

2023 Integrated annual report



Visioneering a bright tomorrow

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Visioneering a bright tomorrow #wearevisioneers

'Visioneering a bright tomorrow', the new Barco purpose that we launched in 2023, 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** aligns perfectly with that vision. Year after year, we try to share more transparent results and honest insights on how we **create long-term value** for the entire Barco ecosystem. This year's integrated report, for example, includes a new series of interviews with visioneers to underscore how our vision adds to Barco's long-term value. In addition, we openly draw up the balance of 5 years' intensive sustainability efforts, sharing the successes as well as challenges we met underway.

By telling our story, openly and transparently, to 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

"In 2023, we made significant progress in implementing our strategy and I'm sure that Barco will capitalize on these efforts. Of course, doing business is not a short-term game," says Charles Beauduin when reflecting on 2023. An Steegen confirms: "The market circumstances were harsher than we had envisioned. Still, our pace of innovation is accelerating, and we are active in the right markets to drive growth in the coming years."

Looking back: 2023 successes and setbacks

Shall we start with the good news? Are the transformation efforts that you initiated paying off?

An Steegen: 2023 was, in fact, a very good year for some of our business units. Our entertainment business, especially **cinema, flourished** and that's impressive, taking into account the weaker Chinese market. We also won significant market share in meeting rooms.

Charles Beauduin: The transformation that we kicked off to become a truly focused and lean organization is still underway. We **kept simplifying** our organization in 2023, consolidating even more functions in the business units to boost efficiency and accountability. The decision to re-acquire 100% of the shares in Cinionic fits that strategy too. In 2023, we truly started **benefiting from our reorganization**.



Furthermore, we have continued to progress on our focused factories strategy. The new healthcare factory in Suzhou is up and running, and the construction of the projection factory in Wuxi is close to completion, without delays. And there is more to come in our European plants as well: we plan to relocate the factory in Saronno, Italy, to a greenfield location nearby, and to ramp up investments for production and logistics in Belgium.

Still, achieving the growth that you had envisioned for 2023 was more difficult than expected?

An: There's no denying that. At the end of 2022, we saw clear tokens of market confidence. In the first quarter of 2023, sales indeed went up significantly, but then growth halted, mainly as the Chinese economy did not follow the expected recovery path after the pandemic. On top of that, to address supply chain shortages, customers had stored more stock in 2022 than we'd anticipated.

So, does Barco's resolute China strategy still hold strong?

Charles: We were indeed wrong about the timing of China's economic recovery. Its weak rebound came as a surprise, not only to us but also to the global financial markets. Even the Chinese government had overlooked the severe impact of the 3-year covid restrictions. The debt and faltering real estate greatly affected investments, not in the least in our markets, for example, in shopping centers, cinemas, events, theme parks and even hospitals. Yet, we still **believe in the strengths and potential** of this vast economy.

In 2022, An said that accelerating innovation is Barco's biggest growth opportunity. Have you taken strides forward in that field?

An: A clear focus on innovation is the only way for a tech company like Barco to differentiate itself, so we're working hard to instill more innovation capabilities. And we did manage to strengthen these, in the past year. The first results have been launched in 2023 and there's a **pool of new product**

introductions in the pipeline for 2024 and beyond. Moreover, I also see a clear transition towards **adding more software to our stack**. ClickShare is a great example. Our Large Video Walls team is fully shifting their focus to software. In every other division, software becomes increasingly important too.

Buckling up for 2024

So, 2024 promises a large portfolio of new products and solutions?

An: Absolutely. We plan to keep our **R&D spending** at about **12% of sales**, and we'll be introducing new solutions throughout the year, both renewals of established products and revolutionary new solutions, including products to win adjacent markets. By the time this report gets published, we'll have revealed some of this excitement already. The revolutionary HDR Lightsteering technology for cinemas is a great example of the landmark innovations we have in the pipeline. We've showcased it to professionals on several occasions in 2023 and directors and studios are really amazed.

As for geographies, China remains a target market?

Charles: Like I said, we'll stick to our China strategy. China is still a big economy that is leading the way in many tech fields, like robotics. They have great engineers and there is a true entrepreneurial spirit. I'm proud that Barco is active there with a very local strategy, not just with manufacturing facilities, but equally with sales and R&D.

Still, more than China, we want to increase our **focus on the wider Asian market**, which is a clear growth area. Asian cultures love imaging, even more than the Western world. As a visualization champion, our market potential is huge there. Meanwhile, the Americas and EMEA remain our largest playing fields, where we have a long track record and leading positions in many of the end markets we serve.

A clear focus on innovation is the only way for a tech company like Barco to differentiate itself. We did manage to strengthen our innovation capabilities in 2023.

An Steegen



The bigger picture

What do you consider Barco's biggest opportunities going forward?

Charles: Meeting the need for ever-better quality solutions. The bar is continually raised in every aspect. Just look at a movie from 2013. After only 10 years, the image quality feels pretty poor, right? More than constantly improving the brightness, contrast and colors, quality is also increasingly about infusing intelligence in our solutions. And it covers sustainability too.

An: The changing paradigms of visualization will lead to an exciting future. Screens used to be static and one-directional, but today you start seeing bi-directional interactivity with screens reacting on your touch or eye movements. In the long run we can expect truly ubiquitous visualization: it will become a symbiotic lifelike experience, where visuals merge seamlessly with the real world. Software will take an ever-increasing role: AI is one of the key trends that inspires our innovation roadmap, as is 'big data'. The world needs smart visualization solutions to extract meaningful insights from the abundance of available data.

As the world braces itself for the ESG challenge, is Barco well prepared to meet ever-more stringent regulations?

An: We've been a market frontrunner, calculating our carbon footprint and the footprint of our products for years. In 2016, we set 2023 as a target year for several emission reduction ambitions and I'm happy to see that we achieved, and even exceeded, all of these. Both our operations and our products are ever more energy-efficient and we pay attention to product packaging, circularity, and modularity too. With the ClickShare CX-50 2nd generation, we even launched one of

the first carbon-neutral wireless conferencing solutions in 2023. We have a great team that works hard to make sure that we continually push the envelope. The double materiality exercise that we are finishing will help take our sustainability efforts to the next level.

In conclusion, how does the future for Barco look like?

Charles: We keep moving forward on the path that we're paving. Barco is developing value over the long term. We're convinced that we're doing that well: we have the team and the technology and our visualization business provides solutions to meet many different needs, from hybrid meeting rooms and entertainment to ever-smarter healthcare.

Continued support

On a sidenote, Charles refers to the health issues that kept him away from the office for several months in 2023: "If there's one thing that I'm particularly proud of when looking back at the past year, it's that Barco stayed on track in the execution of our strategy, in spite of my absence. I'm incredibly thankful for all the support received both then and now that I'm back in business."

That counts for everyone at Barco. Many thanks to the Barco team, partners, investors, and of course our customers, who all help us visioneer a bright tomorrow.

Asian cultures love imaging, even more than the Western world does. As a visualization champion, our market potential is huge there.

Charles Beauduin



A word from our chairman Frank Donck

Barco remained resilient amidst global challenges in 2023. Guided by the vision and leadership of co-CEOs An Steegen and Charles Beauduin, our journey through the past year reveals both significant progress on the execution of our strategy and also unforeseen market circumstances, notably in the Chinese market. The transformative initiatives undertaken in 2023, with focused factories and a simplified organization, strengthen our agility and efficiency. I would like to thank the entire Barco team for their contribution.

Looking ahead to 2024, our dedication to innovation remains unwavering. With a robust portfolio of new products and solutions in the pipeline, we will expand in existing markets and venture into new ones, positioning ourselves for future growth.

In this annual report, we invite you to explore Barco's journey – a journey marked by innovation and a collective commitment to shaping the future of visual experiences and setting the standard in the markets we serve. As we navigate the business landscape and uncertainties of the market conditions in 2024, Barco stands prepared for another transformative chapter.

Looking ahead to 2024, our
dedication to innovation
remains unwavering.

Frank Donck





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

1. How is Barco's innovation pipeline looking?

Barco is **investing in Research & Development** and fueling its innovation pipeline more than ever, monitored by an agile governance. R&D is concentrated in the business units, close to the customer. In addition, Barco Labs focuses on fundamental research and breakthrough innovation ideas. This approach pays off: 2024 and 2025 will bring a **high number of new product introductions** from all business units, with an ever-growing importance of (embedded) software.

» [Read more](#)

2. Has the global supply chain normalized?

In 2023, **the supply of raw materials** for the production of our products normalized, with little or no shortages. In addition, the costs of energy and logistics dropped. **Inventories**, however, were **higher than usual** in many parts of the supply chain. In anticipation of potential shortages in the aftermath of the pandemic, many customers and channel partners had increased their inventory of finished products. That **stock takes time to shrink**, which impacted demand over the course of 2023 in many of our markets. For some markets, this will continue into 2024.

» [Read more](#)

3. How is the situation in China?

China remains an important global market but had difficulties to recover from the covid-19 pandemic in 2023. This has dampened demand significantly. In the Healthcare markets, this slowdown was exacerbated by government's anti-bribery programs. Barco explicitly decided to strengthen its foothold in China, by implementing its **focused factories strategy**. We opened the Healthcare plant in Suzhou and finished construction of the Entertainment plant in Wuxi. These state-of-the-art and highly automated facilities put us in pole position to serve the local Chinese and also the global markets, as they reopen.

» [Read more](#)

Key figures

Ecoscore

65%

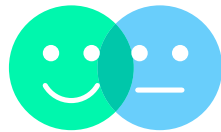


% revenues from products with [Barco ECO label](#)

Customer NPS

(Net Promoter Score)

48



Barco's standard customer experience metric, measured bi-annually (upper quartile industry performance)

Employees

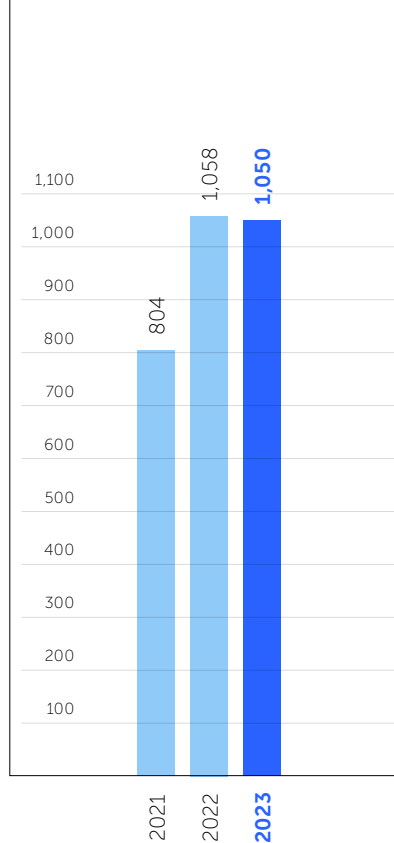
Reported in heads, excluding temporary workforce



(Database Corporate Associates per 31/12/2023)

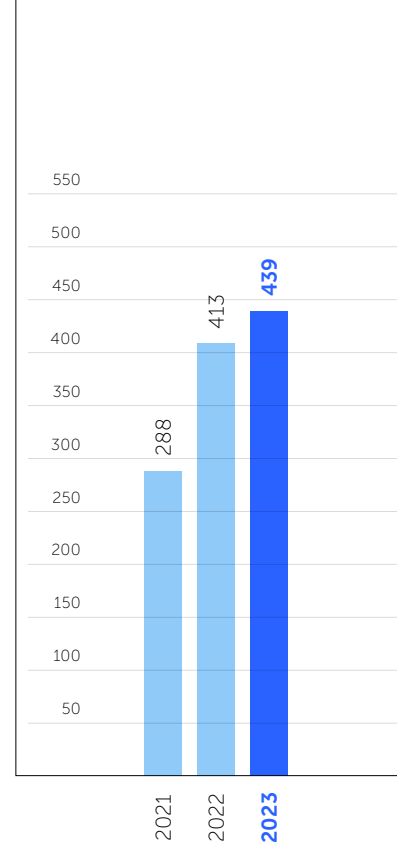
Sales

In millions of euro



Gross profit

In millions of euro

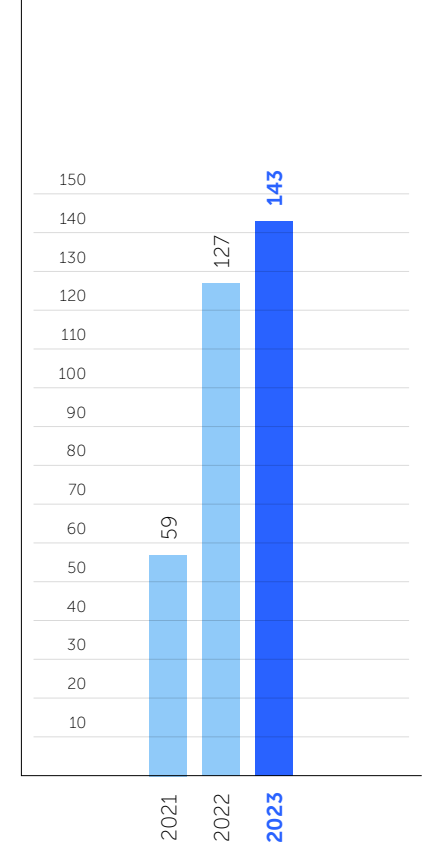


Gross profit margin

35.7%
39.0%
41.8%

EBITDA

in millions of euro



EBITDA margin

7.3%
12.0%
13.6%

Highlights



JANUARY

More sustainable meetings thanks to first CO₂-neutral ClickShare: meet CX-50 2nd gen

The CX-50 2nd gen is clear proof of our leadership in the collaboration and conferencing market: fully CO₂-neutral, it makes hybrid meetings more sustainable than ever.

» [Read more](#)

FEBRUARY

Milestone EU MDR certificate & CE mark for our medical display portfolio

Another first: Barco becomes one of the first diagnostic display manufacturers to achieve compliance with the new European legislation for its full medical product line.

» [Read more](#)



MARCH

Simpler control room workflows and top-notch security with new CTRL software platform

More software in our portfolio? Absolutely! The brand-new CTRL platform helps operators to securely connect to their sources, from anywhere, and interact with the content.

» [Read more](#)

MARCH

Can 5G connectivity help solve the challenge of staff shortage in ORs?

We joined mobile provider Orange to investigate how 5G mobile connectivity can facilitate remote knowledge sharing in surgical environments.

» [Read more](#)



MAY

Philips Supplier Award for Sustainability honors our environmental efforts

Philips applauded our strategic approach towards sustainability since 2015, as well as our proactivity in the submission of sustainability documentation.

» [Read more](#)

JUNE

New Nio displays redefine the standard of diagnostic imaging

Simplicity, functionality, a sleek design and an A++ ecoscore: the 2 new Nio diagnostic displays are sure to remain the most up-to-date diagnostic equipment for years to come.

» [Read more](#)



JUNE

Small in size, great in imaging and energy efficiency: the new G50 laser projector

With its unparalleled size, weight, and energy efficiency (18 Lm/W), the newest member in the G-series delivers exceptional performance – at an affordable price.

» [Read more](#)

SEPTEMBER

Redefining the home theater experience with the Nerthus projection platform

High-end home theaters all want Barco. Our flagship Series 4 Nerthus projector brings astounding contrast, lumens and colors to ensure a truly immersive viewing experience.

» [Read more](#)



OCTOBER

More realism in training? The new F400-4K simulation projector checks all boxes

Designed specifically for the highly demanding training and simulation applications, the new F400-4K ensures power, speed and precision.

» [Read more](#)

OCTOBER

Barco UniSee II elevates your vision - again!

Barco UniSee II takes the viewing experience to a new level, again. Crisp colors, deep blacks, and very high contrast are the main traits of this newcomer - while the ergonomic aspects are further refined.

» [Read more](#)



NOVEMBER

See through breast density with new AI-powered DL Precise™

The DL Precise™ workflow tool helps radiologists with lesion segmentation, measurement, and visualization, even in dense breast tissues – ensuring better cancer diagnosis.

» [Read more](#)

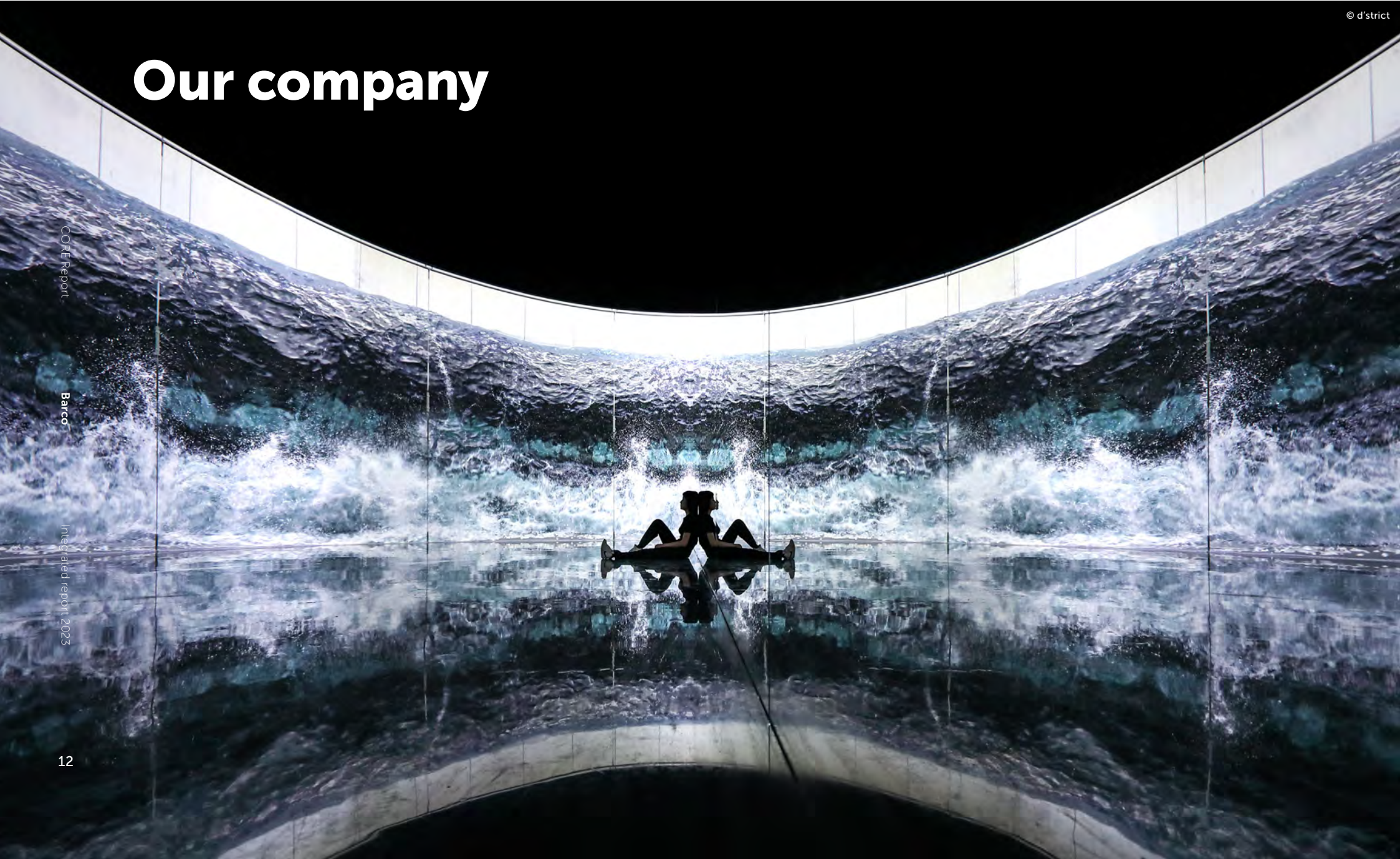
NOVEMBER

Strengthening our commitment to cinema: Cinionic becomes Barco

By re-acquiring 100% of Cinionic's shares, we'll be able to operate in the cinema market with even greater operational efficiency and agility.

» [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 3,300 visioneers, whose passion for technology is captured in over 900 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.

» [Read how we visioneer a bright tomorrow](#)



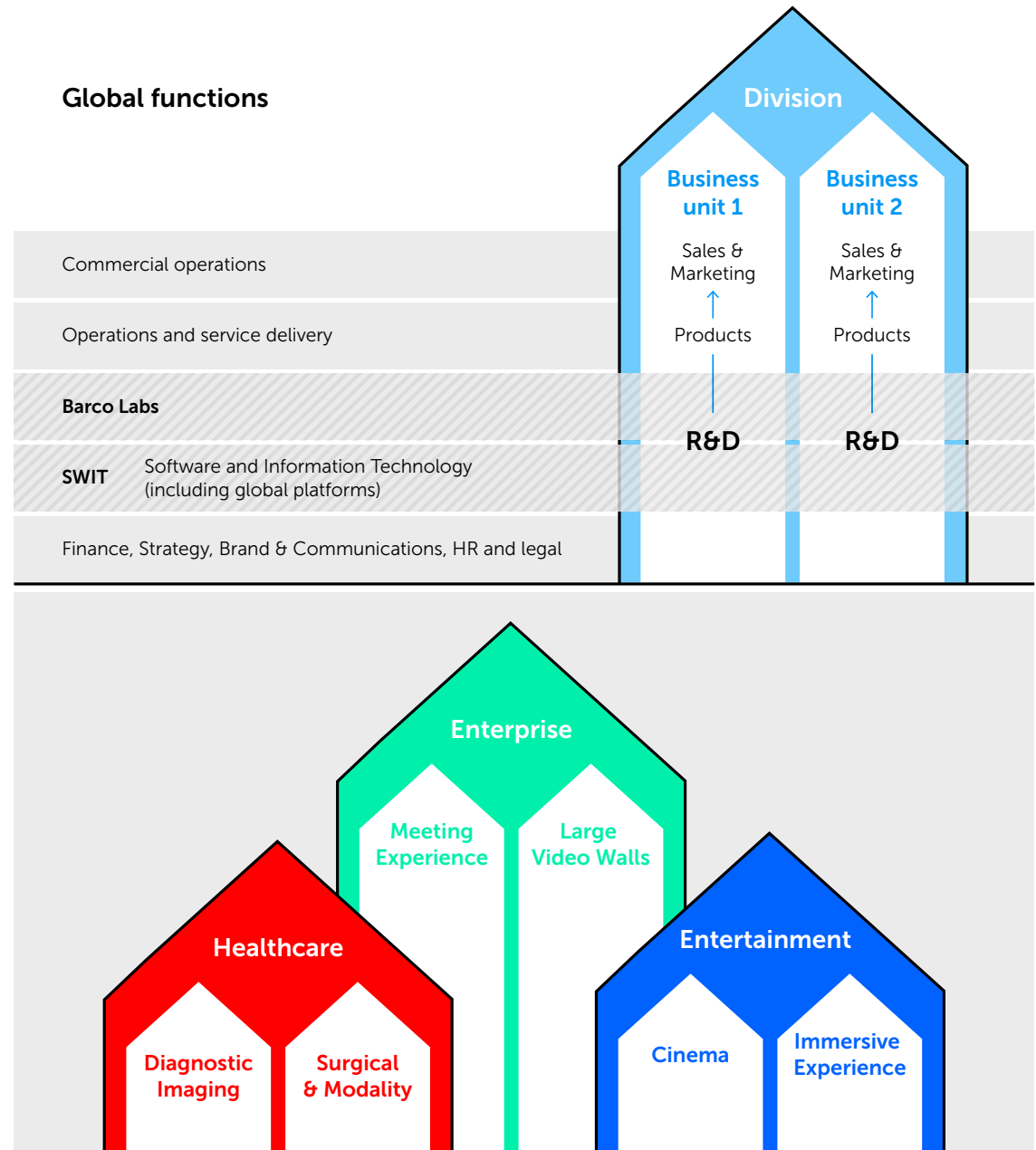
Our organization

A focused organizational structure

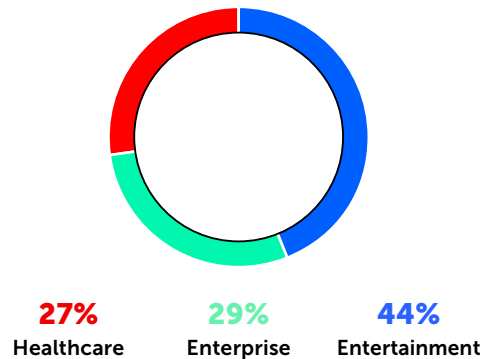
Since 2022, Barco has had a focused organizational structure, with **six global business** units. Every business unit handles marketing and communications, sales, product management and R&D, while more general functions (services, sales support, operations, digitization, finance, HR, legal and Barco Labs) are managed on a global level. In 2023, we further finetuned the organizational structure, in line with this vision.

We kept simplifying our organization in 2023, consolidating even more functions in the business units to boost efficiency and accountability.

Charles Beauduin
CEO

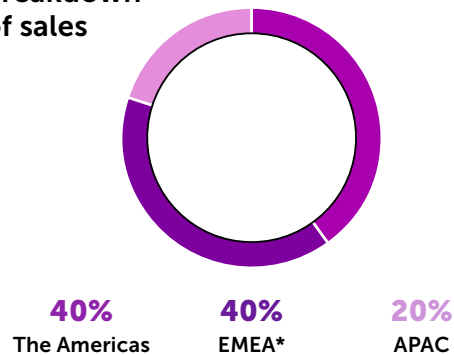


Sales per division*



* Breakdown based on sales 2023

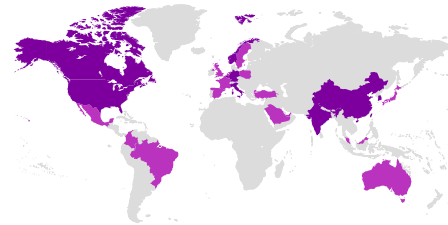
Geographical breakdown of sales



* 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
- 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 for our success. A team of over 3,300 employees, located around the globe, all join forces to visioneer a bright tomorrow.

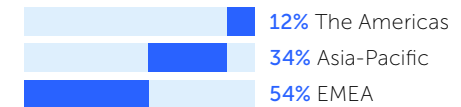
Number of employees



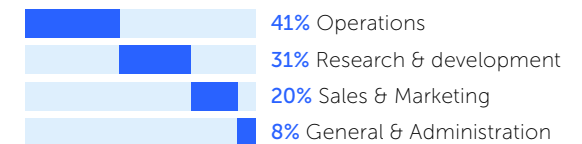
Gender



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.

Leadership

More than protecting and supervising our company, our leadership team and Board of Directors also 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.



Frank Donck
Chairman



An Steegen
CEO



Charles Beauduin
CEO



Directors with
5 years of seniority



Ashok K. Jain



Hilde Laga



Female members of
the Board



Lieve Creten



James Sassoon



Independent
directors

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. In 2023, Lord Sassoon joined the Board of Directors.

Our Core Leadership Team

The CLT, which operates under the chairmanship of the CEOs, comprises key officers from various functions, businesses and regions.

Three new CLT members came on board (Mr. Philippe Verlinde, Mr. Dirk Feyants and Mr. Ta Loong Gan) while Mr. Tom Sys, former CDIO, moved to Large Video Walls.



An Steegen
CEO



Charles Beauduin
CEO



Wim Buyens
Cinionic



Gerwin Damberg
Cinema & Acting CTO



Ann Desender
Chief Financial Officer



Dirk Feyants
Diagnostic Imaging



Johan Fornier
Surgical & Modality



Stijn Henderickx
Meeting & Learning
Experience



Anthony Huyghebaert
Chief HR Officer



Rob Jonckheere
Global Operations



Ta Loong Gan
Immersive Experience



Tom Sys
Large Video Wall
Experience



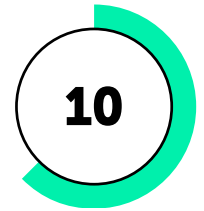
Kurt Verheggen
General Counsel



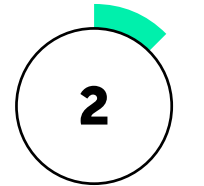
Philippe Verlinde
Chief Digital &
Information Officer



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 defines the cultural traits that we must embrace to continue leading in our dynamic markets.

Barco culture: how we live our DNA

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

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

The importance of ethics and compliance

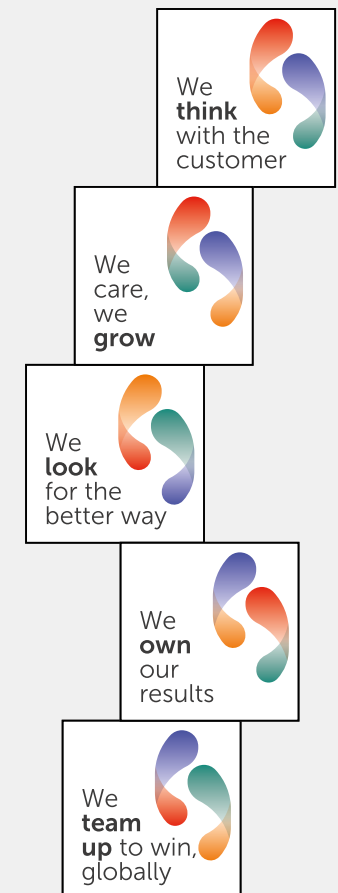
Barco's reputation and continued success depend on the conduct of its employees as well as its business partners. That's why we put great emphasis on ethics and compliance: we continuously invest in building a company culture in which ethical conduct and compliance with our policies and the applicable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

We look for the better way

In 2023, we took a deep dive into the value of innovation and continuous improvement, amongst others via workshops to enhance the skills of our employees. In addition, we looked at simplifying our cultural value set – highlighting our value 'we look for the better way' in everything we do.

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

The 5 building blocks that summarize the Barco culture



Planet, people and communities

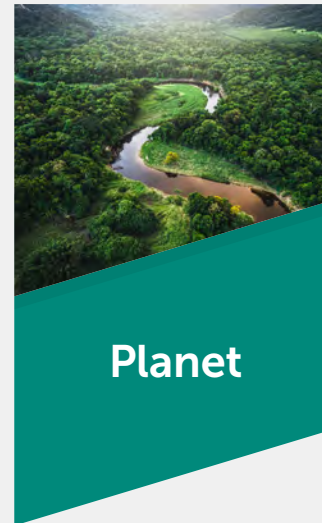
At Barco, we firmly believe that sustainable business is good business – and vice versa. To that end, we are committed to taking ownership of a sustainable future. Our sustainability strategy ('Go for Sustainable Impact') has been an integral part of our corporate strategy for several years now and we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

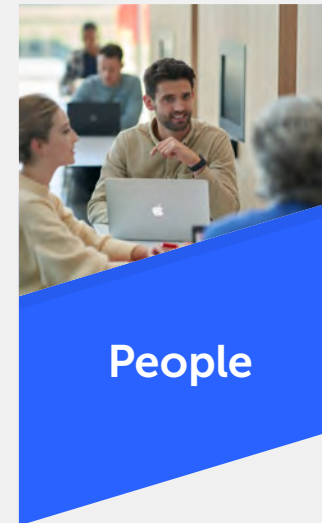
The steps we've taken in recent years are a solid foundation. By continuing on this path, we aim to enhance our positive impact and deliver a really bright tomorrow for our ecosystem and the world at large.

Dries Vanneste
Sustainability Manager

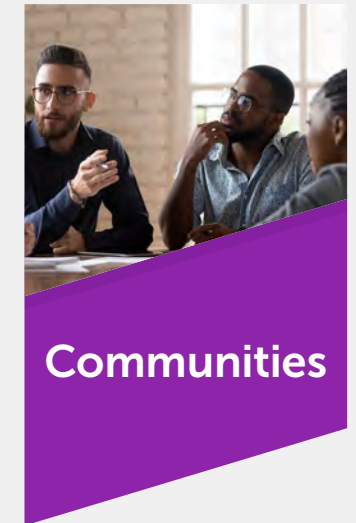
Our ambitions and targets are linked to the sustainability areas that matter most to our stakeholders and where we can achieve the greatest impact: [our material topics](#).



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

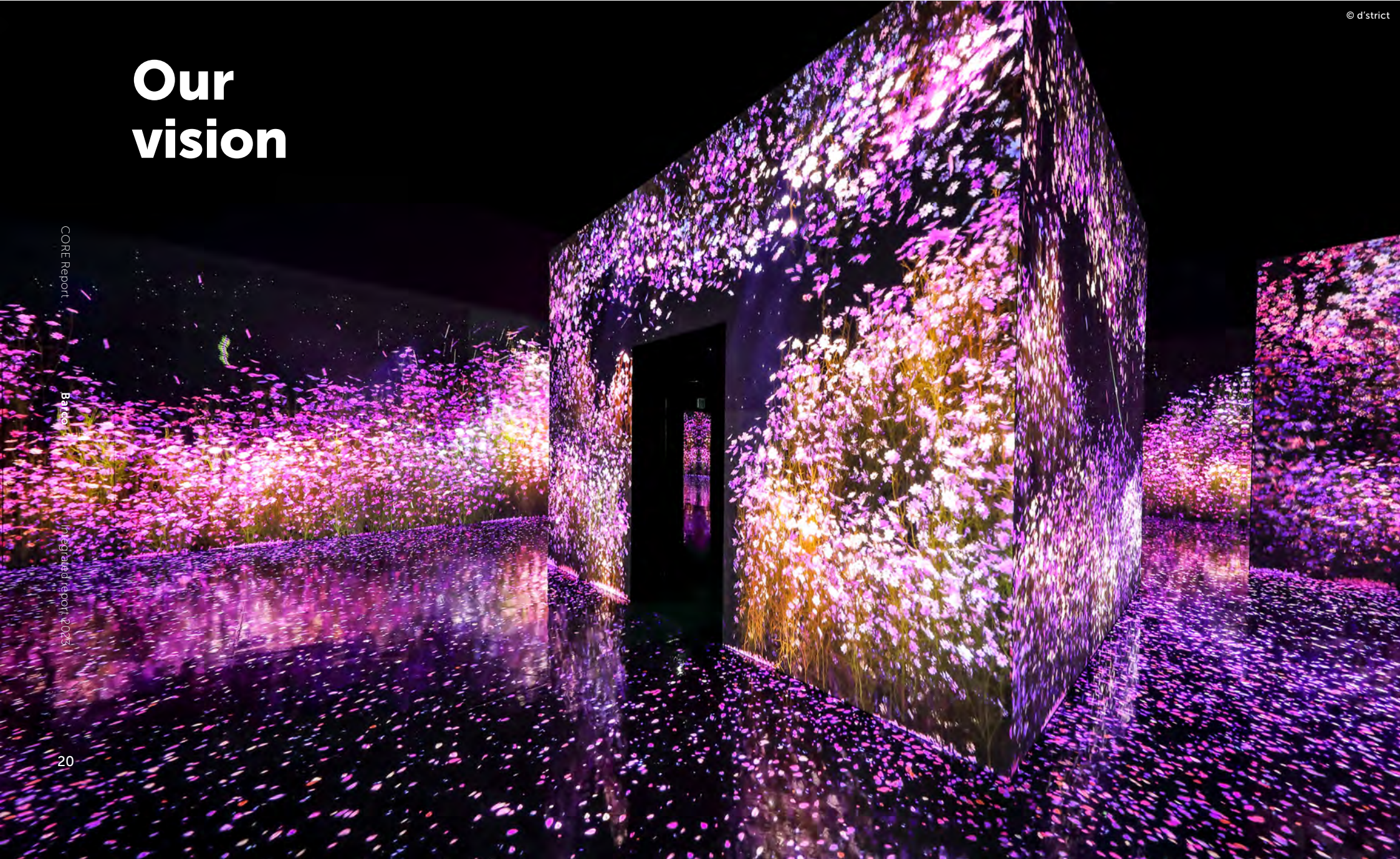


We invest in **sustainable employability** by creating the right conditions for our employees to have an engaging, enriching and healthy career at Barco. We do this by encouraging our people to learn and develop themselves and by ensuring a healthy working environment – both physically and mentally.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



We 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 vision



Visioneering a bright tomorrow

Barco's 'Visioneering a bright tomorrow' purpose, sprouts from many in-depth discussions with our broad ecosystem. From employees, our management, and business partners right through to customers: we consulted them all, in efforts to shape our purpose, gauge what purpose best reflects Barco, and then finetune it.

There was wide consensus that 'visioneering a bright tomorrow' perfectly fits Barco's mission and future. While we've always been innovators, the new, explicit visioneering purpose urges us to go even further in thinking out of the box – in the field of visualization technology, but equally in our processes, HR policies and approach to topics like sustainability.

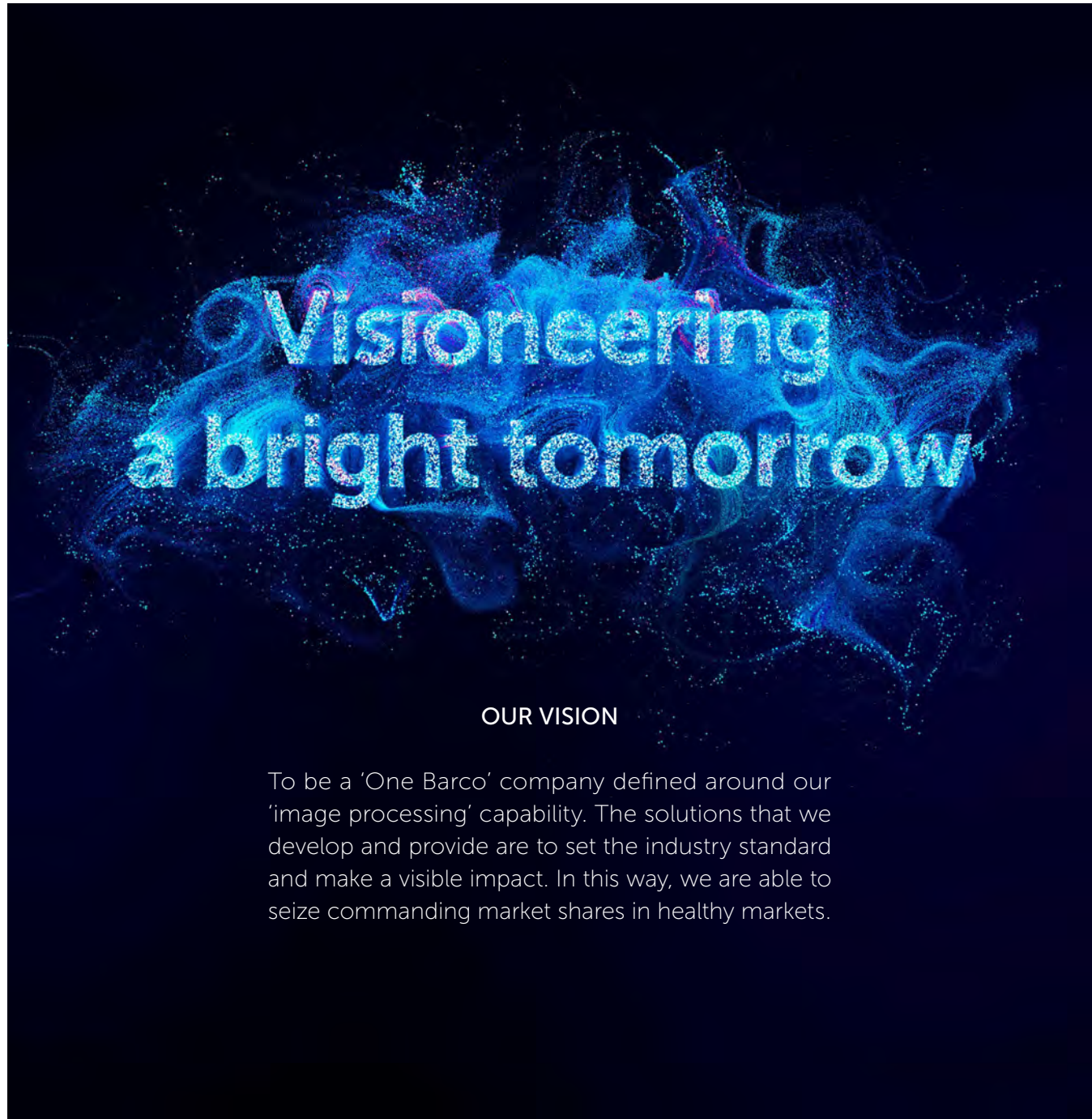
We talked to eight Barco visioneers about how we are all working towards that bright tomorrow.

Visioneering – a fusion of 'vision' and 'engineering' – refers to our engineering roots and our expertise in visualization.

But it also reflects how we innovate: always looking for the better way. 'A bright tomorrow', for its part, refers to our markets, teams and communities.

Eva Careel

Brand and content manager



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.

The future of visualization

Gesture-controlled interfaces, multi-touch screens, interactive digital signage, holographic displays, and even AI: is the future shown in sci-fi movies like Star Wars, Star Trek, and The Matrix really where visualization is headed? And what's Barco's role in that future? We asked Peru Dharani, our Senior VP Research, and Design and Innovation Engineer Guillaume Segart.

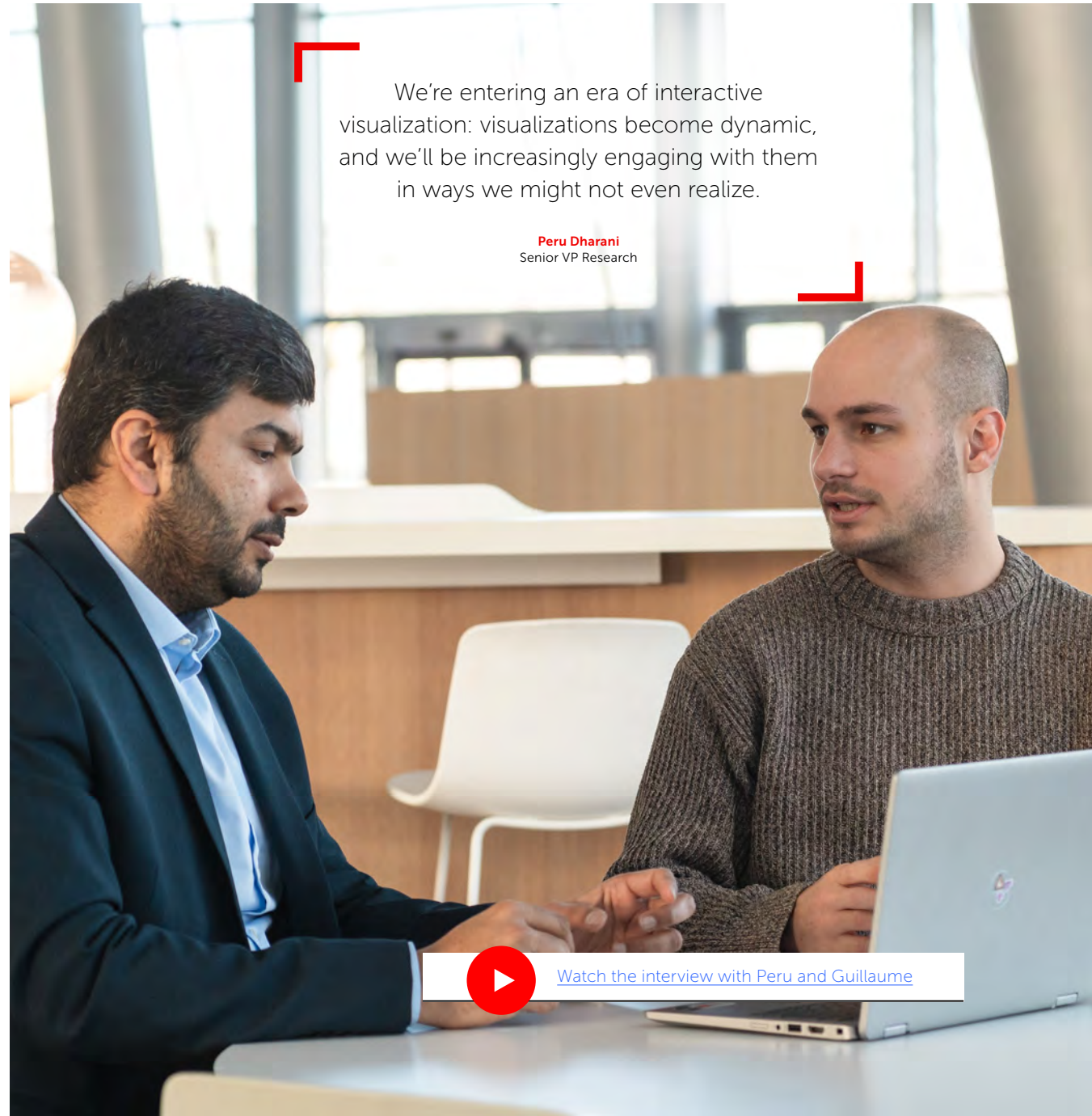
In every chat we have with Peru, he keeps repeating it: "These are hugely exciting times to be active in technology and visualization." As the head of BarcoLabs, Peru works closely with a growing group of visioneers, like Guillaume to develop breakthrough solutions. Not technology for the sake of it, but solutions that add value to our customers' lives.

How does the future of visualization look like?

When looking back on 90 years of Barco visualization, we see a blizzard of new technologies. "Still, the concept of visualization has remained almost untouched," says Peru. "We keep using projectors and screens to display static information. That is about to change, as we're entering an interactive era: visualizations are becoming dynamic."

We're entering an era of interactive visualization: visualizations become dynamic, and we'll be increasingly engaging with them in ways we might not even realize.

Peru Dharani
Senior VP Research



[Watch the interview with Peru and Guillaume](#)

What does that mean for Barco?

Peru: "We're looking into the possibilities of **transparent displays**, for example. They're the perfect canvas to bring augmented reality images that connect people, beyond the individual AR experiences that exist today. In a next step, we'll want to move to **ubiquitous visualization** that **crops up anywhere, merging seamlessly** with the real world. Humans will engage with it in ways we might not even realize."

What will be the key advancements in the near future?

The volume of data created, captured, copied, and consumed has been soaring exponentially over the past few years. By 2025, worldwide data will grow to 175 zettabytes (= over a trillion gigabytes), BI platform Statistica predicts. A massive amount of computing power, smart visualization solutions, and intelligent software are needed to collect, store, process, distribute, and retrieve this data.

But that's not all. The main question is: **how can we make optimal use of that data?** "If you can't distill insights from data, it's just an avalanche of bits and bytes," says Peru. Barco to the rescue: we have the expertise needed to develop the technology platform that visualizes that data and translates it into knowledge.

Can image quality keep improving?

"At Barco, we keep pushing the boundaries to **make images as true-to-life as possible**," Guillaume states. "We've been setting the standard for decades in markets like healthcare and simulation, but equally in events and cinemas. Our expertise in image processing, projection, and optics puts us in pole position in this era where image quality rules."

As there is no limit to the need for better image quality, Barco increasingly takes into account new parameters to keep exceeding expectations. Color accuracy, noise behavior, and even perception models all help us predict how an image will be interpreted by the human eye – and how its quality will be perceived.

We've been setting the standard for decades. Our expertise in image processing, projection, and optics keeps putting us in pole position in this era where image quality rules

Guillaume Segaert
Design & innovation engineer

How is Barco surfing on the AI wave?

There is no future outlook without mentioning AI, these days. Peru believes that we can't imagine where AI will bring us: "Over 100 years ago, Edison came up with the light bulb. At that time, no one had a clue how much that would change our lives, while today we just take it for granted. With AI, we are in that light bulb moment."

As the world **increasingly embraces AI**, so does Barco. More than building these capabilities into our solutions, we're also working on the high-performance GPUs necessary for managing the massive datasets inherent in AI algorithms.

Can we make visualization solutions truly sustainable?

The increasingly pressing quest for sustainability has been on Barco's roadmap for years and we keep sharpening our focus in that field. More than boosting the sustainability of our own operations and that of our solutions, some Barco products – e.g. ClickShare – are also **part of the sustainability solution**.

Guillaume: "Here too, innovation plays a key role. For now, we're providing increasingly modular, energy-efficient, and circular solutions. In the future we could come up with more disruptive ways. If we were successful in replacing hundreds of projectors in an immersive space with one single unit, that would have a hugely positive impact throughout the value chain."

A bright tomorrow: sustainable visualization

From Europe to the US and China: countries worldwide are urging accelerated actions to cut CO₂ emissions and drive sustainability. At Barco, we set ambitious targets, report openly about our sustainability results, and team up with our broader ecosystem to deliver impact.

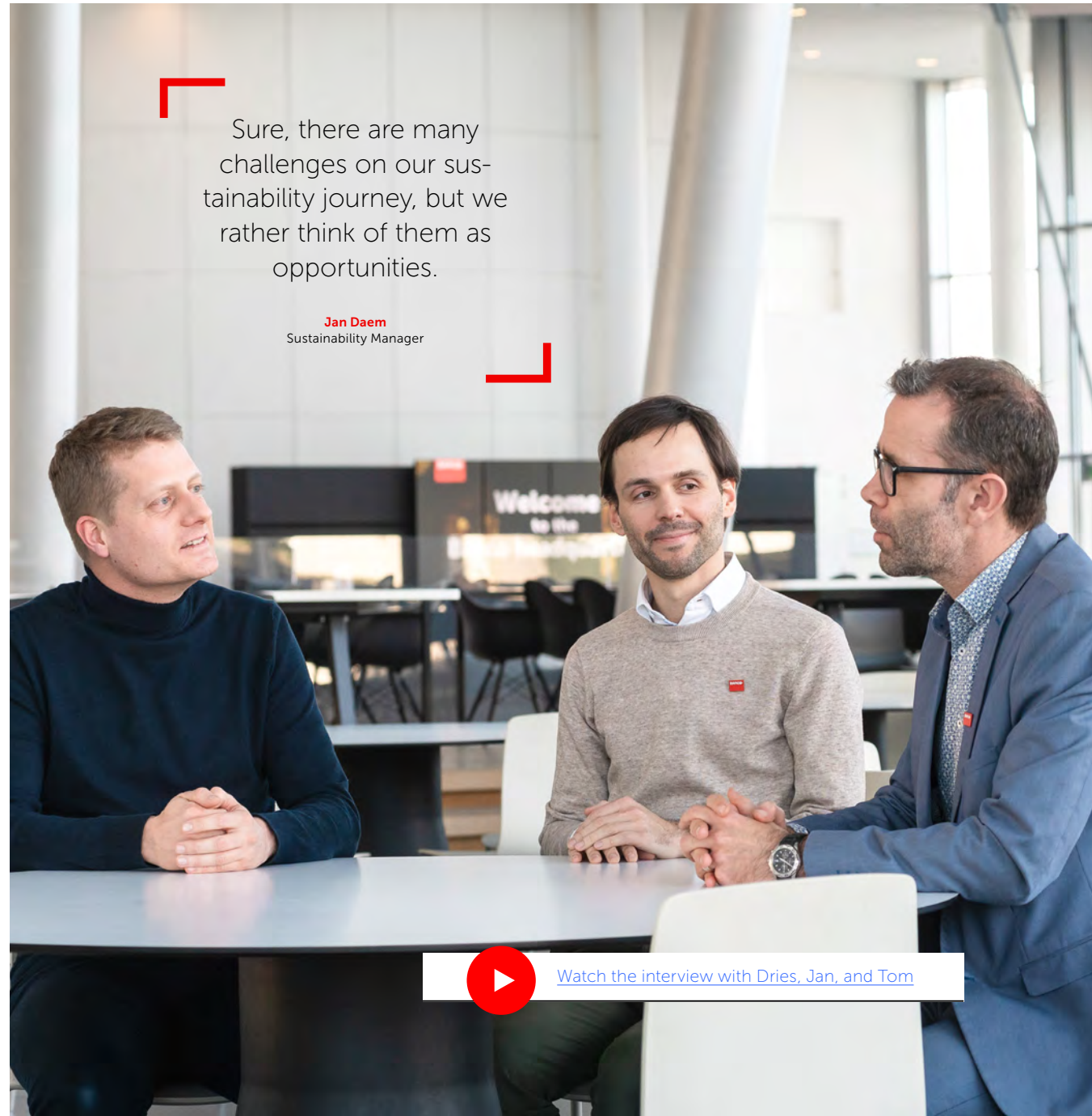
"Businesses are rethinking their position in the new sustainability playing field. And sure, there are many challenges along the way, but we rather think of them as opportunities," says Dries Vanneste, our new sustainability manager. Dries collaborates closely with experts like Jan Daem, Environmental Compliance officer, and Tom Bert, VP Product, cinema, to move the needle on sustainability.

Product sustainability is a transition. It's a step-by-step incremental improvement that we must realize.

Jan Daem
Product Compliance Officer

Sure, there are many challenges on our sustainability journey, but we rather think of them as opportunities.

Jan Daem
Sustainability Manager



[Watch the interview with Dries, Jan, and Tom](#)

4 key insights distilled from the roundtable discussion on sustainable visualization:

1. Product sustainability is work in progress

As a manufacturer of high-end visualization solutions, Barco has been putting product sustainability high on the agenda for years. To measure the environmental footprint of our products, we developed the [ecoscore tool](#), which considers energy consumption, material use, packaging, and logistics, as well as the product's end of life.

"Our **ecoscore tool** is really unique," explains Jan, "at it takes into account the full lifecycle of our products and is fully embedded in new product design. In this way, we help our customers make sustainable choices." In 2023, 65% of our revenue came from products with the Barco ECO label. "We work hard to keep improving that number. Product sustainability is work in progress."

2. Don't think product but ecosystem sustainability

Tom highlights that products are just part of the puzzle: "Visualization products have long been standalone solutions. Today they're networked and software-enabled systems that interact with their environment. And yet we still see how most products are managed separately.

In the future, however, I expect **more integration and automation**, allowing the visualization system to smartly manage power in rooms and even buildings. That will be a true driver for sustainability."

3. Sustainability is a joint effort

To accelerate sustainability in the AV industry, Barco actively participates in [external initiatives that promote sustainability](#), such as the Science Based Targets initiative. We also play an active role in industry organizations like AVIXA, where we aim to create a common platform to define requirements and set objective measurement criteria.

"Partnerships across the value chain will become increasingly important to advance sustainability efforts and targets in the future," says Dries. More than that, customers and end-users increasingly request our help to measure their sustainability performance and communicate about their efforts.

4. Make sure to include social and governance

While sustainability is often linked to environmental initiatives, it includes social and governance topics as well. Dries: "Barco also has a **clear social pillar**, where we focus on topics such as [diversity and inclusion](#) and talent and career development.

In addition, we notice a clear tendency towards social due diligence across the business chain of activities, which is why we developed a supplier sustainability program. Social and governance topics are just as important to ensure the bright tomorrow that we at Barco are visioning."

Towards a circular business model

Jan expects the drive towards sustainability to impact business models. He anticipates more circular business models, where manufacturers rent or lease their product to the customer rather than selling it. In this

way, companies like Barco will be able to recover or recycle the resources used in their products in order to shrink the environmental footprint and trim waste."



Our visioneers: building a culture of diversity and inclusion – step by step

Barco has a strong set of cultural values. But how do we ensure that they remain relevant and authentic? To leverage our strength as a global and diverse organization, we must continue building a culture of diversity and inclusivity. Alexis Capili, Global HR business partner, and Lien Meuleman, Global HR director talent, leadership and organizational development explain what that means.

To start with: what constitutes a company culture? For Alexis and Lien, this goes beyond a winning corporate strategy: a corporate **culture is shaped by everyday interactions and decisions**. "For example, can you just walk into the CEO's office and say 'hi An, I have a suggestion?'" Lien explains. "It's these little things that have a big impact."

Achieving a cohesive culture also requires collective effort. "It's as important as strategy, but maybe even more difficult to control, as you cannot impose a culture. Of course, real success happens when strategy and culture are aligned and move in the same direction."



We need to look in the mirror and keep ourselves in check if we want to keep evolving along with the world around us.

Alexis Capili
Global HR business partner



[Watch the roundtable talk with Alexis and Lien](#)

If you want to serve global markets, you need to reflect that diversity internally as well.

Lien Meuleman
Global HR director talent, leadership and organizational development

Always evolving and rejuvenating

For Barco, maintaining the authenticity and relevance of cultural values is vital. “We want to keep evolving along with the world around us,” says Alexis. “To do so, it’s important that we continuously look in the mirror and keep ourselves in check.”

In that spirit, Barco initiated a culture rejuvenation project in 2022. “The aim is really to **simplify and clarify Barco’s values and behaviors**. To do this, we have to balance top-down and bottom-up approaches, and engage colleagues from all Barco regions, cultures, and seniority levels to ensure we have a common story.”

Diversity and inclusion to foster innovation

When we talk about remaining relevant, you automatically end up talking about diversity and inclusion. Being a diverse and inclusive company has always been important for Barco, but today even more so. And that has everything to do with our renewed focus on innovation.

Lien: “You need an open mind and different perspectives to ensure innovation. Embracing diverse horizons enhances decision-making. In 2022, we moved to a new organizational setup, with end-to-end business units. Suddenly, we became even more globally connected. If you want to serve global markets, you need to **reflect that diversity** internally as well.”

Management enablement

But how do you strengthen diversity and inclusivity in an organization like Barco? One thing is certain: it doesn’t happen overnight. “In 2023, we initiated a three-year plan that includes a series of well-defined initiatives to inject diverse and inclusive thinking,” explains Lien. “In addition, we defined two very important enablers: growing **awareness and ‘management enablement’**.”

To foster the latter, our HR team sets up inclusive leadership training sessions around topics like unconscious bias and microaggressions. “It helps managers and other colleagues to practice what they preach. We plan to cascade these trainings throughout the full organization in the future.”

It’s the little things!

Alexis and Lien acknowledge that small initiatives are often the most impactful: they resonate most with employees. “That means **recognizing and rewarding behaviors** that are in line with where we want to go as a company, plus, at the same time, enabling each other to speak up when we witness behaviors that are wrong.”

“We’re committed to ensuring that every Barco employee experiences an inclusive environment where they can speak up and have impact. That’s why we continue to collect human stories within the organization and showcase them for others to nurture learning and change,” Alexis concludes. “There’s still a way to go, but we’ll get there together, step by step.”

How digital transformation leverages a bright tomorrow

Advanced digitization is the way to go for companies that want to keep up with rapidly changing markets and customer needs. At Barco, we kicked off our digital transformation a while ago. Are we at cruising speed yet? We asked Philippe Verlinde, Chief Digital and Transformation Officer, and Sales Processes and Tools Manager Annelies Traen.

"On a scale of one to ten, I'd say we score 7", says Philippe when we ask him to assess Barco's digital transformation. "We have our foundation in place, but there's still a lot to do. Increasing user adoption is definitely a challenge." Annelies, for her part, praises the progress we're making: "We're definitely moving in the right direction. Appointing change ambassadors, for example, was a smart step to take."

Digital transformation is about driving internal efficiency, improving the customer experience, and enabling new business models.

Philippe Verlinde
Chief Digital and Transformation Officer



[Watch the interview with Philippe and Annelies](#)

The 3 levels – and drivers – of digital transformation

Digital transformation is a broad topic. Philippe and Annelies narrow the scope to three levels:

1. Boost internal efficiency.

Digital transformation improves the way of working, freeing up time for employees to focus on things that create true **long-term value**, like innovation, says Philippe: "Look at approval flows, for instance. Instead of waiting for each other's approval, with digitization, several people are invited to approve a document or a process at the same time. That helps to speed things up."

As digital transformation drives efficiency, it also helps **cut costs**, "which, of course, is often a key driver to boost digital transformation," Philippe admits.

2. Enhance the customer experience.

Digitization means you can offer customer self-service capabilities via a user-friendly portal, empowering customers to track orders and create quotes themselves. Or you can capture customer data to get insights in customers' behavior and needs, leading to personalized customer experiences.

"Improving **the quality of products** is an important driver for digital transformation," Annelies adds. Here too, data helps to get insights – as a starting point for improvements.

3. Enable new business models

Digitizing our processes will also change the way we do business. "New business models could help us win in new markets," says Philippe. He does, however, admit that Barco is still at the beginning of the learning curve in that area.

Digital transformation at Barco

Barco kickstarted its own digital transformation about six years ago. "It began with **product platforms**," Philippe explains. "As customers were asked to register themselves when they started using our solutions, we could structure customer data. Three years ago, we started linking our IT systems to our product software – an essential new step to improve the customer experience."

"The way we implemented Salesforce is a nice example of what digital transformation can do," Annelies continues. "Barco always develops a **minimum viable product** and then collects feedback from key users as early in the design or implementation process as possible. That helps us to focus on what users really want and need. So, when we introduced Salesforce, we gathered feedback after a couple of months, enabling us to adapt wherever necessary."

Security by design

What about the **cybersecurity** risks that come with digitizing and connecting systems? Philippe: "Cybersecurity isn't something you think of at the end of a digitization project. We take it into account from the very beginning. We call that **'security by design'**. The more systems you connect, the more assessments are needed from various angles: from testing your individual products to assessing the cloud you're using. That's why we perform penetration tests in most of our projects."

3 trends in digital transformation

Just like Barco, a lot of companies are in the middle of a digital transformation right now. "Digitization is a train in motion you want to be on as a company," says Annelies. In the coming months and years, Annelies and Philippe will help Barco to constantly raise the bar in digitization, taking into account these 3 main trends:

- **Cloud-first:** We're not only connecting products to the cloud, but IT systems as well. That comes with a lot of advantages, but with some concerns too – increasing cybersecurity complexity, for instance.
- **The growing importance of data.** At Barco, we have access to more user data than ever before. That helps us to become a real data-driven company.
- **AI and machine learning.** AI helps us automate processes, for instance. We're still exploring how we can make maximum use of AI and machine learning in our current landscape, but it's clear that both will be crucial in moving our business forward.

