team

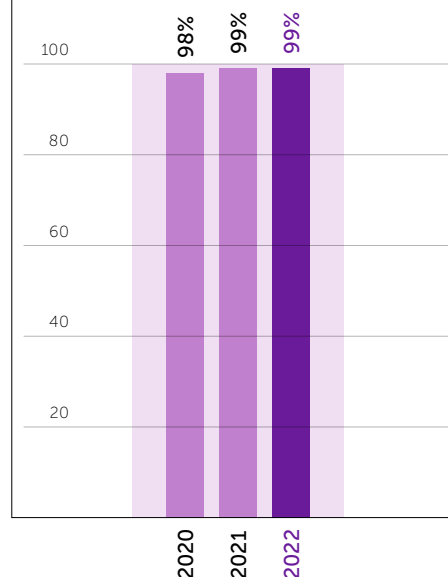
In 2022, the compliance team welcomed a **risk & compliance officer** who assists the global compliance manager with monitoring the company's compliance program. Due to the Ukrainian-Russian conflict, much of the team's focus was on implementing the trade sanctions imposed by various countries, including a rigid product and end-use screening system to ensure compliance therewith.

5.4 Company-wide Standards@Work training

To boost awareness and know-how on compliance-related issues among Barco employees, we set up Standards@Work, a **company-wide training program** hosted by Barco University, our in-house training and development center. The program includes e-learning courses covering cybersecurity, data protection, sustainability, quality, safety, ethics and continuous improvement. In addition, we organize more in-depth Standards@Work trainings on topics like anti-corruption, competition, data protection by design and healthcare regulatory compliance for designated employees.

In 2022, a **course on confidentiality** was added to the basic Standards@Work program. The format of the trainings changed too: to make the courses more appealing, **we restructured them as games** centered around the different stages of our product cycle ('Design & Development', 'Manufacturing', 'Go-to-Market', and 'Customer Care'). We hope this gamified learning experience will further raise participation levels – as we aim to achieve a 100% participation rate. Barco actively follows up on employees with overdue learning assignments.

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




5.5 Promoting a 'speak up' culture

Barco wants to actively promote a genuine 'speak up' culture where ethical questions or dilemmas can be raised without fear of retaliation. Employees who have questions or want to raise concerns or issues can do so **via several channels**. Their direct supervisor or HR business partner is the first line of contact. In addition, any employee can reach out to a member of the Legal, Audit, Risk & Compliance team. Questions and/or concerns can also be communicated via the Ethics mailbox (ethics@barco.com), to then be reviewed and followed up by the Ethics Committee.

With the transposition of the EU Whistleblower's Directive into Belgian law end of December 2022, we are now ready to deploy the **software tool** that will enable fully anonymous **ethical issue reporting** in different languages.

Overview and breakdown of the matters addressed via the Ethics mailbox in 2022

Conflict of interest	2
Discrimination	2
Gifts	3
Harassment	2
Total	9



Resolved: 5
Unresolved: 2
Closed: 2

5.6 Governmental investigations

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

- In India, the Directorate of Revenue Intelligence investigated the export of components from our factory, allegedly within the scope of the Indian SCOMET export regulations that make an export license mandatory. In the spring of 2022, the Principal Commissioner of Noida Customs Commissionerate imposed a fine on Barco Electronic Systems Pvt Ltd. and four of its employees for failing to comply with the export regulations. Barco Electronic Systems Pvt Ltd. and the employees involved have appealed this decision before the Customs, Excise & Service Tax Appellate Tribunal. The appeal is pending before the tribunal.
- In China, Barco Visual (Beijing) Electronics Co., Ltd. was fined by the Changping Market Supervision Bureau for a social media post that highlights the supply of four projectors to the Beijing 2022 Winter Olympics.

5.7 Membership of associations

Barco is strongly integrated into local and professional initiatives as well as communities that are relevant for its activities. We support these initiatives and communities in various ways – as a founding partner, through directorship, delegation of employees to work groups, membership fees, etc. Below is a non-exhaustive list of the various organizations and associations we are a member of:

- **Industry and trade associations and professional networks:** Agoria, Belgisch Elektrotechnisch Comité (BEC), COCIR, Laser Illuminated Projector Association (LIPA), BELIR, Belrim, Beltug, IBJ, VONK, Executive Global Network, Communication Community, Vlaams Economisch Verbond (VEV), EIT Health,....
- **Non-profit organizations supporting**
 - local entrepreneurship, like Hangar K, a joint initiative of education institutions and the city of Kortrijk that supports start-ups and young entrepreneurs in the educational and gaming technology domains;
 - innovative research within the technology or sustainability sectors, such as Flanders Make, Flanders.healthTech and The Shift;
 - international exchange and trade including Belgian American Chambers of Commerce.
- **Advocacy organizations**, like Voka

The annual membership fees for most of the above organization and associations range from 250 to 5,000 euro, with only a few exceeding this range.

Barco does not make donations or other contributions of any kind to political parties.

6. Community engagement

At Barco, we want to help ensure more people can participate in and benefit from a prospering society, regardless of their backgrounds. Focusing on the areas of education and entrepreneurship, we partner with non-profits and leverage the engagement of our employees to make long-lasting impact in the communities where we live and work.

6.1 Closing the education gap around the world

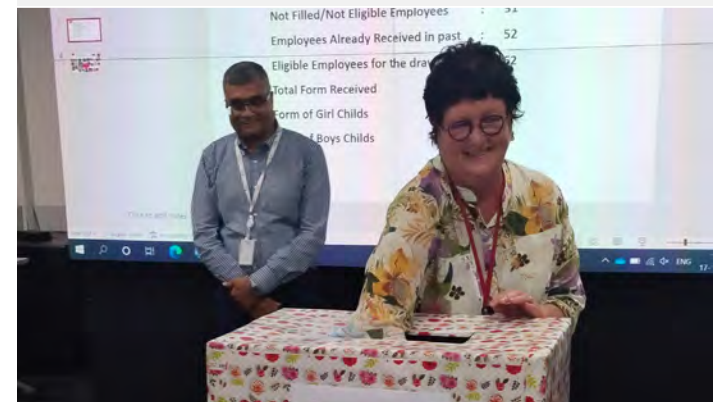
Education is one of the keys to escaping poverty. Over the past decade, Barco took several initiatives to **increase access to education and school enrollment rates around the globe**.

- After two challenging years, when the pandemic put the education of many children on hold, we were happy to relaunch the '**iGemba Scholarship Scheme**' in India, paying for the education of 23 children of Barco India employees. The concept: for each improvement suggestion that operators make through our iGemba program, Barco donates money, which is collected in a scholarship fund. Since the start of the program, 75 children have received scholarships. The program not only supports our sustainability efforts, but also reinforces the Barco value 'we care'.
- For our emerging leadership program, Barco kept partnering with **StreetwiZe**, a unique talent development provider that develops high-impact learning products to companies, inspired by the complex and competitive reality of street communities. StreetwiZe invests 100% of their profits in Mobile School, an organization that provides non-formal education to street youth and helps them grow into positive contributors to society.
- For several years now, we have been partnering with **Close the Gap** – a social enterprise that aims to bridge the digital divide in developing countries by offering IT devices donated by companies to projects. In 2022, we donated 643 devices to Digital for Youth, a Close the Gap organization that collects laptops from companies, refurbishes them and distributes them to vulnerable young people in Belgium.
- We continued to support the Indian NGO Sakshi, which founded the **Barco Sakshi Education Center** for underprivileged children in Noida, where our site is located. After supporting the construction in 2017, we keep helping the school through various initiatives.



iGemba scholarship is an excellent example of living the Barco Value "we care, we grow" really on ground & engaging employees in an authentic way to "look for a better way". Using a part of the savings coming from improvement ideas from our employees for supporting the education of their children which are future of any society is immensely satisfying for me personally

Rajeeva Lochan Sharma
VP Operations & Special Projects, Barco India



6.2 Ensuring healthy lives and promoting well-being

"Ensure the best possible health outcomes to as much people as possible" is the mission of our Healthcare division. More than developing solutions to achieve that aim, we also support organizations that provide **access to good healthcare** services around the world and we promote the importance of healthcare.

Like in previous years, we again supported **Breast Cancer Awareness Month** in October 2022. Next to selling Pink ribbons and encouraging employees to 'wear pink', we arranged a sponsored 'Breast Cancer ride' with the Barco Belgium cycling team and duck fishing. With these actions, we raised EUR 2,425 for Think Pink, Belgium's breast cancer organization.

And there's more. In November we raised **awareness for men's health** – specifically prostate cancer and mental health –, encouraging men around the world to grow their moustaches.



6.3 Promoting a world free of bias, stereotypes and discrimination

Barco put the topic of diversity and inclusion higher on the agenda in 2022, as we believe that a diverse workforce inspires creativity and innovation. To ensure diversity and inclusion among the world's workforce, we actively promote a gender equal world, where everyone gets equal opportunities.

Only 20% women students in engineering, computer sciences and physics at a university level (US)

(source: [NGCP](#))

In 2022, Barco celebrated **International Womens Day** with the #BreakTheBias social media campaign. In the US, we hosted the [AVIXA Women's Council charity event](#), which supports an initiative for engaging girls in STEM education.



6.4 Smaller, including employee-driven charity initiatives

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

- Barco Duluth (US) donated and helped to pack 230 kg of food for distribution to 425 local families.
- In Australia, we donated a ClickShare Conference solution to the Ronald Mc Donald House Program, which provides a temporary safe haven to families with a sick child who needs treatment far away from home.
- Our colleagues in Taiwan collected shoes for Step 30, an NGO helping children in Kenya who need to walk barefoot for hours to go to school.



Reporting on EU taxonomy

Planet - People - Communities

Barco

Integrated Report 2024



1. Background

A key objective of the European Commission's ('**Commission**') action plan on financing sustainable growth is to reorient capital flows towards sustainable investment and ensure market transparency. To achieve this objective, the Commission called for the creation of a EU classification system for sustainable activities, i.e. the EU Taxonomy. The regulation relates to 6 environmental objectives, namely Climate change mitigation, Climate change adaptation, Circular economy, Sustainable use of water and marine resources, Pollution prevention and Healthy ecosystems.

Regulation (EU) 2020/852 (the '**Taxonomy Regulation**') was published in the Official Journal of the European Union on 22 June 2020 and entered into force on 12 July 2020. It is supported by several FAQs published (and forthcoming) by the EU Commission to clarify the content of the Disclosure Delegated Acts, as well as to specify the structure and content of the information to be disclosed.

The EU Taxonomy aims to define and classify environmentally sustainable activities. It is an important piece of legislation for enabling and scaling up sustainable investment and thus implementing the European Green Deal, including an economy that works for people and ensures a fair transition that creates employment and leaves nobody behind. Notably, by providing companies, investors and policymakers with the definitions of which economic activities can be considered as environmentally sustainable, it is expected to help shift investments where they are most needed.

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

As indicated in the Delegated Regulation of (EU) 2021/2178, non-financial undertakings shall disclose the proportion of Taxonomy-eligible and alignment of economic activities in their total turnover, capital and operational expenditure and the qualitative information for reporting year 2022, including comparative figures for eligibility.

Barco considers its economic activities to have the potential to significantly contribute to the Environmental objective (Eligible) Climate change mitigation, as stated in the EU Taxonomy and Climate Delegated Act. Barco's turnover is linked to most of the high-impact economic sectors listed in the initial Technical Expert Group on Sustainable Finance (TEG) technical report. We are committed to communicating in a transparent manner on the potential impact Barco has on these sectors.

Evaluating the Barco scope 3 Carbon Disclosure Project (CDP) emissions reporting (mainly representing the scope 2 emissions of our customers) and Barco SBTi commitment, further supported by discussions with customers, peers and industry associations, led to the following conclusion:

Barco's aligned products have the potential to substantially contribute to one of the environmental objectives by supporting the carbon reduction in specific economic activities e.g. building, entertainment, transport and ICT sector. For example, supported by our (laser) cinema projectors, we play an important role in making buildings and permanent installations more energy efficient, and our ClickShare product range enables remote collaboration, hence less travel.

Applying the NACE codes, and the freedom provided in the dedicated Technical Screening Criteria (TSC) and Do No Significant Harm (DNSH) criteria to compare product Life Cycle Assessment (LCA) performance to the market benchmarks ('Best performing alternative') both support this conclusion.

At this moment of writing, no delegated act is available defining the rules and requirements on the reporting obligations of the 4 remaining environmental objectives. This leads us to the conclusion that only reporting obligations on the initial two climate objectives are applicable for reporting year 2022. Further elaboration on the economic sectors and technical criteria supporting those sectors in the future might change our current proportion eligibility/alignment over several activities.

2. Taxonomy-eligible

2.1 Turnover to eligible activities

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

Article 10 in the EU Taxonomy Regulation qualifies an economic activity as contributing to Climate change mitigation if that activity contributes substantially to the stabilization of greenhouse gas concentrations consistent with the long-term temperature goal of the Paris Agreement, through the avoidance or reduction of greenhouse gas emissions or the increase of greenhouse gas removals, including through process innovations or product innovations, for instance, in low-carbon technologies. Barco offers products that have the potential to qualify as substantially contributing to Climate change mitigation¹, where these products support the transition to a climate-neutral economy consistent with the IPCC pathway to limit the temperature increase to 1.5°C above pre-industrial levels, by reducing the greenhouse gas emissions during the use phase of our devices, through an enhanced energy efficiency, at our customers.

Likewise, EU Taxonomy Regulation Article 10 qualifies an economic activity as contributing to Climate change adaptation if that activity contributes substantially to reducing or preventing the adverse impact of the current or expected future climate, or the risk of such adverse impact, whether on that activity itself or on people, nature or assets. Based on the former definition, Barco does not yet offer products that have the possibility to substantially contribute to Climate change adaptation, as our products cannot yet be seen as solutions to reduce the most important physical climate risks that are material to the activity. Therefore, eligible activities related to the Climate acts will be directed towards the Climate change mitigation objective.

Determination of Barco relevant economical activities is based on NACE code registration and validation of the economic activity. The following applicable economic activity as defined in the delegated act applies:

C – Manufacturing: C26 Manufacture of computer, electronic and optical products and C27 Manufacture of electrical equipment, qualifying under 3.6 'Manufacture of other low-carbon technologies' in the Climate Delegated Act on climate change mitigation.

For turnover reporting purposes, the following parameters were applied:

1. Turnover in accordance with International Financial Reporting Standards (IFRS), as adopted for use by the EU. We refer to note 'Significant accounting principles 1.11. Revenue recognition' for the accounting principles applied.
2. Turnover-related eligible activities: turnover linked to Barco solutions that have a direct carbon footprint impact during the usage stage and are covered by NACE code C26 or C27. These are defined as: turnover generated by hardware products consuming electricity and project² revenues ([see note 3 of the financial report](#)).
Turnover-related non-eligible activities: turnover linked to Barco solutions that have no direct carbon footprint impact during the usage stage as defined in the Climate Delegated Act. These solutions are turnover from software, licences, or services.

¹ EU Taxonomy Regulation defining substantial contribution to Climate change adaptation is currently not applicable to Barco solution portfolio

² Projects are system installations that consist of multiple hardware products and related system installation, technical support based on end-customer specifications. All project sales are hardware-product related.

2.2 CapEx and OpEx related to eligible activities

CapEx

The definition of KPI CapEx is available in Annex I 1.1.2 of DA C(2021) 4987 and is fully in line with the reporting framework defined in the financial note on Significant accounting principles '5. Property, plant and equipment' and '6. Leases'.

The total amount of CapEx is reported in note 9 'Other intangible assets and tangible fixed assets'. The total amount equals the eligible CapEx, as the total amount of CapEx relates solely to assets or processes associated with Barco economic activities defined in section "Taxonomy-eligible economic activity - Turnover"³.

OpEx

The definition of KPI OpEx is available in Annex I 1.1.3 of DA C(2021) 4987. At this moment in time, there is no clear definition of OpEx under the IFRS framework, hence the definition referred to in the EU taxonomy is applied.

For eligibility reporting, OpEx shall be considered to cover direct non-capitalised costs that relate to research and development, building renovation measures, short-term lease, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment by the undertaking or third party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such assets. Translated to Barco expenses, only the cost related to research and development (R&D) is considered material and therefore included as eligible OpEx.

R&D expenses include all internal and external costs related to research and development projects, and investments linked to the Company's product roadmap. The roadmap can be fully linked to specific economic activities. We refer to note 3. (a) 'Research and development expenses'.

³ In contradiction with financial reporting year 2021 note 9 is defined as relevant eligible activities not note 9.2 which limits the eligible activities incorrectly.

3. Towards taxonomy alignment reporting

EU Taxonomy expects alignment with the TSC, DNSH and compliance with the minimum safeguards. Only if these three items are met can an economic activity be labelled “aligned”. The following sections aim to disclose what process and methodology Barco employs for alignment determination covering the Climate change mitigation objective.

3.1 Turnover

For Barco economic activities C26 and C27, the relevant alignment TSC are defined under the economic activity 3.6 ‘Manufacture of other low-carbon technologies’: “The economic activity manufactures technologies that are aimed at and demonstrate substantial lifecycle GHG emission savings compared to the best performing alternative technology/product/solution available on the market.”

However, the regulation does not contain specific guidance or requirements on how to identify the best-performing alternative technology/product/solution or how to avoid creating a moving target/benchmark. In addition, the lifecycle GHG emission savings of alternative technology/product/solution available on the market are unknown to the reporting entity.

For this reason, the following interpretation is made to define aligned turnover for economic activity 3.6. The following product conditions shall be met when considering a product aligned for reporting over financial year 2022:

- Provide supporting LCA⁴ evidence to claim the product is supporting GHG reduction according to the IPCC1,5°C pathway.
Translated for scope 3 GHG emissions, this requires a minimum GHG 2.5% annual reduction compared to the previous generation of the product placed on the market, as defined by the SBTi Net Zero Standard⁵ table 6A.
- Product does not violate the applicable DNSH criteria
- Comply with minimum social safeguards

Product scope 3 emission is dominantly driven by energy consumption during the product usage phase. Therefore, the GHG emission reduction is directly linked to the relative improved energy efficiency.

All revenue-related products with an ecolabel according to an older version of the ecoscore tool have been assessed case by case. This in order to confirm, as defined above, that the product is supporting GHG reduction according to the IPCC1.5°C pathway. This assessment is validating if the product represents 2.5% annual reduction compared to the relevant internal benchmark. For example, a new generation of projectors benchmarked to the previous generation, made available on the market 11 years ago, shall be at least 25% more energy efficient for the same delivered capabilities. The source data for this assessment has undergone the [limited assurance Scope 3 emissions and revenue from ecolabel products audit](#).

We have proactively adjusted the [ecoscore framework](#) to assess the turnover alignment of Barco products. This ecoscore framework is annually updated to keep pace with evolving regulatory requirements. In fact, the latest version of the ecoscore tool (version 6.0 and 6.1) incorporates the TSC related to the Climate mitigation objective. Next to this, the corresponding DNSH criteria validation are also fully embedded in the ecoscore framework. The future circularity objective TSC and DNSH will also be implemented in Barco’s ecoscore framework once the criteria are approved and published by the European Commission.

One important part of the ecoscore assessment is to calculate full LCA results of the product, i.e. environmental impacts caused by the product during its entire lifecycle. The LCA studies are performed according to the Product Environmental Footprint (PEF) method, which is a general methodology to assess and communicate lifecycle environmental impacts of a product.

⁴ LCA assessment shall comply with the ISO 14040 and 14044 standards.

⁵ [Net-Zero-Standard.pdf \(sciencebasedtargets.org\)](#)

Overall, revenues generated from products that have been assessed as ecolabelled in the latest version of the Barco ecoscore framework under the economic activity 3.6, can be considered aligned.

Products that have been assessed by the ecoscore framework (regardless of the version) are also checked not violate the DNSH criteria. The described benchmark approach (2.5% GHG annual reduction) has been integrated both in the new ecoscore framework and the turnover alignment assessment of legacy ecoscored products. Hence the difference between the turnover generated by ecolabelled products and the turnover alignment share. Legacy ecoscored products are a static interpretation at a certain moment in time (for some of them even before

Taxonomy criteria were defined). This discrepancy will disappear over time as more new products will be assessed under the new framework.

The benchmark approach is a strict prudent interpretation and reflects a moving target that annually increases, due to the lack of predefined external benchmark; we are looking forward to receiving more clear guidance in due course on how to perform external benchmarking. This results in the following quantitative data:

Economic activity	Activity description	Proportion turnover eligible	Proportion aligned turnover
KPI 1	Manufacture of other low-carbon technologies ⁶ eg. Hardware products	90.3%	27%
KPI 2	Other out-of-scope solutions eg. Software, service	9.7%	
Total		100%	

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

3.2 CapEx

Aligned CapEx as defined in the Annex I 1.1.2 of DA C(2021) 4987 can be any of the following:

- 1. Related to assets or processes that are associated with Taxonomy-aligned economic activities;
- 2. Part of a plan to expand Taxonomy-aligned economic activities or to allow Taxonomy-eligible economic activities to become Taxonomy-aligned;
- 3. Related to the purchase of output from Taxonomy-aligned economic activities and individual measures enabling the target activities to become low-carbon or to lead to greenhouse gas reductions.

Barco has assessed the investments made in CapEx eligible activities and made the corresponding link to dedicated economic activities, covering both acquisition of products/ services and measures that indirectly lead to the reduction of GHG impact of Barco's activities. As a result, we identified several CapEx investments that fulfil the alignment definition (e.g. infrastructure in green mobility, renewable energy). For these individual measures, we have positively assessed the applicable TSC and DNSH.

Examples of potentially aligned individual activities (Climate change mitigation), mentioned in the Annex I of the Climate Delegated Act and that Barco invested in, concern the category '6. Transport' '7. Construction and real-estate activities'⁷ (i.e. 7.6, 6.5). For instance, we are little by little switching to electric lease cars for our own employees. Recently, more than 100 charging stations have been installed in the car park

6 Activity that places hardware products on the market that has specific climate impact throughout the product lifetime (GHG footprint).
7 https://ec.europa.eu/finance/docs/level-2-measures/taxonomy-regulation-delegated-act-2021-2800-annex-1_en.pdf

3.3 OpEx

at Barco Kortrijk to allow employees to charge their electric vehicles. In addition to the solar panels already in place, Barco has been investigating the possibility to install a wind turbine to make more use of renewable energy and reduce the GHG emissions of our activities.

At this point of time, no assets/processes can be linked unambiguously to aligned turnover activities in our reporting system. Hence why we have allocated all CapEx to eligible activities although this might not be the case and have limited the current year reporting on alignment to individual measures.

This results in the following quantitative data:

KPI	Proportion eligible	Proportion aligned
KPI related to capital expenditure (CapEx)	100 %	4.8 %

Aligned OpEx as defined in the Annex I 1.1.2 of DA C(2021) 4987 can be any of the following:

1. Related to assets or processes associated with Taxonomy-aligned economic activities, including training and other human resources adaptation needs, and direct non-capitalised costs that represent research and development;
2. Operating expenditure included as part of the CapEx plan to expand Taxonomy-aligned economic activities or allow Taxonomy-eligible economic activities to become Taxonomy-aligned;
3. Related to the purchase of output from Taxonomy-aligned economic activities and to individual measures enabling the target activities to become low carbon, or to lead to GHG reductions as well as individual building renovation measures.

Aligned OpEx reflects the development effort into sustainable product design. OpEx (R&D) should remain at a high level if a company has continuous sustainability improvement integrated in the innovation process and wants to achieve improvement KPIs.

Supported by the Barco ecoscoring process and managed by dedicated short-term KPIs (new products and revenue-based) Barco has a dedicated strategy in place to ensure expansion of Taxonomy-aligned economic activities, or to enable target activities to be conducted in a low-carbon manner or reduce emissions of greenhouse gases. This strategy covers

all product development, both hardware and corresponding software. In other words, applied to Barco the aligned OpEx corresponds to the investments made in R&D to develop (future) turnover-aligned products (ecolabelled). If R&D OpEx effort cannot directly be linked to an aligned activity or future aligned products, this effort is not accounted for as aligned. In case R&D effort is linked to both aligned and unaligned product, a pro-rata aligned revenue is applied.

Examples of aligned R&D activities: the development of the new generation CX ClickShare and corresponding software, the new Series IV digital cinema projectors, the development of new healthcare display.

Examples of pro-rata aligned activities: software running on the Nexxis platform, development of laser source share over different end products, WeConnect.

The proportion non-eligible OpEx has been determined based on the pro rata of eligible vs non-eligible turnover to reflect the share of OpEx related to service activities as the current reporting does not allow an allocation of R&D to respectively eligible vs non-eligible activities.

KPI	Proportion eligible	Proportion aligned
KPI related to operating expenditure (OpEx) – limited to R&D expenses	90.3%	47.7%

Please find the full EU Taxonomy reporting [here](#)

4. Minimum safeguards

Barco carries out economic activities across the globe in a responsible and respectful way. In doing so, it is committed to complying with the minimum safeguards referred to in Article 18 of the Taxonomy Regulation.

To ensure compliance with these standards, companies subject to the Taxonomy Regulation are required to implement procedures to ensure the alignment of their activities with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights.

The EU Commission has asked the Platform on Sustainable Finance, an independent advisory body, for advice on the functioning of the minimum safeguards. In October 2022, this advisory body released its Final Report on Minimum Safeguards. This report identifies in the OECD Guidelines and UN Guiding Principles 4 substantive topics, pertinent to the minimum safeguards, notably human rights (including labor and consumer rights), bribery, bribe solicitation and extortion, taxation, and fair competition. Moreover, it proposes two criteria to determine compliance with the minimum safeguards, i.e.; the implementation of adequate due diligence processes and the absence of certain negative impacts or events.

The Annual Report, and particularly the PPC Report describes in various sections the policies, procedures and practices which Barco has implemented to ensure alignment with the OECD Guidelines and UN Guiding Principles in the domains of human rights, bribery, taxation and fair competition.

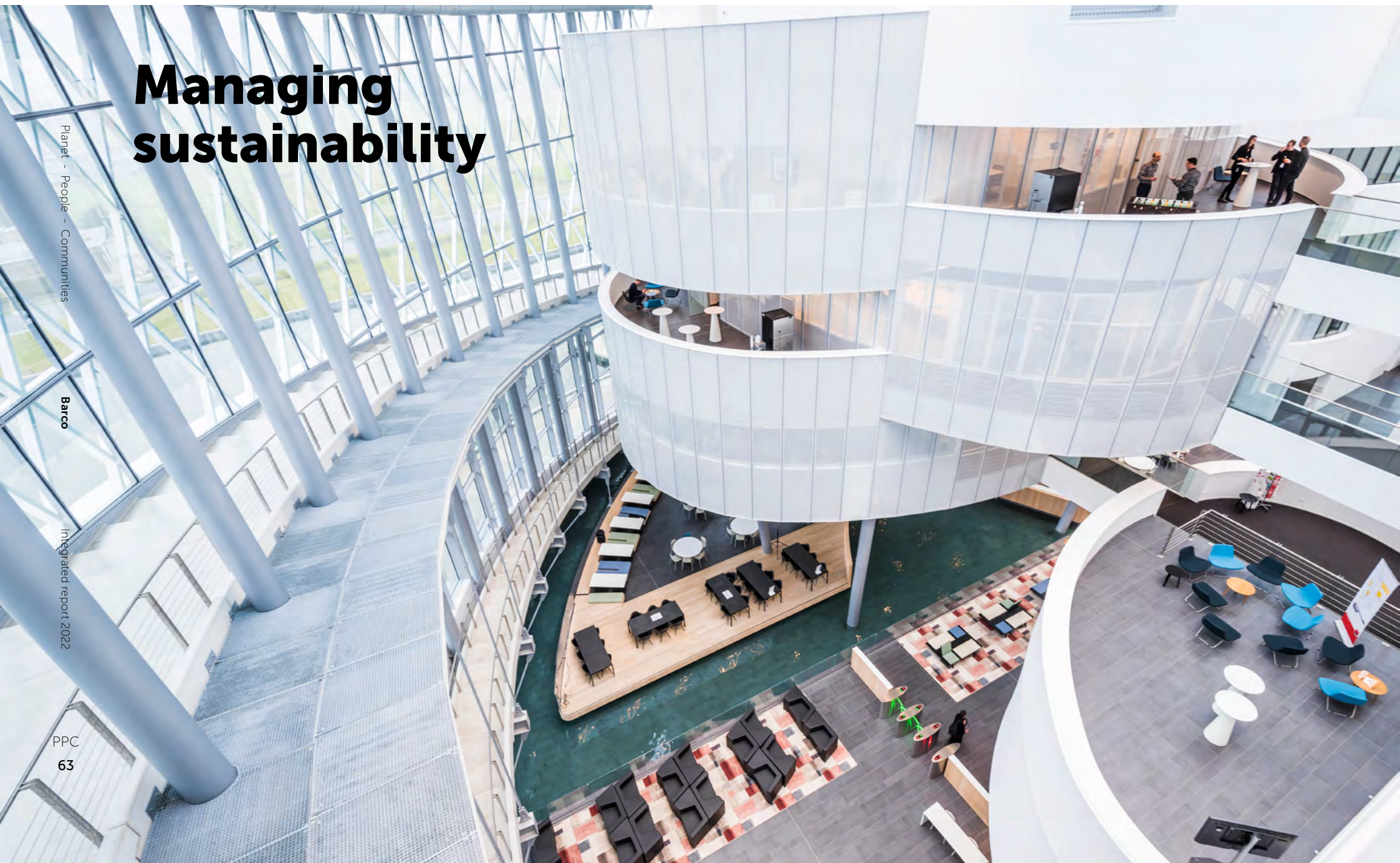
Finally, Barco has not had any interactions with an OECD National Contact Point or a Business and Human Rights Contact Center. It has not been found in violation of labor or human rights, anti-corruption, tax or competitions laws.

Managing sustainability

Planet - People - Communities

Barco

Integrated report 2022

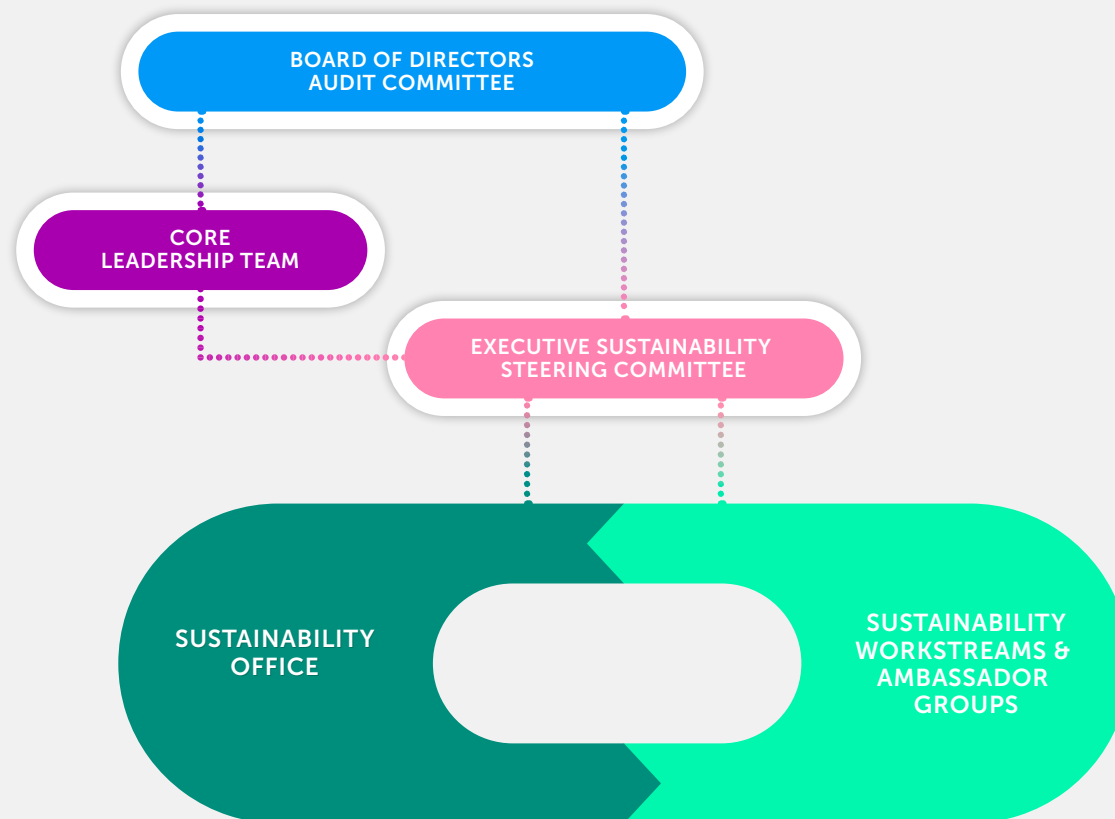


1. Sustainability governance and responsibility

Governance keeps our corporate sustainability strategy on track. It ensures that our strategy remains effective, and that accountability for our results sits right at the top of our company. Our sustainability governance model is explained on the [Barco website](#).

Sustainability at Barco is managed by a permanent **executive sustainability steering committee**, which consists of one of our co-CEOs, the Chief HR officer, CFO, Senior Vice President of Operations and the group Sustainability Office. Depending on the topic, other executive members are invited (e.g., business unit heads). Under the leadership of the group Sustainability Office, a network of sustainability ambassadors across Barco always prepares the meeting topics based upon the local execution of the sustainability plans.

Just like in 2021, the committee met six times in 2022. Representing the committee, the CFO presented the progress made towards sustainability targets to the Board.



2. Stakeholder engagement and materiality

Barco attaches great importance to stakeholder engagement: outside views help us identify and prioritize emerging issues and better align our strategy, actions and policies with the interests of our key stakeholder groups.

The outcome of the most recent stakeholder engagement up to the level of each stakeholder group and the consolidated view in terms of the materiality matrix can be found on [our website](#).

4. Certifications

In order to assure our stakeholders that our management systems meet international industry-specific standards, they are audited annually and certified according to international certification standards:

- ISO 9001 quality management system (for Barco sites in US, Germany, India, Italy, China, Norway, Taiwan and Belgium)
- ISO 13485 quality management system specifically for the medical device industry (for Barco sites in US, China, Belgium, Italy and South Korea)
- ISO 14001 environmental management system (for Barco sites in Belgium, China, India and Italy)
- ISO 27001 information security management system (for Barco sites in Belgium, India and Taiwan)

3. External initiatives (platforms and commitments)

We believe collaboration across the private sector and multi-stakeholder engagement is required to catalyze society's transition to a more sustainable future. Barco actively participates in several external initiatives that promote sustainability, such as the Science Based Targets initiative, The Shift and others. A description of the main initiatives and associations that we currently participate in is available on our [website](#).

5. External evaluations

Barco is rated by several independent organizations on its sustainability performance. We actively participate in several initiatives such as CDP, Ecovadis, MSCI, ISS ESG, Sustainalytics, Vigeo Eiris (Moody's) and S&P Global. A description and up-to-date status and evolution of the detailed results can be found on the Barco [website](#).

Annex



EU taxonomy reporting table

Economic activities ⁽¹⁾	Code ⁽²⁾	Absolute value ⁽³⁾	Proportion ⁽⁴⁾	Substantial contribution criteria		DNSH criteria (‘Does Not Significantly Harm’ criteria)						Minimum safeguards ^{*(17)}	Taxonomy-aligned proportion of turnover, year 2022 ⁽¹⁸⁾	Enabling activity ⁽²⁰⁾	Transitional activity ⁽²¹⁾
				Climate change mitigation ⁽⁵⁾	Climate change adaptation ⁽⁶⁾	Climate change mitigation ⁽¹¹⁾	Climate change adaptation ⁽¹²⁾	Water and marine resources ⁽¹³⁾	Circular economy ⁽¹⁴⁾	Pollution ⁽¹⁵⁾	Biodiversity and eco-systems ⁽¹⁶⁾				
		in thousands EUR	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
Turnover															
Taxonomy-eligible activities															
Environmentally sustainable activities (Taxonomy-aligned)	3.6	285,858	27.0%	27.0%	0.0%	-	Y	Y	Y	Y	Y	Y*	27.0%	E	-
Turnover of environmentally sustainable activities (Taxonomy-aligned)		285,858	27.0%	27.0%	0.0%	-	Y	Y	Y	Y	Y	Y*	27.0%	-	-
Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)	3.6	670,115	63.3%	-	-	-	-	-	-	-	-	-	-	-	-
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)		670,115	63.3%	-	-	-	-	-	-	-	-	-	-	-	-
Total turnover of Taxonomy-eligible activities		955,972	90.3%	-	-	-	-	-	-	-	-	-	-	-	-
Taxonomy-non-eligible activities															
Turnover of Taxonomy-non-eligible activities		102,318	9.7%	-	-	-	-	-	-	-	-	-	-	-	-
Total turnover of Taxonomy-non-eligible activities		102,318	9.7%	-	-	-	-	-	-	-	-	-	-	-	-
Total turnover of Taxonomy-eligible and non-eligible activities		1,058,291	100%	-	-	-	-	-	-	-	-	-	-	-	-

(*) Compliance with minimum safeguards, as further clarified by the Platform on Sustainable Finance (see [‘Minimum Safeguards’](#)).

(#) Refers to the reference as included in the mandatory reporting table for non-financial undertakings as required in accordance with the [reporting delegated regulation](#).