How we create value

© d'strict

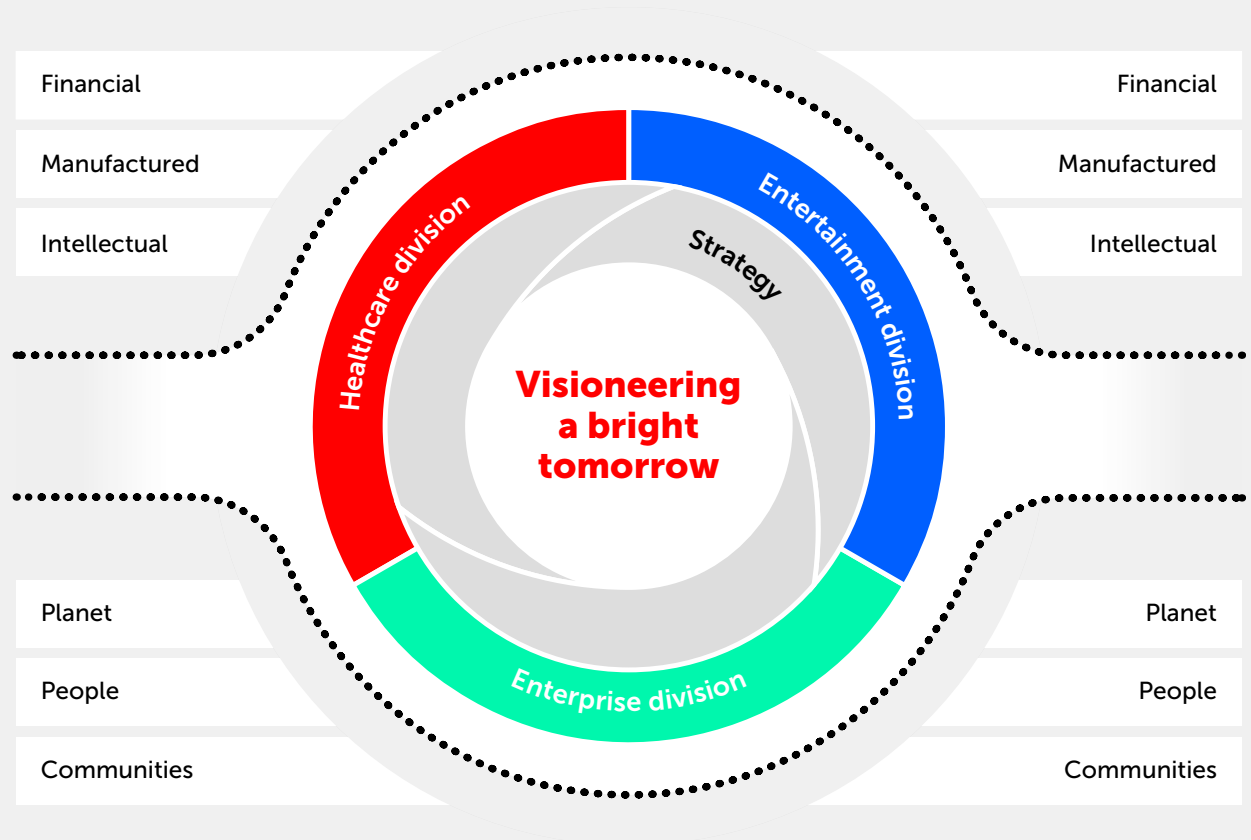
Value creation model

Barco's 'Visioneering a bright tomorrow' purpose highlights our belief that truly great engineering starts with a clear vision – a vision of a better, smarter, healthier world.

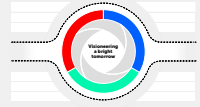
In other words: at Barco, we are constantly thinking about how we can create value for all our stakeholders in the short, medium and long term. Our value creation model visualizes our approach. It articulates the mission of our company and links it to our strategy and the markets we cover. The horizontal 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 2023 compared to 2022 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

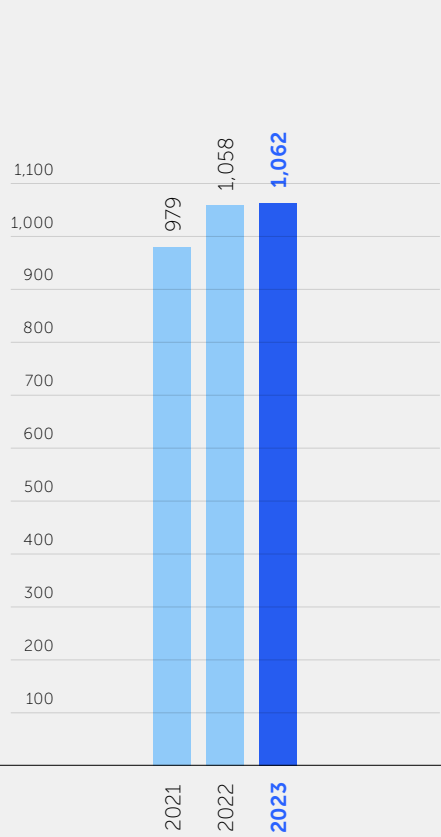
CORE Report

Barco

Integrated report 2023

Orders

(in millions of euro)

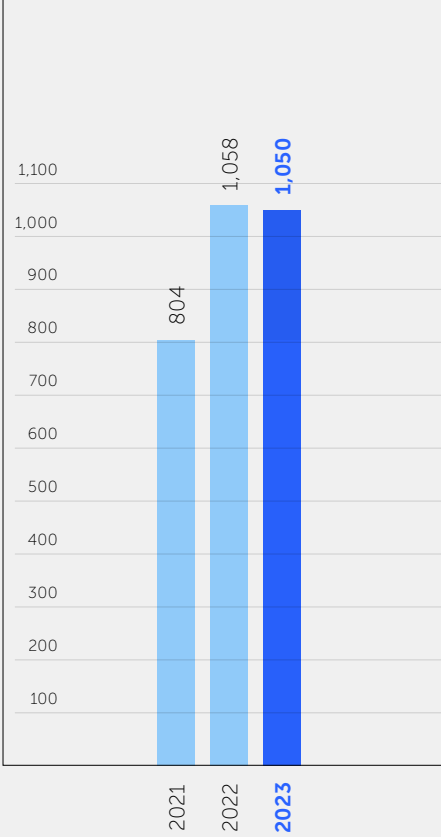


% growth

+31%
+8%
+0%

Sales

(in millions of euro)

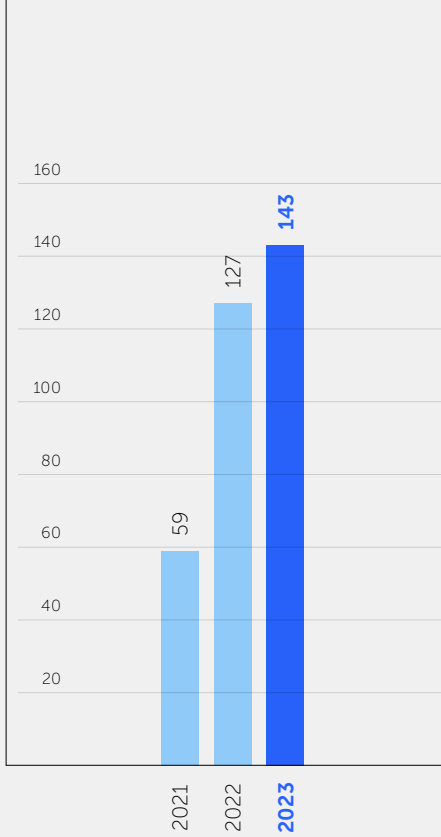


% growth

+4%
+32%
-1%

EBITDA

(in millions of euro)

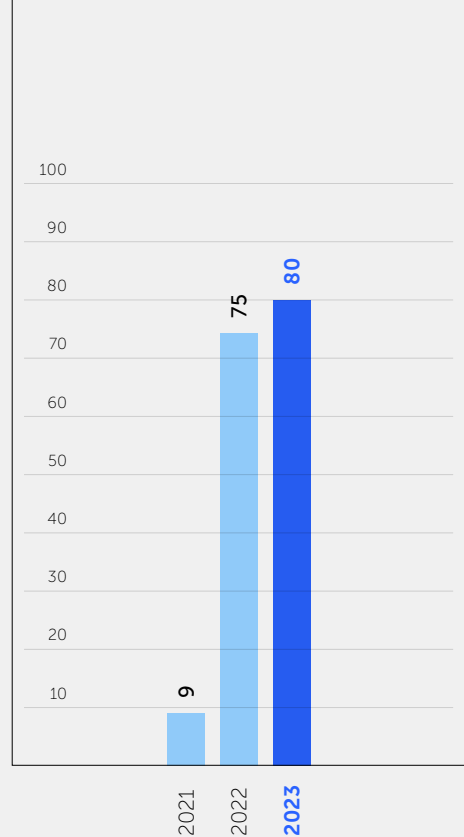


EBITDA margin

7.3%
12.0%
13.6%

Net earnings

(in millions of euro)

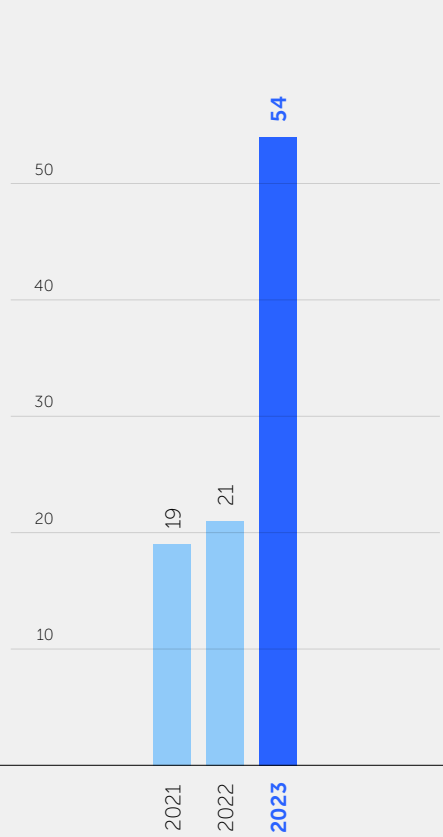




Manufactured

Capex

(millions of euro)

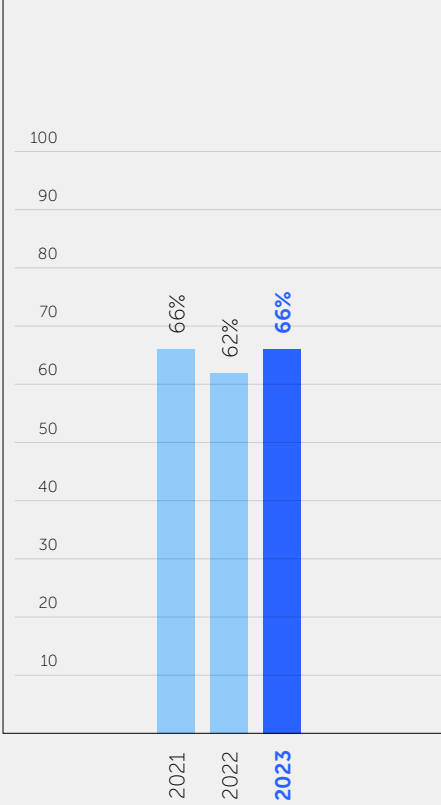


2%
2%
5%

% of sales

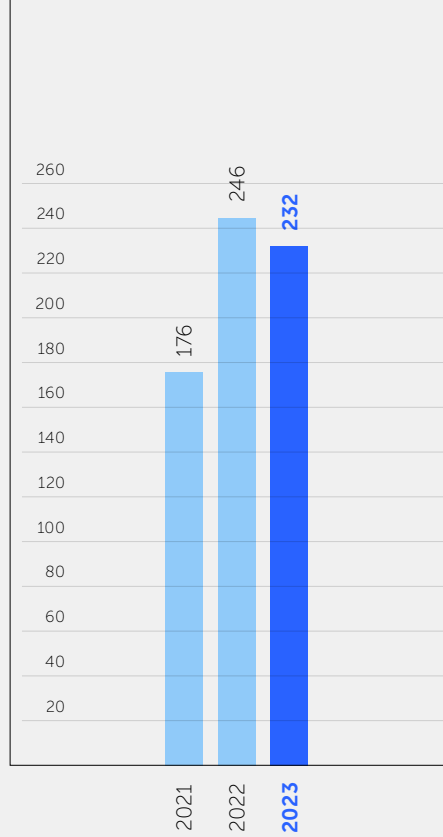
Product revenues inhouse manufactured

(over hardware revenues)



Inventory value

(millions of euro)

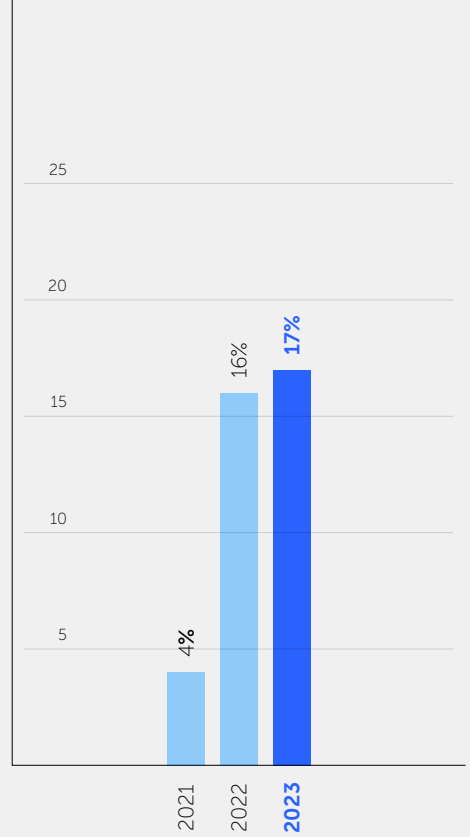


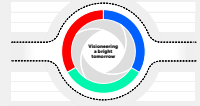
2.4
2.1
2.1

Inventory turns

ROCE

(%)

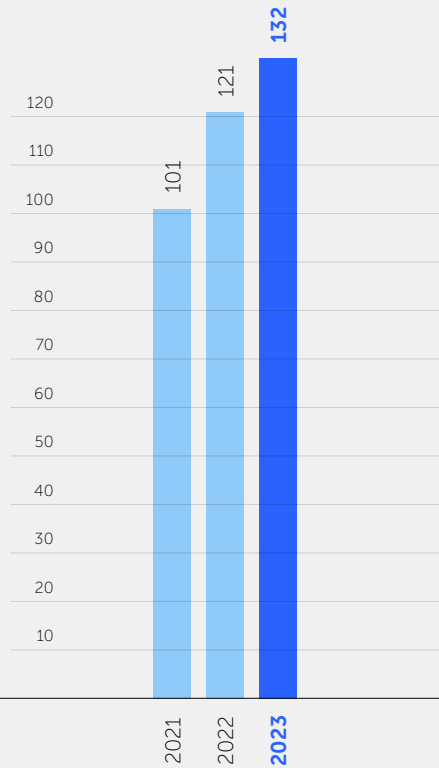




Intellectual

R&D spend

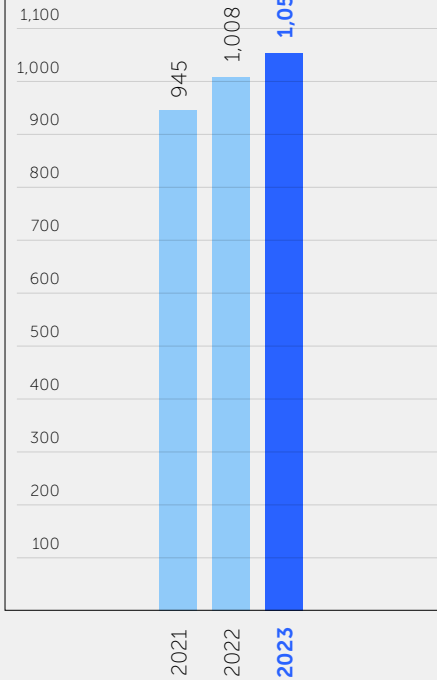
(in millions of euro)



13%
11%
13%

% of sales

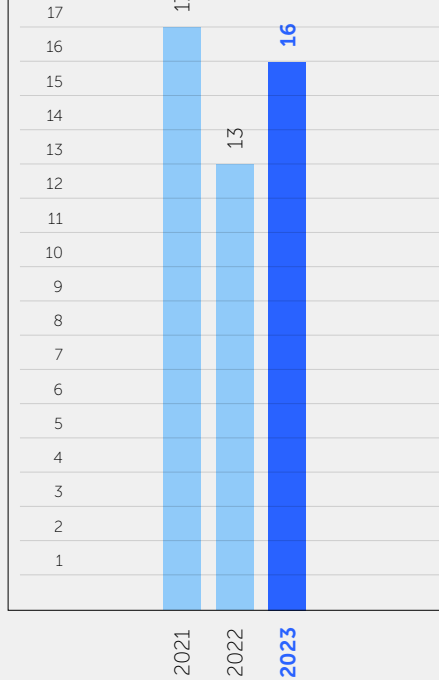
Employees in R&D



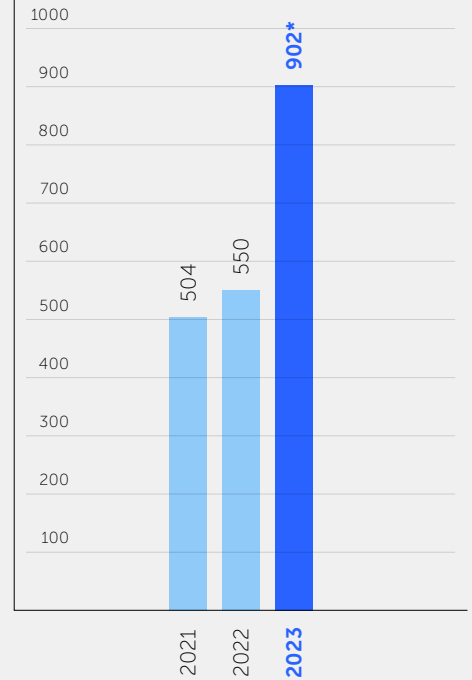
30%
31%
31%

% of total employees

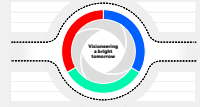
of new patent filings



of patents at year-end



* Change in scope of measurement methodology – see [Glossary](#)

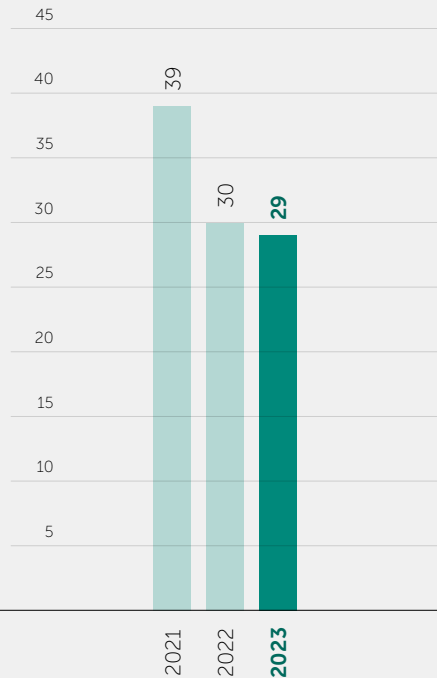


Planet

Energy consumption in own operations

(MWh/mio € revenues)

TARGET 2023: 38



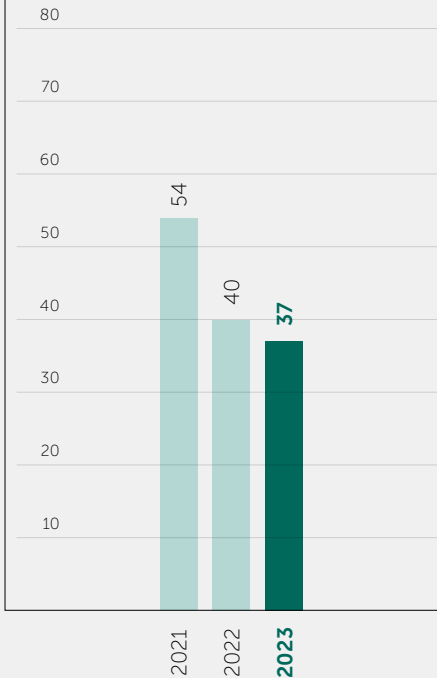
52%
57%
61%

% renewable

Greenhouse gas emissions from own operations

(tonnes CO₂e/mio € revenues)

TARGET 2023: 52



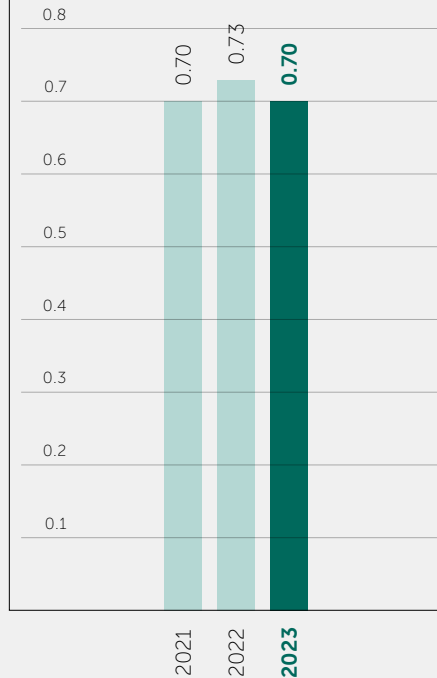
-33%
-51%
-54%

% reduction vs 2015

Energy footprint of sold products

(relative reduction vs base year 2015)

TARGET 2023: -25%

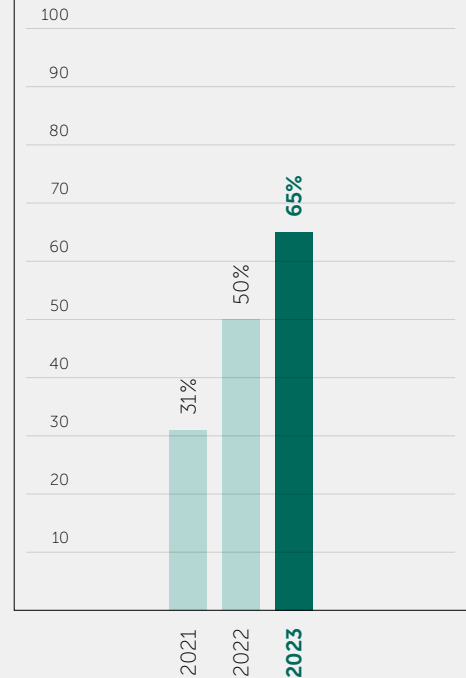


-30%
-27%
-30%

% reduction vs 2015

% of revenues* from products with ECO label

TARGET 2023: 70%



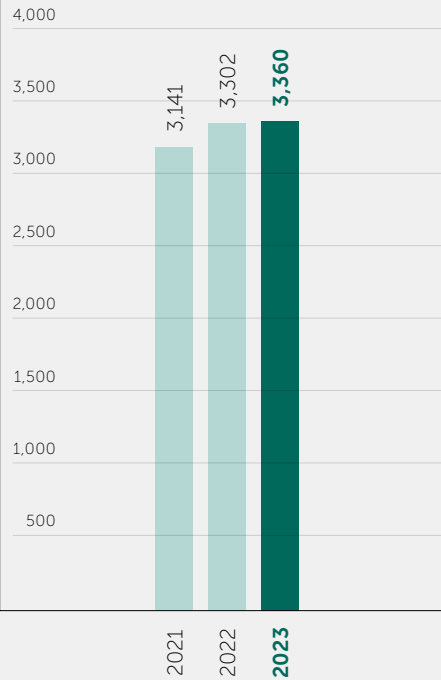
* Product and project revenues as reported in [Note 3 of the financial chapter](#) of our integrated report



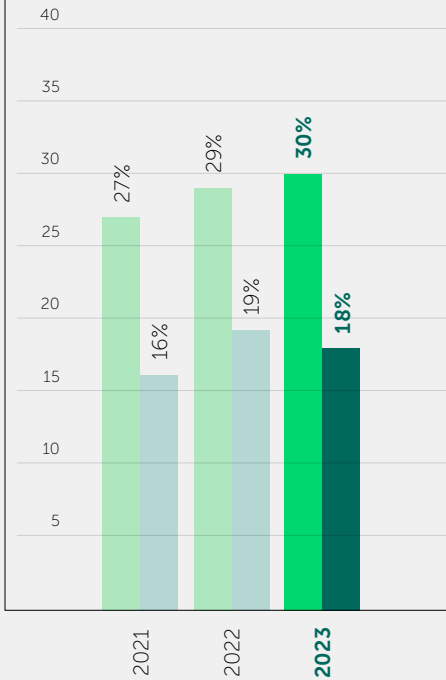
People

Total number of employees

(# heads)

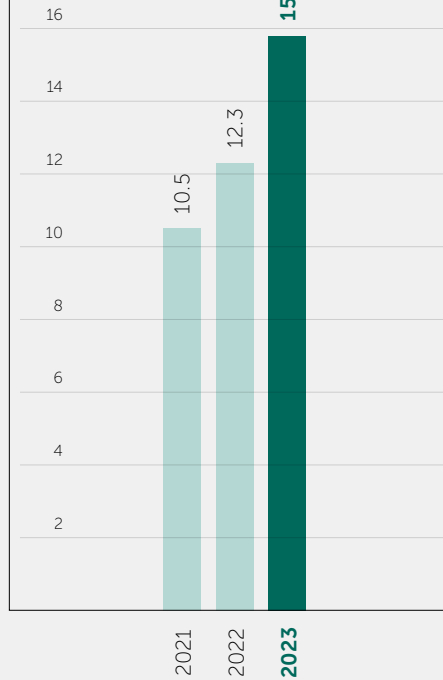


% women overall & senior management



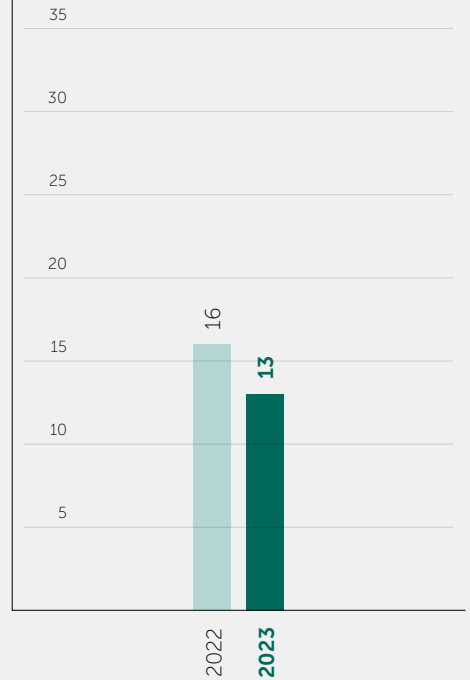
■ overall
■ senior management

Average training hours/employee



Employee Net Promoter Score

TARGET: 30

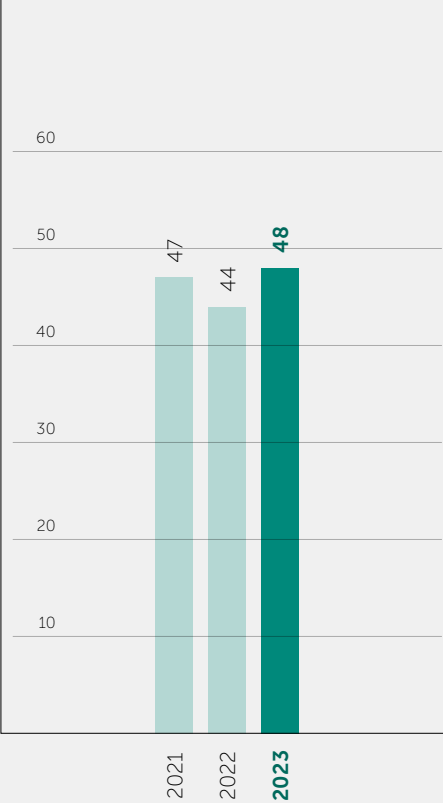




Communities

Customer Net Promoter Score

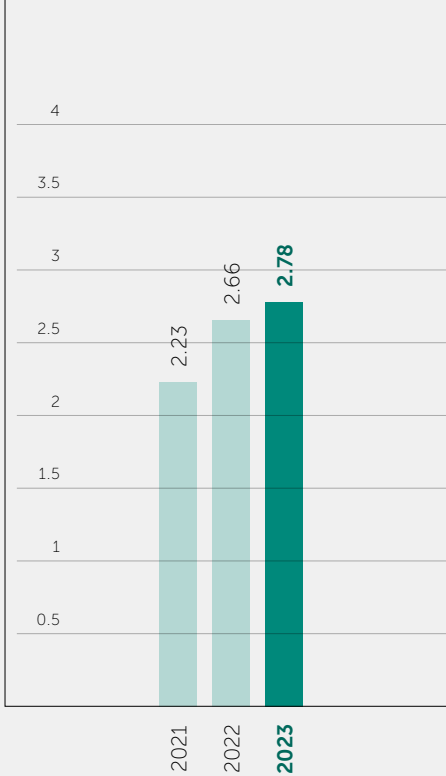
(Relationship NPS)



Average cybersecurity maturity score

(NIST CSF)

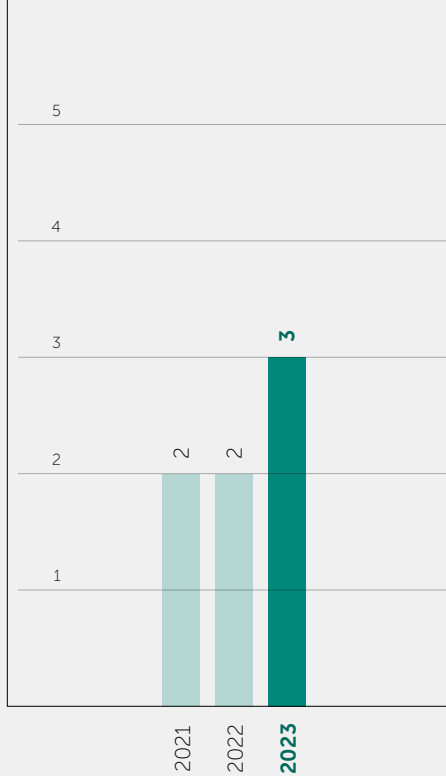
TARGET 2025: 3.4



ISO 27001 certification (security)

(# of product lines in scope)

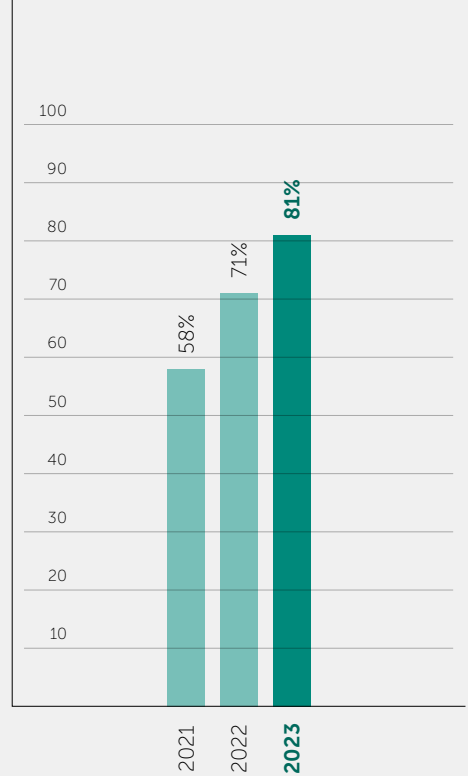
TARGET: + 1 YEARLY



Suppliers scored on sustainability performance

(% of production spend)

TARGET 2023: 70%



Shaping our strategy

Navigating today's rapidly changing world

At Barco, our strategy acts as a guiding light: it determines our future path, defining how we play to win in our markets. As today's markets are disruptive and volatile and technology changes at cruising speed, we constantly refine our corporate strategy, look at it through different lenses and incorporate evolutions and trends – while, of course, sticking to our strategic principle of 'setting the industry standard in visualization'.

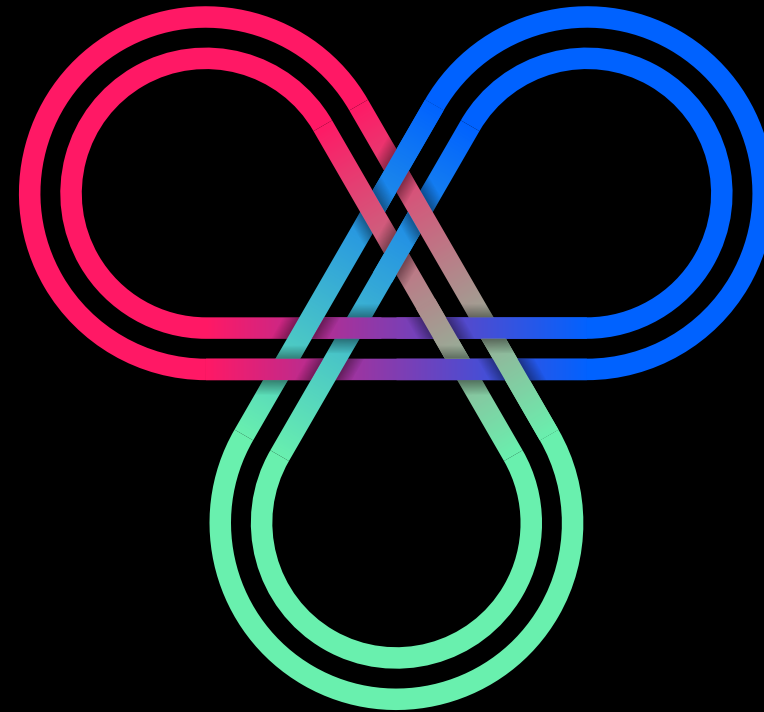
Our three-levered strategy helps us remain relevant in today's rapidly changing world.

Three strategic levers

The Barco strategy 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. 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 exploiting our strengths to the fullest.

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

- further finetune 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 focus areas that support the 'Capture profitable and efficient growth' lever. We further simplified our organization to boost effectiveness and took key steps in our digital transformation. While the markets in China were soft, we strengthened our manufacturing footprint, preparing our two new production plants there to deliver as soon as the recovery takes off. When it comes to 'developing new market segments', several initiatives have been taken and new products launched, with plenty of potential remaining.

Focus areas	Status	Proof points in 2023
Organizational redesign to enhance customer intimacy, end-to-end accountability and entrepreneurship		<ul style="list-style-type: none"> • Finetuning simplified organization by embedding marketing in business units • Business unit teams are now fully integrated with sales, marketing, product development and R&D focused, dedicated to end-markets and in close contact with the customer • Cinionic's activities fully acquired by Barco and integrated into the Cinema business unit, leveraging efficiencies • Best performing high-tech company in the Randstad Employer Brand Research
Commercial and operational effectiveness through digital transformation		<ul style="list-style-type: none"> • One platform strategy with further integration of ERP and major IT applications • Automation and integration of the HR and IT services and communication via the Barco Assist and BarcoHub platforms • Expansion of customer relationship management system with enhanced customer and partner portals
Seize the China opportunity with stronger local presence		<ul style="list-style-type: none"> • Ramp-up of the Healthcare production plant in Suzhou; transfer of products from European factories nearly completed • Construction of the new Entertainment plant in Wuxi on track, with focus on further automation in manufacturing and logistics
Develop new market segments and expand in healthcare, control rooms, and immersive experience		<ul style="list-style-type: none"> • Software enablement of Immersive Experience via launch of new Pulse Mobile App and extended features in the Insights Management Suite • Steady expansion in the simulation markets, including new product introductions with F-400 range • AI-powered diagnostic displays with DL Precise in the Intuitive Workflow Tools • G-50 set to revolutionize the themed entertainment markets

Related to these material topics:

Customer engagement // Product quality, safety & security // Information security & data protection // Financial resilience // Sustained profitable growth // Product stewardship



Lever 2: Innovate for impact

To retain its position as a technology leader, Barco is accelerating its 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
- constantly looking for new ways to raise the sustainability performance of our products, operations and customers.
- 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 that support the 'Innovate for Impact' lever. We made substantial progress with the focused factories strategy, driving efficiency and resilience in the supply and production chain. The innovation process and governance were further strengthened and accelerated: R&D is now close to the customer in the business units, while the overarching R&D team focuses on long-term innovation projects. Several new product introductions are in the pipeline for launch in 2024.

» [Read more on our innovation strategy in the chapter Innovation and Technology of this CORE report.](#)

Related to these material topics:

Product quality, safety & security // Innovation management // Product stewardship

Focus areas	Status	Proof points in 2023
Focused factories		<ul style="list-style-type: none"> • Roll-out of focused factories, with dedicated factories per market • Suzhou Healthcare plant fully operational, construction of Wuxi plant nearly completed, ready for product transfers in 2024 • Further investments in Saronno (Italy) and Kortrijk (Belgium) plants in preparation
Strengthen downstream value chain through OPEX business models and channel management		<ul style="list-style-type: none"> • Delivery of multi-year Cinema-as-a-Service contracts is on track, increasing recurring service revenue for Entertainment • Establishing new AV partnerships with new and extended distribution 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 (semi-conductor and other) through new product introductions and product redesigns that allow for more flexibility to change components during the product's lifecycle • Insourcing production of critical subassemblies
Rebalance R&D investment portfolio		<ul style="list-style-type: none"> • 12.6% of revenue is spent on R&D, with more focus on breakthrough innovations • Strengthened patent management with 16 new patent filings and holding 902 patents at year-end 2023 (change in scope of measurement methodology versus previous year – see Glossary) • Licensing of patents with external partners creates additional revenue models
Develop adjacencies and new solutions based on core technologies		<ul style="list-style-type: none"> • Launch of Barco CTRL for control rooms, with market-leading 'Security by design' • HDR Lightsteering, for the next-gen laser cinema projector piloted and showcased to industry professionals and cinema community • Redefining the standard for Diagnostic Imaging, with a new series of Nio displays • Broadening Cinema with the flagship Nerthus platform for high-end home theaters
Enhance ROI in innovation combining entrepreneurship and financial discipline		<ul style="list-style-type: none"> • R&D management consolidated in the business units, close to the customer • Barco Labs overlooks overarching R&D projects and themes • Strengthened innovation governance, led by CEO An Steegen, with frequent innovation boards and fast-fail principles



Lever 3: Go for sustainable impact

Barco has been and remains a sustainability frontrunner in the tech industry. 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.

To retain our leadership position, 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 3 out of 4 in the field of 'Go for Sustainable Impact'. Barco is well positioned among the top-performing companies in its industry in the field of sustainability. This is consistently recognized by external rating agencies. In 2023, we kept strengthening our governance and organization and reinforcing our sustainability strategy. Improving our sustainability performance remains an ongoing commitment in everything we do at Barco.

Focus areas	Status	Proof points in 2023
Strengthen governance and organization		<ul style="list-style-type: none"> • Strong ESG governance, under the leadership of CEO An Steegen as chair of the executive sustainability steerco, with workstream leads for all highly material topics
Reinforce our sustainability strategy		<ul style="list-style-type: none"> • ClickShare Conference CX-50 2nd generation is one of the first carbon-neutral wireless conferencing solutions on the market • Barco's wind turbine project gets permit, in last straight line for realization (pending on further appeal) • Further electrification of the company car fleet (+50% of fleet) and doubling the number of charging points at HQ (206) • Continued shift from air to sea transport (47% of the total transported distance)
Improve our sustainability performance in the fields of planet, people and communities		<ul style="list-style-type: none"> • Important progress against our main sustainability targets in 2023: <ul style="list-style-type: none"> - Greenhouse Gas emissions from own operations at -54% versus 2015 - 65% of total revenues and 90% of new product introductions are ecolabeled • Acknowledgements for increased transparency and improved performance: <ul style="list-style-type: none"> - Barco included in the BEL ESG Stock Market Index and recognized for its sustainability-driven business - ESG ratings and external evaluations consistently scoring in top 20% among Electronics Industry Sector peers - Philips Supplier Award for Sustainability honors Barco's sustainability efforts - Barco honored at NAB Show Excellence in Sustainability Awards

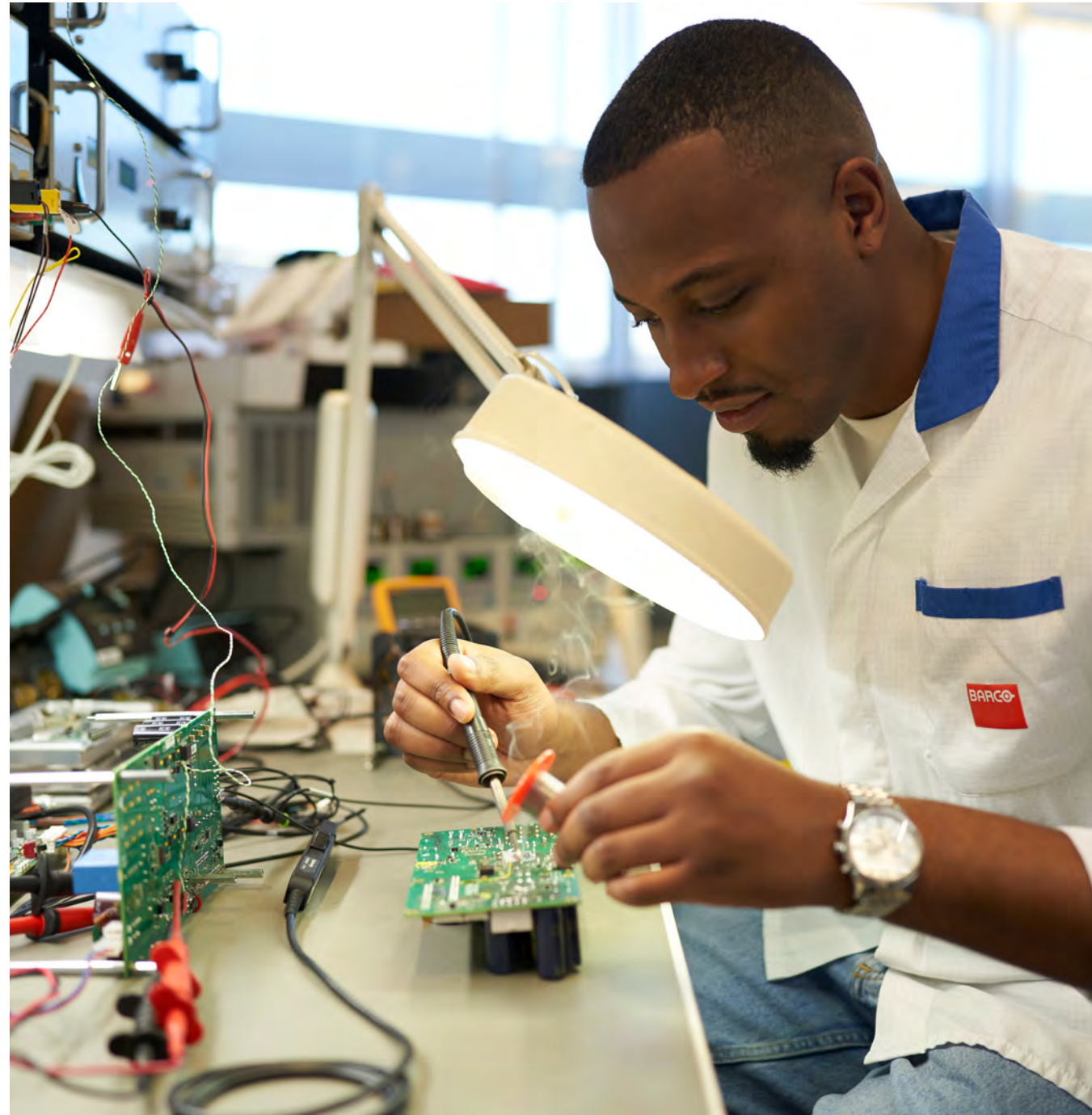
Related to these material topics:

Sustained profitable growth // Financial resilience

Shaping our strategy

Change is the only constant in today's world. From the pandemic, economic instability and geo-political tensions to the accelerating climate crisis: they all impact our business at Barco. So, no matter how hard we believe in our company strategy, we understand the need for agility and resilience.

To ensure that our strategy remains **anchored in the realities of our business** and the rapidly changing world around us, we constantly question, fine-tune and even reimagine it. In the boardroom as well as in our business units, we all monitor relevant market trends, keep track of evolutions in the material topics and closely follow up on the risks that could affect our business.



Materiality

Continuous monitoring of material issues is critical to staying on top of emerging risks and opportunities. In 2020, Barco launched its first materiality assessment to understand what topics matter most to its businesses and stakeholders. We kept focusing our attention on the topics that our stakeholders defined as 'material' in that assessment until the end of 2023 – when we conducted a double materiality assessment.

Linking our materiality matrix to the UN SDGs


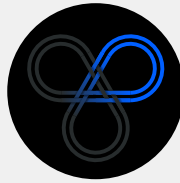











In the table, we link the highly material topics to the six UN SDGs that best fit our materiality matrix and our own corporate strategy.

Stepping up our sustainability efforts: double materiality

In 2023, we conducted a **double materiality assessment** in line with the upcoming Corporate Sustainability Reporting Directive (CSRD). Based on input from internal as well as external strategic stakeholders, we identified and prioritized

- the potential and actual **positive or negative impacts of Barco** on people and the environment (inside out).
- the risks and opportunities that have or may have **financial effects on Barco** (outside-in).

The first results of this double materiality assessment are shared in our report on People, Planet and Communities. They will be further translated into Barco's value creation model (6 capitals) and help us shape the agenda and targets for our revamped sustainability strategy which we'll reveal in the 2024 integrated report.

	 Capture profitable and efficient growth	 Innovate for impact	 Go for sustainable impact
MATERIAL TOPICS	<ol style="list-style-type: none"> 1. Customer experience 2. Product quality, safety & security 3. Sustainable Product Lifecycle Management 	<ol style="list-style-type: none"> 1. Innovation, technologies & product portfolio 2. Sustainable Product Lifecycle Management 3. Product quality, safety & security 	<ol style="list-style-type: none"> 1. Talent & career Development 2. Diversity & Inclusion 3. Climate change & energy 4. Sustainable Product Lifecycle management 5. Circular Economy & waste
UN SDGs	   		    

- » [Read all about our materiality assessment, the UN SDGs and our stakeholder engagement on our corporate website](#)
- » [Explore our approach and the results of our double materiality assessment](#)

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.

2023: main risks

Every year in the fourth quarter, Barco performs a company-wide risk assessment and compliance gap analysis. In 2023, the risk universe was revised and split into 4 domains: Corporate risks and Environment, Social and Governance (ESG).

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

	Risk	Trend	Strategic lever
1	Innovation, new technologies & product portfolio	 1 » 1	<ul style="list-style-type: none"> Innovate for impact Capture profitable and efficient growth
2	Customer experience	 New: 2	<ul style="list-style-type: none"> Innovate for impact Capture profitable and efficient growth
3	Product quality & safety	 4 » 3	<ul style="list-style-type: none"> Innovate for impact Capture profitable and efficient growth
4	Talent & career development	 3 » 4	<ul style="list-style-type: none"> Capture profitable and efficient growth Go for sustainable impact
5	Macroeconomic & geopolitics risk	 5 » 5	<ul style="list-style-type: none"> Capture profitable and efficient growth
6	Responsible & resilient supply chains	 2 » 6	<ul style="list-style-type: none"> Capture profitable and efficient growth Go for sustainable impact

Innovation and technology



Visioneering a bright tomorrow

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

Of course, innovation is an ongoing journey. In order to keep up with – or rather anticipate – the rapidly evolving market and technology trends we consistently invest more than 11% of our turnover in R&D. In recent years, we have been strengthening and **streamlining our innovation approach**, and accelerating our innovation efforts, with more focus on breakthrough, disruptive solutions – primarily for our core and adjacent markets, but also in entirely new domains.

Still, no matter how passionate we are about technology and innovation, we never lose sight of our purpose to visioneer a bright tomorrow. To make sure that every Barco solution adds value for our customers and society as a whole, our innovation roadmap is enriched with feedback from our ecosystem and market trends. **5 clear foundation pillars** guide us in each and every technology and innovation effort.



The Barco quality label

Important to note: our innovative and entrepreneurial drive never compromises Barco's legacy of excellence. We retain a disciplined approach to innovation, with a dedicated budget, and exceptional product performance. Quality, security, stewardship, and sustainability are woven into the DNA of our solution design processes.

Our new **focused factories** approach keep us on track in delivering all these exceptional qualities, while maximizing efficiency. After all, visioneering a bright tomorrow means not only innovation, but also ensuring that Barco stands strong economically for the long haul.

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

Doing disruptive things always involves having a leap of faith in key moments, that is the essence of true innovation.

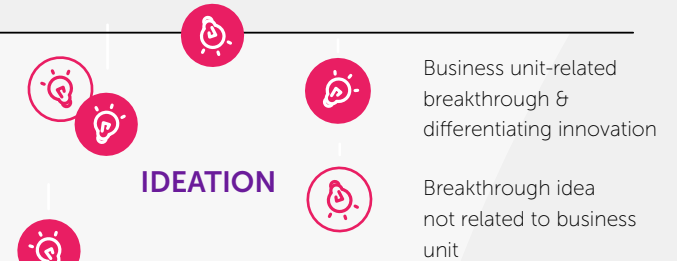
Peru Dharani
Senior VP Research

Doubling down on patent management

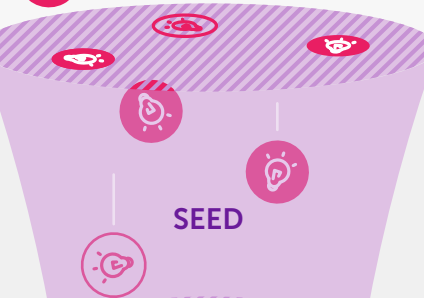
Over the past few years, Barco has been strengthening its IP management and refocusing its strategy. We educated employees on the importance of IP and the R&D teams fully incorporated IP in their innovation processes. Patentability is checked early on in the new product development cycle, more patents are filed, and professional IP infringement checks are introduced.

Our innovation process

1. FUNNEL ENTRY GATE



2. SEED FUNDING GATE



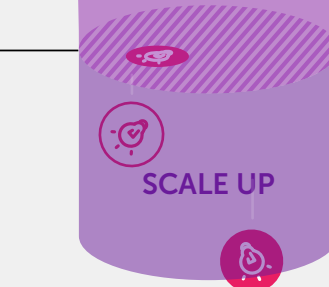
3. PROOF OF CONCEPT

Idea is feasible with a promising business case.



4. BREAK-EVEN GATE

Proof of concept becomes a viable product/solution



5 foundation pillars in our innovation roadmap

Innovation doesn't happen in a vacuum. The first step is understanding the world around you, both at your customers and beyond. At Barco, we continuously scan the horizon for changes in markets and technologies. These 5 technology themes inspire and impact our innovation roadmap.

TREND #1

The changing paradigm of visualization

For decades, visualization has been static and one-directional, with viewers controlling the screen content. That is now changing: we are transitioning to a dynamic, bi-directional era, as viewers and screens start interacting with one another. On a further horizon, we expect visualization to become a symbiotic experience. Any surface will have the potential to turn into an evasive and ubiquitous display, extending the user interface beyond the physical boundaries of the devices we know today, and thus **fusing digital and physical worlds**.

» [Barco product in the pipe: 3D visualization in healthcare](#)



TREND #2**The data explosion**

In its 90-year history, Barco has experienced the shift from analog, digital, and connected data to AI and deep tech. Each step generated even more data. Now that the **amount of digital data is exploding**, are we lost in a digital avalanche? While data is one of the most critical assets for organizations, they are struggling to collect and store data, and turn it in into actionable knowledge. A smart visualization platform is the most powerful way to deal with exponential data and make it meaningful.

» [Discover how Barco CTRL software gives full control over information flows](#)



Data: an invaluable tool to deliver stellar products and services

Experience, expertise and a relentless drive for innovation have helped Barco consolidate its role as a technology leader for decades. Yet, we're increasingly playing an extra trump card: data. Mathieu Dobbeleir and Jan van Houtte, heads of the Large Video Walls and the ClickShare product teams, respectively, explain.

Collecting vast data from diverse sources

Jan: "The ClickShare base units and user laptops increasingly connect to networks. This way, we can gather data that sheds a light on product usage and user behavior."

In addition, the team gains insights from the registration of ClickShare devices and star ratings – in a GDPR-compliant way, of course. Jan: "Thanks to the registration process, we get a view on the lifecycle of our presentation and conferencing systems. These insights and the feedback from the star ratings from ClickShare users help us analyze the performance of our products, improve it and set the right development priorities."

Useful registration procedure

While Mathieu's team has less access to data from their control room solutions, as these are not cloud-based, they also gather insights from the registration procedure: "Moreover, our

customers can view technical information like fan speeds, the temperature of critical components, CPU loads and/or error messages which they can use to prevent failures and enhance their uptime."

The data-driven approach helps us optimize our products and services to meet our customers needs.

Jan van Houtte
Head of Product for ClickShare

Products and services that meet real needs

To aggregate all that data and act on it, the engineering teams use a dedicated product management tool. The tool centralizes structured as well as unstructured data, from a multitude of sources, including customer feedback or emails from the sales reps. Based on that data, it helps them organize product ideas, take product design decisions, like choosing what features or improvements to prioritize, build roadmaps, track progress and more.

"The data-driven approach is a win-win," Jan concludes.

TREND #3**Real-time compute and AI**

As advanced applications, demanding content (3D, 8K, HDR, ...), and AI all require ever more real-time computational power, the world needs new platforms capable of processing and visualizing the vast data volumes accurately and with minimal delay. Barco prioritizes image processing, working on image inputs in real time to elevate their quality to HDR standards. By combining **Graphics Processing Units (GPUs)** and **Central Processing Units (CPUs)** our advanced platforms **support massive workloads** – from performing complex calculations to rendering high-res images and animations efficiently.

» [Read how AI technology helps radiologists visualize dense breast tissue](#)



How we're enriching Diagnostic Imaging with AI

AI-driven solutions took center stage at the 2023 RSNA radiology trade show. At the Barco booth, we revealed our recent partnership with US-based DeepLook Medical, which offers a robust AI tool to help clinicians better evaluate dense breasts. Inge Haesaerts, VP Product & Solutions Diagnostic Imaging, explains.

Unique AI-based visualization

DL Precise™, the flagship product of DeepLook Medical, is an AI-based visualization tool based on a shape recognition algorithm. "The software is able to 'see through' dense breast tissue," says Inge. "That makes it unique. In traditional mammograms, both dense breast tissue and cancer show up as white, making it hard for radiologists to detect cancer in women with dense breasts."

How does it work?

Inge explains how DL Precise™ exactly works: "Radiologists can choose an area of interest on the image, click and delve deeper to see more detail. The tool will then segment those regions, augment them with a colored density map and calculate the morphology of the suspicious areas. Since cancerous masses have a higher density than dense breast tissue, they will show up as a different color on the image, making them easily identifiable."

Supporting decision-making

The tool perfectly fits Barco's Diagnostic Imaging portfolio of displays and workflow tools. Inge: "Just like SpotView enhances the luminance and contrast in images, DL Precise™ visualizes hidden data in dense breast tissue. In this way, it assists radiologists as they make patient management decisions. While AI-driven solutions from our partners help in the interpretation of exams, visualization remains our core business."

DL Precise™ helps radiologists to deliver better patient outcomes, while it eases their workflows too. That makes it a perfect add-on to our Diagnostic Imaging offering.

Inge Haesaerts
VP Product & Solutions Diagnostic Imaging

Plug-in application

Barco offers DL Precise™ as a plug-in application that is available in a licensing model. It can be easily installed on radiologists' workstations, leveraging our QAWeb Enterprise platform. Patented, it is currently FDA-cleared and available in the US, yet Inge is looking forward to certification in other regions.

TREND #4**Raising the bar on image quality**

Enhancing image quality remains key in every Barco business unit. While we've been delivering clear, bright images in healthcare, enterprises, and entertainment for ages, the quest to **constantly raise the bar** continues. More than traditional parameters like contrast, color accuracy, and brightness, we also consider noise behavior and perception models to understand how people perceive our images. Based on these insights we keep improving the image quality of our solutions and develop new services.

» [How our digital pathology displays ensure ultimate slide to eye confidence](#)

**HDR Lightsteering: "This is the new cinema"**

When it comes to raising the bar on image quality, our cinema business unit sure knows the ropes. The team is about to launch the HDR Lightsteering technology that's been turning heads at film festivals and showcases throughout 2022 and 2023. Anders Ballestad, Innovation Strategy Director for Cinema, reveals the secrets to the exceptional realism the revolutionizing technology brings.

Rethinking cinema projection

Anders founded MTT Innovation in 2012, together with Gerwin Damberg, our EVP Cinema. That's where they invented the groundbreaking HDR Lightsteering technology.

"While conventional projectors create images by blocking the source light, HDR Lightsteering redistributes the source light and redirects it to the appropriate areas of the content," he explains. "In this way, it utilizes 100% of the light. This leads to 6 times brighter highlights than currently possible and much deeper black levels, creating sharper, more realistic images than 3D."

The global cinema community unanimously agrees: exhibitors, directors and creatives who have seen HDR Lightsteering at work are in awe and admit they'd never seen this image quality on a large screen before.

Target: every cinema around the globe

Barco will launch HDR Lightsteering worldwide in 2024, targeting premium cinema screens first. Anders: "The technology fits within the trend of premium cinema but could be applied to every movie theater," he says. By collaborating closely with studios and creatives, Anders wants to showcase the technology's immersive storytelling potential and help them understand how it will change content production for the better. "This will benefit exhibitors, studios and moviegoers alike."

Eventually HDR Lightsteering will be applicable in every movie theater. The future of cinema is HDR.

Anders Ballestad
Innovation Strategy Director, Cinema

This amplifies the emotions

Tom Bert, VP Product Cinema, echoes the sentiment in a recent post on LinkedIn: "When a movie director says 'this amplifies the emotions in my movie', there is no better way to complement our HDR Lightsteering technology."

TREND #5
Sustainability and impact

Barco takes sustainability into account in the earliest phases of its innovation and design processes. Before our R&D teams conceptualize a prototype, they estimate the impact of the materials, its energy consumption, packaging, shipping, etc., so that they can still adjust the design if needed. More than reducing our negative impact, sustainability is also **part of our value proposition**. Laser projectors, for example, consume 50% less energy than classic lamp-based projectors. ClickShare, for its part, facilitates hybrid meetings, which reduces the need for business travel.

» [A sustainable cinema laser projector? Look no further!](#)



Innovating our manufacturing capabilities

In 2022, Barco initiated its ambitious focused factories program, investing 80+ million euro between 2023 and 2026 in its manufacturing capabilities. Impressive progress was made in 2023 and that's just the beginning.

The first step in the focused factories strategy involved **centralizing our healthcare manufacturing and repair activities** in Suzhou (China) and Saronno (Italy). Rob Jonckheere, VP Operations, explains: "The transition was smooth, most activities have been transferred and by April 2024, Healthcare production and repair in Kortrijk will cease. In addition, we insourced the manufacturing of our Image Processing devices and we now also manufacture Xcite, our creative screen solutions, on the Kortrijk campus. In the meantime, our new, highly automated Wuxi factory is almost ready for the production of projectors."

Move beyond basic assembly

More than relocating and insourcing manufacturing activities, Barco also aims to **automate** its manufacturing, test and alignment processes as well as the intra logistics processes to boost quality, efficiency and value. "In Suzhou, a fully automated glass-bonding line for Healthcare will be ready by Q2 2024," Rob explains. "In Wuxi, we will implement fully automated workcells which are connected to an automated warehouse via Automated Mobile Robots and Automated Guided Vehicles. Last but not least, our Kortrijk production unit now boasts automated laser driver assembly cells. These ensure the accuracy and quality that manual processes simply cannot guarantee for certain components."

As a next step, Rob and his team will focus on the European manufacturing plants: "We are planning a new manufacturing site for Healthcare in Saronno and want to integrate all Kuurne activities onto the Kortrijk campus."

The increased insourcing and automation ensure efficiency as well as consistent quality. Moreover, complex components can simply not be made manually.

Rob Jonckheere
EVP Global Operations

And that's just the beginning

The first positive outcomes? Automation allows us to build high-precision laser assemblies. By insourcing activities, we managed to reduce supply chain risks, improve the manufacturing efficiency and focus on value creation. In addition, component shortages declined while logistic costs normalized. In the future, we anticipate further benefits from the value engineering efforts.

On a sidenote, Rob stresses that every factory in China has a mirror factory outside China to make sure Barco can address specific customer requests and potential geopolitical challenges – while still benefitting from the focused factories setup.

And what about the people? All the changes were supported by a people track to **minimize the impact on the employees**. Rob emphasizes: "Adapting to change is never easy. That's why we communicated openly about our plans and provided support and training to help everyone in transitioning to a new role."

A quick recap: 5 benefits of focused factories

What?

While conventional plants often mix many manufacturing processes and even serve different business lines, a focused factory **manufactures a limited set of products, for a particular business unit**.

5 benefits

Focused factories help us to:

1. simplify the Barco organization and production processes
2. speed up decision making and efficiency
3. improve product quality
4. enable product and process innovation
5. move up within the value chain and limit our supply chain risks.

All-in-all, the implementation of the focused factory strategy will increase our competitiveness and reduce the supply chain risks.

Rob Jonckheere
EVP Global Operations

Our markets



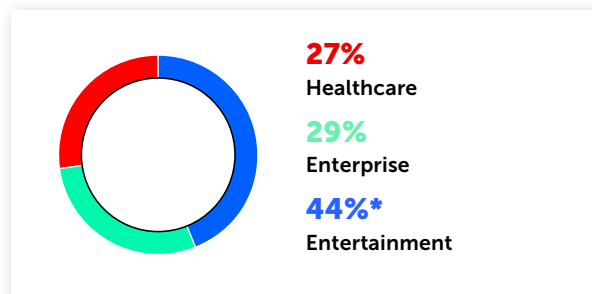
Three healthy markets, three divisions

At Barco, we visioneer a bright tomorrow in many different ways, amongst others via our market-leading technology. Centered around top-notch imaging capabilities, our technology helps our customers to make a visible impact, creating experiences, generating insights and ensuring connectedness in three healthy markets: Healthcare, Entertainment and Enterprise.