Economic activities ⁽¹⁾	Code ⁽²⁾	Absolute value ⁽³⁾ in thousands EUR	Proportion ⁽⁴⁾ %	Substantial contribution criteria		DNSH criteria (‘Does Not Significantly Harm’ criteria)						Minimum safeguards ^{*(17)}	Taxonomy-aligned proportion of turnover, year 2022 ⁽¹⁸⁾	Enabling activity ⁽²⁰⁾	Transitional activity ⁽²¹⁾
				Climate change mitigation ⁽⁵⁾	Climate change adaptation ⁽⁶⁾	Climate change mitigation ⁽¹¹⁾	Climate change adaptation ⁽¹²⁾	Water and marine resources ⁽¹³⁾	Circular economy ⁽¹⁴⁾	Pollution ⁽¹⁵⁾	Biodiversity and eco-systems ⁽¹⁶⁾				
				%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
CapEx															
Taxonomy-eligible activities															
Environmentally sustainable activities (Taxonomy-aligned)															
Activity 1: Installation, maintenance and repair of renewable energy technologies	7.6	296	1.0%	1.0%	0.0%	-	Y	Y	Y	Y	Y	Y*	1.0%	E	-
Activity 2: Transport by motorbikes, passenger cars and commercial vehicles	6.5	1,146	3.8%	3.8%	0.0%	-	Y	Y	Y	Y	Y	Y*	3.8%	E	-
CapEx of environmentally sustainable activities (Taxonomy-aligned)		1,442	4.8%	4.8%	0.0%	-	Y	Y	Y	Y	Y	Y*	4.8%	-	-
Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)		28,578	95.2%	-	-	-	-	-	-	-	-	-	-	-	-
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)		28,578	95.2%	-	-	-	-	-	-	-	-	-	-	-	-
Total CapEx of Taxonomy-eligible activities		30,020	100%	-	-	-	-	-	-	-	-	-	-	-	-
Taxonomy-non-eligible activities															
CapEx of Taxonomy-non-eligible activities		0	0.0%	-	-	-	-	-	-	-	-	-	-	-	-
Total CapEx of Taxonomy-non-eligible activities		0	0.0%	-	-	-	-	-	-	-	-	-	-	-	-
Total CapEx of Taxonomy-eligible and non-eligible activities		30,020	100%	-	-	-	-	-	-	-	-	-	-	-	-

(*) Compliance with minimum safeguards, as further clarified by the Platform on Sustainable Finance (see ‘[Minimum Safeguards](#)’).

(#) Refers to the reference as included in the mandatory reporting table for non-financial undertakings as required in accordance with the [reporting delegated regulation](#).

Economic activities ⁽¹⁾	Code ⁽²⁾	Absolute value ⁽³⁾	Proportion ⁽⁴⁾	Substantial contribution criteria		DNSH criteria (‘Does Not Significantly Harm’ criteria)						Minimum safeguards ^{*(17)}	Taxonomy-aligned proportion of turnover, year 2022 ⁽¹⁸⁾	Enabling activity ⁽²⁰⁾	Transitional activity ⁽²¹⁾
				Climate change mitigation ⁽⁵⁾	Climate change adaptation ⁽⁶⁾	Climate change mitigation ⁽¹¹⁾	Climate change adaptation ⁽¹²⁾	Water and marine resources ⁽¹³⁾	Circular economy ⁽¹⁴⁾	Pollution ⁽¹⁵⁾	Biodiversity and eco-systems ⁽¹⁶⁾				
		in thousands EUR	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
OpEx															
Taxonomy-eligible activities															
Environmentally sustainable activities (Taxonomy-aligned)		57,494	47.7%	47.7%	0.0%	-	Y	Y	Y	Y	Y	Y*	47.7%	E	-
OpEx of environmentally sustainable activities (Taxonomy-aligned)		57,494	47.7%	47.7%	0.0%	-	Y	Y	Y	Y	Y	Y*	47.7%	-	-
Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)		51,350	42.6%	-	-	-	-	-	-	-	-	-	-	-	-
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)		51,350	42.6%	-	-	-	-	-	-	-	-	-	-	-	-
Total OpEx of Taxonomy-eligible activities		108,843	90.3%	-	-	-	-	-	-	-	-	-	-	-	-
Taxonomy-non-eligible activities															
OpEx of Taxonomy-non-eligible activities		11,650	9.7%	-	-	-	-	-	-	-	-	-	-	-	-
Total OpEx of Taxonomy-non-eligible activities		11,650	9.7%	-	-	-	-	-	-	-	-	-	-	-	-
Total OpEx of Taxonomy-eligible and non-eligible activities		120,493	100%	-	-	-	-	-	-	-	-	-	-	-	-

(*) Compliance with minimum safeguards, as further clarified by the Platform on Sustainable Finance (see ‘Minimum Safeguards’).

(#) Refers to the reference as included in the mandatory reporting table for non-financial undertakings as required in accordance with the [reporting delegated regulation](#).

Scope and methodology of carbon footprint and of measurement of products with Barco ECO label

MEASURING CARBON FOOTPRINT OF OUR OWN OPERATIONS

Methodology	<ul style="list-style-type: none"> Greenhouse Gas Protocol Methodology Compliant with ISO 14064 standard Sources of emission factors: emission factors from internationally recognized emission factor databases, ADEME, GHG Protocol, IEA, suppliers specific for electricity, DEFRA
Scope	<ul style="list-style-type: none"> Technical: all greenhouse gases such as carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), refrigerants (HFCs, PFCs, CFCs) are converted into CO₂ equivalents using Intergovernmental Panel on Climate Change (IPCC) 100-year global warming potential (GWP) coefficients. This covers all Kyoto gases which are to be reported according to the Greenhouse Gas Protocol Boundaries: operational (vs. equity) approach, as it better defines the boundaries of influence Geographical scope: all manufacturing and research & development sites (in Belgium, China, Italy, Germany, India, Norway, Taiwan and US) covering in total minimum 85% of the group's total FTEs
Calculation assumptions	<ul style="list-style-type: none"> CO₂e emissions are calculated by the external party CO2Logic Extrapolation of October and November data was applied to the main components of infrastructure & logistics CO₂e emissions calculation of full year results CO₂e emissions from logistics are only covering Barco paid transport Emissions from own vehicles only cover Belgium and Germany as the other sites in scope have very few own vehicles and are therefore immaterial in view of the full scope
Baseline	<ul style="list-style-type: none"> For targets and performance comparison, Barco selects FY 2015 as a baseline

MEASURING OUR CARBON FOOTPRINT RELATED TO PRODUCT USE EMISSIONS

Methodology	<ul style="list-style-type: none"> Greenhouse Gas Protocol Methodology Formula to be used: Σ (total lifetime expected uses of product x number sold in reporting period x electricity consumed per use (kWh) x emission factor for electricity (kg CO₂e/kWh))
Scope	<ul style="list-style-type: none"> Emissions based solely on the energy consumption of the product (excluding the embodied energy of components, end-of-life emissions, etc.) Approx. 99% of the products covered (in terms of sales volume)

MEASURING OUR CARBON FOOTPRINT RELATED TO PRODUCT USE EMISSIONS (cont'd)

Use case data collection	<p>Use case data for Medical Displays</p> <ul style="list-style-type: none">Average power on (W), typically measured at calibrated luminance value.Suspend = standby (W)Hibernate = Deep Sleep Power = off (W), internal processor active and communication with control software possible. <p>As defined in the public product specification sheet. If no data is in the product specification sheet electrical safety reporting is used to define the applicable number.</p> <ul style="list-style-type: none">Use case on (hrs)Use case standby (hrs)Use case deep sleep (hrs) <p>Are defined based on feedback of the product manager.</p> <ul style="list-style-type: none">Guaranteed lifetime (per 10000 hrs), linked to the backlight lifetime performance or the device MTBF performance.Relative increase in nominal power per year (%), power compensation to maintain calibrated luminance value. <p>Delivered capability specifications:</p> <ul style="list-style-type: none">Max Luminance (cd/m2)MpixelsSize (Inch)DPI (#MP/Inch diagonal) <p>For Diagnostic imaging devices the following is applicable: 8h On mode, 1 h Standby and 15h Deep sleep/Off mode over a usage time as defined in the public product sheet and 8% of relative increase.</p> <p>For Surgical and modality devices the use cases and expected lifetime, relative increase but ranges between 4-24h On mode 1-16 h Standby and 0-19h Deep sleep/Off mode. This variation relates to the specific end user or end system setup.</p>	<p>Use case data for Cinema and Immersive Experience</p> <ul style="list-style-type: none">Power consumption (W), as defined in the public product specification sheet. If no data is in the product specification sheet electrical safety reporting is used to define the applicable number. <p>Delivered capability specifications:</p> <ul style="list-style-type: none">Center lumens (lm), Native brightness as defined in the public product specification sheet. <p>Several end user application cases have been defined that have an impact on the energy consumption calculation. The following generic use cases have been defined by the product managers based on field knowledge and industry feedback:</p> <table><tr><th>use cases</th><th>Cinema</th><th>Events</th><th>Proav fix install</th><th>Proav simulation</th><th>HER</th><th>Image Processors</th></tr><tr><td>Usage time per year</td><td>4.000</td><td>600</td><td>2.000</td><td>8.760</td><td>500</td><td>2500</td></tr><tr><td>total product use time</td><td>40.000</td><td>3.000</td><td>20.000</td><td>50.000</td><td>5.000</td><td>12500</td></tr><tr><td>power used</td><td>68%</td><td>100%</td><td>75%</td><td>35%</td><td>100%</td><td>100%</td></tr><tr><td>Number of years</td><td>10,0</td><td>5,0</td><td>10,0</td><td>5,7</td><td>10,0</td><td>5,0</td></tr></table> <p>None-Cinema product can be sold into the different markets, a specific share is taken into account. This is per default 50/50%, but can vary from 10-100% assigned to one single market.</p>	use cases	Cinema	Events	Proav fix install	Proav simulation	HER	Image Processors	Usage time per year	4.000	600	2.000	8.760	500	2500	total product use time	40.000	3.000	20.000	50.000	5.000	12500	power used	68%	100%	75%	35%	100%	100%	Number of years	10,0	5,0	10,0	5,7	10,0	5,0
	use cases	Cinema	Events	Proav fix install	Proav simulation	HER	Image Processors																														
	Usage time per year	4.000	600	2.000	8.760	500	2500																														
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	power used	68%	100%	75%	35%	100%	100%																														
Number of years	10,0	5,0	10,0	5,7	10,0	5,0																															

MEASURING OUR CARBON FOOTPRINT RELATED TO PRODUCT USE EMISSIONS (cont'd)

	Use case data for Meeting Experience and Learning Experience <ul style="list-style-type: none"> • Average power on (W) • Suspend = standby (W) • Deep sleep power = off (W) <p>As defined in the public product specification sheet. If no data is in the product specification sheet electrical safety reporting is used to define the applicable number.</p>	Use case data Large Video Wall EXperience <ul style="list-style-type: none"> • Average power on (W) • Suspend = standby (W) • Deep Sleep Power = off (W) • Use case deep sleep (hrs) <p>As defined in the public product specification sheet. If no data is in the product specification sheet electrical safety reporting is used to define the applicable number.</p>
Use case data collection	<ul style="list-style-type: none"> • Use case on (hrs) • Use case standby (hrs) • Use case deep sleep (hrs) • Guaranteed lifetime (hrs) <p>Are defined based on feedback of the product manager.</p> <p>For ClickShare product the following is applicable: 6h On mode, 6 h Standby and 12h Off mode over a usage time of 438000h Connected media devices are per default assesses 8h On mode, 0 Standby and 14h Off mode is considered over a lifetime of 438000h</p>	<p>Delivered capability specifications:</p> <ul style="list-style-type: none"> • Center lumens (lm) • Typical power consumption at consumer side @ 400NIT wall brightness (W) • Display area (m²) <p>Products sold into the LVW market are considered to be active 24/7. The following expected usage times are considered: 5 Year LED and LCD, 10 Year Laser RPC, 7 Year for LED/LAMP RPC, Server products 5 Year.</p>

MEASURING PRODUCTS WITH BARCO ECO LABEL

Methodology	<ul style="list-style-type: none"> • Barco's ecoscoring methodology, find more on our corporate website. Subject to external audit under the framework of ISO 14021:2016 standard – see limited assurance report 	
Scope	<ul style="list-style-type: none"> • All newly introduced hardware products, a "newly introduced hardware product" is a commercial launch of first member of product family covered by one dedicated hardware development project. Options or modules are not in scope of this definition. 	

2022 **Integrated** **annual report**

Financial
report

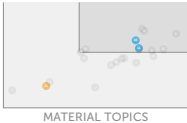


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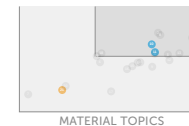
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IFRS Financial Statements

Introduction

This chapter of the Annual Report contains the IFRS audited consolidated financial statements including the notes thereon, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union.

The chapter '[Our results](#)' provides an analysis of trends and results of the 2022 financial year, and is based on the IFRS consolidated financial statements and should be read in conjunction with these statements.

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Consolidated Statement of Income

In thousands of euro	Note	2022	2021	2020
Sales	2, 3	1,058,291	804,288	770,083
Cost of goods sold	3	-645,538	-516,803	-486,300
Gross profit	3	412,753	287,485	283,783
Research and development expenses	3(a)	-120,493	-101,338	-102,610
Sales and marketing expenses	3(b)	-142,740	-116,240	-112,329
General and administration expenses	3(c)	-57,714	-47,858	-50,362
Other operating income (expense) - net	3(d)	-1,663	-2,676	-8,302
Adjusted EBIT (a)	3	90,143	19,373	10,180
Restructuring and impairments	5	-2,500	-6,420	-14,513
EBIT	3	87,643	12,953	-4,332
Interest income		2,773	713	1,845
Interest expense		-1,930	-1,823	-1,965
Income before taxes	6	88,486	11,843	-4,453
Income taxes	6	-15,927	-2,132	-
Result after taxes		72,559	9,711	-4,453
Share in the result of joint ventures and associates	11	3,337	48	-276
Net income		75,896	9,759	-4,729
Net income attributable to non-controlling interest	17	677	878	-335
Net income attributable to the equity holder of the parent	7	75,219	8,881	-4,393
Earnings per share (in euro)	7	0.84	0.10	-0.05
Diluted earnings per share (in euro)	7	0.83	0.10	-0.05

The accompanying notes are an integral part of this income statement.

(a) Management considers adjusted EBIT to be a relevant performance measure in order to compare results over the period 2020 to 2022, as it excludes adjusting items. Adjusting items include restructuring costs and impairments. We refer to note 5 restructuring and impairment costs.

Statement of comprehensive income

In thousands of euro	Note	2022	2021	2020
Net income		75,896	9,759	-4,729
Exchange differences on translation of foreign operations	(a)	11,967	28,894	-29,625
Cash flow hedges				
Net gain/(loss) on cash flow hedges		1,259	485	62
Income tax		-227	-87	-15
Net gain/(loss) on cash flow hedges, net of tax		1,032	398	46
Other comprehensive income/(loss) to be recycled through profit and loss in subsequent periods		12,999	29,292	-29,579
Remeasurement gains/(losses) on defined benefit plans	19	18,395	10,000	37
Deferred tax on remeasurement gains/(losses) on defined benefit plans	10	-4,599	-2,500	-9
Actuarial gains/(losses), net of tax		13,796	7,500	28
Changes in the fair value of equity investments through other comprehensive income	11	-23,004	9,945	18,331
Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods		-9,208	17,445	18,358
Other comprehensive income/(loss) for the period, net of tax effect		3,791	46,737	-11,221
Attributable to equity holder of the parent		1,287	44,382	-8,764
Attributable to non-controlling interest		2,504	2,355	-2,457
Total comprehensive income/(loss) for the year, net of tax		79,687	56,496	-15,950
Attributable to equity holder of the parent		76,506	53,263	-13,157
Attributable to non-controlling interest		3,181	3,233	-2,793

The accompanying notes are an integral part of this income statement.

(a) Translation exposure gives rise to non-cash exchange gains/losses. Examples are foreign equity and other long-term investments abroad. These long-term investments give rise to periodic translation gains/losses that are non-cash in nature until the investment is realized or liquidated. The comprehensive income line commonly shows a positive result in case the foreign currency appreciates versus the Euro in countries where investments were made and a negative result in case the foreign currency depreciates.

In 2022, the positive exchange differences in the comprehensive income line were mainly booked on foreign operations held in Hong Kong Dollar and US Dollar (see note 16.4). In 2021, the positive exchange differences in the comprehensive income line were mainly booked on foreign operations held in Hong Kong Dollar, US Dollar, Chinese Yuan and Indian Rupee. In 2020, the negative exchange differences in the comprehensive income line were mainly booked on foreign operations held in Hong Kong Dollar, US Dollar, Indian Rupee and Norwegian Krone.

Consolidated balance sheet

In thousands of euro	Note	31 Dec 2022	31 Dec 2021	31 Dec 2020
Assets				
Goodwill	8	105,612	105,612	105,612
Other intangible assets	9.1	19,251	17,427	28,952
Land and buildings	9.2	69,677	78,602	74,220
Other tangible assets	9.2	53,181	48,285	49,254
Investments and interest in associates	11	64,811	68,008	106,942
Deferred tax assets	10	55,239	64,155	62,811
Other non-current assets	13	5,819	6,849	5,870
Non-current assets		373,590	388,938	433,662
Inventory	12	245,714	175,496	175,390
Trade debtors	13	194,643	156,977	146,138
Other amounts receivable	13	14,509	16,211	17,789
Short term investments	14	1,651	2,763	3,175
Cash and cash equivalents	14	305,915	351,571	235,402
Prepaid expenses and accrued income		11,383	12,293	6,646
Current assets		773,815	715,311	584,542
Total assets		1,147,405	1,104,249	1,018,203

In thousands of euro	Note	31 Dec 2022	31 Dec 2021	31 Dec 2020
Equity and liabilities				
Equity attributable to equityholders of the parent	16	759,189	693,783	659,309
Non-controlling interests	17	19,792	41,031	37,798
Equity		778,981	734,814	697,107
Long-term debts	14	32,335	34,366	35,854
Deferred tax liabilities	10	3,229	3,823	4,745
Other long-term liabilities	15	44,524	48,860	43,286
Long-term provisions	19	14,998	31,175	40,156
Non-current liabilities		95,086	118,224	124,042
Current portion of long-term debts	14	11,217	10,218	9,187
Short-term debts	14	-	-	86
Trade payables	18	121,920	113,979	70,299
Advances received from customers	18	51,183	54,105	42,375
Tax payables		9,639	4,963	7,478
Employee benefit liabilities (a)	(a)	53,487	39,550	32,284
Other current liabilities		5,412	5,036	8,980
Accrued charges and deferred income		11,155	14,823	12,646
Short-term provisions	19	9,325	8,537	13,720
Current liabilities		273,338	251,211	197,054
Total equity and liabilities		1,147,405	1,104,249	1,018,203

The accompanying notes are an integral part of this statement.

(a) Employee benefit liabilities are short term obligations and consist mainly of salaries, bonuses and holiday payments. In 2022 employee benefit liabilities include a bonus provision on the 2022 results, whereas in 2021 bonus provision was limited and in 2020 minimum criteria for bonus were not met. The remaining increase in 2022 is caused by inflation and increase in headcount.

Consolidated statement of cash flow

In thousands of euro	Note	2022	2021	2020
Cash flow from operating activities				
Adjusted EBIT		90,143	19,373	10,180
Restructuring	5	-1,211	-8,204	-9,536
Depreciations of tangible and intangible fixed assets	3, 9	36,331	39,136	43,383
(Gain)/Loss on tangible fixed assets		-1,621	196	170
Share options recognized as cost	3(d), 16	1,548	3,067	2,907
Share in the profit/(loss) of joint ventures and associates	11	3,337	48	-276
Gross operating cash flow		128,527	53,616	46,829
Changes in trade receivables		-35,615	-4,918	41,391
Changes in inventory		-70,161	4,432	-12,260
Changes in trade payables		7,425	42,825	-59,936
Other changes in net working capital		2,823	13,195	-23,960
Change in net working capital		-95,528	55,534	-54,764
Net operating cash flow		32,999	109,150	-7,936
Net operating cash flow				
Interest received		2,773	713	1,845
Interest paid		-1,930	-1,823	-1,965
Income taxes		-6,042	-8,386	-10,398
Cash flow from operating activities		27,800	99,654	-18,454

In thousands of euro	Note	2022	2021	2020
Cash flow from investing activities				
Purchases of tangible and intangible fixed assets		-21,218	-18,787	-14,980
Proceeds on disposals of tangible and intangible fixed assets		8,038	183	488
Proceeds from (+), payments for (-) short term investments	14	1,112	412	21,573
Acquisition of Group companies, net of acquired cash	1.3, 24	-3,763	-	-
Other investing activities	(a)	-41,634	51,969	-55,530
Dividends from joint ventures and associates		-	3,859	2,492
Cash flow from investing activities (including acquisitions and divestments)		-57,465	37,636	-45,958
Cash flow from financing activities				
Dividends paid		-21,065	-20,560	-33,354
Capital increase		1,737	1,676	482
Sale/(purchase) of own shares	16	5,992	-4,472	2,371
Payments (-) of long-term liabilities	20	-12,390	-12,758	-11,235
Proceeds from (+), payments of (-) short-term liabilities	20	999	614	2,103
Cash flow from financing activities		-24,727	-35,500	-39,634
Net increase/(decrease) in cash and cash equivalents		-54,392	101,790	-104,045
Cash and cash equivalents at beginning of period		351,571	235,402	357,035
Cash and cash equivalents (CTA)		8,736	14,379	-17,588
Cash and cash equivalents at end of period		305,915	351,571	235,402

The accompanying notes are an integral part of this statement.

(a) Other investing activities' in 2022 reflect 23.6 million euro paid to the minority shareholders of Cinionic, increasing Barco's ownership interest in the joint venture to 80%, as well as the movement in investments. In 2021 and 2020 it reflects the movement in investments in entities in which Barco owns less than 20% of the shares.

Consolidated statement of changes in equity

In thousands of euro	Note	Share capital and premium	Retained earnings	Share-based payments	Cumulative translation adjustment	Cash flow hedge reserve	Own shares	Equity attributable to equityholders of the parent	Non-Controlling Interest	Equity
Balance on 1 January 2020		202,401	554,479	11,193	-37,522	-1,157	-29,334	700,060	40,590	740,650
Net income		-	-4,393	-	-	-	-	-4,393	-335	-4,729
Dividend	16	-	-33,354	-	-	-	-	-33,354	-	-33,354
Capital and share premium increase	16	482	-	-	-	-	-	482	-	482
Other comprehensive income (loss) for the period, net of tax		-	18,361	-	-27,171	46	-	-8,764	-2,457	-11,221
Share-based payment	16	-	-	2,907	-	-	-	2,907	-	2,907
Exercise of options	16	-	-	-	-	-	2,371	2,371	-	2,371
Balance on 31 December 2020		202,883	535,093	14,100	-64,693	-1,111	-26,963	659,309	37,798	697,107
Balance on 1 January 2021		202,883	535,093	14,100	-64,693	-1,111	-26,963	659,309	37,798	697,107
Net income		-	8,881	-	-	-	-	8,881	878	9,759
Dividend	16	-	-33,388	-	-	-	-	-33,388	-	-33,388
Capital and share premium increase	16	14,504	-	-	-	-	-	14,504	-	14,504
Other comprehensive income (loss) for the period, net of tax		-	17,197	-	26,787	398	-	44,382	2,355	46,737
Share-based payment	16	-	-	4,567	-	-	-	4,567	-	4,567
Exercise of options	16	-	-	-	-	-	6,714	6,714	-	6,714
Share buy-back	16	-	-	-	-	-	-11,186	-11,186	-	-11,186
Balance on 31 December 2021		217,387	527,783	18,667	-37,906	-713	-31,435	693,783	41,031	734,814

In thousands of euro	Note	Share capital and premium	Retained earnings	Share-based payments	Cumulative translation adjustment	Cash flow hedge reserve	Own shares	Equity attributable to equityholders of the parent	Non-Controlling Interest	Equity
Balance on 1 January 2022		217,387	527,783	18,667	-37,906	-713	-31,435	693,783	41,031	734,814
Net income		-	75,219	-	-	-	-	75,219	677	75,896
Dividend	16	-	-35,695	-	-	-	-	-35,695	-	-35,695
Capital and share premium increase	16	16,284	-	-	-	-	-	16,284	-	16,284
Other comprehensive income (loss) for the period, net of tax		-	-9,301	-	9,556	1,032	-	1,287	2,504	3,791
Share-based payment	16	-	-	1,548	-	-	-	1,548	-	1,548
Exercise of options	16	-	-	-	-	-	5,992	5,992	-	5,992
Increase in ownership interest, without change in control (a)	17	-	771	-	-	-	-	771	-24,420	-23,649
Balance on 31 December 2022		233,671	558,777	20,215	-28,350	319	-25,443	759,189	19,792	778,981

The accompanying notes are an integral part of this statement.

(a) Per 20 April 2022, Barco agreed to buy the shares held by Appotronics and CITICPE in Cinionic, increasing Barco's ownership interest in the joint venture from 55% to 80%. Barco paid 23.6 million euro for the shares. The gain realized on the transaction of 0.7 million euro is recognized in equity as the increase in ownership percentage did not result in a change in control.

Significant IFRS accounting principles

1. Accounting principles

1.1. Statement of compliance and basis of presentation

The consolidated financial statements of the Barco Group have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted for use by the EU. All standards and interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) effective year-end 2022 and adopted by the European Union are applied by Barco. The financial statements are also prepared on the basis of going concern.

The consolidated financial statements are presented in thousands of euro and are prepared under the historical cost convention, except for the measurement at fair value of investments, pension estimates and derivative financial instruments. The financial statements were authorized for issue by the board of directors on 6 February 2023. The chairman has the power to amend the financial statements until the shareholders' meeting of 27 April 2023.

1.2. Principles of consolidation

General

The consolidated financial statements comprise the financial statements of the parent company, Barco NV (registered office: 35 President Kennedypark, 8500, Kortrijk, Belgium), and its controlled subsidiaries and joint ventures, after the elimination of all intercompany transactions.

Subsidiaries

Subsidiaries are consolidated from the date the parent obtains control until the date control ceases. Acquisitions of subsidiaries are accounted for using the purchase method of accounting. Control exists when Barco is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The financial statements of subsidiaries are prepared according to the parent's company reporting schedule, using consistent IFRS accounting policies.

Non-controlling interests

Non-controlling interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the income statement and within equity in the consolidated balance sheet, separately from shareholder's equity.

Investments in associated companies and joint ventures

The company has investment in joint ventures when it shares joint control with other investments, and it has rights to the net assets of these joint ventures. Investments in associated companies over which the company has significant influence (typically those that are 20-50% owned) and joint ventures are accounted for under the equity method of accounting and are initially recognized at cost. Thereafter the carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate since the acquisition date. The statement of profit or loss reflects the Group's share of the results of operations of the associate, in 'other operating income' for associated companies and joint ventures with closely related business and in the line 'share in the result of joint ventures and associates' for all other associated companies and joint ventures. Investments in associated

companies and joint ventures are presented as non-current asset on the face of the balance sheet on the line 'investments and interest in associates'.

2. Goodwill

Goodwill represents the excess of the cost of the acquisition over the fair value of identifiable net assets and contingent liabilities of a subsidiary or associated company at the date of acquisition.

Goodwill is carried at cost less any accumulated impairment losses.

3. Research and development costs

Research and development costs are expensed as incurred, except for development costs, which relate to the design and testing of new or improved materials, products or technologies, which are capitalized to the extent that it is expected that such assets will generate future economic benefits and the recognition criteria of IAS38 are met. Shorter life cycles, unpredictability of which development projects will be successful, and the volatility of technologies and the markets in which Barco operates led the Board of Directors to conclude that Barco's development expenses since 2015 no longer meet the criteria of IAS38.57. As the criteria of IAS38.57 are no longer fulfilled, capitalization of development expenses as of 2015 was not allowed.

4. Other intangible assets

Intangible assets acquired separately are capitalized at cost. Intangible assets acquired as part of a business combination are capitalized at fair value separately from goodwill if the fair value can be measured reliably upon initial recognition and are amortized over their economic lifetimes. Other intangible assets are amortized on a straight-line basis not exceeding 7 years.

5. Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Generally, depreciation is computed on a straight-line basis over the estimated useful life of the asset. When there is an indication that the item of property, plant and equipment is impaired, the carrying amounts are reviewed to assess whether they are recorded in excess of their recoverable amounts, and where carrying values exceed this estimated recoverable amount, assets are written down to their recoverable amount.

Estimated useful life is:

- buildings	20 years
- installations	10 years
- production machinery	5 years
- measurement equipment	4 years
- tools and models	3 years
- furniture	10 years
- office equipment	5 years
- computer equipment	3 years
- vehicles	5 years
- demo material	1 to 3 years

- leasehold improvements and finance leases: cfr underlying asset, limited to outstanding period of lease contract

A property, plant or equipment item is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in profit or loss in the year the asset is derecognized.

6. Leases

Assets, representing the right to use the underlying leased asset, are capitalized as property, plant and equipment at cost, comprising the amount of the initial measurement of lease liability, any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs and restoration costs. The corresponding lease liabilities, representing the net present value of the lease payments, are recognized as long-term or current liabilities depending on the period in which they are due. Leased assets and liabilities are recognized for all leases with a term of more than 12 months, unless the underlying asset is of low value.

The lease payments are discounted using the lessee's incremental borrowing rate, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions. The interest rate implicit in the lease could not be determined.

Lease interest is charged to the income statement as an interest expense.

Leased assets are depreciated, using straight-line depreciation over the lease term, including the period of renewable options, in case it is probable that the option will be exercised.

7. Investments - financial assets at fair value through profit and loss or other comprehensive income

Investments are treated as financial assets at fair value through profit and loss or other comprehensive income and are initially recognized at cost, being the fair value of the consideration given.

Subsequent fair value recognition through profit and loss or other comprehensive is determined at moment of initial recognition. For investments quoted in an active market, the quoted market price is the best measure of fair value. For investments not quoted in an active market, the carrying amount is the historical cost, if a reliable estimate of the fair value cannot be made. An impairment loss is recorded when the carrying amount exceeds the estimated recoverable amount. These investments are presented on the balance sheet on the line 'Investments and interest in associates'.

Short-term investments are cash deposits with a maturity at inception in excess of 3 months and are intended to be held to maturity less than one year (solely payment of principle and interest). They are recognized at cost, with the associated revenue in interest income.

8. Other non-current assets

Other non-current assets include long-term interest-bearing receivables and cash guarantees. Such long-term receivables are accounted for as loans and receivables originated by the company and are carried at amortized cost. An impairment loss is recorded when the carrying amount exceeds the estimated recoverable amount.

9. Financial assets

The Group classifies its financial assets in the following categories: financial assets at fair value and financial assets at amortized cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. Management determines the classification of its financial assets at initial recognition.

Regular purchases and sales of financial assets are recognized on the trade date – the date on which the Group commits to purchase or sell an asset.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets (such as loans, trade and other receivables, cash and cash equivalents) are subsequently measured at amortized cost using the effective interest method, less any impairment if they are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest.

Trade and other receivables after and within one year are recognized initially at fair value and subsequently measured at amortized cost, i.e. at the net present value of the receivable amount, using the effective interest rate method, less allowances for impairment. The Group assesses on a forward-looking basis the expected credit loss associated with its financial assets carried at amortized cost. For trade receivables, the Group applies the simplified approach permitted by IFRS 9 Financial instruments, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

The amount of the allowance is deducted from the carrying amount of the asset and is recognized in the income statement within other operating income.

10. Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is determined on a first in first out (FIFO) or weighted average basis. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs of completing the sale.

In addition to the cost of materials and direct labor, the relevant proportion of production overhead is included in the inventory values.

Write offs on inventories are applied on slow-moving inventory. The calculation of the allowance is based on consistently applied write off rules, which depend on both historical and future demand, of which the latter is subject to uncertainty due to rapid technological changes.

11. Revenue recognition

We apply the five-step model to account for revenue arising from contracts with customers. Revenue is recognised at an amount that reflects the consideration to which we expect to be entitled in exchange for transferring goods or services to a customer.

(a) Sale of goods

Contracts with customers to sell equipment has only 1 performance obligation. Revenue recognition occurs at a point in time, when control of the asset is transferred to the customer, generally on delivery of the goods. The Group has following warranty options: the Group provides warranties for general repairs of which the Group determined that such warranties are assurance-type warranties which are accounted for under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

(b) Rendering of services

The Group provides services within all segments. These services are sold either on their own in contracts with the customers or bundled together with the sale of equipment to a customer. The Group accounts for the equipment and service as separate deliverables of bundled sales and allocates consideration between these deliverables using the relative stand-alone selling prices. The Group recognises service revenue by reference to the stage of completion. The Group recognises the services over time given that the customer simultaneously receives and consumes the benefits provided by the Group. Consequently, the Group recognises revenue for these service contracts/service components of bundled contracts over time rather than at a point of time.

(c) Projects

For revenue out of projects, the percentage of completion method is used, provided that the outcome of the project can be assessed with reasonable certainty. These projects generally have a lifetime of less than one year.

12. Government grants

Government grants related to research and development projects and other forms of government assistance are recognized as income upon irreversible achievement and by reference to the relevant expenses incurred.

13. Trade debtors and other amounts receivable

Trade debtors and other amounts receivable are shown on the balance sheet at amortized cost (in general, the original amount invoiced) less an allowance for doubtful debts and less an amount for expected credit losses. The allowance for doubtful debts is recorded in operating income when it is probable that the company will not be able to collect all amounts due. Allowances are calculated on an individual basis, based on an aging analysis of the trade debtors. For the determination of the expected credit loss, the Group has applied the simplified approach and records lifetime expected losses on all trade receivables. This amount is determined on a portfolio basis.

14. Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances with banks and short-term investments with an original maturity date or notice period of three months or less. It is the Group's policy to hold investments to maturity. All investments are initially recognized at fair value, which is the cost at recognition date.

15. Provisions

Provisions are recorded when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made to the amount of the obligation.

The Group recognizes the estimated liability to repair or replace products still under warranty at the balance sheet date. The provision is calculated based on historical experience of the level of repairs and replacements.

A provision for restructuring is only recognized when the Group has approved a detailed and formal restructuring plan, and the restructuring has either commenced or has been announced to those affected by the plan before the balance sheet date.

On the line item 'Long-term provisions', the company presents the net liability relating to the post-retirement benefit obligations which includes the Belgian defined-contribution pension plans that are by law subject to minimum guaranteed rates of return. Pension legislation was amended at the end of 2015 and defines the minimum guaranteed rate of return

as a variable percentage linked to government bond yields observed in the market as from 1 January 2016 onwards. For 2022 the minimum guaranteed rate of return remains the same as in 2021 and 2020, i.e. 1.75% on employer contributions and employee contributions. We refer to note 19 for more detailed information. As a consequence, the defined contribution plans have been accounted for as defined benefit plan.

16. Equity – costs of an equity transaction

The transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefit.

17. Interest-bearing loans and borrowings

All loans and borrowings are initially recognized at cost, being the fair value of the consideration received net of issue costs associated with the loan/borrowing. Subsequent to initial recognition, interest-bearing loans and borrowings are stated at amortized cost using the effective interest rate method. Amortized cost is calculated by taking into account any issue costs and any discount or premium on settlement.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

When a financial liability measured at amortized cost is modified without this resulting in derecognition, a gain or loss is recognized in profit or loss. The gain or loss is calculated as the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate.

The measurement of a written put option liability

When the risks and rewards of ownership transfer to the parent, a financial liability is recognized for the fair value of the put option. The fair value is the present value of the estimated redemption amount and depends on a management estimate of a number of assumptions (i.e. the expected market value, the estimated probability that the exercise conditions are met and the expected WACC). Subsequently, the liability is revalued to fair value at each reporting period through the income statement, including the effect of unwinding the discount and other changes in the estimated redemption amount due to changes in management's assumptions.

18. Trade and other payables

Trade and other payables are stated at amortized cost, which is the cost at recognition date. This is an approximation of the fair value.

19. Employee benefits

Employee benefits are recognized as an expense when the Group consumes the economic benefit arising from service provided by an employee in exchange for employee benefits, and as a liability when an employee has provided service in exchange for employee benefits to be paid in the future.

Foreign currency rates

Currency	December 31, 2022		December 31, 2021		December 31, 2020	
	Closing rate	Average rate	Closing rate	Average rate	Closing rate	Average rate
CNY	7.36	7.08	7.19	7.63	8.02	7.88
INR	88.17	82.69	84.23	87.45	89.66	84.74
USD	1.07	1.05	1.13	1.18	1.23	1.14

20. Transactions in foreign currencies

Transactions in foreign currencies are recorded at the rates of exchange prevailing at the date of transaction or at the end of the month before the date of the transaction. At the end of the accounting period the unsettled balances on foreign currency receivables and liabilities are valued at the rates of exchange prevailing at the end of the accounting period. Foreign exchange gains and losses are recognized in the income statement in the period in which they arise.

21. Foreign Group companies

In the consolidated accounts, all items in the profit and loss accounts of foreign subsidiaries are translated into euro at the average exchange rates for the accounting period. The balance sheets of foreign group companies are translated into euro at the rates of exchange ruling at the year-end. The resulting exchange differences are classified in a separate component of 'other comprehensive income', until disposal of the investment.

22. Derivative financial instruments

Derivative financial instruments are recognized initially at cost, which is the fair value of the consideration given (in the case of an asset) or received (in the case of a liability) for it. Subsequent to initial recognition, derivative financial instruments are stated at fair value. The fair values of derivative interest contracts are estimated by discounting expected future cash flows using current market interest rates and yield curve over the remaining term of the instrument. The fair value of forward exchange contracts is estimated using valuation techniques which include forward pricing and swap models at the balance sheet date.

Derivative financial instruments that are either hedging instruments that are not designated or do not qualify as hedges are carried at fair value with changes in value included in the income statement.

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognized asset or liability, or a highly probable forecasted transaction, the effective part of any gain or loss on the derivative financial instrument is recognized directly in 'other comprehensive income' with the ineffective part recognized directly in profit and loss.

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

23. Income taxes

Current taxes are based on the results of the Group companies and are calculated according to local tax rules.

Deferred tax assets and liabilities are determined, using the liability method, for all temporary differences arising between the tax basis of assets and liabilities and their carrying values for financial reporting purposes. Tax rates used are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantially enacted at the balance sheet date.

Deferred tax assets are recognized for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry-forward of unused tax credits and tax losses can be utilized. The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

The Group reviews their tax positions taken in the financial statements and in the tax filings and how these are supported. In addition, the Group assesses how the taxation authorities might make their examinations and how issues that might arise from examinations could be resolved. Based on this assessment, a deferred tax liability is determined in line with IFRIC 23.

24. Impairment of assets

Goodwill is reviewed for impairment at least annually. For other tangible and intangible assets, at each balance sheet date, an assessment is made as to whether any indication exists that assets may be impaired. If any such indication exists, an impairment test is carried out in order to determine if and to what extent an impairment is necessary to reduce the asset to its recoverable amount (which is the higher of (i) value in use and (ii) fair value less costs to sell). The fair value less costs to sell is determined as (i) the fair value (that is the price that would be received to sell an asset in an orderly transaction in the principal market at the measurement date under current market conditions) less (ii) the costs to sell while value in use is the present value of the future cash flows expected to be derived from an asset. Recoverable amounts are estimated for individual assets or, if this is not possible, for the cash-generating unit (CGU) to which the assets belong. An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

Impairment losses are recognized in the income statement. Reversal of impairment losses recognized in prior years is included as income when there is an indication that the impairment losses recognized for the asset are no longer needed or the need has decreased, except for impairment losses on goodwill, which are never reversed.

25. Share-based payment

Barco created warrants and stock options for staff and directors as well as for individuals who play an important role in the company. According to the publication of IFRS2, the cost of share-based payment transactions is reflected in the income statement.

The warrants and stock options are measured at grant date, based on the share price at grant date, exercise price, expected volatility, dividend estimates, and interest rates. Warrant cost is taken into result on a straight-line basis from the grant date until the end of the vesting period.

26. Earnings per share

The Group calculates both basic and diluted earnings per share in accordance with IAS 33, Earnings per share. Under IAS 33, basic earnings per share are computed using the weighted average number of shares outstanding during the period. Diluted earnings per share are computed using the weighted average number of shares outstanding during the period plus the dilutive effect of warrants outstanding during the period. As diluted earnings per share cannot be higher than basic earnings per share, diluted earnings per share are kept equal to basic earnings per share in case of negative net earnings.

27. Discontinued operations and non-current assets held for sale

A discontinued operation is a component of the Group that either has been disposed of, or is classified as held for sale and represents a separate major line of business and is part of a single coordinated plan to dispose of a separate major line of business or is a subsidiary acquired exclusively with a view to resale.

The Group classifies a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale expected within one year from the date of the classification. Property, plant and equipment and intangible assets are not depreciated or amortized once classified as held for sale.

Immediately before classification as held for sale, the Group measures the carrying amount of the asset (or all the assets and liabilities in the disposal group) in accordance with applicable IFRS. Then, on initial classification as held for sale, non-current assets and disposal groups are recognized at the lower of their carrying amounts and fair value less costs to sell. Impairment losses are recognized for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell.

IFRS accounting standards adopted as of 2022

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2022. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

- Amendments to IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets as well as Annual Improvements, effective 1 January 2022
- Amendment to IFRS 16 Leases Covid 19-Related Rent Concessions beyond 30 June 2021 (effective 01/04/2021, with early application permitted)

None of these IFRS standards issued have an impact on Barco's financials.

IFRS accounting standards issued but not yet effective as of 2022

Standards issued but not yet effective

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

- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies, effective 1 January 2023
- IFRS 17 'Insurance contracts', effective 1 January 2023
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates, effective 1 January 2023
- Amendments to IAS 1 'Presentation of Financial Statements⁽¹⁾: Classification of Liabilities as current or non-current', effective 1 January 2023
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction, effective 1 January 2023
- Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information (issued on 9 December 2021, effective 1 January 2023)

None of the IFRS standards issued, but not yet effective are expected to have a material impact on Barco's financials.

(1) Not yet endorsed by the European Union as at 31 December 2022.

Critical accounting judgments and key sources of estimation uncertainty

General business risks

Over the year 2022, 2021 and 2020 the macroeconomic conditions have been affecting businesses all over the world – Barco included.

We refer to the chapter 'Risk factors' (see [Corporate Governance & Risk report page 29-43](#)) for an overview of the risks affecting businesses of the Barco Group.

The risks described in this chapter are not the only risks facing the Company. Additional risks and uncertainties not currently known to the Company or that the Company currently deems to be immaterial also may materially adversely affect its business, financial condition and/or operating results.

In view of climate related matters, Barco's business is not impacted by extreme weather conditions such as droughts or floods. Barco is moving towards more eco-friendly products, and we see that our customer's behaviour and demand is making the same evolution.

Deep dive on the 2022 consequences and impact of the macroeconomic environment

In 2022, especially after the first quarter, the global covid-19 situation improved considerably, allowing operations to be carried out in normal conditions again and with demand for our products resuming in most geographies. The main exception is China, where local lockdowns continued to affect the business and local operations throughout the full year. In the aftermath of the pandemic and as a result of geopolitical events, 2022 posed new macroeconomic challenges affecting businesses all over the world – including Barco. The main ones were:

- The supply chain constraints and component shortages: as previously disclosed, Barco is not immune to component shortages and supply chain constraints which have impacted and continue to impact certain product lines. These impacts relate to shortages and delayed deliveries of components, higher broker costs and higher transport costs.
- High inflation in most geographies, related to salaries, energy and component costs.
- Remaining pandemic-related effects in China. Several lockdowns lead to lower production and sales in the China region (mainly but not limited to the Entertainment business).
- Scarcity of human resources and talent.

As Russia's invasion of Ukraine and sanctions towards Russia have a limited impact on Barco's business overall, consequently there is no significant risk. Furthermore Barco reviewed the impact on the Group financials and concluded that there is no material impact.

Approach

In this section, Barco addresses its risk mitigation plan related to the main 2022 macroeconomic impacts.

Operations and supply chain

The worldwide shortages in different commodities in 2021 and 2022, tested Barco's supply chain resilience. Barco's strong, long-term supplier relationships and agile approach have proven to be key to find solutions to the shortages in many cases. Nevertheless, Barco is not immune to component shortages and supply chain constraints which have impacted and continue to impact certain product lines.

While the team has largely mitigated these challenges, the impact was felt in the form of delayed sales and longer lead times, rather than cancelled orders. Barco experienced a delay in sales after the second quarter of the year of about 40 million euro, primarily in Entertainment for projector-line deliveries. By the end of the third quarter this delay decreased to 20 million euro with further improvement towards the end of the year.

Barco has addressed these challenges by intense collaboration with all suppliers and the temporary involvement of brokers for the sourcing of critical components. Furthermore, the redesign of products has been a significant mitigating factor and will continue to be. For certain components and subassemblies, inventory levels have been temporarily increased to lower the risk of shortages.

Coping with inflation and high commodity prices

The aftermath of the pandemic and the changes in geopolitical situation have led to higher interest rates and a steep increase of the inflation in EMEA and Americas. As Barco has relatively low external debt, the direct cost effect of increased interest rates on 2022 financial costs is limited.

The inflation affects mainly energy costs, salaries, and component sourcing. All these costs are being critically reviewed and optimized on a constant basis. These inflation effects were passed through where possible.

Lifting of pandemic measures, with the exception of China

The pandemic covid-19 situation has improved considerably in most regions throughout 2022, especially after the first quarter. This has allowed to return to normalized operations. It also has fueled the demand for our products, most notably in the Enterprise and Entertainment divisions.

In China, the course of the pandemic has followed a different pattern, with quicker recovery in 2020 and 2021, but still significant local lockdowns in 2022, affecting the business operations and the customer demand. In our Chinese locations, the hygienic safety measures (social distancing, ventilation, masks, homework policies) have therefore been continued throughout 2022. Despite all measures put in place, at times the Chinese operations have run at lower capacity than usual.

Retaining and attracting talent

The end of the pandemic has put more pressure on the labor market in many geographies, with higher turnover of personnel seen in many sectors, also affecting Barco. Barco has increased its hiring activity and employer branding campaigns to attract the right talent. Another consequence is an increase of the average labor cost, partly driven by salary indexations. We have cross charged the labour cost inflation effect on our products where possible to reflect this increased cost base.

Strong funding and liquidity structure in place

Barco has a strong balance sheet and ample liquidity. We refer to note 14 for more details on Barco's net cash position.

Barco has sufficient headroom to enable it to conform to covenants on its existing borrowings. The Group complied with all requirements of the loan covenants on its available credit facilities throughout the reporting period.

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

Key sources of estimation uncertainty

- Deferred tax assets are recognized for the carry-forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilized. In making its judgment, management considers elements such as long-term business strategy, including tax planning opportunities (see note 10 'Deferred tax assets – deferred tax liabilities') and local tax laws enacted at the reporting date.
- Uncertain tax positions: The Group reviews their tax positions taken in the financial statements and in the tax filings and how these are supported. In addition, the Group assesses how the taxation authorities might make their examinations and how issues that might arise from examinations could be resolved. Based on this assessment, a

deferred tax liability is determined in line with IFRIC 23 (see note 10 'Deferred tax assets – deferred tax liabilities').

- Impairment of goodwill: the Group tests the goodwill for impairment annually or more frequently if there are indications that goodwill might be impaired (see note 8 'Goodwill'). The outcome of the goodwill impairment test performed in the last quarter of 2022, did not result in an impairment loss.
- Write offs on inventories: Inventories are stated at the lower of cost or net realizable value. The calculation of the allowance for slow-moving inventory is based on consistently applied write off rules, which depend on both historical and future demand, of which the latter is subject to uncertainty due to rapid technological changes. On top of the minimum rules, more severe rules are applied in case of for example the decision to stop a business unit or product line. The remaining inventory on hand is in that case analyzed and reserved as appropriate. Inventory allowances are only reversed in case the above rules no longer apply or the written off inventory is sold or scrapped (see note 12 'Inventory').
- Current expected credit losses: The Group assesses on a forward-looking basis the expected credit loss associated with its financial assets carried at amortized cost. For trade receivables, the Group applies the simplified approach permitted by IFRS 9 Financial instruments, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

The ability of the Company to collect its accounts receivable balances is dependent on the viability and solvency of its business partners, distributors and resellers, which

is influenced by business behavior, which is on its turn influenced by consumer behavior and general economic conditions. Customers may experience financial difficulties that could cause them to be unable to fulfil their payment obligations to the Company.

The Company develops its estimate of credit losses by type of business and customer type, number of days overdue and historical loss rates which are then adjusted for specific receivables that are judged to have a higher than normal risk profile after taking into account management's internal credit assessment, as well as macro-economic and industry risk factors. Moreover, the Company had a credit insurance in place for specific higher risk cinema contracts and the Company has reached extended payment plans with some of its cinema customers, which have been honored. The remaining overdue balances with its cinema customers per 31 December 2022 are limited and the limited remaining extended payments plans are being honored.

For the year ended December 31, 2022, the Company set up a limited extra provision for current expected credit losses (2022: -0.2 million euro; 2021: +0.4 million euro profit) reflecting a lower credit risk of its customers related accounts receivable compared to 2020. The extra provision recorded in 2020 (1.5 million euro) reflected a reduction in the credit quality of specific cinema customers related accounts receivable as a result of the covid-19 global pandemic.

Accounting treatment of development expenses

Shorter life cycles, unpredictability of which development projects will be successful, and the volatility of technologies (more and more software development) and markets in which Barco operates led the Board of Directors to conclude that Barco's development expenses do not meet the criteria of IAS38.57. As the criteria of IAS38.57 are not fulfilled, our accounting policy, with respect to research and development costs, does not allow the capitalization of development expenses.

Defined benefit obligations

The cost of the defined benefit pension plan (see note 19) and the present value of the pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation, and its long-term nature, a defined obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed on reporting date.

Notes to the consolidated financial statements

1. Consolidated companies

1.1 List of consolidated companies on 31 December 2022

Country of Incorporation	Legal Entity	Registered Office	%
Europe, Middle East and Africa			
Belgium	Barco Coordination Center NV	Beneluxpark 21, 8500 Kortrijk BELGIUM	100
Belgium	Barco Integrated Solutions NV	Beneluxpark 21, 8500 Kortrijk BELGIUM	100
Belgium	Cinionic bv	Beneluxpark 21, 8500 Kortrijk BELGIUM	80
Belgium	Barco Solutions BV	Beneluxpark 21, 8500 Kortrijk BELGIUM	70
France	Barco SAS	177 avenue Georges Clémenceau, Immeuble "Le Plein Ouest", 92000 Nanterre FRANCE	100
Germany	Barco Control Rooms GmbH	Greschbachstrasse 5 a, 76229 Karlsruhe GERMANY	100
Germany	Barco GmbH	Greschbachstrasse 5 a, 76229 Karlsruhe GERMANY	100
Italy	Barco S.r.l.	Via Monferrato 7, 20094 Corsico ITALY	100
Italy	FIMI S.r.l.	Via Vittor Pisani 6, 20124 Milano ITALY	100
Netherlands	Barco B.V.	Zuidplein 126, WTC Tower H, Floor 15, 1077XV Amsterdam NETHERLANDS	100
Norway	Barco Fredrikstad AS	Habornveien 53, 1630 Gamle Fredrikstad NORWAY	100
Poland	Barco Sp. z o.o.	Annopol 17, 03-236 Warsaw POLAND	100
Russia	Barco Services OOO	Office 1, Floor 3, Kondratyuka str., 3, 129515 Moscow RUSSIAN FEDERATION	100
Saudi Arabia	Barco Integrated Solutions Saudi Arabia for Business Services	Laysen Valley, King Khalid Rd. and Al-Orouba Rd., Plot 3855, Building 33, 2nd floor, Riyadh SAUDI ARABIA	100
Spain	Barco Electronic Systems, S.A.	Travessera de les Corts 241, Entlo. 3a, 08028 Barcelona SPAIN	100
Sweden	Barco Sverige AB	c/o Grant Thornton, Box 2230, 403 14 Göteborg SWEDEN	100
Sweden	Barco Solutions Sweden AB	c/o Grant Thornton, Box 2230, 403 14 Göteborg SWEDEN	100
Sweden	Gnosco AB	Kungsgatan 4, 411 19 Göteborg SWEDEN	70
United Arab Emirates*	Barco Middle East L.L.C.	Concord Tower, Suite 1212, PO Box 487786, Dubai Media City, Dubai UNITED ARAB EMIRATES	49
United Kingdom	Barco Ltd.	Building 329, Doncastle Road, RG12 8PE Bracknell, Berkshire UNITED KINGDOM	100
United Kingdom	Gnosco Dermicus Ltd.	24 Old Queen Street, SW1H 9HP London UNITED KINGDOM	70

(*) Barco has control over the relevant activities of the entity by virtue of a contractual agreement with the local investor.

Country of Incorporation	Legal Entity	Registered Office	%
Americas			
Brazil	Barco Ltd..	Av. Ibirapuera, 2332, 8° andar, conj 82, Torre II, Moema, 04028-002 São Paulo BRAZIL	100
Canada	MTT Innovation Incorporated	Suite 2400, 745 Thurlow Street, V6E 0C5 Vancouver, BC CANADA	100
Colombia	Barco Colombia SAS	Carrera 15, n° 88-64, Torre Zimma Oficina 610, 110221 Bogota COLOMBIA	100
Mexico	Barco Visual Solutions S.A. de C.V.	Mariano Escobedo No. 476 Piso 10 Col. Anzures, C.P. 11590 D.F. México MEXICO	100
Mexico	Cinionic Mexico, S.A. de C.V.	Artemio del Valle Arizpe 16, 2ndo piso, Col del Valle, CP 03100 New Mexico city (CDMX) MEXICO	80
United States	Barco, Inc.	1209 Orange Street, 19801 Wilmington DE UNITED STATES	100
United States	Cinionic Inc.	11080 White Rock Road, Suite 100, 95670 Rancho Cordova CA UNITED STATES	80
Asia-Pacific			
Australia	Barco Systems Pty. Ltd.	2 Rocklea Drive, VIC 3207 Port Melbourne AUSTRALIA	100
Australia	Cinionic Pty. Ltd.	C/- Accru Melbourne Pty Ltd. 50 Camberwell Road, VIC 3123 Hawthorn East AUSTRALIA	80
China	Barco Trading (Shanghai) Co., Ltd.	Room 702, No. 138, Fenyang Road, 200031 Shanghai CHINA	100
China	Barco Visual (Beijing) Electronics Co., Ltd.	No. 16 Changsheng Road, Zhong Guan Cun Science Park, Chang Ping District, 102200 Beijing CHINA	100
China	Barco Visual (Beijing) Trading Co., Ltd.	No. 16 Changsheng Road, Chang Ping Park, Zhong Guan Cun Science Park, Chang Ping District, 102200 Beijing CHINA	100
China	Barco China Electronic Visualization Technology (Nanjing) Co., Ltd.	No. 1, Hengtong Road Nanjing development zone, 210038 Nanjing, Jiangsu CHINA	100
China	Barco (Suzhou) Healthcare Technology Co., Ltd.	No. 111, Sutong Road, Suzhou Industrial Park, 215021 Suzhou CHINA	100
China	Barco (Wuxi) Technology Co., Ltd.	B312-109, No. 3, Fengwei Road, Huizhi Enterprise Center, Xishan development zone, 214101 Wuxi CHINA	100
Hong Kong	Barco Ltd.	Suite 2607-2610, 26/F, Prosperity Center, 25 Chong Yip Street, Kwun Tong, Kowloon HONG KONG	100
Hong Kong	Barco Visual Electronics Co., Ltd.	Suite 2607-2610, 26/F, Prosperity Center, 25 Chong Yip Street, Kwun Tong, Kowloon HONG KONG	100
Hong Kong	Barco China (Holding) Ltd.	Suite 2607-2610, 26/F, Prosperity Center, 25 Chong Yip Street, Kwun Tong, Kowloon HONG KONG	100
Hong Kong	Cinionic Ltd.	Suite 2607-2610, 26/F, Prosperity Center, 25 Chong Yip Street, Kwun Tong, Kowloon HONG KONG	80
India	Barco Electronic Systems Pvt. Ltd.	c/o Perfect Accounting & Shared Services P.Ltd., E-20, 1st & 2nd Floor, Main Market, Hauz Khas, 110016 New Delhi INDIA	100
Japan	Barco Co., Ltd.	Yamato International Bldg 8F, 5-1-1 Heiwajima, Ota-ku, 143-0006 Tokyo JAPAN	100
Malaysia	Barco Sdn. Bhd.	No. 13A, Jalan SS21/56B, Damansara Utama, 47400 Petaling Jaya, Selangor MALAYSIA	100
Singapore	Barco Singapore Private Limited	100G Pasir Panjang Road Interlocal Center, 118523 Singapore SINGAPORE	100
South Korea	Barco Korea Ltd.	1F, & 3F., DS Tower, 72-13 (GwanYang-Dong), BoelMal-Ro, DongAn-Gu, GyeongGi-Do, 14058 AnYang-si KOREA, REPUBLIC OF	100
Taiwan	Barco Ltd.	33F., No. 16, Xinzhan Rd., Banqiao Dist., 220 New Taipei City TAIWAN, PROVINCE OF CHINA	100

1.2 List of equity accounted companies on 31 December 2022

Country of Incorporation	Legal Entity	Registered Office	%
Americas			
United States	CCO Barco Airport Venture LLC	Corporation Trust Center, 1209 Orange Street, 19801 Wilmington (DE) UNITED STATES	35
Asia-Pacific			
China	CFG Barco (Beijing) Electronics Co., Ltd.	No. 16 Changsheng Road, Zhong Guan Cun Science Park, Chang Ping District, 102200 Beijing CHINA	49

Exemption of publishing financial statements and management report according German legislation §264 Abs. 3 HGB:

Following subsidiary-companies will be released of publishing their financial statements and management report 2022:

- Barco GmbH
- Barco Control Rooms GmbH

These companies are included in the consolidation scope of Barco Consolidated 2022 as listed above.

1.3 Acquisitions and divestments

2022

Acquisition of Gnosco AB

In order to advance its growth initiative Demetra, Barco signed a joint venture agreement with the Swedish company Gnosco AB on July 1st, 2022.

The two teams will first combine their expertise, go-to-market capabilities and installed bases and then plan the path to commercial success including a joint teledermatology and telewound care roadmap based on high quality, affordable skin solutions. Barco acquired 70% of the shares in Gnosco AB. As the effective control is transferred on 1 July 2022, the Gnosco figures are taken up in the figures of the Barco Group from 1 July, 2022 onwards.

The investment payment is recorded as an intangible asset (acquired know-how) on the Barco Consolidated Balance Sheet, which will be amortized over 5 years.

A financial liability related to puttable non-controlling interests was recorded for an amount of 2 million euros. See note 15 for more information.

In 2022 Gnosco AB contributed six months of turnover (0.8 million euro) to the total turnover of the Group, though in its start-up phase not yet contributing to EBITDA (-0.1 million euro).

If the acquisition had taken place at the beginning of the year, the total turnover would have been 1.2 million euro and the EBITDA loss for the period would have been -0.3 million euro. Transaction costs of 0.1 million euro have been expensed and are included in administrative expenses in the statement of profit or loss and are part of operating cash flows in the statement of cash flows.

The following table summarizes the consideration paid for Gnosco and the fair values of the assets acquired and liabilities assumed recognized at the acquisition date. The difference between the consideration paid, the underlying net assets is related to future cash flows Barco expects to realize based on the sale of services provided by Dermicus, the teledermatology platform for diagnosis of skin cancer, wounds and other skin lesions.

Assets and Liabilities Gnosco AB

In thousands of euro	1 July 2022		
	Opening B/S	Fair value restatements	IFRS Opening B/S
Capitalized development	354	-354	-
Know-how	0	7,607	7,607
Deferred tax assets	-	73	73
Total non-current assets	354	7,326	7,680
Trade receivables	29	-	29
Other current assets	12	-	12
Total current assets	40	-	40
LT loan	-172	-	-172
Deferred tax liability	-	-1,567	-1,567
Total non-current liabilities	-172	-1,567	-1,739
Other current liabilities	-170	-	-170
Total current liabilities	-170	-	-170
Cash	237	-	237
Total net assets	289	5,759	6,048
Upfront consideration			4,000
Total acquisition cost (excl. net cash)			4,000
Financial liabilities related to puttable non-controlling interest			2,048

Cash flow on acquisition	1 July 2022
Net cash acquired with the subsidiary	237
Cash paid	-4,000
Net cash flow on acquisition	-3,763

The acquisition has been accounted for using the acquisition method conform IFRS3 Business Combinations.

2021 - 2020

Barco did not close any acquisition or divestment agreements in 2021 and 2020.

We refer to note 23 'Cash flow statement: effect of acquisitions and disposals' for impact on the cash flow of the Group.

2. Operating Segments information

2.1. Basis of operating segments information

Barco is a global technology company developing solutions for three main markets, which is also reflected in its divisional structure: Healthcare, Enterprise and Entertainment.

- **Healthcare: The Healthcare division comprises two business units:**

- Diagnostic imaging offers an extensive line-up of high-precision medical display systems for disciplines including radiology, mammography, dentistry, pathology and clinical review imaging, plus a full suite of support services.
- Surgical and Modality brings together two activities with great synergy potential, as they target the same end-customers (often operating rooms) and require the same go-to-market strategy. The offering of this business unit includes the company's digital operating room portfolio (hardware + video-over-IP-technology), custom medical displays for modality imaging and a full suite of support services.

- **Enterprise: The Enterprise division comprises two business units:**

- Meeting Experience offers collaboration and visualization technologies for a smart workplace or learning environment: ClickShare wireless conference and presentation systems, weConnect Virtual Classroom as well as services.
- Large Video Walls offers a package of solutions to help control room operators make well-informed decisions: video walls, video wall controllers, control room software and a full suite of support services.

- **Entertainment: The Entertainment division comprises two business units:**

- Cinema offers the industry's most complete range of laser and lamp-based cinema projectors, including image processing and audio solutions. Barco's cinema offering is marketed via Barco CFG (for China) and Cinionic (for rest of the world), which combines the projection technology with consultancy, installation, financing, monitoring and maintenance services.
- The Immersive Experience business unit offers solutions tailored to the specific needs of large venues, live events, themed entertainment (museums, theme parks, digital immersive art installations, projection mapping, etc.) and simulation applications: projection, image processing and related services.

No operating segments have been aggregated to form the above reportable operating segments.

The Board of directors monitor the results of each of the three divisions separately, so as to make decisions about resource allocation and performance assessment and consequently, the divisions qualify as operating segments. These operating segments do not show similar economic characteristics and do not exhibit similar long-term financial performance, therefore cannot be aggregated into reportable segments. Division performance is evaluated based on EBITDA. Group financing (including finance costs and finance revenue) and income taxes are managed on a group basis and are not allocated to the operating divisions.

The modification in the management structure and the core leadership team in 2021 had no impact on the identification of the operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

We refer to '[Our markets](#)' for more explanation on the activities performed by each division.

2.2. Healthcare

In thousands of euro	2022		2021		2020		Variance 2022-2021	Variance 2021-2020
Net sales	341,701	100%	261,486	100%	261,856	100%	30.7%	-0.1%
Cost of goods sold	-225,340	-65.9%	-174,294	-66.7%	-166,115	-63.4%	29.3%	4.9%
Gross profit	116,361	34.1%	87,192	33.3%	95,741	36.6%	33.5%	-8.9%
EBITDA	38,354	11.2%	22,399	8.6%	35,030	13.4%	71.2%	-36.1%
Depreciation TFA and (acquired) intangibles	11,176	3.3%	11,775	4.5%	13,362	5.1%	-5.1%	-11.9%
Adjusted EBIT	27,179	8.0%	10,624	4.1%	21,668	8.3%	155.8%	-51.0%
Capital expenditures TFA and software	6,193	1.8%	12,271	4.7%	3,368	1.3%	-49.5%	264.4%
Segment assets	193,103		141,127		127,180			
Segment liabilities	74,717		59,882		49,398			

Driven by the gradual resumption of spending by Diagnostic Imaging and Surgical customers, the Healthcare division delivered 31% sales growth compared to last year. As a result of platform redesigns, last year challenges associated with component shortages were alleviated allowing for a resumption of conventional lead times.

EBITDA margin for the division reached 11.2%, up 2.6 percentage points year-over-year thanks to better gross margins and operating leverage. Improved gross margins are resulting from a better product mix and adjusted pricing, passing through increased component and transportation costs and impact of inflation where possible.

Increase in segment assets in 2022 are mainly the result of a temporary increase in inventory levels to lower the risk of shortages. Higher capital expenditure in 2021 compared to 2020 and 2022, concern the new build factory in China, Suzhou, both facility and production (impact of 8 million euro in 2021).

We refer to ['Our results'](#) and ['Risk management and control processes'](#) for more explanation.

2.3. Enterprise

In thousands of euro	2022		2021		2020		Variance 2022-2021	Variance 2021-2020
Net sales	317,250	100%	233,090	100%	216,794	100%	36.1%	7.5%
Cost of goods sold	-144,922	-45.7%	-124,529	-53.4%	-111,601	-51.5%	16.4%	11.6%
Gross profit	172,328	54.3%	108,561	46.6%	105,193	48.5%	58.7%	3.2%
EBITDA	60,609	19.1%	14,645	6.3%	18,246	8.4%	313.9%	-19.7%
Depreciation TFA and (acquired) intangibles	8,601	2.7%	9,408	4.0%	10,033	4.6%	-8.6%	-6.2%
Adjusted EBIT	52,009	16.4%	5,237	2.2%	8,214	3.8%	893.0%	-36.2%
Capital expenditures TFA and software	4,015	1.3%	2,706	1.2%	3,436	1.6%	48.4%	-21.2%
Interest in associates	13,443		9,557					
Segment assets	195,912		202,365		137,786			
Segment liabilities	75,144		81,053		53,299			

The Enterprise division saw a strong topline growth over the year, resulting in a year-over-year increase in sales of 36.1% led by Meeting Experience.

Enterprise saw a continued recovery after the pandemic with significant sales growth in both segments. Meeting Experience sales picked up in the different regions as soon as lockdown measures were eased. The rebound linked to the return-to-the-office wave started in EMEA, followed by Americas and Asia. Also Large Video Walls realized double-digit sales growth in all regions, fueled by deployments of control rooms.

The Enterprise division saw a very solid recovery of profitability with an EBITDA margin of 19.1%, up 12.8 percentage points from 6.3% in 2021, primarily driven by the favorable impact on product mix of Clickshare's sales growth.

We refer to ['Our results'](#) and ['Risk management and control processes'](#) for more explanation.

2.4. Entertainment

In thousands of euro	2022		2021		2020		Variance 2022-2021	Variance 2021-2020
Net sales	399,339	100%	309,712	100%	291,433	100%	28.9%	6.3%
Cost of goods sold	-275,276	-68.9%	-217,980	-70.4%	-208,584	-71.6%	26.3%	4.5%
Gross profit	124,063	31.1%	91,732	29.6%	82,849	28.4%	35.2%	10.7%
EBITDA	27,510	6.9%	21,465	6.9%	287	0.1%	28.2%	7379.7%
Depreciation TFA and (acquired) intangibles	16,555	4.1%	17,953	5.8%	19,989	6.9%	-7.8%	-10.2%
Adjusted EBIT	10,955	2.7%	3,512	1.1%	-19,702	-6.8%	211.9%	-117.8%
Capital expenditures TFA and software	8,002	2.0%	3,810	1.2%	8,177	2.8%	110.0%	-53.4%
Interest in associates	13,723		11,316		19,713			
Segment assets	288,556		226,584		285,370			
Segment liabilities	140,825		144,702		117,648			

The Entertainment division delivered 29% sales growth in 2022, explained by the solid demand in Cinema for Barco's all-laser portfolio and an all-time high topline in Immersive Experience, with a particular uptake in the fixed install business reflecting greater demand from museums, projection mapping and theme parks, while impacted by supply constraints (mainly in the first half of the year).

The division was able to turnaround a negative EBITDA in the first half of 2022 to an EBITDA margin at the same level as 2021 (6.9%). An improved gross margin, as the negative impact of component shortages (more pronounced in the first half of 2022) was largely resolved in the second half of the year thanks to implemented product redesigns was partly offset by increased investments in R&D and sales and marketing to further strengthen the division's value proposition and accelerate certain growth initiatives.

Increase in segment assets in 2022 are mainly the result of a temporary increase in inventory levels to lower the risk of shortages.

We refer to '[Our results](#)' and '[Risk management and control processes](#)' for more explanation.

2.5. Reconciliation of segment information with group information

In thousands of euro	2022		2021		2020	
External sales						
Healthcare	341,701		261,486		261,856	
At a point in time revenues	337,983	99%	257,466	98%	258,026	99%
Over time revenues	3,718	1%	4,020	2%	3,830	1%
Enterprise	317,250		233,090		216,794	
At a point in time revenues	232,932	73%	161,093	69%	153,435	71%
Over time revenues	84,319	27%	71,996	31%	63,359	29%
Entertainment	399,339		309,712		291,433	
At a point in time revenues	364,830	91%	276,981	89%	255,694	88%
Over time revenues	34,509	9%	32,731	11%	35,739	12%
Total external sales segments	1,058,291		804,288		770,083	
At a point in time revenues	935,745	88%	695,541	86%	667,155	87%
Over time revenues	122,546	12%	108,747	14%	102,928	13%
Net Income						
EBITDA						
Healthcare		38,354		22,399		35,030
Enterprise		60,609		14,645		18,246
Entertainment		27,510		21,465		287
Depreciation and other amortizations						
Healthcare		11,176		11,775		13,362
Enterprise		8,601		9,408		10,033
Entertainment		16,555		17,953		19,989
Adjusted EBIT						
Healthcare		27,179		10,624		21,668
Enterprise		52,009		5,237		8,214
Entertainment		10,955		3,512		-19,702
Total adjusted EBIT		90,143		19,373		10,180

In thousands of euro	2022	2021	2020
Restructuring and impairments	-2,500	-6,420	-14,513
EBIT	87,643	12,953	-4,332
Interest income (expense) - net	843	-1,110	-121
Income/(loss) before taxes	88,486	11,843	-4,453
Income taxes	-15,927	-2,132	-
Result after taxes	72,559	9,711	-4,453
Share in the result of joint ventures and associates	3,337	48	-276
Net income	75,896	9,759	-4,729
Net income attributable to non-controlling interest	677	878	-335
Net Income attributable to the equity holder of the parent	75,219	8,881	-4,393

The total over time revenues relate to project sales mainly in the Enterprise division and to recurring service revenues generated on maintenance contracts.

In thousands of euro	2022	2021	2020
Assets			
Segment assets			
Healthcare	193,103	141,127	127,180
Enterprise	195,912	202,365	137,786
Entertainment	288,556	226,584	285,370
Total segment assets	677,572	570,076	550,336
Deferred tax assets	55,239	64,155	62,811
Short term investments	1,651	2,763	3,175
Cash and cash equivalents	305,915	351,571	235,402
Other non-allocated assets	107,028	115,684	166,479
Total assets	1,147,405	1,104,249	1,018,203

In thousands of euro	2022	2021	2020
Liabilities			
Segment liabilities			
Healthcare	74,717	59,882	49,398
Enterprise	75,144	81,053	53,299
Entertainment	140,825	144,702	117,648
Total segment liabilities	290,687	285,637	220,344
Equity attributable to equityholders of the parent	759,189	693,783	659,309
Non-controlling interest	19,792	41,031	37,798
Long-term debts	32,335	34,366	35,854
Deferred tax liabilities	3,229	3,823	4,745
Current portion of long-term debts	11,217	10,218	9,187
Short-term debts	-	-	86
Other non-allocated liabilities	30,957	35,390	50,880
Total equity and liabilities	1,147,405	1,104,249	1,018,203

2.6. Geographic information

Management monitors sales of the Group based on the regions to which the goods are shipped or the services are rendered in three geographical regions Europe, Americas (North-America and LATAM) and Asia-Pacific (APAC).

We refer to the '[Comments on the group results](#)' for a split of revenue from external customers based on the geographical location of the customers to whom the invoice is issued.

There is no significant (i.e. representing more than 10% of the Group's revenue) concentration of Barco's revenues with one customer.

Sales to Belgium represent 42 million euro of the Group revenues in 2022 versus 21 million euro in 2021 and 23 million in 2020.

Below table gives an overview of the assets per region and the most important capital expenditures in non-current assets per region.

In thousands of euro	2022		2021		2020	
Net sales						
Europe	405,190	38.3%	305,199	37.9%	280,280	36.4%
Americas	435,793	41.2%	300,826	37.4%	296,942	38.6%
Asia-Pacific	217,308	20.5%	198,262	24.7%	192,862	25.0%
Total	1,058,291	100%	804,288	100%	770,083	100%
Total assets						
Europe	515,349	44.9%	557,571	50.5%	455,930	44.8%
Americas	266,778	23.3%	180,303	16.3%	222,214	21.8%
Asia-Pacific	365,277	31.8%	366,375	33.2%	340,059	33.4%
Total	1,147,405	100%	1,104,249	100%	1,018,203	100%
Purchases of tangible and intangible fixed assets (excl. IFRS 16)*						
Europe	10,037	47.3%	8,186	43.6%	7,315	48.8%
Americas	3,763	17.7%	1,223	6.5%	1,441	9.6%
Asia-Pacific	7,418	35.0%	9,379	49.9%	6,224	41.5%
Total	21,218	100%	18,787	100%	14,980	100%

(*) As included in the consolidated statement of cash flow.

3. Income from operations (EBIT)

In thousands of euro	2022	2021	2020
Sales	1,058,291	804,288	770,083
Cost of goods sold	-645,538	-516,803	-486,300
Gross profit	412,753	287,485	283,783
Gross profit as % of sales	39.0%	35.7%	36.9%
Indirect costs	-320,947	-265,437	-265,300
Other operating income (expenses) - net	-1,663	-2,676	-8,302
Adjusted EBIT	90,143	19,373	10,180
Adjusted EBIT as % of sales	8.5%	2.4%	1.3%
Restructuring and impairments	-2,500	-6,420	-14,513
EBIT	87,643	12,953	-4,332
EBIT as % of sales	8.3%	1.6%	-0.6%

Sales for the year increased 32% (24% at constant currencies) to 1,058.3 million euro, close to the pre-pandemic 2019 level. Excluding China, all regions are back to the sales level of 2019. Year-over-year, all divisions delivered a double-digit sales growth, fueled by the steady improvement in the supply chain over the second half of 2022.