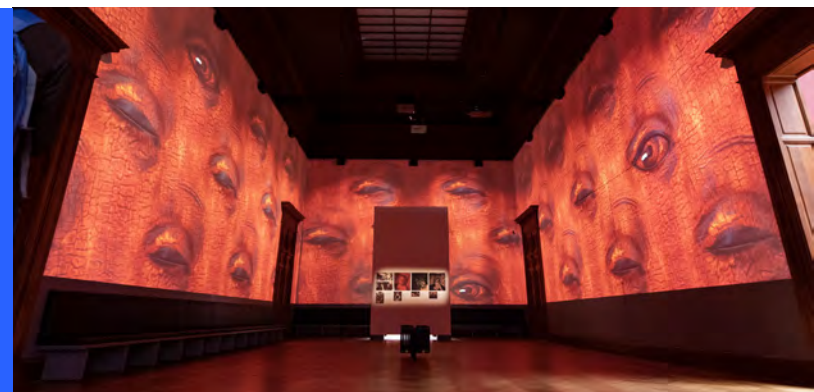
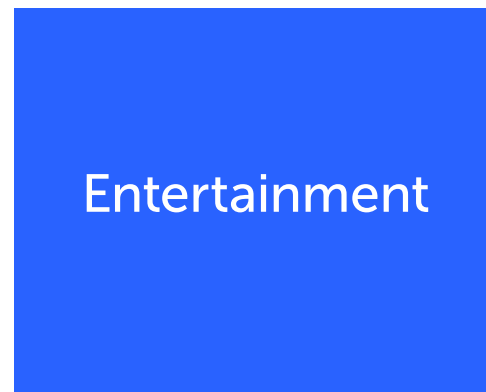
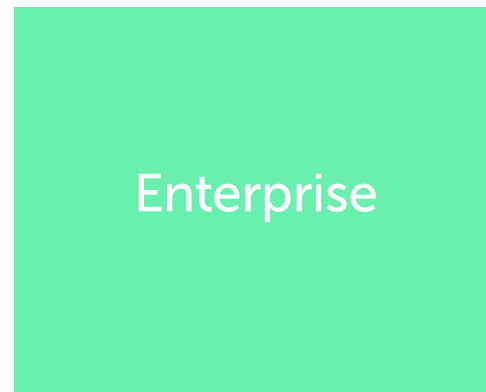
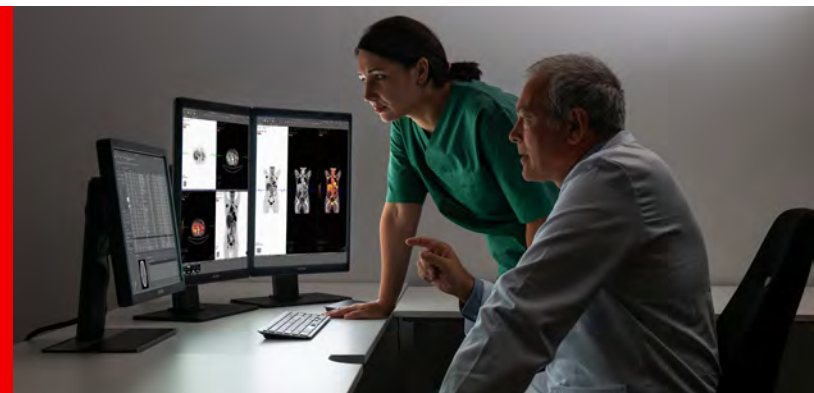
Our presence in these three markets goes back many years and our deep-rooted expertise and experience puts us in pole position in all three markets. We work hard to keep consolidating that leadership position, by offering innovative, high-quality and increasingly truly sustainable solutions that create 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 2023



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.

Taking customer satisfaction to new heights

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 all Barco employees seize every opportunity to intensify their connections with our clients, share insights and discuss trends – in order to keep driving customer satisfaction to new heights.

Customer insights with impact

Customer insights are not just about collecting feedback but also about actively responding to customers, implementing meaningful changes, and integrating customer insights into our daily operations. In 2023, we focused on 'Driving transformation for the customer'. By incorporating new outside-in-listening perspectives in different stages of the customer journey, we get a real-time, 360° view of customer experience levels, making it easy to link feedback to the right owners, initiate prompt actions, and pinpoint areas for improvement.



Net Promoter Score (NPS) 2023

Highest customer recommendation score ever

In 2023, Barco achieved its highest full-year Net Promoter Score (NPS) ever. Enhanced after-sales support and an improved supply chain contributed to this success. More than that, our customers praise Barco's service and product quality and applaud our employees for their friendly and helpful approach and their skilled professionalism.



Healthcare

Enabling better healthcare outcomes for more people

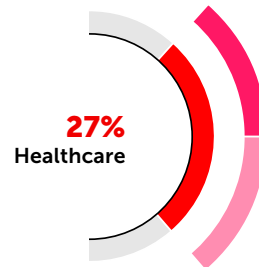
Barco connects healthcare professionals at almost every patient touchpoint. From the imaging room to radiology, during specialist consultations and in the surgical suite: our solutions and services help medical professionals to enable better health outcomes and work more efficiently in an increasingly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

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

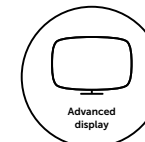
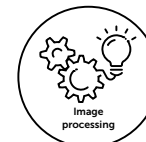


Barco Healthcare: quick facts

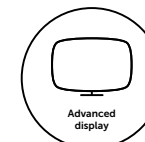
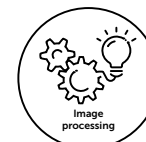
- +30 years of experience, **recognized market and technology leader**
- Trusted brand, providing solutions and services that healthcare professionals can rely on with **top-notch product quality**
- Focused on **clinical outcomes**, beyond product features and specs
- Large installed base: **800k+ installations**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



50%
Diagnostic Imaging



50%
Surgical & Modality



Healthcare division - Diagnostic Imaging

“Thrilled about the opportunities ahead.”

Dirk Feyants came to the helm of the Diagnostic Imaging business unit in mid-2023. While business was more challenging in 2023 than in record year 2022, Dirk and his team are thrilled with the opportunities ahead.

Fully aligned with market trends

“The challenges we faced in 2023 were temporary setbacks,” Dirk asserts, emphasizing the focus on the future. “The future is exciting, as our solutions fully cater to current market demands:

1. **Pathology becomes digital** – and we have all it takes to gain a substantial market share in this emerging market: Barco was the first to offer a regulatory-cleared pathology display and we have strong partnerships in the market.

2. With **home reading on the rise**, many radiologists choose high-quality diagnostic displays that combine image quality, performance, and security with collaboration capabilities.



We have some exciting innovations that are ready for launch in 2024. Combining these with our existing offering and our expertise, we are more than ready to address new trends in the healthcare market.



Dirk Feyants
EVP Diagnostic Imaging



3. **Our population ages**, while the number of radiologists declines. To relieve pressure on radiologists, hospitals purchase diagnostic display solutions that boost productivity and optimize workflows.

4. The **hospital market is consolidating**. As large hospital groups seek to reap economies of scale, they require standardized tools, high-quality medical equipment with a low total cost of ownership, and top-notch support services.

5. **Healthcare quality standards** have become paramount, across the globe. In line with this trend, we expect demand for our high-quality solutions and quality assurance tools to grow further.

“The new solutions that we have in the pipeline for 2024 will meet all the above needs and we are exploring many more possibilities to innovate in the healthcare field, like 3D holography. 2024 will be a big year,” Dirk concludes. In 2024, Combining these with our existing offering and our expertise, we are more than ready to address new trends in the healthcare market.”

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.



Boosting productivity and quality with AI

AI is quickly conquering the healthcare sector. More than driving the efficiency the sector needs, it helps improve health outcomes too. The DL Precise™ tool that we added to our workflow tools in 2023 is a perfect example. “To strengthen our offering, we are building an AI ecosystem,” says Dirk, “with existing OEMs and partners as well as small, innovative new players in the field.”

» [Read more](#)

Healthcare division - Surgical & Modality

“The pace of digital transformation is startling – and we’re ready”

Our Surgical & Modality team has been riding the wave of digital operating rooms for several years now. EVP Johan Fornier is happy to see how the rate of adoption is accelerating. “The pace of digital transformation in healthcare is startling and will only get faster. That’s great news for our business.”

“Admitted, sales in 2023 were lower than the year before, when they reached a record-high level. Yet, the decline was driven by one-off events, partly due to outstanding inventories, which caused delays for new platforms,” Johan begins. Just like the Diagnostic Imaging business unit, Johan and his team fully focus on the opportunities ahead.

Wanted: enhanced visualization and connectivity

He explains: “Digital operating rooms increasingly complement high-quality imaging technology and software with **complex new technologies**, like surgical navigation and robotic surgery. Achieving that high level of digitization and integration requires enhanced visualization and connectivity, which is what we deliver.”

In addition, the Surgical team is getting ready for the AI explosion, he continues: “By giving real-time guidance to surgeons, AI will boost productivity and healthcare quality. While adoption is still in its early stages, we expect that to change soon. So, we’re preparing our Nexxis portfolio **for the coming wave of AI applications.**”



To achieve the high level of digitization and integration required in digital operating rooms, enhanced visualization and connectivity is a must. That is exactly what we deliver.



Johan Fornier
EVP Surgical & Modality



Last but not least, **remote surgical collaboration** holds big potential: “Surgeons appreciate the ability to consult peers, train their students, or showcase their procedures during live surgery. With NexxisLive, we cater to that trend.”

Step-up in sustainability

Johan also highlights his team’s progress in the field of **sustainability**: “While it’s a challenge to reconcile exceptional image quality and protection with sustainability, we’ve taken great steps forwards. The Philips supplier award that we received in 2023 was a real boost for the team.”

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.



Robotic surgery, with the help of Barco technology

Surgeons welcome robots in the operating room, as they enable greater visualization, precision, and comfort, while offering better health outcomes for patients. “Technologies like surgical robotics, navigation, and AI are shifting the video ecosystem in operating rooms, from content generation to output. Based on our expertise, we can help drive innovation in the field,” says Johan.

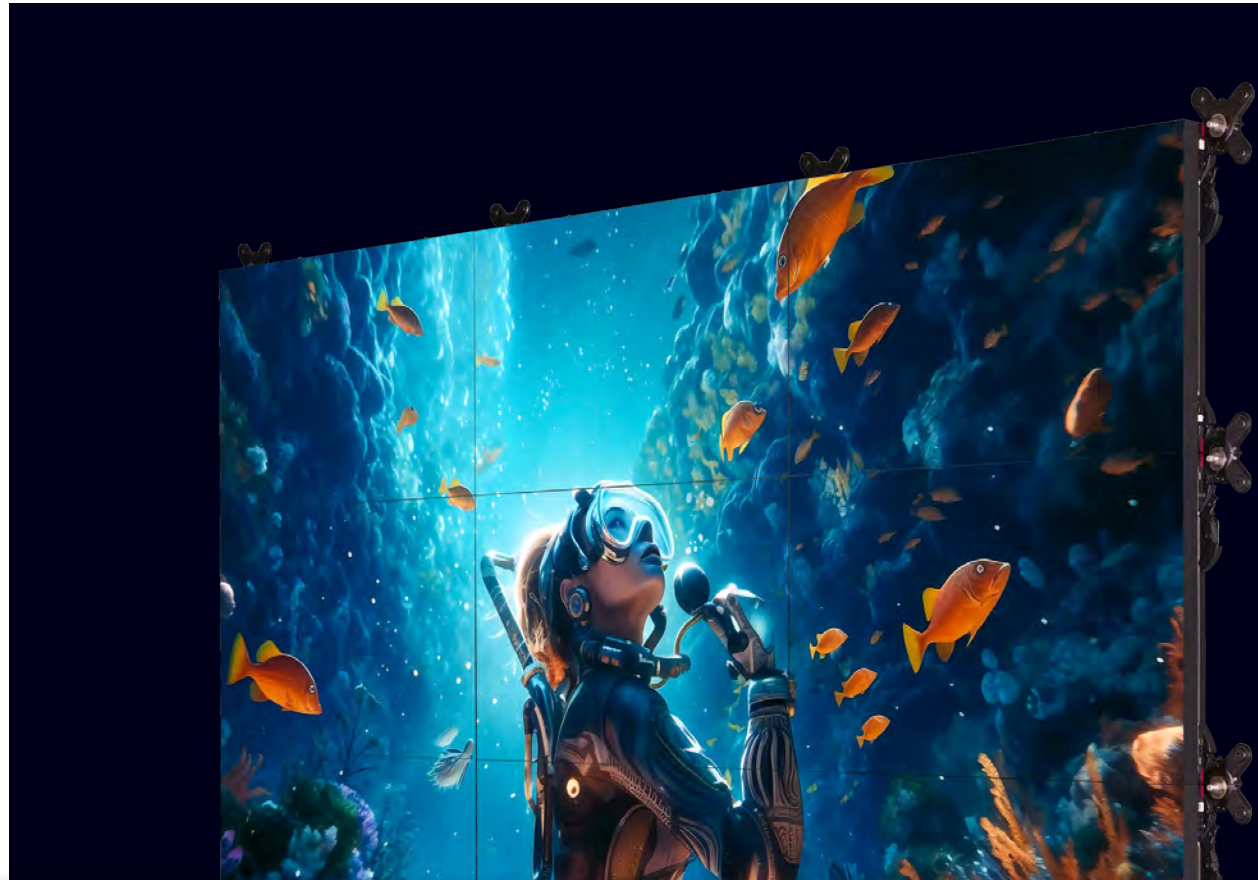
» [Read our news series on robotic surgery](#)

Enterprise

Engaging you to unleash the power of knowledge and emotions

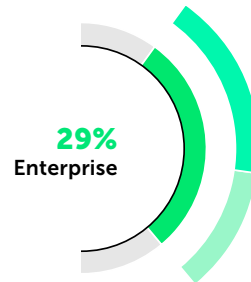
Every Barco enterprise solution is designed to help people collaborate better by ensuring engaging experiences. From boardrooms and workplaces to control rooms and classrooms: all our solutions help people unleash the power of knowledge, insights and emotions – for brighter ideas, stronger collaboration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

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

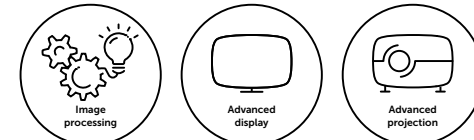


Barco Enterprise: quick facts

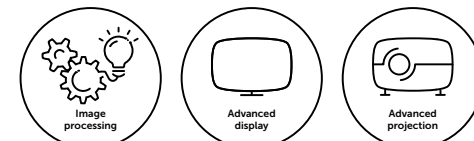
- **Market and technology leader** in wireless presentation and conferencing
- **Long-standing reputation** in control rooms, with increased focus on software and workflow solutions
- **Wide portfolio**, for every meeting and control room
- Large installed base: **1.2 mio ClickShare meeting room installations, 15k+ control rooms**



60% Meeting Experience



40% Large Video Walls



Enterprise division - Meeting Experience

“Our one objective: to connect people and technology in the best possible way”

At the time you’re reading this annual report, the Meeting Experience (MX) business unit has already launched its first newcomer of 2024: the ClickShare Bar. And that’s just the beginning, says EVP Stijn Henderickx. “ClickShare is an amazing solution that we’ll keep building on to truly connect people and technology.”

2023 was the year when companies realized employees wouldn’t return to the office full time. “Of course, that impacted our results,” Stijn admits. “Still, ClickShare’s market share rose and it has a great future ahead. As companies are transforming their workplace, we can help them offer outstanding hybrid meeting experiences.”

Versatility, flexibility and security

“Clickshare strengthened its position as a leader in wireless collaboration and is the most versatile solution in the Bring Your Own Device market,” says Stijn. “It enables meeting participants from in- and outside the company to use their own device and connect with utmost flexibility and security.

Thinking out of the box

While focusing on expanding ClickShare’s success, Stijn and his team also **think beyond wireless presentation and conferencing**: “Our purpose and objective go beyond the ClickShare product range. We want to connect people and technology in the best possible way. So, we’re thinking out of the box, exploring any solution that ensures an exceptional meeting room experience. The market applauds that strategy and we’re proud of our first achievements in that field. The [ClickShare Conference CX-50 2nd generation](#), for example,



We keep updating our ClickShare solutions, but we also look beyond wireless presentation and conferencing. We’re thinking out of the box, exploring any solutions that connects people and technology in the best possible way.



Stijn Henderickx
EVP Meeting Experience



allows automatic switching from the fixed room solution to other devices in seconds. The new [ClickShare video bar](#) integrates audio and video capabilities into one powerful device. And that’s only the beginning. What we’re doing here is cutting-edge innovation, with a supermotivated team. It’s great to see that paying off.

The **Meeting Experience** business unit has been playing a game-changing role in the development of today’s connected office and meeting room environment. The ClickShare wireless presentation and conferencing tool contributes to meeting equity among all participants of hybrid meetings – and the team is committed to keep developing innovative solutions to connect people and technology.



Leading the way towards a green future

When it comes to sustainability, the MX team absolutely walks the talk. ClickShare CX-50 2nd generation is one of the first carbon-neutral wireless conferencing solutions on the market: Barco has significantly reduced the CO₂ emissions throughout the product lifecycle – energy use, use of material, packaging & logistics, and end of life – and the remaining amount of CO₂ is offset to guarantee a real climate action.

» [Read more](#)

Enterprise division - Large Video Walls

“Shifting our focus to software to shape the control room of the future”

Barco has been sharpening its software capabilities for several years now. 2023 was a milestone year in that respect for the Large Video Walls business unit. They announced a whole new business strategy, transforming their business to focus on operator workflow solutions. EVP Tom Sys explains.

“As our business unit been struggling to ensure sustainable profitability for several years, we did a strategic review in 2023,” says Tom. “As a result, we decided to concentrate on the control room market, leveraging our expertise and 30 years’ experience. In addition, we found that improving the operator workflow is key to meet the changing market dynamics. So, software-based solutions will become increasingly important in our portfolio.”

Focus on control rooms and operator workflow solutions

2023 was a year of transformation that ran along three axes:

1. **Focus on control rooms**, with a portfolio that meets market needs and boosts profitability in targeted verticals.
2. **Rebalancing the R&D investments** towards software and workflow solutions, while still optimizing and updating the rear-projection, LCD, and LED display portfolios.
3. **Future-proofing our organization** by aligning it with integrated sales and marketing activities and a service model that focuses on software and workflows.

Barco CTRL: the golden entry ticket

“The [CTRL software platform](#) that we launched in 2023 is a game changer in the control room market,” Tom continues. “It simplifies workflows, deployment and serviceability and ensures a secure connection to any source, from any location. The first feedback is absolutely positive, which energizes the team. A transformation is never easy: it requires a new mindset, skills, and capabilities. I’m very proud that we pulled it off. Looking forward, we will build on Barco CTRL to further enhance operator workflows in a growing partner ecosystem.”

The positive feedback on Barco CTRL testifies to our dedication and confirms that we’ve taken the right path. We’re ready to explore many more opportunities to improve operator workflows.



Tom Sys
EVP 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. Software takes an ever increasing role in our offering.



What does an operator-centric solution look like?

In 2023, Barco asked over 1,000 control room professionals worldwide about their working conditions and needs, and summarized the findings in ‘Barco’s Global Room Report’. The report shows that operators

1. struggle to manage the **overload of data** from multiple sources;
2. are **concerned about cybersecurity**;
3. are looking for ways to **collaborate remotely** and share data anywhere, anytime.

These insights were used as a starting point for the new operator workflow offerings.

» [Dive into the findings](#)

Entertainment

No Barco, no show

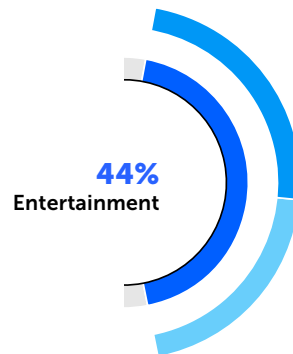
At Barco Entertainment we bring experiences to life. Because we believe in the power of images to amplify great ideas. For everyone and anywhere on this planet. This belief drives our passion every day to continuously design the highest performing, most innovative, most reliable immersive experience 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**.

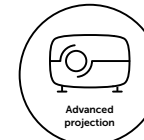
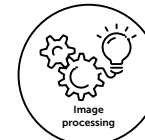


Barco Entertainment: quick facts

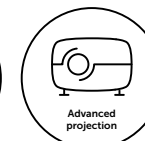
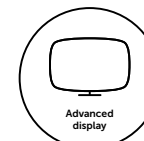
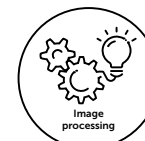
- Industry's **most complete range** of laser-based projection and image processing solutions
- Long-lasting market position, **recognized market and technology leader**
- Strong reputation for product quality, reliability and brand
- Large installed base: **100k+ cinema projectors** and **10k+ high-end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



54%
Cinema



46%
Immersive Experience



Entertainment division - Cinema

"Cinema is alive, kicking and evolving and Barco is driving this change"

"Since the inception of cinema in 1895, every few years, critics have proclaimed the medium to be dying. They've always been wrong," says EVP Gerwin Damberg. "2023 again provided proof that cinema is alive and kicking. Of course, it is evolving and Barco is driving this change." Gerwin explains how the market bounced back after three tough years and how his team plans to further strengthen Barco's foothold.

A simpler organization, shorter decision lines, and tighter bonds with the cinema community: Barco worked hard to get the Cinema business back in shape after the pandemic. With success: 2023 witnessed significant top- and bottom-line growth, and an improved worldwide box office (excluding China).

Retrofit, new solutions and financing

Gerwin hopes that the momentum will continue: "As the box office grows, exhibitors look for new ways to enhance the moviegoing experience. We help with **retrofit laser projectors** or **new laser solutions**. Plus, customers increasingly rely on our **Cinema-as-a-Service program**, whereby we offer full-service financing solutions. This business model has become both popular and profitable."

Winning the heart of the cinema ecosystem

In the next years, the Barco Cinema team will target **adjacent markets** too. "Software-based solutions, like remote servicing or predictive maintenance, can simplify operations. We can also help in areas like distribution, post-production, and content creation." To capture the hearts of this wider cinema ecosystem, Barco's Hollywood presence was key in 2023, with technology showcases, trainings, etc. "There's much enthusiasm about how we can develop the cinema of the future, together, for example with HDR Lightsteering."

Efficiency and agility

To reap every opportunity, Barco re-integrated Cinionic in its business in early 2024. Gerwin: "The reasons to found Cinionic made perfect sense, and the team did an amazing job. Yet, the market has evolved. Joining forces will boost our agility and efficiency and bring us closer to our customers."

Barco helps exhibitors deliver an outstanding moviegoing experience. In addition, we can simplify workflows in the booth or help producers, content creators or colorists deliver the best possible cinematic storytelling.



Gerwin Damberg
EVP Cinema

Barco **Cinema** offers the industry's most complete range of cinema technology, including cutting-edge laser projectors, next-gen HDR projectors and media servers to enable managed services. To drive sales effectiveness and customer intimacy, Barco fully integrated Cinionic, which had been marketing Barco's cinema solutions in its global markets outside of China, at the end of 2023.



Big names choose Barco Residential

From the world's most famous directors and actors to big sports stars: they all choose Barco Residential's high-end projectors for their private theaters, media rooms, and outdoor spaces. "In 2023, we built a killer team and elevated our marketing efforts to uphold our name. It's thrilling to see how Barco is considered the best solution for these premium settings," says Gerwin.

» [Explore Barco Residential](#)

Entertainment division - Immersive Experience

“Expanding our projection solutions to any screen”

“Projection is often conceived as a conventional business. But not at all,” Ta Loong Gan, EVP Immersive Experience begins. “The opportunities are enormous. LED, for example, can never deliver the immersive experience that projection does. And it’s far less sustainable. So, we’re on a mission to expand our high- and mid-end projection solutions to any screen, beyond our traditional rental and events markets: from opera houses, theme parks, museums, and houses of worship through to companies.”

Buckle up for 2024!

That approach led to all-time-high sales in 2023, despite China’s weak economy. Ta Loong expects further growth in 2024 – and his team has plenty of new, innovative products in the pipeline to steer the business forward. “We worked hard to update and improve our existing portfolio in the past years, but we have also prepared some exciting new soft- and hardware solutions.”

Projection, a conventional business? Not at all! The opportunities are enormous, in the most diverse markets. Just look at how D’strict uses our projectors to turn exhibitions into mind-blowing experiences.



Ta Loong Gan
EVP Immersive Experience

Sales transformation

To outperform the market, the Immersive Experience team also kicked off a sales transformation. “We’re strengthening our commercial excellence and service capabilities and reviewing our go-to-market strategy,” Ta Loong explains. “System integrators can help us reinforce our foothold in simulation, theme parks, etc. and by driving sales via key and customer accounts, we get closer to our end-users. That’s the ultimate way to understand their pain points and provide them with the best possible immersive experiences.”

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.



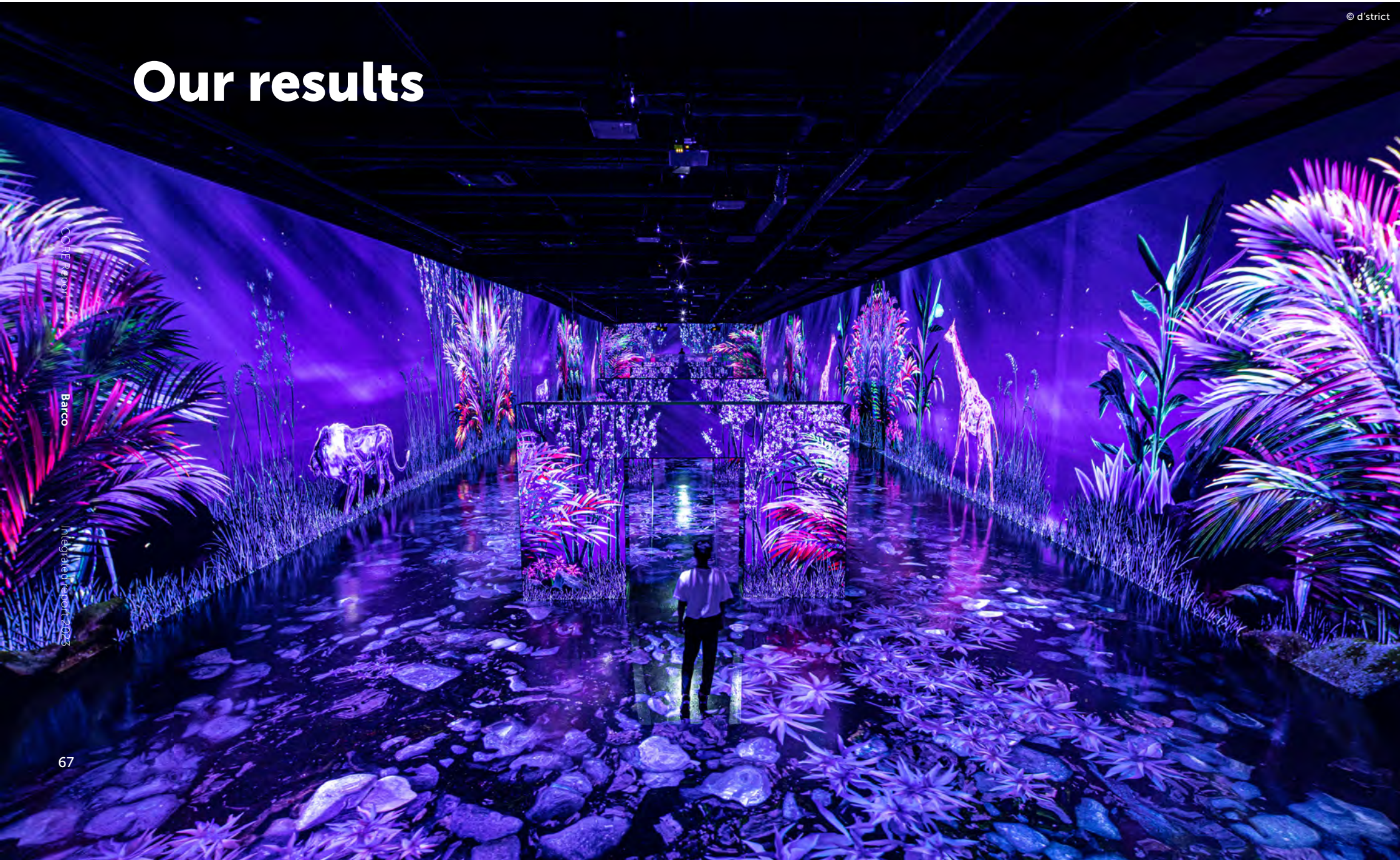
Amazing and inspiring the audience at D’strict’s museums

Ta Loong Gan is particularly proud of the recent partnership with the Korean digital design company D’strict. D’strict appointed Barco as the sole projector supplier in the next four years for all its upcoming immersive projects.

“D’strict’s ARTE MUSEUMS that opened in Korea in 2023 are fine examples of how projection can lift the museum experience to captivate the audience,” says Ta Loong Gan.

» [Read the story](#)

Our results



Core Report

Barco

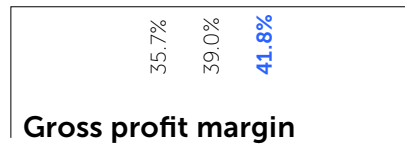
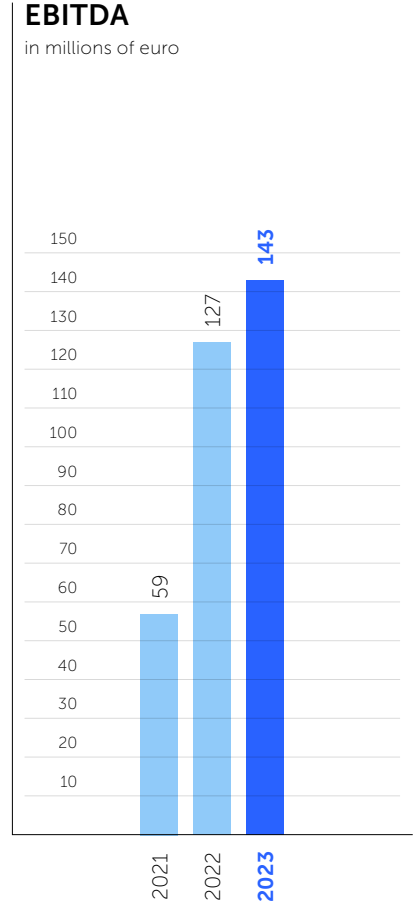
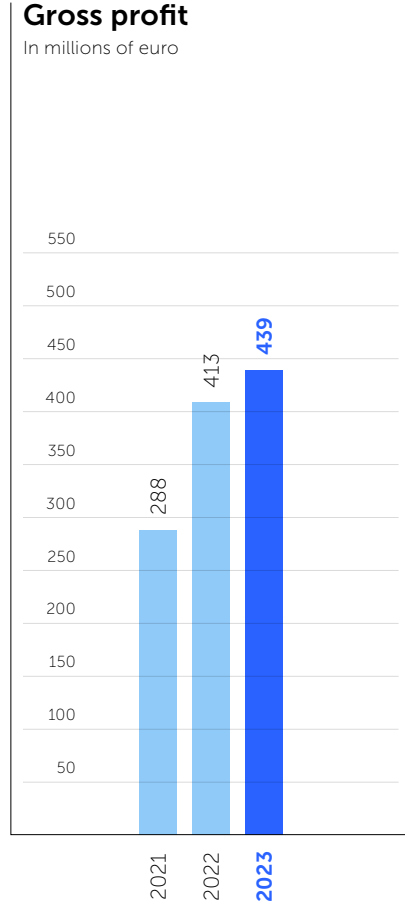
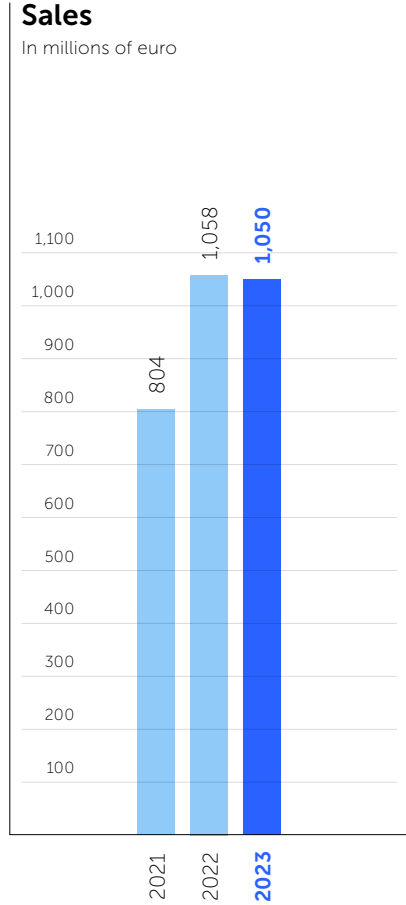
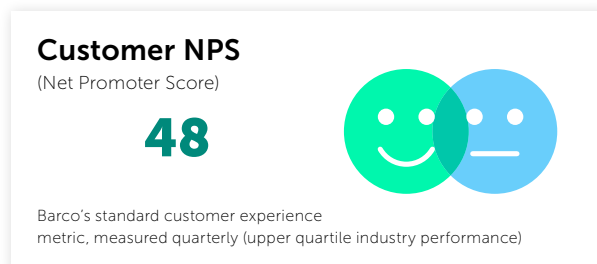
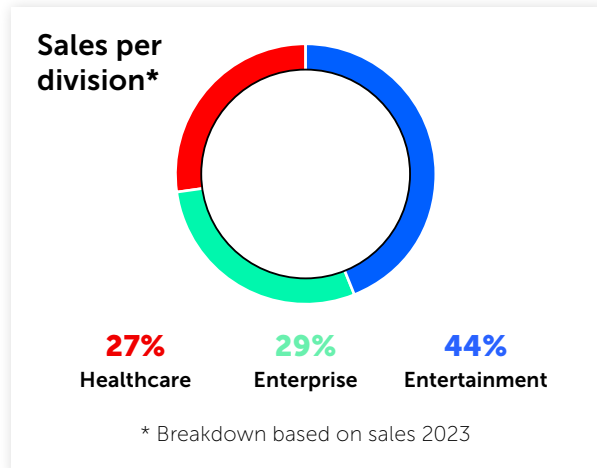
Integrated report 2023

Group results

CORE Report

Barco

Integrated report 2023



Comments on the group results

Solid profitability improvement with stable topline

Financial highlights fiscal year 2023¹

- **Orders** € 1,061.6 million, in line with 2022
- **Sales** € 1,050.1 million, -1% versus sales in 2022 (+1% at constant currencies)
- **Orderbook year-end** € 494.8 million, in line with last year
- **EBITDA** € 142.5 million versus € 126.5 million in 2022, for an EBITDA margin of 13.6%
- **Adjusted EBIT** € 102.1 million compared to € 90.1 million in 2022
- **Free cash flow** € 38.0 million versus € 13.1 million in 2022
- **Net earnings** € 80.2 million versus € 75.2 million in 2022
- Proposal to increase **gross dividend to 0.48** per share versus 0.44 euro last year

Group topline – orders and sales in line with last year

Order intake for 2023 was 1,061.6 million euro, slightly above 2022. This result was driven by Entertainment, where demand surged for laser projectors for Cinema and other applications, followed by Enterprise. Healthcare declined, mainly in the Americas.

Sales amounted to 1,050.1 million euro, in line with last year. Double-digit growth in Entertainment, mainly driven by Cinema, was offset by a small decline in Enterprise and a more pronounced decline in Healthcare. While sales grew 4% in EMEA, sales were 4% lower year-over-year in the Americas. EMEA and Americas contributed equal percentages of the topline of 2023. Within the APAC region, there was a clear contrast between lower sales in China and double-digit growth in the other countries, resulting in a net decline of 4%.

Book-to-bill remained above 1, resulting in a strong orderbook at the end of December 2023 of 494.8 million euro, with an important uptake for the Entertainment division year-over-year.

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

Division topline – strong sales in Entertainment, Healthcare lagging

In Healthcare, orders and sales declined double-digit versus 2022. Sales for both Diagnostic Imaging and Surgical & Modality were impacted by high channel inventories. This followed a surge in customer orders at the end of 2022, in anticipation of possible component shortages. This was particularly the case in the Americas and for some customers this is continuing into the first half of 2024. Also the soft demand in APAC was hampering the topline for Healthcare, driven by higher customer inventories and anti-bribery actions from the government in China targeting healthcare businesses.

Enterprise had continued strong demand for both its Meeting Experience and Large Video Walls solutions with orders up 8% year-over-year. Sales for the division declined 4%. Meeting Experience almost equaled the strong result of last year by winning market share in a soft corporate market. The Large Video Walls orders and sales grew towards the end of the year. The business unit executed on the new strategy, with a focus on control room installations that are increasingly software-driven.

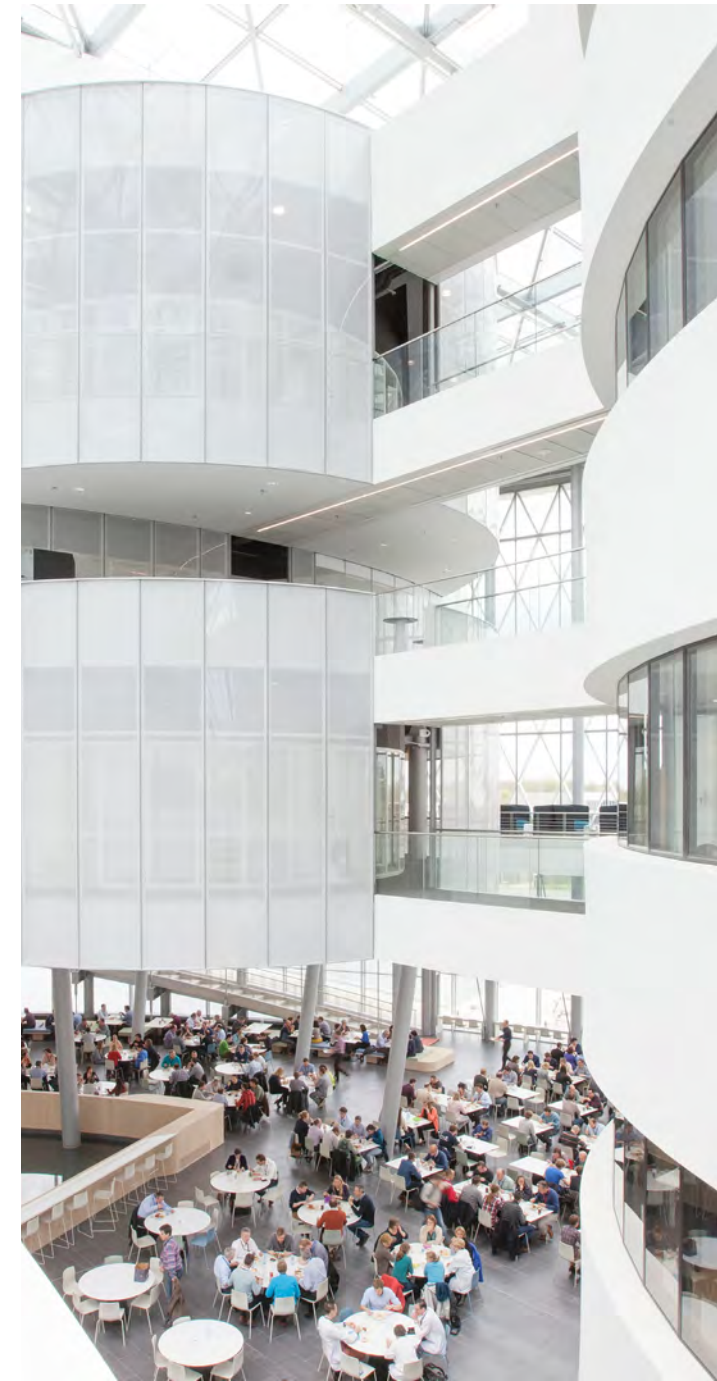
Entertainment further built on the strong momentum that began in the second half of 2022, when the supply chain constraints eased for the most part. Sales grew 15% year-over-year, with a strong contribution from Cinema. The laser cinema renewal wave is in full swing, with cinemas investing globally in superior image quality while lowering their total cost of ownership. Also Immersive Experience further grew, fueled by simulation, image processing and projectors for fixed installations, leading to record-high sales for this business unit.

Profitability & free cash flow – significant gross margin and EBITDA improvement

In 2023, the gross profit margin improved 2.8 pts year-over-year to an all-time record of 41.8% as a result of a favorable product mix with more (embedded) software in all product lines. The biggest expansion in gross profit margin was in Entertainment, where the supply chain constraints which hampered the business in 2022 were no longer present.

The EBITDA margin reached 13.6% for the full year, up 1.6 pts versus last year reflecting the strong improvement in gross profit margin combined with stringent cost control in a macro-economic environment where inflation remained higher than the historical levels over the past decades. The EBITDA margin gradually improved throughout the year from 12.5% in the first half to 14.6% in the second half.

Free cash flow for 2023 was 38.0 million euro compared to 13.1 million euro in 2022. The realized net operating cash reached 100.8 million euro versus 31.5 million euro in 2022. Executing on our strategy, capital expenditures doubled versus last year including investments in the new factories and in the Cinema-as-a-Service model. Inventory started to decrease but remains a focus area for 2024.



Expanding the margins while executing strategy

From a top-line perspective, 2023 was a challenging year. The recovery from the pandemic in China was slower than expected, and the Healthcare markets performed below expectations, partly driven by higher than normal customer inventories. On the other hand, the Entertainment division delivered very strong results, and Meeting Experience gained market share.

Meanwhile, the company took important steps on the execution of its strategy: new factories were opened, a simplified organization was established, and investments in innovation continued. Barco is capitalizing on these efforts, demonstrated by the solid gross profit and EBITDA margin improvements.

In 2024, Barco will continue to focus on innovation with its ground-breaking visualization and collaboration technologies, and the company is looking forward to numerous new product introductions.

Outlook FY24

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

For 2024, while the macro-economic and market conditions remain uncertain, we assume a return to normalized customer inventory levels, and we plan for multiple new product launches over the course of the year.

Management expects topline for the year to be in line with 2023, with a gradual year-over-year increase as of the second quarter. From 2025, we expect to resume topline growth on a full year basis.

The EBITDA margin is expected to further improve and be above 14% for the full year 2024.

Dividend

Barco's Board of Directors will propose to the General Assembly to distribute a gross dividend of 0.48 euro per share, up 0.04 euro versus last year's dividend of 0.44 euro.

Consolidated results for the fiscal year 2023

Order intake

Order intake was 1,061.6 million euro, flat with 1,058.4 million euro a year ago. The Americas region grew, offset by a decline in APAC due to lower demand in China. All Enterprise and Entertainment business units posted growth in orders while Healthcare declined.

Order book

The order book at year-end was at 494.8 million euro, close to the level of 496.5 million euro at year-end 2022. Orderbook for Entertainment grew; Healthcare declined, while the orderbook for Enterprise was about flat with last year. The book-to-bill ratio for the full year 2023 was above 1.

Order intake

In millions of euro	FY23	FY22	FY21	Change vs FY22
Order intake	1,061.6	1,058.4	978.8	+0%

Order book

In millions of euro	31 Dec 2023	31 Dec 2022	31 Dec 2021	Change vs FY22
Order book	494.8	496.5	487.0	-0%

Order intake by division

In millions of euro	FY23	FY22	FY21	Change vs FY22
● Healthcare	254.9	319.7	329.8	-20%
● Enterprise	304.9	281.3	262.4	+8%
● Entertainment	501.8	457.4	386.6	+10%
Group	1,061.6	1,058.4	978.8	+0%

Order intake breakdown by region

In millions of euro	FY23	FY22	FY21	Change vs FY22
The Americas	46%	43%	37%	+3%
EMEA	36%	37%	37%	-1%
APAC	18%	20%	26%	-2%
Global	100%	100%	100%	

Sales

Sales for the year 2023 were 1% below 2022, with a slight headwind from the currency effect. At constant currencies, the sales were 1% higher than in 2022. The Entertainment division delivered significant growth, driven by laser cinema renewal projects. This was offset by a sharp decline in Healthcare, primarily in Surgical & Modality and a modest decline in Enterprise. Regionally, EMEA's contribution to the group topline grew, while the share of the Americas declined, mostly driven by Healthcare. Also APAC's share was smaller, driven by lower sales in China for Entertainment and Healthcare.

Sales

In millions of euro	FY23	FY22	FY21	Change vs FY22
Sales	1,050.1	1,058.3	804.3	-1%
<i>Sales at constant currencies</i>	1,067.8			+1%

Sales by division

In millions of euro	FY23	FY22	FY21	Change vs FY22
● Healthcare	285.9	341.7	261.5	-16%
● Enterprise	303.8	317.2	233.1	-4%
● Entertainment	460.5	399.3	309.7	+15%
Group	1,050.1	1,058.3	804.3	-1%

Sales by region

In millions of euro	FY23	FY22	FY21	Change vs FY22
The Americas	40%	41%	37%	-1%
EMEA	40%	38%	38%	+2%
APAC	20%	21%	25%	-1%
Global	100%	100%	100%	

Profitability

Gross profit

Gross margin amounted to 438.5 million euro, up from 412.8 million euro last year. The gross profit margin increased 2.8 percentage points to 41.8% from 39.0% last year, with the biggest increase from the Entertainment business units. This important gain in gross margin reflects both a more favorable product mix with a greater amount of (embedded) software across all product lines and the absence of the exceptionally high costs for brokerage and logistics that were experienced in 2022 due to the supply chain constraints.

Indirect expenses & other operating results

Total indirect expenses grew 5% to 338.1 million euro versus 320.9 million euro for 2022. The cost increase was driven by continued high levels of inflation that were partially offset by stringent cost control in all indirect spend categories, while further investing in visualization and collaboration technologies, product roadmap and go-to-market investments in Entertainment.

As a percentage of sales indirect expenses were 32.2% in 2023 compared to 30.3% in 2022.

- Research & Development expenses increased to 132.3 million euro compared to 120.5 million euro last year. As percentage of sales, R&D expenses were 12.6% of sales compared to 11.4% a year earlier.
- Sales & Marketing expenses increased slightly to 145.9 million euro, compared to 142.7 million euro for 2022. As a percentage of sales, Sales & Marketing expenses were 13.9% of sales compared to 13.5% in 2022.

- General & Administration expenses amounted to 59.9 million euro compared to 57.7 million euro last year and were 5.7% as a percentage of sales compared to 5.5% in 2022.

Other operating income amounted to 1.7 million euro versus 1.7 million euro operating costs in 2022.

EBITDA & adjusted EBIT

The significant increase in gross profit, which was partially offset by higher indirect expenses resulted in an EBITDA of 142.5 million euro, 13% higher than the EBITDA of 126.5 million euro for 2022. The EBITDA margin grew to 13.6% versus 12.0% in 2022.

The EBITDA margin on divisional level was as follows:

- Healthcare's EBITDA margin was 9.7% versus 11.2% a year earlier. A higher gross profit margin driven by a more favorable software-driven product mix was offset by operating leverage on a reduced topline, mainly in Surgical & Modality.
- The Enterprise EBITDA margin was 18.7%, versus the margin of 2022 of 19.1%. The EBITDA margin saw a notable uptake during the second half of the year due to higher gross profit margins in both business units, and lower indirect costs after the restructuring in Large Video Walls.
- Entertainment's EBITDA margin was 12.5% versus 6.9% in 2022, surpassing the level of 2019. Gross profit margins were up, as the division was no longer impacted by the supply chain constraints it experienced in 2022. Operating leverage on the higher topline also contributed to the EBITDA margin expansion.

In millions of euro	Sales	EBITDA	EBITDA %
● Healthcare	285.9	27.8	9.7%
● Enterprise	303.8	56.9	18.7%
● Entertainment	460.5	57.7	12.5%
Group	1,050.1	142.5	13.6%

EBITDA by division FY23 versus previous years

In millions of euro	FY23	FY22	FY21	Change vs FY22
● Healthcare	27.8	38.4	22.4	-28%
● Enterprise	56.9	60.7	14.6	-6%
● Entertainment	57.7	27.5	21.5	+110%
Group	142.5	126.5	58.5	+13%

Adjusted EBIT² was 102.1 million euro or 9.7% of sales, compared to 90.1 million euro or 8.5% of sales for 2022.

Barco booked restructuring and impairment charges totalling 10.8 million euro for the full year versus 2.5 million euro the year before, including 9.5 million euro lay-off costs and 1.3 million euro impairments on inventories. The lay-off costs were linked to the Large Video Walls restructuring, as well as several other organizational cost efficiencies. Taking these charges into account, EBIT in 2023 was 91.3 million euro compared to 87.6 million euro in 2022. A notable subsequent event is the closure of the Changping production site, announced in January 2024, whereby the activities will be moved to the new factory in Wuxi with expected lay-off costs of 1.5 million euro in 2024.

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

Cash flow & balance sheet

Income taxes

Taxes in 2023 were 17.3 million euro for an effective tax rate of 18%, compared to 15.9 million euro in 2022 for the same effective tax rate.

Net income

Full year net income attributable to the equity holders was 80.2 million euro compared to 75.2 million euro a year ago.

Net income per ordinary share (EPS) was 0.89 euro versus 0.84 euro in 2022. Fully diluted earnings per share were 0.88 euro compared to 0.83 euro in 2022.

Free cash flow and working capital

Free cash flow for 2023 was 38.0 million euro, up from 13.1 million euro last year. The net operating cash realized reached 100.8 million euro versus 31.5 million euro in 2022. The higher gross operating free cash flow was reduced by higher trade receivables linked to high sales at the end of the year, and lower

trade payables linked to decreasing component purchases throughout the year, partially offset by decreased inventory. Capital expenditure more than doubled due to investments in the new factories and in the Cinema-as-a-Service model.

In millions of euro	FY23	FY22	FY21
Gross operating Free Cash Flow	138.3	127.0	50.5
Changes in trade receivables	-18.3	-35.6	-4.9
Changes in inventory	9.6	-70.2	4.4
Changes in trade payables	-30.3	7.4	42.8
Other Changes in net working capital	1.6	2.8	13.2
Change in net working capital	-37.5	-95.5	55.5
Net operating Free Cash Flow	100.8	31.5	106.1
Interest Income/expense	4.7	0.8	-1.1
Income Taxes	-13.3	-6.0	-8.4
Free cash flow from operating activities	92.2	26.3	96.6
Purchase of tangible and intangible FA	-54.4	-21.2	-18.8
Proceeds on disposal of tangible and intangible FA	0.2	8.0	0.2
Free cash flow from investing	-54.2	-13.2	-18.6
Free cash flow	38.0	13.1	78.0

Working capital

Net working capital amounted to 16.6% of sales, up from 14.3% of sales in 2022, and lower than net working capital of 18.3% at mid-year 2023. Higher trade receivables contributed to the increase in working capital, mainly due to strong year-end sales, for which cash will be collected in 2024. Inventory remained at a high level throughout the year but started to decrease over the course of the second half of the year. Trade payables reduced year-over-year, in line with lower component purchases towards year-end, in response to high inventories and lower topline.

Capital expenditure

Capital expenditure was 54.4 million euro, significantly higher than 21.2 million euro reported in 2022 due to investment in the manufacturing footprint and financing the Cinema-as-a-Service model.

ROCE

ROCE for the year 2023 was 17% versus 16% last year.

Cash position

The net financial cash position was 241.1 million euro at year-end, compared to 264.0 million euro end of 2022. The main elements contributing to this change were cash in from the free cash flow and the proceeds from the sale of minority investments, offset by cash out for the dividend payments and the share buyback program, and currency translation impacts.

In millions of euro	FY23	FY22	FY21
Trade Receivables	208.6	194.6	157.0
DSO	63	54	56
Inventory	231.5	245.7	175.5
Inventory turns	2.1	2.1	2.4
Trade Payables	-89.4	-121.9	-114.0
DPO	50	68	80
Other Working Capital	-176.0	-168.0	-171.7
Total working capital	174.8	150.4	46.8

Update Planet - People - Communities

Barco's sustainability program is based on 3 pillars: the planet, our people and the communities we operate in. In this chapter we offer some highlights on the progress we made in 2023 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.

	FY23	FY22	FY21	Change vs FY22
Greenhouse gas emissions from own operations reduction (vs 2015)	-54%	-51%	-33%	-3 ppts
% revenues from ecolabeled products	65%	50%	31%	+15 ppts

Greenhouse Gas emissions from our own operations reduced slightly versus last year, a reduction of 54% versus the base level of 2015, and exceeding the target reduction of 35%. A modal shift from air to sea transport for Diagnostic Imaging and Immersive Experience further reduced the logistics footprint. This was partly offset by increasing business travel by employees.

To reduce the footprint of its products and to improve the eco-friendliness of its solutions portfolio, Barco has rolled out a company-wide ecolabeled scoring methodology. The target level for 2023 was set at 70% ecolabeled revenues.³ In 2023

there was a solid increase in all business units, leading to 65% of the total revenue being ecolabeled. There was an important uptake for Meeting Experience with the carbon-neutral ClickShare CX-50 2nd generation, and for Large Video Walls with the fully A-labelled LED portfolio. The higher share of ecolabeled products contributed to a significant decrease of Barco's total Greenhouse Gas emissions and that of our customers. Further progress against this target will come from new product introductions, of which more than 90% were ecolabeled in 2023.

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

People

Barco is committed to fostering sustainable employability by crafting an environment that cultivates engaging and fulfilling careers for our employees.

With a voluntary turnover rate that dropped significantly and additional hirings, the number of employees in 2023 grew to 3,360, a net increase of 58 employees year-over-year. Diversity & Inclusion are key elements in our recruitment process and, just like in 2022, Barco made progress on all three diversity dimensions in 2023: age, nationality, and gender.

Since 2022, Barco includes a specific standardized E-NPS (Employee Net Promotor Score) question in its annual employee survey. The E-NPS survey for 2023 resulted in a score of 13, close to the score of 2022 and sorting in the category "good engagement" (0-30) for both years. Based on the results from the employee survey, the existing action plans will be updated, and new actions will be defined for 2024. Our long-term objective remains to bring this score above 30, "great engagement".

	FY23	FY22	Change vs FY22
Number of employees at year-end (heads)	3,360	3,302	+2%
Employee Net Promotor Score (eNPS)	13	16	-3

Communities

Barco is committed to playing an active role in the communities in which it operates, and our people maintain their focus on a value-add customer experience. Besides gathering continuous feedback via multiple touchpoints during the customer journey, the company receives feedback from end-customers as well as partners twice a year using the relational Net Promotor Score (NPS) as its standard customer experience metric.

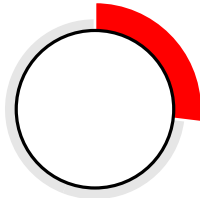
In 2023, Barco achieved an NPS score of 48, an increase of 4 points versus the previous year. As the supply chain constraints improved significantly in 2023, this has led to shorter lead times and fewer delays, and an overall better appreciation of Barco's after-sales service by our partners and customers. Also product quality stands out as a key contributor to this score. Regionally, there was progress in all regions. An NPS score above 50 is considered excellent and that is also where we want to steer the company's rating.

	FY23	FY22	FY21	Change vs 2022
Customer Net Promotor Score	48	44	47	+4

Results of the Healthcare division

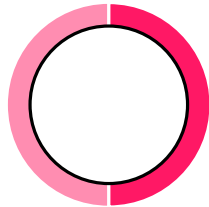
Division in the group

27%
Healthcare



Distribution based on sales

50%
Diagnostic Imaging
50%
Surgical & Modality



Ecospore

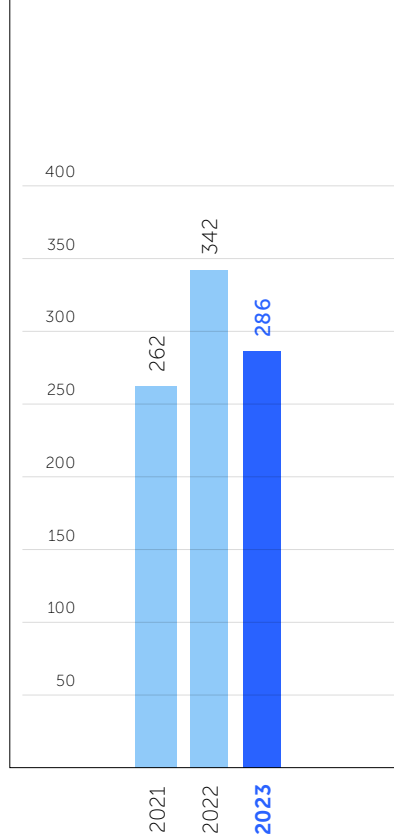
54%



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

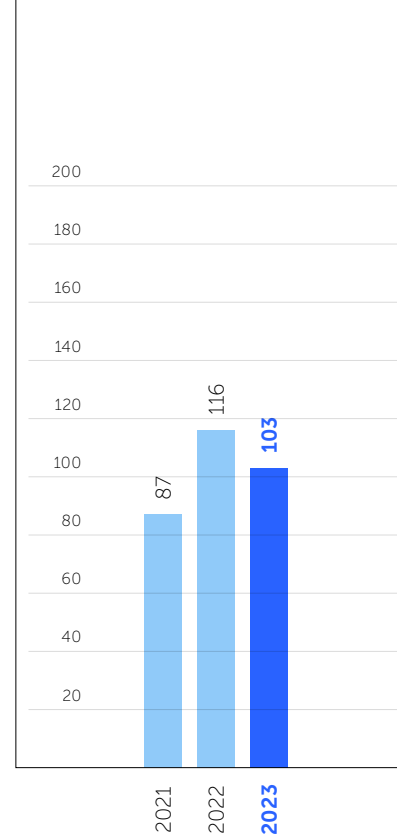
Sales

In millions of euro



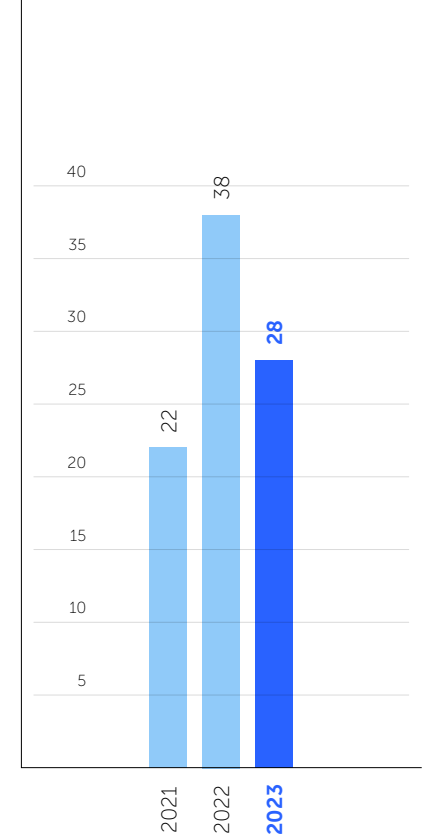
Gross profit

In millions of euro



EBITDA

in millions of euro



Gross profit margin

33.3%
34.1%
36.0%

EBITDA margin

8.6%
11.2%
9.7%

Orders and sales for Healthcare decreased 20% and 16% respectively versus last year. There were important regional differences with growth in EMEA, more than offset by double-digit decline in Americas. Diagnostic Imaging and Surgical & Modality each accounted for approximately 50% of the divisional sales, while last year the former accounted for 46% and the latter for 54%.

In the **Diagnostic Imaging segment**, market dynamics remained healthy although the topline was impacted by higher-than-normal inventories at channel partners and customers, after pent-up demand toward the end of 2022, when customers ordered more than usual in anticipation of potential component shortages. In EMEA, radiology and pathology drove growth, including important wins in the UK. Americas declined against very strong results last year, affected by high channel inventories. In APAC, China was faced with lower investments from local governments dampening demand

and anti-bribery actions targeting the healthcare markets that started in the second half of 2023 and are continuing into 2024. In contrast, the rest of the APAC region saw growth.

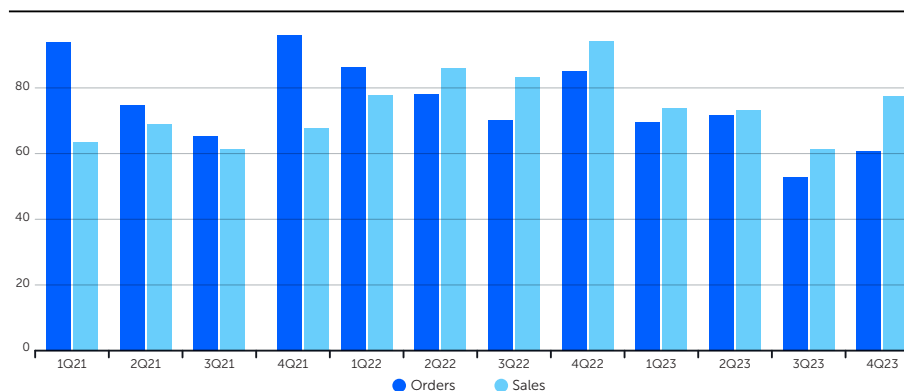
Surgical & Modality was hampered by a timing difference between the phasing-out of an unusually large contract that ended at year-end 2022, and the phasing-in of orders under confirmed new contracts for new platforms from the end of 2023 onwards. Orders for these new contracts were delayed over the course of the year, as customers were reducing inventories. This affected primarily the Americas region. EMEA grew, fuelled by good results for the Nexxis product. APAC sales declined, as China was hampered by low government investments, anti-bribery actions and high inventory levels. Overall, surgical products performed better than modality, and the share of software-related revenue increased significantly.