The gross profit margin improved with 3.3 percentage points year-on-year to 39%. This recovery close to the pre-pandemic levels was thanks to gross profit actions and fueled by a more favorable product mix most outspoken in the Enterprise division and by a better supply chain situation during the second half of the year.

Adjusted EBIT margin reached 8.5% in 2022, up 6.1 percentage points versus 2021. Both gross margin improvement and operational leverage on the topline growth contributed to these uptakes.

In 2021 topline increased 4.4 % compared to 2020. Although sales were up year-over-year in all divisions, prolonged pandemic induced restrictions and component shortages continued to cause delays in converting orders to sales. Component and transport scarcity caused higher transport and broker costs and restricted production and sales (volume) efficiency, pressuring gross profit margins, down 1.2 percentage points versus 2020. In absolute numbers the higher topline compensated for the lower gross profit margins and was 3.7 million euro higher than 2020.

Indirect costs in 2022 decreased to 30.3 % of sales (2021: 33%). The increase in absolute numbers is caused by high inflation, resumed activity levels and investments post-covid.

In 2021, indirect costs were kept stable versus 2020, a result of extending cost containment measures with selective investments in research and development and commercialization

to defend and extend the Company's market position. The lower level of indirect costs in 2020 and 2021 (-17% below pre covid level) as a result of measures taken to align the activity rate with market realities and customer demand, could not compensate for the margin losses resulting from the lower topline compared to pre covid level, resulting in an adjusted EBIT margin of 2.4 % in 2021 and 1.3% in 2020.

In 2022, EBIT includes restructuring costs as a result of a number of cost down measures across different countries and functions in the Enterprise division, mainly in the business unit Large Video Walls where the profitability keeps lagging. Management intends to conduct a strategic review of this business unit in 2023, focusing on profitable products and markets.

EBIT in 2021 included 6.4 million euro restructuring and impairment costs as a result of the changes in organizational structure and a number of cost down measures across different countries and functions. In 2020 restructuring and impairment costs related to the closure of the Taiwanese Unisee Liquid Crystal Module (LCM) production factory and to reorganizations in the Entertainment and Enterprise divisions caused by the economic impact of the covid-19 pandemic (14.5 million euro).

For more details on adjusting items we refer to note 5 'Restructuring and impairment'.

In thousands of euro	Note	2022	2021	2020
Adjusted EBIT		90,143	19,373	10,180
Depreciations and amortizations	9	36,331	39,136	43,383
EBITDA		126,474	58,509	53,563
EBITDA as % of sales		12.0%	7.3%	7.0%

The increased topline and higher gross profit margins in 2022 resulted in an improvement of the EBITDA margin by 4.7 percentage points, landing at 12% in 2022 (+68 million euro above last year), compared to an EBITDA margin of 7.3% on sales in 2021 and 7% in 2020.

In 2022 depreciations are 2.8 million lower than in 2021, explained by fully amortized software and acquired know-how in 2022.

In thousands of euro	2022		2021		2020	
Product sales	882,052	83%	663,034	83%	639,667	83%
Project sales	73,920	7%	65,487	8%	55,743	7%
Service sales	102,318	10%	75,767	9%	74,673	10%
Sales	1,058,291		804,288		770,083	

Major part of the sales relates to product sales (in 2022: 83%, in 2021: 83%, in 2020: 83%). Project sales remained stable at 7-8% of total sales over the period 2020-2022 and include combined sales from products, installations and services. Most of these project sales have a lifetime of less than one year. The share of service sales in 2022 is 10% of total sales (2021: 9%, 2020: 10%).

We refer to note 2 'Segment Information' and to the chapter '[Our results](#)' for more explanation on sales and income from operations.

Total product and project sales amount to 956.0 million euro in 2022. We refer to the [note on EU taxonomy on p. 59](#) for the Company's EU taxonomy eligible turnover in 2022.

Indirect costs and other operating income (expenses) - net

In thousands of euro		2022	2021	2020
Research and development expenses (a)		-120,493	-101,338	-102,610
Sales and marketing expenses (b)		-142,740	-116,240	-112,329
General and administration expenses (c)		-57,714	-47,858	-50,362
Indirect costs		-320,947	-265,437	-265,300
Other operating income (expenses) - net (d)		-1,663	-2,676	-8,302
Indirect costs and other operating income (expenses) - net		-322,610	-268,112	-273,603

Indirect costs in 2022 decreased to 30.3 % of sales (2021: 33%, 2020: 34.5%). In absolute numbers indirect costs increased, caused by high inflation, increase in headcount as a result of resumed activity levels and investments post-covid.

Indirect costs in 2021 were in line with 2020, a result of extending cost containment measures such as implemented temporary work arrangements and economic unemployment measures for both white and blue collars, while sustaining investments in strategic projects. Both in 2021 and 2020, the negative impact on the company's topline versus pre covid was higher than the reduction in indirect costs via cost measures could compensate for.

(a) Research and development expenses

Research and development activities are spread over the divisions as follows:

In thousands of euro	2022	% of sales	2021	% of sales	2020	% of sales
Total research & development expenses	120,493	11.4%	101,338	12.6%	102,610	13.3%

In 2022 research and development expenses represent 11.4% of sales (12.6% in 2021; 13.3% in 2020). In absolute numbers research and development expenses have increased to 120.5 million euro. In 2020 and 2021, the lower absolute level of research and development expenses were the result of cost containment measures taken as response to the covid crisis. The Company, however, continued investments in its product

roadmap to sustain and extend the Company's technology leadership position.

Only the cost related to research and development is considered material and therefore included in EU taxonomy eligible Opex. We refer to the [note on EU taxonomy on p. 61](#) for the EU taxonomy eligible opex in 2022.

(b) Sales and marketing expenses

In thousands of euro	2022	% of sales	2021	% of sales	2020	% of sales
Sales and marketing expenses	142,740	13.5%	116,240	14.5%	112,329	14.6%

Sales and marketing expenses include all indirect costs related to the sales organization which are not billed as part of a product or service to the customer as well as the costs related to regional or divisional marketing activities. Sales and marketing expenses in 2022 are 13.5% of sales compared to 14.5% in 2021 and 2020. The absolute increase in 2022 is the result of inflation and increase in headcount. Further activity level resumed, e.g. travel, post-covid.

(c) General and administration expenses

In thousands of euro	2022	% of sales	2021	% of sales	2020	% of sales
General and administration expenses	57,714	5.5%	47,858	6.0%	50,362	6.5%

General and administrative expenses in 2022 are at 5.5% of sales, down 1 percentage point versus previous years. In absolute numbers expenses increased with almost 10 million euro, due to the impact of the inflation in Europe and Americas on personnel costs and higher cost of recruitment as a result of higher attrition post-covid and activity levels back to a normal level.

In 2021 and 2020 expenses were lower as a result of the covid-related measures taken.

Steady investments in IT systems over the past years have led to IT costs (including amortizations on SAP ERP system) representing the major part of G&A expenses (2022: 42%, 2021: 47%, 2020: 45%).

(d) Other operating income (expense) – net

In thousands of euro	2022	2021	2020
Share in the result of BarcoCFG (a)	2,764	3,028	3,507
Bad debt provisions (net of write-offs and reversals of write-offs) (b)	-243	448	-1,697
Cost of share-based payments	-1,548	-3,067	-2,907
Exchange gains and losses (net)	-672	-63	-3,109
Other provisions (net of additions and reversals of provisions) (c)	72	-1,059	-4,609
Bank charges	-1,139	-778	-902
Customer financial discounts	-1,230	-571	-628
Gains/(Loss) on disposal of tangible fixed assets	1,670	1,824	14
Other (net)	-1,337	-2,438	2,029
Other operating income (expense)	-1,663	-2,676	-8,302

(a) The 49% share in the net result of BarcoCFG is represented in EBITDA. See note 11. As a result of the remaining pandemic-related effects in China (especially on the cinema businesses), the 2022 results of the Chinese cinema joint-venture are at the lowest point, since the start of the covid-19 global pandemic impact on the cinema business (2020).

(b) A limited extra bad debt provision is set-up (2022: -0.2 million euro; 2021: +0.4 million euro provision reversal), reflecting a lower credit risk of its customers related accounts receivable compared to 2020. The extra provision recorded in 2020 (1.5 million euro) reflected a reduction in the credit quality of specific cinema customers related accounts receivable as a result of the covid-19 global pandemic.

(c) We refer to note 19 'Provisions'.

4. Revenues and expenses by nature

The table below provides information on the major items contributing to the adjusted EBIT, categorized by nature.

In thousands of euro	2022		2021		2020	
Sales	1,058,291		804,288		770,083	
Material cost	-534,317	-50%	-430,858	-54%	-393,761	-51%
Services and other costs	-106,529	-10%	-70,942	-9%	-79,065	-10%
Personnel cost (a)	-289,308	-27%	-241,303	-30%	-235,392	-31%
Depreciation property, plant, equipment and software	-36,331	-3%	-39,136	-5%	-43,383	-6%
Other operating income (expense) - net (note 3)	-1,663	0%	-2,676	0%	-8,302	-1%
Adjusted EBIT	90,143	9%	19,373	2%	10,180	1%

Material costs in 2022 increased with 103 million euro or 24% compared to 2021 which is in line with the increased top line (+32%). Also, in 2022 material costs are impacted by higher component prices due to inflation and supply shortages. As the topline increased stronger than the material cost we see a relative improvement of the gross margin of 4 percentage points compared to last year.

Material costs in 2021 increased as percentage of sales compared to 2020, impacted by higher component prices linked to supply shortages.

Personnel cost in 2022 is 48 million euro higher than 2021, as a result of increased headcount, inflation and higher bonus. As Barco's activity rate is increasing again after covid we saw an increase in the number of full-time equivalents, mainly in the second semester of 2022, and an increase in temporary personnel compared to 2021.

Personnel cost in 2021 was 5.9 million euro higher than 2020, but still 46 million euro lower than pre covid level as a result of temporary measures and executed restructuring lay-offs (see [note 5. Restructuring and impairments](#)) to align costs with lower demand as a result of the impact of the covid-19 pandemic on the Company's markets. The company has implemented temporary work arrangements and economic unemployment measures as of 2020 for both white and blue collars, in conformity with country specific legal frameworks, support mechanisms and regulations.

The increase compared to 2020 can be explained by reduced unemployment measures, lower wage subsidies received and merits (see 'Remuneration report for financial year 2021' in corporate governance chapter).

The company was able to apply for wage grants under the enacted Covid-19 relief legislation in APAC and Canada for 0.2 million euro (2020: 3.4 million euro, then also including Cinionic US).

In 2020 and 2021 these measures also entailed shifts in the planned investment patterns on selected long-term initiatives and a sustained strict discipline on discretionary spending (e.g. travel, marketing spend, consulting,...). The company made deliberate choices on the continuation and timetable of selected development projects and adjusted internal and external support levels in function of the focus shift. This has resulted in 8 million euro (2020: 32.7 million euro) lower services and other costs. These measures are no longer in place in 2022 and explain part of the increase in services and other costs, together with higher inflation and contractors hired to fill temporary gaps as a result of higher recruiting.

a) Personnel cost

In thousands of euro	2022	2021	2020
Wages and salaries	-237,564	-194,851	-189,654
Social security contributions	-27,709	-26,642	-25,494
Pension expense for defined benefit plans	-12,859	-12,554	-13,339
Temporary labour	-4,004	-1,661	-2,388
Recruiting expenses	-2,264	-1,294	-1,552
Other personnel cost	-4,908	-4,301	-2,966
Personnel cost	-289,308	-241,303	-235,392

Personnel cost includes the cost for temporary personnel for an amount of 4 million euro (in 2021: 1.7 million euro, in 2020: 2.4 million euro).

The average number of full time equivalents can be split as follows:

In thousands of euro	2022	2021	2020
Barco NV (parent company)	1,196	1,199	1,282
Other subsidiaries	2,004	1,941	2,237
Total average number of full time equivalents	3,200	3,140	3,519

Average number of employees in 2022 was 3,200 (versus 3,140 in 2021; 3,519 in 2020), including 2,628 white-collars (in 2021: 2,555, in 2020: 2,738) and 572 blue-collars (in 2021: 585, in 2020: 781). The average level of blue-collars in 2022 is impacted by component shortages which resulted in temporary unemployment, mainly in the first half of the year.

Full time equivalents at year end 2022 amount to 3,299 (versus 3,133 end of 2021; 3,317 end of 2020), including 2,724 white collars (2021: 2,568, in 2020: 2,671) and 575 blue collars (in 2021: 565, in 2020: 646).

In 2020, the Company has implemented temporary work arrangements and economic unemployment measures for

both white and blue collars, in conformity with country specific legal frameworks, support mechanisms and regulations. In 2021 temporary measures were extended for a limited period, during the first half year only, in conformity with country specific legal frameworks and more structural measures were taken. As of the second half of 2021, the Company noted an increased number of voluntary leavers, which continued in the first half of 2022. There is a lagging effect on the replacements of those positions, which mainly occurred in the second half of 2022. This explains the higher number of fulltime equivalents at year-end 2022, while the increase in average number of employees is lower and also explains the lower number of fulltime equivalents at year-end 2021, while the personnel costs were still higher than in 2020.

5. Restructuring and impairment costs

The table below shows the restructuring and impairment costs recognized in the income statement.

In thousands of euro	Note	2022	2021	2020
Restructuring (cash)	19	-2,500	-4,920	-7,171
Impairments (non-cash)		-	-1,500	-7,342
Total restructuring and impairments		-2,500	-6,420	-14,513

As a result of scaling down activities, mainly in the business unit Large Video Walls announced at the end of 2022, the Company has recorded 2.5 million euro of restructuring (cash) costs in 2022.

In 2021, as a result of the redesign of the organization, announced in the second semester and a number of cost down measures across different countries and functions, the Company has recorded 4.9 million euro of restructuring (cash) costs. The non-cash costs of 1.5 million euro relate to the remaining fair value of share options of former leadership team members, accounted for the moment they stopped providing services to the Company.

Restructuring cash costs include a provision for severance of 0.5 million euro per 31 December 2021 (see note 19 'Provisions'), paid in 2022. In 2022 1.2 million euro and in 2021 8.2 million euro of restructuring was paid (see the Consolidated statement of cash flow).

Restructuring costs in 2020 relate to the closure of the Taiwanese Unisee LCM production factory and to reorganizations in the Entertainment and Enterprise divisions, caused

by the economic impact of the pandemic on our markets, with the purpose to adjust cost levels to the lower topline but also with the aim to have the right focus and structure in place after the global crisis. All 412 people impacted were informed before the end of 2020. Restructuring cash costs include a provision for severance of 3.7 million euro per 31 December 2020 (see note 19 'Provisions'), paid in 2021. In 2020, 9.5 million euro of restructuring was paid (see the Consolidated statement of cash flow).

As the company decided to move to a more cost competitive and next generation UniSee platform, the industrialization process came to a pivotal moment. After careful evaluation of the options, Barco's management decided to outsource UniSee LCM (Liquid Crystal Module)-production as of the second half of 2020 and to phase out the inhouse UniSee LCM-production activity in its Taiwanese factory in the second half of 2020. All impacted people (232) left the company by the end of 2020. The decision has resulted in mainly non-cash restructuring costs related to the closure of the factory and impairment of the machinery and equipment (see note 9.2 'Tangible fixed assets').

6. Income taxes

In thousands of euro	Note	2022	2021	2020
Current versus deferred income taxes				
Current income taxes		-13,301	-5,333	-6,886
Deferred income taxes	10	-2,626	3,201	6,886
Income taxes		-15,927	-2,132	-
Income taxes versus income before taxes				
EBIT		87,643	12,953	-4,332
Interest income (expense) - net		843	-1,110	-121
Income before taxes		88,486	11,843	-4,453
Income taxes		-15,927	-2,132	-
Effective income tax rate	%	18.0%	18.0%	0.0%
Income before taxes		88,486	11,843	-4,453
Theoretical tax rate	%	25%	25%	25%
Theoretical tax credit/(cost)		-22,122	-2,961	1,113
Innovation income deduction (IID)		6,518	5,224	5,302
Effect of different tax rates in non-Belgian affiliates		-523	546	968
Uncertain tax treatment	(a)	60	280	1,840
Income not taxed				
Other income exempt from tax (mainly government grants)		2,758	1,706	2,141
Non deductible expenses				
Dividends received	(b)	-90	-319	-4,265
Other non-deductible expenses		-1,693	-2,038	-2,042
Tax adjustments related to prior periods		-773	-165	1,029
Deferred tax assets, derecognized in current year	(c)	-420	-9,377	-6,895
Set-up/use of deferred tax assets, not recognized in prior years		357	533	809
Realized capital loss on investment in affiliates	(d)	-	4,439	-
Taxes related to current income before taxes		-15,927	-2,132	-

(a) Tax positions taken in the financial statements and in the tax filings and how these are supported, as well as how the taxation authorities might make their examinations and how issues that might arise from examinations could be resolved, are reviewed. Based on this assessment, a deferred tax liability is determined in line with IFRIC 23. A reversal on the deferred tax liability is taken when the uncertain tax position is no longer in place as a result of an occurred tax examination or expiration of the examination period.

(b) Includes withholding taxes on dividends received and tax impact of intragroup dividends that did not apply for a dividend received exemption regime to their full extent.

(c) Deferred tax assets not recognized on tax losses/credits or tax losses/credits carried forward when assessment shows it is not probable that these tax benefits can be utilized in the near future, in 2021 and 2020 mainly in Barco NV (Belgium). Reference is made to note 10. In 2020, this also related to an impairment on the deferred tax assets set up in relation to tax losses carried forward in Barco Taiwan Technology Ltd., linked to the decision to close the factory and liquidate the legal entity.

(d) Capital loss incurred on the liquidation of Barco Taiwan Technology Ltd. in 2021.

7. Earnings per share

In thousands of euro	2022	2021	2020
Net income/(loss) attributable to the equity holder of the parent	75,219	8,881	-4,393
Weighted average of shares	90,005,918	88,984,041	88,265,478
Basic earnings per share	0.84	0.10	-0.05
Net income/(loss) attributable to the equity holder of the parent	75,219	8,881	-4,393
Weighted average of shares (diluted)	90,486,263	89,185,100	88,693,611
Diluted earnings per share (a)	0.83	0.10	-0.05

(a) The difference between the weighted average of shares and weighted average of shares (diluted) is due to exercisable stock options, which are in the money (which means that the closing rate of the Barco share was higher than the exercise price).

For more detailed information concerning the shares and stock options, we refer to note 16.

8. Goodwill

In thousands of euro	2022	2021	2020
At cost	179,775	179,775	179,775
Impairment	74,163	74,163	74,163
Net book value	105,612	105,612	105,612

There are no changes to goodwill in 2022, 2021 and 2020 and the impairment tests on goodwill in the 3 years did not result in any impairment.

The test was performed on a cash-generating unit level by comparing each unit's carrying value, including goodwill, to its value-in-use.

The value-in-use of each reporting unit was assessed using a discounted cash flow model based on management's revised budget on division level for the year and estimated long-term projections covering a five-year period. Consistently with its yearly impairment test, the Company adjusts the divisional management cash flow projections for future years to more conservative levels in view of the level of uncertainty. In 2020 and 2021, an appropriate level of conservatism was applied, to take into account covid-19 related uncertainty. For 2022 the high level of conservatism is again applied to be consistent with prior year testing. In 2022, 2021 and 2020, the outcome of the impairment tests on goodwill impairment tests performed did not result in any impairment loss.

See below for explanations on the impairment testing performed.

Goodwill by cash-generating unit

On acquisition, goodwill acquired in a business combination is allocated to the cash-generating unit which is expected to benefit from that business combination. These cash-generating units correspond to the division level for Healthcare, Enterprise and Entertainment. Therefore, impairment testing is performed at the level of the cash-generating units as presented below.

The carrying amount of goodwill (after impairment) has been allocated to the cash-generating units as follows:

Cash-generating units in thousands of euro	2022-2020
Healthcare	28,263
Enterprise	41,785
Entertainment	35,564
Total goodwill (net book value)	105,612

The allocation remained the same over 2022, 2021 and 2020. The Group performed its annual impairment test in the fourth quarter of 2022 consistently with prior years.

The Group looks at the relationship between its market capitalization and its book value, amongst other factors, when reviewing the indicators of impairment. At 31 December 2022, the market capitalization of the Group was almost three times the amount of equity of the Group. As such, this general test does not show an indication for impairment.

The annual impairment tests were performed for each cash-generating unit. The recoverable amount for each of the cash-generating units has been determined based on a value-in-use calculation using cash flow projections generated by management covering a five-year period. Due to the level of uncertainty of future years, these financial projections have been adjusted to more conservative levels for the purpose of our impairment testing.

The pre-tax discount rate applied to projected cash flows is 10.1% (2021 and 2020: 8.7%) and cash flows beyond the five-year period are extrapolated using a conservative growth rate of 0% (2021: 0%, 2020: 0%).

The amount by which the unit's recoverable amount exceeds its carrying amount is 151 million euro (142 million euro in 2021) in Healthcare, 130 million euro in Enterprise (97 million euro in 2021) and 106 million euro in Entertainment (42 million euro in 2021).

The increase versus 2021 is the result of recovering markets after covid. The level of conservatism applied in the EBITDA % (average of the last 3 years) is consistent with prior years and include 2 covid impacted years (2020 and 2021). Despite the high level of conservatism applied, all three divisions have substantial headroom.

A sensitivity analysis is performed on all cash-generating units

with respect to the discount rate (see Sensitivity to changes in assumptions – Discount rate). For forward looking statements on sales and EBITDA, we refer to the company report of this annual report.

The assumptions of the annual impairment test are consistent with external sources.

For none of the cash-generating units management identified an impairment loss after the impairment test.

Key assumptions used in value-in-use calculations

The calculation of value-in-use for all cash-generating units is most sensitive to the following assumptions:

- Sales growth rate used during the projection period;
- EBITDA;
- Growth rate used to extrapolate cash flows beyond the budget period;
- Discount rate;

The assumptions are shown in below table:

	Healthcare	Enterprise	Entertainment
Sales growth rate used during the projection period	0.0%	0.0%	0.0%
EBITDA as % of sales	11.2%	11.4%	9.2%
Growth rate estimates	0.0%	0.0%	0.0%
Discount rate	10.1%	10.1%	10.1%

Sales growth rate used during the projection period – Sales growth rate used over the projected period has been kept conservatively at zero percent for all cash-generating units, since even then there is no risk for impairment.

EBITDA as percentage of sales – EBITDA as percentage of sales is based on average percentages over the three years preceding the start of the budget period for all divisions. The EBITDA percentage has been kept conservatively flat over the projected period, except for Entertainment, where as of 2024, the EBITDA percentage has been set back to pre-covid EBITDA level, using the 2019 EBITDA% (9.2%) it is more realistic to take the pre-covid EBITDA level of 2019 (9.2%) as of 2024.

Growth rate estimates – The long-term rate used to extrapolate the projection has been kept conservatively at zero % for all cash-generating units.

Discount rate – Discount rate reflects the current market assessment of the risks specific to Barco Group. The discount rate was estimated based on a (long-term) pre-tax cost of capital, the risks being implicit in the cash flows. It was determined on group level.

Sensitivity to changes in assumptions

Per 31 December 2022, only a change in EBITDA margin could result in impairment losses. The implications of the key assumptions for the recoverable amount are discussed below:

EBITDA percentage on sales – Management has considered the possibility of lower than projected EBITDA percentages on sales.

For Healthcare, Enterprise and Entertainment a reduction of the EBITDA percentage in the last year of the projected period of respectively more than 7%, 7% and 4% would result in an impairment.

Discount rates – Management has considered the possibility of a significant higher weighted average cost to test the sensitivity. For none of the cash-generating units this leads to an impairment.

Growth rate estimate (beyond the projection period) – For all divisions, no reasonable possible change in the growth rate, used to extrapolate beyond the projection period, would result in an impairment.

9. Other intangible and tangible fixed assets

9.1 Other intangible assets

In thousands of euro						2022	2021	2020
	Software	Customer Relations	Know-how	Other Intangible Assets	Other Intangible assets under construction	Total	Total	Total
At cost								
On 1 January	63,761	15,124	47,786	9,907	-	136,578	134,608	157,250
Expenditure	489	-	1,733	-	1,614	3,836	1,230	1,951
Sales and disposals	-404	-5,453	-9,535	-4,702	-	-20,094	-3,312	-8,064
Acquisition of subsidiaries	-	-	7,607	-	-	7,607	-	-
Transfers	1,552	-	-	-	-1,552	-	-	-
Translation (losses)/gains	600	147	-23	-5	-	719	4,052	-16,529
On 31 December	65,998	9,818	47,569	5,200	62	128,646	136,578	134,608
Amortizations and impairment								
On 1 January	48,709	15,124	45,702	9,616	-	119,151	105,655	112,781
Amortization	6,375	-	3,602	59	-	10,037	13,095	13,388
Impairment	-	-	-	-	-	-	-	3,500
Sales and disposals	-404	-5,453	-9,535	-4,702	-	-20,094	-3,312	-7,953
Translation (losses)/gains	23	147	159	-27	-	302	3,713	-16,061
On 31 December	54,703	9,818	39,928	4,946	-	109,396	119,151	105,655
Carrying amount								
On 1 January	15,053	-	2,084	290	-	17,427	28,952	44,469
On 31 December	11,296	-	7,640	253	62	19,251	17,427	28,952

As a result of the Gnosco acquisition know-how for an amount of 7.6 million euro was acquired, which is amortized over 5 years. We refer to note 1.3 for more explanation on the net assets acquired.

Barco's intangibles mainly include SAP ERP software and remaining book value of acquired know-how.

In 2022, capital expenditures for intangible assets amount to 2.1 million euro (2021: 1.2 million euro, 2020: 2 million euro). Expenditures in 2022 and 2021 mainly related to new customer relationship management (CRM) software. Expenditures in 2020 were mainly related to SAP ERP software licenses.

Disposals in 2022 and 2021 relate to fully amortized IT software which is no longer used.

In 2020 the impairment test on acquired intangibles resulted in an impairment of 3.5 million euro on the acquired know-how for caresyntax.

The impairment cost is included in research and development expenses in 2020.

The group performed its annual impairment review on acquired intangibles in the fourth quarter of 2022 consistently with prior years. Special attention was paid to the potential impacts of the macroeconomic environment. The test concluded no impairments.

Barco does not hold intangible assets with indefinite lifetime.

9.2. Tangible fixed assets

In thousands of euro							2022	2021	2020
	Land and buildings	Plant, machinery and equipment	Furniture, office equipment and vehicles	Other property, plant and equipment	Assets under construction	Total Other tangible assets	Total	Total	Total
At cost									
On 1 January	138,155	87,564	42,217	12,586	3,794	146,162	284,317	267,104	276,862
Expenditure*	7,637	5,239	6,429	1,099	9,616	22,383	30,020	27,040	26,513
Sales and disposals	-14,739	-6,790	-4,822	-1,683	-	-13,295	-28,034	-16,614	-29,847
Transfers	1,269	2,533	345	1,936	-6,082	-1,269	-	-	-
Translation (losses)/gains	227	-981	-83	-124	-90	-1,277	-1,050	6,786	-6,423
On 31 December	132,549	87,566	44,086	13,813	7,238	152,704	285,253	284,317	267,104
Depreciation and impairment									
On 1 January	59,553	57,850	30,187	9,840	-	97,877	157,430	143,630	141,393
Depreciation	11,242	7,845	6,139	1,068	-	15,052	26,294	26,041	26,495
Impairment	-	-	-	-	-	-	-	-	5,757
Sales and disposals	-8,135	-6,731	-4,589	-1,683	-	-13,002	-21,137	-15,787	-26,346
Transfers	-	22	28	-50	-	-	-	-	-
Translation (losses)/gains	212	-234	-75	-94	-	-403	-191	3,546	-3,669
On 31 December	62,872	58,751	31,690	9,082	-	99,523	162,396	157,430	143,630
Carrying amount									
On 1 January	78,602	29,714	12,031	2,746	3,794	48,285	126,887	123,474	135,469
On 31 December	69,677	28,815	12,396	4,731	7,238	53,181	122,856	126,886	123,473

(*) Expenditures also include the additions for IFRS16.

Capital expenditures for tangible assets in 2022, excluding the impact of IFRS16, amount to 19 million euro. Major investments in 2022 concern the purchase of land for the new factory in China, Wuxi (4 million euro) and renewal of demo experience centers (2 million euro). In 2021, major capex concerned the new factory in China, Suzhou, both facility and production related (2021: 8 million euro; 2020: 3.3 million euro). Other facility related capex in 2020 relate to the software lab in Noida (1.9 million euro) and heating, ventilation and airco investments in the Kortrijk and Duluth facilities (1.1 million euro).

In addition, capital expenditures include machinery and tooling linked to new product development projects (2022: 2 million euro; 2021: 2.5 million euro; 2020: 3.6 million euro), IT hardware equipment (2022: 2.5 million euro; 2021: 2.4 million euro; 2020: 1.6 million euro) and leasing agreements with cinema customers (2022: 3 million euro).

The main tangible fixed assets on the balance sheet, realized in the period 2015 – 2019, relates to the headquarters of Barco and the extended operations facility for 50 million euro. The net book value per 31 December 2022 amounts to 29.5 million euro.

The total amount of capital expenditure for tangible assets in 2022 equals the EU taxonomy eligible CapEx as the total amount of CapEX relates solely to assets or processes associated with Barco economic activities defined in section "Taxonomy-eligible economic activity - Turnover".

We refer to the [note on EU taxonomy on p. 60](#).

Disposals in 2022 mainly relate to the sale of the building in Norway, which had a net book value of 4.3 million euro. The other disposals relate to old machinery & equipment and furniture, which are no longer in use and fully written down.

Disposals in 2021 mainly relate to old machinery & equipment and furniture, which are no longer in use and fully written down, and the sale of part of the land and building in Karlsruhe.

Disposals in 2020 mainly relate to the closure of the Taiwan factory, together with old machinery. The closure of the Taiwanese Unisee LCM-production factory in the second half of 2020 resulted in an impairment of 5.8 million euro mainly related to the machinery and equipment (see note 5 'Restructuring and impairments'). The closure was linked to the decision to outsource the Unisee LCM panels.

The Company considered the potential impact of macroeconomic impacts on the utilization levels of its factories and potential impairment of its machinery and equipment. The analysis did not conclude an impairment. See 'Critical accounting judgements and key sources of estimation uncertainty' for more explanation on the impact of the macroeconomic environment on Barco's operations.

Leases

This note provides more information for leases where the Group is a lessee.

The balance sheet shows the following amounts relating to leases:

In thousands of euro	2022			2021	2020
	Buildings	Vehicles	Total	Total	Total
On 1 January	37,534	9,387	46,922	39,013	37,965
New leases or extensions of current leases	7,599	3,387	10,986	10,702	11,000
Termination of leases	-4,892	-1,695	-6,586	-4,403	-8,290
Translation (losses)/gains	-78	-40	-117	1,611	-1,663
On 31 December	40,164	11,041	51,205	46,922	39,013
Depreciation and impairment					
On 1 January	-16,680	-4,439	-21,119	-14,415	-9,948
Depreciation	-6,936	-2,604	-9,539	-10,023	-10,334
Termination of leases	2,608	1,533	4,141	3,956	5,372
Translation (losses)/gains	123	23	146	-636	495
On 31 December	-20,884	-5,487	-26,371	-21,119	-14,415
Right-of-use assets					
On 1 January	20,855	4,949	25,803	24,598	28,017
On 31 December	19,280	5,554	24,834	25,803	24,598

Additions to the right-of-use assets during 2022 were 11 million euro (2021: 10.7 million euro; 2020: 11 million euro) split over leased buildings (2022: 7.6 million euro; 2021: 9 million euro) and leased vehicles (2022: 3.4 million euro; 2021: 1.7 million euro). The additions are both renewals of existing lease agreements as well as new lease agreements in US, Sweden and South Korea over a lease period of respectively 2 years, 3 years and 5 years.

We refer to note 14 for more information on the lease liabilities.

The statement of profit or loss shows the following amounts relating to leases:

In thousands of euro	31 DEC 2022	31 DEC 2021	31 DEC 2020
Buildings	-6,936	-7,591	-7,944
Vehicles	-2,604	-2,433	-2,390
Total depreciation charge of right-of-use assets	-9,539	-10,023	-10,334
Interest expense (included in finance cost)	-1,072	-1,066	-1,000
Expense relating to short-term leases	0	-17	-41
Expense relating to leases of low-value assets that are not shown above as short-term leases	-19	-24	-26

The total cash outflow for leases in 2022 was 9.2 million euro
(2021: 9.7 million euro; 2020: 10.8 million euro).

10. Deferred tax assets – deferred tax liabilities

The deferred tax asset and liability balance comprises temporary differences attributable to:

In thousands of euro	Assets			Liabilities			Net asset/(liability)		
	2022	2021	2020	2022	2021	2020	2022	2021	2020
Tax value of tax credits	17,920	26,586	13,616	-	-	-	17,920	26,586	13,616
Tax value of loss carry forwards	13,721	10,201	22,854	-	-	-	13,721	10,201	22,854
Deferred revenue	10,227	9,961	5,082	-	-	-442	10,227	9,961	4,640
Inventory	8,837	8,573	9,133	-211	-34	-	8,626	8,539	9,133
Provisions	6,062	8,477	12,197	122	-32	-142	6,184	8,445	12,054
Tangible fixed assets and software	1,580	2,031	1,734	-363	-678	-925	1,217	1,353	809
Employee benefits	1,333	1,024	843	258	88	-525	1,591	1,112	318
Trade debtors	416	362	407	-	-	-	416	362	407
Other investments	54	319	797	-	-	-	54	319	797
Capitalized development cost	6	-	-	-	-	-	6	-	-
Uncertain tax positions (IFRIC 23)	-	-	-	-3,060	-3,120	-3,400	-3,060	-3,120	-3,400
Patents, licenses, ...	-	-	-	-5,704	-3,792	-3,688	-5,704	-3,792	-3,688
Other items	852	435	589	-40	-68	-64	812	367	525
Gross tax assets/(liabilities)	61,008	67,969	67,253	-8,998	-7,636	-9,187	52,010	60,333	58,066
Offset of tax	-5,769	-3,814	-4,441	5,769	3,814	4,441	-	-	-
Net tax assets/(liabilities)	55,239	64,155	62,811	-3,229	-3,822	-4,745	52,010	60,333	58,066

Movements in the deferred tax assets / (liabilities) arise from the following:

In thousands of euro	As at 1 January 2022	Recognized through income statement	Recognized through OCI	Acquisitions	Exchange gains and losses	As at 31 December 2022
Tax value of tax credits	26,586	-8,687	-	-	21	17,920
Tax value of loss carry forwards	10,201	3,504	-	-	16	13,721
Deferred revenue	9,961	-328	-	-	594	10,227
Inventory	8,539	-163	-	-	250	8,626
Provisions	8,445	2,483	-4,599	-	-146	6,184
Employee benefits	1,112	478	-	-	1	1,591
Tangible fixed assets and software	1,353	-104	-	-	-32	1,217
Trade debtors	362	40	-	-	14	416
Other investments	319	-285	-	-	20	54
Capitalized development cost	-	6	-	-	-	6
Uncertain tax positions (IFRIC 23)	-3,120	60	-	-	-	-3,060
Patents, licenses, ...	-3,792	-56	-	-1,494	-362	-5,704
Other items	367	425	-	-	20	812
Net deferred tax	60,333	-2,626	-4,599	-1,494	396	52,010

Net deferred tax assets recognized primarily relate to the tax value of loss carry forwards (13.7 million euro), dividends received exemption (3.0 million euro), intellectual property regimes (13.5 million Euro) and other tax credits carried forward (1.4 million euro) primarily relate to Belgium. On top of these items for which a net deferred tax is recognized, the Group owns tax losses carried forward amounting to 70.3 million euro as of 31 December 2022 (80 million euro in 2021) for which a valuation allowance has been recorded (resulting in a valuation allowance of 18.3 million euro (20.8 million euro in 2021) on deferred tax assets recognized in relation to tax losses carried forward). A valuation allowance is recorded on these items because it is not probable that tax assets will be utilized within their statute of limitations or that taxable profit will be available in the near future against which the benefits

can be utilized. The tax losses carried forward for which an allowance has been recorded have no expiration date.

In assessing the realization of deferred tax assets, management considers whether it is probable that some portion or all of the deferred tax assets will be realized within the foreseeable future. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profit during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable profit and foreseeable tax events in making this assessment. In 2020 and 2021, the covid-19 impact on future taxable profit was factored in in the realization assessment. A time period of 5 years is considered. In order to fully realize the deferred tax asset, the Group will

need to generate future taxable profit in the countries where the net operating losses and other items carried forward were incurred. Based upon the level of historical taxable income and projections for future taxable profit over the periods in which the deferred tax assets are deductible, management believes it is probable that the Group will be able to utilize these deferred tax assets.

Barco has not recognized income taxes on undistributed earnings of its subsidiaries which will not be distributed in the foreseeable future. The cumulative amount of undistributed earnings (irrespective of tax treatment exemptions) on which the Group has not recognized income taxes was approximately 488 million euro per December 31, 2022 (2021: 504 million euro, 2020: 478 million euro).

11. Investments and interest in associates

In thousands of euro		2022	2021	2020
Investments (a)		37,645	47,135	87,228
Interest in associates (b)		27,167	20,872	19,713
Investments and interest in associates		64,811	68,008	106,942

Investments include entities in which Barco owns less than 20% of the shares. These are accounted for as fair value through profit and loss or other comprehensive income instruments, as determined at moment of initial recognition, which implies that the Group measures these investments on a fair value

basis with differences in fair value reflected in profit and loss or other comprehensive income.

Interest in associates represents entities in which Barco owns between 20% and 50% of the shares.

(a) Investments

In thousands of euro	2022	2021	2020
Opening net assets 1 January	47,135	87,228	23,215
Additions	14,893	-	52,273
Divestments	-4,384	-54,993	-
Other comprehensive income	-23,004	9,945	18,331
Translation gains/(losses)	3,003	4,955	-6,591
Closing net assets 31 December	37,645	47,135	87,228

The investments are measured at market price. For investments that are publicly quoted in an active market, the quoted market price is the best measure of fair value (level 1). The remeasurement at fair value per 31 December 2022 versus the carrying amount, resulted in an unrealized loss of -23 million euro, reflected in other comprehensive income. The loss is caused by a general decrease of the global stock markets in 2022 compared to 2021. Further, a new minority stake, below regulatory threshold levels, was taken (14.9 million euro cash-out impact) and a minority stake was sold, resulting in 4 million

euro cash-in in 2022, both reflected in the line 'other investing activities' in the cash flow statement, and 0.7 million euro gain realized since the moment of acquisition, over the periods until divestment reflected in other comprehensive income reserve.

The decrease in investments from 2020 to 2021 is related to a sold minority stake, below regulatory threshold levels. The sale resulted in 55 million euro cash-in in 2021, reflected in the line 'other investing activities' in the cash flow statement and 25.2 million euro gain realized since the moment of acquisition,

which was over the periods until divestment reflected in other comprehensive income reserve. The remeasurement at fair value per 31 December 2021 versus the carrying amount amounted to 9.9 million euro and is reflected in other comprehensive income (2020: 18.3 million euro).

(b) Interest in associates

Interest in associates, in 2022 - 2020, reflects the equity investment in BarcoCFG and CCO Barco Airport Venture.

The Group's share of the assets and liabilities as at 31 December 2022 and 2021 and income and expenses of the joint ventures and associates for the year ended 31 December 2022 and 2021, which are accounted for using the equity method:

Summarized balance sheet

In thousands of euro	Barco CFG 31 DEC 22	CCO 31 DEC 22	Total 31 DEC 22	Barco CFG 31 DEC 21	CCO 31 DEC 21	Total 31 DEC 21
Cash and cash equivalents	12,185	30,467	42,652	38,822	21,355	60,177
Other current assets	58,842	11,785	70,627	45,535	9,303	54,838
Total current assets	71,027	42,252	113,279	84,356	30,659	115,015
Non-current assets	7,050	9,437	16,487	8,962	8,257	17,219
Other current liabilities	50,070	13,279	63,349	70,225	11,610	81,835
Total current liabilities	50,070	13,279	63,349	70,225	11,610	81,835
Other non-current liabilities	-	-	-	-	1	1
Total non-current liabilities	-	-	-	-	1	1
Net assets	28,007	38,409	66,416	23,093	27,305	50,398

Reconciliation to carrying amounts

Opening net assets 1 January	23,093	27,305	50,398	22,324	25,070	47,394
Profit/(loss) for the period	5,641	9,534	15,176	6,180	137	6,316
Other comprehensive income (CTA)	-728	1,570	842	2,466	2,098	4,564
Dividends paid	-	-	-	-7,876	-	-7,876
Closing net assets	28,007	38,409	66,416	23,093	27,305	50,398

Group's share in %	49%	35%	-	49%	35%	-
Group's share	13,723	13,443	27,167	11,316	9,557	20,872
Carrying amount	13,723	13,443	27,167	11,316	9,557	20,872

Summarized statement of comprehensive income

In thousands of euro	Barco CFG 31 DEC 22	CCO 31 DEC 22	Total 31 DEC 22	Barco CFG 31 DEC 21	CCO 31 DEC 21	Total 31 DEC 21
Profit/(loss) for the period	5,641	9,534	15,176	6,180	137	6,316
Other comprehensive income (CTA)	-728	1,570	842	2,466	2,098	4,564
Total comprehensive income	4,913	11,105	16,018	8,646	2,234	10,880
Group's share in %	49%	35%	-	49%	35%	-
Group's share in profit/(loss) for the period	2,764	3,337	6,101	3,028	48	3,076
Share in the result of joint ventures and associates	-	3,337	3,337	-	48	48
Included in other operating income 3(d)	2,764	-	2,764	3,028	-	3,028

The Group has no contingent liabilities or capital commitments in relation to its associates as at 31 December 2022, 2021 and 2020.

For all equity accounted investments, the parent's or other investor's consent is required to distribute its profits; which is not decided at the reporting date. The equity accounted investments did not recognize items in other comprehensive income.

12. Inventory

In thousands of euro	2022	2021	2020
Raw materials and consumables	120,610	90,139	68,053
Work in progress	79,993	64,384	57,972
Finished goods	123,930	92,931	122,408
Write-off on inventories	-78,819	-71,957	-73,043
Inventory	245,714	175,496	175,390
Inventory turns	2.1	2.4	2.3

Increase in inventory (+ 40%) compared to 2021 is linked to the higher sales volume (+ 31.6%) and increase in component prices (14%). Further due to the component shortages, safety buffers were stocked for a number of scarce components and additional component purchases were made in expectation of upcoming price increases. Finished goods are higher than usual, mainly in cinema and diagnostic imaging, a result of capacity ramp-up after component shortages and will be reduced when delivering out of the high orderbook. As a result turns remain low at 2.1.

In 2021, as a result of the higher sales volume in the fourth quarter (+29% yoy), finished goods inventory has decreased significantly compared to 2020, which was offset by increased raw materials inventory, caused by the emerging supply constraints in the second semester. The supply scarcity has

resulted in an acceleration of the Company's raw material purchases and higher raw material prices (see note 18). Total inventory and inventory turns remained stable compared to last year.

Inventory levels in the company vary depending on the operating segment within Barco. Operating segments selling more hardware products compared to software or project sales generally have higher inventory levels.

The two divisions that were impacted the most by the supply constraints, Entertainment and Healthcare show the highest increase in raw materials. For Entertainment, finished goods increased mainly due to recovery of the market, price increases (12%), but also partly due to lagging demand from China customers as a result of covid lockdowns.

Increase in inventory in Enterprise is linked to higher sales, turns remained stable.

In 2021, raw materials inventory increased in all three divisions as a result of accelerated purchases in view of component shortages. In Entertainment and Enterprise the increase in raw materials inventory was offset by a higher decrease in finished goods inventory, thanks to higher fourth quarter sales than in 2020. In Healthcare raw material inventory has increased more than in the other divisions, as, next to the impact of component shortages, the Company has purchased raw materials upfront under the form of a last-time-buy order for components for which the supplier decided to stop the production.

We refer to chapter 'Critical accounting judgements and key sources of estimation uncertainty' for more explanation on the impact of the macroeconomic environment

Inventories are stated at the lower of cost or net realizable value. The calculation of the allowance for slow-moving inventory is based on consistently applied write-off rules, which depend on both historical and future demand.

In 2022 write-offs recognized as expense remained stable at 0.7% of sales compared to 2021.

In 2020, write-offs were impacted by the covid-19 pandemic and resulted in higher write-offs recognized as expense (11.6 million euro, 1.5% of sales).

13. Amounts receivable and other non-current assets

In thousands of euro	2022	2021	2020
Trade debtors - gross	197,493	160,930	150,452
Trade debtors - bad debt reserve (a)	-2,850	-3,954	-4,314
Trade debtors - net (b)	194,643	156,977	146,138
V.A.T. Receivable	5,911	6,418	5,358
Taxes receivable	3,491	6,083	5,744
Interest receivable	1	4	24
Currency rate swap (note 20)	2,537	1,055	5,345
Other	2,569	2,650	1,319
Other amounts receivable	14,509	16,211	17,789
Other non-current assets (c)	5,819	6,849	5,870
Number of days sales outstanding (DSO)	54	56	67

Per 31 December 2022, the number of days sales outstanding decreased to 54 days (56 days in 2021 and 67 in 2020) and are back at pre-covid levels.

The higher number of days sales outstanding in 2020 was the result of higher overdue, mainly from cinema customers, caused by the covid-19 global impact on the cinema markets.

For the year ended December 31, 2022, the Company set up a limited extra provision for current expected credit losses (2022: -0.2 million euro; 2021: + 0.4 million euro profit) reflecting a

lower credit risk of its customers related accounts receivable compared to 2020. The extra provision recorded in 2020 (1.5 million euro) reflected a reduction in the credit quality of specific cinema customers related accounts receivable as a result of the covid-19 global pandemic.

The bad debt reserve in proportion to the gross amount of trade debtors decreased to 1.5% (2020: 2.5%, 2020: 2.9%).

(a) Movement in bad debt reserve:

In thousands of euro	2022	2021	2020
On 1 January	-3,954	-4,314	-2,874
Additional provisions	-1,191	-797	-2,341
Amounts used	1,234	444	100
Amounts unused	1,156	833	645
Translation (losses) / gains	-93	-120	156
On 31 December	-2,850	-3,954	-4,314

(b) At 31 December 2022 the ageing analysis of trade debtors is as follows:

In thousands of euro	2022	2021	2020
Not due	171,431	138,188	111,020
Overdue less than 30 days	12,699	10,377	12,282
Overdue between 30 and 90 days	9,176	6,620	6,246
Overdue between 90 days and 180 days	2,869	1,746	12,899
Overdue more than 180 days	1,318	4,000	8,005
Total gross	197,493	160,930	150,452
Bad debt reserve	-2,850	-3,954	-4,314
Total	194,643	156,977	146,138

In 2022, total overdue trade receivables amount to 26.1 million euro (2021: 22.7 million euro, 2020: 39.4 million euro), resulting in 7 days overdue DSO (2021: 9 days, 2020: 19 days), which is even better than pre-covid levels.

The increase in overdue amounts and long outstanding overdues in 2020 was mainly from the Company's cinema customers. The Company was able to reach extended payment plans, which were honored by the major part of its customers in 2021, resulting in a decrease of the Company's overdues from 19 days in 2020 to 9 days in 2021.

The Company has a credit insurance in place for specific higher risk cinema contracts and for cinema customers with long payment terms. During 2021 and 2022, the Company did not need to exercise its rights under the insurance as the customers, for which the credit insurance is in place, paid timely.

The bad debt reserve in 2022 covers more than double of the trade receivables overdue more than 180 days (2021: 99%, 2020: 54%). Pre covid level was around 140%. In 2020, the Company has taken into account the credit insurance in place, payment plans being honored and revenue recognition, when assessing the potential credit risk and the need for recording a bad debt reserve on expected credit losses, which explains the bad debt reserve in 2020 amounting to 54% of the trade receivables overdue more than 180 days.

(c) Other non-current assets

The other non-current assets include mainly cash guarantees for an amount of 2.7 million euro (2021: 5.6 million euro, 2020: 5 million euro) and 1.6 million euro other long term receivable related to a subleased building in America.

14. Net financial cash/debt

In thousands of euro		2022	2021	2020
Short term investments	(a)	1,651	2,763	3,175
Deposits	(a)	151,491	197,039	79,911
Cash at bank	(b)	154,342	154,453	155,426
Cash in hand		82	79	65
Cash and cash equivalents		305,915	351,571	235,402
Long-term financial receivables				
Long-term debts	(c)	-32,335	-34,366	-35,854
Current portion of long-term debts	(c)	-11,217	-10,218	-9,187
Short-term debts	(d)	-	-	-86
Net financial cash / (debt)		264,014	309,750	193,450

At the end of December 2022, Barco's net cash position reaches 264 million euro, 45.8 million euro lower compared to last year (2021: 309.8 million euro, 2020: 193.5 million euro), a result of the limited positive free cash flow (13 million euro), a number of minority investments, the increase of Barco's share in Cinionic from 55% to 80% and the acquired share in Gnosco AB (-42 million euro), dividends paid out (-21 million euro) and use of own shares for stock options (8 million euro). We refer to the supplementary statements, note 16 and note 11 for more explanation.

Of the total net financial cash, 306 million euro is cash on the balance sheet. Additional financial flexibility is provided with 82.5 million euro of unused bilateral committed credit facilities with a selected group of commercial banks. In addition to significant liquidity, Barco has a well-balanced debt profile

with debt limited to 43.5 million euro of which 11 million euro near-term maturities.

The net financial cash at the end of 2021 amounts to 309.8 million euro, 116 million euro higher compared to end 2020, a result of the positive free cash flow (78 million euro), sold investments (55 million euro), dividends paid out (-21 million euro), share buy back program (-11 million euro) and use of own shares for stock options (8 million euro). We refer to the supplementary statements, note 16 and note 11 for more explanation.

(a) Short term investments and deposits:

Short term investments are convertible to known amounts of cash between three and twelve months from inception. Deposits are short term (between zero and three months), highly liquid investments, which are readily convertible to known amounts of cash.

The short term investments and deposits do not carry a material risk of change in valuation.

At closing date, all short term investments and deposits include:

In thousands of euro	2022	Average interest rate	2021	Average interest rate	2020	Average interest rate
Deposits in USD	120,908	4.22%	141,324	0.09%	71,839	0.70%
Deposits in EUR	19,000	1.25%	-	-	-	-
Deposits in HKD	9,379	5.24%	45,057	0.27%	-	-
Deposits in INR	1,549	5.97%	2,763	4.10%	3,175	3.61%
Deposits in CNY	-	-	9,368	2.11%	6,232	1.88%
Deposits in other currencies	2,307	-	1,291	-	1,839	-
Total short term investments and deposits	153,142		199,802		83,086	

Cash in Hong Kong was used for the repayment of the minority shareholders in Cinionic (see note 17) and the purchase of other investments below regulatory threshold levels, explaining the decrease in foreign currency deposits in HKD in 2022 compared to 2021.

The larger deposit amounts in USD and HKD in 2021 are held in the according home currency of the entities or hedged, avoiding FX impact in the profit & loss, and optimizing yield (by avoiding negative yields in EUR).

(b) Cash at bank:

Cash at bank is immediately available. It is denominated in the following currencies:

	2022	2021	2020
EUR	41.7%	54.4%	34.7%
HKD	7.1%	3.9%	28.8%
CNY	15.8%	8.5%	15.3%
USD	21.2%	19.2%	8.6%
Others	14.2%	14.1%	12.5%

(c) Long-term financial debts:

The below table gives an overview of the long-term financial debts including the current portion of long-term financial debts, per type of interest rate:

Type of interest rate	Maturity	31 December 2022	31 December 2021	31 December 2020
Real estate financing				
Variable, swapped into fixed (EU)	Later than 2025	8,288	9,563	10,838
Variable (EU)	Later than 2025	7,713	8,438	9,163
Leasing (IFRS 16)		27,458	26,482	24,929
Other		94	103	113
Total long-term financial debts		43,552	44,585	45,042

Barco NV signed a number of bilateral committed credit facilities totaling 28 million euro, for the financing of Barco's headquarters campus project. Drawings have a long-term tenor of 15 years following the end of the availability period (as of the end of 2015). An amount of 16 million euro is outstanding per 31.12.2022. These commitments carry either a variable interest rate or have been swapped via derivatives into fixed rate character.

Barco is meeting all requirements of the loan covenants on its available credit facilities.

The below table summarizes the long-term financial debts, including the current portion of long-term financial debts, per currency:

	2022	2021	2020
EUR	28,213	28,078	31,348
USD	3,829	4,584	4,098
INR	5,154	3,446	4,162
Other	6,356	8,477	5,434
Total	43,552	44,585	45,042

The long-term debts, including interests due, and excluding the current portion of the long-term debts, are payable as follows:

Per 31 December 2022		Per 31 December 2021		Per 31 December 2020	
Payable in 2024	9,784	Payable in 2023	10,128	Payable in 2022	9,883
Payable in 2025	8,081	Payable in 2024	7,724	Payable in 2023	7,034
Payable in 2026	5,559	Payable in 2025	5,883	Payable in 2024	6,214
Payable in 2027	3,535	Payable in 2026	3,799	Payable in 2025	5,083
Later	7,667	Later	9,679	Later	13,168
Total long-term debts	34,625	Total long-term debts	37,212	Total long-term debts	41,381

The lease liabilities per 31 December are as follows:

In thousands of euro	2022	2021	2020
On 1 January	26,482	24,929	28,259
New leases or extensions of current leases	10,991	10,702	11,000
Payments or termination of leases	-10,060	-10,159	-13,132
Translation (losses)/gains	45	1,011	-1,199
Total lease liabilities on 31 December	27,458	26,482	24,929
Current	9,217	8,218	7,187
Non-current	18,241	18,264	17,742

15. Other long-term liabilities

In thousands of euro	2022	2021	2020
Other amounts payable (a)	2,312	350	75
Accrued charges	884	-	3,058
Deferred Income (b)	41,328	48,510	40,016
Prepayment customers LT	-	-	138
Other long-term liabilities	44,524	48,860	43,286

(a) Barco signed a joint venture agreement with the Swedish company Gnosco, AB on July 1st, 2022. Barco acquired 70% of the shares in Gnosco AB for 4 million euros. Further, a financial liability was recognized related to puttable non-controlling interests for an amount of 2 million euros.

The terms do not grant the Group any current ownership interest in the shares to which the put option relates. The fair value of the put option is the present value of the estimated redemption amount.

The liability will subsequently be adjusted in the income statement for changes in value, including the effect of unwinding the discount and other changes in the estimated redemption amount due to changes in management's assumptions.

(b) Deferred income which will be recognized in revenue over a longer period than one year, is shown in other long-term liabilities. It concerns mainly maintenance contracts sold in the Entertainment division which cover a long-term period. The contracts start at the end of the two years standard warranty period. The decrease in deferred income in 2022 is caused by the lower installation rate during covid and the replacement wave for Cinema starting up, meaning the extended warranty period has not always started yet.

16. Equity attributable to equity holders of the parent

In thousands of euro	2022	2021	2020
Share capital	56,752	56,296	55,879
Share premium	176,919	161,091	147,003
Share-based payments	20,215	18,667	14,100
Acquired own shares	-25,443	-31,435	-26,962
Retained earnings	558,777	527,783	535,093
Cumulative translation adjustment	-28,350	-37,906	-64,693
Derivatives	319	-713	-1,111
Equity attributable to equity holders of the parent	759,189	693,783	659,309

1. Share capital, share premium and own shares

The shareholders had in 2022 the option to elect for a dividend in cash or a dividend in shares. The option to reinvest the gross dividend over 2021 has resulted in a share premium increase of 14,173 (000) euro and an increase of the statutory capital of 456 (000) euro.

As a result, the company's share capital amounts to 56.7 million euro on 31 December 2022, consisting of 92,916,645 fully paid shares.

In the Extraordinary General Meeting of 25 April 2019, Barco's shareholders authorized a share buyback. A first share buyback program for a period of 6 months, starting on 20 September, 2021 was announced on 16 September, 2021.

Barco acquired 600,000 own shares for a total amount of 11,186 (000) euro in 2021.

Further, Barco sold in total 574,760 own shares in 2022 upon the exercise of 574,760 stock options with a resulting decrease

of the own shares of 5,992 ('000) euro and an increase in the share premium account of 1,655('000) euro.

The number of own shares acquired by Barco NV up to 31 December 2022 therefore decreased to 2,457,922 own shares (2021: 3,032,682; 2020: 3,160,032 own shares). The total value of the share-based payments amount to 20.2 million euro at the end of 2022.

As a result of the share dividend and exercised stock-options the company's share premium account per 31 December 2022 amounts to 177 million euro.

2. Share-based payments

On 8 December 2022, 2 new option plans have been approved by the Board of Directors, through which maximum 575,000 stock options could be granted before 31 December 2022. Each stock option gives right to the acquisition of one (1) share. In 2022, 322,833 stock options have been granted to and accepted by employees and management of the group

based upon these option plans. On 31 December 2022, no options remained available for distribution under the 2022 stock option schemes.

Stock option plans

The total number of outstanding stock options on 31 December 2022 amounted to 2,401,900. The company's own shares will be used under the outstanding stock option plan to fulfill the commitment. During 2022, 574,760 stock options have been exercised (in 2021, 727,350 stock options). These stock options may be exercised the earliest 3 years after the allocation date (i.e. the vesting period) over a period of maximum 10 years and during a couple of fixed periods over the year. Below is an overview of the outstanding stock option plans:

Allocation date	End term	Exercise price (in euro)	Balance on 31 Dec 2021	Accepted in 2022	Exercised in 2022	Cancelled in 2022	Expired in 2022	Balance on 31 Dec 2022
Stock options								
10/31/12	10/30/22	7.48	4,200	-	-700	-	-3,500	0
10/21/13	10/20/23	8.43	11,060	-	-1,260	-	-	9,800
10/23/14	10/22/24	7.86	18,891	-	-2,100	-	-	16,791
10/23/14	10/22/22	7.86	24,864	-	-12,600	-	-12,264	0
10/23/14 ¹	10/22/22	7.91	16,450	-	-10,150	-	-6,300	0
10/22/15	10/21/25	8.16	13,200	-	-4,550	-	-	8,650
10/22/15	10/21/23	8.16	37,100	-	-4,550	-	-	32,550
10/22/15 ¹	10/21/23	8.26	20,650	-	-5,250	-	-	15,400
10/24/16	10/23/26	10.40	143,960	-	-18,800	-	-	125,160
10/24/16	10/23/24	10.40	42,210	-	-6,650	-	-	35,560
10/24/16 ¹	10/23/24	10.61	22,601	-	-2,100	-	-	20,501
10/20/17	10/16/27	12.54	214,575	-	-29,650	-3,500	-	181,425
10/20/17	10/16/25	12.54	65,800	-	-6,000	-	-	59,800
10/20/17 ¹	10/16/25	12.67	127,950	-	-110,050	-	-	17,900
10/23/18	10/22/28	14.40	410,900	-	-360,350	-	-	50,550
10/11/19	10/10/29	24.83	323,330	-	-	-53,900	-	269,430
10/29/20	10/28/30	12.76	403,000	-	-	-21,150	-	381,850
12/06/21	12/06/31	17.80	882,400	-	-	-28,700	-	853,700
12/08/22	12/07/32	21.74	-	289,946	-	-	-	289,946
12/08/22 ¹	12/07/32	22.32	-	32,887	-	-	-	32,887
Total number of stock options			2,783,141	322,833	-574,760	-107,250	-22,064	2,401,900

⁽¹⁾ Deviation of exercise price as a result of the implementation of the US sub plan.

The cost of these stock option plans is recognized over the vesting period on a straight line basis and included in the income statement in other operating expense. The stock options are measured at grant date, based on the share price at grant date, exercise price, expected volatility, dividend estimates and interest rates. The value of the share-based payment increased with 1.5 million euro to 20.2 million euro in 2022 (2021: 4.5 million euro; 2020: 2.9 million euro). In 2021, 3 million euro is reflected in other operating income (see note 3 (d) and 1.5 million euro in restructuring, related to the remaining fair value of share options of the former leadership team, accounted for the moment they stopped providing services to the Company (see note 5 'Restructuring and impairment costs').

3. Retained earnings

The change in retained earnings includes the net income of 2022, actuarial profits, change in the fair value of equity investments, and the distribution of 35.7 million euro dividend, as approved by the general shareholders meeting of 28 April 2022. The board of directors of Barco NV will propose a gross dividend of 0.44 euro per share out of the available reserves per 31 December 2022. In 2022 a gross dividend of 0.40 euro per share was granted on the results of 2021 for which the shareholders had the option to either receive cash or new shares of the company, 41% opted for shares instead of cash, resulting in actual pay-out of 21 million euro dividend in 2022.

4. Cumulative translation adjustment

In 2022, the exchange differences on translation of foreign operations have a net positive impact of 12 million euro, mainly relating to foreign balances held in Hong Kong Dollar (10.4 million euro), US Dollar (6 million euro), Chinese Yuan (-1.4 million euro) and Indian Rupee (-1.1 million euro).

5. Derivatives

Derivative financial instruments are disclosed in note 20.

6. Main shareholders

Before Dilution		
Public	58,057,400	62.48%
Vandewiele Group NV	20,162,824	21.70%
3D NV	4,808,391	5.17%
Norges Bank	4,102,042	4.41%
Alantra EQMC Asset Management SGILC, S.A.	3,328,066	3.58%
Barco NV	2,457,922	2.65%
Total	92,916,645	100%

17. Non-controlling interest

The below table represents the proportion of equity interest held by non-controlling interests:

Name	Country of incorporation and operation	2022	2021	2020
Cinionic Ltd.	Hong Kong	20%	45%	45%
Gnosco AB	Sweden	30%	-	-

Overview of the equity attributable to non-controlling interest:

In thousands of euro	2022	2021	2020
Cinionic Ltd.	20,345	41,031	37,798
Gnosco AB	-554	-	-
Total equity attributable to non-controlling interest	19,792	41,031	37,798

Upon the start of Cinionic, three minority shareholders have contributed in the capital of Cinionic Ltd. totaling 45% of total contributions of USD 100 million. These capital contributions all gave right to 45% in the Cinionic legal entities' equity and result. In 2022 Barco agreed to buy the stakes held by the minority shareholders Appotronics and CITICPE in Cinionic, increasing Barco's ownership interest in the joint venture to 80%. The 20% stake is shown as non-controlling interest.

In order to advance its growth initiative Demetra, Barco signed a joint venture agreement with the Swedish company Gnosco AB on July 1st, 2022. Barco acquired 70% of the shares in Gnosco AB. As the effective control is transferred on 1 July 2022, the Gnosco figures are taken up in the figures of the Barco Group from 1 July, 2022 onwards.

The financials of Cinionic are fully consolidated in the Entertainment results in 2020 - 2022.

Below is the consolidated balance sheet of the Cinionic legal entities as at 31 December 2022, 2021 and 2020.

Assets and Liabilities Cinionic JV

In thousands of euro	2022	2021	2020
Total non-current assets	11,081	6,788	4,901
Total current assets	134,248	114,807	107,537
Total assets	145,329	121,595	112,438
Equity attributable to equityholders of the parent	81,381	50,149	46,197
Equity attributable to non-controlling interest	20,345	41,031	37,798
Total equity	101,726	91,181	83,995
Total non-current liabilities	29,645	28,512	24,420
Total current liabilities	40,024	26,724	24,186
Total liabilities	171,395	146,416	132,601

We refer to note 1.1 for more details on the Cinionic legal entities: Cinionic Limited, Cinionic bv, Barco CineAppo Mexico, S.A. de C.V., Cinionic Inc. and Cinionic Pty. Ltd.

Below is the consolidated balance sheet of the Gnosco legal entities as at 31 December 2022.

Assets and Liabilities Gnosco JV

In thousands of euro	2022
Total non-current assets	7,446
Total current assets	1,218
Total assets	8,664
Equity attributable to equityholders of the parent	2,791
Equity attributable to non-controlling interest	-554
Total equity	2,237
Total non-current liabilities	3,246
Total current liabilities	1,632
Total liabilities	7,115

We refer to note 1.1 for more details on the Gnosco legal entities: Gnosco AB, Barco Solutions BV, Gnosco Dermicus Ltd.

Overview of the net income attributable to non-controlling interest:

In thousands of euro	% non-controlling	2022	2021	2020
Cinionic Ltd.		374	-208	618
Cinionic bv		6,628	2,559	-741
Cinionic Inc.		1,072	-754	-389
Barco Cine Appo Mexico, S.A. de C.V.		-2,343	238	-233
Cinionic Pty. Ltd.		146	116	-
Barco Solutions BV		-688	-	-
Gnosco AB		-976	-	-
Gnosco Dermicus Ltd.		2	-	-
Net income		4,215	1,951	-745
Cinionic Ltd.	20%	75	45% -93	45% 278
Cinionic bv	20%	1,326	45% 1,151	45% -334
Cinionic Inc.	20%	214	45% -339	45% -175
Barco Cine Appo Mexico, S.A. de C.V.	20%	-469	45% 107	45% -105
Cinionic Pty. Ltd.	20%	29	45% 52	0% -
Barco Solutions BV	30%	-206	-	-
Gnosco AB	30%	-293	-	-
Gnosco Dermicus Ltd.	30%	1	-	-
Net income attributable to non-controlling interest		677	878	-335

Other comprehensive income/(loss) for the period, net of tax effect, part attributable to non-controlling interest amounts to 2.5 million euro in 2022, 2.4 million euro in 2021 and -2.5 million euro in 2020.

Total comprehensive income for the year, net of tax, part attributable to non-controlling interest amounts to 3.2 million euro in 2022, 3.2 million euro in 2021 and -2.8 million euro in 2020.

18. Trade payables and advances received from customers

In thousands of euro	2022	2021	2020
Trade payables (a)	121,920	113,979	70,299
Days payable outstanding (DPO)	68	80	53
Advances received from customers	51,183	54,105	42,375

(a) The increase in trade payables in 2022 and 2021 is the result of higher raw material purchases (increase in volume, component prices and transport charges). In 2022 higher purchases are caused by higher sales in the 4th quarter (+29% year-over-year). In 2021, the higher purchases are caused by higher sales in the 4th quarter (+ 29% year-over-year) and accelerated purchases in view of component and transport scarcity and resulted in higher days payable outstanding. Payment terms with suppliers were not extended and there has been no change in payment behavior towards suppliers.

In 2020 purchases were braked in view of lower demand to avoid build-up of inventories.

19. Provisions

In thousands of euro	Balance sheet 2022	Additional provisions made	Amounts used	Unused amounts reversed	Transfers	Remeasurement gains/(losses) on DBO	Translation (losses) / gains	Balance sheet 2021	Balance sheet 2020
Total long-term provision	14,998	3,392	-1,233	-	-78	-18,395	137	31,175	40,156
Defined benefit obligations (b)	4,891	1,529	-1,019	-	-	-18,395	-49	22,826	31,282
Technical warranty (a)	10,087	1,862	-215	-	-78	-	185	8,332	8,857
Other claims and risks (d)	20	-	-	-	-	-	2	18	18
Total short-term provision	9,325	4,744	-2,704	-1,419	78	-	89	8,537	13,720
Technical warranty (a)	4,816	1,161	-285	-	78	-	55	3,807	4,922
Restructuring provision (c)	1,748	2,500	-1,211	-	-	-	-	458	3,743
Other claims and risks (d)	2,761	1,083	-1,208	-1,420	-	-	34	4,272	5,055
Provisions	24,323	8,136	-3,937	-1,419	-	-18,395	226	39,712	53,876

(a) Technical warranty

Provisions for technical warranty are based on historical data of the cost incurred for repairs and replacements. There are three different technical warranty provisions: provisions related to 'standard' (mostly 2 years) warranty period, provisions related to extended warranty periods and provisions for specific claims/issues.

(b) Defined benefit obligations

As per 31 December 2022, 2021 and 2020, the defined benefit obligations are composed of:

In thousands of euro	2022	2021	2020
Pension plans in Belgium	732	17,835	26,190
Early retirement plans in Belgium	104	155	213
Local legal requirements (mainly Italy, Korea, Japan, Germany, France)	3,762	4,590	4,754
A small number of individual plans	293	246	125
Total	4,891	22,826	31,282

Belgian regulations require that the minimum guaranteed rate of return on employer and participant contributions amounting to 1.75%, is annually recalculated based on a risk-free rate of 10-year government bonds. According to IAS19, Belgian defined contribution plans that guarantee a specified return on contributions classify as defined benefit plans, as the employer is not responsible for the contribution payments but has to cover the investment risk until the legal minimum rates applicable. The returns guaranteed by the insurance companies are in most cases lower than or equal to the minimum return guaranteed by law. As a result, the Group has not fully hedged its return risk through an insurance contract and a provision needs to be accounted for. The plans at Barco are financed through group insurance contracts. The contracts are benefiting from a contractual interest rate granted by the insurance company. When there is underfunding, this will be covered by the financing fund and in case this is insufficient, additional employer contributions will be requested.

IAS 19 requires an entity to recognize a liability when an employee has provided service in exchange for employee benefits to be paid in the future. Therefore, pension provisions are setup. The obligations are measured on a discounted basis because they are settled many years after the employees render the related service. A qualified actuary has determined the present value of the defined benefit obligations and the fair value of the plan assets. These assets are held by an insurance company. The projected unit credit method was used to estimate the defined benefit obligations, the defined benefit cost and the re-measurements of the net liability.

There are 15 defined benefit plans in Barco Belgium, for which we show below the aggregated view as these do not differ materially from characteristics, regulatory environment, reporting segment or funding arrangement. In accordance with IAS 19 the disclosure is in the form of a weighted average.

2022, 2021 and 2020 changes in the Belgian defined benefit obligation and fair value of plan assets:

	2022			2021			2020		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit liability
In thousands of euro									
Pension cost charged to P/L									
On 1 January	130,214	-112,378	17,835	134,340	-108,150	26,190	124,416	-100,185	24,231
Service cost	5,575	-	5,575	5,639	-	5,639	7,929	-	7,929
Net interest expense	987	-862	126	388	-310	78	585	-474	111
Decrease due to curtailment	-	-	-	-	-	-	-	-	-
Sub-total included in profit or loss	6,562	-862	5,701	6,026	-310	5,716	8,513	-474	8,039
Benefits paid	-3,030	3,030	-	-2,383	2,383	-	-1,285	1,285	-
Remeasurement gains/losses in OCI									
Increase due to effect of transfers	-	-	-	-	-	-	-	-	-
Return on plan assets (excluding amounts included in net interest expense)	-	-1,210	-1,210	-	-2,231	-2,231	-	-2,733	-2,733
Actuarial changes arising from changes in financial assumptions	-16,172	-	-16,172	-5,679	-	-5,679	1,698	-	1,698
Actuarial changes arising from experience adjustments	-1,014	-	-1,014	-2,091	-	-2,091	998	-	998
Sub-total included in OCI	-17,186	-1,210	-18,395	-7,769	-2,231	-10,000	2,696	-2,733	-37
Contributions by employer	-	-4,409	-4,409	-	-4,070	-4,070	-	-6,043	-6,043
On 31 December	116,560	-115,828	732	130,214	-112,378	17,835	134,340	-108,150	26,190

The 17 million euro decrease in net defined benefit liability in 2022 versus 2021 is mainly recorded via other comprehensive income as caused by change in parameters (see below table): increased discount rate (3.7% vs 0.8%) and higher assumed merit and inflation in 2022 and 2023.

The 8.4 million euro decrease in net liability in 2021 versus 2020 is mainly coming from increased discount rate (0.8% vs 0.3%) and higher effective return on plan assets, both recorded via OCI (equity), as change in parameter. The P&L impact of € -1.8m is the result of lower discount rate versus minimum guaranteed future rate of return, which needs to be compensated by the employer.

In 2020, 2 million euro net increase in P&L is caused by the increased service cost as a result of a low discount rate compared to the minimum guaranteed future rate of return, for which additional employer contributions will be requested.

The fair value of the plan assets (115.8 million euro) are fully invested in insurance policies. In 2022, the target asset mix did not change compared to 2021 and consists of 67.50% government bonds, 14% real estate, 7.5% corporate bonds, 6% corporate loans and 5% shares.

The principal assumptions used in determining pension obligations for the Group's plans are shown below:

	2022	2021	2020
Discount rate	3.73%	0.77%	0.29%
Future salary increases*	8.81%	2.43%	2.44%
Future consumer price index increases**	8.14%	1.75%	1.75%

* 8.81% in 2022-2023 ; 2.67% from 2024

** 8.14% in 2022-2023 ; 2% from 2024

The following overview summarizes the sensitivity analysis performed for significant assumptions as at 31 December. The figures show the impact on the defined benefit obligation.

In thousands of euro	2022	2021	2020
Discount rate			
0.25% decrease	331	2,834	3,324
0.25% increase	-265	-4,305	-3,868
Future salary change			
0.25% decrease	-143	-1,036	-1,212
0.25% increase	112	1,093	596
Future consumer price index change			
0.25% decrease	-88	-609	-711
0.25% increase	106	615	735

The sensitivity analyses above have been determined based on a method that extrapolates the impact on the defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity

analyses are based on a change in a significant assumption, keeping all other assumptions constant. These may not be representative for an actual change in the defined benefit obligation, as it is unlikely that changes in assumptions would occur in isolation of one another.

The following payments are the expected benefit payments from the plan assets:

In thousands of euro	2022	2021	2020
Within the next 12 months	4,750	3,724	3,197
Between 2 and 5 years	33,002	24,696	20,865
Between 5 and 10 years	40,332	41,648	46,857
Total expected payments	78,084	70,068	70,919

The average duration of the defined benefit plan obligation at the end of the reporting period is 11.3 years (12.3 years in 2021 and 12.6 years in 2020). The expected employer contributions to the plan for the next annual reporting period amounts to 9 million euro (3.9 million euro in 2022 and 4.0 million euro in 2021); the employee contributions are expected to amount to 1.2 million euro (1.1 million euro in 2022 and 2021).