The gross profit margin for Healthcare increased to 36.0%, versus 34.1% one year earlier. This reflects a favorable product mix with proportionally more (embedded) software products, partially offset by temporary transfer and costs associated with ramping up the new factory. Although indirect spending increased less than the general inflation rate, operating leverage on the lower topline resulted in an EBITDA margin of 9.7%, a decline of 1.5 ppts versus last year.

Healthcare division

In millions of euro	FY23	FY22	FY21	Change vs 2022
Orders	254.9	319.7	329.8	-20%
Sales	285.9	341.7	261.5	-16%
Gross profit	102.9	116.4	87.2	-12%
Gross profit margin	36.0%	34.1%	33.3%	+2.0 ppts
EBITDA	27.8	38.4	22.4	-28%
EBITDA margin	9.7%	11.2%	8.6%	-1.5 ppts

Quarter-over-quarter orders and sales 2021-2023

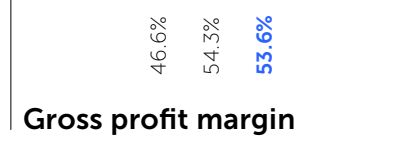
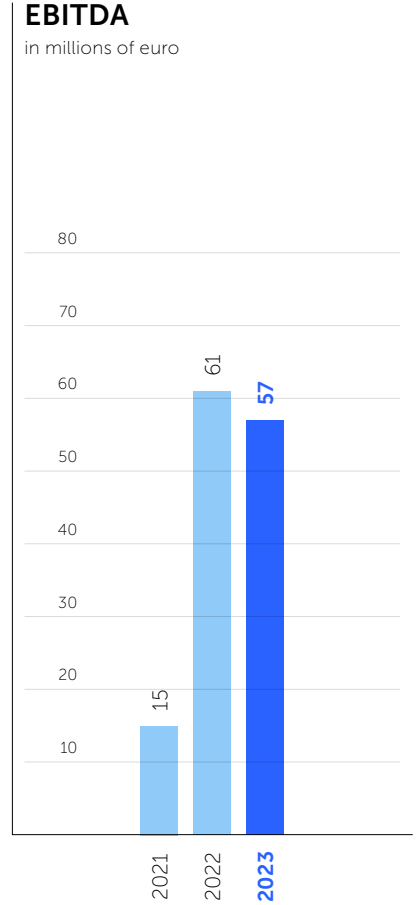
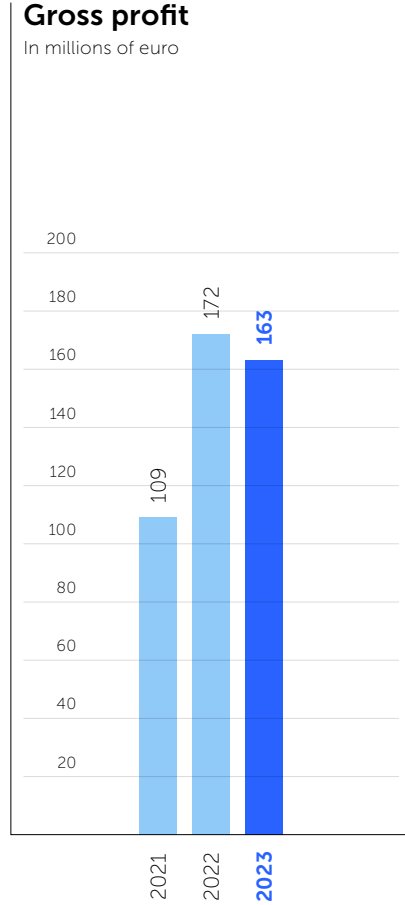
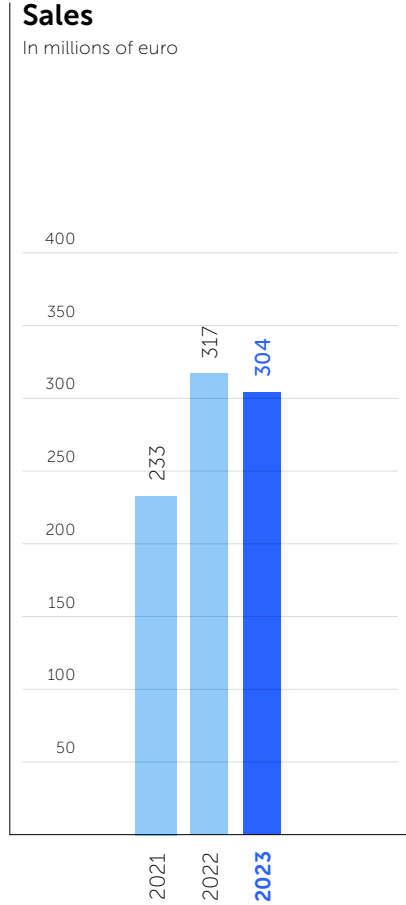
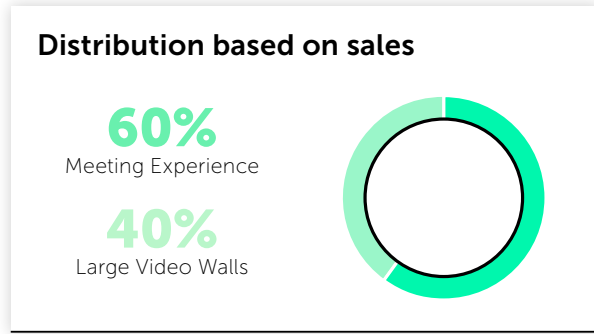
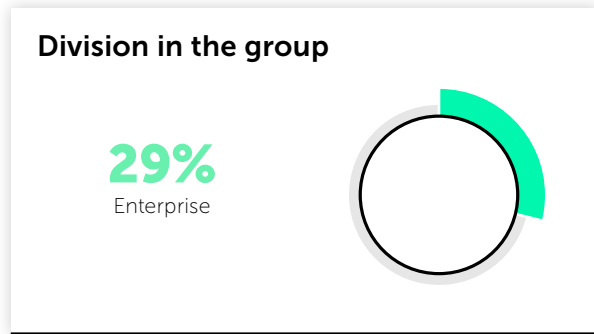


Results of the Enterprise division

CORE Report

Barco

Integrated report 2023



In the Enterprise division, orders increased 8% year-over-year, with growth in both business units but more pronounced in Large Video Walls. Sales were slightly down versus last year in EMEA and the Americas but grew in APAC.

Meeting Experience delivered sales in line with the year before, despite difficult market conditions as of the second quarter of 2023, with companies delaying investments as they reconsidered their flexible office and meeting room requirements. In the face of these circumstances, ClickShare won market share against competitive offerings. From a regional perspective, sales in Americas declined, APAC showed substantial growth, while EMEA sales were essentially flat year-over-year. The sell-in volumes exceeded sell-out for this region, triggered by specific changes in partner programs. ClickShare has now been installed in more than 1.2 million meeting rooms globally. ClickShare Conference accounted for slightly less than 65% of ClickShare's volume for the full year, more so in value. The

installed base of ClickShare Conference approached 240,000 units since it was launched in 2020. Meeting Experience accounted for about 60% of Enterprise sales in 2023, versus 58% in 2022.

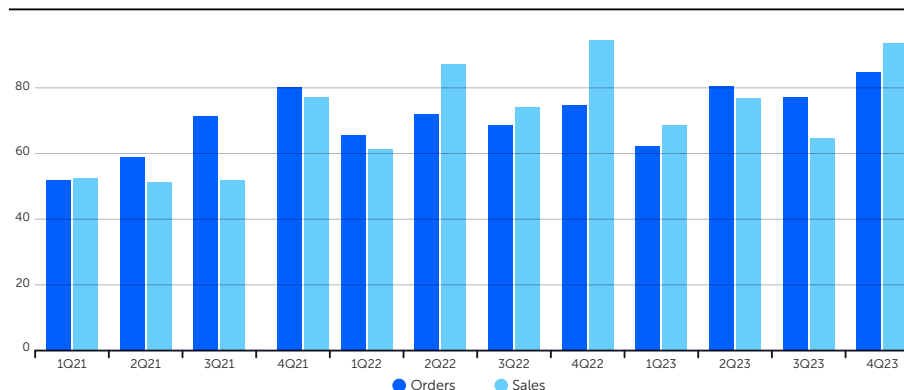
For the **Large Video Walls segment**, orders were higher in all regions, most pronounced in EMEA. Sales started soft at the beginning of the year but improved throughout the second half, and reached a quarterly record in the fourth quarter. Sales for the Barco CTRL software platform, which offers customers a scalable and integrated solution with market-leading security features, go off to a strong start after its launch in the second quarter. The hardware portfolio is fully up to date, with the UniSee II upgrade launched in the third quarter. Large Video Walls is executing on their new strategy, and the share of software in the product mix increased throughout the year, with further shift expected in the next years.

Enterprise delivered an EBITDA margin of 18.7%, essentially in line with last year, and showing a significant increase from the first to the second half of 5.8 percentage points. This was driven by an increase in the Meeting Experience margin and the cost and margin benefits of the restructuring of the Large Video Walls segment, where an EBITDA loss of the first half was followed by a positive EBITDA in the second half, leading to a result close to breakeven for the full year.

Enterprise division

In millions of euro	FY23	FY22	FY21	Change vs 2022
Orders	304.9	281.3	262.4	+8%
Sales	303.8	317.2	233.1	-4%
Gross profit	162.9	172.4	108.6	-5%
Gross profit margin	53.6%	54.3%	46.6%	-0.7 ppts
EBITDA	56.9	60.7	14.6	-6%
EBITDA margin	18.7%	19.1%	6.3%	-0.4ppts

Quarter-over-quarter orders and sales 2021-2023

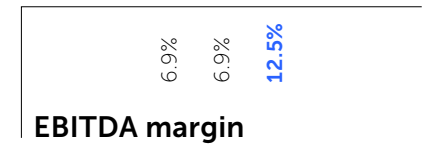
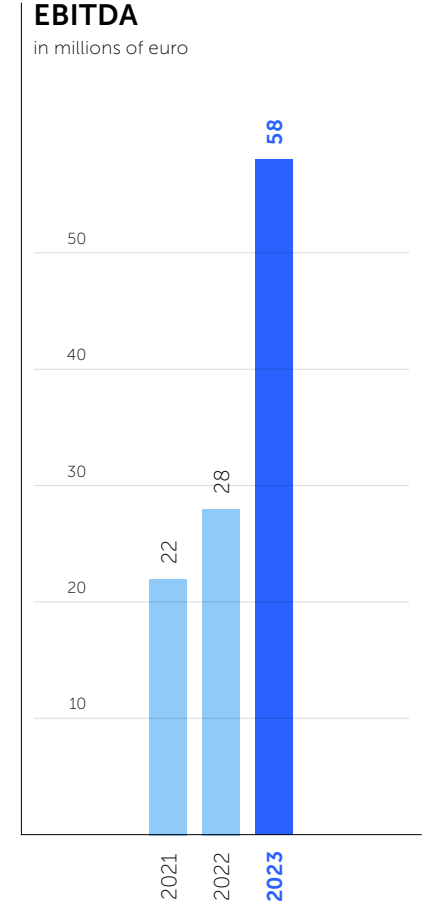
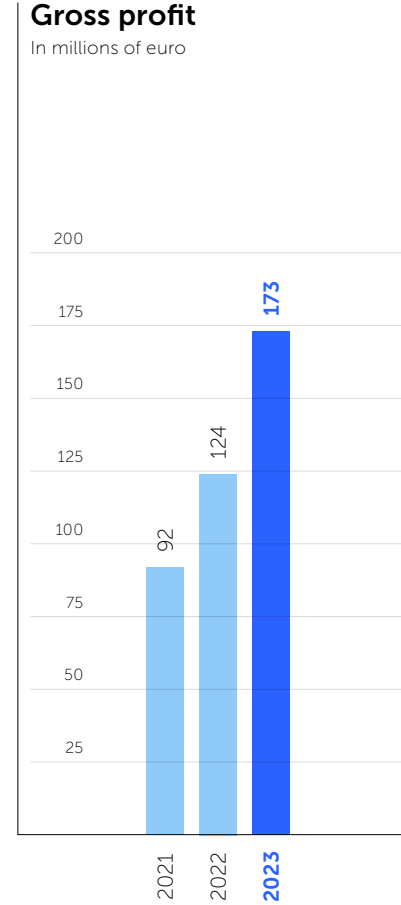
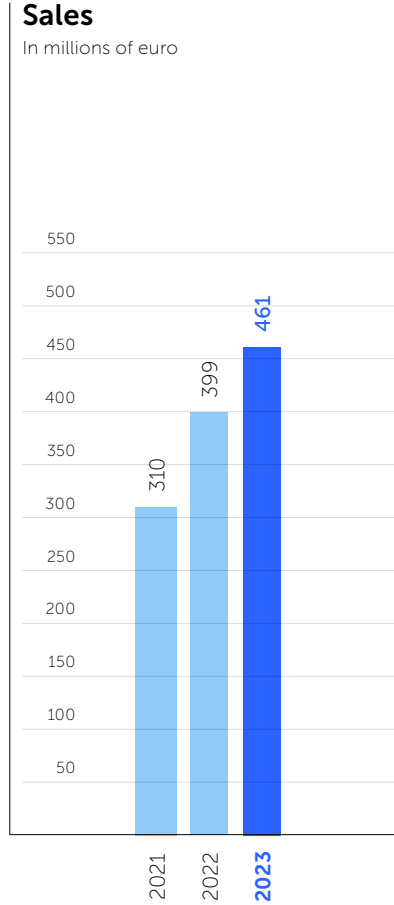
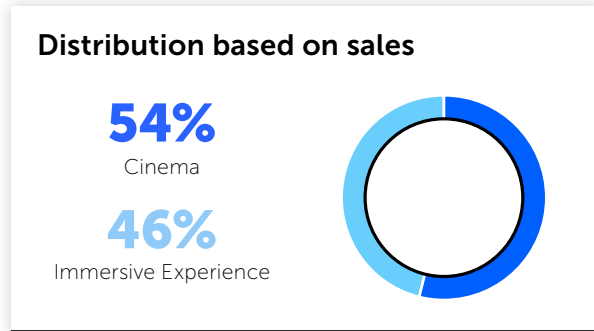
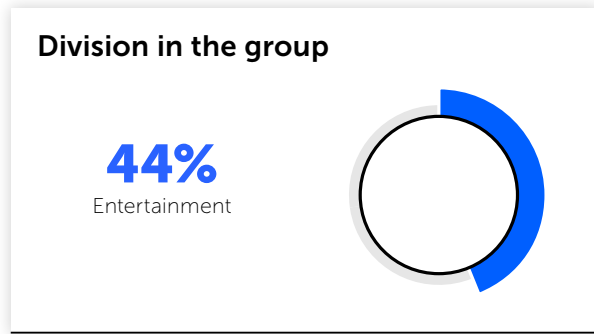


Results of the Entertainment division

CORE Report

Barco

Integrated report 2023



The Entertainment division delivered 10% growth in order intake and 15% growth in sales versus last year. Book-to-bill was positive for the 3rd year in a row, further strengthening the orderbook, especially for Cinema.

Cinema built on the strong momentum that started in the second half of 2022 with double-digit sales growth in all regions. Global demand for Cinema was driven by the ongoing renewal of aging lamp-based cinema projectors to Barco's laser technology, which offers superior image quality to viewers and a lower total cost of ownership to cinema operators. The roll-out of Cinema-as-a-Service continued in 2023, which increased the contribution of recurring revenues to the sales mix. Cinema accounted for approximately 54% of the divisional sales in 2023, compared to 48% last year. By the end of 2023, the sales and marketing activities from Cinionic were fully integrated into the Cinema business unit, providing future additional operational efficiencies.

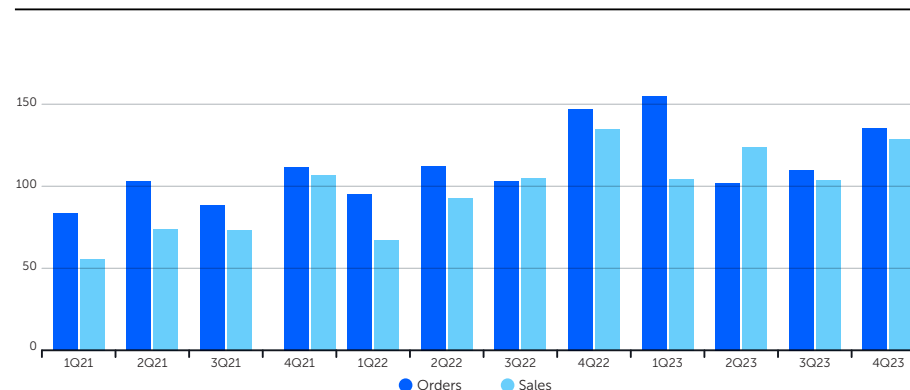
Immersive Experience delivered solid topline growth, especially in the first half of the year, leading to record sales for the second year in a row. In all regions, except APAC, sales grew solidly against a very high comparison base, with the Middle East and Southeast Asia standing out as best performing areas. China did not contribute to the growth as demand has not yet recovered from the pandemic due to a sluggish real estate market and reduced funding of entertainment projects by local governments. Simulation showed the highest growth in all regions both for flight and driving simulators, followed by image processing and projectors for fixed installations in museums, immersive art experiences, attractions, and corporate applications. Sales to the rental market for live events were softer, as some customers are anticipating the new product launches that are expected in 2024. Immersive Experience accounted for approximately 46% of the divisional sales in 2023, compared to 52% last year.

With supply chain challenges resolved and on the strength of a more favorable product mix, with more (embedded) software and services revenues, the gross profit margin for Entertainment grew to an all-time high of 37.5%, up 6.4 percentage points versus last year. Operating leverage on the double-digit topline growth resulted in an EBITDA margin for the division that jumped from 6.9% in 2022 to 12.5% in 2023.

Entertainment division

In millions of euro	FY23	FY22	FY21	Change vs FY22
Orders	501.8	457.4	386.6	+10%
Sales	460.5	399.3	309.7	+15%
Sales	172.6	124.1	91.7	+39%
Sales	37.5%	31.1%	29.6%	+6.4 ppts
EBITDA	57.7	27.5	21.5	+110%
EBITDA margin	12.5%	6.9%	6.9%	+5.6ppts

Quarter-over-quarter orders and sales 2021-2023



2023 Integrated annual report



Governance & Risk Report

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This is the Governance & Risk Report section of Barco's 2023 Integrated annual report. Other sections are available via the download center at ir.barco.com/2023.

CORE

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-

ANNEX

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

Corporate governance

Governance & Risk Report

Barco

Integrated report 2023



Declaration regarding the information given in the Integrated Annual Report 2023

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

Corporate governance statement

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

All shares have equal voting rights, 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

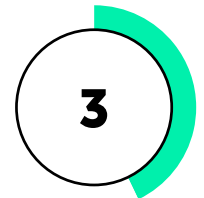
The composition of the Board of Directors meets the gender diversity requirement laid down in article 7:86 of the Code of Companies and Associations. Moreover, a majority of directors is independent.

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

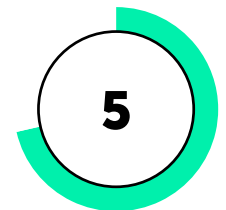
The General Meeting of 27 April 2023 re-appointed Mr. Frank Donck, Mr. Charles Beauduin, Mrs. An. Steegen and Adisys Corporation, permanently represented by Mr. Ashok K. Jain, as directors. Moreover, Lord Sassoon was appointed as additional director. Except for Mr. Charles Beauduin and Mrs. An Steegen, all have been (re-)appointed as independent director as referred to in article 7:87 Code of Companies and Associations. The directors have re-appointed Mr. Frank Donck as Chair of the Board of Directors and Mr. Charles Beauduin and Mrs. An Steegen as co-CEOs.



Directors with 5 years of seniority



Female members of the Board



Independent directors

Board of Directors

Situation on 5 February 2024

Chair	Frank Donck ⁽¹⁾	2027*
Directors	Charles Beauduin	2027*
	An Steegen	2027*
	Adisys Corporation (represented by Ashok K. Jain) ⁽¹⁾	2027*
	Hilde Laga ⁽¹⁾	2024*
	Lieve Creten ⁽¹⁾	2024*
	James Sassoon ⁽¹⁾	2026*
	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

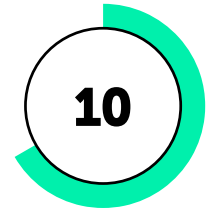
Barco NV is managed by a Core Leadership Team ('CLT') which comprises key officers from business units and functions. The CLT operates under the chairmanship of the Chief Executive Officers and shares responsibility for the deployment of Barco's strategy and policies, and the achievement of its objectives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

With strategic long-term succession planning being a core element in the organizational development strategy, Barco was able to strengthen its Core Leadership Team with a number of internal promotions:

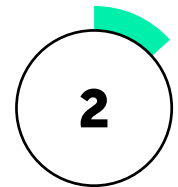
- Mr. Geert Carrein, EVP for Diagnostic Imaging, has retired and has been succeeded by Mr. Dirk Feyants, stepping up from his role as VP Strategy and Business Development.
- Mr. Chris Sluys, EVP Large Video Walls, also retired and has been succeeded by Mr. Tom Sys, previously CDIO at Barco.

- Mr. Philippe Verlinde, previously Head of IT Program Management, succeeded Mr. Tom Sys as CDIO.
- Mr. Erdem Soyal, EVP Immersive Experience, left Barco and was succeeded by Mr. Ta Loong Gan, stepping up from his role as VP Global Sales for this business unit.

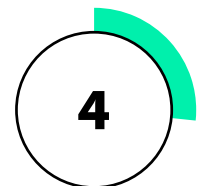
The full biographies of the Core Leadership Team can be found on Barco's [corporate website](#).



CLT members with 5 years of seniority



Female CLT members



4 non-Belgian CLT members

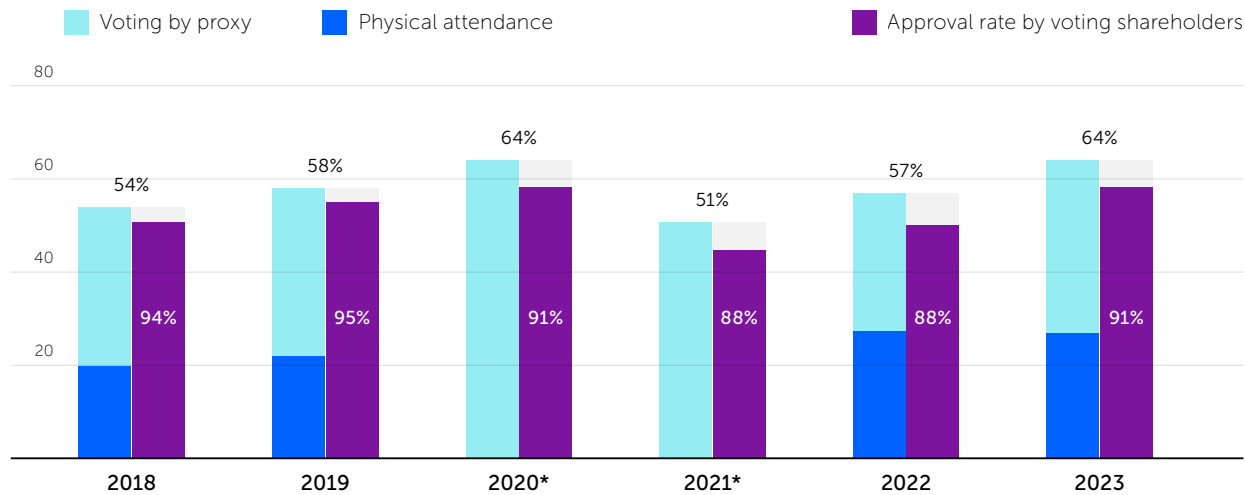
Annual General Meeting

The annual general meeting (AGM) is held on the last Thursday of April. The AGM is set up as a truly hybrid meeting whereby shareholders can also cast their vote remotely, either prior to or real time during the meeting itself.

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 2023.

Intermediate meetings are held via teleconference call if need be. All the Board of Directors meetings took place in Belgium with some directors occasionally attending via videoconferencing.

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 executive managers of the company.

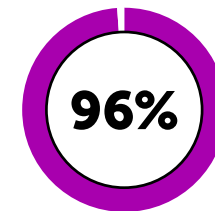
At every meeting, the Board of Directors reviewed and discussed the financial results as well as the short to mid-term financial forecast of the company. At the beginning of the year, upon recommendation by the Audit Committee, the Board approved the financial results of 2022 and proposed the dividend for approval by the shareholders.

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 organic growth initiatives, considered several inorganic growth opportunities and approved the 2024 financial budget.

The Board closely monitored the impact of the macro-economic developments in the regions wherein the company is present, in particular China, as well as geopolitical conflicts and resulting trade sanctions 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				63%*
Frank Donck ⁽¹⁾	7	5	6		100%
Ashok K. Jain ⁽¹⁾	7		6	1	100%
Hilde Laga ⁽¹⁾	7	5	6		100%
An Steegen	7			1	100%
Lieve Creten ⁽¹⁾	7	5	6		100%
James Sassoon ⁽¹⁾	5	3	1		90%



average total attendance rate

⁽¹⁾ independent directors

^(*) Mr. Charles Beauduin was on sick leave for several months.

Board Committees

Audit Committee

The Audit Committee is composed of four members. Mrs. Lieve Creten, who acts as Chair, Mr. Frank Donck, Mrs. Hilde Laga and Lord Sassoon. 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 2023. All Audit Committee members were present during all the meetings, except for Lord Sassoon who was only appointed as Board member in the annual general shareholders meeting in April 2023. He has been present at all meetings (three) after his appointment.

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 An Steegen was present at all meetings and the CEO Charles Beauduin attended four Audit Committee meetings. The Group’s internal auditor was present in two meetings and the Group’s external auditor PwC

Bedrijfsrevisoren BV was 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 2023:

- The Company’s 2022 annual and 2023 interim financial statements, including non-financial information and the corresponding press release.
- Each quarter, the committee reviewed the Company’s quarterly financial results and outlook for the year, including the corresponding trading update.
- The Company’s 2023 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.

Overview of the Board and Committee meetings in 2023

	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

- 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 impairment testing of goodwill and deferred tax assets on tax losses carried forward and tax credits, 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 2023.
- 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.
- Review of the Group's key overall risk areas, risk management process and control (including risk assessment, IT risks and ESG process)
- The Committee reviewed the outcome of the double materiality analysis, the gap analysis done on the implementation of CSRD, as of 2024, and the related action plan.

The composition of the Remuneration & Nomination Committee has been reviewed twice in 2023. Mr. Ashok Jain joined the committee as a new member as from January 2023, as well as Lord Sassoon as from July 2023.

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 2023, the Remuneration and Nomination Committee met four times. Additionally, it met virtually on an ad hoc basis at two occasions, amongst others in view of the nomination of Lord Sassoon as new Board Member.

Given the high global inflation rates since 2022 and its impact on the purchase power of the employees, primary focus point has been the salary increase budgets for 2023.

Additionally, the Remuneration and Nomination committee has also been focusing on continued organizational effectiveness with e.g. the reorganization of the Corporate Marketing organization, as well as on Barco's long term HR strategy articulated around entrepreneurial culture, organization and employee engagement.

Also, the recurrent processes such as performance review of CLT members, the 2022 bonus results validation and 2023 bonus objective setting and the 2023 Stock Options grant have been addressed.

Finally, the Committee has been focusing on the composition of the Barco Core Leadership Team as three members have left the company (the business unit leaders for Large Video Walls, Diagnostic Imaging and Immersive Experience).

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; Mr. Charles Beauduin, who acts as Chair, Mr. Ashok Jain and Mrs. 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 2023, the Technology Committee met one time. 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/corporate-governance.

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.

Following the (re-)appointment of (new) directors, the different Committees' composition has been reviewed to facilitate interactions as efficiently as possible between the Board of Directors and its Committees.

Remuneration report for financial year 2023

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 2023 is in line with the remuneration policy. This report covers the 2023 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 2023 remuneration report

Although the general inflation rate in 2023 decreased versus 2022, it remained higher than the historical average of the last decades and it continues to have wide-ranging effects on employment and production costs. Stringent cost control was essential for Barco to cope with these inflation effects, including careful monitoring of employment costs and head count management. On a positive note, we saw increased employee loyalty with the voluntary turnover rate at 4.9% in 2023, less than half of the year before.

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

2.A Remuneration of the non-executive board members

On 27 April 2023, pursuant to article 17 of the Articles of Association, the General Meeting set the aggregate annual remuneration of the entire Board of Directors at 2,863,725 euro for the year 2023. Next to the board fees of the non-executive directors this amount includes the remuneration package of the CEOs. 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	€ 58,775	NA	NA	NA	NA	NA	€ 88,775	100%	0%
Ashok Jain, Member of the Board	€ 30,000	€ 35,700	NA	NA	NA	NA	NA	€ 65,700	100%	0%
Hilde Laga, Member of the Board	€ 30,000	€ 45,900	NA	NA	NA	NA	NA	€ 75,900	100%	0%
James Sassoon, Member of the Board	€ 20,000	€ 22,950	NA	NA	NA	NA	NA	€ 42,950	100%	0%
Total	€ 230,000	€ 163,325	NA	NA	NA	NA	NA	€ 393,325	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.

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 2023 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 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 17.

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.

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	€ 235,000	€ 150,000	€ 0	€ 78,468***	€ 0	€ 0	€ 0	€ 463,468	83.07%	16.93%
An Steegen CEO	€ 550,000	€ 0	€ 27,304	€ 223,951	€ 124,400	€ 0	€ 100,000	€ 1,025,655	66.04%	33.96%

* non-deferred annual bonus 2023

** deferred payments vesting in 2023

*** prorated for period of illness

2.B.2 Share based remuneration

No stock options nor shares have been granted to the CEOs in 2023.

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 2023

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			
	SOP 2021-CEO	06/12/2021	31/12/2023	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	31/12/2024	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			
	SOP 2021-CEO	06/12/2021	31/12/2023	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	31/12/2024	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 practices 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 2023 is set forth below. Redundancy payments are not included in these amounts.

CLT members

Name	Position	Employer legal entity	Joined/left CLT 2023
Geert Carrein	EVP Diagnostics	Barco nv (BE)	left CLT: 30 June 2023
Gerwin Damberg	EVP Cinema	MTT Innovation Inc. (CA)	
Ann Desender	CFO	Barco nv (BE)	
Dirk Feyants	EVP Diagnostics	Barco nv (BE)	joined CLT: 1 June 2023
Johan Fornier	EVP Surgical & Modality	Barco nv (BE)	
Ta Loong Gan	EVP Immersive Experience	Barco Singapore Pte Ltd (SG)	joined CLT: 1 July 2023
Stijn Henderickx	EVP Meeting & Learning Experience	Barco nv (BE)	
Anthony Huyghebaert	CHRO	Barco nv (BE)	
Rob Jonckheere	EVP Global Operations	Barco nv (BE)	
Chris Sluys	EVP Large Video Wall Experience	Barco nv (BE)	left CLT: 28 February 2023
Ederm Soyol	EVP Immersive Experience	Barco Middle East L.L.C. (UAE)	left CLT: 31 May 2023
Tom Sys	EVP Large Video Wall Experience	Barco nv (BE)	
Kurt Verheggen	General Counsel	Barco nv (BE)	
Philippe Verlinden	CDIO	Barco nv (BE)	joined CLT: 1 March 2023
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	€ 3,052,508	€ 50,000	€ 301,851	€ 1,119,620	€ 240,637	€ 16,000	€ 279,154	€ 5,059,770	73%	27%

* non-deferred annual bonus 2023

** deferred payments vesting in 2023 + LTI bonus 2021-2023 payments (reported prorated if recently joined CLT)

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 it is paid.

Annual Bonus

The individual bonus plan for the members of the Core Leadership Team is a so-called "metric" plan, with only pre-defined 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 their 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 as of next year 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 2023 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 and 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 2023 - 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*	2023 KPI performance and payment level at Barco group level
Financial BU for BU leaders Barco Group for non-BU leaders	KPI 1: sales	45%	a) 70% b) 0.225	a) 100% b) 0.450	a) 125% b) 0.675	a) 87.51% b) 0.356
	KPI 2: EBITDA % at end of Plan period	40%	a) 70% b) 0.200	a) 100% b) 0.400	a) 125% b) 0.600	a) 87.54% b) 0.317
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) 107.50% b) 0.175
Total Bonus Payment level individual bonus with linear calculation in between milestones			0.5	1	1.5	0.848
Total Bonus: (individual OT bonus) x (total payment level)						

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

Long-term incentive Plan

The long-term incentive cash bonus 2021 – 2023 is subject to the Barco Group meeting the following performance targets over the respective 3-year plan period and continued employment on the last day of the plan period:

- Cumulated net earnings,
- EBITDA % at End of Plan Period, and
- sustainability drivers (Greenhouse Gas Emission reduction and Eco-labeled revenues)

The LTI bonus vested on 31 December 2023.

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 2023. 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 2023, following authorization by the general meeting and the Board of Directors, the Remuneration and Nomination Committee allotted stock options to 11 members of the CLT. The exercise price amounts to EUR 15.27 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. 169,600 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 19-20.

Stock options

Main provisions of the stock option plan

Information related to the financial year 2023

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
Gerwin Damberg, EVP	SOP 2023-CLT	08/12/2023	31/12/2026	NA	01/01/2027 - 07/12/2033	€ 15.27	0	a) 20,200 b) € 308,454			
	SOP 2022-CLT	08/12/2022	31/12/2025	NA	01/01/2026 - 07/12/2032	€ 21.74	15,500				
	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		a) 16,100 b) € 205,436		
	SOP 2019-P	11/10/2019	31/12/2022	NA	01/01/2023 - 10/10/2029	€ 24.83	9,100				
Ann Desender, CFO	SOP 2023-CLT	08/12/2023	31/12/2026	NA	01/01/2027 - 07/12/2033	€ 15.27	0	a) 20,700 b) € 316,089			
	SOP 2022-CLT	08/12/2022	31/12/2025	NA	01/01/2026 - 07/12/2032	€ 21.74	12,500				
	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		a) 29,400 b) € 375,144		
	SOP 2019-P	11/10/2019	31/12/2022	NA	01/01/2023 - 10/10/2029	€ 24.83	14,000				
	SOP 2018-P	22/10/2018	31/12/2021	NA	01/01/2022 - 21/10/2028	€ 14.40	22,500				
Dirk Feyants, EVP	SOP 2023-CLT	08/12/2023	31/12/2026	NA	01/01/2027 - 07/12/2033	€ 15.27	0	a) 18,200 b) € 277,914			
Johan Fornier, EVP	SOP 2023-CLT	08/12/2023	31/12/2026	NA	01/01/2027 - 07/12/2033	€ 15.27	0	a) 19,100 b) € 291,657			
	SOP 2022-CLT	08/12/2022	31/12/2025	NA	01/01/2026 - 07/12/2032	€ 21.74	37,325				
	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 2023

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
Ta Loon Gan, EVP	SOP 2023-CLT	08/12/2023	31/12/2026	NA	01/01/2027 - 07/12/2033	€ 15.27	0	a) 16,900 b) € 258,063			
	SOP 2022-P	08/12/2022	31/12/2025	NA	01/01/2026 - 07/12/2032	€ 21.74	8,389				
Stijn Henderickx, EVP	SOP 2022-CLT	08/12/2022	31/12/2025	NA	01/01/2026 - 07/12/2032	€ 21.74	18,929				
	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		a) 15,500 b) € 197,780		
	SOP 2019-P	11/10/2019	31/12/2022	NA	01/01/2023 - 10/10/2029	€ 24.83	9,100				
Anthony Huyghebaert, CHRO	SOP 2023-CLT	08/12/2023	31/12/2026	NA	01/01/2027 - 07/12/2033	€ 15.27	0	a) 13,600 b) € 207,672			
	SOP 2022-CLT	08/12/2022	31/12/2025	NA	01/01/2026 - 07/12/2032	€ 21.74	9,500				
	SOP 2021-P	06/12/2021	31/12/2024	NA	01/01/2025 - 05/12/2031	€ 17.80	14,000				
Rob Jonckee, EVP Operations	SOP 2023-CLT	08/12/2023	31/12/2026	NA	01/01/2027 - 07/12/2033	€ 15.27	0	a) 15,600 b) € 238,212			
	SOP 2022-CLT	08/12/2022	31/12/2025	NA	01/01/2026 - 07/12/2032	€ 21.74	10,000				
	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		a) 12,500 b) € 159,500		
	SOP 2019-P	11/10/2019	31/12/2022	NA	1/01/2023 - 10/10/2029	€ 24.83	4,550				
	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	750			750	

Stock options

Main provisions of the stock option plan

Information related to the financial year 2023

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 2023-CLT	08/12/2023	31/12/2026	NA	01/01/2027 - 07/12/2033	€ 15.27	0	a) 13,700 b) € 209,199			
	SOP 2022-CLT	08/12/2022	31/12/2025	NA	01/01/2026 - 07/12/2032	€ 21.74	13,072				
	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		a) 12,600 b) € 160,776		
	SOP 2019-P	11/10/2019	31/12/2022	NA	01/01/2023 - 10/10/2029	€ 24.83	7,000				
Philippe Verlinde, CDIO	SOP 2023-CLT	08/12/2023	31/12/2026	NA	01/01/2027 - 07/12/2033	€ 15.27	0	a) 11,400 b) € 174,078			
	SOP 2022-P	08/12/2022	31/12/2025	NA	01/01/2026 - 07/12/2032	€ 21.74	4,719				
	SOP 2017-EEA	20/10/2017	31/12/2020	NA	01/01/2021 - 19/10/2027	€ 12.54	3,500				
Kenneth Wang, EVP	SOP 2023-CLT	08/12/2023	31/12/2026	NA	01/01/2027 - 07/12/2033	€ 15.27	0	a) 20,200 b) € 308,454			
	SOP 2022-CLT	08/12/2022	31/12/2025	NA	01/01/2026 - 07/12/2032	€ 21.74	17,139				
	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 2023

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				5,950
	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				
Geert Carrein, retired 20 August 2023	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				
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		a) 14,000 b) € 178,640		
	SOP 2019-P	11/10/2019	31/12/2022	NA	01/01/2023 - 10/10/2029	€ 24.83	11,900				
	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 2020-P	29/10/2020	31/12/2023	NA	01/01/2024 - 31/12/2024	€ 12.76	21,000		a) 21,000 b) € 267,960		
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				9,800
	SOP 2017-EEA	20/10/2017	31/12/2020	NA	01/01/2021 - 19/10/2027	€ 12.54	28,000				
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		a) 182,000 b) € 2,322,320		
	SOP 2019-CEO	11/10/2019	31/12/2022	NA	01/01/2023 - 31/12/2023	€ 24.83	147,000				147,000

Stock options

Main provisions of the stock option plan

Information related to the financial year 2023

Name Position	Plan Identification	Grant Date	Vesting Date	End of retention period	Exercise period	Exercise price	Number of options at the beginning of the year	a) Number of options granted b) value underlying shares @ grant date	a) Number of options vested b) value @ exercise price	Number of options exercised	Number of options expired
Johan Heyman, left 30 September 2020	SOP 2019-P	11/10/2019	31/12/2022	NA	01/01/2023 - 10/10/2029	€ 24.83	5,950				
	SOP 2018-P	23/10/2018	31/12/2021	NA	01/01/2022 - 22/10/2028	€ 14.40	2,500			2,500	
	SOP 2020-P	29/10/2020	31/12/2023	NA	01/01/2024 - 31/12/2024	€ 12.76	16,100		a) 16,100 b) € 205,436		
	SOP 2019-P	11/10/2019	31/12/2022	NA	01/01/2023 - 31/12/2023	€ 24.83	10,500				10,500
Filip Pintelon, left 22 October 2021	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	2,000				
	SOP 2014-EEA	23/10/2014	31/12/2017	NA	01/01/2018 - 22/10/2024	€ 7.86	12,241				
Chris Sluys, retired 4 August 2023	SOP 2022-CLT	08/12/2022	31/12/2025	NA	01/01/2026 - 07/12/2032	€ 21.74	7,500				
	SOP 2021-P	06/12/2021	31/12/2024	NA	01/01/2025 - 05/12/2031	€ 17.80	9,800				
Marc Spenlé, left 3 July 2022	SOP 2021-P	06/12/2021	31/12/2024	NA	01/01/2025 - 31/12/2025	€ 17.80	11,800				
	SOP 2020-P	29/10/2020	31/12/2023	NA	01/01/2024 - 31/12/2024	€ 12.76	19,600		a) 19,600 b) € 250,096		
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		a) 21,700 b) € 276,892		
	SOP 2019-P	11/10/2019	31/12/2022	NA	01/01/2023 - 31/12/2023	€ 24.83	11,900				11,900

Reference is made to [page 68 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 one CLT member, and the basis for its calculation as set forward below.

Chris Sluys, former EVP Global Customer Success, left the CLT as of 1 March 2023 in view of his retirement and left Barco on 4 August 2023 after a short period of handing over to his successor. No severance or other compensation were due.

Geert Carrein, former EVP Diagnostics, resigned from the CLT as of 1 July 2023 in view of his retirement and left Barco on 20 August 2023 after a short period of handing over to his successor. No severance or other compensation were due.

Effective 1 June 2023, Erdem Soyak, former EVP Immersive Experience, left the CLT. The severance agreement included a notice period on garden leave of 6 months in accordance with the provisions of his employment contract and a prorated 2023 bonus based on the YTD KPI results. The notice period ended on 31 December 2023.

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.

Part 6: Evolution of remuneration and company performance

Pursuant to the Code of Companies and Associations, Barco reports the pay ratio of the highest FTE CEO remuneration versus the lowest FTE employee remuneration in its legal entity Barco nv. The 2023 payratio is 20.94.

Part 7: Vote of the shareholder

In response to queries from investors following a rather low approval rate of the 2022 remuneration report, the company has made available on its website additional clarifications ([Remuneration policy proposal AGM 2023](#)) regarding certain facets of the executives' remuneration (e.g. cap on the grant of stock options, disclosure of performance metrics, derogation clause and remuneration of executive directors). Further, to meet investors' expectations on alignment between the company's performance and compensation, the remuneration report now discloses the key metrics used, their relative weight and the achievement rate at company level of the annual bonus plan.

In thousands of euro	2018	2019	2020	2021	2022	2023
Remuneration of Non-Executive Directors⁽¹⁾						
Total annual remuneration	430,449	416,825	402,425	426,475	303,425	393,325
Year-on-year difference (%)	-16%	-3%	-3%	6%	-29%	30%
Number of Non-Executive Directors under review	9	6	6	6	4	5
Remuneration of CEOs						
Total annual remuneration of CEOs (EUR)	1,424,544	1,672,362	1,262,683	1,086,038	1,289,604	1,489,122
Year-on-year difference (%)	18%	17%	-24%	-14%	19%	15%
Remuneration of CLT						
Total annual remuneration (EUR)	5,866,025	6,163,243	4,819,145	4,211,170	5,113,485	5,059,770
Year-on-year difference (%)	28%	5%	-22%	-13%	21%	-1%
Number of CLT Members under review	14	14	14	17	15	15
Barco Group Performance						
NET SALES (M euro)	1,028,531	1,082,570	770,083	804,288	1,058,291	1,050,137
Year-on-year difference (%)	-5%	5%	-29%	4%	32%	-1%
EBITDA (M euro)	124,466	153,022	53,563	58,509	126,474	142,496
Year-on-year difference (%)	16%	23%	-65%	9%	116%	13%
Net income attributable (M euro)	74,965	95,363	-4,393	8,881	75,219	80,168
Year-on-year difference (%)	203%	27%	-105%	302%	747%	7%
Average remuneration per FTE employee⁽²⁾						
Average employee cost per FTE (EUR) ⁽³⁾	76,505	77,192	65,570	75,003	88,347	92,363
Year-on-year difference (%)	-0.4%	0.9%	-15.1%	14.4%	17.8%	4.5%

⁽¹⁾ As indicated in Part 2.A of the Remuneration Report the remuneration for non-executive directors is depending only on the number of meetings and is reported aggregated for this table.

⁽²⁾ Average remuneration of employees is calculated on basis of 'wages and direct social benefits', including company cars, divided by the number of employees on year over year bases.

⁽³⁾ Employee cost 2023 increase due to inflation and COL increases remaining high.

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. 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, our people and the communities we operate in. 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 2023, 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 2023.

Risk management and control processes

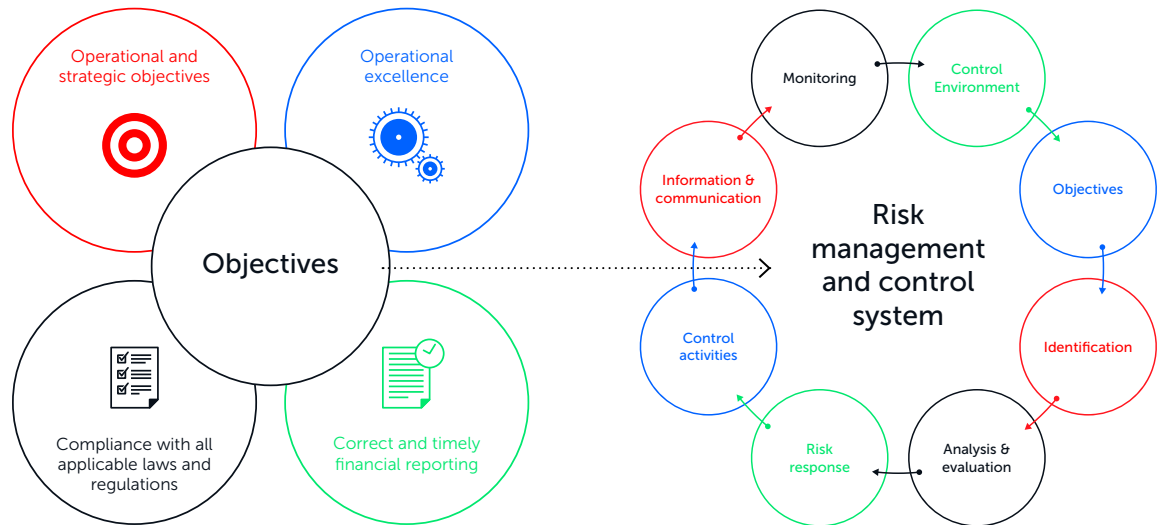


Objectives

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, the Sustainability Manager and Internal Audit.

Identification

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

In 2023, the Barco risk universe was revised and split into four domains: Corporate risks, Environment, Social and Governance.

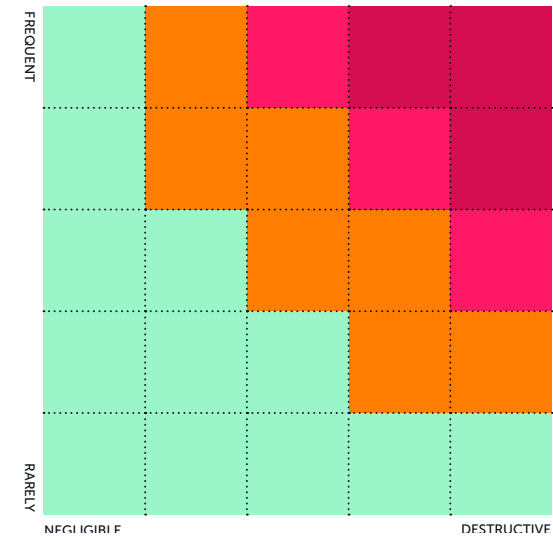
Barco risk universe

The following risks are taken into consideration.

Analysis

Once identified, the risks are scored using inherent risk ('impact' and 'likelihood') 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, one integrated assessment was performed combining the risk assessment, the compliance gap analysis and double materiality assessments.

The scoring of Barco's risks was done via a combination of interviews and an online questionnaire. All 15 CLT members, six Board of Director members, 24 country managers and 81 senior managers from different executive committees participated.



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.

Once the CLT has reviewed the results, the top risks are divided into risks to be accepted, monitored or improved. For each top risk, a risk sponsor is designated.

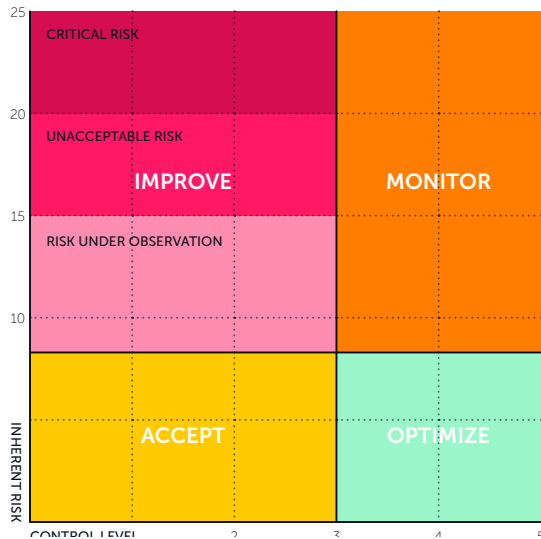


⁽¹⁾ All 12 topics from Barco's risk universe 2022 were recovered. The Human capital & talent management was split into three topics. Several risks were slightly reworded. The description of the topics are added in the CGR and the PPC reports.

⁽²⁾ 4 new topics were added resulting from the integration with the double materiality assessment.

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 is tracked on a regular basis to remediate gaps in mitigation and monitoring activities.

Risks in the ‘improve’ and ‘monitor’ quadrants are subject to a regularly 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.
- The Strategic Initiatives Enablement Group enables company-wide sustainable performance breakthroughs on Barco's key strategic focus points, including the top risks to be improved.

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 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 2023 Integrated Materiality, Risk & Compliance assessment. 5 Top risk are material for Barco. The Macroeconomic & geopolitical risk is a Top Risk for Barco but not retained as material from the Double Material project.

	Risk	Trend	Strategic lever
1	Innovation, new technologies & product portfolio	 1 » 1	<ul style="list-style-type: none"> Innovate for impact Capture profitable and efficient growth
2	Customer experience	 New: 2	<ul style="list-style-type: none"> Innovate for impact Capture profitable and efficient growth
3	Product quality & safety	 4 » 3	<ul style="list-style-type: none"> Innovate for impact Capture profitable and efficient growth
4	Talent & career development	 3 » 4	<ul style="list-style-type: none"> Capture profitable and efficient growth Go for sustainable impact
5	Macroeconomic & geopolitics risk	 5 » 5	<ul style="list-style-type: none"> Capture profitable and efficient growth
6	Responsible & resilient supply chains	 2 » 6	<ul style="list-style-type: none"> Capture profitable and efficient growth Go for sustainable impact

Innovation, new technologies & product portfolio

Risk description

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.

The risk includes the ability of balancing between core transformational innovation and sudden breakthroughs leading to sound product portfolio management. Next to that, it includes the ability of identifying societal needs and successfully converting these into value-adding products and solutions.

Trend

Lack of innovation speed, access to and control of new technologies, and a competitive product portfolio were identified as main risk both in 2021 and 2022, and remained the key risk for Barco in 2023 too.

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 payback periods, opportunity size, patentability, sustainability and strategic fit, and are reviewed three 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.

» [Dive deep into Barco's innovation and technology approach](#)

Customer experience

Risk description

The overall impression and perception that customers have of a company, brand or organization based on their interactions and engagements throughout the customer journey.

This risk includes various elements such as customer lead follow-up, customer service satisfaction and product quality.

Trend

Customer experience is new in the risk universe and ranked in second position.

Mitigation plan

While managing the risk of constantly changing technologies and innovations, Barco must also understand how these are impacting its customers. Several mitigation plans focusing on customer-centricity and loyalty were installed to achieve the necessary alignment that will drive success. An integrated end-to-end process will help Barco to position its customer experience program as a core element of the company's overall technological and commercial strategy:

- Customer-focused communication and brand strategy aimed at informing customers on key deliverables and our core values, highlighting our commitment to deliver reliable products and services.
- Integrated cross-channel customer journey mapping covering all key touchpoints in order to ensure a continued and consistent value delivery.
- Profound data analytics and insights gathering aimed at deepening our understanding of our customers, taking into account a strict and transparent protocol on data privacy and protection.

Product quality & safety

Risk description

At Barco we want to offer products and services that are healthy, safe, and secure to use.

This risk includes but is not limited to liability, management of recalls, product testing to eliminate risk of injury or damage and integration controls.

Trend

Product quality was one of our main risks in 2022 and remains so in 2023. 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 and product planning to design, development, and sales, all the way to customer services. These processes are embedded in Barco's quality management system, which is audited by independent external parties and customers. The product quality is monitored through a set of quality-related indicators covering the different interrelated processes.

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

- 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

Talent and career development

Risk description

Nurturing and enhancing the skills, knowledge and capabilities of individuals within Barco to support professional & personal growth and progression.

This risk includes providing opportunities, resources and guidance to employees to develop their talents, acquire new skills and advance their careers.

Trend

Talent and career development has been identified as an important risk in the last three years. In 2023, both the inherent risk and residual risk slightly changed.

Mitigation plan

The Human Resources team commits to investing in workforce strategy and organizational effectiveness as key focus domains. In addition, they deliver professional HR services to attract, develop, reward and engage a diverse and global workforce and ensure timely and clear communication to employees. Yet, every business unit leader and people manager is expected to take ownership and work on people topics in their daily activities, supported by the tools, solutions and advice 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 where we are active, 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](#)

Macroeconomic & geopolitics risk

Risk description

Serious political and (macro-)economic evolutions and fluctuations can heavily impact the investment climate and could even stop the complete business in a country or region. Geopolitical tensions, 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), and rising trade barriers, particularly between China and the US and Europe..

Trend

The 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 help Barco respond more flexibly to certain constraining geopolitical evolutions.
- The wide spread of activities across different regions and industries contributes to absorbing the risk.

Responsible & resilient supply chains

Risk description

Driving responsible & ethical behavior by setting high standards across our supply chain.

This risk includes conducting due diligence assessments of the overall supply chain network and is aimed at identifying and addressing potential environmental, social and governance risks (such as labour practices & human rights, business ethics, energy & climate change, etc.). It also includes supply chain collaboration & innovation on sustainable products. With this, our supply chain will be better armed to adapt, recover, and withstand disruptions or unexpected events that may affect its normal operations by taking proactive measures and strategies.

Trend

Supply chain and Nth party risks were identified as the main risk in 2021, and as the second highest risk in 2022. In 2023, both the inherent risk and residual risk show an important improvement as dependency went down, thanks to our stronger multi-source strategy and the shrinking supply shortage in semicon.

Mitigation plan

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

- Proactively identifying, analyzing and mitigating all types of supply chain risks related to our supply base, using the risk-methods solution (TM).
- Improving supplier relation management to create a more balanced dependency and to reduce possible impact of a sole or single supplier.

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

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 material topics, currently not identified as Top Risks, 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.

Barco 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 (including voluntary); and laws. We are closely monitoring the EU regulations that will be linked to the EU Green Deal. The ECO office is in charge to avoid the release of non-compliant products on the market or declare 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 to the design phase and locked into a follow up handshake tool between R&D and the validation group, plus 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 protecting the 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 they are responsible for, including extreme-weather events such as floods or earthquakes, plans to close down production, etc. 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](#).

- **Technology risk:** For Barco this is the risk of not making technology innovation choices that respond to the transition towards lower carbon emission technologies (lack of responsiveness to sustainable innovation trends). As part of our innovation process, every quarter ideas are being evaluated and checked against a number of criteria including sustainability risks & opportunities, which has become essential when developing new solutions early on. In the subsequent new product introduction (NPI) process, the eco scoring methodology ensures proper ecodesign of the products and increased energy efficiency at the customer

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, which is confirmed externally (read more in the [Report on planet, people and communities](#)).

Plans for 2024 & beyond

In 2023 Barco started to refine the climate change risks and opportunities analysis linked with the financial statements. This entails a climate risk assessment (scenario analysis) calculating the anticipated financial effects from material physical risks, transition risks and technologies risks on the financial position in the short term, mid term and long term. Next to risks, financial effects arising from opportunities will be quantified. More details will be disclosed in the 2024 Annual Integrated Report. Finally, the potential financial effects from risks and opportunities related to resource use and circular economy will be further researched in the coming years.

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. In 2023, we released a new Code of Ethics. Among other things, it includes updates in the areas like Diversity & Inclusion and installs a newly composed Ethics Committee.
- 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. In line with the EU Whistleblowers' directive, Barco has also set up a whistleblower reporting tool through the assistance of an external service provider. The number of ethical issues (split up per type and status) is reported in the PPC report.

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 of operation. Specific workforce-related topics are handled in 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 must follow a **mandatory anti-bribery course** as part of the "Standards@Work" level 2 training.

Read more on [Ethics and compliance](#), [Diversity and inclusion](#) 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 with 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- (forecast), mid- (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 functional excoms in order to drive actions towards **short- (forecast), mid- (budget) and long-term targets** in accordance with the strategy set forward.

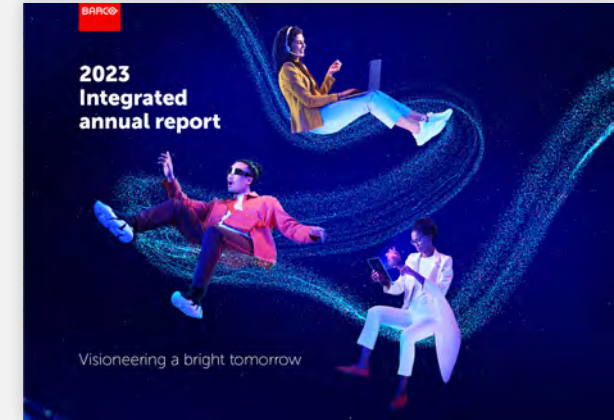
2023 Integrated annual report



Report on planet,
people & communities

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This is the planet - people - communities section of Barco's 2023 Integrated annual report. Other sections are available via the download center at ir.barco.com/2023.

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 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 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 has geared up and is moving forward to a more sustainable future.

An Steegen & Charles Beauduin
CEOs Barco

Our sustainability strategy

Planet - People - Communities

Barco

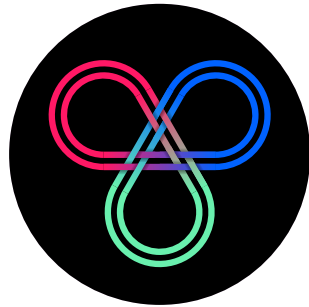
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Go for sustainable impact



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 2020 [materiality assessment](#).*

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](#).

* As this 2023 Report on planet, people and communities looks back on the performance since 2020, it is based on the (highly) material topics resulting from the 2020 materiality assessment. As of 2024, these material topics will be updated based on the double materiality assessment performed in 2023. Accordingly, we will also update our measured KPIs and Integrated Data Pack.