Early retirement plans are recognized as liability and expensed when the company is committed to terminate the employment of the employees affected before the normal retirement date.

In Belgium, a multi-employer plan exists for some blue collars where payments go into a sectoral fund. As Barco does not have access to information about the plan that satisfies the requirements of the standard, the plan is further classified as a defined contribution plan and expensed as incurred.

(c) Restructuring provision

See note 5 'Restructuring and impairments'. We refer to the accounting standards on provisions including provisions on restructuring.

(d) Other claims and risks

This provision relates to disputes with suppliers, pending litigations and specific customer warranty disputes. Barco cannot provide details on the specific cases, as this could cause considerable harm to Barco in the particular disputes.

With respect to the contingent liabilities related to former acquisitions, there is one earn-out capped at 15 million euro linked to the retention of the former shareholders and future results for which the future results could not be reliably estimated at acquisition. The earn-outs will flow through profit and loss at moment of payment over the earn-out period, which ends May 25, 2026. Per end 2022, no payments occurred under this earn-out.

20. Risk management - derivative financial instruments

General risk factors are described in the director's report "Risk Factors".

Derivative financial instruments are used to reduce the exposure to fluctuations in foreign exchange rates and interest rates. These instruments are subject to the risk of market rates changing subsequent to acquisition. These changes are generally offset by opposite effects on the item being hedged.

Foreign currency risk

Recognized assets and liabilities

Barco incurs foreign currency risk on recognized assets and liabilities when they are denominated in a currency other than the company's local currency. Such risks may be naturally covered when a monetary item at the asset side (such as a trade receivable or cash deposit) in a given currency is matched with a monetary item at the liability side (such as a trade payable or loan) in the same currency.

Forward exchange contracts and selectively option contracts are used to manage the currency risk arising from recognized receivables and payables, which are not naturally hedged.

The balances on foreign currency monetary items are valued at the rates of exchange prevailing at the end of the accounting period. Derivative financial instruments that are used to reduce the exposure of these balances are rated in the balance sheet at fair value. Both changes in foreign currency balances and in fair value of derivative financial instruments are recognized in the income statement.

Forecasted transactions

Barco selectively designates forward contracts to forecasted sales. Hedge accounting is applied to these contracts. The portion of the gain or loss on the hedging instrument that will be determined as an effective hedge is recognized directly in comprehensive income. At 31 December 2022, there were no forward contracts outstanding under hedge accounting treatment.

Estimated sensitivity to currency fluctuations

Sensitivity to currency fluctuations is mainly related to the evolution of a portfolio of foreign currencies (mainly USD and CNY) versus the euro. This sensitivity is caused by the following factors:

- The fair value of foreign currency monetary items is impacted by currency fluctuations. In order to eliminate most of these effects in foreign currencies, Barco uses monetary items and/or derivative financial instruments as described above, which are meant to offset the impact of such results to a major extent.
- As the company has no cash flow hedges in place that aim at hedging forecasted transactions, a similar fluctuation in foreign currencies would not have any effect on the equity position of Barco.
- Profit margins may be negatively affected because an important part of sales are realized in foreign currencies, while costs are incurred in a smaller part in these currencies. Barco has done great efforts throughout the years to increase its natural hedging ratio in USD (being its main foreign currency in terms of sales) by increasing its operational costs and by purchasing more components in this currency. Impact on adjusted EBIT is currently estimated at 20.0 million euro when the weighted average rate of a foreign currency basket, that has an overall overweight of

USD & CNY, changes by 10% versus the euro in a year. The overall natural hedge ratio of foreign currencies reached a level of 71% in 2022 (2021: 73%).

- Another impact is the fact that some of Barco's competitors are USD-based. Whenever the USD decreases in value against the euro, these competitors have a worldwide competitive advantage over Barco. This impact on operating result cannot be measured reliably.

Interest rate risk

Barco uses following hedging instruments to manage its interest rate risk:

Swap on outstanding or anticipated borrowing

Barco concluded a series of interest rate swaps with an outstanding notional amount of 8.3 million euro by means of a partial hedge for the bilateral real estate leasing (currently outstanding at 16.0 million euro) for the financing of Barco's HQ campus starting in 2016. This instrument swaps the variable interest rate into a fixed 1.76%. These swaps are determined as an effective hedge of outstanding or anticipated borrowings and meet the hedging requirements of IAS 39. The fair values of the effective portion of the hedging instrument are therefore recognized directly in comprehensive income under hedge accounting treatment.

Estimated sensitivity to interest rate fluctuations

Changes in interest rate are closely followed up by management.

With reference to the fair values table below, just over 60% of Barco's outstanding long-term debt portfolio has a fixed interest rate character, which limits the exposure of the company to interest rate fluctuations. This ratio increases to 83% when including the swap instruments disclosed above.

Credit risk

Credit risk on accounts receivable

Credit evaluations are performed on all customers requiring credit over a certain amount. The credit risk is monitored on a continuous basis. In a number of cases collateral is being requested before a credit risk is accepted. Specific trade finance instruments such as letters of credit and bills of exchange are regularly used in order to minimize the credit risk.

In 2022, Barco continued to conclude credit insurances in order to cover credit risks on specific customers or large contracts on a case by case basis.

Credit risk on liquid securities and short-term investments

A policy defining acceptable counter parties and the maximum risk per counter party is in place. Short-term investments are made in marketable securities, cash holdings or in fixed term deposits with reputable banks.

Fair values

Set out on the right is an overview of the carrying amounts of the Group's financial instruments that are shown in the financial statements. In general, the carrying amounts are assumed to be a close approximation of the fair value.

	2022	2021	2020
In thousands of euro	Carrying amount / Fair value (approx.)		
Financial assets			
Investments at fair value through equity	37,337	46,680	86,651
Trade receivables	194,643	156,977	146,138
Other receivables	14,509	16,211	17,789
Loan and other receivables	11,971	15,152	12,420
Interest receivable	1	4	24
Currency rate swap	2,187	1,055	5,345
Interest rate swap	350	-	-
Other non-current assets	5,819	6,849	5,870
Short term investments	1,651	2,763	3,175
Cash and cash equivalents	305,915	351,571	235,402
Total	559,874	581,051	495,026
Financial liabilities			
Financial debts	16,000	18,000	20,000
Floating rate borrowings	8,288	9,563	10,838
Fixed rate borrowings	7,713	8,438	9,163
Other long-term liabilities	44,524	48,860	43,286
Short-term debts	-	-	86
Trade payables	121,920	113,979	70,299
Other current liabilities	5,412	5,036	8,980
Other short term amounts payable	750	1,206	80
Dividends payable	2,289	2,289	2,290
Currency rate swap	2,373	859	5,529
Interest rate swap	-	682	1,080
Total	187,856	185,875	142,650

The fair value of the financial assets and liabilities is defined as the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

- Cash and cash equivalents and short-term investments, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Investments are measured at market price. For investments that are publicly quoted in an active market, the quoted market price is the best measure of the fair value. The remeasurement at fair value per 31 December 2022 versus the carrying amount is reflected in other comprehensive income.
- Long term fixed rate and variable rate other assets are evaluated by the Group based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are made to account for the expected losses of these receivables. As at 31 December 2022, the carrying amounts of such receivables, net of allowances, are assumed not to be materially different from their calculated fair values.
- The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under finance leases as well as other non-current financial liabilities is estimated by discounting future cash flows using the effective interest rates currently available for debt on similar terms, credit risk and remaining maturities. As of 31 December 2022, the effective interest rate is not materially different from the nominal interest rate of the financial obligation.
- The Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Derivatives valued using valuation techniques with market observable inputs are mainly interest rate (cap/floor) swaps and foreign exchange forward contracts. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including foreign exchange spot and forward rates and interest rate curves.

Fair value hierarchy

As at 31 December 2022, the Group held the following financial instruments measured at fair value:

In thousands of euro	2022	2021	2020
Assets measured at fair value			
Financial assets at fair value through profit or loss			
Foreign exchange contracts - non-hedged	2,187	1,055	5,345
Financial assets at fair value through equity			
Investments	37,337	46,680	86,651
Interest rate swap	350	-	-
Liabilities measured at fair value			
Financial liabilities at fair value through profit or loss			
Foreign exchange contracts - non-hedged	2,373	859	5,529
Financial liabilities at fair value through equity			
Interest rate swap	-	682	1,080

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly;

Level 3: techniques that use inputs having a significant effect on the recorded fair value that are not based on observable market data.

All fair values mentioned in the above table relate to Level 2, except for the investments which were based on level 1 input. The liabilities associated with puttable non-controlling interests are in the IFRS fair value hierarchy level 3, i.e. one or more significant inputs are not based on observable market data (see note 15).

During the reporting period ending 31 December 2022, there were no transfers between Level 1 and Level 2 fair value measurements.

Capital Management

Management evaluates its capital needs based on following data:

In thousands of euro	Note	2022	2021	2020
Net financial cash / (debt)	14	264,014	309,750	193,527
Equity		778,981	734,814	697,107
% Net financial cash (debt) / Equity		33.9%	42.2%	27.8%

In thousands of euro	2022	2021	2020
Equity	778,981	734,814	697,107
Total equity and liabilities	1,147,405	1,104,249	1,018,203
% Equity / Total equity and liabilities	67.9%	66.5%	68.5%

In 2022, the net cash position ended at a level of 264 million euro compared to 309.8 million euro as per end of 2021. We refer to note 14 for the details on the movement.

The solvency position and other current ratios continue to consolidate at healthy levels. Together with the existing committed credit facilities, management considers that it has secured a healthy liquidity profile and strong capital base for the further development of the group.

Changes in liabilities arising from financing activities

In thousands of euro	1 January 2022	Cash flows	Non-cash changes			31 December 2022
			IFRS 16 movements	Acquisition / sale	Foreign exchange movement	
Long-term debts						
Long-term liabilities	16,000	-2,173	-	172	2	14,000
Long-term lease liabilities	18,366	-10,216	10,134	-	51	18,335
Short-term debts						
Short-term liabilities	2,000	-	-	-	-	2,000
Short-term lease liabilities	8,218	999	-	-	-	9,217
Total liabilities from financing activities	44,585	-11,391	10,134	172	53	43,552

The long-term liabilities and lease liabilities are together the long-term debts as shown in the balance sheet. The short-term liabilities are the total of current portion of long-term debts and short-term debts, as shown in the balance sheet.

21. Rights and commitments not reflected in the balance sheet

In thousands of euro	Note	2022	2021	2020
Guarantees given to third parties	(a)	3,594	3,474	3,850
Mortgage obligations given as security	(b)	30,000	30,000	30,000
Book value of the relevant assets		29,539	33,029	36,527

(a) Guarantees given to third parties mainly relate to guarantees given to customers for ongoing projects, guarantees given to suppliers for investment projects and to authorities for commitments related to VAT, duties, etc.

(b) The total mortgage includes three loans of 10 million euro each to fund the headquarter campus. The decrease in net book value since 2020 is due to depreciation.

an annual basis. Following the implementation of the CbC reporting in Belgian legislation, submitted CbC reports will be shared by the Belgian tax authorities with tax authorities worldwide.

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated in the consolidation and are accordingly not disclosed in this note. None of the related parties have entered into any other transactions with the Group that meet the requirements of IAS 24, 'Related party disclosures'. We refer to note 1 'Consolidated companies' for an overview of the consolidated and equity accounted companies.

We refer to the '[Corporate Governance Chapter](#)' for information with respect to remuneration of directors and members of the core leadership team.

At the annual shareholders meeting of 29 April 2021, PWC Bedrijfsrevisoren bv, Culliganlaan 5, 1830 Diegem, was appointed as statutory auditor of the company for a period of three years. In 2022, remuneration approved by the Audit Committee to the statutory auditor for auditing activities amounted to 320,982 euro. Remuneration paid to the statutory auditor for special assignments was 81,432 euro.

22. Related party transactions

During the ordinary course of their business conduct Barco affiliates will also enter into related party transactions. This includes both service transactions and financing arrangements. Related party transactions are generally undertaken on an arm's length basis based on Barco's worldwide transfer pricing policies. Where appropriate, the arm's length nature of transactions is tested against benchmarking searches and the results thereof are shared with tax authorities worldwide in line with local transfer pricing requirements and regulations.

Barco commits not to use tax structures without economic substance or make use of jurisdictions for the sole purpose of tax avoidance. Barco NV, as the ultimate parent entity of the Barco group, submits the transfer pricing Country-by-Country (CbC) report in Belgium, thereby disclosing taxes paid worldwide on a jurisdictional level to the Belgian tax authorities on

23. Cash flow statement: effect of acquisitions and disposals

The following table shows the effect of acquisitions and disposals on the balance sheet movement of the Group.

In thousands of euro	Aquisitions 2022
Net-identifiable assets and liabilities	-1,796
Know-how on acquisitions	7,607
Put option non-controlling interest	-2,049
Acquired/(sold) cash	237
Purchase price	4,000

The acquisition in 2022 relates to a joint venture agreement with the Swedish company Gnosco AB. We refer to note 1.3 on acquisitions and divestments and to the Cash flow statement.

There were no acquisitions and disposals in 2021 and 2020.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are carried in terms of historical cost using the exchange rate at the date of the acquisition.

24. Events subsequent to the balance sheet date

There are no major events subsequent to the balance sheet date which have a major impact on the further evolution of the company.

Supplementary statements

Free Cash Flow

In thousands of euro	2022	2021	2020
Adjusted EBIT	90,143	19,373	10,180
Restructuring	-1,211	-8,204	-9,536
Depreciations of tangible and intangible fixed assets	36,331	39,136	43,383
Gain/(Loss) on tangible fixed assets	-1,621	196	170
Share in the profit/(loss) of joint ventures and associates	3,337	48	-276
Gross operating Free Cash Flow	126,979	50,549	43,921
Changes in trade receivables	-35,615	-4,918	41,391
Changes in inventory	-70,161	4,432	-12,260
Changes in trade payables	7,425	42,825	-59,936
Other changes in net working capital	2,823	13,195	-23,960
Change in net working capital	-95,528	55,534	-54,764
Net operating Free Cash Flow	31,451	106,083	-10,843
Interest received	2,773	713	1,845
Interest paid	-1,930	-1,823	-1,965
Income taxes	-6,042	-8,386	-10,398
Free Cash flow from operating activities	26,252	96,587	-21,361
Purchases of tangible & intangible FA	-21,218	-18,787	-14,980
Proceeds on disposals of tangible & intangible fixed assets	8,038	183	488
Free Cash flow from investing activities	-13,180	-18,604	-14,493
FREE CASH FLOW	13,072	77,983	-35,854

In 2022 the Company generated 13.1 million euro positive free cash flow reflecting a significant uptake in gross operating free cash flow, which amounted 127.0 million euro. This was offset by increased working capital, due to higher inventory levels and higher trade receivables. The higher trade receivables are linked to the peak sales of the fourth quarter. The higher inventories include proactive buying of inventories, as a response to supply chain challenges and inflation.

At the end of December 2022, Barco's net cash position reaches 264 million euro, 46 million euro lower compared to last year (2021: 309.8 million euro, 2020: 193.5 million euro). The decrease versus last year is attributable to the lower free cash flow, a number of minority investments and the increase of Barco's share in Cinionic from 55% to 80%, dividends paid out (-21 million euro) and use of own shares for stock options (8 million euro) We refer to note 14, note 16 and note 11 for more explanation.

Balance Sheet

Net working capital increased to 14.3% of sales compared to 5.8% in 2021.

The increase in working capital is mainly caused by an increase in inventory levels (see note 12).

Due to the component shortages, safety buffers were stocked for a number of scarce components. High sales in the last quarter helped to start reducing inventories, however inventory levels remained higher than usual at year end and will require more work in 2023 to bring them back to pre-covid levels. In addition to the increase in inventory, higher trade receivables contributed to the increase in working capital, mainly due to very strong sales in December, for which cash will be collected in 2023.

In 2021 net working capital reduced to 5.8% of sales compared to 10% in 2020, as a result of higher trade payables, customer advances received, reduced DSO from 67 days to 56 days and stable inventory.

Return on Operating Capital Employed

In thousands of euro	Note	2022	2021	2020
Trade debtors		194,643	156,977	146,138
Inventory		245,714	175,496	175,390
Trade payables		-121,920	-113,979	-70,299
Other working capital		-168,014	-171,695	-170,620
Working capital		150,423	46,799	80,610
Other long term assets & liabilities		194,119	204,646	210,493
Operating capital employed		344,543	251,445	291,102
Goodwill		105,612	105,612	105,612
Operating capital employed (incl goodwill)		450,155	357,056	396,714
Adjusted EBIT		90,143	19,373	10,180
Adjusted ROCE after tax (%)	(a)	16%	4%	3%

(a) Tax rate used is the effective tax rate (in 2022 and 2021: 18%; 2020: 0%)

The return on capital employed increased to 16% in 2022 (2021: 4%, 2020: 3%), thanks to a stronger increased operational result compared to the increase in capital employed (14.2% of sales).

Supplementary information

Barco NV

Summary version of statutory accounts Barco NV

The financial statements of the parent company, Barco NV, are presented below in a condensed form.

The accounting principles used for the statutory annual accounts of Barco NV differ from the accounting principles used for the consolidated annual accounts: the statutory annual accounts follow the Belgian legal requirements, while the consolidated annual accounts follow the International Financial Reporting Standards. Only the consolidated annual financial statements as set forth in the preceding pages present a true and fair view of the financial position and performance of the Barco Group.

The management report of the Board of Directors to the Annual General Meeting of Shareholders and the annual accounts of Barco NV, as well as the Auditor's Report, will be filed with the National Bank of Belgium within the statutory periods. These documents are available upon request from Barco's Investor Relations department, and at www.barco.com.

The statutory auditor's report is unqualified and certifies that the non-consolidated financial statements of Barco NV for the year ended 31 December 2021 gives a true and fair view of the financial position and results of the company in accordance with all legal and regulatory dispositions.

Balance sheet after appropriation

In thousands of euro	2022	2021	2020
Fixed assets	345,576	351,619	362,928
Intangible fixed assets	11,381	17,505	27,260
Tangible fixed assets	61,623	63,788	67,267
Financial fixed assets	272,572	270,326	268,401
Current assets	340,521	273,469	255,249
Inventory	156,492	103,283	109,712
Amounts receivable within one year	145,766	129,543	109,517
Investments (own shares)	25,623	31,615	27,143
Cash and cash equivalents	2,818	124	295
Deferred charges and accrued income	9,822	8,904	8,582
TOTAL ASSETS	686,097	625,088	618,177
Capital and reserves	358,218	273,313	276,033
Capital	56,753	56,297	55,880
Share premium account	173,360	159,186	146,776
Reserves	32,687	38,678	34,207
Accumulated profits	93,383	18,042	38,977
Investment grants	2,035	1,110	193
Provisions	9,566	8,633	11,739
Provisions for liabilities and charges	9,566	8,633	11,739
Creditors	318,312	343,141	330,404
Amounts payable after more than one year	14,000	16,000	18,000
Amounts payable within one year	304,312	327,141	312,404
TOTAL LIABILITIES	686,097	625,088	618,177

Intangible fixed assets relate mainly to the implementation cost of SAP ERP software. These SAP capital expenditures are amortized over 7 years. In 2022, 1.9 million euro investments were made in new customer relationship management (CRM) software.

The main capital expenditures realized in 2022 relate to machinery and tooling (3.5 million euro) linked to new product development projects as well as the renewal of the Barco's HQ customer experience centre (1.6 million euro).

Financial fixed assets in 2022 increased by net 2.5 million euro. The increase is attributable to the joint venture agreement entered into on July 1st, 2022 with the Swedish company Gnosco AB whereas an additional statutory impairment was taken on the participation in Barco Fredrikstad AS (Norway).

Inventory levels in 2022 are at an all-time high. Raw material inventory increased due to supply chain constraints causing base price increase (7.5%), combined with the effect of change in currency rates. Furthermore, due to missing other components raw materials remain longer in inventory. These effects are also reflected in work in progress and finished goods inventory levels, mainly in the Entertainment and Healthcare division.

Amounts receivable are higher compared to 2021 primarily caused by the strong fourth quarter and year-end external and intercompany sales. Days sales outstanding evolved positively from 59.5 days in 2021 to 44.2 days in 2022.

The decrease in amounts payable within one year in 2022 is mainly attributable to the decrease in the intercompany cash pool account with Barco Coordination Center NV following the improved results compared to 2021 and 2020. Further the decrease was linked to the slowdown in last quarter purchase volume in view of the high inventory levels.

Income statement

In thousands of euro	2022	2021	2020
Sales	745,160	583,012	583,172
Recurring operating income/(loss)	76,974	-4,097	-15,954
Recurring financial result	46,201	19,388	44,514
Non-recurring financial result	-11,024	3,966	-41,784
Income taxes	-2,960	-66	-4,030
Profit/(loss) for the year	109,191	19,191	-17,254

Financial report

Barco

Sales in 2022 were close to pre-covid levels, increased 27.8% compared to 2021, thanks to reopening of most global markets after two years with considerable impact on sales due to the pandemic as well as consequential component shortages that delayed order to sales conversion in 2021.

Gross margin in 2022 increased to 41% compared to 40.3% in 2021 and 36.2% in 2020. The turnaround from an operating loss in 2021 towards an operating income in 2022 was attributable to the considerable higher topline at improved margins. Operating costs increased in 2022, though relatively operating expenses decreased to 18.3% of sales compared to 20% in 2021 & 2020.

The recurring financial result of 46.2 million euro in 2022 includes mainly the intercompany dividends received from Barco Coordination Center NV, Barco Ltd. (U.K.), Barco SAS (France), Barco Limited (Taiwan) and Barco Sdn. Bhd. (Malaysia) compared to one intercompany dividend from Barco Inc. (US) in 2021.

The negative non-recurring financial result in 2022 is caused by an additional impairment on Barco Fredrikstad (Norway) caused by higher interest rates applied on calculating future discounted cashflows. Further there is a negative impact following the reclassification of the impairment on caresyntax, included in other investments, formerly included in intangibles.

In 2020 the significant negative non-recurring financial result was attributable to impairments on Barco Ltd. (Taiwan) and the liquidation of Barco Technology Taiwan.

The income taxes in 2022 relate to corporate taxes on the result of the year, net after usage of tax credits, and withholding taxes on received dividends. In 2021 and 2020 income taxes related entirely to withholding taxes on dividends.

As a result of the above, Barco NV realized a profit for the year 2022 of 109.2 million euro compared to 19.2 million euro in 2021 and a 17.3 million euro loss in 2020.

Integrated report 2022

FIN

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Proposed appropriation of Barco NV result

In thousands of euro	2022	2021	2020
Profit/(loss) for the year for appropriation	109,191	19,191	-17,254
Profit brought forward	18,002	38,978	87,771
Profit to be appropriated	127,193	58,169	70,517
Transfer from other reserves	-5,992	4,472	-1,848
Profit to be carried forward	93,383	18,042	38,977
Gross dividends	39,802	35,655	33,388
Total	127,193	58,169	70,517

The board of directors of Barco NV will propose to the General Assembly to distribute a gross dividend of 0.44 euro per share, relating to the result as of 31 December 2022.

Information about the share

Financial report

Barco

Integrated report 2022

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Key figures for the shareholder

Number of shares (in thousands):	92,917	92,170	91,487
Per share (in euro)	2022	2021	2020
EPS	0.84	0.10	-0.05
Diluted EPS	0.83	0.10	-0.05
Gross dividend	0.44	0.400	0.378
Net dividend	0.31	0.28	0.26
Return on Equity (ROE)	9.7%	1.3%	-0.7%
Gross dividend yield (a)	1.9%	2.1%	2.1%
Yearly return (b)	22.5%	9.6%	-41.8%
Pay-out ratio (c)	54.4%	415.1%	-787.1%
Price/earnings ratio (d)	27.6	191.9	-358.0

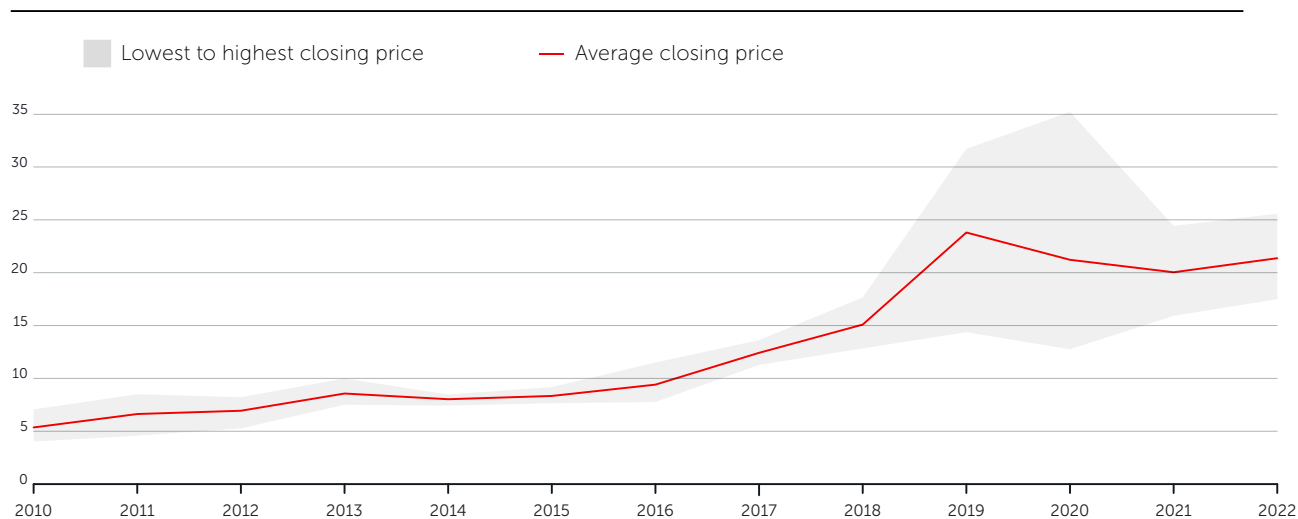
(a) Gross dividend / share price at year-end closing date

(b) Increase or decrease share price + gross dividend paid out in the year, divided by closing share price of previous year

(c) Gross dividend number of shares on 31 December / net income attributable to the equity holder of the parent

(d) Share price 31 December / earnings per share

Share price performance*



Share price*

Per share (in euro)	2022	2021	2020	2019	2018
Average closing price	21.37	20.04	21.22	23.80	15.09
Highest closing price	25.58	24.42	35.21	31.71	17.66
Lowest closing price	17.50	15.92	12.76	14.37	12.84
Closing price 31 December	23.08	19.16	17.82	31.29	14.13
Average number of shares traded daily**	177,237	165,296	279,797	165,784	137,160
Stock market capitalization on 31 December (in millions)	2,144.52	1,765.98	1,630.31	2,862.09	1,292.35

* Values for 2011-2019 restated following to the 7:1 share split; see [press release](#)

** The average number of shares traded daily for the period 2022 is taking into account the trades on the Lit Venues: Euronext as well as registered trades on alternative platforms (Source: Refinitiv Market Share Reporter and Euronext' customer portal "Connect"). Values for the period 2021 are based on the [Fidessa stock report](#). Values for the periods 2018-2020 are based on Euronext' customer portal "Connect".

Liquidity

Source	Source	2022	2021	2020
Total yearly volume (shares)	Euronext	26,486,626	42,646,488	71,907,829
	Lit venues ⁽¹⁾	45,549,874	48,913,548	
	All venues ⁽²⁾	95,232,679	86,712,750	
Daily average number of shares traded	Euronext	103,061	165,296	279,797
	Lit venues ⁽¹⁾	177,237	189,587	
	All venues ⁽²⁾	370,555	336,096	
Total yearly volumes (turnover) in million euro	Euronext	563.11	837.86	1,459.92
	Lit venues ⁽¹⁾	971.24	958.21	
	All venues ⁽²⁾	2,036.62	2,501.13	
Velocity	Euronext	27.27%	44.98%	77.56%

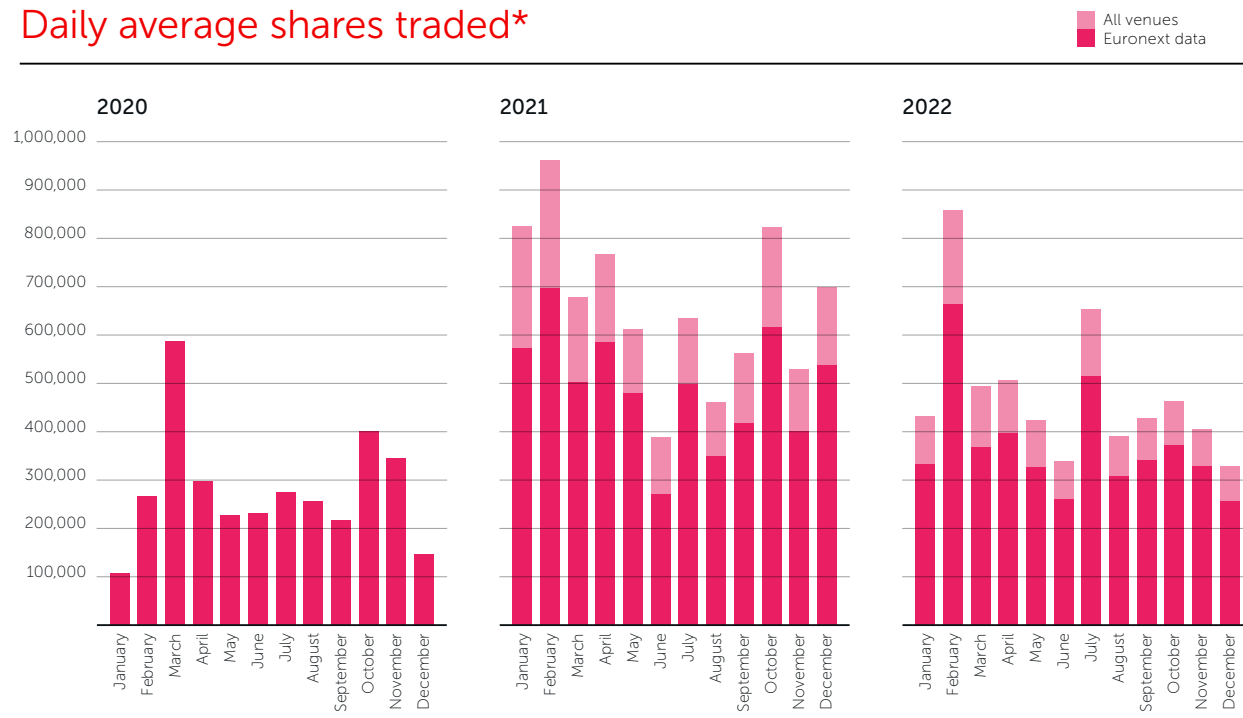
(1) & (2): The numbers referenced here take into account the trades in the Lit-category. The category "Lit venues" includes Euronext and the alternative platforms. "All Venues" includes Lit-venues, the Systematic internalisers and dark venues (LIT+Auction+Dark+OTC+SI).

Source for period 2022: Refinitiv Market Share Reporter and Euronext' customer portal "Connect"

Source for period 2021: [Fidessa stock report](#)

Source for period 2020: Euronext' customer portal "Connect" (no information for other venues than Euronext in 2020).

Daily average shares traded*



* The numbers referenced here take into account the trades in the Lit-category. "All Venues" includes Lit-venues, the Systematic internalisers and dark venues (LIT+Auction+Dark+OTC+SI).

Source for period 2022: Refinitiv Market Share Reporter and Euronext' customer portal "Connect"

Source for period 2021: [Fidessa stock report](#)

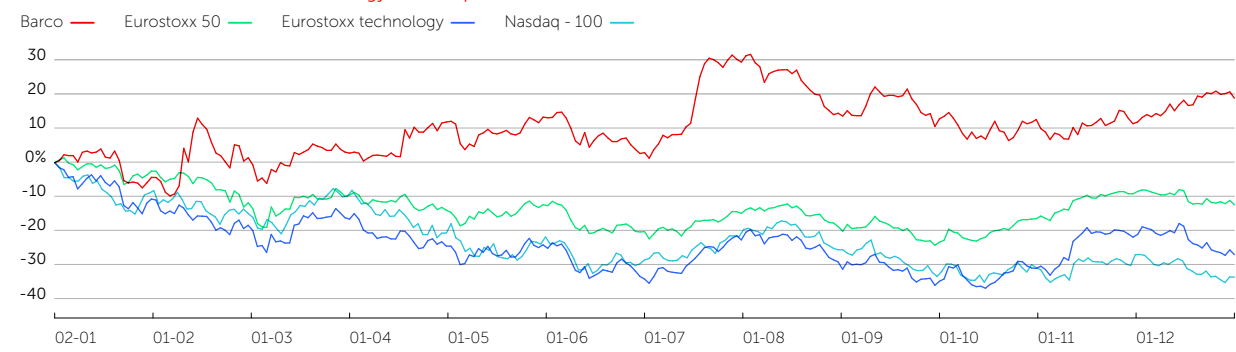
Source for period 2020: Euronext' customer portal "Connect" (no information for other venues than Euronext in 2020).

Barco share price 2022

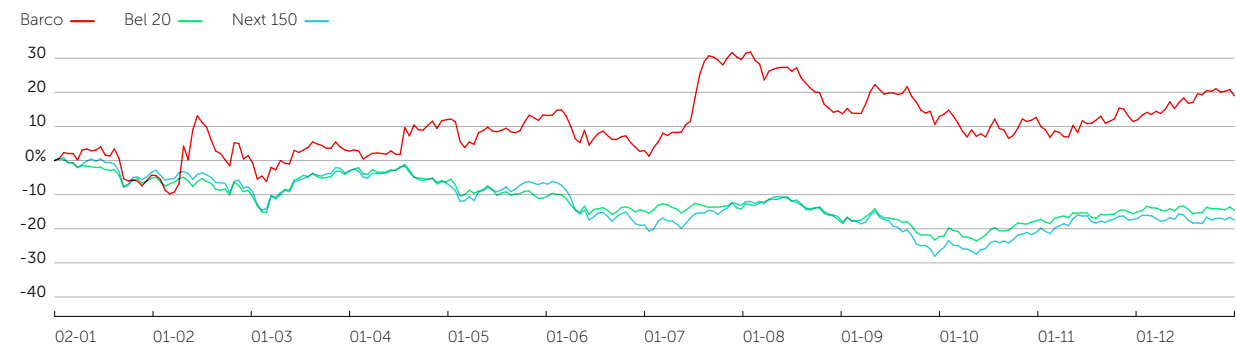
Barco share price 2022



Barco / Eurostoxx 50 / Eurostoxx Technology / Nasdaq - 100



Barco / Bel 20 / Next 150



Shareholder structure

Shareholders

A study of Barco's global shareholdership, carried out in December 2022 and January 2023, plotted nearly 98% of the company's shareholder composition⁽¹⁾.

Identified institutional investors hold 74.8% of all shares. Treasury shares held by the company are good for 2.65% of the shares and approximately 14.1% of the shares are held by retail investors, down from 14.9% a year ago.

Geographic distribution

Belgium remains the dominant investment region in Barco's institutional shareholder base, with a strong proportional representation versus peers and industry averages. Over 2022 Belgium ownership experienced inflows to hold now almost half (48.4%) of the institutional shares compared to 48.6% at the end of 2021.

US remains the second largest region in institutional ownership and saw their exposure rising by more than 2 percentage points to 16.1%, up from 14.0% the year before, due to more buying than selling activity. France remained the third country in Barco's institutional investor universe, with a 10.5% share, an increase from 9.3% last year. The United Kingdom took the fourth place. It registered more sellers than buyers and declined from a 8.7% position last year to 6.1% in 2022.

Compared to the Nasdaq Belgian client base benchmark, Belgium continues to show substantial overweight in terms of domestic ownership. Barco remains very much underweight in both the US and the UK compared to the benchmark.

Investment style

Growth ownership has been declining since 2021, down by 1.0% to now account for 15.6% of institutional shares.

Conversely, value-oriented investors increased their exposure by 0.7% to 15.1% of institutional shares. The position of GARP-type investors declined by 1.2 percentage points at 10.0% from 11.2% a year ago.

The main reference holders further strengthened their position in the company. They are grouped together with other shareholders, in the category 'other investment style' that now accounts for more than 50% of the ownership. This category is significantly overweighted, making all other main categories underweight when compared to Nasdaq Technology Base benchmark.

Index type investors maintained their position in 2022, owning now 8.6%, slightly up versus 8.5 % the year before.

Investing responsibly

According to the analysis, 24% of the institutional shares are held by ESG funds, an increase of almost 5 percentage points compared to 2021. This level remains below average when compared to Nasdaq's technology sector, Belgian and wider European major benchmarks.