Our sustainable impact pillars, ambitions and material topics

	Planet	People	Communities
AMBITION	<p>We will lower the environmental footprint of our customers and further reduce our own footprint.</p>	<p>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.</p>	<p>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.</p>
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



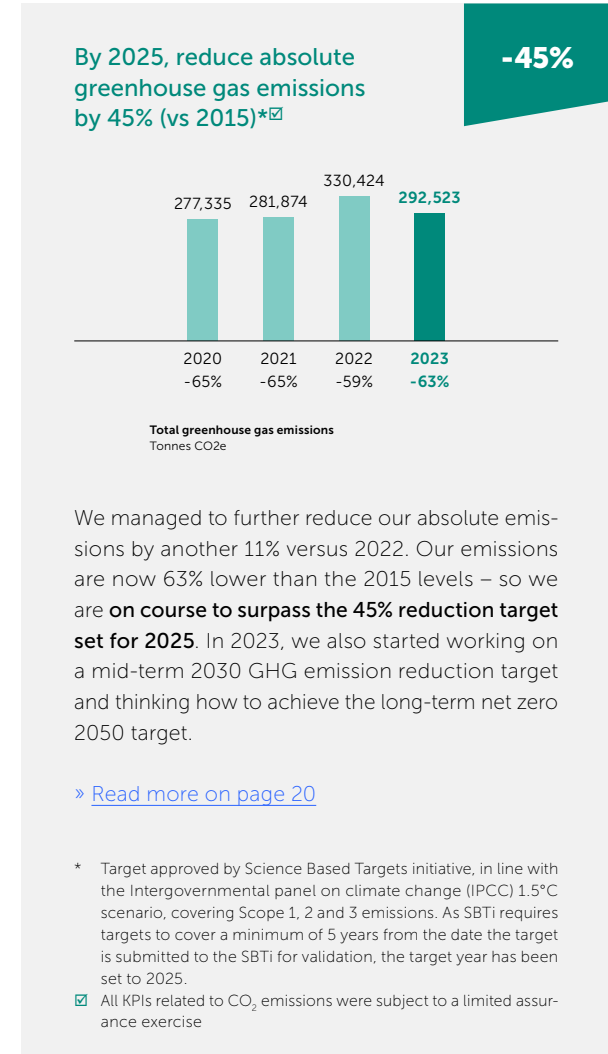
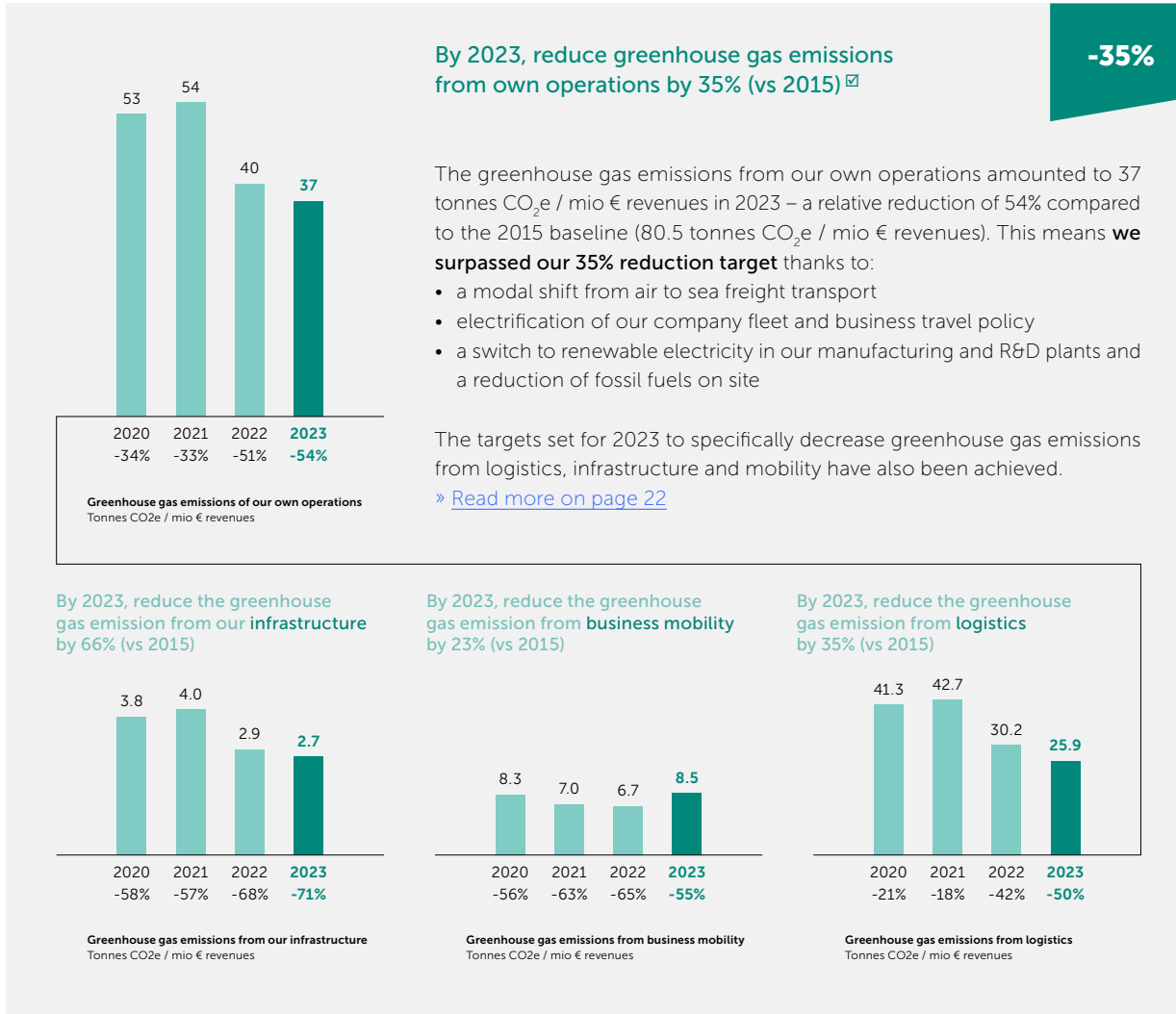
Our sustainable impact targets and progress

1. Take science-based climate action

Planet - People - Communities

BARCO

Integrated report 2023





Our sustainable impact targets and progress

Planet - People - Communities

BARCO

Integrated report 2023

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

Year	Energy consumption (MWh/mio € revenues)	Relative change vs 2015
2020	34.3	-22%
2021	39.0	-12%
2022	29.9	-32%
2023	29.2	-34%

Energy consumption in own operations
MWh/mio € revenues

At the end of 2023, total energy (electricity and fuel) consumption in our facilities amounted to 29.2 MWh/mio euro revenues – a 34% decrease against the 2015 baseline. This means that **we achieved our 2023 target**: to reduce energy consumption by 15% compared to the 2015 base year. Even more, we exceeded our 2023 relative reduction target by 22%.

[» Read more on page 21](#)

By 2023, send zero waste from own operations to landfill **0**

Year	% waste to landfill
2020	29
2021	15
2022	10
2023	2

% waste to landfill

In 2023 we aimed for landfilling zero waste. Although we did not quite achieve our target, we reached an **all-time low percentage of landfilled waste** in 2023: 2% versus 10% in 2022. We aim to send zero waste to landfill in 2024.

[» Read more on page 30](#)

By 2023, recycle 80% of solid waste in own operations **80%**

Year	% recycled/composted waste
2020	52%
2021	58%
2022	63%
2023	80%

% recycled/composted waste

In 2023 the solid waste in operations **recycling rate rose to 80%**, achieving our 2023 target. This is mainly thanks to the selection of better waste recycling partners in the US.

[» Read more on page 30](#)



Our sustainable impact targets and progress

2. Enable our customers to lower their environmental footprint

Planet - People - Communities

Barco

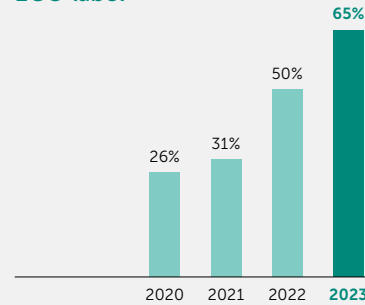
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By 2023, ensure that at least 70% of our revenues comes from products with the Barco ECO label

70%



% revenues from products with Barco ECO label

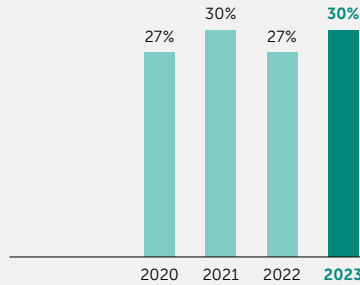
Focusing on the sustainability of our best-selling products, we aimed to derive 70% of our (product & project) revenues from Barco ecolabeled products by the end of 2023. Although the ambitious 70% target was not quite reached, we worked hard and **made substantial progress, achieving 65%**. Since 2021, revenues from ecolabeled products have risen from 31% in 2021 to 50% in 2022 and eventually 65% in 2023.

» [Read more on page 28](#)

The KPI related to this target was subject to a limited assurance exercise.

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

25%



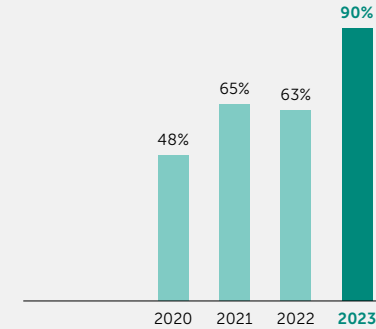
% energy footprint reduction of sold products (vs 2015)

Our 2023 target was a 25% reduction of the average energy footprint of our products compared to 2015. Cutting our footprint by 30%, **we surpassed the 25% target**. This is mainly thanks to the accelerated adoption of laser projectors.

» [Read more on page 29](#)

By 2023, 75% of new products released have a Barco ECO label (hardware)

75%



% of new products released with Barco ECO label (hardware)

Thanks to the dedicated efforts of our R&D and product teams, 90% of the new hardware products released in 2023 carried a Barco ECO label (eco-score A or higher) – a 27% increase versus 2022. In this way, **we surpassed our ambitious 75% target for 2023**. Across business units, there is a dedicated funnel of new Barco ecolabeled hardware products that will steer revenues in the coming years.

» [Read more on page 28](#)

Our sustainable impact targets and progress

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

Planet - People - Communities

Barco

Integrated report 2023

Each year, aim for an improvement of the employee Net Promoter Score towards 30

30

13
2023

Since 2022, Barco has included a specific standardized E-NPS (employee Net Promotor Score) question in its annual employee survey. The E-NPS survey for 2023 resulted in a **score of 13**, close to the 2022 score, indicating 'good engagement' (0-30). Our long-term objective remains to improve this score towards 30 'great engagement'.

» [Read more on page 36](#)

Invest in learning and development

Year	Average training hours/employee (# hours)
2020	11.3
2021	10.5
2022	12.3
2023	15.8

Average training hours/employee (# hours)

For the third year in a row the **average training hours per employee have increased** (28% versus last year and even 50% versus 2021). With 99% of our employees having followed training, we reach effectively all our employees.

» [Read more on page 38](#)

Step up our efforts in diversity & inclusion

50

Number of nationalities in the global workforce in 2023

% women overall

Year	% women overall
2020	28%
2021	27%
2022	29%
2023	30%

% women in senior management

Year	% women in senior management
2020	17%
2021	16%
2022	19%
2023	18%

Barco made **progress on various diversity dimensions** in 2023. We first focused on raising awareness on diversity and creating an inclusive organization. In 2023, a **longlist of concrete actions** was launched, gradually driving change and putting the topic on the agenda across the different levels of the organization.

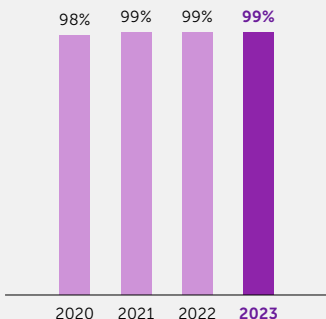
» [Read more on page 37](#)

Our sustainable impact targets and progress

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

Each year, train all our employees in Standards@Work

100%



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

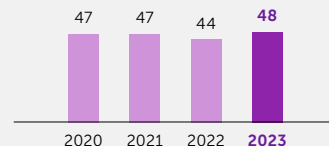
As in previous years, we trained almost all our employees (white collars) via Standards@Work, a company-wide training program including courses on ethics, environment, cybersecurity, data protection, quality and safety.

» [Read more on page 63](#)

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.

+2 yearly



Customer Net Promoter Score
Relationship NPS

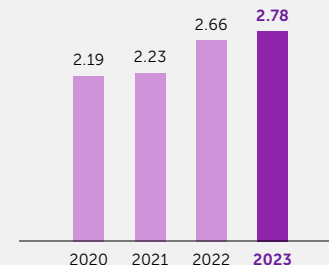
In 2023, Barco achieved its highest full year NPS ever at 48 (+4 p. versus 2022).

» [Read more on page 50](#)

3. Proactively manage information security risks

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

3.4



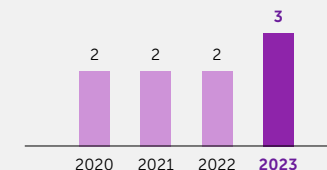
Average cybersecurity maturity score
NIST CSF

Barco's cybersecurity maturity score increased from 2.66 to 2.78 in 2023 (NIST CSF). By the end of 2025 we aim to improve that score to 3.4.

» [Read more on page 60](#)

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

+1 yearly



ISO 27001 certification (security)
of product lines in scope

The ISO 27001 certification scope including Clickshare and XMS was extended, in 2023, with the medical display manufacturing processes in Saronno, Italy. The scope will be further extended in the coming years.

» [Read more on page 60](#)

Our sustainable impact targets and progress

4. Engage our suppliers in adopting sustainable business practices

Planet - People - Communities

BARCO

Integrated report 2023

PPC

11



Looking forward: materiality assessment as our strategic compass

A materiality assessment helps organizations understand what issues matter most to their business and stakeholders. Barco performed a first, comprehensive materiality assessment in 2020 and kept it up to date over the years to make sure it reflects the latest developments in its business, market and external environment. In 2023, we completed a double materiality assessment in which we want to give a first insight. Its outcome will be embedded into our corporate strategy in 2024.

Our approach

The double materiality assessment that we performed in 2023 was a first step towards Corporate Sustainability Reporting Directive (CSRD) compliance. In line with the concept of double materiality, we identified, assessed, and prioritized the impact, risks, and opportunities, not only within Barco but also across our value chain and broader ecosystem.

We approached the assessment as a **strategic project** to capture valuable input from various stakeholder groups. In total, **290 internal and external stakeholders** – across our regions of activity – participated, encompassing the following stakeholder groups:

- Board of Directors and senior management
- Employees
- Distributors, resellers, partners, and integrators
- End-customers
- Suppliers
- Society and community representatives (industry associations, academic institutions, key opinion leaders, etc.)
- Financial institutions (including investors and analysts)

The double materiality assessment serves as a strategic compass to determine our sustainability ambitions, strategy and actions for the coming years.

Thomas Serbruyns
Vice-President Strategic Initiatives

We will translate the outcome of the double materiality assessment into Barco's value creation model (which describes how we create value to our stakeholders in the short, medium, and long term). The resulting matrix will guide us in updating and focusing our sustainability ambitions, strategy, and actions for the coming years.

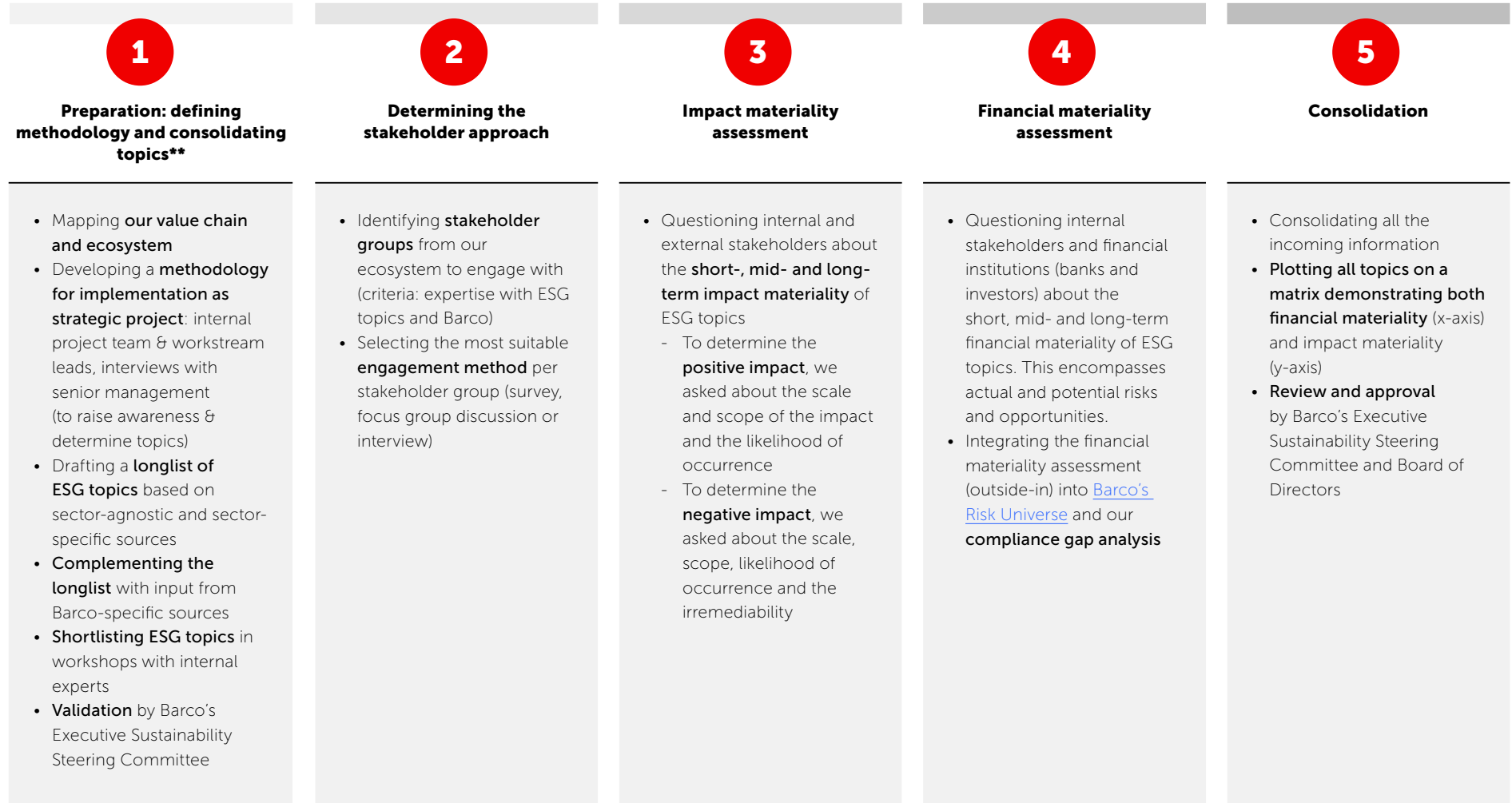
What is double materiality?

- The impact materiality: the potential and actual **positive or negative impact of Barco** on society (inside-out).
- The financial materiality: the risks and opportunities that have or may have **financial effects on Barco** (impact of society on Barco, outside-in)



Double materiality assessment: a 5-step process

The double materiality assessment consists of the following 5 steps:*



* A detailed description of the double materiality process will be published in our 2024 Integrated Report.

** The methodology developed is based upon the EFRAG guidance on double materiality (as mandated by the European Commission).

Double Materiality Matrix

The matrix shows the topics that are either impact material (y-axis), financial material (x-axis) or both for Barco:

Impact material topics – top 5:

- Sustainable product lifecycle management
- Innovation, technology & product portfolio
- Talent & career development
- Climate change & energy
- Circular economy & waste

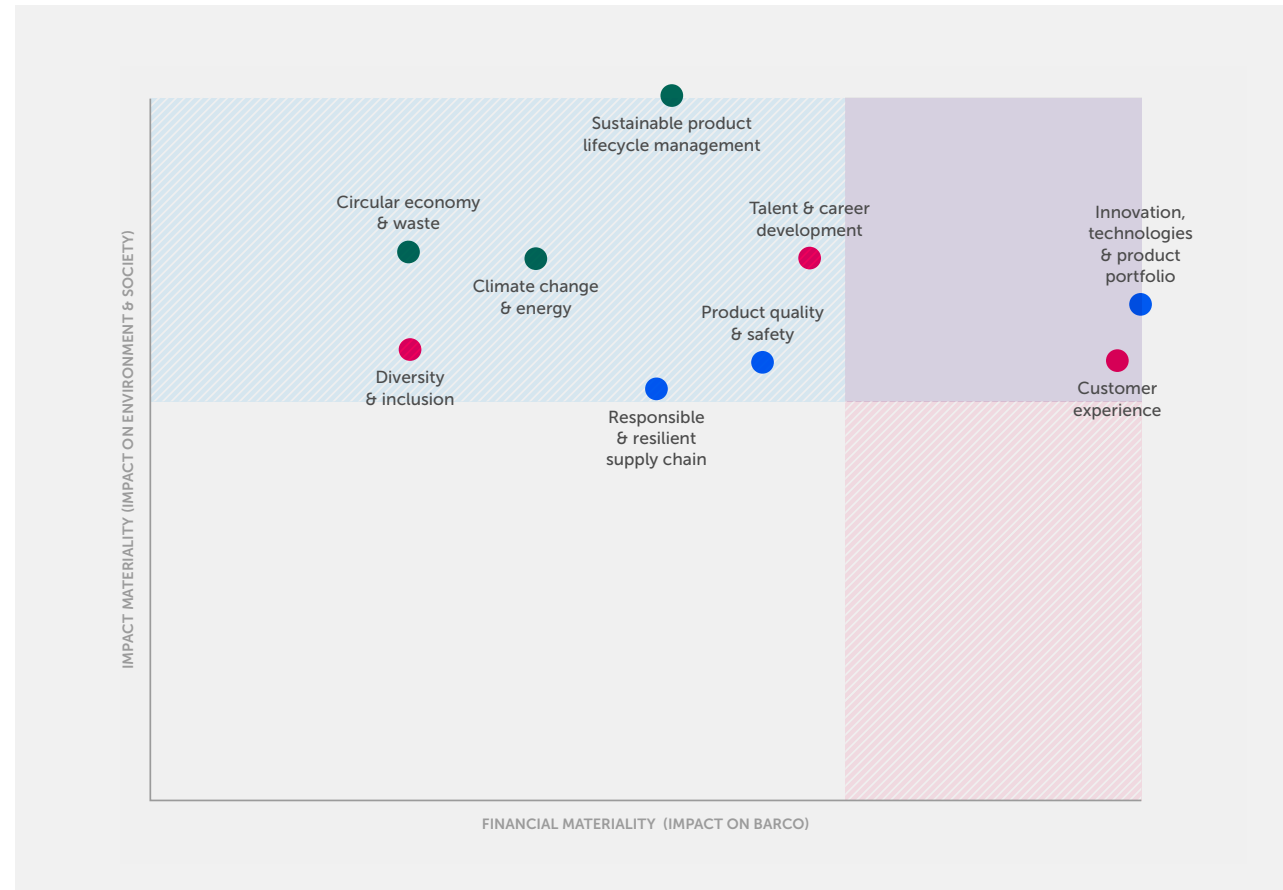
Financial material topics – top 5:

- Innovation, technologies and product portfolio
- Customer experience
- Talent & career development
- Product quality & safety
- Sustainable product lifecycle management

The following topics rank significantly higher in both impact materiality and financial materiality than in our 2020 materiality assessment:

- Innovation, technology & product portfolio
- Sustainable product lifecycle management
- Talent & career development
- Customer experience

The assessment confirms that Barco has been focusing on the right topics, i.e. topics where the impact on society or the impact on Barco is the highest, and motivates us to intensify our initiatives in these domains. Moreover, as Diversity & inclusion and Circular economy & waste appear to be strategically important topics to our stakeholders too, we will also strengthen our commitment in these areas.



In the coming years, we aim to refine the double materiality assessment and make it more dynamic, and data driven.

For a description of the material topics, check the table in the Annex of this Report on planet, people and communities.

Next steps

The outcome of the double materiality assessment will be translated into Barco's corporate strategy, serving as a basis to update and focus our sustainability ambitions, strategy and actions for the coming years. This means refining or defining KPIs, targets, policies and action plans for every material topic. We will also keep setting a high standard on other important ESG topics. As of 2025 we will publish our annual integrated report in line with the Corporate Sustainability Reporting Directive (CSRD).

How the UN Sustainable Development Goals guide Barco's strategy

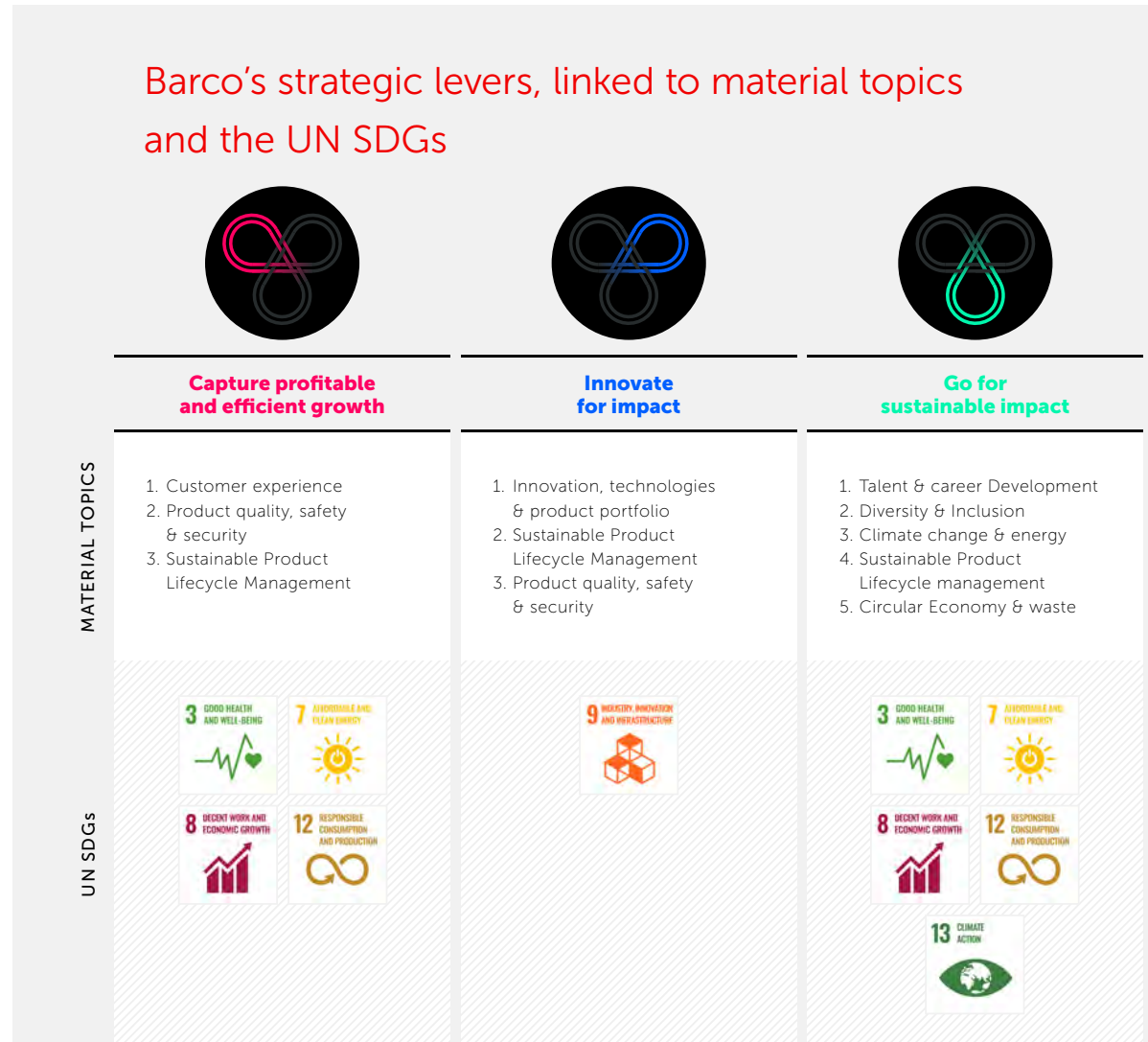
We use the United Nations Sustainable Development Goals (SDGs) as a guideline to shape our strategy and ambitions. Defined in 2015, the SDGs consist of 17 global goals with a 2030 deadline. All 193 countries in the UN General Assembly adopted this resolution.

We realize these goals cannot be met without support from the global business community. Our approach to supporting the SDGs is to focus on the goals where we can have the most impact, while screening and implementing actions that contribute to the other goals as well.

To identify the SDGs where Barco can make the most impactful difference, we start from the material topics that our stakeholders determined in our **double materiality assessment** and from **Barco's strategy**. 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's strategic levers, linked to material topics and the UN SDGs



*A description of the material topics can be found in the [annex](#).

We aim to be part of the sustainability solution.

"A market leader with an extensive track record in sustainability": that's how Dries Vanneste knew Barco when he pursued the role of sustainability manager. Since early 2023, he has been steering and advancing our sustainability strategy. What are his first impressions, challenges, and outlook? We got together and asked him.

What makes you proud?

Does the perception you had when joining Barco still resonate strongly? Is Barco setting the tone in sustainability?

Dries: Barco has been accelerating its sustainability journey since 2015. That makes us **one of the early adopters and a role model in the tech industry**. In fact, the push came from one of our customers, who asked us to measure our carbon footprint and report it to the Carbon Disclosure Project. We began by drafting an action plan to curb our CO₂ emissions and since then our work has never stopped

Barco is, of course, a global company. Is sustainability key in every country where Barco is active?

Dries: Sustainability is part of Barco's DNA, so this really is a global effort. We team up across divisions, business units, and country borders to improve our environmental and social impact. So yes, **we are also translating sustainability actions towards our regional offices**. In Europe, the Green Deal keeps us particularly sharp, but China and the US are clearly accelerating their efforts too.

Every Barco business unit incorporates sustainability targets within its strategic marketing plans and even our performance bonuses include sustainability KPIs. These are pretty ambitious commitments.

Dries Vanneste
Sustainability Manager

Could you illustrate Barco's frontrunner role with some examples?

Dries: Every Barco business unit incorporates sustainability targets within its strategic marketing plans and even our group performance bonuses include sustainability KPIs. These are pretty ambitious commitments.

If I look back on the past year, I'm especially proud about the **substantial increase in revenue from products with the Barco ECO Label**, i.e. products that perform exceptionally well according to our ecoscoring methodology. This is the result of hard work of our R&D and product teams. Also, the methodology, which scores products throughout their lifecycle, is unique in our industry.



Challenges along the way?

As really all eyes are on ESG these days: what are your main challenges along the road?

Dries: Data collection and (lifecycle) management are among our biggest challenges. **We need high-quality, non-financial data to be able to constantly improve our performance** and meet the upcoming reporting requirements. Moreover, data and insights are also the way to make reliable sustainability claims and avoid unintentional greenwashing. Still, it's not easy to capture the complex data from an extensive range of sources, process it, and transform it into useful, meaningful results. In 2023, we appointed a dedicated Sustainability Controller to help us drive this initiative forward. In the meantime, we've drafted a sustainability reporting roadmap to prepare for CSRD.

CSRD introduced the concept of double materiality. Is Barco ready to report on it?

Dries: Double materiality requires us to consider how our actions impact people and the planet, and vice versa. In fact, **we have just conducted a double materiality assessment.** We consulted a wide range of internal and external stakeholders to understand how they view our sustainability strategy, ambitions, and actions. Stakeholders valued the consultations and their input was really valuable for us. In the meantime, we have shared the insights across the different business units. Based on the results, we will shape the agenda for our sustainability strategy of the coming years, which we'll reveal in the 2024 integrated report.

Could you give us a sneak peek? Any remarkable outcomes you can share?

Dries: The stakeholder consultation validated our existing material topics, but did reveal some aspects where we should move into a higher gear. **Diversity & Inclusion and circular economy will need more focus in the future.**

A bright tomorrow

How will Barco's sustainability strategy look within 5 years?

Dries: Well, a sustainable business is not built overnight. It's a process. We will keep up our efforts on material topics like mitigating climate change, ensuring product stewardship, product quality, safety and security, nurturing talent, driving sustainable innovation, etc., and add new topics to our roadmap. **One of the focus areas in the coming years will be to set new, ambitious greenhouse gas emission reduction targets beyond 2025 and determine action plans to achieve these targets.**

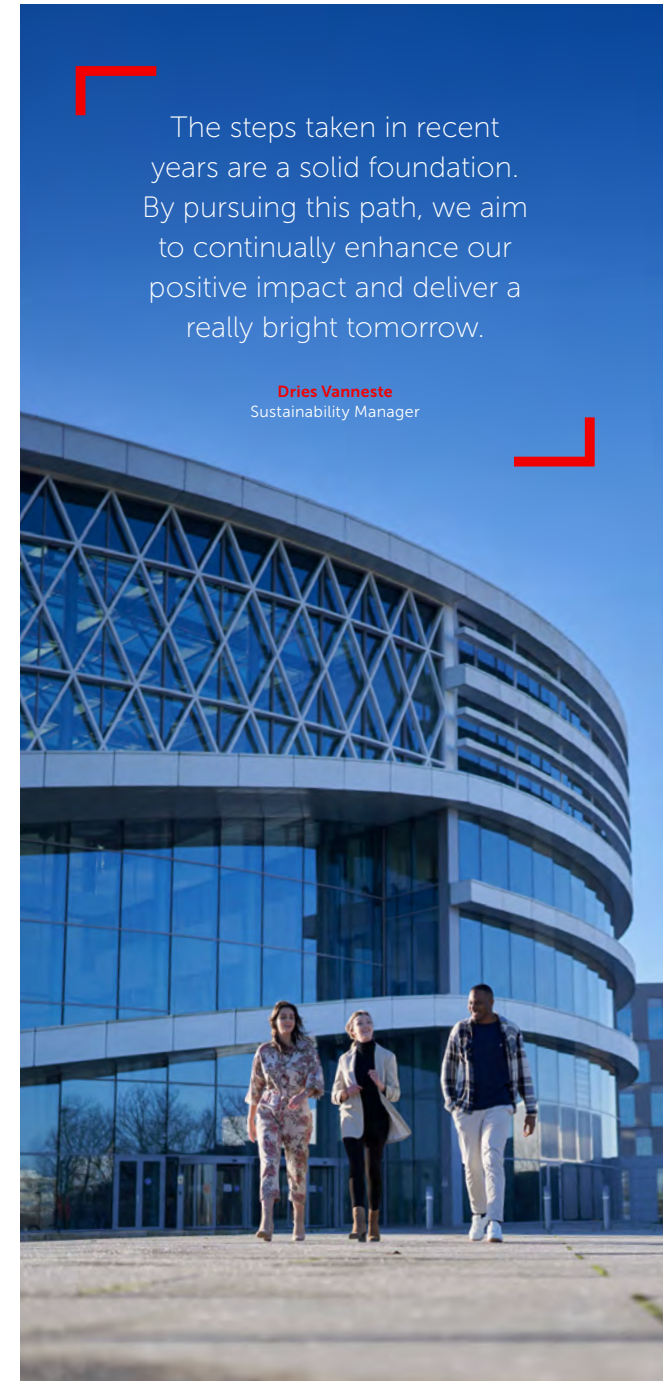
Yet, more than reducing our negative impact, we wish to be part of the solution too, by increasing our positive impact on planet and people. Our healthcare applications, for example, and collaborative technology solutions like ClickShare, can help drive sustainability around the globe.

The steps taken in recent years are a solid foundation. By pursuing this path, we aim to continually enhance our impact and deliver a really bright tomorrow for our ecosystem and the world at large.

Looking for more sustainability insights? Check out [the roundtable discussion](#) on sustainable visualization, featuring Sustainability Manager Dries Vanneste, and his colleagues Jan Daem, Product Compliance Manager, and Tom Bert, Vice President Product, Cinema

The steps taken in recent years are a solid foundation. By pursuing this path, we aim to continually enhance our positive impact and deliver a really bright tomorrow.

Dries Vanneste
Sustainability Manager



Our sustainability performance

Planet - People - Communities

Barco

Integrated report 2023



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

** 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.

✓ 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 and 2023 (see [assurance report](#)). All KPIs related to CO₂ emissions have now been covered by this limited assurance exercise.

✓ The assurance opinion on the 2021 and 2022 indicators subject to limited assurance can be found in the [2021](#) & [2022](#) PPC report.

Our roadmap towards sustainable impact: key initiatives and action plans

1. Take science-based climate action

1.1 Total GHG emission reduction

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.

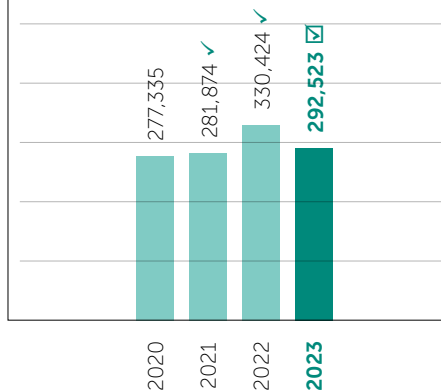
Our absolute target is to reduce scope 1, 2, and 3 greenhouse gas emissions by 45% by 2025 from a 2015 base year. This target was approved by the Science Based Targets initiative in March 2021.

We managed to reduce our emissions by 11% versus 2022. As our emissions are 63% lower than the 2015 levels, we are on course to surpass the 45% reduction target set for 2025.

In 2023, we further integrated greenhouse gas emissions reduction targets in the forward-looking strategic plans of every business unit. Also, we started working on a mid-term 2030 greenhouse gas emissions reduction target and thinking how to achieve the long-term net zero 2050 target.

Total greenhouse gas emissions (absolute)
tonnes CO₂e

TARGET 2025: -45% vs 2015



Companies like Barco, that manage to align an ambitious climate strategy with their business strategy, can truly turn the climate change challenge into concrete opportunities. They will reduce costs, lower risks, strengthen their brand reputation, and even have the chance to explore new business.

Serge de Gheldere

Founder & CEO Futureproofed, part of Sweco



1.2 Own operations: lowering energy consumption

At the end of 2023, total energy (electricity and fuel) consumption in our facilities amounted to 29.2 MWh/mio euro revenues – a 34% decrease against the 2015 baseline (44 MWh/mio euro revenues). This means that **we achieved our 2023 target**: to reduce energy consumption by 15% compared to the 2015 base year (37.6 MWh/mio euro revenues). Even more, we exceeded our relative reduction target by 22%.

In 2023, we further cut **total energy consumption** versus 2022, mainly thanks to a significantly lower gas consumption in our Atlanta (US), Karlsruhe (Germany) & Frederikstad (Norway) facilities (partly due to the mild winter). Moreover, we further reduced the overall energy footprint of our facilities, specifically in Karlsruhe and Frederikstad. Engaging employees in our commitment to energy efficiency – via our internal communication channels, the mandatory Sustainability Standards@work training and the compliance challenge – greatly helps to achieve our ambitious reduction targets.

As the share of gas in the total energy consumption lowered, the **share of electricity** rose sharply, in 2023, to 62%, mainly because of the increase in electric company vehicles at our Kortrijk campus.

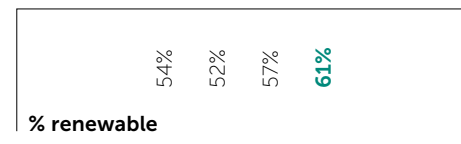
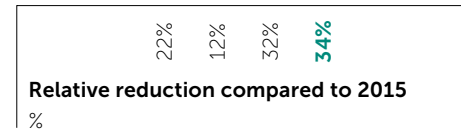
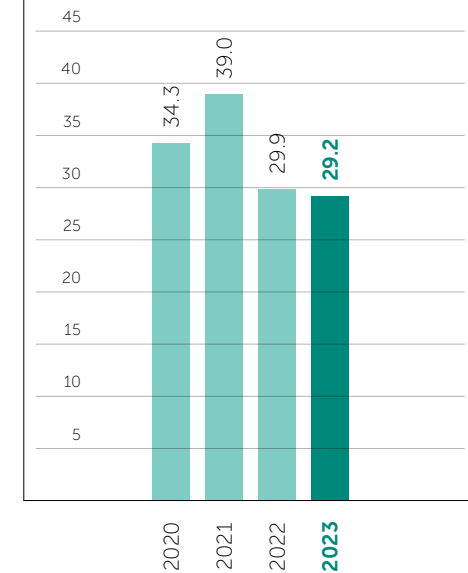
Barco's **energy consumption from renewable sources** rose to 61% of the total, the highest level ever, mainly thanks to the switch to renewable electricity in our main sites across the globe. We expect the share of renewables in our energy mix to further increase.

A key effort in that regard is the **wind turbine** that we want to install at our One Campus site in Kortrijk (Belgium). With a projected annual production of 11,290 MWh, it would cover the power consumption of the entire campus, while the surpluses could be stored and shared. After several years of preparation, we obtained a permit from the province of West-Flanders and, in appeal, the Flemish Minister responsible for Environment. Following the petitions filed by four neighbors, the permit is now undergoing a judicial review by the Council of Permit Disputes. We are hopeful that the judicial review procedure will turn out favorably for Barco.

Energy consumption in own operations (relative)

tonnes CO₂e / mio € revenues

TARGET 2025: -15% vs 2015



1.3 Own operations: lowering emissions from logistics, mobility, and infrastructure

Own operations' emissions entail all emissions from infrastructure (energy, refrigerants, & waste on site) and from mobility (company vehicles, business travel, & employee commuting), as well as logistics emissions (air, train, & sea transport) – in other words: scope 1, 2, as well as upstream scope 3 emissions (excluding emissions from purchased goods & services and capital goods).

The greenhouse gas emissions from our own operations amounted to 37.1 tonnes CO₂e / mio € revenues – a relative reduction of 54% compared to the 2015 baseline (80.5 tonnes CO₂e / mio € revenues). This means **we surpassed our 35% reduction target by 2023** compared to the 2015 baseline.

This accomplishment is credited to the dedication of our global operations and supply chain community, which drove

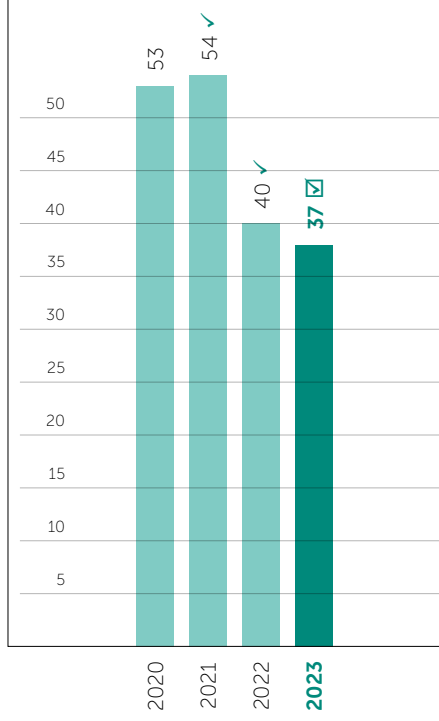
- a modal shift from air to sea freight transport
- electrification of our company fleet
- a switch to renewable electricity in our manufacturing and R&D plants

The 35% reduction target has been integrated into the employee bonus program, rewarding employees for the proportion of the target achieved. Looking forward, we will take further actions to reduce our absolute carbon emissions from logistics, mobility, and infrastructure in order to achieve our -45% absolute carbon emission reduction target by 2025 vs. 2015.

Greenhouse gas emissions of our own operations

tonnes CO₂e / mio € revenues

TARGET 2023: 52.3 (-35% vs 2015)



Year	Relative reduction compared to 2015 (%)
2020	34%
2021	33%
2022	51%
2023	54%

Logistics

Logistics, i.e. the transport of incoming goods and outgoing finished products, was responsible for 70% of Barco's own CO₂ emissions in 2023. Overall logistics-related greenhouse gas emissions dropped by 50% from the 2015 base year (52.2 tonnes CO₂e / mio € revenues). This means we **achieved our 35% reduction target by 2023** vs 2015. Compared to 2022, we reduced the overall logistics-related greenhouse gas emissions by 14%.

The **shift from air to sea freight** picked up again in the second half of 2022 and accelerated in 2023, particularly for major interregional movements. As a result, 47% of our total transport kms was covered by deep-sea shipping in 2023, surpassing 2020 levels.

It is our ambition to keep working proactively on the modal shift in the coming years. We actively collaborate with partners and customers, proposing alternatives for air shipments. There are opportunities to further increase the tonnage transported by sea on the Belgium-US lane, the second-highest in CO₂ emissions, where significant air freight volumes still exist.

More than that, we continued working in 2023 on:

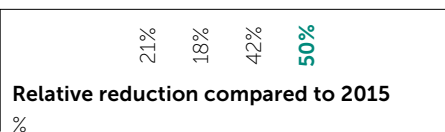
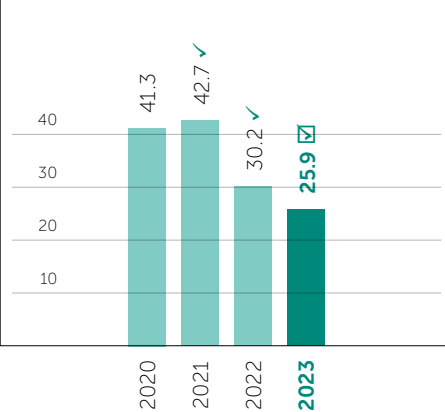
- **Re-designing packaging for logistics:** when designing new products, we choose smaller and lighter packaging, in order to reduce the volume and/or the weight of fast-moving appliances. Packaging/logistics is one of the four domains in our [ecodesign program](#).
- **Modular product design:** as more new Barco products are built on existing platforms, only the final customization must 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.

In 2023, we further invested in shortening our supply chains, by moving production to China for Chinese markets. We will further monitor the impact of our focused factories strategy on the carbon emissions from logistics.

Greenhouse gas emission logistics

tonnes CO₂e / mio € revenues
TARGET 2023: 34 (-35% vs 2015)



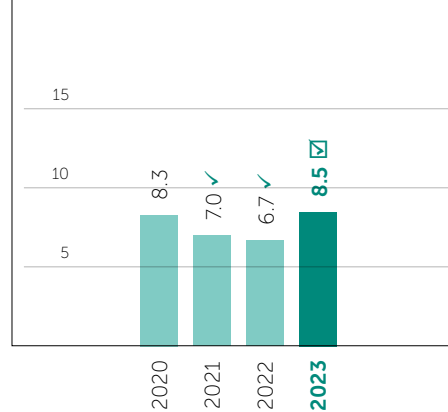
Mobility

The second-largest source of greenhouse gas emissions from our own operations is mobility: business travel, company cars, and commuting. In 2023, mobility accounted for 23% of Barco's CO₂ emissions from own operations.

Overall mobility-related greenhouse gas emissions dropped by 55% between the 2015 base year (19.1 tonnes CO₂e / mio € revenues) and 2023. This means we **achieved our target to reduce emissions by 23% by 2023** vs. 2015.

Greenhouse gas emissions from business mobility

tonnes CO₂e / mio € revenues
TARGET 2023: 15 (-23% vs 2015)



Compared to 2022, there was an increase of 26% of mobility emissions, which was due to the following trends:

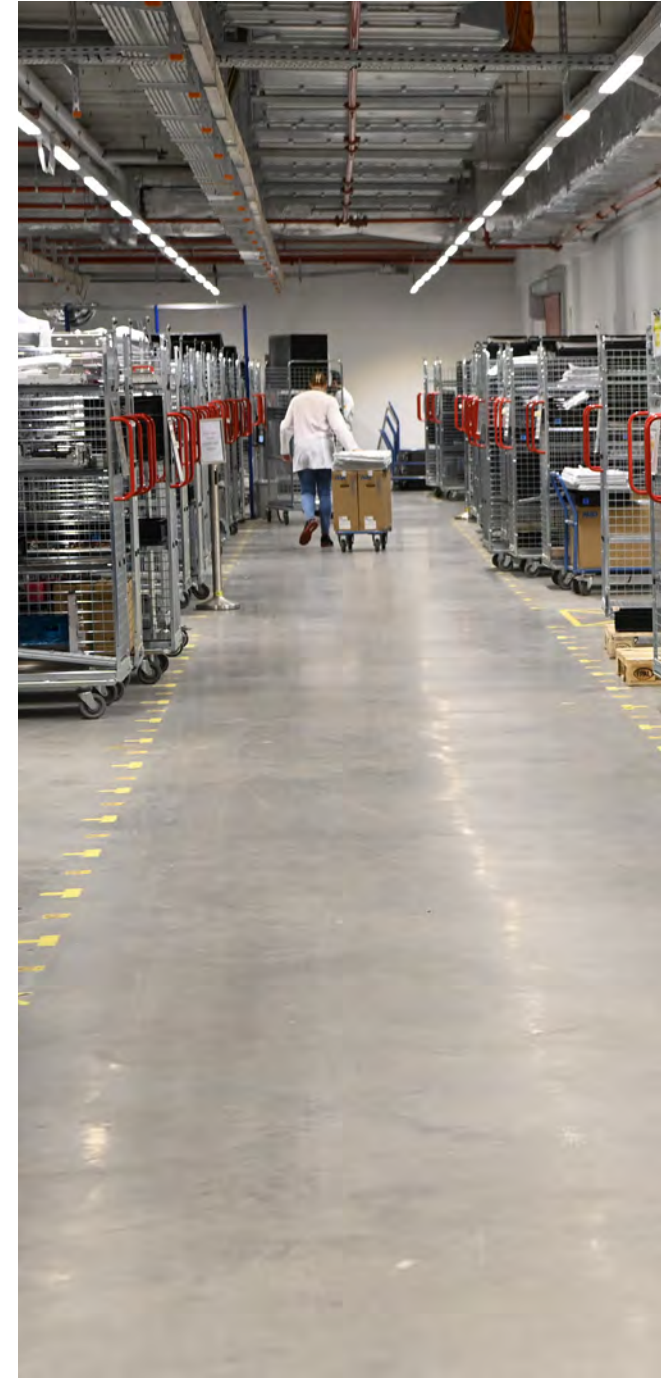
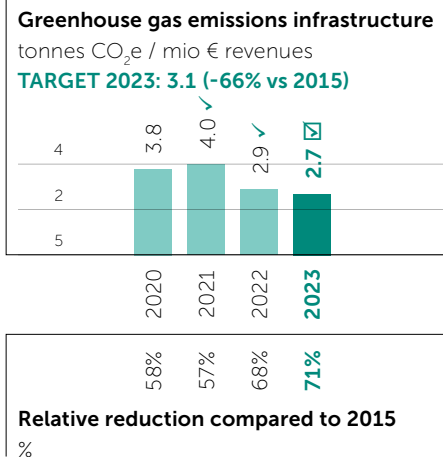
- Business travel** (travel via air and train accounting for 54% of mobility emissions) increased significantly after a spectacular drop in previous years due to covid-19 restrictions. We wanted to give our people the chance to reconnect with their colleagues, keeping the 'Barco travel policy in mind'. We expect the business travel volumes to further increase in 2024, but are working with our business travel partners on concrete initiatives to reduce business travel emissions.
- We continued the transition to electric **company cars** (19% of mobility emissions are related to our company cars): over 50% of our fleet are now EVs (300+). By the end of 2023, the Kortrijk site boasted 206 charging points, mainly thanks to extra investments in charging stations and an extra high voltage transformer. We will keep up our electrification efforts and further reduce company cars-related CO₂ emissions.
- Emissions from **employee commuting** (27% of mobility emissions) remained lower than in pre-covid times, as many employees prefer to keep working remotely at least some of the time – which Barco's HR policy facilitates. Next to this, we continued investing in hybrid meeting rooms with ClickShare Conference, which ensures an inclusive and efficient meeting culture. +

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 2023, 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 71% between 2015 (9.2 tonnes CO₂e / mio € revenues) and 2023 – largely thanks to the switch to renewable electricity in all our R&D and manufacturing sites. We achieved our target to reduce infrastructure-related greenhouse gas emissions by 66% by 2023 vs 2015.

As mentioned earlier, gas consumption was at an all-time low level (-20% versus 2022), while electricity consumption from renewable sources soared to 61% of total energy consumption.



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

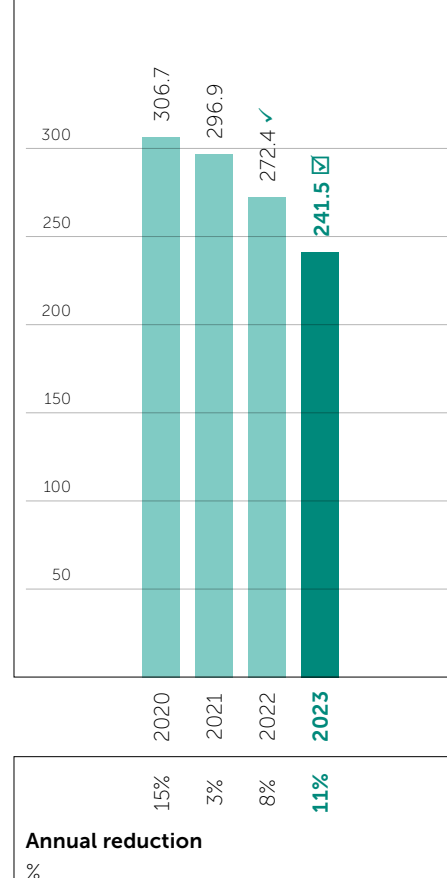
Product-use emissions (scope 3 category 11), resulting from the use of our products at customers' sites, stand out as Barco's largest emission source. Particularly our projectors (Cinema & Immersive Experience business units) and control room solutions (Large Video Wall Experience) contribute to product-use emissions.

In 2023, these emissions totaled 241.5 tonnes CO₂e / mio € revenues, a 11% drop in relation to 2022. From 2015 to 2023, product-use emissions decreased by 65%, driven by our continuous focus on improving the ecoscore (including energy efficiency) of our products. In this way, we help reduce the environmental (including carbon) footprint of our customers.

Looking ahead, the transition to more software solutions in our control room business will further decrease product-use emissions. This reduction will be amplified by the accelerating shift from traditional lamp-based to laser projectors, offering enhanced capabilities with lower energy consumption. Continued innovation in projector and control room technology will play a crucial role in further driving down product-use emissions.

Based on Life Cycle Assessment (LCA) results (see more detailed information further in this report), we will be able to refine the environmental impact hotspots (including the most impactful carbon emission categories) of our products across their lifecycle. This will allow us to take more targeted actions. Detailed calculations for product-use emissions can be found in the [Annex](#) of this report.

Greenhouse gas emissions of sold products (product use emissions)
tonnes CO₂e / mio € revenues



Barco receives Philips Supplier Award for Sustainability

On 1 June 2023, Worldwide healthcare technology leader **Philips** awarded Barco the **Supplier Award for Sustainability**. Philips is one of Barco's long-time, valued strategic partners.

Scott Schwartz, Chief Procurement Officer at Philips comments: "Barco has made consistent sustainability efforts since 2015 such as reducing the carbon emissions of their own operations by 50%. They show a strategic approach towards sustainability, which is reflected in their day-to-day work and proposals for new product introductions. On top of that, they are proactive in the submission of sustainability documentation and don't need any follow-up. That makes conversations and agreements about the topic easy to have."

Johan Fornier, EVP Surgical & Modality: "The Supplier Award for Sustainability represents excellent teamwork – between both the Philips teams and our own product and sustainability teams. We thank Philips for the excellent partnership that we enjoy with them. We look forward to continuing and growing our sustainability efforts together."

2. Product Stewardship: lowering the environmental footprint of our customers

2.1 Refining our ecodesign approach

Back in 2017, we released our ecoscoring tool, an objective tool to determine the environmental performance of our products. It assesses products on four domains: energy performance, use of materials, packaging/logistics, 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 the tool towards external stakeholders, we submit it to an annual external audit under the framework of the ISO 14021:2016/Amd 1:2021 standard (limited assurance). The audit ensures that the methodology of our ecoscoring tool is clear, complete, reliable, objective and based on relevant impact aspects.

Most important updates in 2023

We continuously enhance our ecodesign strategy and tool to anticipate and comply with new regulations, meet challenging customer demands, and adapt to evolving eco-design procurement technology.

2023 highlights include:

- Implementing the **capability to perform full Life Cycle Assessments (LCA)**. This will allow us to calculate the environmental impact of our products and solutions across their lifecycle and integrate this into our ecoscoring methodology. To do so, we invested in state-of-the-art AI-based LCA tooling. The LCA of our CX-50 second generation ClickShare was performed, resulting in a CO₂-Neutral label.



ClickShare reaches new sustainability heights with CO₂[®] Neutral Label



An interview with Frederick Morlion, Business Health & Supply Chain Manager

What do you do if you meet the highest standards you set yourself? You go looking for new challenges. At least, that's what the team behind our ClickShare product range did. The second generation of our ClickShare CX-50 has become one of the world's very first carbon-neutral wireless conferencing systems, and now boasts the CO₂ Neutral Label.

Logical next step

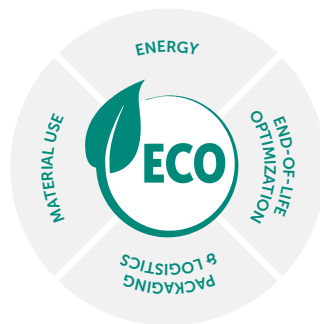
In 2022, ClickShare's CX-30 and CX-50 solutions both achieved A++, the highest label in our ecoscoring system. But that doesn't mean there was no more room for improvement. "ClickShare has always been one of Barco's **best-in-class products** when it comes to sustainability", says Business Health & Supply Chain Manager Frederick Morlion.

"We realized the obtaining an A++ ecoscore for our new product range was ambitious, but realistic because we could reuse expertise from previous projects where we had achieved an A++ ecoscore. Since resting on our laurels is not at all part of Barco's DNA, we went looking for another way **to keep raising the bar**. We quickly agreed that creating one of the world's very first

- Kicking off the Eco-Platform design funding project with KU Leuven University. By assessing our existing ecoscore methodology, the university will help us pinpoint gaps and embed ecodesign in the tooling set of our R&D engineers.

Developing a methodology to **assess the sustainability performance of software**.

- Investigating the impact of the draft Green Claims Directive and Digital Product Passport and integrating it in the ecoscore.
- Adding more detailed data to our ecoscoring process (e.g. data on recycled contents, long-time battery performance) to boost its accuracy.
- Raising the financial incentive in the employee bonus program, which rewards employees for the proportion of ecolabeled revenues in the total revenues.
- Embedding the ecoscoring tool and practices in 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.



» [Read all about the ecoscoring tool on our website](#)

carbon-neutral wireless conferencing systems was the logical next step.”

Go all the way

The result: a CO₂ Neutral Silver label by climate advisory organization CO₂logic. “The label indisputably guarantees that we’ve significantly reduced our CO₂ emissions throughout the product lifecycle,” Frederick explains. “From the very start of the project, CO₂logic stated clearly that we had to show ambition and go all the way in our CO₂ reduction. So that’s what we did.”

The remaining carbon emissions associated with the production and use of our CX-50 second generation are offset through the Qianbei Afforestation Project. “We chose a project with a highly visible impact on our planet,” Frederick

clarifies. “By strategically planting trees, the project transforms wasteland into a thriving forest in the Guizhou province in South China.”

Keep pushing

Frederick is thrilled with the progress made in 2023. “All our customers increased their sustainability commitments, and I’m proud that Barco can help them in achieving their goals. That’s not just something we achieved last year, but a mindset we’ve had for several years now. We consider it our duty to continue pushing our boundaries and to keep lobbying within our sector to move our suppliers, customers, and other stakeholders to do the same.”

» [Read more on our CO₂ Neutral Label here](#)

4 routes to carbon neutrality

The ClickShare team reduced the carbon footprint of the ClickShare CX-50 second generation with specific actions in the four critical areas that also make up Barco’s ecoscoring methodology.

1. Energy performance: we improved energy efficiency and are compliant with the strictest requirements for standby mode, outperforming all our competitors.

2. Materials: the CX-50 second generation is made with 100% non-painted, recyclable plastics and halogen-free printed circuit boards (PCBs).

3. Packaging & logistics: we use fully recyclable, biodegradable sugarcane packaging and ship the products by sea whenever possible to minimize our logistic footprint.

4. Lifecycle: within our Trade-in Program, we recycle customers’ old hardware in an eco-conscious way and replace it with our carbon-neutral alternative.

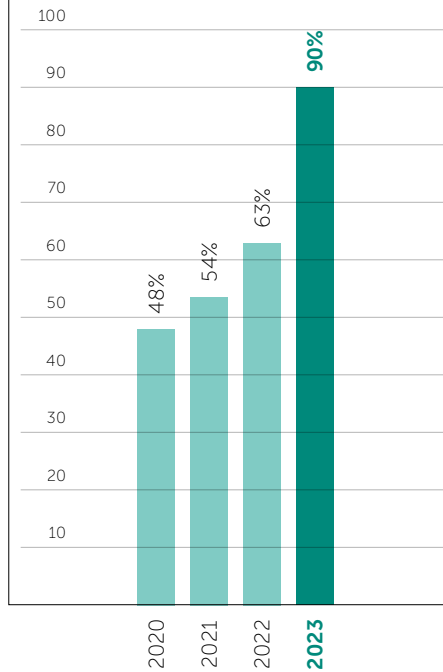
A look at our targets

Thanks to the dedicated efforts of our R&D and product teams, 90% of the new hardware products released in 2023 carried an ECO label (ecoscore A or higher) – 27% increase from 2022. In this way, we **surpassed our ambitious 75% target in 2023**. Across business units, there is a dedicated funnel of new A-labeled hardware products that will steer revenues in the coming years.

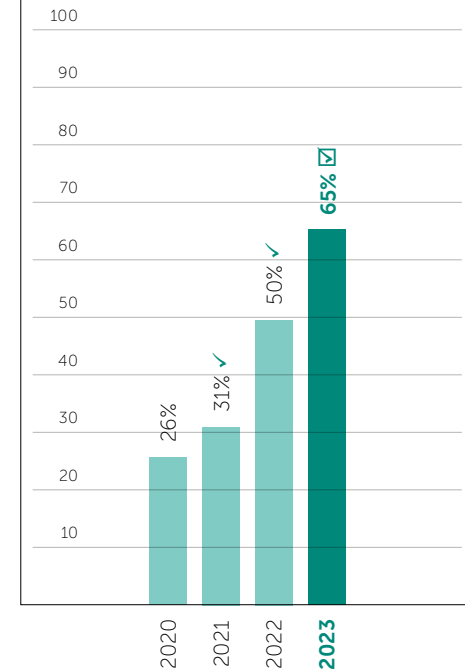
Focusing on the sustainability of our best-selling products, we aimed to derive 70% of our (product & project) revenues from ecolabeled products by the end of 2023. This target has been included in our employee bonus program, together with the emission reduction target for our own operations. **Although the ambitious 70% target was not quite reached**, we worked hard and made substantial progress, **achieving 65%**. Since 2021, revenues from ecolabeled products have risen from 31% in 2021 to 50% in 2022 and eventually 65% in 2023.

In 2024, however, we want to achieve the 70% target and we aim for 75% by 2025. Both are lofty goals since we will broaden the scope of the calculation to consider all revenues, including software and services.

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



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



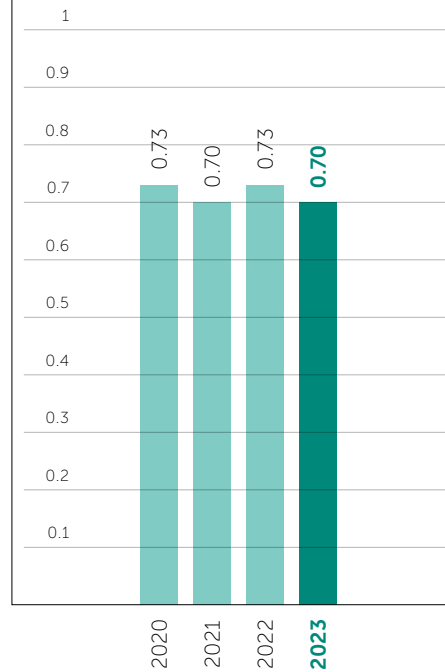
2.2 Improving the energy efficiency of our products

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

Enhancing energy efficiency is, however, not easy as the market expects an ever-improving performance of visualization solutions, which requires a higher energy consumption. We therefore measure energy consumption relative to delivered capability (brightness, resolution, luminance, etc.) in "watt/delivered capability".

Our 2023 target was a 25% reduction of the average energy footprint of our products compared to 2015. We managed to cut the footprint by 30%, **surpassing our 25% target**. This is mainly thanks to the growing adoption of laser projectors, which consume less power (-50 to -70%) than lamp-based systems, while delivering higher performance. Continued smart innovation in video wall and projector technology will help us further reduce energy consumption.

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



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



Our G50 projectors have a market leading energy efficiency of up to 18 Lm/W



3. Circular economy & waste

3.1 Improving waste management in our own operations

The two main sources of solid waste at Barco are **packaging materials** (waste from operations) and **waste from repair activities** in our US site.