Concentration

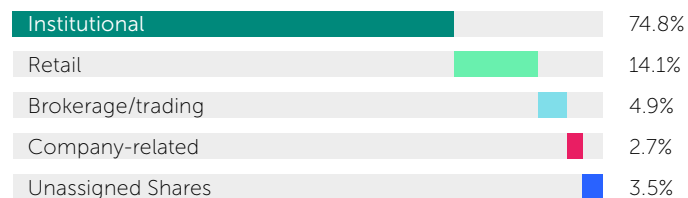
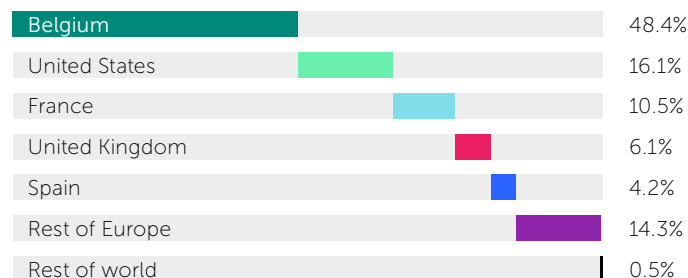
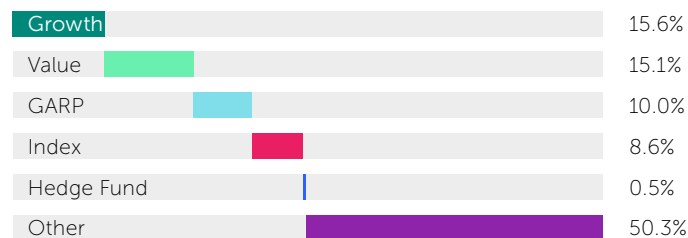
The concentration level amongst Barco top holders moved slightly in 2022, with the top-10 category increasing over this analysis period, and both top-25 and top-50 categories slightly decreasing.

The categories now account for:

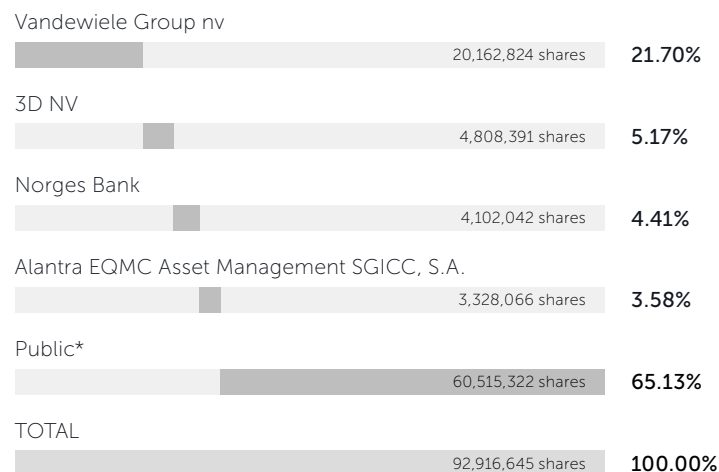
- Top 10: 59.2% of institutional shares compared to 57 % last year
- Top 25: 75.5% compared to 77% last year
- Top 50: 89.2% compared to 90% last year

Compared to the average observed in the mid-cap client base benchmark (Nasdaq European Mid Cap client base), Barco's concentration levels are above average.

(1) Shareholder analysis performed by Nasdaq Advisory services in December 2022 and January 2023.

Shareholder structure**Geographic distribution****Investment style****Ownership of Barco's shares 2022**

(per 31 December 2022)



* Public: inclusive Barco (2,457,922 shares, or 2.65%)

Shareholder remuneration

Dividend

Barco's Board of Directors will propose to the General Assembly to distribute a gross dividend of 0.44 euro per share, a 10% increase from 0.40 euro a year ago.

Dividend policy

The dividend is set by the Board of Directors and subsequently proposed at the Annual General Meeting of shareholders at the end of each fiscal year.

Barco's Board believes that consistency and reliability towards the investment community is key, and considers a consistent dividend pay-out as a key contributor, reflecting the long-term confidence in the company and its future growth opportunities.

Barco's investment case

Strong foundation with technology and market leadership in healthy markets

Backed by over 85 years of experience, Barco is a strong brand known for its technology leadership in three solid and healthy markets: Healthcare, Enterprise and Entertainment. Building on sustainable advantages, Barco has established global leadership positions in all of these markets. The solutions delivered to these markets are mostly mission-critical with a real effective need for high-performance and reliable technology. Based on a solid experience, a thorough understanding of customer needs, advanced know-how in developing differentiated technology and delivering value-add solutions and a well-developed go-to-market network, Barco continues to lead in these markets.

Focused strategy

Barco's strategy is focused around three levers. 'Capturing profitable and efficient growth' focuses on leveraging leveraging operational efficiencies from a simplified organization and digital transformation, seizing the China opportunity with strong local presence, and developing new vertical market segments via adjacent products and geographic expansion. The 'Innovate for impact' lever builds on increasing the manufacturing footprint with a strengthened supply chain, and on accelerating innovation with a rebalanced R&D portfolio. The underlying 'Go for Sustainable Impact' pillar addresses Barco's ambition to design and act towards sustainable outcomes for our planet, people, and communities.

Solid financial results

Over the past years, Barco has continued to sharpen the focus of its activities.

Since introducing the 'focus to perform' program in 2016, Barco has made measurable and steady progress by rationalizing the business portfolio and footprint and by implementing value engineering initiatives. EBITDA margin expanded from 8% in 2016 to 14% in 2019 and net earnings grew to 9% of sales. In 2020 and 2021 the company delivered weaker results mainly due to covid-19 pandemic impacts and supply chain constraints, which resulted in a softer sales and profit performance. End of 2021, Barco carried out an organizational redesign to install greater empowerment and accountability at the business unit level while enhancing customer and market responsiveness. In 2022, Barco was able to reconnect with its long-term growth ambitions, bringing the EBITDA margin back to 12%, and laying the foundations to expand its markets and accelerate innovation with its visualization and collaboration technology.

Except in 2020, Barco booked year-on-year net cash positive results. The company follows a conservative course in managing its financials and net cash position.

A strong and reliable leadership team

Further strengthened with the onboarding of some new leaders, Barco's leadership team holds diverse and global competencies and insights. The organizational redesign brings together focused teams per market, with accountability from R&D over product development to supply chain and sales. With a clear focus on the customer, the leadership team and the entire company are committed to delivering sustainable and profitable long-term growth.

Shareholder trust

Barco has a stable international shareholder base with a pre-dominance of value-oriented investors. Since 2015, both Vandewiele group nv and 3D NV are represented in the Board of Directors. Together they own close to 27% of Barco's shares.

Board believes that consistency and reliability towards the investment community is key and considers a consistent dividend pay-out as a key contributor, reflecting the long-term confidence in the company and its future growth and opportunities.

Analysts covering Barco

Bank Degroof Petercam sa	Kris Kippers
Berenberg	Trion Reid
De Belegger	Geert Smet
Flemish Federation of Investors and Investor Club	Gert De Mesure
ING	Marc Hesselink
KBC Securities	Guy Sips
Kepler Cheuvreux	Matthias Maenhaut
Van Lanschot Kempen	Emmanuel Carlier

Financial calendar 2023

Announcement of results 4Q22 and FY22	Thursday 9 February 2023
Trading update 1Q23	Wednesday 19 April 2023
Annual General Shareholders Meeting	Thursday 27 April 2023
Announcement of results 1H23	Wednesday 19 July 2023
Trading update 3Q22	Wednesday 18 October 2023

Share info

Barco share	BAR	ISIN BE0974362940
Reuters	BARBt.BR	
Bloomberg	BAR BB	

More info including the quarterly consensus update, reports, reference to conference, roadshows and relevant tradeshow are available on Barco's investor portal www.barco.com/investors.

2022 Integrated annual report

Integrated
Data Pack

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Barco

Integrated report 2022



This is the Integrated Data Pack 2022.
This is an appendix to the 2022 Annual Report. Other sections are available via the download center at ir.barco.com/2022.

CORE

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Integrated Data Pack

This Integrated Data Pack document contains a full set of metrics (financial and non-financial) with the respective performance results over the last 3 years. These metrics are organized per Capital and (material) topic.

This document is being updated every year and released together with the Annual Report. For definitions on the indicators, see the [Glossary](#).

Capital	Topic	Indicator	Unit	2022	2021	2020
FINANCIAL	Sustained profitable growth	Group sales	mio €	1,058.3	804.3	770.1
		Gross profit	mio €	412.8	287.5	283.8
		Gross profit (% of sales)	%	39.0	35.7	36.9
		EBITDA	mio €	126.5	58.5	53.6
		EBITDA margin	%	12.0	7.3	7.0
		OPEX as % of sales	%	30.3	33.0	34.5
		Earnings per share	€	0.84	0.10	-0.05
		Dividend	€	0.44	0.40	0.378
		Nominal tax amount paid	mio €	6	8	10
		Effective tax rate	%	18	18	0
	Financial resilience	Total amount paid in dividends to shareholders	k€	39,802	33,388	33,354
		Total amount of share buybacks undertaken	# of shares	-	600,000	-
		Net financial cash/(debt)	mio €	264.0	309.7	193.5
		Free Cash Flow	mio €	13.1	78.0	-35.9
		Equity as % of balance sheet total	%	67.9	66.5	68.5

Capital	Topic	Indicator	Unit	2022	2021	2020
MANUFACTURED	Long term asset performance	% make	%	61.5	66.2	69.6
		Countries with a manufacturing facility	#	4	4	4
		ROCE	%	16.0	4.4	3.0
		Inventory turns	#	2.1	2.4	2.3
		Capex (in % of sales)	%	2.0	2.3	1.9

Capital	Topic	Indicator	Unit	2022	2021	2020
INTELLECTUAL	Innovation management	Number of patents at year-end	#	550	504	461
		Number of new patent filings	#	13	17	9
		% of employees in R&D	% of heads	30.5	30.1	28.5
		R&D spend	mio €	121	101	103
		R&D spend (in % of sales)	%	11.4	12.6	13.3
		Innovation awards	#	3	11	8

Capital	Topic	Indicator	Unit	2022	2021	2020
PLANET	EU taxonomy	% revenues eligible for EU Taxonomy alignment	%	90.3	91.0	-
		% revenues aligned under EU Taxonomy alignment	%	27.0	-	-
		% capex eligible for EU Taxonomy alignment	%	100	100	-
		% capex aligned under EU Taxonomy alignment	%	4.8	-	-
		% opex eligible for EU Taxonomy alignment	%	100	100	-
		% opex aligned under EU Taxonomy alignment	%	47.7	-	-
	Environmental management system	% of (manufacturing) sites covered by a certified environmental management system	%	100	100	100
	Product stewardship	% of new products released with Barco ECO label (hardware)	%	63	65	48
		Revenues from products with Barco ECO label	mio € revenues	476.1	226.2	178.9
		% revenues from products with Barco ECO label (hardware)	%	50	31	26
		Energy efficiency index of sold products relative versus base year 2015	#	0.73	0.70	0.73
		Greenhouse gas emissions of sold products (product use emissions) (relative)	Tonnes CO ₂ e /mio € revenues	272.4	296.9	306.7
		Material use (absolute)	kg	3,715,435	3,235,416	2,736,305
		Material use (relative)	kg /mio € revenues	3,511	4,441	3,935
		% of new products released with recycled plastics (hardware)	%	12	35	4
		% of revenues in countries with Barco return and recycling programs	%	65	25	26
		% of active components covered by Full Material Declarations	%	83.6	82.5	82.0

Capital	Topic	Indicator	Unit	2022	2021	2020
	Climate change & energy	Total greenhouse gas emissions (absolute)	Tonnes CO ₂ e	330,424	281,874	277,335
		Total greenhouse gas emissions (relative)	Tonnes CO ₂ e /mio € revenues	266.2	350.5	360.1
		Greenhouse gas emissions scope 1 (absolute)	Tonnes CO ₂ e	3,057	3,256	3,145
		Greenhouse gas emissions scope 2 (absolute)	Tonnes CO ₂ e	783	459	215
		Greenhouse gas emissions scope 3 incl. product use emissions (absolute)	Tonnes CO ₂ e	277,898	278,160	273,975
		Greenhouse gas emissions of our own operations	Tonnes CO ₂ e /mio € revenues	39.8	53.6	53.4
		Greenhouse gas emissions infrastructure	Tonnes CO ₂ e /mio € revenues	2.9	4.0	3.8
		Greenhouse gas emissions mobility	Tonnes CO ₂ e /mio € revenues	6.7	7.0	8.3
		Greenhouse gas emissions logistics	Tonnes CO ₂ e /mio € revenues	30.2	42.7	41.3
		Energy consumption in own operations (absolute)	MWh	31,560	31,345	26,442
		Energy consumption in own operations (relative)	MWh/mio € revenues	29.9	39.0	34.3
		% energy consumption from renewable sources	%	57	52	54
		Total electricity consumption (absolute)	MWh	18,297	16,747	14,570
		% electricity from renewable sources	%	99	98	97
	Waste management	Total solid waste (absolute)	Tonnes	1,282	1,131	1,937
		Total solid waste (relative)	Tonnes/mio € revenues	1.2	1.4	2.5
		Total hazardous waste (absolute)	Tonnes	17.6	27.4	31.0
		% hazardous waste of solid waste	%	1.4	2.4	1.2

Capital	Topic	Indicator	Unit	2022	2021	2020
		Recycled & composted solid waste (absolute)	Tonnes	806.0	659.4	1,007.2
		Recycled & composted solid waste (relative)	Tonnes/mio € revenues	0.8	0.8	1.3
		Landfilled waste (absolute)	Tonnes	131.8	174.0	561.7
		Landfilled waste (relative)	Tonnes/mio € revenues	0.1	0.2	0.7
		% waste to landfill	%	10	15	29
		Recycling & composting rate of solid waste	%	63	58	52
	Water	Water withdrawal (absolute)	m ³	37,973	35,323	38,666

Capital	Topic	Indicator	Unit	2022	2021	2020
PEOPLE		Number of employees at the end of the financial year (heads)	# heads	3,302	3,141	3,303
		Number of employees at the end of the financial year (FTEs)	# FTEs	3,202	3,039	3,211
		Number of new (external) hires	# heads	655	384	374
		Permanent workforce at the end of the financial year (heads)	# heads	3,013	2,882	2,996
		Non-permanent workforce at the end of the financial year directly employed by Barco (heads, fixed-term contracts + temporary work + apprenticeship)	# heads	394	307	325
		Employee wages and benefits (personnel costs)	mio €	289	241	235
		Employer contributions to pensions or other retirement plans	mio €	13	13	13
	Employee engagement	Employee Net Promoter Score	#	16	-	-
		Voluntary turnover rate	% of heads	10.6	10.5	9.6
		Number of iGemba improvement suggestions per operator	#	6.3	5.5	4.1
	Learning & Development	Average training hours per employee	# hours	12.2	10.5	11.3
		% of employees having received training	% of heads	91	89	85
		Average training investment per employee	€	318.6	302.0	353.5
		Internal mobility (% of vacancies filled internally)	%	17	20	20
		% of employees who received Annual performance review, or regular feedback/check-in session(s)	% of heads	62	58	59
	Employee health, safety & wellbeing	Lost Time Injury Frequency rate (per 1,000,000 hours worked) employees	#	1.44	1.59	2.44
		Lost Time Injury Severity rate (per 1,000 hours worked) employees	#	0.03	0.07	0.07
		Total work-related fatalities (employees and contractors)	#	0	0	0
		% employees trained in Standards@Work Safety (white collars)	% of heads	98.7	99.6	99.4
		Rate of absenteeism	%	2.7	2.7	3

Capital	Topic	Indicator	Unit	2022	2021	2020
	Diversity & inclusion	% women overall	% of heads	29.1	27.1	27.6
		% women in senior management	% of heads	19	16	17
		% women in Core Leadership Team	% of heads	14	13	13
		% women in Board	% of heads	50	50	29
		% employees < 30 yrs	% of heads	10	9	9
		% employees > 30 yrs < 50 yrs	% of heads	61	63	67
		% employees > 50 yrs	% of heads	29	28	24
		Average age of the workforce	#	43	43	43
		Number of nationalities in the global workforce	#	48	44	44
	Labor practices & human rights	% employees covered by formal collective agreements	% of heads	100	100	100
		% of the total workforce across all locations represented in formal joint management-worker health & safety committees	% of heads	51	52	51

Capital	Topic	Indicator	Unit	2022	2021	2020
COMMUNITIES	Customer engagement	Customer Net Promoter Score (relationship NPS)	#	44	47	47
	Product quality, safety & security	Number of incidents of non-compliance regarding the health and safety impacts of products and services	#	0	0	0
		% employees trained in Standards@Work Quality (white collars)	% of heads	99.8	99.7	99.8
		% of (development and manufacturing) sites covered by a certified quality management system	%	100	100	94
		Number of notifications about potential vulnerabilities (including duplicates) in products or services, reported by customers, ethical hackers and third-party pen-testers contracted by Barco	#	289	267	116
	Information security & data protection	Number of data / GDPR / privacy incidents reported to data protection authorities	#	0	0	0
		Average cybersecurity maturity (NIST CSF) score	#	2.66	2.23	2.19
		Number of product lines in scope of ISO 27001	#	2	2	2
		% employees trained in Standards@Work Cybersecurity (white collars)	% of heads	99.6	99.6	98.5
		% employees trained in Standards@Work Data protection (white collars)	% of heads	99.7	99.7	98.5
	Business ethics	% employees trained in Standards@Work (white collars)	% of heads	99	99	98
		% employees trained in Standards@Work Ethics (white collars)	% of heads	99.4	99.9	98.5
		Number of incidents reported via ethics mailbox	#	9	8	10
	Corporate governance	Average remuneration per FTE employee	k€	88.3	75.0	65.6
		Total CEO Compensation	k€	1,289.6	1,086.0	1,262.7
		Highest CEO compensation / Lowest employee compensation in legal entity Barco nv (euros/euros)	ratio	21.1	26.2	30.0
		Number of non-executive Board members / Number of Board members excluding employee representatives	ratio	4/6	4/6	5/6
		% independent directors	% of heads	67	50	50
		% non-Belgian members in the Core Leadership Team	% of heads	27	38	47

Capital	Topic	Indicator	Unit	2022	2021	2020
		Participation rate Annual General Meeting	%	57	51	64
		Average % of 'For' votes in Annual General Meeting	%	88	88	91
		Average total attendance rate at Board and Committee meetings	%	100	99	99
	Responsible supply chain management	Number of major (key, key+, core) suppliers (covering X% of production spend)	# (%)	159 (87)	144 (84)	142 (81)
		Days payment outstanding (average payment term of suppliers)	#	68	80	53
		Number of supplier quality audits	#	37	41	35
		% of production spend covered by signed Barco supplier code of conduct	%	84	83	83
		% of production spend covered by contracts with sustainability clause (MSA, signed T&Cs, PA)	%	85	89	88
		% of production spend covered by supplier sustainability score	%	70.9	58.2	43.8
		% of new production suppliers screened using social and environmental criteria	%	100	100	-
		% in-scope suppliers that responded to Conflict Minerals Reporting Template	%	100	100	100
	Community engagement	Community investment	€	38,527	198,000	141,920

2022 Integrated annual report

Glossary



This is the Glossary 2022. This is an appendix to the 2022 Annual Report. Other sections are available via the download center at ir.barco.com/2022.

CORE

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Glossary

This glossary document contains a description of frequently used Financial Terms, Alternative Performance Measures (APM) and Non-financial KPIs in Barco's reporting deliverables. It is being updated every year and disclosed together with the Annual Report.

Indicator	Unit of measure	Definition
% capex aligned under EU Taxonomy alignment	%	Relative proportion of capex that complies with the requirements of alignment in accordance with the EU taxonomy regulation
% capex eligible for EU Taxonomy alignment	%	Relative proportion of capex that qualifies for eligibility in accordance with the EU taxonomy regulation
% electricity consumption from renewable sources	%	Electricity consumption from renewable sources / total electricity consumption of the considered Barco sites. Renewable electricity is either achieved by own production using a renewable source (e.g. PV panels) or by having renewable electricity contracts (e.g. Guarantees of Origin, RECs). Renewable energy sources are sources which have zero direct CO ₂ e-emissions (e.g. solar power, wind turbines).
% employees < 30 yrs	% of heads	Number of permanent and fixed-term contracted employees on Barco payroll at the end of the year, in heads, with age < 30 years / total number of permanent and fixed-term contracted employees on Barco payroll at year-end, in heads. Interim/temp contracts, interns, contractors and Cinionic employees are excluded.
% employees > 30 yrs < 50 yrs	% of heads	Number of permanent and fixed-term contracted employees on Barco payroll at the end of the year, in heads, with age >=30 years and <50 years / total number of permanent and fixed-term contracted employees on Barco payroll at year-end, in heads. Interim/temp contracts, interns, contractors and Cinionic employees are excluded.
% employees > 50 yrs	% of heads	Number of permanent and fixed-term contracted employees on Barco payroll at the end of the year, in heads, with age > 50 years / total number of permanent and fixed-term contracted employees on Barco payroll at year-end, in heads. Interim/temp contracts, interns, contractors and Cinionic employees are excluded.
% employees covered by formal collective agreements	% of heads	Barco applies an active formal collective agreements policy in these countries and industries where collective agreements are mandatory, relevant or customary. For the scope of this definition, we take into consideration the number of employees captured by collective agreement for these sites and regions where a formal collective agreements policy is applicable. In Belgium where the company has its headquarter as well as its main manufacturing site, Barco applies interprofessional, industry as well as company-specific formal collective agreements. In the rest of the EMEA region as well as the Latin American region Barco applies interprofessional and industry collective agreements. In other regions such as APAC-region; where collective agreements are less common, the company is typically subject of regulatory requirements in this domain. In addition to the regulatory framework the respective topics are typically captured in local policies and employee handbooks.
% employees trained in Standards@Work (white-collars)	% of heads	Number of white-collars trained in Standards@Work (sum of all modules) / number of white-collars at the end of the financial year.
% employees trained in Standards@Work Continuous Improvement (white-collars)	% of heads	Number of white collars trained in Standards@Work Continuous Improvement / number of white collars at the end of the financial year.
% employees trained in Standards@Work Cybersecurity (white-collars)	% of heads	Number of white collars trained in Standards@Work Cybersecurity / number of white collars at the end of the financial year.
% employees trained in Standards@Work Data protection (white-collars)	% of heads	Number of white collars trained in Standards@Work Data Protection / number of white collars at the end of the financial year.
% employees trained in Standards@Work Ethics (white-collars)	% of heads	Number of white collars trained in Standards@Work Ethics / number of white collars at the end of the financial year.

Indicator	Unit of measure	Definition
% employees trained in Standards@Work Quality (white-collars)	% of heads	Number of white collars trained in Standards@Work Quality / number of white collars at the end of the financial year.
% employees trained in Standards@Work Safety (white-collars)	% of heads	Number of white collars trained in Standards@Work Safety / number of white collars at the end of the financial year.
% employees trained in Standards@Work Sustainability (white-collars)	%	Number of white collars trained in Standards@Work Sustainability / number of white collars at the end of the financial year.
% hazardous waste of solid waste	%	Tonnes hazardous waste / total tonnes of solid waste generated at the considered Barco sites. Note that the classification of "hazardous" is dependent on the legal framework of the country considered.
% independent directors	% of heads	Independent directors must either meet the independence criteria laid down in art. 3.5 of the Belgian Corporate Governance Code 2020 or have been expressly qualified as independent by the shareholders
% in-scope suppliers that responded to Conflict Minerals Reporting Template	%	Number of in-scope suppliers that responded to Conflict Minerals Reporting Template (CMRT) / Total number of in-scope suppliers. In-scope suppliers are suppliers that deliver products or components containing tungsten, tantalum, tin or gold. The CMRT is provided by the Responsible Minerals Initiative (RMI).
% make	%	Product revenue (excl. services) of materials inhouse manufactured / Total product & project sales. We refer to note 3 in finance report for total product and project sales of the financial year.
% non-Belgian members in the Core Leadership Team	% of heads	Core leadership team is Barco's executive team which operates under the chairmanship of the Chief Executive Officer, comprises key officers from functions, businesses and regions. Non-Belgian members are these members who do not have a Belgian passport.
% of active components covered by Full Material Declarations	%	Number of purchased components that are covered by FMD-A (Full Material Declaration) or FMD-B material declarations / total purchased components.
% of (development and manufacturing) sites covered by a certified quality management system	%	Number of product development or manufacturing sites having a valid ISO9001 or ISO13485 Quality Management System certificate / total number of product development and manufacturing sites
% of employees having received training	% of heads	Number of employees who had followed a training course over the year/ total number of employees at the end of the financial year
% of employees in R&D	% of heads	Employees per functional group R&D
% of employees who received annual performance review, or regular feedback/check-in session(s)	% of heads	% bonus eligible white collars / permanent workforce at the end of the financial year
% of (manufacturing) sites covered by a certified environmental management system	%	Number of manufacturing sites having a valid ISO14001 Environmental Management System certificate / total number of manufacturing sites
% of new production suppliers screened using social and environmental criteria	%	New production suppliers are suppliers which were created in Barco's ERP system in the reporting year and with confirmed purchase orders. Screened means supplier self-assessment including social and environmental criteria is completed.
% of new products released with Barco ECO label (hardware)	%	Number of newly introduced hardware products that have received the Barco ECO label / total number of newly introduced hardware products. Definition "hardware product": Barco branded finished electronic hardware product, either designed inhouse or outsourced to OEM suppliers, that can deliver standalone its intended function. Definition "newly introduced hardware product": commercial launch of first member of product family covered by one dedicated hardware development project. Options or modules are not in scope of the definition. Definition "commercial launch": projects for which Formal Quality Review (FQR) is granted and or is available on Barco.com. The ecoscoring methodology, which is validated against the ISO 14021 standard, is explained on our website .

Indicator	Unit of measure	Definition
% of new products released with recycled plastics (hardware)	%	Number of newly introduced hardware products containing recycled plastics / total number of newly introduced hardware products. Definition "hardware product": Barco branded finished electronic hardware product, either designed inhouse or outsourced to OEM suppliers, that can deliver standalone its intended function. Definition "newly introduced hardware product": commercial launch of first member of product family covered by one dedicated hardware development project. Options or modules are not in scope of the definition. Definition "commercial launch": projects for which Formal Quality Review (FQR) is granted and or is available on Barco.com. Definition "containing recycled plastics": product containing a minimum mass percentage recycled content in plastic parts larger than 25 grams. The minimum mass percentage is defined in the applied Barco ecoscore tool version.
% of production spend covered by contracts with sustainability clause (MSA, signed T&Cs, PA)	%	Total spend by production suppliers with formally signed MSA, T&C's or Purchase Agreement / total production spend. MSA means Master Supply Agreement. T&C's means Terms & Conditions.
% of production spend covered by signed Barco supplier code of conduct	%	Production spend covered by a signed commitment to the Barco code of conduct for suppliers or equivalent/total production spend. Production spend equals total cost of production materials.
% of production spend covered by supplier sustainability score	%	Total production spend from suppliers that have been scored on sustainability by Barco / Total production spend.
% of revenues in countries with Barco return and recycling programs	%	Revenue of products sold in countries where Barco joined an EPR (Extended Producer Responsibility) scheme relative to the total revenue
% of the total workforce across all locations represented in formal joint management-worker health & safety committees	% of heads	Total number of permanent and fixed-term contracted employees on Barco payroll in countries with a committee divided by total number of permanent and fixed-term contracted employees on Barco payroll at the end of the financial year, in heads.
% opex aligned under EU Taxonomy alignment	%	Relative proportion of opex that complies with the requirements of alignment in accordance with the EU taxonomy regulation
% opex eligible for EU Taxonomy alignment	%	Relative proportion of opex that qualifies for eligibility in accordance with the EU taxonomy regulation
% revenues aligned under EU Taxonomy alignment	%	Relative proportion of total revenues that complies with the requirements of alignment in accordance with the EU taxonomy regulation
% revenues eligible for EU Taxonomy alignment	%	Relative proportion of total revenues that qualify for eligibility in accordance with the EU taxonomy regulation
% revenues from products with Barco ECO label (hardware)	%	Total revenues from products with Barco ECO label / Total product & project sales. We refer to note 3 in finance report for total product and project sales of the financial year.
% waste to landfill	%	Tonnes of waste sent to landfill / total tonnes of solid waste generated at the considered Barco sites.
% women in board	% of heads	Total number of female members of the Board of Directors divided by total number of members of the Board at the end of the financial year, in heads.
% women in Core Leadership Team	% of heads	Total number of female members of the Core Leadership Team divided by total number of members of the Core Leadership Team at the end of the financial year, in heads.
% women in senior management	% of heads	We define senior management as employees with hay grade >=18. As a result the metrics equates the following: number of female employees with hay grade >= 18 / total number of employees with hay grade >= 18 at year-end. For Hay grade information see public sources.
% women overall	% of heads	Number of female permanent and fixed-term contracted employees on Barco payroll at the end of the year, in heads / total number of permanent and fixed-term contracted employees on Barco payroll at year-end, in heads. Interim/temp contracts, interns, contractors and Cinionic employees are excluded.

Indicator	Unit of measure	Definition
Adjusted EBIT	€	EBIT excluding restructuring costs and impairments relating to reorienting or stopping certain activities, business or product lines, as well as impairments on goodwill and revenues resulting from a single material transaction not linked to current business activities (e.g. change of control in a subsidiary). Results out of divestments or acquisitions are included in EBIT(DA). Reconciliation from EBIT to adjusted EBIT can be found in the income statement.
Adjusted Return on operating capital employed (ROCE)	€	Adjusted EBIT after tax relative to operating capital employed (including goodwill). $ROCE = \frac{\text{Adjusted EBIT} \times (1 - \text{tax rate})}{\text{Operating capital employed (including goodwill)}}$
Associates		Companies in which Barco has a significant influence, generally reflected by an interest of at least 20%. Associates are accounted for using the equity method.
Average age of the workforce	#	Sum of all ages of the number of permanent and fixed-term contracted employees on Barco payroll at the end of financial year divided by the number of permanent and fixed-term contracted employees on Barco payroll at the end of the financial year. Interim/temp contracts, interns, contractors and Cinionic employees are excluded.
Average cybersecurity maturity (NIST CSF) score	#	NIST CST: National Institute of Standards and Technology Cybersecurity Framework. The NIST CSF self-assessment result is performed at the end of the financial year and is the average of the NIST CSF Functions according to the NIST CSF methodology.
Average number of blue collars (incl. Cinionic)	# FTEs	Average blue-collar number of permanent and fixed-term contracts on Barco payroll over the full year, in fulltime equivalents. Interim/temp contracts, interns and contractors are excluded. Calculation average: sum of number at month end divided by 12.
Average number of employees (incl. Cinionic)	# FTEs	Average number of permanent and fixed-term contracts on Barco payroll over the full year, in fulltime equivalents. Interim/temp contracts, interns and contractors are excluded. Calculation average: sum of number at month end divided by 12.
Average number of white-collars (incl. Cinionic)	# FTEs	Average white-collar number of permanent and fixed-term contracts on Barco payroll over the full year, in fulltime equivalents. Interim/temp contracts, interns and contractors are excluded. Calculation average: sum of number at month end divided by 12.
Average remuneration per FTE employee	k€	Remuneration is calculated based on total wages and direct social benefits, including company cars divided by the average number of employees (including Cinionic)
Average training hours per employee	# hours	Total hours of learning or training followed / total number of employees at the end of the financial year
Average training investment per employee	€	Total expenses for learning & development / total number of employees at the end of the financial year
BarcoCFG		'Full name is CFG Barco (Beijing) Electronics Co., Ltd. BarcoCFG is the entity where Barco joined forces with China Film Group to address the Chinese cinema market. Barco holds a 49% stake in this entity at the end of December 2021.
Book value per share		Equity attributable to the Group divided by number of shares outstanding at balance sheet date.
Capex (in % of sales)	%	Purchase of tangible and intangible assets as included in the statement of cash flow
Community investment	€	Rough order of magnitude of the sum of money & goods invested in charity / community initiatives that were defined by Barco throughout the year, on a global scale. The reported amount is based on a non-exhaustive list of inputs from the different local teams.
Countries with a manufacturing facility	#	Country where Barco has own production site(s)

Indicator	Unit of measure	Definition
Customer Net Promoter Score (relationship NPS)	#	"Calculation of the Net Promotor (NPS) Score is based on the answer of customers to the question: "On a scale from 0-10, how likely are you to recommend Barco to a friend or colleague?" Detractors score 0-6, passives score 7-8, promotor score 9-10. Calculation of NPS result = % promotor score - % detractors. The NPS score reported is the overall result of the yearly survey conducted in the fourth quarter of the year. The survey recipients are extracted from CRM customer data; product and mybarco.com registrations and are selected to get 100 responses per business units per region."
Days payment outstanding (average payment term of suppliers)	# calendar days	Days payable outstanding calculated as Trade Payables / (Material cost + Services and other costs) x 365
Direct available net cash	€	Net financial cash excluding the cash in Cinionic.
Dividend yield	%	Gross dividend as a percentage of the share price on 31 December.
DPO	#	Days payable outstanding calculated as Trade Payables / (Material cost + Services and other costs) x 365
DSO	#	Days sales outstanding calculated as ((Trade debtors / (sales past quarter)) * 90
Earnings per share	€	Net income/(loss) attributable to the equity holder of the parent divided by weighted average of shares
EBIT	€	Operating result (earnings before interest and taxes), calculated as gross profit less research & development expenses, sales and marketing expenses, general and administration expenses, other operating income (expense) - net and plus or minus adjusting items
EBITDA	€	Adjusted EBIT + depreciation, amortization and impairments (if any).
Employee Net Promoter Score	#	The employee net promotor score is derived from the engagement question "I would recommend the company to people I know as a great place to work" as part of the Employee Engagement survey, distributed among the white-collar population only. The net promotor score is based on the eNPS technique where scores between 0 to 6 (on 10) are considered "detractors", score 7 & 8 as "passive" and 9 & 10 as "promoters". eNPS score is promoters minus detractors.
Employees per functional group General & Administration	% of heads	Number of permanent and fixed-term contracted employees on Barco payroll at the end of the year, in heads, working in general & administration (information technology, finance, general and divisional management, human resources, legal and investor relations), divided by the total number of permanent and fixed-term contracted employees on Barco payroll at the end of the year, in heads. Interim/temporary contracts, interns, contractors and Cinionic employees are excluded
Employees per functional group operations	% of heads	Number of permanent and fixed-term contracted employees on Barco payroll at the end of the year, in heads, working in the operations department (including procurement, quality, production, customer service and customer projects), divided by the total number of permanent and fixed-term contracted employees on Barco payroll at the end of the financial year, in heads. Interim/temporary contracts, interns, contractors and Cinionic employees are excluded.
Employees per functional group R&D	% of heads	Number of permanent and fixed-term contracted employees on Barco payroll at the end of the year, in heads, working in research & development, divided by the total number of permanent and fixed-term contracted employees on Barco payroll at the end of the year, in heads. Interim/temporary contracts, interns, contractors and Cinionic employees are excluded.
Employees per functional group sales & marketing	% of heads	Number of permanent and fixed-term contracted employees on Barco payroll at the end of the year, in heads, working in sales & marketing, divided by the total number of permanent and fixed-term contracted employees on Barco payroll at the end of the year, in heads. Interim/temporary contracts, interns, contractors and Cinionic employees are excluded.
Employees per region	% of heads	Number of permanent and fixed-term contracted employees on Barco payroll at the end of the year, in heads, working in a legal entity in Europe, Americas or APAC, divided by the total number of permanent and fixed-term contracted employees on Barco payroll at the end of the year, in heads. Interim/temporary contracts, interns, contractors and Cinionic employees are excluded.