At the end of 2023, the **total solid waste** was 1.30 tonnes/mio euro revenues – a 7,5% increase compared to 2022 (1.20 tonnes/mio euro revenues). This is due to the high number of repair activities at our US offices.

First and foremost, we aim to minimize the amount of waste from operations, especially non-sorted waste, by

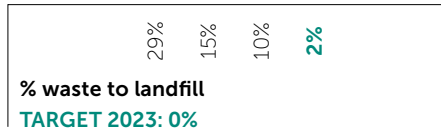
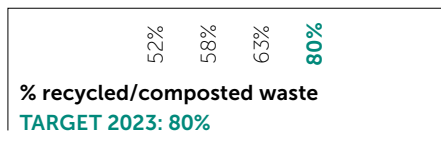
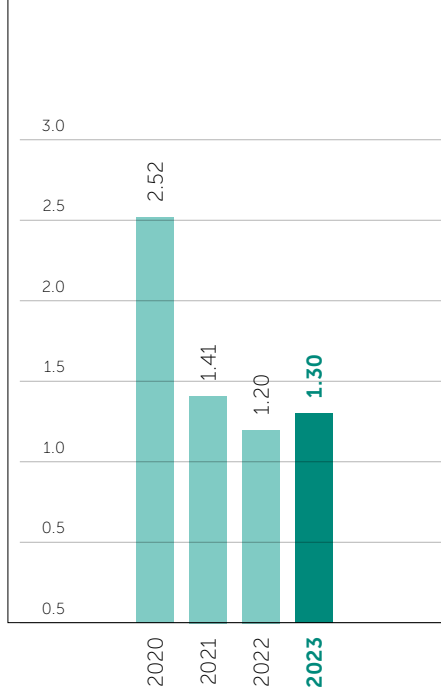
- guiding suppliers of incoming components and products on how to reduce packaging
- raising awareness amongst suppliers to use recyclable packaging materials
- by inciting employees to sort waste efficiently and correctly. Waste recycling is part of our 5S audit system, where the presence of the different waste recycling bins is checked.

In 2023 the solid waste in operations **recycling rate** rose to 80%, achieving our 2023 target. This is the highest rate ever achieved (+17% versus 2022), mainly thanks to the selection of better waste recycling partners in the US.

While waste from operations is approaching the minimum, we did generate extra waste in our repair activity at our US offices. In 2023 we also aimed for landfilling zero waste. Here, too, we reached an **all-time low percentage of landfilled waste** in 2023: 2% versus 10% in 2022. We aim to send zero waste to landfill in 2024.

Solid waste generated in own operations

Tonnes / mio € revenues



3.2 Offering circular solutions

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

Circular product design

Our ecodesign program embeds several criteria to boost the circularity of our products: improving the **upgradability and modularity**, facilitating the **repair**, and increasing the use of **recyclable and recycled materials**, both in the products and in their packaging.

In 2023, 10% of new products launched contained post-consumer recycled (PCR) plastics, down from 12% last year. This decrease is mainly due to the fact that we launched proportionally more healthcare devices and equipment, which require stricter plastic mechanical specifications and cosmetic requirements. We are investigating and testing different PCR plastic solutions that are safe for use in healthcare environments too, in order to boost the amount of PCR plastics used in our product .

The ecodesign program also focuses on **improving material efficiency**, by, for example, making our products more robust/long lasting, optimizing the packaging volumetric weight, reducing the number of accessories, or digitizing our manuals. In 2023, material use intensity was 3,272 kg / mio € revenues versus 3,511 kg / mio € revenues in 2022.

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, we help establish an objective measuring methodology for the reparability and recyclability of products, thus improving their circularity.

Stepping up our efforts: Life Cycle Assessment

As mentioned above, we have been performing Life Cycle Assessment (LCA) studies since 2022 to quantify the environmental impact of Barco products and services. The LCA results encompass about 16 environmental impact categories, including carbon footprint but also aspects like acidification and mineral resource depletion. The LCA tool will help us validate decisions considered during the ecodesign program, ensuring that the choices we make help avoid and/or reduce the burden on the environment. In this way, we are stepping into the next phase of quantitative sustainability assessment.

By integrating Life Cycle Assessment results in our R&D design process we can make more sustainable decisions from the early design phase, in order to further decrease the environmental footprint of our products.

Madeleine Vandenaabeele
Environmental Sustainability Engineer



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 basic first step in a circular economy. Every Barco product comes with 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 2023, 68% 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.

In line with the **Extended Producer Responsibility (EPR)** legal requirements, Barco must pay upfront for the recycling of all electronic waste, batteries and packaging placed on the different markets. In 2023, we signed several additional contracts with waste compliance schemes around the globe in order to comply with EPR and duly monitor our waste streams.

» [Read more on our website](#)

Keeping up our frontrunner position

To increase transparency into product composition and 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 that 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% of active components in 2023) and Restriction of Hazardous Substances (RoHS) certificates with the applicable exemptions. That makes us a pioneer when it comes to providing transparent and up-to-date information. Further regulatory outlooks have triggered us 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)

A new Circular Economy KPI

In 2023, we started developing a Circular Economy KPI to promote the adoption of circular business models, products, and solutions across all Barco divisions. This new KPI, set to be measured from 2024 onward, will help us address the End-of-Life (EoL) of our products by encouraging practices such as reuse of components, product-as-a-service, refurbishing, and reconditioning. More than designing for an extended lifetime of our products or avoiding the EoL as much as possible, this KPI will drive tangible actions to minimize the environmental impact of Barco solutions during the entire lifecycle and increase materials use efficiency.

Modularity driving the way towards circular economy in the LCD video wall

Our Large Video Wall Experience team has been working hard to introduce modularity into the world of LCD video walls.

In 2023, they launched the UniSee upgrade program, based on two circular economy concepts: upgradability and modularity. By maximizing the compatibility and modularity of the components – mechanics, cabling, input electronics, power supplies, and accompanying cables – used in the different devices of the UniSee family, customers can now upgrade their existing UniSee products to UniSee II, the latest LCD technology.

With over 4,000 video walls in scope, this program will significantly improve materials use efficiency and reduce our impact on raw materials depletion and associated environmental pollution. At the same time, it will extend the useful lifetime of components and improve the circularity of the video wall. In addition to the numerous environmental benefits, this new program also helps our customers to secure their investments and upgrade their devices to the latest technology.

4,000

video walls in the scope of the UniSee upgrade program





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

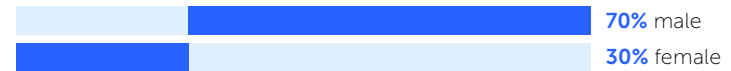
Each year, aim for zero work accidents

The people of Barco

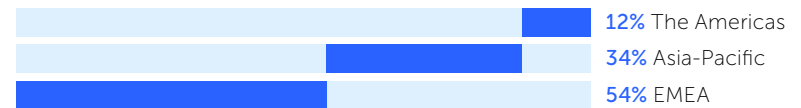
Number of employees



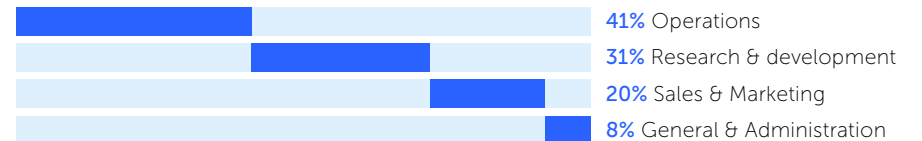
Gender



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: a retrospect on 2023

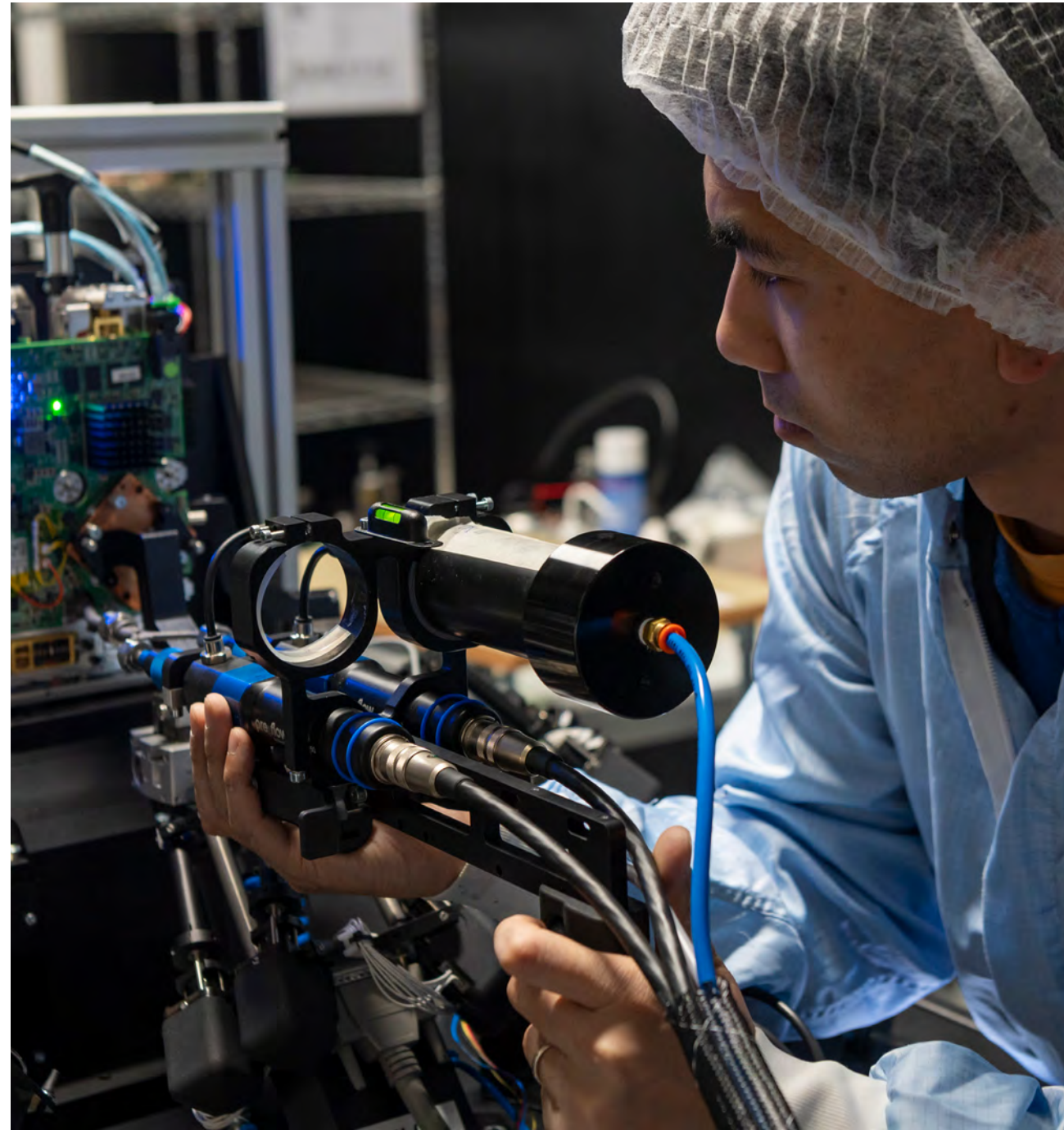
The year 2023 was marked by ‘building the future’. While the reorganization kicked off at the end of 2021 continued, we were also able to focus on continuous improvement, shaping the future of our teams and Barco. Two key programs stood out:

Our digital HR transformation journey

- » **Barco Assist**, our brand-new digital service platform, equips our employees with a knowledge base and a ticketing system to address their HR- and IT-related FAQs. It ensures a more efficient workflow for both our HR and IT teams and frees up time for them to focus on value-added tasks.
- » To further raise efficiency levels, we selected a **new, next-gen HR platform**, in Q1 2023. Implementation kicked off in late-2023 and the platform is expected to be fully completed before mid-2024.

Our Management Enablement Program

In response to the 2022 employee engagement survey, we promised to improve leadership development at Barco. In 2023, we rolled out phase 1 of a multi-year program, inviting all our people managers to 10 courses, covering practical topics (e.g., feedback and performance assessments), as well as broader topics like fostering diverse team collaboration and addressing unconscious bias (D&I).



1. Our results in 2023

1.1 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.

In the course of 2023, all divisions and functions worked on the topic of engagement, based on the two priorities emerging from the survey of 2022: strategy communication plus recognition and engagement. Some managers went a step further and worked on topics that needed improvement in their particular teams, such as work-life balance or career development.

In November 2023, Barco launched a new employee survey that included the E-NPS (Employee Net Promoter Score) question: ‘How likely are you to recommend Barco as an employer to people you know as a great place to work?’. The **participation rate surged to 87%**, a big step-up compared to 2022. Notably, for the first time, all employees, including blue-collar workers were invited to take part in the same survey.

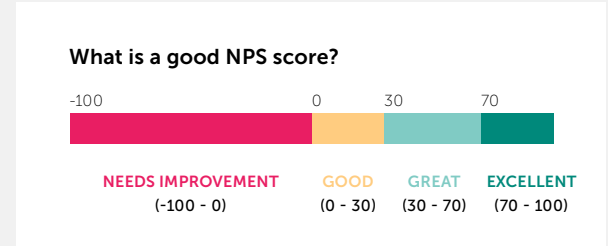
The **E-NPS yielded a score of 13**, indicating ‘good engagement’, consistent with the 2022 results. ‘Diversity & Inclusion’ and ‘Innovation’ were perceived as our strengths, while ‘Strategic Alignment’ and ‘Growth and Development’ received lower scores. Based on these results, the existing action plans will be updated and new actions will be defined for 2024.



Employee Net Promoter Score in 2023



Participation rate

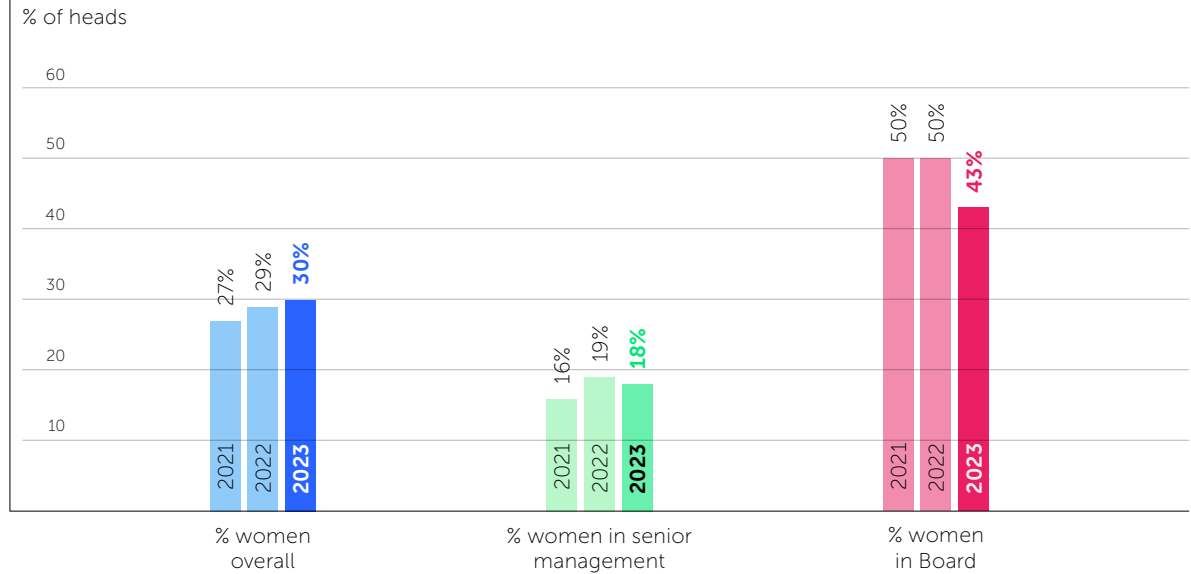


1.2 Diversity & Inclusion

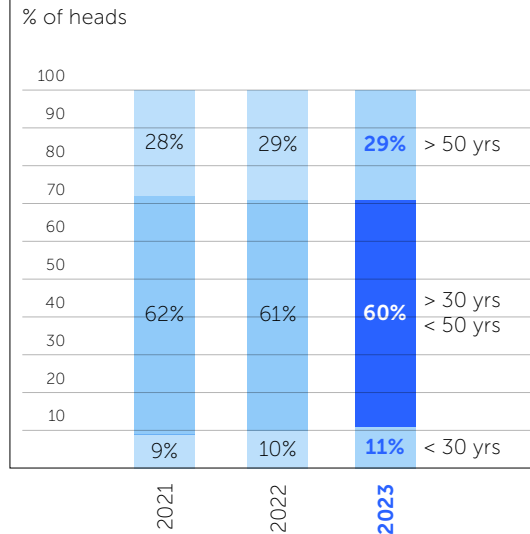
Barco made progress on various diversity dimensions in 2023. Diversity & Inclusion is a strategic topic which is high on our agenda, with a lot of actions described further in this report. We do realize that it will take time before we see the impact of our initiatives in the (lagging) performance indicators. Today we are focusing on raising awareness throughout the company and supporting our managers to drive inclusion within the global teams.

» [Read more on page 44](#)

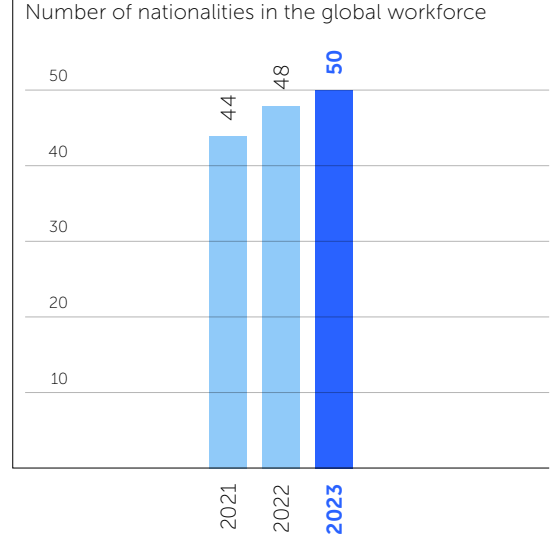
Diversity by gender



Diversity by age



Diversity by nationality



1.3 Employee learning and development

At Barco, we are dedicated to promoting and supporting employee learning & development. Every year, we critically review our offering of training programs and development opportunities for their continuous improvement.

For the third year in a row **the average training hours per employee increased** (+28% versus last year and even +50% versus 2021). With 99% of our employees having followed training, we reach effectively all our employees.

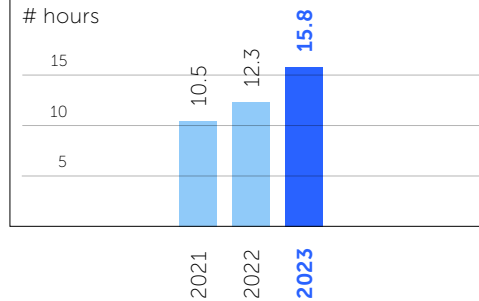
In 2023, our learning and development team focused on the **Management Enablement Program**, designed specifically for all our people managers. The comprehensive initiative comprises 10 distinct training blocks, accumulating over 2,000 training hours. Our online training videos attracted over 2,500 visitors, and more than 400 Barco people managers joined the live Managers Connect event.

In 2023, we also continued the **Standards@Work program**, with three e-learning games (on manufacturing, sales, and after-sales). The LinkedIn training offering continued to attract our employees. In total, close to 1,900 employees followed more than 6,000 training hours.

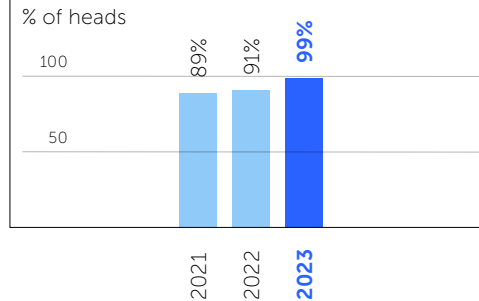
Next to these company-wide programs, a number of **dedicated training sessions** were offered to specific teams, based on the requests of specific organizations. A couple of examples: Quality awareness training, ESD (electrostatic discharge) training for operators, the principles of value engineering, and a workshop on personal effectiveness.

As a result of these actions, we see for the second consecutive year the average number of hours per employee increase. While we realize there is more work to do, we are clearly on the right track.

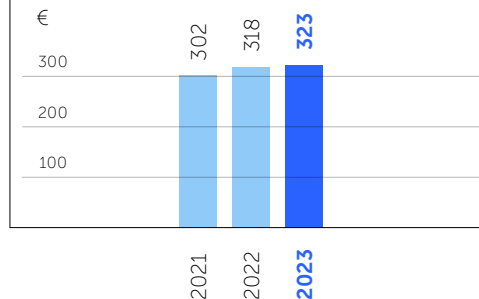
Average training hours per employee



Employees having received training



Average training investment per employee



1.4 Employee safety, health & well-being

At Barco, we care about people. The health, safety, and well-being of our employees are among our daily priorities and something we propagate at every site and level in our company. The Environment, Health, Safety, and Security Pledge, which we launched several years ago, remains our guide on our journey towards a safer and healthier workplace. Every year, new initiatives are taken to make health and safety top of mind among our employees.

As a result of these efforts, our key performance indicators have remained stable for the past two years, proving that we can maintain the stepped-up performance. Our ambition is, of course, to further improve in the coming years.



1.5 Labor practices and human rights in our own operations

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.

As reported before, Barco identified the three salient risks in its own operations: discrimination, protection of identity and non-retaliation, and emergency preparedness. We also identified the process on how to measure our performance on these risks.

For 2023, we can report the follow results:

- **Discrimination:** This indicator is measured by the number of discrimination cases. For 2023, 1 case was reported.
- **Protection of identity and non-retaliation:** The performance is measured by the number of retaliation cases. The result for 2023 is zero registered cases.

- **Emergency preparedness:** The performance is measured by the number of Barco sites which performed at least one emergency evacuation exercise during the year. This is reported by the Corporate Risk Manager as part of the yearly site profile scan. The score for 2023 is 86%, in line with the previous reported result.

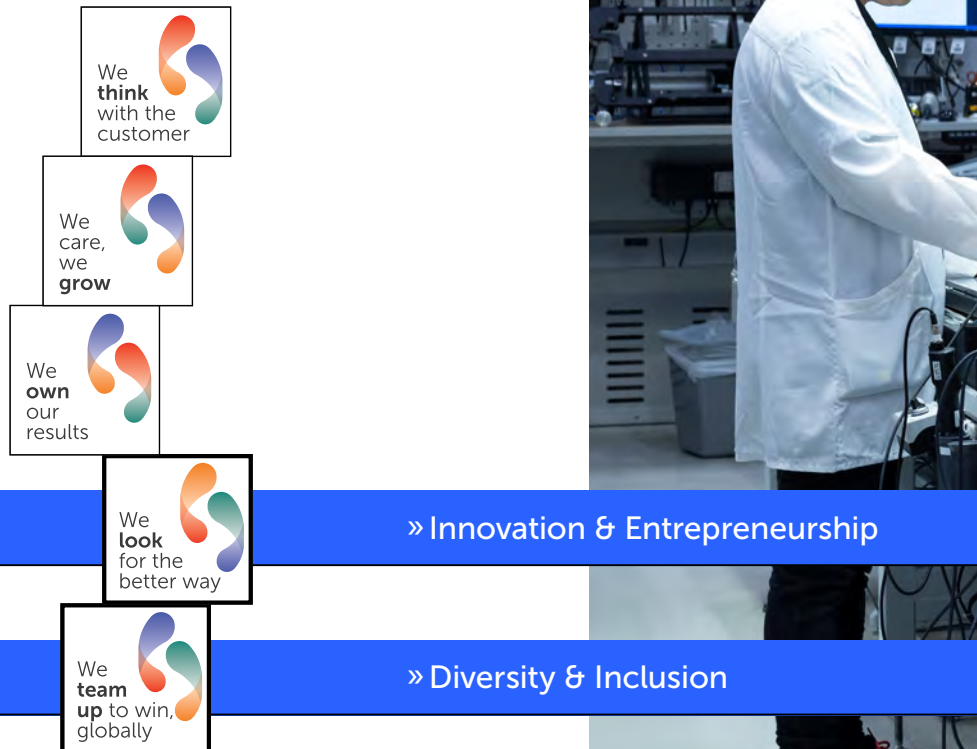
Our employees can report any case of human rights violation to ethics@barco.com. Every case is investigated diligently. A remediation procedure in line with national legislation is foreseen, if applicable. Further, complaints can be filed using the Ethics Helpline, a completely anonymous reporting tool implemented pursuant to the EU directive nr. 2019/1937 on the protection of persons who report breaches of Union law ('Whistleblowers Directive').

Read the [Ethics & compliance chapter](#) of this report for more information.



Stepping up our culture journey in 2023

Rather than working on all cultural building blocks at once, we decided to focus on two specific blocks in 2023. This allows us to focus our communication with employees and make better progress. The building blocks we chose in 2023 are **'We look for the better way'**, addressing the need for innovation & entrepreneurship and **'We team up to win globally'**, addressing the need for more diversity & inclusion.



1. Zooming in on innovation and entrepreneurship at Barco

Innovation is at the heart of our company. When we think about innovation, we always think about innovating products and business models. Here we show how innovation is also possible in people-related matters.

1.1 Innovation, entrepreneurship, and operator-centric design on the production floor

Improving productivity remains a core focus on all shop floors. Even after many years of continuous improvement, we keep looking for ways to optimize our processes at every Barco production plant. In 2023, we redesigned a selection of workstations to boost operator efficiency, while alleviating the physical strain.

With a good deal of creativity and innovative thinking, change for the better is always possible: that is the starting point of our long-running **iGemba improvement program**. We used a fact-based methodology to minimize ergonomic strain and enhance efficiency.

Using the MTM – Methods-Time-Measurement – technique, colleagues around the world meticulously charted operator movements to then examine if they could reorganize workstations, organizing all movements within the optimal golden zone: 45-degree area in front of the operator. Operating within this zone maximizes efficiency, while mitigating waste and ergonomic risks.



In the meantime, the new technique has already been implemented across multiple factories. As operators were closely involved in the research, the improvements were met with enthusiasm. As Daniel Qiang, Operations Director at Barco Suzhou said: "Operators say they feel like they're being taken care of."

A cross-functional team, trained by our internal MTM expert, employed videography to analyze two workstations. In line with the concept of the Golden Zone, which is the optimal area for positioning tools from an ergonomics point of view, we optimized the workstations, emphasizing 'one motion picking' to minimize operator movement during assembly. Material and tools are now strategically placed within the operator's field of vision, which has led to reduced fatigue as well as saving time.

Amit Jain
Manufacturing manager Noida

An interview on Innovation and Entrepreneurship with Alexis Capili, Global HR Business Partner

How does Innovation and Entrepreneurship fit into the Barco culture?

Alexis: In 2023, we put our cultural building block "we look for the better way" into the spotlight for our employees. "We look for the better way" is about innovation, entrepreneurial mindset, and continuous improvement, in line with our strategic intent to grow sustainably and innovate for impact. Our goal was to create awareness and to provide enablement on the importance of going the extra mile, converting innovative ideas into action, creating and exploring new things, and constantly challenging ourselves on how we can improve what we do.

How did you bring this topic to the broader Barco organization?

Alexis: During the year we organized several activities to embrace and embody our 2023 cultural focus areas:

- We shared videos of Barco colleagues who gave their personal perspectives on culture.
- We organized keynotes with industry experts to inspire all Barco colleagues on innovation, entrepreneurial mindset, and continuous improvement.
- We levered LinkedIn Learning as our global learning platform and launched challenges to create friendly competition and energy around our key focus areas.
- We organized 8 training sessions to explain the basics of continuous improvement.





1.2 A new and innovative way to put safety in our employees' minds.

Safety and well-being have always been top of mind at Barco. Yet, how do you motivate every single employee to always put safety first? Inspired by Barco Suzhou, the Environment, Health and Safety (EHS) team in Kortrijk launched a safety month in June 2023.

Throughout the month, employees were encouraged to engage in training sessions, inspirational workshops, and hands-on practice relating to 12 different topics: from the proper use of fire extinguishers and AED equipment to insights on improving ergonomics, mental resilience, and driving an e-vehicle.

Thanks to the multitude of topics offered and the variety of engaging formats available, a total of **435 employees participated**. In fact, some sessions even attracted more interest than available seating capacity. There is no doubt that the Belgian EHS team in Belgium will replicate the initiative in 2024.



1.3 Barco Assist: a major step forward in HR and IT services

Launched in June 2023, **Barco Assist** is Barco's brand-new digital service platform. It includes a knowledge base of articles on HR- and IT-related topics, giving employees answers at their fingertips. In addition, there is a ticketing system that ensures very specific HR- or IT-related questions are directed to the right experts quickly.

The benefits are legion. Employees get clear answers to their questions instantly, which saves them precious time. The HR and IT teams, on the other hand, can free up time to focus on what matters most: interacting with colleagues

and customers, developing new training programs, organizing engaging activities or optimizing our IT infrastructure.

Barco Assist is built upon the state-of-the-art ServiceNow digital transformation platform – as a guarantee for reliable, top-notch infrastructure. In the coming months and years, we plan to roll out the platform to other services.



Useful score



HR documents collected in the database

Views on the platform

2. Zooming in on Diversity & Inclusion at Barco

Barco is committed to becoming a truly diverse and inclusive organization. In 2021, our Board of Directors set Diversity & Inclusion (D&I) as a strategic priority. In 2022, it was decided to embed D&I in our organizational DNA as part of our culture. Since then, D&I has been on the agenda at different levels of the organization.

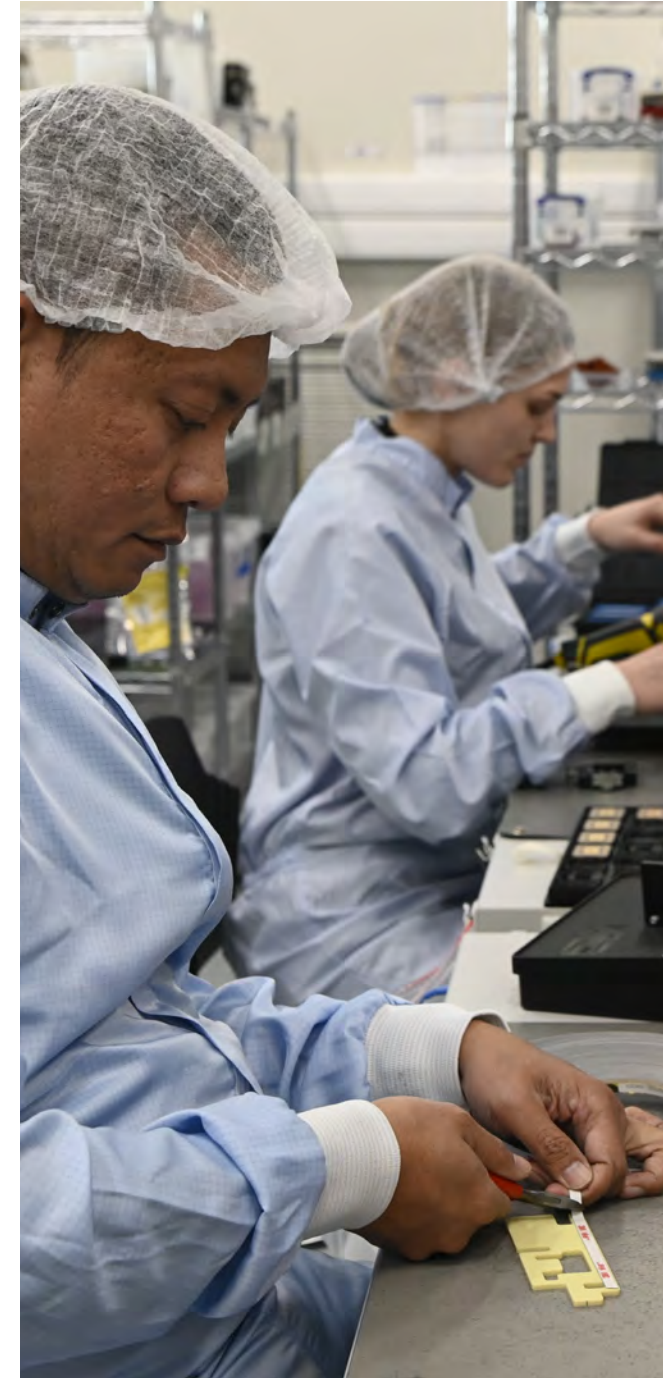
In addition to gender, ethnic, and social diversity, personality diversity is also key in companies. Great things happen when you put an impulsive out-of-the-box doer together with a cautious analytical thinker.

Lieve Creten
Board member, on the topic of diversity
(newspaper De Tijd)

We approach D&I in a broad sense, making sure to be as inclusive as possible in every aspect of our business. We have defined a D&I strategy 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. The strategic framework itself consists of three pillars representing the employee experience (attract, grow, retain talent) and two enablers (critical success factors). Across the three pillars a list of concrete actions has been launched, gradually driving change and putting D&I top of mind in our daily operations.

The following actions have been started and/or completed in 2023:

- Additional questions on D&I were included in the employee engagement survey (E-NPS)
- In 2023 four sessions were organized of the global Barco D&I Community. Topics discussed include Barco D&I numbers, how to deal with challenging questions, and unconscious bias.
- Several D&I-related trainings were organized for our people leaders (such as Inclusive leadership).
- Our job postings now include statements on D&I.
- The Code of Ethics has been updated with a specific section on D&I.
- We are reviewing the hiring process for the purpose of inclusiveness.
- Dedicated workshops on D&I were organized in every Executive Committee.
- We launched a management traineeship allowing three recent graduates to have their first professional experience at Barco.



2.1 International Women's Day in Barco Taiwan

On March 8, the world celebrates International Women's Day, honoring women's social, economic, cultural, and political achievements. This day also serves as a call to action, urging efforts to accelerate women's pursuit of equality.

To mark this occasion, Barco Taiwan held a heartwarming gathering with exquisite desserts and tea, dedicated to all the female employees. The team thanked the female colleagues for their hard work, both in their professional roles and within their households, and for their contribution to society. We were honored to welcome Chief HR Anthony Huyghebaert to the celebrations.

The thank-you event also provided a platform for our female employees to share their opinion. We actively sought their suggestions for office enhancements that cater to their needs. Furthermore, we raised the topic of equal pay for male and female employees.



An interview on Diversity & inclusion with Lien Meuleman, Global HR director talent, leadership and organizational development

Why is Diversity & inclusion so key to Barco?

Lien: "The topic has always been important for Barco, but today even more so. In 2022, Barco reshuffled its organization, putting more focus on end-to-end business units. Suddenly, we became even more globally connected. If you want to serve global markets, you need to represent the same diversity internally as the diversity of the markets we serve.

More than that, we believe that diversity fosters and accelerates innovation. Bringing together people with diverse perspectives sparks new ideas and an open mindset fosters faster decision-making. Last but not least, an inclusive culture where different perspectives are welcomed and actively encouraged has a positive impact on employee engagement. To attract and retain talents today, being diverse and inclusive as a company is a must. We see that current and future employees have a strong need both to feel included and have impact through the work they do."

How are you embedding Diversity & inclusion in the Barco culture?

Lien: "In 2022, we initiated a three-year plan. The focus lies on two very important enablers: growing awareness and management enablement. To foster the latter, our HR team set up inclusive leadership training sessions in 2023 around topics like unconscious bias and micro-aggressions. These help managers and other colleagues to practice what they preach."

What about the employees themselves?

Lien: "We know that small, impactful initiatives resonate most with employees. That means recognizing and rewarding behaviors that are in line with where we want to go as a company, plus, at the same time, enabling each other to speak up when we witness behaviors that are wrong. That's why we continue to collect real-life stories within the organization and showcase them for others to nurture learning and change. There's still a way to go, but we won't rest until everyone is on the same page."



2.2 Barco India: Two programs focusing on promoting diversity and innovation

Barco India is committed to fostering an inclusive and nurturing work environment, not in the least for its female colleagues. In 2022 and 2023, we supported this commitment with two important initiatives.

- In 2022, we introduced the '**One Barco – Women for Women' initiative**, inviting female employees to inspiring presentations and workshops conducted by industry leaders and TED speakers. The sessions covered a range of topics, such as cultivating a positive attitude, boosting optimism, embracing positive self-talk and resilience to handle failures, etc.

The successful program continued into 2023 and has staged 16 sessions to date. Participants greatly appreciate the insights gained. By learning how to navigate challenges, embrace setbacks, and achieve success within our dynamic industries, they feel empowered to pursue their professional ambitions.

- In addition, we launched the '**Sahyog' mentorship program**. Referring to the Sanskrit word 'Sahoy', which means collaboration and support, the program pairs women with seasoned female mentors within the organization. Mentees receive guidance on career goals, skill development, and leadership capabilities. By sharing experiences, insights, and lessons learned, mentors create a nurturing space for mentees to grow with confidence.

Together, we
are building a
more inclusive
and empowered
community.

Surbhi Sehgal
HR, Barco India

The platform invites all
female colleagues to interact
with one another. It helps
me to banish my negative
energy, and to balance
personal and professional
life.

Gudiya Kumari
Operations, Barco India

I believe in people, driving
passion with integrity,
delivering results, and
creating empowered teams
and enduring product value.
Personally, I love listening
to people and mentoring to
make a difference in their life.

Swati Pandey
R&D Leader, Barco India

2.3 Diversity & Inclusion training sessions

Embracing diverse backgrounds, education, culture, and gender is crucial for Barco to remain a successful global technology leader.

A new global leadership development program kicked off in November 2022 and was further rolled out in 2023. Using a blended learning approach, the **Management Enablement Program** aims to strengthen the people management skills of our people leaders. While in 2022, we had covered the foundations, such as the Leadership Compass (people leader, thought leader, and result leader) and the competences that go with it, we focused on **Diversity & Inclusion** in 2023.

Many of our managers oversee global, diverse teams. Seamless cooperation between all team members is key for every unit to achieve their business objectives. By fostering an environment of mutual understanding and respect, people leaders can encourage each individual to leverage their unique talents and competencies to the fullest. We count on them to consider the diversity in their teams and above all, champion inclusion.

With sessions on intercultural communication, managing global teams, unconscious bias, and inclusive leadership, the Management Enablement Program on Diversity & Inclusion was a success in 2023. Over 300 people leaders from all over the globe attended one or more inspiration sessions, making D&I the most popular training topic of the year.



As a member of Barco's management, diversity and inclusion is very important to me. A global organization like Barco needs diverse teams to thrive and attract future generations. Embracing diversity makes us more successful as it integrates varied perspectives and ideas. I therefore hope to keep growing my team with people from different backgrounds and I set great store by knowing our employees and their origins. The D&I management trainings, on topics like inclusivity and unconscious bias, are truly valuable for all our people leaders.



Emon Hill
Operations Service Manager
Duluth, GA



Preventing stress and burnout at Barco Belgium

Barco Belgium set up two **dedicated workshops** to help employees strengthen resilience, combat stress, and prevent burnout. In hands-on sessions, participants learned how to identify signs of stress and burnout, bolster mental resilience, and reinforce self-care practices. Given the overwhelmingly positive feedback, these training sessions are set to return to the 2024 training calendar.

In addition, the Belgium team rolled out the **Happy Care e-learning tool** to complement the existing Employee Assistance Program. Happy Care empowers employees to enhance mental resilience through a series of exercises, testimonials, videos, advice, and information. The tool includes seven different tracks, so that users can choose the track that best fits their individual needs.



Communities

Our ambition

We will play an active role in the communities in which we operate 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 believe that every customer interaction is an opportunity to exceed expectations and drive lasting connections for business success. That is why, in 2022, we introduced an omni-channel customer listening approach. Our customer experience-related KPIs clearly show the positive impact of this approach. In today's ever-evolving business landscape, we keep looking for ways to improve the customer experience.

1.1 Customer insights with impact

Customer insights have never been just about collecting customer feedback. Instead, it's about actively responding to customers, implementing meaningful changes, and integrating customer insights into our daily operations.

In 2023, we focused on 'Driving transformation for the customer'. Committed to delivering a **high customer experience in every key touchpoint**, we incorporated new outside-in listening points in different stages of the customer journey. This way, Barco gets a **real-time, 360° view of customer experience** levels, making it easy to link feedback to the right owners, initiate prompt actions, and pinpoint areas for improvements.

Transactional techniques to get customer insights include:

- Assessing satisfaction with **digital touchpoints and tools** (e.g. website navigation, knowledge base, e-support portal, videowall configurator, product information accessibility).
- **Automated surveys** post **specific interactions** (e.g. satisfaction with follow-up on product inquiry, Service NPS after a support case closure, project deployment satisfaction).
- **Embedded star ratings** (e.g. in e-learning, online blogs).

Each survey, request, or question follows a **structured governance** approach, ensuring a strict **closing-the-loop process**. No complaint goes unnoticed. Customer insights are also related to internal KPIs (e.g. order confirmation lead times, timely deliveries, service response time, product quality). All relevant stakeholders get an overview of the insights to see what action is needed or underway.

Besides the transactional ways to collect feedback, Barco keeps conducting the bi-annual Relational Net Promoter Score survey. The relational NPS gives a view of customer and partner loyalty and serves as a good brand-health indicator that facilitates year-on-year comparisons and industry benchmarking. It remains Barco's key customer-experience KPI.

Optimizing our tools, processes and expertise

Our Global Services organization is dedicated to delivering outstanding customer experiences. Our customers reach out to us for urgent tech support, repairs, shipment tracing or in case of occasional process disruptions. We want to be standby via multiple channels, 24/7. To achieve this, we continuously optimize our tools, processes, and expertise.

In 2023, we implemented a unified Salesforce tool, which incorporates an e-support portal, and the TalkDesk telephony platform. In 2024, we want to add other user-friendly, digital self-service tools, like a service chatbot, live chat agents, CPQ for quotations and component orders, and a Knowledge Base Library.

Improving the customer experience begins with enhancing the employee experience. By investing in product and communication training, we want to ensure first-contact resolution and by pro-actively assessing the quality of case and call handling, we hope to empower our teams. Our Service Managers organize Quarterly Business Meetings with key accounts to build stronger bonds and gain in-depth insights into customer expectations.

Sofie Scheirs
Director Services

1.2 Raising customer satisfaction

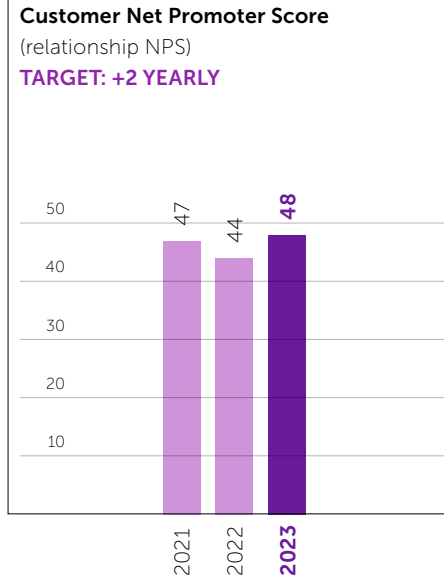
Thanks to Barco's mature Customer Experience program, we can focus our efforts and investments in areas that are critical for our customers.

In 2023, we took a series of new initiatives to take customer satisfaction to new heights.

- We revamped our corporate website in close collaboration with customers and partners. By incorporating their views on the website architecture and their test feedback, we were able to build a high-performing, visually appealing website with a user-centric, intuitive navigation. As we incorporated user touchpoints, visitors can provide valuable feedback to help us continually enhance the website.
- As previous surveys had highlighted areas for improvement in our after-sales support, we launched several enhancement projects that were completed in 2023. The impact was remarkable: an increase in relational NPS and considerably more positive feedback on Barco Service.

Key ongoing initiatives for Barco Services include:

- advancing the Chatbot and Live agent support channel, focusing on an enhanced user experience;
- continued tools automation to boost efficiency and optimize process flows;
- continued investment in training to boost the expertise of our service support teams, enabling a better, faster response to customer queries and shorter turnaround times, with fewer escalations;
- ongoing commitment to the project "enabling Next Business Day shipment" for all contracts (which is already showing promising initial results).



13% of dissatisfied respondents were converted to Barco promoters

2023 results

In 2023, Barco achieved its **highest full-year NPS score ever** at 48 (+4 points), **surpassing the annual target increase of 2 points**. Enhanced after-sales support and an improved supply chain, with fewer component shortages, contributed to this success.

The recommendation rate grew in all regions. Next to service, product quality was the key driver for the growing NPS in the second half of 2023. Customers felt more positive about our products than in 2022, highlighting product quality and brand recognition as our major strengths. Respondents further praised Barco employees for their friendly and helpful approach and their skilled professionalism.

Thanks to our teams' dedicated follow-up of all our surveys (contacting all detractors to address their pain points), 13% of dissatisfied respondents were converted to Barco promoters, a 2-percentage point increase versus 2022. In 2024, we will sustain the initiatives kicked off in 2023, with a focus on change projects that encompass every stage of the customer journey.

As a B2B company, we recognize the integral role of partners in our overall product/service experience. Partners are the customer experience. Therefore, we mapped partner journeys across various stages in the relationship with Barco. In 2024, we'll launch a new governance model that focuses on enhancing partner satisfaction in key touchpoints. A Partners enablement survey will identify opportunities for improved onboarding and product training, ensuring partners feel empowered to support Barco and its end-users.

Barco business units encourage customer engagement

In addition to our global efforts, each business unit champions a focus on customer engagement within their projects. Highlights from 2023 include:

- The **Meeting Experience business** unit introduced direct end-customer support by extending remote support to the entire video enablement solution, including peripherals from alliance partners. In addition, they launched a new global service helpdesk and invested in self-serve web content with knowledge-based articles for end-users. Just like in previous years, the ClickShare App rating feature provided invaluable insights into user challenges. Based on these insights, the team crafted a new version of the app, with an entirely revamped user interface.
- The **Immersive Experience team** worked closely together with customers and partners to get an outside-in perspective on product requirements. This means that during the development of the newest generation projectors, video processors and visualization software, they met with key partners and beta users to solicit their crucial feedback and field validation. This ongoing collaboration reflects the commitment to user-driven innovation.
- To ensure the new CTRL software platform would meet customer needs, the **Large Video Walls Experience team** set up a beta testing project with both partners and customers. In addition, over 40 partners validated an early-stage concept of the solution at major European and American tradeshows.

The customer is not only at the very heart of the ClickShare experience, but also at the heart of our daily operations. By collaborating closely with our partners, we continuously aim to improve our services and solutions.

Yannic Laleeuwe
Marketing Director, Meeting Experience

For the introduction of the UniSee II video wall, the team followed a similar approach. An expert panel reviewed new features in the UniSee II, which helped the design team put the customer center stage.

What makes CTRL stand out is the ground-up development with security infrastructure in mind. For us, the ability to securely mix content from multiple classification levels on the video wall or workstations, without compromising security information, is really key.

Chris Reeve
Vice President, Diversified - Critical Infrastructure Group



2. Product quality, safety & security

As a high-tech company, we have a duty to our customers to ensure that the products we develop and market are high quality, safe, and secure.

2.1 Product quality

Barco aims to offer products and solutions that ensure top quality throughout their lifetime. The bi-annual relational Net Promotor Score, which rose to 48 (+4 points) in 2023, gives us a picture of customer and partner loyalty.

Next to service, product quality was the key driver of Barco's good NPS: product quality remains our main strength. Customers also feel slightly more positive about our products versus 2022.

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).

Our quality management system is kept up to date with the latest regulations, quality standards, and industry best practices.

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 every customer. 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](#)

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.

2.2 Product safety

Main achievements of 2023

- Successfully passed a global multisite ISO 9001 certification
- Renewed our ISO 13485 multisite certificate for the US, Belgian, Korean, and Chinese sites and expanded our EU medical device regulation (MDR) certificate to our Chinese factory in Suzhou;
- Integration of ISO14001 into the overall ISO9001 Barco quality system;
- Smooth product transfers between the different factories with a focus on automation;
- 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.

Assessments by external certification bodies are conducted to ensure that our product validation lab meets the quality requirements of the ISO 17025 – quality management standard for laboratory activities. Our certification partners assess the impartiality of the lab personnel as well as their technical competence. Year after year, the product validation lab continues to score very well on these audits, thanks to our highly experienced and knowledgeable product validation engineering team. Having an internal product validation lab gives Barco a competitive advantage, avoiding costly and time-consuming testing in external laboratories.

All of our factory locations are also inspected by these external certification bodies, regardless of whether these are Barco factories or supplier factories. The quarterly production audit ensures continued compliance of our production output.

Not all countries accept the test results of the Barco lab. Still Barco aims for worldwide product certification. Besides the standard certification of EU, US & Canada, and China, we also certify for Australia, New-Zealand, India, Mexico, Brazil, the Emirates, Saudi-Arabia, and more, even if we must send a test sample for "in-country testing". Besides initial product certifications, the certification team also handles the updates of hazard-based safety and EMC (Electromagnetic Compatibility) standards applicable to our products in those countries and the corresponding renewal of the country certificates.

Not only our products are tested and certified, also the safety and EMC critical components used to assemble our products need to be tested and certified for the applicable standards such as fire resistance, isolation capabilities, and others. To improve efficiency while reviewing and testing our products, a component certification database was installed next to our product certification database. Components for which the

certificates cannot be provided are never used in our products. Our engineers in both development and product validation can perform a fast and reliable check and select which components can safely be designed into the Barco products.

All connected devices can suffer a cyberattack. The Radio Equipment Directive (RED) has adopted cybersecurity as a safety issue to be covered in the technical file for the EU Declaration of Conformity of products that implement wireless connectivity as of August 2025. The standards which will support this requirement are already applied to our most important product portfolio, 2 years before applicability.

Legislation is following technology trends, and the use of Artificial Intelligence in products and/or software sold on the EU market will be regulated with the aim of being safe, transparent, traceable, non-discriminatory, and environmentally friendly. Being a high-tech company, Barco is developing innovative products and software that will implement the use of AI. The product validation team is active within the technical committee on standardization of the use of AI and involves the experts in this area to review the deliverables in line with the risk level of the product.

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

2021	0
2022	0
2023	0

2.3 Product security

Cybercrime continues to increase, which forces organizations to implement strict information security governance processes. Barco has a clear commitment to deliver secure products and services to its customers and protect its intellectual property.

More information on Barco's security organization is available in the '[Trust Center](#)' on our corporate website.

In 2023, the following actions have been taken to strengthen the security of our products and services:

- Streamline Barco's security organization**
 Barco's Security Office has been extended with a Product Security team to further streamline our security organization and ensure product security processes are aligned across product lines.
- Increased focus on cybersecurity regulatory landscape**
 Worldwide cybersecurity regulations are about to be introduced, impacting Barco products and services. There is extra focus on monitoring the evolution of these regulations and interaction with specific interest groups to ensure Barco is prepared to adopt the changes being imposed.
- Product security roadmap**
 Barco's product security roadmap was updated and streamlined with external factors like market requirements and cybersecurity regulations. This roadmap is Barco's internal compass ensuring a consistent product security approach across product lines, focusing on people, process, and technology.

- ISO 27001 certification**
 The current ISO 27001 certification scope, which includes ClickShare and XMS, the ClickShare cloud-management platform, has been extended with processes related to medical displays manufactured in Barco's plant in Saronno, Italy. Furthermore, preparations were taken to extend the scope in the years to come.
- Secure development**
 Barco continues to focus on improving the efficiency, maturity, and transparency of its Secure Development Life Cycle (SDLC) process by adopting recognized standards and frameworks, such as NIST SSDF and OWASP SAMM. 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 in 2023, tailored to their day- to-day job content and domains of expertise.

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. In 2023, we received 215 notifications about potential vulnerabilities (including duplicates) in products or services, reported by customers, ethical hackers, and third-party pen-testers contracted by Barco.



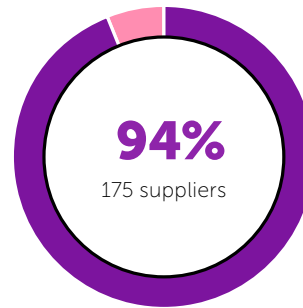
3. Supply chain responsibility

3.1 Procurement sustainability policy

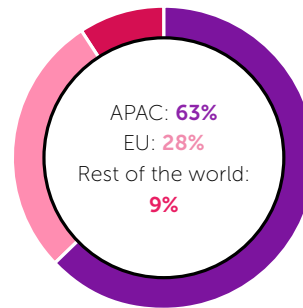
Barco has outlined its sustainability commitments in a procurement sustainability policy, which describes how we want to collaborate responsibly with our suppliers: respect international Human Rights and Labor regulations, meet product compliance requirements, select and evaluate suppliers in a fair way, raising awareness on the importance of sustainability, ... The policy is available on the Barco website: [Global Procurement Sustainability Commitment](#).

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 and countries. Since we deal with a large range of suppliers, we have created four categories (key, key+, core, and other) based upon supply risk and cost relevance to Barco. This 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.



In 2023, Barco had 175 major suppliers, covering 94% of our total production spend compared to 159 major suppliers with a 87% coverage in 2022. The regional spread of that spend was 63% in APAC, 28% in EU, and 9% in the rest of the world.



2023: an ongoing effort to increase supply chain resilience

Barco continues to strengthen supplier resilience, given the current dynamics in geopolitical and economic circumstances, including the impacts of embargos, trade restrictions, etc. 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 to increase the transparency of risks in our supply chain and facilitate proactive mitigation. Our buyers are checking the events related to our supply base on a daily basis. In this way, we can react quickly to potential risks. In 2023, a dedicated cross-divisional project was launched to further increase supply chain resilience

» [read more in the Corporate, Governance & Risk Report](#)

3.3 Setting clear standards for our suppliers

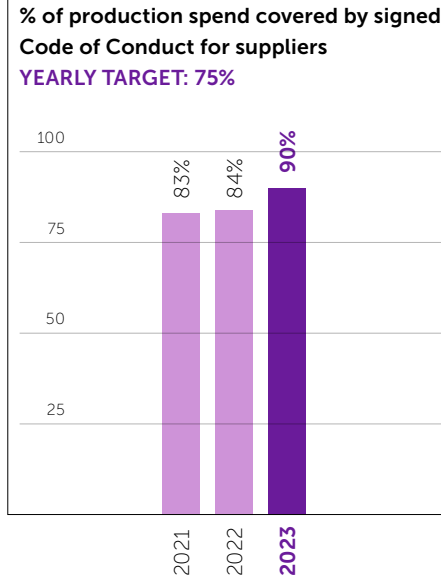
The key to a high-standard supply chain is ensuring that our suppliers know our expectations, including those in the field of sustainability. We adhere to three important sustainability standards: the Barco Code of Conduct for suppliers, the Product Compliance requirements, and the Responsible Minerals 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 quarterly KPI in the Global Procurement dashboard. At the end of 2023, 90% (vs. 84% in 2022) of our production spend was covered by a signed declaration of compliance with the Barco Code of Conduct for suppliers.

On January 1 2024, the Responsible Business Alliance published a new Code of Conduct, which drove Barco to also update the Barco Code of Conduct for suppliers and renew the engagement on the code with its suppliers.



Product Compliance requirements

Every component that our suppliers deliver must meet the Barco Product Compliance requirements, which includes compliance with different worldwide regulations (such as RoHS10 and REACH, ecodesign requirements, ERP, 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 strongly urge our suppliers to provide Full Material Declarations (FMDs) of chemical substances contained in products. In 2023, 83.6% of active components were covered by FMDs.

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 (child labor, human-trafficking, forced labor, etc.) and 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 2023, 100% of in-scope suppliers responded to the CMRT. We perform a detailed responsible minerals risk analysis on the data received through cross-referencing and close collaboration with members of the Responsible Minerals Initiative (RMI).



% in-scope suppliers that responded to Conflict Minerals Reporting Template

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 2023, 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. The digital supplier platform that went live end of 2023, will provide more insights and transparency on the maturity level of suppliers in the field of sustainability.

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 2023, 88% of total production spend was covered by signed contracts with a sustainability clause, i.e. signed MSAs or T&Cs (versus 85% in 2022).

Embedding sustainability in the procurement process



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)

Supplier Performance Review including sustainability score

Webinars and e-learnings

Supplier innovation days

Contract including sustainability clause (for important spends)

D. Supplier performance monitoring

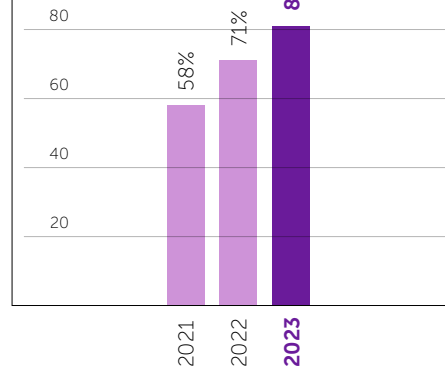
In the **annual performance review**, suppliers are scored on their sustainability performance in domains such as product compliance requirements, adherence to Barco's Code of Conduct, and transparency (the provision of CMRTs and FMDs). They are encouraged to proactively share their progress regarding sustainability in their operations and supply chains, and to share innovations that could help us improve the sustainability impact of our products.

In 2023, suppliers covering 81% of our production spend were scored on their sustainability performance, **surpassing the 2023 target of 70% by 11%**. This is mainly thanks to the efforts to score more suppliers and an increase of the spend of the direct suppliers scored.

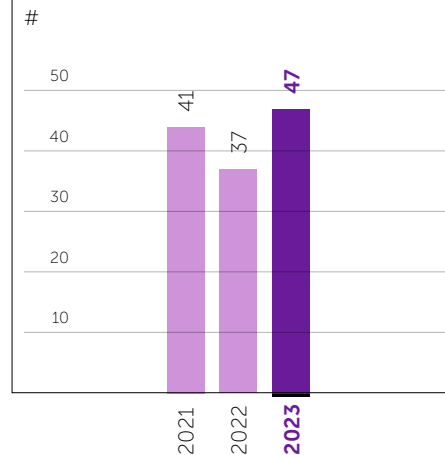
Barco also performs audits at existing and new suppliers. These currently focus on quality, checking quality compliance, and assessing process risks that could result in quality defects. In 2023, 47 supplier audits were carried out, versus 37 in 2022. The supplier quality department performed two pilot audits on sustainability, serving as a foundation for the ongoing development of integrating sustainability into quality audits during on-site audits.

% of production spend covered by supplier sustainability score

TARGET 2023: 70%



Number of supplier quality audits



E. Supplier training and awareness

To ensure that our suppliers understand our sustainability standards and learn how to respond, we train and inform them about developments in several sustainability domains, such as environmental compliance, ecodesign, and conflict minerals. In 2023, we focused on raising awareness on the potential restrictions on PFAS/PFOS and the RoHS exemptions, which are about to expire. We actively discussed substitution plans and shared knowledge on where these substances are likely to be present.



47 supplier audits were carried out in 2023

3.5 Training our staff

We organized a dedicated feedback moment for all commodity procurement managers worldwide in 2023. The training focused on how to coach suppliers in improving environmental compliance data and providing IPC/FMD data.

Additionally, we organized two meetings for the global procurement community dedicated to sustainability – covering various topics, such as Barco's sustainability strategy and upcoming legislation related to sustainable supply chain requirements.

3.6 Plans for 2024 and beyond

In 2024, 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 tune our actions in line with the upcoming Corporate Sustainability Due Diligence Directive (CSDDD) and provide further information in this regard to our suppliers.

3.7 Getting ready for the Corporate Sustainability Due Diligence Directive

What is the CSDDD?

In December 2023, the EU institutions reached an agreement on the final text of the Directive on Corporate Sustainability Due Diligence (CSDDD). 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 across their value chain. The CSDDD will have a significant impact on how companies shape their sustainability strategies and implement actions to reach their goals.

Taking proactive actions on due diligence

In 2023, Barco participated again in a learning network of companies on corporate due diligence, organized by employer federation Agoria to obtain the latest insights. In 2023, we continued our own pilot project with the University of Leuven to improve our supplier sustainability program. An important part is to establish a framework to assess sustainability risks in our supply chain and define appropriate actions. Furthermore, the scope of our procurement sustainability journey will expand to include indirect spend by incorporating targets for indirect spend suppliers, similar to our direct spend. This will be translated into concrete targets until 2027.

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. Ensuring operational security (e.g. own and manage operational risk) is the first line of defense. The second line of defense is managed by Barco's Security Office (e.g. the cybersecurity program) and the third one is the cybersecurity audit (e.g. risk assurance).

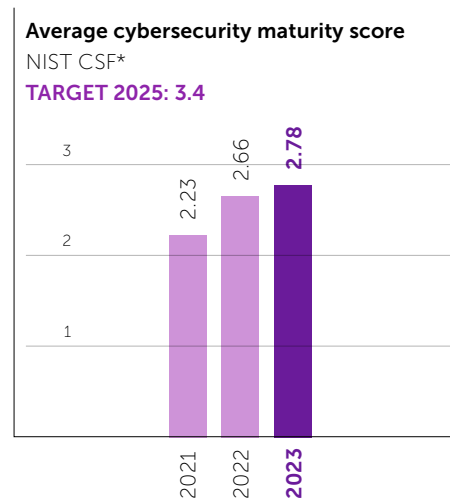
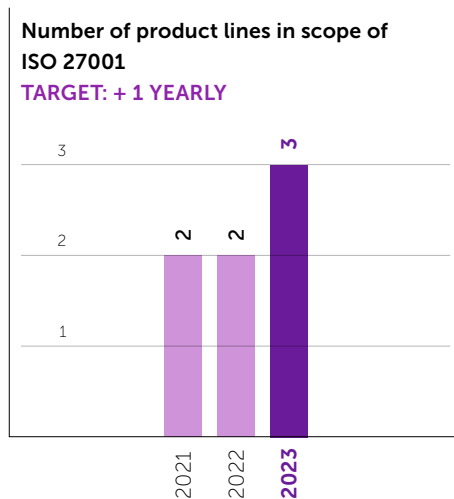
More information on the security organization in Barco can be found on the [Trust Center](#) on our corporate website.

Highlights in 2023 included:

1. Risk-based approach to improve Barco's 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. Continue the cybersecurity awareness training to foster a cybersecurity culture, including further extending phishing simulations and cybersecurity e-learning;
4. Increased focus on regulatory landscape (e.g. NIS2 regulation);

5. Further maturing the security and privacy evaluation framework for third parties in close collaboration with the DPO office;
6. Streamline Barco's second line of defense by extending Corporate security focus with Product Security;
7. Extended the scope of Barco's ISO 27001 scope with 1 product line, and prepared future scope extensions.
8. Consolidated public security information on our new corporate website as part of the 'Trust Center'.

Our security maturity score increased from 2.66 to 2.78 in 2023 (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 protection legislation outside the EU; e.g., the US HIPAA*, the UK General Data Protection Regulation, the California Consumer Privacy Act, etc. Our intragroup data-transfer agreement sets the GDPR standards and principles that Barco legal entities must apply when processing personal data.

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 and local basis.

Barco's DPO office works in close cooperation with our Security Office and reports bi-annually to the Audit Committee. 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.

2023 highlights included:

- Creating a Trust Center on our corporate website with a specific 'Privacy' section;
- Updating the cookies settings and policy of our corporate website;
- Embedding privacy by design into new projects, products, and initiatives;
- Providing additional data protection awareness training for employees;
- Further maturing the data protection and privacy instructions and templates;
- Conducting security and privacy assessments of new third-party cloud service providers and ensuring data processing agreements are in place with third-party cloud-service providers involved in the processing of personal data on Barco's behalf.



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 both our employees and business partners. That's why we strongly emphasize building a company culture centered on ethical conduct and compliance with Barco's policies and the applicable regulations.

5.1 Building a true ethics and compliance culture

In 2023, we reinforced our company-wide compliance program, releasing our new Code of Ethics. The first edition of the Code dated back to 2010 and was revised in 2017, before getting a major overhaul in 2023.

Next to the manager's annual sign-off of the Code of Ethics, we now also ask each white-collar employee to acknowledge receipt of the Code and remind them of its importance in promoting a transparent and ethical business culture. In addition, every Barco site worldwide has a 'local legal & compliance responsible', in charge of promoting a compliance culture in the country where the site is situated. Every year, the legal and compliance responsible completes a risk and compliance assessment, which is an integral part of our compliance program.

Revision of the Barco Code of Ethics



The updated Code of Ethics aspires to be more concise, simple, and clear. It contains updates in areas like diversity and inclusion, integrates the Ethics Helpline (whistleblower reports), and installs a newly composed Ethics Committee. This is the third re-work of our Code of Ethics. Every few years Barco updates its Code of Ethics to keep up with the constant evolution of legislation.

The Code contains different sections:

- **Integrity at work:** We strive for sustainable employment by creating a healthy work environment, both physically and mentally, where employees are treated and treat others fairly and respectfully. This part covers sections on a safe & healthy place to work, conflicts of interest, use of company assets, and digital conduct.
- **Integrity in business:** We act openly and ethically in all our interactions and conduct business in an integer, fair, and honest way. We do not use inappropriate methods to entice suppliers, customers, or other stakeholders in any way. This part covers sections on topics such as anti-bribery and corruption, inside information, and integrity towards customers, suppliers, and governments.
- **Integrity as corporate citizen:** This part covers our commitments on human rights, community engagement, political participation, and external communication.
- **Ethical guidance & reporting misconduct:** We encourage people to come forward and to transparently and honestly address issues which conflict or may conflict with the principles embedded in the Code

» [The updated Code of Ethics can be found here](#)

5.2 Compliance awareness actions

We undertake several initiatives to raise awareness about the Code of Ethics. The key initiative is the Compliance Challenge, a live quiz with compliance-related questions in which Barco teams around the world compete with each other. In 2023, we organized the Compliance Challenge for the 8th time, now specifically for our blue-collar workers.

Every year, the compliance officer updates all Barco employees on relevant compliance topics in the 'Compliance in review' letter. Compliance is also a component in the monthly onboarding sessions for new employees

5.3 Trust Center

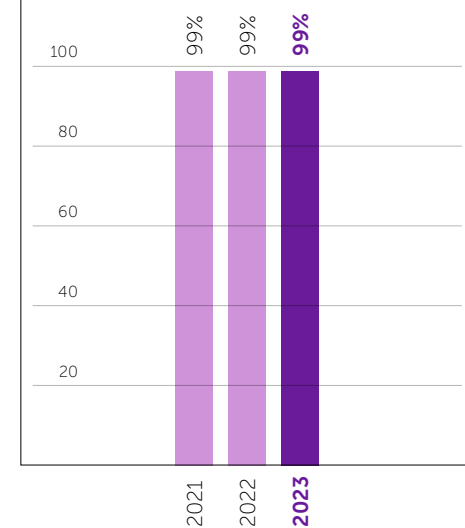
Barco puts great emphasis on building a company culture centered on ethical conduct and compliance with the company's policies and the applicable regulations. In 2023, we created a new [Trust Center](#) on our corporate website, making it easy to find more information regarding compliance, privacy, and security. Barco's Ethics helpline and our whistleblower procedure can be found under this Trust Center, together with our Human Rights pledge and Barco's statement concerning Modern Slavery and Human Trafficking.

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, environmental sustainability, quality, safety, ethics, and continuous improvement. In addition, we organize more in-depth Standards@Work training sessions on topics like anti-corruption, competition, data protection by design, and healthcare regulatory compliance for designated employees.



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



5.5 Promoting a ‘speak up’ culture

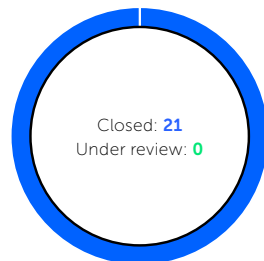
Barco wants to actively promote a genuine ‘speak up’ culture where ethical questions or dilemmas can be raised without fear of retaliation. Questions and/or concerns can also be communicated via the Ethics mailbox (ethics@barco.com).

In 2023, in line with the EU Whistleblowers’ directive, Barco has set up a whistleblower reporting tool with assistance from an external service provider: ethics.barco.com. Barco’s whistleblower channel procedure can be downloaded from the website.

The number of ethical issues is a combination of the above reporting channels.

Overview and breakdown of the matters addressed via the Ethics mailbox in 2023

Compliance	5
Conflict of interest	7
Mistreatment	3
Other	3
Unprofessional behaviour	3
Total	21



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 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 Brazil, Barco LTDA and Barco NV are actively cooperating with local authorities as witnesses regarding a fire in March 2023 in a shopping mall in Maranhão. The fire resulted in 2 fatalities in a cinema theater within the shopping mall. Barco provided evidence disproving its projectors as the cause, sought further details, and remains committed to supporting investigators in their efforts.

5.7 Membership of associations

Barco is strongly integrated into local and professional initiatives as well as communities that are relevant to 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, Communication Community, EIT Health,...
- Non-profit organizations supporting
 - local entrepreneurship, 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;
 - international exchange and trade, including Amcham Belgium.
- Advocacy organizations, like Voka

The annual membership fees for most of the above organizations 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

Visioning a bright tomorrow, the Barco purpose, also means ensuring more people can participate in and benefit from a prospering society, regardless of their background. Focusing on the areas of education, entrepreneurship, and healthcare, 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 employees took several initiatives to increase access to education and school enrollment rates around the globe.

Fun and tech at Barco Play Day in Belgium and India

Each year since 2012, volunteers have been organizing **Play Day** – a day of fun, games, and workshops for underprivileged children at Barco offices – first in Belgium and later in India, China, and Germany. More than offering the children a fun day away from their worries, we introduce them to the world of technology too. To raise funds, also external organizations are brought on board, all of them with a link to children’s play, well-being, and technology education.

In January 2023, Barco India welcomed 180 underprivileged children from Sakshi School in Noida. Barco employees and teachers immersed the children in a broad variety of themes. In September, over 150 children were introduced to the world of Barco at the Belgian One Campus site.

Rays of hope for children in Noida (India)

For years, Barco India has been supporting the **Barco Sakshi Education Center** for underprivileged children in Noida, where our site is located. We sponsored the construction in 2017 and now help the school by providing classes and daily meals, organizing fun activities, bringing children to school, etc. With 240 children enrolled, 123 of whom successfully transitioned to mainstream education, our efforts are making a tangible impact on the lives of these youngsters.

52k
euro

Barco invested 52k euro in community initiatives around the world in 2023. In addition, volunteers set up a wide variety of extra initiatives.



It’s so rewarding to hear that some of the former Play Day participants have actually chosen a STEM (science, technology, engineering, and mathematics) education because we inspired them.

Elsje Declercq
One of the driving forces behind Barco Play Day



6.2 Ensuring healthy lives and promoting well-being

Helping close the digital divide, while cutting our environmental footprint

For several years now, we have been partnering with **Close the Gap** – a social enterprise that aims to bridge the digital divide. In 2023, we donated 211 displays, 384 notebooks, 49 computers, and 61 other electrical devices, which got a second life in projects in Benin, Lima, Cote d'Ivoire, and Burkina Faso. More than promoting digital literacy, the re-use of our equipment helps reduce its environmental impact.

Thanks to the partnership with Close the Gap, we can equip the education centers in every country where we work (Senegal, Mali, Niger, Cote d'Ivoire, Burkina Faso, etc.) with performant computers.

Simplon.co digital factories

"Ensure the best possible health outcomes for as many people as possible" is the mission of our Healthcare division. More than developing solutions to achieve that aim, we also support organizations that provide access to good healthcare services around the world and we promote the importance of healthcare.

Breast Cancer Awareness Month

Continuing the tradition, we supported **Breast Cancer Awareness Month** in October 2023. Next to selling Pink ribbons, we encouraged employees to 'wear pink'. With these actions, we raised 2,425 euro for Think Pink, Belgium's breast cancer organization.

Supporting palliative care in India

Since 2016, Barco India has been sponsoring **CanSupport**, which operates India's largest free palliative care program. CanSupport's teams are caring for 2,600 cancer patients and their families, and run out-patient clinics, day care centers, and training programs. In 2023, we donated 22,396 euro, touching the lives of 224 patients and their families. In addition, Barco employees gave training to doctors and nurses on topics like stress management, women empowerment, Microsoft Excel, etc.

We want to help create an environment where people impacted by cancer discover strength, solace, and a robust support network.

Surbhi Seghal
Deputy Manager HR at Barco India

Noida



Kortrijk



Duluth



6.3 Promoting entrepreneurship and social inclusion

Barco put the topic of Diversity & inclusion higher on the agenda in 2023, 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 enjoys equal opportunities.

Embracing equity on International Women’s Day

On 8 March, the world celebrates International Women’s Day, honoring women’s social, economic, cultural, and political achievements. In 2023, Barco called on every female colleague to spread the word about #embracing equity.

Barco Taiwan organized a gathering for female employees, thanking them for their hard work, both in their jobs and at home.

Encouraging an inclusive work environment in India

At Barco India, the ‘One Barco – Women for Women’ program features presentations and workshops by industry leaders and TED speakers, encouraging female employees to navigate challenges and pursue their professional ambitions. The ‘Sahyog’ mentorship program pairs women with experienced mentors. The mentorship creates a supportive environment for mentees to grow with confidence through shared experiences and insights.

» [Read experiences of participants in the people section of our report on planet, people, and communities](#)

Supporting Youth for Change and Action (YOUCA) in Belgium

YOUCA is an organization that encourages young people to collaborate towards a sustainable and fair society, amongst others by facilitating unique encounters. In October 2023, three high-school students worked alongside our marketing, HR, and quality teams for an entire day to explore life at a tech company. The salary they earned that day was donated to a youth project by Plan International in Senegal.

International Women’s Day, Taiwan



Youca, Belgium



Reporting on EU taxonomy

Planet - People - Communities

Barco

Integrated report 2023



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 starting from reporting year 2022, including comparative figures for eligibility related to climate change mitigation and adaptation. As from reporting year 2023, the proportion of Taxonomy eligibility shall be disclosed for all remaining objectives.

Barco considers its economic activities to have the potential to significantly contribute to the Environmental objective (Eligible) Climate change mitigation and Transition to circular economy. 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.

Climate change mitigation

Delegated Regulation (EU) 2021/2139 of 4 June 2021 defines the activities that are contributing substantially to climate change mitigation or climate change adaptation.

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. 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.

Transition to circular economy:

Delegated regulation (EU) 2023/2486 for the Circular economy objective has been released on the 27th of June 2023 and published in the Official Journal on the 21st of November 2023¹

The circular economy reflects the need for economic activities to promote efficient use of resources through appropriate re-use and recycling of resources. Therefore economic operators shall ensure that in the design and production phase, long-term value retention and waste reduction of the product over its lifecycle are taken into account. During its use phase, the product should be subject to maintenance to extend its life, while reducing the amount of waste. The product should be dismantled or treated after its use to ensure that it can be re-used or recycled for the manufacturing of another product. Barco is preparing dedicated KPI's to expedite circular product offers and business models.

1 <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32023R2486>

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 mitigation², 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. Barco does not yet offer products that have the possibility to substantially contribute to Climate change adaptation.. Therefore, eligible activities related to the Climate acts will be directed towards the Climate change mitigation objective.

Article 13 in the EU Taxonomy Regulation qualifies an economic activity as contributing to the transition to a circular economy if that activity potentially results in: increased material resource efficiency and state of the art ecodesign across the full product lifecycle by focusing for example on: the "R-concepts", longevity, upgradability, recyclability and the avoidance of hazardous substances.

This clearly aligns with the scope of the ecoscore framework and corresponding Barco products. In addition, the TSC refer to the EU Ecolabel criteria or the copy of dedicated requirements from ecodesign regulations such as for example electronic displays, servers and data storage and the recent public green public procurement requirements.

Determination of Barco relevant economical activities is based on NACE code registration and validation of the economic activity and is conducted per objective separately. The following applicable economic activity as defined in the delegated acts applies:

Climate Change Mitigation – 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.

Transition to a circular economy – Manufacturing: C26 Manufacture of computer, electronic and optical products

and C27 Manufacture of electrical equipment, qualifying under 1.2. 'Manufacture of electrical and electronic equipment' in the Environmental Delegated Act.

For turnover eligibility reporting purposes, the following parameters were applied for both objectives:

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 or circularity impact and are covered by NACE code C26 or C27.

The turnover defined above represent: turnover generated by hardware products³ and project⁴ 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 or impact on dematerialization during the usage stage as defined in the corresponding Delegated Acts. These solutions are turnover from software, licences, or services.⁵

The overall reported "Proportion of Turnover (4)" as displayed in EU Taxonomy reporting table, aggregates unique economic activities and corresponding revenues. This to avoid double counting or incorrect grouping of economic activities.

² EU Taxonomy Regulation defining substantial contribution to Climate change adaptation is currently not applicable to Barco solution portfolio

³ Scope of Barco Ecoscore framework

⁴ 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.

⁵ Economic activities that fall under 5.5 of DA transition to a circular economy are based upon hardware solutions that are covered under activity 1.2.

2.2 CapEx and OpEx related to eligible activities

CapEx

The definition of KPI CapEx is available in Annex I 1.1.2 of DAC(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 dedicated individual measures.

OpEx

The definition of KPI OpEx is available in Annex I 1.1.3 of DAC(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. Taxonomy alignment

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. Reporting obligations covering circularity alignment are only applicable from reporting year 2024 onwards.

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:

- Provide supporting LCA⁶ 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 Standard⁷ table 6A.
- Product does not violate the applicable DNSH criteria
- Comply with minimum social safeguards

Product scope 3 emission of electronic product is typically 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 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 (versions 6.0 and 6.1, V7) 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.

⁶ LCA assessment shall comply with the ISO 14040 and 14044 standards.

⁷ [Net-Zero-Standard.pdf \(sciencebasedtargets.org\)](#)

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.

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
Objective 1 – TSC 3.6	Climate Change Mitigation: Manufacture of other low-carbon technologies ⁸ eg. Hardware products	89.0%	45%
Objective 4 – TSC 1.2	Circularity 1.2: Manufacture of electrical and electronic equipment	89.0%	N/A
Total	Aggregated proportion	89.0%	

Eligibility for both objectives are identical, the scope of Barco's ecolabel program, representing the same defined economic activities under objective 1 and 4. Eligibility remained stable reporting year 2023 (89%) vs (90,3%) 2022. Never the less the Revenues aligned did grow significantly toward 45% vs 27% reporting year 2022. This increase is the result of more sales of the latest generation energy efficient products.

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 contribution of the defined objectives. 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'⁹ (i.e. 7.6, 6.5). In 2023, we continued the shift in electrifying our fleet of company cars. By the end of 2023, our loading infrastructure at the Kortrijk site has grown to 206 loading points, mainly thanks to extra investments in the stations themselves and

⁸ Activity that places hardware products on the market that has specific climate impact throughout the product lifetime (GHG footprint).

⁹ https://ec.europa.eu/finance/docs/level-2-measures/taxonomy-regulation-delegated-act-2021-2800-annex-1_en.pdf

3.3 OpEx

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.

an extra high voltage transformer. The number of electrical cars has increased significantly and is now above the 300, meaning that more than 50% of our fleet is electrical. In the next years, we will continue electrifying our fleet and further reduce mobility-related CO₂ emissions.

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) – Objective 1	100%	11%
KPI related to capital expenditure (CapEx) – Objective 4	100%	N/A

The CapEx eligibility proportion remained stable over the last two reporting year. In 2023 the aligned CapEx investments grew from 4,8% to 11%. This due to the increase in electrical company cars and charging infrastructure.

4. Minimum safeguards

Examples of pro-rata aligned activities: software running on the Nexxis platform, development of laser source share over different end products.

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.

The eligibility coverage for objective 1 has increased from 71,8% reporting year 2022 to 77%. Due to more R&D actives that have been defined as tracible. Both objectives represent the same eligible proportion, as identical economic activities are in scope. The level of OPEX investments remained stable.

KPI	Proportion eligible	Proportion aligned
KPI related to operating expenditure (OpEx) – limited to R&D expenses – Objective 1	77.0%	48.0%
KPI related to operating expenditure (OpEx) – limited to R&D expenses – Objective 4	77.0%	N/A

Please find the full EU Taxonomy reporting table [here](#)

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.

The EU Commission has issued a notice on the interpretation and implementation of certain legal provisions of the EU Taxonomy Regulation to assist undertakings in implementing Article 18 of the EU Taxonomy Regulation. The central requirement under Article 18 (1) is that an undertaking must implement appropriate procedures, including procedures to continuously identify, prevent, mitigate or remediate the relevant actual and potential adverse impacts connected with their own operations, value chains and business relationships in order to ensure their activities are carried out in line with the standards for responsible business conduct mentioned in the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. Under Article 18 (2), undertakings must, as part of those due diligence and remedy procedures, consider the principal adverse impact indicators under the Sustainable Finance Disclosure Regulation related to social and employee matters, respect for human rights, anti-corruption, anti-bribery matters and exposure to controversial weapons.

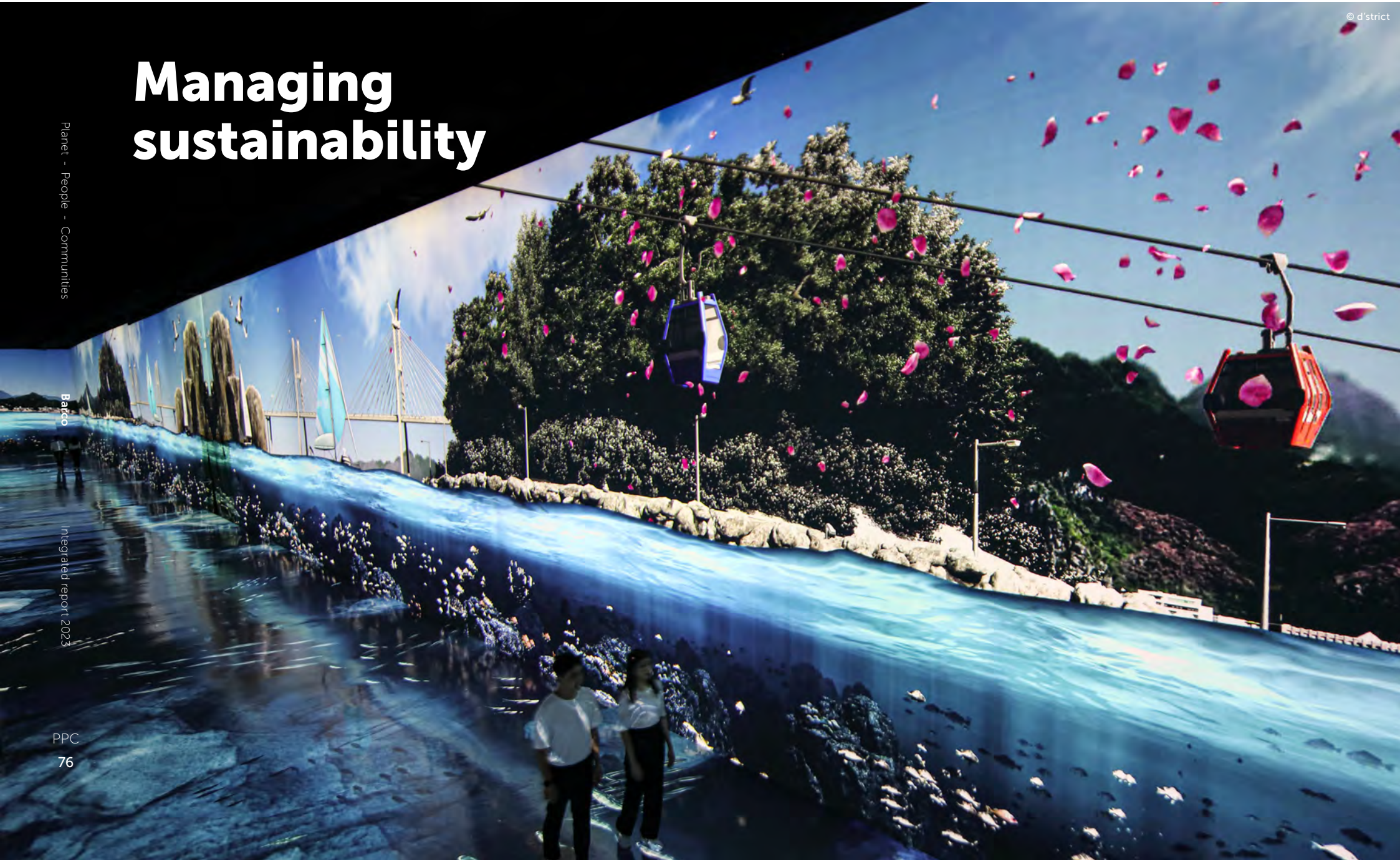
The Annual Report, and particularly the PPC Report describes in various sections the policies, procedures and practices which Barco has implemented to ensure alignment of its business activities with the standards for responsible business conduct in the above areas.

Managing sustainability

Planet - People - Communities

Barco

Integrated report 2023

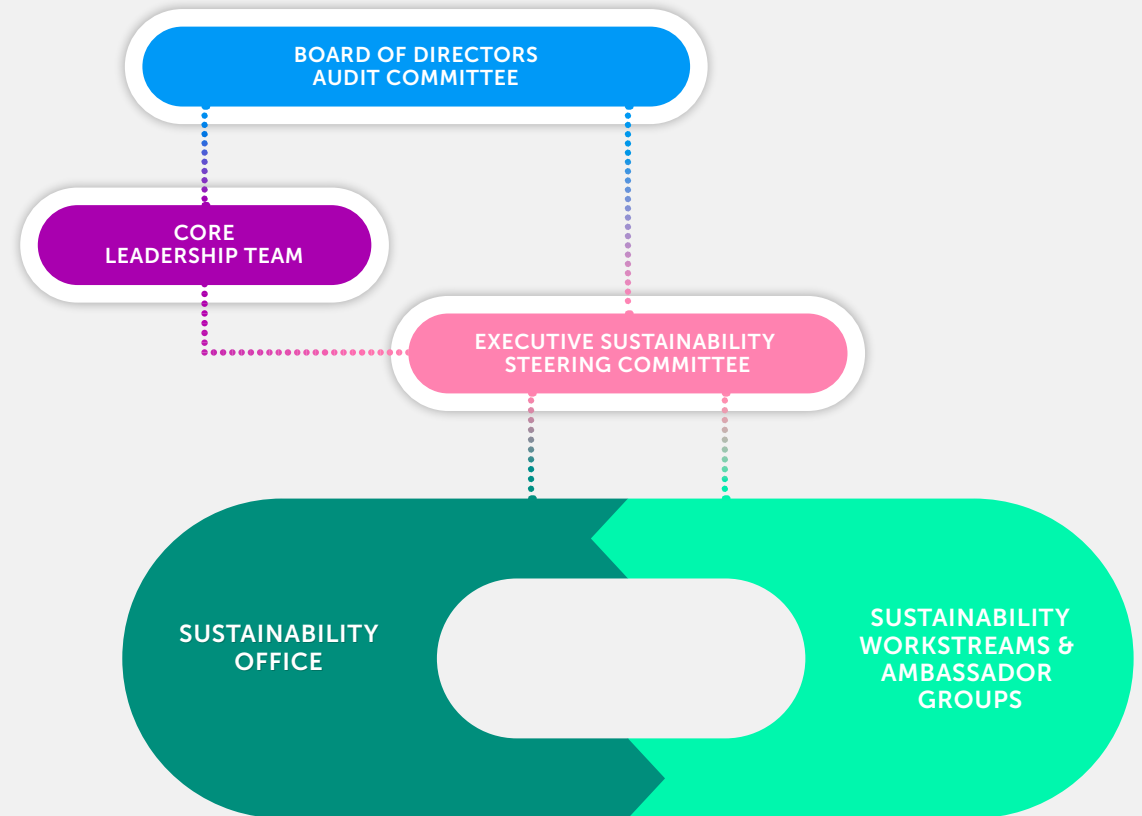


1. Sustainability governance and responsibility

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, Senior Vice President Innovation, Chief Digital & Information Officer). Under the leadership of the group Sustainability Office, a network of sustainability workstream leads across Barco divisions always prepares the meeting topics based upon the local execution of the sustainability plans. Just like in 2022, the committee met six times in 2023.

As part of our Sustainability efforts, both the Board of Directors and Audit Committee oversee the progress made towards the sustainability targets and our sustainability reporting. We thereby ensure that our sustainability reporting is subject to the same robust governance that applies to our financial reporting. In line with the upcoming CSRD requirements, both the Board and Audit Committee members were actively engaged in the double materiality assessment (impact assessment & financial assessment) and will be involved in the update of our sustainability strategy in 2024.



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.

Barco performed a double materiality analysis in 2023. A first insight into the outcome (materiality matrix) can be found in the [first part](#) of this report. This analysis entailed an extensive stakeholder consultation.

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, Carbon Disclosure Project, EGN, and others.

In addition, we are pushing sustainability forward as member of national and international industry associations. For example, we established a Sustainability Taskforce in Avixa, the trade association for the professional audiovisual industry worldwide. A description of the main initiatives and associations that we currently participate is available on our [website](#).

4. Certifications

In order to assure our stakeholders that our management systems meet international industry-specific standards, they are audited annually and certified according to international certification standards:

- ISO 9001 quality management system (for Barco sites in US, Germany, India, Italy, China, Norway, Taiwan and Belgium)
- ISO 13485 quality management system specifically for the medical device industry (for Barco sites in US, China, Belgium, Italy and South Korea)
- ISO 14001 environmental management system (for Barco sites in Belgium, China, India and Italy)
- ISO 27001 information security management system (for Barco sites in Belgium, India and Taiwan)

5. External evaluations

Barco's sustainability performance is rated by several independent organizations. 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](#).

Barco included in the BEL ESG Index and recognized for its sustainability-driven business

In February 2023, Barco was included Barco in the new BEL ESG stock market index, together with 19 other top Belgian companies. The [BEL ESG](#) (Environmental, Social and Governance) index is a brand-new addition to the BEL index family of Euronext, created to boost sustainable business by incorporating environmental, social and governance factors into investment decision-making.

The new index lists the Belgian companies from the BEL20 and BEL MID indices that demonstrate the best-performing ESG practices.

BEL ESG uses the Sustainalytics rating as one of the key criteria to select companies for this index. Sustainalytics is one of the [external rating agencies](#) that regularly assesses our ESG efforts and has ranked Barco favorably on numerous occasions.

We are very proud to see ourselves included in the BEL ESG index. This achievement reinforces our efforts and strengthens our determination to keep working hard towards a sustainable future. Leading business that is good for a flourishing planet and its people is a priority for us at Barco.

An Steegen
CEO

Annex



Planet
People
Communities

Barco

Integrated report 2023



EU taxonomy reporting table

Economic activities ⁽¹⁾	Code ⁽²⁾	Absolute Turnover ⁽³⁾ in thousands EUR	Proportion of Turnover ⁽⁴⁾ %	Substantial contribution criteria						DNSH criteria (‘Does Not Significantly Harm’ criteria)						Minimum safeguards ⁽¹⁷⁾ Y/N	Taxonomy aligned proportion of total Turnover, year 2023 ^{(18)**} %	Taxonomy-aligned proportion of turnover, year 2022 ⁽¹⁹⁾ %	Enabling activity ⁽²⁰⁾ E	Transitional activity ⁽²¹⁾ T
				Climate change mitigation ^{(5)*} %	Climate change adaptation ⁽⁶⁾ %	Water ⁽⁷⁾ %	Pollution ⁽⁸⁾ %	Circular Economy ⁽⁹⁾ %	Biodiversity and ecosystems ⁽¹⁰⁾ %	Climate change mitigation ⁽¹¹⁾ Y/N	Climate change adaptation ⁽¹²⁾ Y/N	Water ⁽¹³⁾ Y/N	Pollution ⁽¹⁴⁾ Y/N	Circular Economy ⁽¹⁵⁾ Y/N	Biodiversity ⁽¹⁶⁾ Y/N					
A. Taxonomy-eligible activities			89%	89%				89%												
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
Manufacture of other low carbon technologies	3.6	474,962	45%	100%	0%	0%	0%	0%	0%	-	Y	Y	Y	Y	Y	Y*	45%	-	E	-
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		474,962	45%	45%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y*	45%	27%	45%	0%
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Manufacture of other low carbon technologies	3.6	459,387	44%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		459,387	44%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total (A.1+A.2)		934,349	89%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B. Taxonomy-non-eligible Activities																				
Turnover of Taxonomy-non-eligible activities		115,787	11%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total (A+B)		1,050,137	100%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

* Compliance with minimum safeguards, as further clarified by the Platform on Sustainable Finance (reference: Minimum Safeguards in the PPC report chapter Reporting on EU taxonomy).

Economic activities ⁽¹⁾	Code ⁽²⁾	Absolute CapEx ⁽³⁾ in thousands EUR	Proportion of CapEx ⁽⁴⁾ %	Substantial contribution criteria						DNSH criteria (‘Does Not Significantly Harm’ criteria)						Minimum safeguards ⁽¹⁷⁾ Y/N	Taxonomy aligned proportion of total CapEx, year 2023 ^{(18)**} %	Taxonomy-aligned proportion of turnover, year 2022 ⁽¹⁹⁾ %	Enabling activity ⁽²⁰⁾ E	Transitional activity ⁽²¹⁾ T	
				Climate change mitigation ^{(5)*} %	Climate change adaptation ⁽⁶⁾ %	Water ⁽⁷⁾ %	Pollution ⁽⁸⁾ %	Circular Economy ⁽⁹⁾ %	Biodiversity and ecosystems ⁽¹⁰⁾ %	Climate change mitigation ⁽¹¹⁾ Y/N	Climate change adaptation ⁽¹²⁾ Y/N	Water ⁽¹³⁾ Y/N	Pollution ⁽¹⁴⁾ Y/N	Circular Economy ⁽¹⁵⁾ Y/N	Biodiversity ⁽¹⁶⁾ Y/N						
A. Taxonomy-eligible activities		100%	100%	100%	0%	0%	0%	0%	0%	0%											
A.1. CapEx of environmentally sustainable activities (Taxonomy-aligned)																					
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings) (CapEx C)	7.6	634	1%	100%	0%	0%	0%	0%	0%	0%	-	Y	Y	Y	Y	Y	Y*	1%	-	E	-
Transport by motorbikes, passenger cars and light commercial vehicles (CapEx C)	6.5	6,385	10%	100%	0%	0%	0%	0%	0%	0%	-	Y	Y	Y	Y	Y	Y*	10%	-	E	-
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		7,019	11%	11%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y*	11%	4.8%	11%	0%
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned)																					
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		58,202	89%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total (A.1+A.2)		65,221	100%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B. Taxonomy-non-eligible Activities																					
Capex of Taxonomy-non-eligible activities		0	0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total (A+B)		65,221	100%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

* Compliance with minimum safeguards, as further clarified by the Platform on Sustainable Finance (reference: Minimum Safeguards in the PPC report chapter Reporting on EU taxonomy).

Economic activities ⁽¹⁾	Code ⁽²⁾	Absolute OpEx ⁽³⁾ in thousands EUR	Proportion of OpEx ⁽⁴⁾ %	Substantial contribution criteria						DNSH criteria (‘Does Not Significantly Harm’ criteria)						Minimum safeguards ⁽¹⁷⁾ Y/N	Taxonomy aligned proportion of total CapEx, year 2023 ^{(18)**} %	Taxonomy-aligned proportion of turnover, year 2022 ⁽¹⁹⁾ %	Enabling activity ⁽²⁰⁾ E	Transitional activity ⁽²¹⁾ T
				Climate change mitigation ^{(5)*} %	Climate change adaptation ⁽⁶⁾ %	Water ⁽⁷⁾ %	Pollution ⁽⁸⁾ %	Circular Economy ⁽⁹⁾ Biodiversity and ecosystems ⁽¹⁰⁾ %	Climate change mitigation ⁽¹¹⁾ Y/N	Climate change adaptation ⁽¹²⁾ Y/N	Water ⁽¹³⁾ Y/N	Pollution ⁽¹⁴⁾ Y/N	Circular Economy ⁽¹⁵⁾ Biodiversity ⁽¹⁶⁾ Y/N							
A. Taxonomy-eligible activities			77%	77%				77%												
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
Manufacture of other low carbon technologies (OpEx A)		61,989	48%	100%	0%	0%	0%	0%	0%	-	Y	Y	Y	Y	Y	Y*	48%	-	E	-
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		61,989	48%	48%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y*	48%	48%	48%	0%
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		37,719	29%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total (A.1+A.2)		99,708	77%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B. Taxonomy-non-eligible Activities																				
OpEx of Taxonomy-non-eligible activities		29,830	23%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total (A+B)		129,537	100%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

* Compliance with minimum safeguards, as further clarified by the Platform on Sustainable Finance (reference: Minimum Safeguards in the PPC report chapter Reporting on EU taxonomy).

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, 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 to 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 November and December data was applied to the main categories of infrastructure & logistics CO₂e emissions to obtain 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 therefor immaterial in view of the full scope. Emissions related to car rental are currently not included in business travel emissions.
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

Disclaimer	<ul style="list-style-type: none"> The following data does not replace any product specific service or warranty, quality or any kind of formal performance statement.
Methodology	<ul style="list-style-type: none"> Greenhouse Gas Protocol Methodology Formula to be used: \sum (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 from sold products correspond to the greenhouse gas emissions during the use phase of the devices sold by Barco, at the end-user location. This considers all finished electronic consuming products sold by Barco. Software, services, hardware not consuming electricity (e.g. spare parts) and modules are not in scope. The emissions are based solely on the energy consumption of the product (excluding the embodied energy of components, end-of-life emissions, etc.)

MEASURING OUR CARBON FOOTPRINT RELATED TO PRODUCT USE EMISSIONS (cont'd)

<p>Use case data collection</p>	<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) Mpixels Size (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 default 8% of relative increase, if no performance data is available.</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 feedback:</p> <table border="1" data-bbox="1120 726 2078 917"> <thead> <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> </thead> <tbody> <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> </tbody> </table> <p>Non-cinema products 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																															
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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)

<p>Use case data collection</p>	<p>Use case data for Meeting Experience and Learning Experience</p> <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> <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>Use case data Large Video Wall Experience</p> <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> <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>
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MEASURING PRODUCTS WITH BARCO ECO LABEL

<p>Methodology</p>	<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 	
<p>Scope</p>	<ul style="list-style-type: none"> • All electronic hardware products, which are finished goods either designed inhouse or outsourced to OEM suppliers, that can deliver standalone its intended function. This includes peripherals from our products sold such as lenses and key components. <p>The following products are currently not in scope:</p> <ul style="list-style-type: none"> - Software - Services - Hardware not consuming electricity (spare parts, options) - Modules 	

Material topics for Barco

Based on the double materiality assessment, material topics for Barco are as follows:

MATERIAL TOPICS FOR BARCO	
1. Innovation, new technologies & product portfolio	Barco's ability to 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. In addition, the ability to identify societal needs and successfully convert these into value-adding products and solutions, is key, together with the ability to balance between core transformational innovation and sudden breakthroughs, leading to sound & sustainable product portfolio management.
2. Product quality, safety & security	At Barco we want to offer products and services that are healthy, safe and secure to use. This topic includes but is not limited to liability, management of recalls, product testing to eliminate risk of injury or damage as well as integration of security controls.
3. Responsible & resilient supply chains	Driving responsible and ethical behavior by setting high standards across our supply chain is key for Barco's future success. This entails conducting due diligence assessments of the overall supply chain network in order to identify and address potential environmental, social and governance risks (e.g. labor practices & human rights, business ethics, energy & climate change, ...). In addition, this topic also relates to supply chain collaboration & innovation on sustainable products, to ensure the supply chain can adapt, recover, and withstand disruptions or unexpected events that may affect normal operations by taking proactive measures and strategies.
4. Climate change & energy	<p>a. Addressing climate change includes the reduction of carbon footprint, which measures the total amount of GHGs emitted directly or indirectly by Barco. (climate change mitigation)</p> <p>b. It also entails climate resilience, meaning that Barco's performance is resilient to the potential shocks of climate change impacts. (climate change adaptation)</p>
5. Sustainable lifecycle management	Managing a product or service's entire lifecycle with a focus on minimizing environmental impacts (and maximizing social and economic benefits) through design to impact the 5 stages of the product or service lifecycle (sourcing, design, manufacturing, use and end-of-life). Ensuring product stewardship implies analyzing & minimizing the carbon emissions, pollution, water consumption and biodiversity impact of the product or service across its lifecycle, as well as sourcing circular materials to integrate into the product design.
6. Circular economy & waste	<p>a. Addressing the end-of-life of our own products & services by capturing the remaining value via circular business models. Enabling circularity via product life extension, sharing/collaboration models, predictive maintenance, upgrades, product-as-a-service, etc. combined with a circular R-strategies (recycling, remanufacturing, refurbishment, repair, etc.).</p> <p>b. Taking actions to prevent and reduce the waste from our own operations.</p>
7. Talent & career development	Nurturing and enhancing the skills, knowledge, and capabilities of individuals within Barco to support their professional growth and development. This involves providing opportunities, resources, and guidance to employees to develop their talents, acquire new skills, and advance their careers.
8. Diversity & Inclusion	<p>a. "Having the right mix": we want to embrace diversity by acknowledging the differences and fostering that makes each individual unique.</p> <p>b. "Making the mix work": we also want to promote an inclusive environment by ensuring all individuals are treated fairly and respectfully.</p>
8. Customer experience	The overall impression and perception that customers have of a company, brand or organization based on their interactions and engagements throughout the customer journey. It encompasses various elements such as customer lead follow-up, customer service satisfaction and product quality.

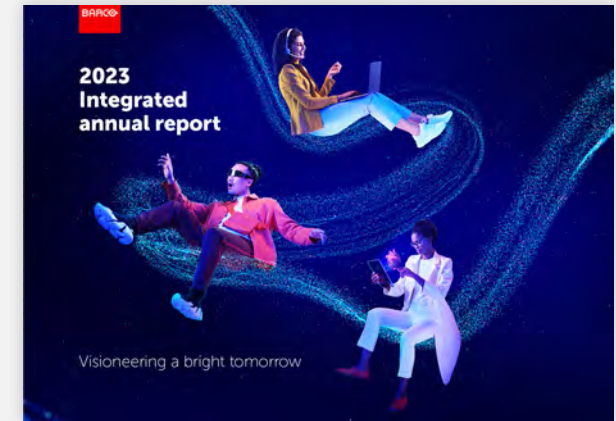
2023 Integrated annual report



Financial report

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This is the Financial section of Barco's 2023 Integrated annual report. Other sections are available via the download center at ir.barco.com/2023.

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ANNEX

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IFRS Financial Statements

Introduction

This chapter of the Annual Report contains the IFRS audited consolidated financial statements including the notes thereon, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union.

The chapter [Our results](#) provides an analysis of trends and results of the 2023 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	2023	2022	2021
Sales	2, 3	1,050,137	1,058,291	804,288
Cost of goods sold	3	-611,614	-645,538	-516,803
Gross profit	3	438,523	412,753	287,485
Research and development expenses	3(a)	-132,282	-120,493	-101,338
Sales and marketing expenses	3(b)	-145,891	-142,740	-116,240
General and administration expenses	3(c)	-59,948	-57,714	-47,858
Other operating income (expense) - net	3(d)	1,704	-1,663	-2,676
Adjusted EBIT	(a) 3	102,106	90,143	19,373
Restructuring and impairments	5	-10,811	-2,500	-6,420
EBIT	3	91,295	87,643	12,953
Interest income		6,514	2,773	713
Interest expense		-1,830	-1,930	-1,823
Income before taxes	6	95,979	88,486	11,843
Income taxes	6	-17,276	-15,927	-2,132
Result after taxes		78,703	72,559	9,711
Share in the result of joint ventures and associates	11	2,539	3,337	48
Net income		81,242	75,896	9,759
Net income attributable to non-controlling interest	17	1,074	677	878
Net income attributable to the equity holder of the parent	7	80,168	75,219	8,881
Earnings per share (in euro)	7	0.89	0.84	0.10
Diluted earnings per share (in euro)	7	0.88	0.83	0.10

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 2021 to 2023, 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	2023	2022	2021
Net income		81,242	75,896	9,759
Exchange differences on translation of foreign operations	(a)	-16,269	11,967	28,894
Cash flow hedges				
Net gain/(loss) on cash flow hedges		-262	1,259	485
Income tax		47	-227	-87
Net gain/(loss) on cash flow hedges, net of tax		-215	1,032	398
Other comprehensive income/(loss) to be recycled through profit and loss in subsequent periods		-16,484	12,999	29,292
Remeasurement gains/(losses) on defined benefit plans	19	-1,297	18,395	10,000
Deferred tax on remeasurement gains/(losses) on defined benefit plans	10	324	-4,599	-2,500
Actuarial gains/(losses), net of tax		-973	13,796	7,500
Changes in the fair value of equity investments through other comprehensive income	11	14,709	-23,004	9,945
Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods		13,736	-9,208	17,445
Other comprehensive income/(loss) for the period, net of tax effect		-2,748	3,791	46,737
Attributable to equity holder of the parent		-2,362	1,287	44,382
Attributable to non-controlling interest		-386	2,504	2,355
Total comprehensive income/(loss) for the year, net of tax		78,494	79,687	56,496
Attributable to equity holder of the parent		77,806	76,506	53,263
Attributable to non-controlling interest		688	3,181	3,233

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 2023, the negative 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 2022, the positive exchange differences in the comprehensive income line were mainly booked on foreign operations held in Hong Kong Dollar and US Dollar.

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.

Consolidated balance sheet

In thousands of euro	Note	31 Dec 2023	31 Dec 2022	31 Dec 2021
Assets				
Goodwill	8	105,612	105,612	105,612
Other intangible assets	9.1	12,026	19,251	17,427
Land and buildings	9.2	63,479	69,677	78,602
Other tangible assets	9.2	89,947	53,181	48,285
Investments and interest in associates	11	70,788	64,811	68,008
Deferred tax assets	10	57,040	55,239	64,155
Other non-current assets	13	4,335	5,819	6,849
Non-current assets		403,227	373,590	388,938
Inventory	12	231,521	245,714	175,496
Trade debtors	13	208,567	194,643	156,977
Other amounts receivable	13	14,458	14,509	16,211
Short term investments	14	4,670	1,651	2,763
Cash and cash equivalents	14	286,077	305,915	351,571
Prepaid expenses and accrued income		10,895	11,383	12,293
Current assets		756,188	773,815	715,311
Total assets		1,159,415	1,147,405	1,104,249

In thousands of euro	Note	31 Dec 2023	31 Dec 2022	31 Dec 2021
Equity and liabilities				
Equity attributable to equityholders of the parent	16	795,334	759,189	693,783
Non-controlling interests	17	15,961	19,792	41,031
Equity		811,295	778,981	734,814
Long-term debts	14	32,217	32,335	34,366
Deferred tax liabilities	10	3,576	3,229	3,823
Other long-term liabilities	15	54,374	44,524	48,860
Long-term provisions	19	15,131	14,998	31,175
Non-current liabilities		105,298	95,086	118,224
Current portion of long-term debts	14	12,288	11,217	10,218
Short-term debts	14	5,095	-	-
Trade payables	18	89,350	121,920	113,979
Advances received from customers	18	40,613	51,183	54,105
Tax payables		11,913	9,639	4,963
Employee benefit liabilities	(a)	58,500	53,487	39,550
Other current liabilities		7,034	5,412	5,036
Accrued charges and deferred income		7,745	11,155	14,823
Short-term provisions	19	10,284	9,325	8,537
Current liabilities		242,822	273,338	251,211
Total equity and liabilities		1,159,415	1,147,405	1,104,249

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 2023 and 2022 employee benefit liabilities include a bonus provision on the 2023 and 2022 results, whereas in 2021 bonus provision was limited. The remaining increase in 2023 and 2022 is caused by inflation and increase in headcount.

Consolidated statement of cash flow

In thousands of euro	Note	2023	2022	2021
Cash flow from operating activities				
Adjusted EBIT		102,106	90,143	19,373
Restructuring	5	-6,849	-1,211	-8,204
Depreciations of tangible and intangible fixed assets	3, 9	40,390	36,331	39,136
(Gain)/Loss on tangible fixed assets		119	-1,621	196
Share options recognized as cost	3(d), 16	2,230	1,548	3,067
Share in the profit/(loss) of joint ventures and associates	11	2,539	3,337	48
Gross operating cash flow		140,535	128,527	53,616
Changes in trade receivables		-18,320	-35,615	-4,918
Changes in inventory		9,579	-70,161	4,432
Changes in trade payables		-30,306	7,425	42,825
Other changes in net working capital		1,551	2,823	13,195
Change in net working capital		-37,496	-95,528	55,534
Net operating cash flow		103,039	32,999	109,150
Net operating cash flow				
Interest received		6,514	2,773	713
Interest paid		-1,830	-1,930	-1,823
Income taxes		-13,343	-6,042	-8,386
Cash flow from operating activities		94,380	27,800	99,654

In thousands of euro	Note	2023	2022	2021
Cash flow from investing activities				
Purchases of tangible and intangible fixed assets		-54,408	-21,218	-18,787
Proceeds on disposals of tangible and intangible fixed assets		209	8,038	183
Proceeds from (+), payments for (-) short term investments	14	-3,019	1,112	412
Acquisition of Group companies, net of acquired cash	1.3, 24	-	-3,763	-
Other investing activities	(a)	3,681	-41,634	51,969
Dividends from joint ventures and associates		2,160	-	3,859
Cash flow from investing activities (including acquisitions and divestments)		-51,377	-57,465	37,636
Cash flow from financing activities				
Dividends paid		-39,802	-21,065	-20,560
Capital increase		-14	1,737	1,676
Sale/(purchase) of own shares	16	-6,784	5,992	-4,472
Payments (-) of long-term liabilities	20	-13,805	-12,390	-12,758
Proceeds from (+), payments of (-) short-term liabilities	20	8,762	999	614
Dividend distributed to non-controlling interest	17	-1,810	-	-
Cash flow from financing activities		-53,453	-24,727	-35,500
Net increase/(decrease) in cash and cash equivalents		-10,450	-54,392	101,790
Cash and cash equivalents at beginning of period		305,915	351,571	235,402
Cash and cash equivalents (CTA)		-9,388	8,736	14,379
Cash and cash equivalents at end of period		286,077	305,915	351,571

The accompanying notes are an integral part of this statement.

(a) Other investing activities' in 2022 reflects 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 2023 and 2021 it reflects the movement in investments in entities in which Barco owns less than 20% of the shares. Per end of 2023 the increase in Barco's ownership interest in the Cinionic joint venture to 100% has not yet been paid for. We refer to note 17 for more explanation on the increase in ownership interest.

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 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
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

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 2023		233,671	558,777	20,215	-28,350	319	-25,443	759,189	19,792	778,981
Net income		-	80,168	-	-	-	-	80,168	1,074	81,242
Dividend	16	-	-39,802	-	-	-	-	-39,802	-	-39,802
Dividend distributed to non controlling interest		-	-	-	-	-	-	-	-1,810	-1,810
Capital and share premium decrease	16	-14	-	-	-	-	-	-14	-	-14
Other comprehensive income (loss) for the period, net of tax		-	13,736	-	-15,883	-215	-	-2,362	-386	-2,748
Share-based payment	16	-	-	2,230	-	-	-	2,230	-	2,230
Exercise of options	16	-	-	-	-	-	1,304	1,304	-	1,304
Share buy-back	16	-	-	-	-	-	-8,088	-8,088	-	-8,088
Increase in ownership interest, without change in control (a)	17	-	2,709	-	-	-	-	2,709	-2,709	-
Balance on 31 December 2023		233,657	615,588	22,445	-44,233	104	-32,227	795,334	15,961	811,295

The accompanying notes are an integral part of this statement.

(a) Per 22 November 2023, Barco reached an agreement with China Film Equipment co., Ltd to fully acquire Cinionic's premium Cinema solutions business, increasing Barco's ownership interest in the joint venture from 80% to 100%. We refer to note 17 for more explanation on the increase of ownership interest.

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 2023 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 5 February 2024. The chairman has the power to amend the financial statements until the shareholders' meeting of 25 April 2024.

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, even if the attribution of losses to the non-controlling interest results in a debit balance in 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 income 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, billing and revenue recognition is linked to milestones, reflecting the percentage of completion, 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 2023 the minimum guaranteed rate of return remains the same as in 2022 and 2021, 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, 2023		December 31, 2022		December 31, 2021	
	Closing rate	Average rate	Closing rate	Average rate	Closing rate	Average rate
CNY	7.85	7.66	7.36	7.08	7.19	7.63
INR	91.90	89.30	88.17	82.69	84.23	87.45
USD	1.11	1.08	1.07	1.05	1.13	1.18

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.

IFRS accounting standards adopted as of 2023

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2023. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies, effective 1 January 2023
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates, effective 1 January 2023
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction, effective 1 January 2023
- IFRS 17 'Insurance contracts', 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
- Amendments to IAS 12 'Income Taxes': International Tax Reform – Pillar Two Model Rules, effective 1 January 2023:

In May 2023, the IASB has issued these amendments introducing:

- a mandatory temporary exception to the accounting for deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- targeted disclosure requirements for affected entities.

The Amendments note that the mandatory temporary exception provides entities with relief from accounting for deferred taxes in relation to this new tax legislation allowing stakeholders time to assess the implications. It also avoids entities developing diverse interpretations of IAS 12 that could result in inconsistent application of the standard, and further requires an entity to disclose that it has applied the mandatory exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

The group has applied the mandatory temporary exception issued by the IASB in May 2023 which has refrained the Group from recognising and disclosing deferred tax assets and liabilities related to Pillar Two income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two Model Rules published by the OECD, including tax law that implements qualified domestic minimum top-up taxes.

The disclosure requirements for affected entities require, for periods in which Pillar Two legislation is (substantively) enacted but not yet effective, disclosure of qualitative and quantitative information about an entity's exposure to Pillar Two income taxes at the end of the reporting period.

On 14 December 2023, the Belgian government has enacted the Pillar Two income taxes legislation effective from 1 January 2024. Given that the consolidated revenue threshold of EUR 750 million is exceeded, the Group will be required to pay top up tax on profits of its subsidiaries that are taxed at an effective tax rate of less than 15 per cent. With nearly all subsidiaries expected to be eligible for the Transitional (Country-by-Country Reporting) Safe Harbours, which have been included in the Belgian law in line with the OECD guidance released on 20 December 2022, the main jurisdiction(s) in which exposures to top up tax may exist is Belgium.

Based on the quantitative analysis performed on the basis of the profits and tax expense determined as part of the preparation of the group's consolidated financial statements, considering certain adjustments that would have been required applying the legislation, no material impact is to be expected on the group effective tax rate.

IFRS accounting standards issued but not yet effective as of 2023

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 IFRS 16 'Leases': Lease Liability in a Sale and Leaseback, effective 1 January 2024
- Amendments to IAS 1 'Presentation of Financial Statements'¹: Classification of Liabilities as current or non-current', effective 1 January 2024
- Amendments to IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial Instruments: Disclosures'¹: Supplier Finance Arrangements, effective 1 January 2024
- Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability'¹, effective 1 January 2025

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 2023.

Critical accounting judgments and key sources of estimation uncertainty

General business risks

Over the year 2023 - 2021 the macroeconomic conditions have been affecting businesses all over the world – Barco included.

We refer to the chapter '[Risk factors](#)' 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 behavior and demand is making the same evolution.

Deep dive on the impact and consequences of the macroeconomic environment in 2023

The start of 2023 was characterized by an economic recovery, after the covid-19 pandemic ended in the course of 2022 in most geographies. The main exception was China, where local lockdowns continued to affect society and business operations during the first quarter of 2023, and recovery from the pandemic did not follow as expected after that. From the second quarter onwards, market conditions deteriorated in many geographies, as a result of geopolitical and macro-economic challenges that affected businesses all over the world, including Barco.

The main ones were:

- The supply chain constraints as seen in 2021 and 2022 eased and the impact from shortages and delayed deliveries of components, higher broker costs and higher transport costs faded. In the aftermath of these supply chain constraints and in order to guarantee continuous supply, many distributors and channel partners held higher than usual inventories of finished products, which they progressively reduced during the year. This has impacted the global demand and order levels in many markets.
- Interest rates increased globally. The cost for financing large customer projects increased and this has led to delays in orders and implementation timelines of large customer projects.
- The very high inflation rates as seen in 2022 in most geographies have reduced but remained considerably higher than the historic average of previous years and decades.
- Remaining pandemic-related measures and effects in China, during the first quarter of 2023. The economic aftermath of the pandemic in China was felt throughout the full year with lower economic activity in all sectors, especially those linked to local government funding, including the healthcare and entertainment markets.
- Scarcity of human resources and talent, especially for technical profiles, remained a challenge in 2023.

Approach

In this section, Barco addresses its risk mitigation plan related to the main 2023 macroeconomic impacts.

Operations and supply chain

In the second half of 2022, supply chain constraints and component shortages have eased considerably, and the exceptional price increases for energy, logistics and scarce components, as seen in 2021 and 2022, were no longer witnessed in 2023.

Nevertheless, the base inflation rate remained higher than usual, impacting salary costs and many other direct and indirect spend categories. Barco has addressed these challenges by intense collaboration with all suppliers. Furthermore, flexible value engineering and redesign of products have been a significant mitigating factor and will continue to be. For certain components and subassemblies, inventory levels have been increased to lower the risk of shortages or in anticipation of price increases.

Coping with inflation and high commodity prices

The aftermath of the pandemic and the changes in macroeconomic context have led to higher interest rates and inflation, especially in EMEA and Americas. As Barco has relatively low external debt, the direct cost effect of increased interest rates on the financial costs for 2023 is limited.

The inflation affects direct and indirect costs such as energy costs, salaries, and component sourcing. All these costs are being critically reviewed and optimized on a constant basis. Inflation effects were passed through where possible.

Lifting of pandemic measures in China

In China, the course of the pandemic has followed a different pattern than in other regions, with quicker recovery in 2020 and 2021, but still significant regional lockdowns in 2022 and also the first quarter of 2023, affecting the business operations and the customer demand. In Barco's Chinese locations, the hygienic safety measures (social distancing, ventilation, masks, homework policies) were lifted as late as the first quarter of 2023.

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 on goodwill 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 2023, 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).

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 2023

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	100
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 Lorenteggio 270A , 20152 Milano 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	Mosseveien 63, 1610 Fredrikstad NORWAY	100
Poland	Barco Sp. z o.o.	Annopol 17, 03-236 Warsaw POLAND	100
Russia	Barco Services OOO	Office 17/2, Building 1, Zvezdny Boulevard, 129085 Moscow RUSSIAN FEDERATION	100
Saudi Arabia	Barco Integrated Saudi for Business Services LLC	Ibn street 3855, West Umm Al Hamam Dist, 12328 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	Kyrkvägen 1, 192 72 Sollentuna SWEDEN	100
Sweden	Barco Solutions Sweden AB	c/o Grant Thornton, Box 2230, 403 14 Göteborg SWEDEN	100
Sweden	Dermicus AB	Kungsgatan 4, 411 19 Göteborg SWEDEN	70
Turkey	Barco Elektronik Sistemleri San.Tic. A.Ş	FSM Mah. Poligon cad. no: 8C, Buyaka2 Sitesi Kule-3 daire no: 35, 34771 Umraniye Istanbul TURKEY	100
United Arab Emirates*	Barco Middle East L.L.C.	Concord Tower, Suite 1212, PO Box 487786, Dubai Media City, Dubai UNITED ARAB EMIRATES	49
United Kingdom	Barco Ltd.	Building 329, Doncastle Road, RG12 8PE Bracknell, Berkshire UNITED KINGDOM	100
United Kingdom	Gnosco Dermicus Limited	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 Ltda.	Av. Ibirapuera, 2332, 8° andar, conj 82, Torre II, Moema, 04028-002 São Paulo BRAZIL	100
Canada	MTT Innovation Incorporated	Suite 2400, 745 Thurlow Street, V6E 0C5 Vancouver, BC CANADA	100
Colombia	Barco Colombia SAS	Carrera 15, n° 88-64, Torre Zimma Oficina 610, 110221 Bogota COLOMBIA	100
Mexico	Barco Visual Solutions S.A. de C.V.	Mariano Escobedo No. 476 Piso 10 Col. Anzures, C.P. 11590 D.F. México MEXICO	100
Mexico	Cinionic Mexico S.A. de C.V.	Artemio del Valle Arizpe 16, 2ndo piso, Col del Valle, CP 03100 New Mexico city (CDMX) MEXICO	100
United States**	Barco, Inc.	1209 Orange Street, 19801 Wilmington DE UNITED STATES	100
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	100
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 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

(**) As per 31/12/2023 Cinionic Inc has merged into Barco Inc.

1.2 List of equity accounted companies on 31 December 2023

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 2023:

- Barco GmbH
- Barco Control Rooms GmbH

These companies are included in the consolidation scope of Barco Consolidated 2023 as listed above.

1.3 Acquisitions and divestments

2023

Barco did not close any acquisition or divestment agreements in 2023.

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 and 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	-	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

	1 July 2022
Cash flow on acquisition	
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

Barco did not close any acquisition or divestment agreements in 2021.

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: ClickShare wireless conference and presentation systems, 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-based cinema projectors, including image processing, audio and service delivery to theaters and moviegoers.
- 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.

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	2023		2022		2021		Variance 2023-2022	Variance 2022-2021
Net sales	285,892	100.0%	341,701	100%	261,486	100%	-16.3%	30.7%
Cost of goods sold	-182,946	-64.0%	-225,340	-65.9%	-174,294	-66.7%	-18.8%	29.3%
Gross profit	102,946	36.0%	116,361	34.1%	87,192	33.3%	-11.5%	33.5%
EBITDA	27,797	9.7%	38,354	11.2%	22,399	8.6%	-27.5%	71.2%
Depreciation TFA and (acquired) intangibles	14,248	5.0%	11,176	3.3%	11,775	4.5%	27.5%	-5.1%
Adjusted EBIT	13,549	4.7%	27,179	8.0%	10,624	4.1%	-50.1%	155.8%
Capital expenditures TFA and software	14,611	5.1%	6,193	1.8%	12,271	4.7%	135.9%	-49.5%
Segment assets	180,253		193,103		141,127			
Segment liabilities	62,101		74,717		59,882			

Sales for Healthcare were impacted by channel inventories above normal levels, following a surge in customer orders at the end of 2022, and the phasing-out of an unusually large contract that ended at year-end 2022, while the phasing-in of orders under confirmed new contracts for new platforms from the end of 2023 onwards, in Surgical & Modality, leading to a sales decline of 16% in 2023 after a year of 31% growth.

The gross profit margin for Healthcare increased to 36.0%, versus 34.1% one year earlier. This reflects a favorable product mix with proportionally more (embedded) software products, partially offset by temporary transfer and costs associated with ramping up the new factory. Although indirect spending increased less than the general inflation rate, operating deleverage on the lower topline resulted in an EBITDA margin of 9.7%, a decline of 1.5 ppts versus last year.

Decrease in segment assets in 2023 are mainly the result of lower trade receivables in line with the lower topline.

Total capital expenditure over 2021-2023 include facility and production investments in Suzhou for a total amount of 15 million euro. In 2023 increase in capital expenditure is an extra investment in the production in Suzhou.

We refer to '[Our results](#)' and '[Risk management and control processes](#)' for more explanation.