Indicator	Unit of measure	Definition
Energy consumption in own operations (absolute)	MWh	Total energy consumption (MWh) of the considered Barco sites, covering both infrastructure energy consumption and owned/leased fleet energy consumption. Regarding infrastructure energy this covers both fossil fuel consumption (natural gas, fuel), purchased energy (grey or green electricity, district heating) as well as produced renewable electricity (e.g. by means of PV panels)
Energy consumption in own operations (relative)	MWh / mio € revenues	Energy consumption in own operations on total Group sales.
Energy efficiency index of sold products relative versus base year 2015	#	The energy efficiency index of our products represents energy consumption/delivered capability of Barco's major groups: projectors products in the Entertainment division and large video walls & LED products in the Enterprise division. The energy performance is defined as Watt divided by delivered capability. This indicator is weighted on revenues from the considered products and normalized to a 2015 baseline value (with default value 1.0).
Equity method		Method of accounting whereby an investment (in an associate) is initially recognized at cost and subsequently adjusted for any changes in the investor's share of the associate's net assets (i.e. equity). The income statement reflects the investor's share in the net result of the investee.
Free cashflow	€	'Gross operating cash flow excluding share options recognized as cost + change in net working capital + Interest (expense)/income + income taxes + purchase of tangible and intangible fixed assets + proceeds on disposals of tangible and intangible fixed assets.
Greenhouse gas emissions infrastructure	Tonnes CO ₂ e / mio € revenues	Greenhouse gas emissions infrastructure on total sales. Infrastructure covers total energy emissions from infrastructure energy, refrigerant losses and waste generated at the facilities. Same scope applies as for Greenhouse gas emissions of our own operations.
Greenhouse gas emissions logistics	Tonnes CO ₂ e / mio € revenues	Greenhouse gas emissions logistics on total sales. Logistics covers all emissions from transport of goods (in- & outbound) paid for by Barco. Same scope applies as for Greenhouse gas emissions of our own operations.
Greenhouse gas emissions mobility	Tonnes CO ₂ e / mio € revenues	Greenhouse gas emissions mobility on total sales. Mobility covers owned/leased fleet emissions, commuting and business travel emissions. Same scope applies as for Greenhouse gas emissions of our own operations.
Greenhouse gas emissions of our own operations (absolute)	Tonnes CO ₂ e	Sum of total Greenhouse gas emissions from infrastructure, mobility and logistics in tonnes of CO ₂ e on total sales for all production and research & development sites (in Belgium, China, Italy, Germany, India, Norway, Taiwan and US) covering in total minimum 85% of the Group's total FTE. For more information on methodology, scope, baseline and calculation assumptions, we refer to our website .
Greenhouse gas emissions of sold products (product use emissions) (relative)	Tonnes CO ₂ e / mio € revenues	Total greenhouse gas emissions of Barco sold products in tonnes of CO ₂ e / total Group sales (mio € revenues). For more information on methodology and scope, we refer to our website .
Greenhouse gas emissions scope 1 (absolute)	Tonnes CO ₂ e	Greenhouse gas emissions covering scope 1 as defined by the Greenhouse Gas Protocol in tonnes of CO ₂ e. Scope 1 covers the direct emissions from combustion of fossil fuels at company facilities and by company vehicles and emissions from refrigerant losses at company facilities.
Greenhouse gas emissions scope 2 (absolute)	Tonnes CO ₂ e	Greenhouse gas emissions covering scope 2 as defined by the Greenhouse Gas Protocol. Scope 2 covers the direct emissions from purchased electricity and district heating. Note that the market-based approach is used here.
Greenhouse gas emissions scope 3 incl. product use emissions (absolute)	Tonnes CO ₂ e	Greenhouse gas emissions scope 3 as defined by the Greenhouse Gas Protocol covers the direct emissions from upstream activities (fuel and energy related activities, transportation and distribution, waste generated in operations, business travel, employee commuting) and downstream activities (use of sold products) in tonnes of CO ₂ e
Greenhouse gas emissions scope 3 incl. product use emissions (relative)	Tonnes CO ₂ e / mio € revenues	Greenhouse gas emissions scope 3 incl. product use emissions on total sales (mio € revenues).

Indicator	Unit of measure	Definition
Highest CEO compensation / Lowest employee compensation (euros/euros)	ratio	Highest FTE CEO compensation (excluding stock options) over lowest FTE employee compensation registered in the legal entity Barco nv in Belgium.
Indirect costs/expenses	€	Research & development expenses, sales and marketing expenses and general and administration expenses; including depreciations and amortizations
Innovation awards	#	Number of awards that recognize the innovative aspect of technology and/or solutions to create or enhance an outcome, awarded by an independent organisation with a global, well-known reputation
Internal mobility (% of vacancies filled internally)	%	Number of internally recruited, filled in vacancies/total number of vacancies filled.
Inventory turns	#	Inventory turns = 12 / [Inventory / (average monthly sales last 12 months x material cost of goods sold %)]
Landfilled waste (absolute)	Tonnes	Total amount of waste sent to landfill at the considered Barco sites in tonnes of waste.
Landfilled waste (relative)	Tonnes / mio € revenues	Landfilled waste on total Group sales.
Lost time injury frequency rate (per 1 000 000 hours worked) employees	#	Number of lost-time injuries multiplied with 1,000,000 and divided by total hours worked by all employees. Lost-time injuries are accidents that result in at least one lost day of work. When recording lost-time injuries, we use applicable national definitions for incidents as work-related.
Lost Time Injury Severity rate (per 1000 hours worked) employees	#	Number of lost days of work of all employees multiplied with 1,000 and divided by total hours worked by all employees.
Material use (absolute)	kg	Weight of product mass or components placed on the market (excluding the weight of sold intercompany items)
Material use (relative)	kg / mio € revenues	Material use / Total product & project sales. We refer to note 3 on p. 35 in finance report for total product and project sales of the financial year.
Net financial cash/(debt)	€	Short term investments + Cash and cash equivalents + long-term financial receivables - long-term debts - current portion of long-term debts - short-term debts
Nominal tax amount paid	mio €	Total taxes paid over the reporting paid as reported in the cash flow statement on the line 'Income taxes'
Non-permanent workforce at the end of the financial year directly employed by Barco (heads, fixed-term contracts + temporary work + apprenticeship)	# heads	Number of fixed-term contracts and interim/temporary contracts directly employed by Barco at the end of the financial year, in heads. Permanent workforce, interns, contractors and Cinionic employees are excluded.
Number of blue collars at the end of the financial year (incl. Cinionic) (FTEs)	# FTEs	Total blue-collar number of permanent and fixed-term contracts on Barco and Cinionic payroll at the end of the year, in fulltime equivalents. Interim/temp contracts, interns and contractors are excluded.
Number of data / GDPR / privacy incidents reported to data protection authorities	#	Number of personal data breaches reported to the data protection authorities at the end of the financial year.
Number of employees at the end of the financial year (FTEs)	# FTEs	Total number of permanent and fixed-term contracts on Barco payroll at the end of the year, in fulltime equivalents. Interim/temp contracts, interns and contractors and Cinionic employees are excluded.
Number of employees at the end of the financial year (heads)	# heads	Total number of permanent and fixed-term contracts on Barco payroll at the end of the year, in heads. Interim/temp contracts, interns and contractors and Cinionic employees are excluded.
Number of employees at the end of the financial year (incl. Cinionic), including split of white collars and blue collars	# FTEs	Total number of permanent and fixed-term contracts on Barco and Cinionic payroll at the end of the year, in fulltime equivalents. Interim/temp contracts, interns and contractors are excluded.

Indicator	Unit of measure	Definition
Number of iGemba improvement suggestions per operator	#	Total number of iGemba improvement suggestions received in the considered year / total number of operators. iGemba is the name of Barco's continuous improvement system. An improvement suggestion is an idea, improvement, solution, ... that is registered by an operator on an iGemba improvement card. An operator is a blue-collar employee.
Number of incidents of non-compliance regarding the health and safety impacts of products and services	#	Number of incidents of non-compliance registered in the field causing a health or safety impact for any stakeholder working with our products or using our services
Number of incidents reported via ethics mailbox	#	Incident is every notification, complaint, question or request for ethical guidance, addressed to ethics@barco.com, regardless of whether the sender is known or anonymous
Number of major (key, key+, core) suppliers (covering X% of production spend)	#	Number of key, key+ and core suppliers at the end of the financial year. Categorization of key, key+ and core suppliers is based upon supply risk and cost relevance to Barco.
Number of nationalities in the global workforce	#	Total number of nationalities of the number of permanent and fixed-term contracted employees on Barco payroll at the end of financial year.
Number of new (external) hires	# heads	Number of permanent + fixed-term contracted hires (externally recruited) on Barco payroll during year, in heads. Interim/temporary contracts, interns, contractors and Cinionic employees are excluded.
Number of new patent filings	#	New patent applications filed in the indicated year.
Number of non-executive Board members / Number of Board members excluding employee representatives	ratio	Ratio comparing non-executive board members over the board members (excluding possible employee representatives)
Number of notifications about potential vulnerabilities (including duplicates) in products or services, reported by customers, ethical hackers and third-party pen-testers contracted by Barco	#	This is the number of notifications regarding security received via the following channels: (1) our PSIRT (Product Security Incident Response Team), reported by external experts and researchers, (2) our service desk, reported by customers, or (3) via penetration test reports (reported by third party experts, contracted by Barco).
Number of patents at year-end	#	Total number of granted patents at year-end (of the indicated year).
Number of product lines in scope of ISO 27001	#	Product lines in scope of ISO27001 as published on our public certificate at the end of the financial year. Product lines are products found on the public Barco.com website.
Number of supplier quality audits	#	Total number of supplier quality audits performed during reporting year by Barco personnel.
Number of white collars at the end of the financial year (incl. Cinionic)	# FTEs	Total white-collar number of permanent and fixed-term contracts on Barco and Cinionic payroll at the end of the year, in fulltime equivalents. Interim/temp contracts, interns and contractors are excluded.
Operating capital employed (including goodwill)	€	Operating capital employed + goodwill
Operating capital employed (OCE)	€	Working capital + other long-term assets and liabilities
Operating expenses (OPEX)	€	Research & development expenses, sales and marketing expenses and general and administration expenses; excluding depreciations and amortizations
Order		An order can only be recognized if a valid purchase order has been received from the invoice-to customer. An order is only valid if it is: - In writing. This includes electronic version of the purchase order out of the customer's ERP system. - The contract needs to be signed by an authorized person from the business partner. Next to this, a minimum number of fields need to be mentioned on the order like customer name, address, reference to sales quotation or business partner sales agreement of Barco, etc.

Indicator	Unit of measure	Definition
Orderbook		Orderbook are previously received orders, which still fulfil all the conditions of an order, but are not delivered yet and hence not taken in revenue.
Other long-term assets and liabilities	€	Other long-term assets & liabilities include the sum of other intangible assets, land and buildings, other tangible assets, deferred tax assets (net). We refer to note 9 and 10 for the amounts.
Other working capital	€	Other working capital includes the net of other non-current assets, other amounts receivable, prepaid expenses and accrued income and other long-term liabilities, advances received from customers, tax payables, employee benefits liabilities, other current liabilities, accrued charges and deferred income and provisions
Participation rate Annual General Meeting	%	The participation rate is the ratio between the number of shares which are present or represented at the shareholders meeting or have voted remotely prior to that meeting, and the total number of shares issued by the company.
Permanent workforce at the end of the financial year (heads)	# heads	Number of employees on Barco payroll having a permanent employment contract at the end of the financial year, in heads. Fixed-term contracts/apprenticeships, interim/temporary contracts, interns, contractors and Cinionic employees are excluded.
R&D spend	mio €	Indirect expense spent on Research and Development over the reporting period
R&D spend (in % of sales)	%	Research and development spend in percentage of sale
Rate of absenteeism	%	Total absentee days lost divided by the total days scheduled to be worked by employees during the reporting period, expressed as a percentage.
Recycled & composted solid waste (absolute)	Tonnes	Total amount of recycled or composted waste at the considered Barco sites in tonnes of waste.
Recycled & composted solid waste (relative)	Tonnes / mio € revenues	Total recycled or composted waste on total Group sales.
Recycling & composting rate of solid waste	%	Tonnes recycled or composted waste/ total tonnes of solid waste generated at the considered Barco sites.
Regional spread of major suppliers (covering x% of production spend)	%	Sum of production spend of major suppliers per region /total production spend of major suppliers. Production spend equals total cost of production materials. Major suppliers are key, key + and core suppliers. Categorization of key, key+ and core suppliers is based upon supply risk and cost relevance to Barco.
Return on operating capital employed (ROCE)	%	Adjusted EBIT after tax relative to operating capital employed (including goodwill). $ROCE = EBIT \times (1 - \text{effective tax rate}) / \text{Operating capital employed}$ (including goodwill).
Revenues from products with Barco ECO label	mio € revenues	Total revenue coming from products sold having a Barco eco label > B (A, A+, A++). The eco-scoring methodology, which is validated against the ISO 14021 standard, is explained on our website .
Split of shares per July20		At Barco's Extraordinary General Shareholder's Meeting, of 30 April 2020, the shareholders have approved the share split by a factor seven (7), effective as of 1 July 2020. The purpose of the share split is to enhance accessibility and to improve the liquidity of the Barco share. As a result of this share split, Barco's total capital shall be represented by 91,487,438 shares as from 1 July 2020. Each of these shares confers one voting right at the General Meeting. The new split shares (please note: new ISIN code BE0974362940) are traded on the Euronext Brussels regulated market from 1 July 2020 onwards. Therefore, the earnings and diluted earnings per share as of 31 December 2019 and 2018 are for comparison reasons recalculated for the new number of shares.
Subsidiaries		Companies in which Barco exercises control.

Indicator	Unit of measure	Definition
TFA	€	Tangible fixed assets
Theoretical tax rate	%	The theoretical tax rate is the corporate tax rate applied in the country of origin of the parent legal entity (i.e. Belgium). The Belgian corporate tax rate as of 2020 is 25% (2019: 29.58%)
Total amount of share buybacks undertaken	# of shares	# of shares bought back over the reporting year
Total amount paid in dividends to shareholders	k€	Amount of dividends (in cash/shares) to be distributed as proposed by the Board of Directors of Barco nv to the General Assembly.
Total CEO Compensation	k€	The remuneration package of the CEO(s) consists of all salaries, benefits, bonuses and value of employer pension contribution. We refer to note 2.B Remuneration of the CEO in CGR part of the integrated report.
Total CEO compensation / Lowest employee compensation (Euros / Euros)	ratio	Total CEO compensation (excluding stock options) over lowest employee compensation registered in the legal entity Barco NV in Belgium.
Total electricity consumption (absolute)	MWh	Total electricity consumption (MWh) of the considered Barco sites
Total greenhouse gas emissions (absolute)	Tonnes CO ₂ e	Total Greenhouse Gas emissions of the considered Barco sites and Barco sold products for the complete covered scope (own operations emissions + product use emissions) in tonnes of CO ₂ e.
Total greenhouse gas emissions (relative)	Tonnes CO ₂ e / mio € revenues	Total Greenhouse Gas emissions on total Group sales.
Total hazardous waste (absolute)	Tonnes	Total amount of hazardous solid waste generated at the considered Barco sites in tonnes of waste. Note that the classification of "hazardous" is dependent on the legal framework of the country considered.
Total solid waste (absolute)	Tonnes	Total amount of solid waste generated at the considered Barco sites in tonnes of waste. Solid waste is all reported waste at the Barco sites in solid state, excluding liquid waste streams such as wastewater.
Total solid waste (relative)	Tonnes / mio € revenues	Total solid waste on total Group sales.
Total work-related fatalities (employees and contractors)	#	Number of deaths of persons at work or performing work related tasks, including employees and contractors
Voluntary turnover rate	% of heads	Number of permanent and fixed-term contracted employees on Barco payroll that voluntary left Barco over the year / total number of permanent and fixed-term contracted employees on Barco payroll at year-end, in heads. Interim/temp contracts, interns, contractors and Cinionic employees are excluded.
Water withdrawal (absolute)	m ³	Direct purchased water at the considered Barco sites in m ³ . Typically this is called "city water", "tap water", "mains water". It excludes water use from other sources (e.g. Captured rainfall or groundwater).
Working capital (net)	€	Trade debtors + inventory - trade payables - other working capital

2022 Integrated annual report

GRI Content
index

GRI Content index

Reporting period, cycle and scope

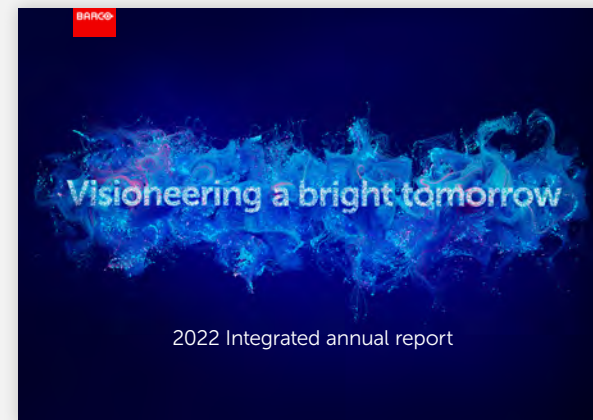
This integrated report provides an overview of our most relevant intentions, achievements and objectives in 2022, unless stated otherwise. The scope of the report is Barco worldwide (same as financial reporting), unless stated otherwise. The report is published annually, coinciding with the financial results. Date of previous report: February 2022.

GRI standards

This report has been prepared in accordance with the GRI Universal Standards 2021.

GRI Content index

Pages without prefix refer to the Core integrated report. PPC refers Planet-People-Communities report. FIN refers to Financial report. CCG refers to Corporate governance report. GRI refers to GRI index. IDP refers to the Integrated Data Pack. GLO refers to the Glossary. ASR refers to Assurance report.



This is the GRI Content Index of Barco's 2022 Integrated annual report. Other sections are available via the download center at ir.barco.com/2022.

CORE

MORE

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- [Report on planet - people - communities](#)
- [Financial report](#)

ANNEX

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2-27	Compliance with laws and regulations	CGR/46, PPC/35, PPC/42, PPC/46, PPC/49, PPC/52
2-28	Membership associations	PPC/52
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2-30	Collective bargaining agreements	IDP/10
GRI 3 MATERIAL TOPICS 2021		
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GRI 200 ECONOMIC TOPICS		
GRI 201 Economic Performance 2016		
201-1	Direct economic value generated and distributed	FIN/6, FIN/27-40
201-2	Financial implications and other risks and opportunities due to climate change	CGR/45
201-3	Defined benefit plan obligations and other retirement plans	FIN/77-79
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GRI 205 Anti-corruption 2016		
205-1	Operations assessed for risks related to corruption	CGR/46
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GRI 206 Anti-competitive behavior 2016		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	PPC/52
GRI 207 Tax 2019		
207-1	Approach to tax	FIN/44, FIN/55-56
207-2	Tax governance, control, and risk management	CGR/30-34
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GRI 300 ENVIRONMENTAL TOPICS		
GRI 301 Materials 2016		
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GRI 302 Energy 2016		
302-1	Energy consumption within the organization	GLO/8, IDP/7, PPC/13
302-2	Energy consumption outside of the organization	26, GLO/8, IDP/7, PPC/18
302-3	Energy intensity	26, GLO/8, IDP/7, PPC/13
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303-3	Water withdrawal	GLO/12, IDP/8
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305-1	Direct (Scope 1) GHG emissions	GLO/8, IDP/7, PPC/16
305-2	Energy indirect (Scope 2) GHG emissions	GLO/8, IDP/7, PPC/13
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306-3	Waste generated	GLO/12, IDP/7, PPC/15, PPC/19
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308-1	New suppliers that were screened using environmental criteria	GLO/4, IDP/12, PPC/46
GRI 400 SOCIAL TOPICS		
GRI 401 Employment 2016		
401-1	New employee hires and employee turnover	IDP/9
GRI 403 Occupational Health & Safety 2018		
403-1	Occupational health and safety management system	GLO/5, PPC/29
403-2	Hazard identification, risk assessment, and incident investigation	PPC/29
403-3	Occupational health services	PPC/29
403-4	Worker participation, consultation, and communication on occupational health and safety	GLO/5, IDP/10, PPC/29
403-5	Worker training on occupational health and safety	IDP/9, PPC/29-30
403-6	Promotion of worker health	PPC/29
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	PPC/41
403-9	Work-related injuries	IDP/9, PPC/30
GRI 404 Training and Education 2016		
404-1	Average hours of training per year per employee	27, IDP/9, PPC/31-32
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406-1	Incidents of discrimination and corrective actions taken	PPC/52
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413-1	Operations with local community engagement, impact assessments, and development programs	IDP/12, PPC/53-54
GRI 414 Supplier social assessment 2016		
414-1	New suppliers that were screened using social criteria	GLO/4, IDP/12, PPC/45-46
GRI 415 Public policy 2016		
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GRI 416 Customer health and safety 2016		
416-1	Assessment of the health and safety impacts of product and service categories	PPC/40-42
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	IDP/11, PPC/42
GRI 418 Customer privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	GLO/9, IDP/11, PPC/50



STATUTORY AUDITOR'S REPORT TO THE GENERAL SHAREHOLDERS' MEETING OF BARCO NV ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

We present to you our statutory auditor's report in the context of our statutory audit of the consolidated financial statements of Barco NV (the "Company") and its subsidiaries (jointly "the Group"). This report includes our report on the consolidated accounts, as well as the other legal and regulatory requirements. This forms part of an integrated whole and is indivisible.

We have been appointed as statutory auditor by the general meeting d.d. 29 April 2021, following the proposal formulated by the board of directors and following the recommendation by the audit committee and the proposal formulated by the works' council. Our mandate will expire on the date of the general meeting which will deliberate on the annual financial statements for the year ended 31 December 2023. We have performed the statutory audit of the Company's consolidated financial statements for 5 consecutive years.

Report on the consolidated accounts

Unqualified opinion

We have performed the statutory audit of the Group's consolidated financial statements, which comprise the consolidated balance sheet as at 31 December 2022, the consolidated statement of income, the statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information, and which is characterised by a consolidated balance sheet total of EUR'000 1,147,405 and a net profit attributable to the equity holder of the parent of EUR'000 75,219.

In our opinion, the consolidated financial statements give a true and fair view of the Group's net equity and consolidated financial position as at 31 December 2022, and of its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

Basis for unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Belgium. Furthermore, we have applied the International Standards on Auditing as approved by the IAASB which are applicable to the year-end and which are not yet approved at the national level. Our responsibilities under those standards are further described in the "*Statutory auditor's responsibilities for the audit of the consolidated accounts*" section of our report. We have fulfilled our ethical responsibilities in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Belgium, including the requirements related to independence.

We have obtained from the board of directors and Company officials the explanations and information necessary for performing our audit.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment testing of goodwill - Note 8

Description of key audit matter

The carrying value of the Group's goodwill amounts to EUR'000 105,612 at 31 December 2022.

These assets are subject to impairment testing on an annual basis or more frequently if there are indicators of impairment.

We consider this matter as key to our audit because the determination of whether or not an impairment charge is necessary involves significant judgement in estimating the future results of the business.

How our audit addressed the key audit matter

We evaluated the appropriateness of the Group's accounting policies and assessed compliance with the policies in accordance with IFRS.

We evaluated management's annual impairment testing and assessment of the indicators of impairment and challenged impairment calculations by assessing the future cash flow forecasts used in the models, and the process by which they were drawn up, including comparing them to the latest budgets approved by the board of directors.

We understood and challenged:

- Assumptions used in the Group's budget and internal forecasts and the long-term growth rates by comparing them to economic and industry forecasts;
- The discount rate by assessing the cost of capital and other inputs including benchmarking with comparable organisations;
- The historical accuracy of budgets to actual results to determine whether cash flow forecasts are reliable based on past experience;
- The mechanics of the underlying calculations.

In performing the above work, we utilised our internal valuation experts to provide challenge and external market data to assess the reasonableness of the assumptions used by management.

We evaluated the sensitivity analysis around the key drivers within the cash flow forecasts to ascertain the extent of change in those assumptions and also considered the likelihood of such a movement in those key assumptions arising.



Whilst recognizing that cash flow forecasting, impairment modelling and valuations are all inherently judgmental, we found that the assumptions used by management were within an acceptable range of reasonable estimates.

Valuation of deferred taxes and valuation allowance on deferred tax assets related to tax losses carried forward and tax credits - Note 10

Description of key audit matter

Deferred tax assets on tax losses carried forward and tax credits amounts to EUR'000 31,641 (note 10). The valuation of the deferred tax positions at Barco involved significant judgement, more specifically in the determination of the recognition of deferred tax assets related to tax losses carried forward and tax credits. The estimation of the future taxable basis is highly judgemental as well as the assessment of the impact of tax laws and regulations, tax planning action and strategies, rulings and transfer pricing.

The valuation and recoverability of deferred tax assets is key to our audit due to the magnitude of the amount recognized for these assets and because the assessment requires management estimates, mainly on the assumptions regarding expected future market and economic conditions and tax laws and regulation.

How our audit addressed the key audit matter

We challenged the assumptions made to assess the recoverability of deferred tax assets related to tax losses carried forward and tax credits and the timing of the reversal of deferred tax positions. During our procedures, we used amongst others budgets, forecasts and tax laws and in addition we assessed the historical accuracy of management's assumptions. We involved tax specialists in our audit. An important management judgement was the period over which taxable profits can be reliably estimated and consequently, no deferred tax assets are recognised for tax losses used in any period beyond.

We verified that the deferred tax position was calculated at the enacted tax rate for the year in which the deferred tax position is expected to reverse.

We also assessed the adequacy and completeness of the Company's disclosure included in Note 10 in respect of deferred taxes.

We found management's judgements in respect of the Group's deferred tax positions to be consistent and in line with our expectations.

Responsibilities of the board of directors for the preparation of the consolidated financial statements

The board of directors is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium, and for such internal control as the board of directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the consolidated financial statements, the board of directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Statutory auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

In performing our audit, we comply with the legal, regulatory and normative framework applicable to the audit of the consolidated financial statements in Belgium. A statutory audit does not provide any assurance as to the Group's future viability nor as to the efficiency or effectiveness of the board of directors' current or future business management at Group level. Our responsibilities in respect of the use of the going concern basis of accounting by the board of directors are described below.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors;
- Conclude on the appropriateness of the board of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our statutory auditor's report to the related disclosures in the consolidated accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our statutory auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;



- Evaluate the overall presentation, structure and content of the consolidated accounts, including the disclosures, and whether the consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation;
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory requirements

Responsibilities of the board of directors

The board of directors is responsible for the preparation and the content of the directors' report on the consolidated financial statements, the report on non-financial information and the other information included in the annual report on the consolidated financial statements.

Statutory auditor's responsibilities

In the context of our mandate and in accordance with the Belgian standard which is complementary to the International Standards on Auditing (ISAs) as applicable in Belgium, our responsibility is to verify, in all material respects, the directors' report on the consolidated financial statements, the separate report on non-financial information and the other information included in the annual report on the financial statements and to report on these matters.

Aspects related to the directors' report on the consolidated financial statements and to the other information included in the annual report on the consolidated financial statements

In our opinion, after having performed specific procedures in relation to the directors' report on the consolidated financial statements, this directors' report is consistent with the consolidated financial statements for the year under audit and is prepared in accordance with article 3:32 of the Companies' and Associations' Code.



In the context of our audit of the consolidated financial statements, we are also responsible for considering, in particular based on the knowledge acquired resulting from the audit, whether the directors' report on the consolidated financial statements and the other information included in the annual report on the consolidated financial statements is materially misstated or contains information which is inadequately disclosed or otherwise misleading. In light of the procedures we have performed, there are no material misstatements we have to report to you.

The non-financial information required by virtue of article 3:32, §2 of the Companies' and Associations' Code is included in the directors' report on the consolidated financial statements. The Company has prepared the non-financial information, based on Global Reporting Initiative Standards. However, in accordance with article 3:80, §1, 5° of the Companies' and Associations' Code, we do not express an opinion as to whether the non-financial information has been prepared in accordance with the Global Reporting Initiative Standards as disclosed in the consolidated financial statements.

Statement related to independence

- Our registered audit firm and our network did not provide services which are incompatible with the statutory audit of the consolidated accounts, and our registered audit firm remained independent of the Group in the course of our mandate.
- The fees for additional services which are compatible with the statutory audit of the consolidated accounts referred to in article 3:65 of the Companies' and Associations' Code are correctly disclosed and itemized in the notes to the consolidated accounts.

European Uniform Electronic Format ("ESEF")

In accordance with the standard on the draft verification of the compliance of the financial statements with the European Uniform Electronic Format (hereinafter "ESEF"), we must verify whether the ESEF format is in accordance with the regulatory technical standards established by the European Delegate Regulation No. 2019/815 of 17 December 2018 (hereinafter: "Delegated Regulation").

The board of directors is responsible for the preparation, in accordance with ESEF requirements, of the consolidated financial statements in the form of an electronic file in ESEF format (hereinafter "consolidated financial statements") included in the annual financial report.

Our responsibility is to obtain sufficient appropriate evidence to conclude that the format and marking language of the digital consolidated financial statements comply in all material respects with the ESEF requirements under the Delegated Regulation.

The annual financial report and the digital consolidated financial statements have not yet been submitted to us at the date of this report.

If, in our audit of the digital consolidated financial statements, we determine that there is a material misstatement, we will be required to report the matter to the board of directors and request the latter to make any necessary changes. If this does not happen, we will be forced to adjust this report due to the fact that the format of and the marking of information in the digital consolidated financial statements included in the annual financial statements report of Barco NV conform in all material respects with the ESEF requirements under the Delegated Regulation.



Other statements

- This report is consistent with the additional report to the audit committee referred to in article 11 of the Regulation (EU) N° 537/2014.

Ghent, 8 February 2023

The statutory auditor
PwC Reviseurs d'Entreprises SRL / PwC Bedrijfsrevisoren BV
Represented by

DocuSigned by:

Peter Opsomer

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Peter Opsomer

Réviseur d'Entreprises / Bedrijfsrevisor



To the Board of Directors of Barco NV

**INDEPENDENT LIMITED ASSURANCE REPORT ON A SELECTION OF
SUSTAINABILITY KPI'S IN THE INTEGRATED ANNUAL REPORT 2022 OF BARCO NV**

This report has been prepared in accordance with the terms of our contract dated 6 December 2022 (the "Agreement"), whereby we have been engaged to issue an independent limited assurance report in connection with a selection of sustainability KPIs, marked with a checkmark (☑), in the Integrated Annual Report as of and for the year ended 31 December 2022 of Barco NV and its subsidiaries (the "Report").

The Directors' Responsibility

The Directors of Barco NV ("the Company") are responsible for the preparation and presentation of the selection of sustainability KPIs for the year 2022, marked with a checkmark (☑) in the Report (the "Subject Matter Information"), in accordance with the criteria disclosed in the Report (the "Criteria").

This responsibility includes the selection and application of appropriate methods for the preparation of the Subject Matter Information, for ensuring the reliability of the underlying information and for the use of assumptions and estimates for individual sustainability disclosures which are reasonable in the circumstances. Furthermore, the responsibility of the Directors includes the design, implementation and maintenance of systems and processes relevant for the preparation of the Subject Matter Information that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an independent conclusion about the Subject Matter Information based on the procedures we have performed and the evidence we have obtained.

We conducted our work in accordance with the International Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements other than Audits or Reviews of Historical Financial Information" (ISAE 3000), issued by the International Auditing and Assurance Standards Board. This standard requires that we comply with ethical requirements and that we plan and perform the engagement to obtain limited assurance as to whether any matters have come to our attention that cause us to believe that the Subject Matter Information has not been prepared, in all material respects, in accordance with the Criteria.



The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable engagement been performed. The selection of such procedures depends on our professional judgement, including the assessment of the risks of material misstatement of the Subject Matter Information in accordance with the Criteria. The scope of our work comprised the following procedures:

- assessing and testing the design and functioning of the systems and processes used for data-gathering, collation, consolidation and validation, including the methods used for calculating and estimating the Subject Matter Information as of and for the year ended 31 December 2022 presented in the Report;
- conducting interviews with responsible officers;
- reviewing, on a limited test basis, relevant internal and external documentation;
- performing an analytical review of the data and trends in the information submitted for consolidation;
- considering the disclosure and presentation of the Subject Matter Information.

The scope of our work is limited to assurance over the selection of sustainability KPIs for the year 2022, marked with a checkmark (☑) in the Report. Our assurance does not extend to information in respect of earlier periods or to any other information included in the Report.

Our Independence and Quality Control

Our engagement has been carried out in compliance with the legal requirements in respect of auditor independence, particularly in accordance with the rules set down in articles 12, 13, 14, 16, 20, 28 and 29 of the Belgian Act of 7 December 2016 organizing the audit profession and its public oversight of registered auditors, and with other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matter Information within your Report as of and for the year ended 31 December 2022 has not been prepared, in all material respects, in accordance with the Criteria disclosed in the Report.

Other ESG related information


The other information comprises all of the ESG related information in the Report other than the Subject Matter Information and our assurance report. The directors are responsible for the other ESG related information. As explained above, our assurance conclusion does not extend to the other ESG related information and, accordingly, we do not express any form of assurance thereon. In connection with our assurance of the Subject Matter Information, our responsibility is to read the other ESG related information and, in doing so, consider whether the other ESG related information is materially inconsistent with the Subject Matter Information or our knowledge obtained during the assurance engagement, or otherwise appears to contain a material misstatement of fact. If we identify an apparent material inconsistency or material misstatement of fact, we are required to perform procedures to conclude whether there is a material misstatement of the Subject Matter Information or a material misstatement of the other information, and to take appropriate actions in the circumstances.

Other matter - Restriction on Use and Distribution of our Report

Our report is intended solely for the use of the Company, in connection with their Report as of and for the year ended 31 December 2022 and should not be used for any other purpose. We do not accept or assume and deny any liability or duty of care to any other party to whom this report may be shown or into whose hands it may come.

Diegem, 8 February 2023

PwC Bedrijfsrevisoren BV/Reviseurs d'Entreprises SRL
Represented by

DocuSigned by:

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Marc Daelman¹
Registered auditor

¹ Marc Daelman BV, Director, represented by its permanent representative Marc Daelman



STATUTORY AUDITOR'S REPORT TO THE GENERAL SHAREHOLDERS' MEETING, IN ACCORDANCE WITH ARTICLE 12 OF THE ROYAL DECREE OF 14 NOVEMBER 2007, REGARDING THE COMPLIANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS IN THE FORM OF AN ELECTRONIC FILE OF BARCO NV AS AT 31 DECEMBER 2022 WITH THE ESEF (EUROPEAN SINGLE ELECTRONIC FORMAT) REQUIREMENTS AND TAXONOMY UNDER THE DELEGATED REGULATION (EU) 2019/815

Mission

In accordance with article 12 of the Royal Decree of 14 November 2007, the statutory auditors' mission is to report on the format and XBRL marking language of the digital consolidated financial statements in the form of an electronic file (hereinafter "digital consolidated financial statements") in accordance with the ESEF requirements and taxonomy (more specifically the provisions in force as laid down in the ESEF Regulatory Technical Standard, "ESEF RTS" under Delegated Regulation (EU) 2019/815 dated 17 December 2018) applicable to the digital consolidated financial statements as at 31 December 2022.

This report follows our statutory auditor's report to the general shareholders meeting of Barco NV in the context of the consolidated annual accounts for the year ended 31 December 2022 due to the untimely receipt of the digital consolidated financial statements.

Responsibilities of the board of directors

The board of directors is responsible for the preparation of the digital consolidated financial statements as included in the annual financial report in accordance with the ESEF requirements ("ESEF RTS") applicable to the digital consolidated financial statements as at 31 December 2022.

This responsibility includes the selection and application of the most appropriate methods to prepare the digital consolidated financial statements. In addition, the responsibility of the board of directors includes designing, implementing and maintaining systems and processes relevant to the preparation of the digital consolidated financial statements that are free from material misstatement resulting from fraud or errors. The board of directors should verify that the digital consolidated financial statements are consistent with the human-readable consolidated financial statements.

Statutory auditor's responsibility

Our responsibility is to express a conclusion as to whether the format and the marking language XBRL of the digital consolidated financial statements of Barco NV per 31 December 2022 complies in all material respects with the ESEF technical regulatory standards under Delegated Regulation (EU) 2019/815 based on the work we perform.

We conducted our work in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised) "Assurance Engagements other than Audits or Reviews of Historical Financial Information". This standard requires that we comply with ethical requirements and that we plan and perform the engagement to obtain reasonable assurance about whether nothing has come to our attention that causes us to believe that the digital consolidated financial statements are, in all materiality, in that respect would not have been prepared in accordance with the ESEF technical regulatory standards applied by the Company.



The selection of the procedures performed depends on our judgment and assessment of the risk of material misstatement in the digital consolidated financial statements and in the statements of the board of directors. The entirety of the work performed by us consisted of, among other things, the following procedures:

- Verify that the digital consolidated financial statements in XHTML format have been prepared in accordance with Article 3 of the Delegated Regulation;
- Obtain an understanding of the processes of the Company's practice in the XBRL marking language of its digital consolidated financial statements and of the internal controls relevant to the certification, in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the internal controls that are designed to provide reasonable assurance about whether the XBRL marking language of the digital consolidated financial statements complies in all material respects with the ESEF regulatory technical standards;
- Obtaining sufficient appropriate audit evidence about the effective operation of controls relevant to the XBRL marking language of the digital consolidated financial statements of Barco NV per 31 December 2022;
- Reconciliation of the marked data with the audited consolidated financial statements of Barco NV per 31 December 2022;
- Assessing the completeness and fairness of the marking language of the digital consolidated financial statements prepared by the Company;
- Assessing the appropriateness of the Company's use of the XBRL elements of the ESEF taxonomy and assessing the creation of the extension taxonomy.

Our independence and quality control

We have complied with the independence requirements and other ethical requirements of the legislation and regulations in force in Belgium that apply in the context of our assignment. These are founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies the International Standard on Quality Control (ISQC) n°1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance Related Services Engagements, and accordingly, maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements

Our opinion

In our opinion, based on the procedures performed, the format and the marking language of the digital consolidated financial statements as included within the annual financial report of Barco NV per 31 December 2022 complies in all material respects with the ESEF requirements under the Delegated Regulation (EU) 2019/815.



We do not express an audit opinion, a review conclusion or any other assurance conclusion on the consolidated financial statements themselves in this report. Our audit opinion on the Group's consolidated financial statements is set out in the statutory auditor's report dated 8 February 2023.

Other matter

The consolidated financial statements of Barco NV (the "Company") and its subsidiaries (jointly "the Group") have been prepared by the board of directors of the Company on 8 February 2023 and has been subject to a statutory audit. Our statutory auditor's report (signed on 8 February 2023) includes an unqualified opinion on the true and fair view of the Group's equity and consolidated financial position as of 31 December 2022, as well as its consolidated results and its consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

Ghent, 24 March 2023

The statutory auditor
PwC Bedrijfsrevisoren BV/Reviseurs d'Entreprises SRL
represented by

DocuSigned by:

Peter Opsomer

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Bedrijfsrevisor / Réviseur d'Entreprises

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Realization

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