2.3. Enterprise

In thousands of euro	2023		2022		2021		Variance 2023-2022	Variance 2022-2021
Net sales	303,761	100.0%	317,250	100%	233,090	100%	-4.3%	36.1%
Cost of goods sold	-140,816	-46.4%	-144,922	-45.7%	-124,529	-53.4%	-2.8%	16.4%
Gross profit	162,945	53.6%	172,328	54.3%	108,561	46.6%	-5.4%	58.7%
EBITDA	56,934	18.7%	60,609	19.1%	14,645	6.3%	-6.1%	313.9%
Depreciation TFA and (acquired) intangibles	8,405	2.8%	8,601	2.7%	9,408	4.0%	-2.3%	-8.6%
Adjusted EBIT	48,529	16.0%	52,009	16.4%	5,237	2.2%	-6.7%	893.0%
Capital expenditures TFA and software	2,904	1.0%	4,015	1.3%	2,706	1.2%	-27.7%	48.4%
Interest in associates	13,251		13,443		9,557			
Segment assets	216,087		195,912		202,365			
Segment liabilities	60,421		75,144		81,053			

The Enterprise division saw a strong topline growth over 2022, resulting in a year-over-year increase in sales of 36.1% led by Meeting Experience, driven by a global return-to-the-office wave. In 2023, Enterprise sales were 4% lower than 2022 as the division experienced difficult market conditions with companies delaying investments as they reconsidered their flexible office and meeting room requirements, impacting sales in Meeting Experience. Sales in Large Video Walls started soft at the beginning of the year, but improved through the second half.

Enterprise delivered an EBITDA margin, close to last year, of 18.7%. The announced strategy revisit in Large Video Walls started to yield results as of the second half year leading to a positive EBITDA result, largely offsetting the first half year's EBITDA loss. The more difficult market conditions and lower sales in 2023, led to a less favorable product mix impact compared to last year.

Segment assets increased in 2023 with 20 million euro, mainly the result of higher trade receivables due to end of year sales spike and longer payment terms granted, mainly in EMEA and APAC.

We refer to '[Our results](#)' and '[Risk management and control processes](#)' for more explanation.

2.4. Entertainment

In thousands of euro	2023		2022		2021		Variance 2023-2022	Variance 2022-2021
Net sales	460,484	100.0%	399,339	100%	309,712	100%	15.3%	28.9%
Cost of goods sold	-287,851	-62.5%	-275,276	-68.9%	-217,980	-70.4%	4.6%	26.3%
Gross profit	172,633	37.5%	124,063	31.1%	91,732	29.6%	39.1%	35.2%
EBITDA	57,765	12.5%	27,510	6.9%	21,465	6.9%	110.0%	28.2%
Depreciation TFA and (acquired) intangibles	17,737	3.9%	16,555	4.1%	17,953	5.8%	7.1%	-7.8%
Adjusted EBIT	40,028	8.7%	10,955	2.7%	3,512	1.1%	265.4%	211.9%
Capital expenditures TFA and software	36,893	8.0%	8,002	2.0%	3,810	1.2%	361.0%	110.0%
Interest in associates	15,841		13,723		11,316			
Segment assets	303,049		288,556		226,584			
Segment liabilities	126,886		140,825		144,702			

The Entertainment division delivered consecutive double-digit sales growth of 15% and 29% respectively in 2023 and 2022. Cinema built further on the strong momentum started in the second half of 2022 and driven by the renewal wave of lamp-to-laser technology, offering superior image quality to viewers and a lower total cost of ownership for cinema operators, while Immersive Experience recorded the highest sales year so far, for the second year in a row, fueled by simulation, image processing and projectors for fixed installations.

The high sales growth in Entertainment was despite a weak performance in China where demand has not yet recovered from the pandemic.

With supply chain challenges resolved and on the strength of a more favorable product mix, with more (embedded) software and services revenues, the gross profit margin for Entertainment grew to an all-time high of 37.5%, up 6.4 percentage points versus last year. Operating leverage on the double-digit topline growth resulted in an EBITDA margin for the division that jumped from 6.9% in 2022 to 12.5% in 2023.

Increase in segment assets in 2023 are mainly the result of additional capex investments for cinema-as-a-service (2023: 24 million euro; 2022:3 million euro). The increase in 2022 was 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	2023		2022		2021	
External sales						
Healthcare	285,892		341,701		261,486	
At a point in time revenues	281,657	99%	337,983	99%	257,466	98%
Over time revenues	4,234	1%	3,718	1%	4,020	2%
Enterprise	303,761		317,250		233,090	
At a point in time revenues	213,117	70%	232,932	73%	161,093	69%
Over time revenues	90,644	30%	84,319	27%	71,996	31%
Entertainment	460,484		399,339		309,712	
At a point in time revenues	409,375	89%	364,830	91%	276,981	89%
Over time revenues	51,108	11%	34,509	9%	32,731	11%
Total external sales segments	1,050,137		1,058,291		804,288	
At a point in time revenues	904,151	86%	935,745	88%	695,541	86%
Over time revenues	145,987	14%	122,546	12%	108,747	14%
Net Income						
EBITDA						
Healthcare		27,797		38,354		22,399
Enterprise		56,934		60,609		14,645
Entertainment		57,765		27,510		21,465
Depreciation and other amortizations						
Healthcare		14,248		11,176		11,775
Enterprise		8,405		8,601		9,408
Entertainment		17,737		16,555		17,953
Adjusted EBIT						
Healthcare		13,549		27,179		10,624
Enterprise		48,529		52,009		5,237
Entertainment		40,028		10,955		3,512
Total adjusted EBIT		102,106		90,143		19,373

In thousands of euro	2023	2022	2021
Restructuring and impairments	-10,811	-2,500	-6,420
EBIT	91,295	87,643	12,953
Interest income (expense) - net	4,684	843	-1,110
Income/(loss) before taxes	95,979	88,486	11,843
Income taxes	-17,276	-15,927	-2,132
Result after taxes	78,703	72,559	9,711
Share in the result of joint ventures and associates	2,539	3,337	48
Net income	81,242	75,896	9,759
Net income attributable to non-controlling interest	1,074	677	878
Net Income attributable to the equity holder of the parent	80,168	75,219	8,881

The total over time revenues relate for 48% to project sales mainly in the Enterprise division and for 52% to recurring service revenues generated on maintenance and lease contracts mainly in Entertainment and Enterprise.

The increase in overtime revenue is mainly coming from cinema-as-a-service amounting to 9.3 million euro, from additional maintenance contracts, mainly in Cinema and more projects sold in Enterprise.

In thousands of euro	2023	2022	2021
Assets			
Segment assets			
Healthcare	180,253	193,103	141,127
Enterprise	216,087	195,912	202,365
Entertainment	303,049	288,556	226,584
Total segment assets	699,389	677,572	570,076
Deferred tax assets	57,040	55,239	64,155
Short term investments	4,670	1,651	2,763
Cash and cash equivalents	286,077	305,915	351,571
Other non-allocated assets	112,239	107,028	115,684
Total assets	1,159,415	1,147,405	1,104,249

In thousands of euro	2023	2022	2021
Liabilities			
Segment liabilities			
Healthcare	62,101	74,717	59,882
Enterprise	60,421	75,144	81,053
Entertainment	126,886	140,825	144,702
Total segment liabilities	249,408	290,687	285,637
Equity attributable to equityholders of the parent	795,334	759,189	693,783
Non-controlling interest	15,961	19,792	41,031
Long-term debts	32,217	32,335	34,366
Deferred tax liabilities	3,576	3,229	3,823
Current portion of long-term debts	12,288	11,217	10,218
Short-term debts	5,095	-	-
Other non-allocated liabilities	45,536	30,957	35,390
Total equity and liabilities	1,159,415	1,147,405	1,104,249

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 and Middle-East and Africa (EMEA), Americas (North-America and LATAM) and Asia-Pacific (APAC).

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 16 million euro of the Group revenues in 2023 versus 42 million euro in 2022 and 21 million in 2021.

The table on the right gives an overview of the sales and assets per region and the most important capital expenditures in non-current assets per region.

EMEA and Americas contributed both 40% of total 2023 sales. EMEA sales grew while the Americas sales were lower mostly driven by Healthcare. The smaller contribution of APAC in 2023 compared to last year, was driven by weak sales in China in Entertainment and Healthcare.

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.

In thousands of euro	2023		2022		2021	
Net sales						
EMEA	420,564	40.0%	405,190	38.3%	305,199	37.9%
Americas	420,077	40.0%	435,793	41.2%	300,826	37.4%
Asia-Pacific	209,496	20.0%	217,308	20.5%	198,262	24.7%
Total	1,050,137	100%	1,058,291	100%	804,288	100%
Total assets						
EMEA	498,129	42.9%	515,349	44.9%	557,571	50.5%
Americas	294,178	25.4%	266,778	23.3%	180,303	16.3%
Asia-Pacific	367,108	31.7%	365,277	31.8%	366,375	33.2%
Total	1,159,415	100%	1,147,405	100%	1,104,249	100%
Purchases of tangible and intangible fixed assets*						
EMEA	13,202	24.2%	10,037	47.3%	8,186	43.6%
Americas	24,084	44.3%	3,763	17.7%	1,223	6.5%
Asia-Pacific	17,122	31.5%	7,418	35.0%	9,379	49.9%
Total	54,408	100%	21,218	100%	18,787	100%

(*) As included in the consolidated statement of cash flow.

3. Income from operations (EBIT)

In thousands of euro	2023	2022	2021
Sales	1,050,137	1,058,291	804,288
Cost of goods sold	-611,614	-645,538	-516,803
Gross profit	438,523	412,753	287,485
Gross profit as % of sales	41.8%	39.0%	35.7%
Indirect costs	-338,121	-320,947	-265,437
Other operating income (expenses) - net	1,704	-1,663	-2,676
Adjusted EBIT	102,106	90,143	19,373
Adjusted EBIT as % of sales	9.7%	8.5%	2.4%
Restructuring and impairments	-10,811	-2,500	-6,420
EBIT	91,295	87,643	12,953
EBIT as % of sales	8.7%	8.3%	1.6%

2023 sales amounted to 1,050.1 million euro, in line with last year. Double digit growth in Entertainment, mainly driven by cinema, was offset by a small decline in Enterprise and a more pronounced decline in Healthcare. While sales grew 4% in EMEA, sales were 4% lower year-over-year in the Americas. EMEA and Americas contributed both 40% of the 2023 topline. Within the APAC region, there was a clear contrast between lower sales in China and double-digit growth in the other countries, resulting in a net decline of 4%.

In 2022 topline increased 32% compared to 2021, close to the pre-pandemic 2019 level. All regions, except for China were 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. In 2021 topline was impacted by prolonged pandemic induced restrictions and component shortages, which caused delays in converting orders to sales.

The gross profit margin improved 2.8 ppts year-over-year to 41.8% as a result of a more favorable product mix with more (embedded) software across all product lines and the absence of the high costs for brokerage and logistics that were experienced in 2022 due to the supply chain constraints. The biggest step-up in gross profit margin was in Entertainment, where the supply chain constraints that hampered the business in 2022 were no longer present this year.

Adjusted EBIT margin reached 9.7% in 2023, up 1.2 percentage points versus 2022 and up 7.3 points versus 2021, reflecting the strong improvement in gross profit margin.

Indirect costs in 2023 increased 5% to 338.1 million euro (32.2% of sales; 2022: 30.3%, 2021: 33%), driven by continued high levels of inflation, partially offset by cost control in all indirect spend categories, while further investing in visualization and collaboration technologies, product roadmap, and go to market investments in Entertainment.

In 2023, EBIT includes restructuring and impairment costs for an amount of 10.8 million euro versus 2.5 million euro the year before, including 9.5 million euro lay-off costs and 1.3 million euro impairments. The lay-off costs were linked to the Large Video Walls strategy revisit, as well as several other organizational cost efficiencies.

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.

For more details on adjusting items we refer to note 5. Restructuring and impairment.

In thousands of euro	Note	2023	2022	2021
Adjusted EBIT		102,106	90,143	19,373
Depreciations and amortizations	9	40,390	36,331	39,136
EBITDA		142,496	126,474	58,509
EBITDA as % of sales		13.6%	12.0%	7.3%

The significant increase in gross profit, which was partially offset by higher indirect expenses resulted in an EBITDA of 142.5 million euro, 13% higher than the EBITDA of 126.5 million euro for 2022. The EBITDA margin grew to 13.6% versus 12.0% in 2022.

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 versus last year), compared to an EBITDA margin of 7.3% in 2021.

In 2023 depreciations are 4 million higher than in 2022, explained by higher depreciations from cinema-as-a-service. See note 9. Other intangible and tangible fixed assets.

In 2022 depreciations and amortizations are 2.8 million lower than in 2021, explained by fully amortized software and acquired know how in 2022.

In thousands of euro	2023		2022		2021	
Product sales	867,612	82%	882,052	83%	663,034	83%
Project sales	82,238	8%	73,920	7%	65,487	8%
EU taxonomy - eligible turnover	949,850		955,972		728,521	
Service sales	100,287	10%	102,318	10%	75,767	9%
Sales	1,050,137		1,058,291		804,288	

Major part of the sales relates to product sales (in 2023: 82%, in 2022: 83%, in 2021: 83%). Project sales remains stable at 7-8% of total sales over the period 2021-2023 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 2023 is 10% of total sales (2022: 10%, 2021: 9%).

We refer to note 2 'Segment Information' and to the chapter '[Our results](#)' for more explanation on sales and income from operations.

We refer to the [note on EU taxonomy](#) for the Company's EU taxonomy eligible turnover in 2023.

Indirect costs and other operating income (expenses) - net

In thousands of euro		2023	2022	2021
Research and development expenses	(a)	-132,282	-120,493	-101,338
Sales and marketing expenses	(b)	-145,891	-142,740	-116,240
General and administration expenses	(c)	-59,948	-57,714	-47,858
Indirect costs		-338,121	-320,947	-265,437
Indirect costs as % of sales		32.2%	30.3%	33.0%
Other operating income (expenses) - net	(d)	1,704	-1,663	-2,676
Indirect costs and other operating income (expenses) - net		-336,417	-322,610	-268,112

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BARCO

Indirect costs in 2023 increased 5% to 338.1 million euro (32.2% of sales; 2022: 30.3%, 2021: 33%), driven by continued high levels of inflation (as of 2022), partially offset by cost control in all indirect spend categories, while further investing in visualization and collaboration technologies, product roadmap, and go-to-market investments in Entertainment.

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In 2021 indirect costs in absolute numbers were substantially lower than in 2023 and 2022 because of extended cost containment measures such as implemented temporary work arrangements and economic unemployment measures for both white and blue collars, which were put in place to mitigate the negative impact of the pandemic on the company's topline, which was higher than the reduction in indirect costs could compensate for.

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Impact of inflation and merit in the Company kicks in as of the second half of the year. 2023 indirect costs therefore include the impact of the higher inflation in 2022 as of the second half year of 2022, while the higher inflation in 2023 is included as of the second half year of 2023.

(a) Research and development expenses

Research and development activities are spread over the divisions as follows:

In thousands of euro	2023	% of sales	2022	% of sales	2021	% of sales
Total research & development expenses	132,282	12.6%	120,493	11.4%	101,338	12.6%

In 2023 research and development expenses represent 12.6% of sales (11.4% in 2022, 12.6% in 2021). In absolute numbers research and development expenses have increased 12 million euro, a result of continued high inflation, while further investing in the Company's product roadmap to sustain and extend the Company's technology leadership position. In 2021, the lower absolute level of research and development expenses was

the result of cost containment measures taken as response to the covid crisis.

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](#) for the EU taxonomy eligible opex in 2023.

(b) Sales and marketing expenses

In thousands of euro	2023	% of sales	2022	% of sales	2021	% of sales
Sales and marketing expenses	145,891	13.9%	142,740	13.5%	116,240	14.5%

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 2023 are 13.9% of sales compared to 13.5% in 2022 and 14.5% in 2021. The absolute increase in 2023 is the result of inflation, partially offset by cost containment actions and go-to-market investments in Entertainment.

In 2021, the lower absolute level of research and development expenses was the result of cost containment measures taken as response to the covid crisis.

(c) General and administration expenses

In thousands of euro	2023	% of sales	2022	% of sales	2021	% of sales
General and administration expenses	59,948	5.7%	57,714	5.5%	47,858	6.0%

General and administrative expenses in 2023 are at 5.7% of sales, as a result of higher inflation partially offset by cost containment actions. In 2022, in absolute numbers expenses increased with almost 10 million euro, due to the impact of the inflation 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 expenses were lower due to 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 (2023: 43%, 2022: 42%, 2021: 47%).

(d) Other operating income (expense) – net

In thousands of euro		2023	2022	2021
Share in the result of BarcoCFG (a)		3,053	2,764	3,028
Bad debt provisions (net of write-offs and reversals of write-offs)		297	-243	448
Cost of share-based payments (b)		-2,230	-1,548	-3,067
Exchange losses (c)		-2,262	-672	-63
Other provisions (net of additions and reversals of provisions) (d)		896	72	-1,059
Bank charges		-956	-1,139	-778
Customer financial discounts		-802	-1,230	-571
Gains/(Loss) on disposal of tangible fixed assets		4,725	1,670	1,824
Other (net)		-1,017	-1,337	-2,438
Other operating income (expense)		1,704	-1,663	-2,676

(a) The 49% share in the net result of BarcoCFG is represented in EBITDA. See note 11.

(b) We refer to note 16. Equity attributable to equity holders of the parent – 2. Share based payments.

(c) Higher exchange loss in 2023 is caused by less favorable USD impact than in 2022.

(d) 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	2023		2022		2021	
Sales	1,050,137		1,058,291		804,288	
Material cost	-498,854	-47%	-534,317	-50%	-430,858	-54%
Services and other costs	-105,038	-10%	-106,529	-10%	-70,942	-9%
Personnel cost (a)	-305,452	-29%	-289,308	-27%	-241,303	-30%
Depreciation property, plant, equipment and software	-40,390	-4%	-36,331	-3%	-39,136	-5%
Other operating income (expense) - net (note 3)	1,704	0%	-1,663	0%	-2,676	0%
Adjusted EBIT	102,106	10%	90,143	9%	19,373	2%

Material costs in 2023 is 7% lower than 2022, while topline remained at the same level as 2022, as a result of the absence of the exceptionally high costs for brokerage and logistics that were experienced in 2022 and 2021 due to supply chain constraints and a more favorable product mix with more (embedded) software.

As the material cost decreased and the topline remained in line, we see an improvement of the direct gross margin in absolute numbers and relative of 3 percentage points compared to last year.

Personnel cost in 2023 is 6% higher than 2022, while 2022 was 20% higher than 2021, a result of increased headcount and continued high inflation.

Personnel cost in 2021 included temporary measures and executed lay-offs to align costs with lower demand caused by the impact of the pandemic on the Company's markets. The company therefore 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 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. These measures are no longer in place as of 2022 and explain part of the increase in services and other costs, together with higher inflation and contractors hired to fill temporary gaps mainly in 2022. In 2023, the continued higher inflation was offset by strict discipline on discretionary spending.

a) Personnel cost

In thousands of euro	2023	2022	2021
Wages and salaries	-250,641	-237,564	-194,851
Social security contributions	-30,300	-27,709	-26,642
Pension expense for defined benefit plans	-13,461	-12,859	-12,554
Temporary labour	-3,285	-4,004	-1,661
Recruiting expenses	-1,869	-2,264	-1,294
Other personnel cost	-5,896	-4,908	-4,301
Personnel cost	-305,452	-289,308	-241,303

Personnel cost includes the cost for temporary personnel for an amount of 3.3 million euro (in 2022: 4 million euro, in 2021: 1.7 million euro).

The average number of full time equivalents can be split as follows:

	2023	2022	2021
Barco NV (parent company)	1,277	1,196	1,199
Other subsidiaries	2,095	2,004	1,941
Total average number of full time equivalents	3,372	3,200	3,140

Average number of employees in 2023 was 3,372 (versus 3,200 in 2022, 3,140 in 2021), including 2,760 white-collars (in 2022: 2,628, in 2021: 2,555) and 612 blue-collars (in 2022: 572, in 2021: 585). 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. In 2023, the number of blue collars in Belgium are back at normalized level and increased in China in the new production plants. Increase white collars is mainly in the Entertainment division.

Full time equivalents at year end 2023 amount to 3370 (versus 3,299 end of 2022, 3,133 end of 2021), including 2,752 white collars (2022: 2,724, 2021: 2,568) and 618 blue collars (in 2022: 575, in 2021: 565).

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.

5. Restructuring and impairment costs

The table below shows the restructuring and impairment costs recognized in the income statement.

In thousands of euro	Note	2023	2022	2021
Restructuring (cash)	19	-9,500	-2,500	-4,920
Impairments (non-cash)		-1,311	-	-1,500
Total restructuring and impairments		-10,811	-2,500	-6,420

Restructuring charges in 2023 include 9.5 million euro lay-off (cash) costs, linked to the strategic review of Large Video Walls and several other organizational cost efficiencies and affected in total 153 employees. Non-cash restructuring costs relate to 1.3 million euro write off on inventories as a result of the strategic decisions taken in Large Video Walls.

Barco has completed the strategic review of its Large Video Walls business, as announced in the beginning of 2023, by the middle of the year with the clear objective to return to sustainable profitability by accelerating investments in software product portfolio and optimizing the organization for success. We refer to CORE report - 06. Our markets for more explanation on the transformation of Large Video Walls.

The restructuring charges linked to Large Video Walls are a result of the strategic decisions on rebalancing the R&D portfolio, to focus on profitable products and markets and to align supporting sales and marketing activities and service model to the focus on software and workflows.

At the end of 2022, the Company has recorded 2.5 million euro of restructuring (cash) costs as a result of scaling down activities.

In 2021, as a result of the redesign of the organization 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 4.4 million euro (2022: 1.7 million, 2021: 0.5 million euro) (see note 19. Provisions). The people impacted have all been notified before the end of 2023. Their last working day and severance pay out will be in the course of 2024. In 2023 6.8 million euro (2022: 1.2 million euro and in 2021: 8.2 million euro) of restructuring was paid (see consolidated statement of cash flow).

6. Income taxes

In thousands of euro	Note	2023	2022	2021
Current versus deferred income taxes				
Current income taxes		-19,573	-13,301	-5,333
Deferred income taxes	10	2,297	-2,626	3,201
Income taxes		-17,276	-15,927	-2,132
Income taxes versus income before taxes				
EBIT		91,295	87,643	12,953
Interest income (expense) - net		4,684	843	-1,110
Income before taxes		95,979	88,486	11,843
Income taxes				
Effective income tax rate	%	18.0%	18.0%	18.0%
Income before taxes		95,979	88,486	11,843
Theoretical tax rate	%	25%	25%	25%
Theoretical tax credit/(cost)				
Innovation income deduction (IID)		9,098	6,518	5,224
Effect of different tax rates in non-Belgian affiliates		-902	-523	546
Changes in deferred tax on undistributed earnings	(a)	-4,500	-	-
Uncertain tax treatment	(b)	250	60	280
Income not taxed				
Other income exempt from tax (mainly government grants)		4,298	2,758	1,706
Non deductible expenses				
Dividends received	(c)	-132	-90	-319
Other non-deductible expenses		-1,942	-1,693	-2,038
Tax adjustments related to prior periods		-14	-773	-165
Deferred tax assets, derecognized in current year	(d)	-1,078	-420	-9,377
Set-up/use of deferred tax assets, not recognized in prior years		99	357	533
Realized capital gain on investment in affiliates	(e)	1,542	-	4,439
Taxes related to current income before taxes		-17,276	-15,927	-2,132

- (a) Deferred tax recognized on undistributed earnings of subsidiaries which are expected to be distributed in the foreseeable future.
- (b) Tax positions taken in the financial statements and in the tax filings and how these are supported, as well as how the taxation authorities might make their examinations and how issues that might arise from examinations could be resolved, are reviewed. Based on this assessment, a deferred tax liability is determined in line with IFRIC 23. A reversal on the deferred tax liability is taken when the uncertain tax position is no longer in place as a result of an occurred tax examination or expiration of the examination period.
- (c) Includes withholding taxes on dividends received and tax impact of intragroup dividends that did not apply for a dividend received exemption regime to their full extent.
- (d) Deferred tax assets not recognized on tax losses/credits or tax losses/credits carried forward when assessment shows it is not probable that these tax benefits can be utilized in the near future, in 2021 mainly in Barco NV (Belgium). Reference is made to note 10.
- (e) Net gain on investments realized in Barco NV exempted from tax. The gain in 2021 related to the liquidation of Barco Taiwan Technology Ltd.

7. Earnings per share

In thousands of euro	2023	2022	2021
Net income/(loss) attributable to the equity holder of the parent	80,168	75,219	8,881
Weighted average of shares	90,426,432	90,005,918	88,984,041
Basic earnings per share	0.89	0.84	0.10
Net income/(loss) attributable to the equity holder of the parent	80,168	75,219	8,881
Weighted average of shares (diluted)	91,078,011	90,486,263	89,185,100
Diluted earnings per share (a)	0.88	0.83	0.10

(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	2023	2022	2021
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 over the period 2021-2023 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. For 2023 and 2022 the high level of conservatism is again applied to be consistent with prior year testing. In 2021, an appropriate level of conservatism was applied, to take into account covid-19 related uncertainty. Over the past 3 years, 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 seen in the table on the right.

The allocation remained the same over 2023, 2022 and 2021. The Group performed its annual impairment test in the fourth quarter of 2023 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 2023, the market capitalization of the Group was almost two times the amount of equity of the Group. As such, this general test does not show an indication for impairment.

The annual impairment tests were performed for each cash-generating unit. The recoverable amount for each of the cash-generating units has been determined based on a value-in-use calculation using cash flow projections generated by management covering a five-year period. Due to the level of uncertainty of future years, these financial projections have been adjusted to more conservative levels for the purpose of our impairment testing.

The pre-tax discount rate applied to projected cash flows is 9.5% (2022: 10.1%; 2021: 8.7%) and cash flows beyond the five-year period are extrapolated using a conservative growth rate of 0% (2022 and 2021: 0%).

Cash-generating units in thousands of euro	2023-2021
Healthcare	28,263
Enterprise	41,785
Entertainment	35,564
Total goodwill (net book value)	105,612

The amount by which the unit's recoverable amount exceeds its carrying amount is 79 million euro (151 million euro in 2022) in Healthcare, 313 million euro in Enterprise (130 million euro in 2022) and 66 million euro in Entertainment (106 million euro in 2022). For Healthcare, the decrease compared to last year is fully explained by the lower 2023 sales level which is the starting point for the impairment exercise at 0% sales growth over the projected period, while having a higher working capital. Lower headroom in Entertainment is explained by the higher carrying amount due to investments for cinema-as-a-service and higher working capital while sales level and EBITDA % increased compared to 2022. Even with this high level of conservatism applied, we can conclude that there is no impairment risk.

The same level of conservatism is applied to the EBITDA %, where we used the average of the last 2 years (2023-2022), excluding the covid impacted year (2021).

A similar approach has been used in the past, where the EBITDA % used was the average of the last 3 years, except for Entertainment where we used the pre-covid EBITDA level of 9.2% in the 2022 goodwill impairment test.

Despite the high level of conservatism applied, all three divisions have sufficient 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	10.5%	18.9%	9.7%
Growth rate estimates	0.0%	0.0%	0.0%
Discount rate	9.5%	9.5%	9.5%

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 two years preceding the start of the budget period for all divisions and has been kept conservatively flat over the projected period.

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 2023, 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 4%, 15% and 2% 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						2023	2022	2021
	Software	Customer Relations	Know-how	Other Intangible Assets	Other Intangible assets under construction	Total	Total	Total
At cost								
On 1 January	65,998	9,818	47,569	5,200	62	128,646	136,578	134,608
Expenditure	1,210	-	177	3	1,870	3,261	3,836	1,230
Sales and disposals	-547	-	-4,450	-	-	-4,997	-20,094	-3,312
Acquisition of subsidiaries	-	-	-	-	-	-	7,607	-
Transfers	527	-	-	-	-527	-	-	-
Translation (losses)/gains	-92	-97	-517	-20	-	-726	719	4,052
On 31 December	67,097	9,721	42,779	5,183	1,404	126,185	128,646	136,578
Amortizations and impairment								
On 1 January	54,703	9,818	39,928	4,946	-	109,396	119,151	105,655
Amortization	5,117	-	2,067	23	-	7,207	10,037	13,095
Impairment	-	-	2,745	-	-	2,745	-	-
Sales and disposals	-547	-	-4,450	-	-	-4,997	-20,094	-3,312
Transfers	-	-	-10	10	-	-	-	-
Translation (losses)/gains	-55	-97	-28	-13	-	-192	302	3,713
On 31 December	59,219	9,721	40,253	4,966	-	114,159	109,396	119,151
Carrying amount								
On 1 January	11,296	-	7,640	253	62	19,251	17,427	28,952
On 31 December	7,879	-	2,526	216	1,404	12,026	19,251	17,427

Barco's intangibles mainly include SAP ERP software and remaining book value of acquired know how.

In 2023, capital expenditures for intangible assets amount to 3.3 million euro (2022: 3.8 million euro, 2021: 1.2 million euro). Expenditures in 2023 mainly related to the implementation of a cloud-based IT platform automation solution, a supplier relationship management tool as well as smaller investments in IT security. Other intangible assets under construction include ongoing projects related to a healthcare complaint handling tool and initial costs related to the planned S4HANA migration.

Expenditures in 2022 and 2021 mainly related to new customer relationship management (CRM) software.

In 2022, as a result of the Dermicus 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.

Disposals in 2023 relate to fully amortized IT software which is no longer used and part of the stake, recorded as fully amortized know-how, transferred to new investors, realizing a gain of 4.6 million euro (see note 3.d other operating income (expense) – net). Disposals in 2022 and 2021 relate to fully amortized IT software which is no longer used.

The group performed its annual impairment review on acquired intangibles in the fourth quarter of 2023 consistently with prior years. Special attention was paid to the potential impacts of the macroeconomic environment. The test concluded in an impairment of 2.7 million euro.

Barco does not hold intangible assets with indefinite lifetime.

9.2. Tangible fixed assets

In thousands of euro							2023	2022	2021
	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	132,549	87,566	44,086	13,813	7,238	152,704	285,253	284,317	267,104
Expenditure*	6,300	25,195	11,568	1,003	20,426	58,193	64,493	30,020	27,040
Sales and disposals	-2,104	-1,475	-4,284	-370	-	-6,130	-8,233	-28,034	-16,614
Transfers	-437	3,682	583	43	-3,872	437	-	-	-
Translation (losses)/gains	-2,300	-1,905	-484	-331	-550	-3,270	-5,570	-1,050	6,786
On 31 December	134,009	113,063	51,470	14,159	23,242	201,934	335,943	285,253	284,317
Depreciation and impairment									
On 1 January	62,872	58,751	31,690	9,082	-	99,523	162,395	157,430	143,630
Depreciation	10,955	10,818	6,900	1,765	-	19,483	30,438	26,294	26,041
Sales and disposals	-2,034	-1,330	-4,295	-223	-	-5,847	-7,882	-21,137	-15,787
Transfers	-	75	78	-153	-	-	-	-	-
Translation (losses)/gains	-1,263	-565	-381	-227	-	-1,172	-2,436	-191	3,546
On 31 December	70,529	67,749	33,993	10,246	-	111,988	182,517	162,396	157,430
Carrying amount									
On 1 January	69,677	28,815	12,396	4,731	7,238	53,181	122,856	126,887	123,474
On 31 December	63,479	45,314	17,477	3,913	23,242	89,947	153,426	122,856	126,887

(*) Expenditures also include the additions for IFRS16.

Capital expenditures for tangible assets in 2023, excluding the impact of IFRS16, amount to 51.1 million euro. Major investments in 2023 are related to leasing agreements concluded with cinema customers (2023: 24.5 million euro; 2022: 3 million euro), investment in the new factories in China, both facility and production related (2023: 15 million euro; 2022: 10 million euro; 2021: 8 million euro).

Further, capital expenditures include machinery and tooling linked to new product introduction projects (2023: 4 million euro; 2022: 2 million euro; 2021: 2.5 million euro), IT hardware equipment (2023: 2.2 million euro; 2022: 2.5 million euro; 2021: 2.4 million euro) and renewal of demo experience centers (2023: 0.2 million euro; 2022: 2.0 million euro) .

The total amount of capital expenditure for tangible assets in 2023 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](#).

Disposals in 2023 mainly relate to machinery & equipment and furniture, which are no longer in use and fully written down.

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 machinery & equipment and furniture, which are no longer in use and fully written down.

Disposals in 2021 mainly relate to 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.

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 - lessee accounting

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				2023	2022	2021
	Buildings	Vehicles	Other assets	Total	Total	Total
On 1 January	40,164	11,041	-	51,205	46,922	39,013
New leases or extensions of current leases	6,028	8,113	85	14,226	10,986	10,702
Termination of leases	-1,512	-2,382	-3	-3,896	-6,586	-4,403
Translation (losses)/gains	-1,142	3	-1	-1,140	-117	1,611
On 31 December	43,538	16,775	81	60,394	51,205	46,922
Depreciation and impairment						
On 1 January	-20,884	-5,487	-	-26,371	-21,119	-14,415
Depreciation	-6,899	-3,303	-20	-10,222	-9,539	-10,023
Termination of leases	1,494	2,382	3	3,878	4,141	3,956
Translation (losses)/gains	681	2	-	683	146	-636
On 31 December	-25,609	-6,406	-17	-32,031	-26,371	-21,119
Right-of-use assets						
On 1 January	19,280	5,554	-	24,834	25,803	24,598
On 31 December	17,930	10,369	65	28,363	24,834	25,803

Additions to the right-of-use assets during 2023 were 14.2 million euro (2022: 11 million euro; 2021: 10.7 million euro) split over leased buildings (2023: 6 million euro; 2022: 7.6 million euro) and leased vehicles (2023: 8.1 million euro; 2022: 3.4 million euro). The additions are both renewals of existing lease agreements as well as a lease agreement in Norway.

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	2023	2022	2021
Buildings	-6,899	-6,936	-7,591
Vehicles	-3,303	-2,604	-2,433
Other assets	-20	-	-
Total depreciation charge of right-of-use assets	-10,222	-9,539	-10,023
Interest expense (included in finance cost)	-1,225	-1,072	-1,066
Expense relating to short-term leases	-	-	-17
Expense relating to leases of low-value assets that are not shown above as short-term leases	-7	-19	-24

The total cash outflow for leases including interests in 2023 was 10 million euro (2022: 9.2 million euro; 2021: 9.7 million euro).

Leases – lessor accounting

This note provides more information for leases where the Group is a lessor:

In 2022, AMC Theatres, the largest theatrical exhibitor in the United States, in Europe & the Middle East, announced that they will upgrade their theaters with new Barco laser projectors via cinema-as-a-service program. Barco remains owner of the laser projectors and therefore the assets are included in the tangible fixed assets under plant, machinery and equipment. The total investments for all the cinema customers who have stepped into a cinema-as-a-service program in 2023 amounted to 24.5 million euro (2022: 3 million euro).

Installation of laser projectors under the cinema-as-a-service program started in 2023.

For the current cinema-as-a-service installed projectors, the following undiscounted lease payments are expected in the coming 5 years:

In thousands of euro	2023
Receivable in 2024	17,134
Receivable in 2025	17,089
Receivable in 2026	17,089
Receivable in 2027	16,733
Receivable in 2028	7,621
Total receivable	75,665

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)		
	2023	2022	2021	2023	2022	2021	2023	2022	2021
Tax value of loss carry forwards	15,948	13,721	10,201	-	-	-	15,948	13,721	10,201
Tax value of tax credits	13,952	17,920	26,586	-	-	-	13,952	17,920	26,586
Deferred revenue	10,973	10,227	9,961	-	-	-	10,973	10,227	9,961
Inventory	12,050	8,837	8,573	-104	-211	-34	11,946	8,626	8,539
Provisions	6,277	6,062	8,477	-1,009	122	-32	5,268	6,184	8,445
Tangible fixed assets and software	5,724	1,580	2,031	-353	-363	-678	5,371	1,217	1,353
Employee benefits	1,471	1,333	1,024	-33	258	88	1,438	1,591	1,112
Trade debtors	184	416	362	-	-	-	184	416	362
Capitalized development cost	55	6	-	-1	-	-	54	6	-
Uncertain tax positions (UTP)	-	-	-	-2,810	-3,060	-3,120	-2,810	-3,060	-3,120
Patents, licenses, ...	-	-	-	-5,015	-5,704	-3,792	-5,015	-5,704	-3,792
Other items	852	906	754	-4,698	-40	-68	-3,846	866	686
Gross tax assets/(liabilities)	67,486	61,008	67,969	-14,022	-8,998	-7,636	53,464	52,010	60,333
Offset of tax	-10,446	-5,769	-3,814	10,446	5,769	3,814	-	-	-
Net tax assets/(liabilities)	57,040	55,239	64,155	-3,576	-3,229	-3,822	53,464	52,010	60,333

Other items included deferred tax liability recognized on undistributed earnings for 4.5 million euro (see note 6. Income taxes).

Movements in the deferred tax assets / (liabilities) arise from the following:

In thousands of euro	As at 1 January 2023	Recognized through income statement	Recognized through OCI	Reclassifications	Exchange gains and losses	As at 31 December 2023
Tax value of loss carry forwards	13,721	3,520	-	-605	-688	15,948
Tax value of tax credits	17,920	-4,668	-	702	-2	13,952
Deferred revenue	10,227	1,205	-	-219	-240	10,973
Inventory	8,626	2,548	-	943	-171	11,946
Provisions	6,184	-444	324	-736	-60	5,268
Tangible fixed assets and software	1,217	3,645	-	527	-18	5,371
Employee benefits	1,591	419	-	-558	-14	1,438
Trade debtors	416	-74	-	-154	-4	184
Capitalized development cost	6	-9	-	56	2	54
Uncertain tax positions (UTP)	-3,060	250	-	-	-	-2,810
Patents, licenses, ...	-5,704	604	-	64	22	-5,015
Other items	866	-4,698	-	-20	5	-3,846
Net deferred tax	52,010	2,297	324	-	-1,168	53,464

Deferred tax assets have been recognized in 2023 on tax attributes carried forward in following countries (in million euro):

In thousands of euro				
	Tax Losses carried forward	R&D tax credits and Investments deductions	Innovation income deduction	Tax value of tax credits
Belgium	21,710	1,038	12,275	13,313
Canada	1,927	639	-	639
China	8,062	-	-	-
Germany	5,317	-	-	-
Sweden	460	-	-	-
Total	37,476	1,677	12,275	13,952
Valuation allowance	-21,528	-	-	-
Net deferred tax	15,948	1,677	12,275	13,952

On these items for which a deferred tax asset is recognized, the Group has recorded a valuation allowance of 21.5 million euro (18.3 million euro in 2022). 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 it is probable that some portion or all of the deferred tax assets will not be realized within the foreseeable future.

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 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 additional liabilities for 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 517 million euro per December 31, 2023 (2022: 488 million euro, 2021: 504 million euro).

11. Investments and interest in associates

In thousands of euro		2023	2022	2021
Investments	(a)	41,695	37,645	47,135
Interest in associates	(b)	29,093	27,167	20,872
Investments and interest in associates		70,788	64,811	68,008

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		2023	2022	2021
Opening net assets 1 January		37,645	47,135	87,228
Additions		-	14,893	-
Divestments		-9,179	-4,384	-54,993
Other comprehensive income		14,709	-23,004	9,945
Translation gains/(losses)		-1,480	3,003	4,955
Closing net assets 31 December		41,695	37,645	47,135

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 2023 versus the carrying amount, resulted in an unrealized gain of 14.7 million euro, reflected in other comprehensive income. The gain is caused by an increase of the share price at year-end 2023 compared to end 2022. Further, a minority stake was sold, resulting in 9.2 million euro cash-in in 2023, 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 2021 to 2022 is mainly related to the remeasurement at fair value versus the carrying amount per 31 December 2022 (-23 million euro, 2021: 9.9 million euro), representing a general decrease of the global stock markets in 2022 compared to 2021. Further, a 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 (2021: 55 million euro), both reflected in the line 'other investing activities' in the cash flow statement, and 0.7 million euro (2021: 25.2 million euro) gain realized since the moment of acquisition, over the periods until divestment reflected in other comprehensive income reserve.

(b) Interest in associates

Interest in associates, in 2023 - 2021, reflects the equity investment in BarcoCFG and CCO Barco Airport Venture.

The Group's share of the assets and liabilities as at 31 December 2023 and 2022 and income and expenses of the joint ventures and associates for the year ended 31 December 2023 and 2022, which are accounted for using the equity method:

Summarized balance sheet

In thousands of euro	BarcoCFG 31 DEC 23	CCO 31 DEC 23	Total 31 DEC 23	BarcoCFG 31 DEC 22	CCO 31 DEC 22	Total 31 DEC 22
Cash and cash equivalents	14,454	26,345	40,799	12,185	30,467	42,652
Other current assets	49,397	17,444	66,841	58,842	11,785	70,627
Total current assets	63,850	43,789	107,640	71,027	42,252	113,279
Non-current assets	5,490	7,573	13,063	7,050	9,437	16,487
Other current liabilities	37,012	13,501	50,513	50,070	13,279	63,349
Total current liabilities	37,012	13,501	50,513	50,070	13,279	63,349
Other non-current liabilities	-	-	-	-	-	-
Total non-current liabilities	-	-	-	-	-	-
Net assets	32,329	37,861	70,190	28,007	38,409	66,416

Reconciliation to carrying amounts

Opening net assets 1 January	28,007	38,409	66,416	23,093	27,305	50,398
Profit/(loss) for the period	6,231	7,254	13,486	5,641	9,534	15,176
Other comprehensive income (CTA)	-1,909	-1,550	-3,459	-728	1,570	842
Dividends paid	-	-6,253	-6,253	-	-	-
Closing net assets	32,329	37,861	70,190	28,007	38,409	66,416

Group's share in %	49%	35%	-	49%	35%	-
Group's share	15,841	13,251	29,093	13,723	13,443	27,167
Carrying amount	15,841	13,251	29,093	13,723	13,443	27,167

Summarized statement of comprehensive income

In thousands of euro	BarcoCFG 31 DEC 23	CCO 31 DEC 23	Total 31 DEC 23	BarcoCFG 31 DEC 22	CCO 31 DEC 22	Total 31 DEC 22
Profit/(loss) for the period	6,231	7,254	13,486	5,641	9,534	15,176
Other comprehensive income (CTA)	-1,909	-1,550	-3,459	-728	1,570	842
Total comprehensive income	4,322	5,705	10,027	4,913	11,105	16,018
Group's share in %	49%	35%	-	49%	35%	-
Group's share in profit/(loss) for the period	3,053	2,539	5,592	2,764	3,337	6,101
Share in the result of joint ventures and associates	-	2,539	2,539	-	3,337	3,337
Included in other operating income 3(d)	3,053	-	3,053	2,764	-	2,764

The Group has no contingent liabilities or capital commitments in relation to its associates as at 31 December 2023, 2022 and 2021.

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	2023	2022	2021
Raw materials and consumables	100,199	120,610	90,139
Work in progress	69,376	79,993	64,384
Finished goods	144,539	123,930	92,931
Write-off on inventories	-82,593	-78,819	-71,957
Inventory	231,521	245,714	175,496
Inventory turns	2.1	2.1	2.4

Inventory in 2023, remained at a high level throughout the year, but started to decrease over the course of the second half of the year, resulting in a decrease by -6% compared to last year. Inventory at the end of 2022 was record high due to increased component prices and safety buffers that were stocked for a number of scarce components and additional component purchases that were made in expectation of upcoming price increases in 2023.

Turns in 2023 remain low at 2.1.

Significant slowdown on component purchases resulted in a material decrease of raw materials (-20 million euro) and work in progress (€ -10 million). The drop in raw materials and work in progress was for the most part offset by an increase in finished goods inventory (+ 20 million euro). Higher inventories of finished goods include the build-up of 3-4 months buffer inventory in China and Italy as a result of the focused factories strategy and transfer of production, and higher goods in transit as a result of longer lead times between the Suzhou factory in China and European and US customers (transfer over sea).

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 in 2022, Entertainment and Healthcare show the highest decrease in raw materials, as supply constraints are resolved in 2023.

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 2023 write-offs recognized as expense represent 1.2% of sales or 12.1 million euro, compared to 0.7% in 2022 and 2021.

13. Amounts receivable and other non-current assets

In thousands of euro	2023	2022	2021
Trade debtors - gross	211,012	197,493	160,930
Trade debtors - bad debt reserve (a)	-2,445	-2,850	-3,954
Trade debtors - net (b)	208,567	194,643	156,977
V.A.T. Receivable	8,463	5,911	6,418
Taxes receivable	1,001	3,491	6,083
Interest receivable	-	1	4
Currency rate swap (note 20)	4,321	2,537	1,055
Other	673	2,569	2,650
Other amounts receivable	14,458	14,509	16,211
Other non-current assets (c)	4,335	5,819	6,849
Number of days sales outstanding (DSO)	63	54	56

Per 31 December 2023, the number of days sales outstanding increased to 63 days (54 days in 2022 and 56 in 2021). The higher DSO is linked to sales spike end of quarter and longer payment terms granted on selected contracts.

For the year ended December 31, 2023, the Company reversed 0.3 million euro provision for current expected credit losses (2022: -0.2 million euro cost; 2021: + 0.4 million euro profit).

The bad debt reserve in proportion to the gross amount of trade debtors decreased to 1.2% (2022: 1.5%, 2021: 2.5%).

(a) Movement in bad debt reserve:

In thousands of euro	2023	2022	2021
On 1 January	-2,850	-3,954	-4,314
Additional provisions	-289	-1,191	-797
Amounts used	136	1,234	444
Amounts unused	514	1,156	833
Translation (losses) / gains	43	-93	-120
On 31 December	-2,445	-2,850	-3,954

(b) At 31 December 2023 the ageing analysis of trade debtors is as follows:

In thousands of euro	2023	2022	2021
Not due	191,491	171,431	138,188
Overdue less than 30 days	8,722	12,699	10,377
Overdue between 30 and 90 days	6,859	9,176	6,620
Overdue between 90 days and 180 days	2,483	2,869	1,746
Overdue more than 180 days	1,458	1,318	4,000
Total gross	211,012	197,493	160,930
Bad debt reserve	-2,445	-2,850	-3,954
Total	208,567	194,643	156,977

In 2023, total overdue trade receivables amount to 19.5 million euro (2022: 26.1 million euro, 2021: 22.7 million euro), resulting in 6 days overdue DSO (2022: 7 days, 2021: 9 days).

The Company has a credit insurance in place for specific higher risk contracts and for customers with long payment terms. During the last three years, 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 2023 covers 167% of the trade receivables overdue more than 180 days (2022: 216%, 2021: 99%). Pre covid level was around 140%.

(c) Other non-current assets

The other non-current assets include mainly cash guarantees for an amount of 2.8 million euro (2022: 2.7 million euro, 2021: 5.6 million euro) and 1.1 million euro (2022: 1.6 million euro) other long-term receivable related to a subleased building in the United States.

14. Net financial cash/debt

In thousands of euro		2023	2022	2021
Short term investments	(a)	4,670	1,651	2,763
Deposits	(a)	186,038	151,491	197,039
Cash at bank	(b)	99,991	154,342	154,453
Cash in hand		48	82	79
Cash and cash equivalents		286,077	305,915	351,571
Long-term debts	(c)	-32,217	-32,335	-34,366
Current portion of long-term debts	(c)	-12,288	-11,217	-10,218
Short-term debts	(d)	-5,095	-	-
Net financial cash / (debt)		241,147	264,014	309,750

At the end of December 2023, Barco's net cash position reaches 241 million euro, 22.9 million euro lower compared to last year (2022: 264 million euro, 2021: 309.8 million euro). The main elements contributing to this change were cash-in from the positive free cash flow (38 million euro) and the proceeds from the sale of minority investments (9 million euro) offset by cash out for the dividends paid (-41.6 million euro) and the share buyback program (-8 million euro), and translation impacts. We refer to the supplementary statements, note 16 and note 11 for more explanation.

Of the total net financial cash at the end of 2023, 286 million euro is cash on the balance sheet. Additional financial flexibility is provided with 123.5 million euro of unused bilateral committed credit facilities (of which 75 million euro has an interest margin linked to Barco's sustainability targets) with a

selected group of commercial banks (see further c). In addition to significant liquidity, Barco has a well-balanced debt profile with debt limited to 49.6 million euro of which 17.4 million euro near-term maturities.

The net financial cash at the end of 2022 amounts to 264 million euro, 45.8 million euro lower compared to end 2021, 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.

(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, short term investments and deposits include:

In thousands of euro	2023	Average interest rate	2022	Average interest rate	2021	Average interest rate
Deposits in USD	162,683	4.88%	120,908	4.22%	141,324	0.09%
Deposits in EUR	-	-	19,000	1.25%	-	-
Deposits in HKD	19,568	5.06%	9,379	5.24%	45,057	0.27%
Deposits in INR	4,670	7.22%	1,549	5.97%	2,763	4.10%
Deposits in CNY	-	-	-	-	9,368	2.11%
Deposits in other currencies	3,787	9.52%	2,307	-	1,291	-
Total short term investments and deposits	190,708	-	153,142	-	199,802	-

The larger deposit amounts in USD and HKD in 2023 are held in the according home currency of the entities or are hedged, avoiding FX impact in the profit & loss, and optimizing yield. Deposits held in EUR were transferred to deposits in USD as immediately accessible and granting higher interest. In view of the positive interest rate evolution more cash has been held in deposits compared to 2022.

In 2022, 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 compared to 2021.

(b) Cash at bank:

Cash at bank is immediately available. It is denominated in the following currencies:

	2023	2022	2021
EUR	48.9%	41.7%	54.4%
CNY	12.6%	15.8%	8.5%
USD	8.9%	21.2%	19.2%
SGD	5.6%	0.3%	0.4%
KRW	4.7%	1.6%	1.1%
HKD	3.3%	7.1%	3.9%
Others	16.0%	12.3%	12.6%

(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 DEC 2023	31 DEC 2022	31 DEC 2021
Real estate financing				
Variable, swapped into fixed (EU)	Later than 2025	7,013	8,288	9,563
Variable (EU)	Later than 2025	6,988	7,713	8,438
Leasing (IFRS 16)		30,419	27,458	26,482
Other		86	94	103
Total long-term financial debts		44,505	43,552	44,585

- 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 14 million euro is outstanding per 31.12.2023. These commitments carry either a variable interest rate or have been swapped via derivatives into fixed rate character.
- Barco China signed bilateral committed credit facilities for a total of 53.5 million euro. On one hand, the facilities are intended to finance the capital expenditures related to the construction of the Wuxi factory, having a long-term

tenor of 5 years. On the other hand, the facilities are short-term tenor and fulfill the working capital needs to support scale-up of production in both Suzhou and Wuxi. At the end of 2023, 5.1 million euro has been drawn under the working capital committed loan (see d.).

Barco is meeting all requirements of the loan covenants on its available credit facilities.

The table on the right summarizes the long-term financial debts, including the current portion of long-term financial debts, per currency:

In thousands of euro	2023	2022	2021
EUR	29,376	28,213	28,078
USD	2,417	3,829	4,584
INR	4,140	5,154	3,446
Other	8,572	6,356	8,477
Total	44,505	43,552	44,585

The long-term debts, including interests due and excluding the current portion of the long-term debts, are payable as follows:

Per 31 DEC 2023		Per 31 DEC 2022		Per 31 DEC 2021	
Payable in 2025	11,440	Payable in 2024	9,784	Payable in 2023	10,128
Payable in 2026	8,146	Payable in 2025	8,081	Payable in 2024	7,724
Payable in 2027	5,106	Payable in 2026	5,559	Payable in 2025	5,883
Payable in 2028	3,409	Payable in 2027	3,535	Payable in 2026	3,799
Later	6,426	Later	7,667	Later	9,679
Total long-term debts	34,528	Total long-term debts	34,625	Total long-term debts	37,212

The lease liabilities according to IFRS 16 per 31 December are as follows:

In thousands of euro	2023	2022	2021
On 1 January	27,458	26,482	24,929
New leases or extensions of current leases	14,226	10,991	10,702
Payments or termination of leases	-10,754	-10,060	-10,159
Translation (losses)/gains	-511	45	1,011
Total lease liabilities on 31 December	30,419	27,458	26,482
Current	10,288	9,217	8,218
Non-current	20,131	18,241	18,264

(d) Short-term financial debts:

Analysis of short-term financial debts on 31 December 2023:

In thousands of euro	2023		2022		2021	
	Effective interest rate	Balance	Effective interest rate	Balance	Effective interest rate	Balance
CNY	2.68%	5,095	-	-	-	-
Total	-	5,095	-	-	-	-

Short term credit facility to support working capital needs in the Suzhou factory in China.

15. Other long-term liabilities

In thousands of euro		2023	2022	2021
Other amounts payable (a)		1,970	2,312	350
Accrued charges		-	884	-
Deferred Income (b)		52,403	41,328	48,510
Other long-term liabilities		54,374	44,524	48,860

(a) Barco signed a joint venture agreement with the Swedish company Dermicus AB on July 1st, 2022. Barco acquired 70% of the shares in Gnosco AB for 4 million euro. 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.

In 2023, the fair value assessment of the put option resulted in the decrease of the liability for 0.3 million euro.

(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 standard warranty period. The increase in 2023 is mainly related to new long term service contracts, starting as of 2023. Decrease in deferred income in 2022 is caused by less by new contracts started.

16. Equity attributable to equity holders of the parent

In thousands of euro	2023	2022	2021
Share capital	56,752	56,752	56,296
Share premium	176,905	176,919	161,091
Share-based payments	22,445	20,215	18,667
Acquired own shares	-32,227	-25,443	-31,435
Retained earnings	615,588	558,777	527,783
Cumulative translation adjustment	-44,233	-28,350	-37,906
Derivatives	104	319	-713
Equity attributable to equity holders of the parent	795,334	759,189	693,783

1. Share capital, share premium and own shares

The company's share capital is equal to last year and amounts to 56.7 million euro on 31 December 2023, consisting of 92,916,645 fully paid shares.

In 2022, the shareholders had 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.

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.

Based on this authorization, the company launched a new buy back program which started on 19 December, 2023 and will end latest on April 24th, 2024. The intention is to purchase a maximum of two million shares of Barco N.V.

Barco acquired 491,000 own shares for a total amount of 8,088 (000) euro in 2023.

Further, Barco sold in total 122,479 own shares in 2023 upon the exercise of 122,479 stock options with a resulting decrease of the own shares of 1,304 ('000) euro and a decrease in the share premium account of 14 ('000) euro. As a result of the exercised stock-options the company's share premium account per 31 December 2023 amounts to 177 million euro.

The number of own shares acquired by Barco NV up to 31 December 2023 therefore increased to 2,826,443 own shares (2022: 2,457,922; 2021: 3,032,682 own shares). The total value of share based payments amount to 22.4 million euro at the end of 2023.

2. Share-based payments

On 20 November 2023, 2 new option plans have been approved by the Board of Directors, through which maximum 471,404 stock options could be granted before 31 December 2023. Each stock option gives right to the acquisition of one (1) share. In 2023, 445,015 stock options have been granted to and accepted by employees and management of the group based upon these option plans.

Stock option plans

The total number of outstanding stock options on 31 December 2023 amounted to 2,513,729. The company's own shares will be used under the outstanding stock option plan to fulfill the commitment. During 2023, 122,479 stock options have been exercised (in 2022, 574,760 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 2022	Accepted in 2023	Exercised in 2023	Expired in 2023	Balance on 31 Dec 2023
Stock options							
10/21/13	10/20/23	8.43	9,800	-	-4,900	-4,900	-
10/23/14	10/22/24	7.86	16,791	-	-700	-	16,091
10/22/15	10/21/25	8.16	8,650	-	-	-	8,650
10/22/15	10/21/23	8.16	32,550	-	-14,000	-17,500	1,050
10/22/15 ¹	10/21/23	8.26	15,400	-	-12,243	-3,157	-
10/24/16	10/23/26	10.40	125,160	-	-46,750	-	78,410
10/24/16	10/23/24	10.40	35,560	-	-9,960	-	25,600
10/24/16 ¹	10/23/24	10.61	20,501	-	-4,298	-	16,203
10/20/17	10/16/27	12.54	181,425	-	-5,900	-	175,525
10/20/17	10/16/25	12.54	59,800	-	-8,700	-	51,100
10/20/17 ¹	10/16/25	12.67	17,900	-	-4,000	-	13,900
10/23/18	10/22/28	14.40	50,550	-	-11,028	-	39,522
10/11/19	10/10/29	24.83	269,430	-	-	-185,150	84,280
10/29/20	10/28/30	12.76	381,850	-	-	-	381,850
12/06/21	12/06/31	17.80	853,700	-	-	-	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
12/08/23	12/07/33	15.27	-	399,004	-	-	399,004
12/08/23	12/07/33	15.58	-	46,011	-	-	46,011
Total number of stock options			2,401,900	445,015	-122,479	-210,707	2,513,729

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 is 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 2.2 million euro to 22.4 million euro in 2023 (2022: 1.5 million euro; 2021: 4.5 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 2023, actuarial profits, change in the fair value of equity investments, and the distribution of 39.8 million euro dividend, as approved by the general shareholders meeting of 27 April 2023. The board of directors of Barco NV will propose a gross dividend of 0.48 euro per share out of the available reserves per 31 December 2023. In 2023 a gross dividend of 0.44 euro per share was granted on the results of 2022.

4. Cumulative translation adjustment

In 2023, the exchange differences on translation of foreign operations have a net negative impact of 15.9 million euro, mainly relating to foreign balances held in Hong Kong Dollar (-5 million euro), US Dollar (-4.6 million euro), Chinese Yuan (-4.1 million euro) and Indian Rupee (-1 million euro).

5. Derivatives

Derivative financial instruments are disclosed in note 20.

6. Main shareholders

Before Dilution		
Public	64,579,743	69.50%
Vandewiele Group NV	20,532,568	22.10%
3D NV	4,977,891	5.36%
Barco NV	2,826,443	3.04%
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	2023	2022	2021
Cinionic Ltd.	Hong Kong	20%	20%	45%
Cinionic bv	Belgium	0%	20%	45%
Cinionic Inc.	United States	0%	20%	45%
Barco Cine Appo Mexico, S.A. de C.V.	Mexico	0%	20%	45%
Cinionic Pty. Ltd.	Australia	0%	20%	45%
Dermicus AB	Sweden	30%	30%	
Barco Solutions BV	Belgium	30%	30%	
Gnosco Dermicus LTD	United Kingdom	30%	30%	

Overview of the equity attributable to non-controlling interest:

In thousands of euro	2023	2022	2021
Cinionic Ltd.	18,249	20,345	41,031
Dermicus AB	-2,288	-554	
Total equity attributable to non-controlling interest	15,961	19,792	41,031

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 was shown as non-controlling interest.

As announced on 22 November 2023, Barco reached an agreement with China Film Equipment co., Ltd to fully acquire Cinionic's premium Cinema solutions business, increasing Barco's ownership interest in the joint venture from 80% to 100%. The change in ownership to 100% of all Cinionic legal entities, except for the holding entity Cinionic Ltd. (Hong Kong), is reflected as of 1 November 2023. Cinionic Ltd. remains 80% owned by Barco until the completion of a selective capital decrease to Barco, which will result in the full ownership of the Cinionic Ltd legal entity and remaining cash of approximately 18 million euro by the minority shareholder China Film Group, as reflected in the non-controlling interest in the consolidated

statement of changes in equity per end of 2023. The, by the shareholders agreed, selective capital decrease is expected to be completed by the end of the first quarter of 2024.

The change in ownership from 80 to 100% had an impact of 2.7 million euro and has been reflected in OCI per 31 December 2023, as there is no change in control.

The financials of Cinionic are fully consolidated in the Entertainment results in 2021 - 2023.

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.

Below is the consolidated balance sheet of the Cinionic legal entities as at 31 December 2023, 2022 and 2021:

Assets and Liabilities Cinionic JV

In thousands of euro	2023	2022	2021
Total non-current assets	-	11,081	6,788
Cash	59,520	84,610	86,429
Other current assets	31,798	49,638	28,378
Total current assets	91,318	134,248	114,807
Total assets	91,318	145,329	121,595
Equity attributable to equityholders of the parent	72,995	81,381	50,149
Equity attributable to non-controlling interest	18,249	20,345	41,031
Total equity	91,244	101,726	91,181
Total non-current liabilities	-	29,645	28,512
Total current liabilities	74	40,024	26,724
Total liabilities	91,318	171,395	146,416

Per end of 2023 the consolidated balance sheet of the Cinionic joint venture reflects the Cinionic Ltd assets, composing of 60 million euro cash and 32 million euro intercompany receivable on Barco NV, linked to the transfer of 100% of the shares of Cinionic BV and Cinionic Inc to Barco NV, which will be settled upon the selective capital decrease of 73 million euro to Barco. The remaining 18 million euro cash is reflected in the equity attributable to non-controlling interest, as will be fully owned by the remaining shareholder China Film Group, after the selective capital decrease.

Until end 2022 the Cinionic JV included the assets and liabilities of the following legal entities: Cinionic Limited, Cinionic bv, Barco CineAppo Mexico, S.A. de C.V., Cinionic Inc. and Cinionic Pty. Ltd. See note 1.1.

Below is the consolidated balance sheet of the Dermicus legal entities as at 31 December 2023 and 2022:

Assets and Liabilities Dermicus JV

In thousands of euro	2023	2022
Total non-current assets	3,452	7,446
Total current assets	998	1,218
Total assets	4,450	8,664
Equity attributable to equityholders of the parent	246	2,791
Equity attributable to non-controlling interest	-2,288	-554
Total equity	-2,042	2,237
Total non-current liabilities	2,154	3,246
Total current liabilities	1,289	1,632
Total liabilities	1,400	7,115

We refer to note 1.1 for more details on the Dermicus legal entities: Dermicus AB, Barco Solutions BV, Gnosco Dermicus Ltd. The name of the legal entity Gnosco AB changed to Dermicus AB during 2023.

Overview of the net income attributable to non-controlling interest:

In thousands of euro	% non-controlling	2023	% non-controlling	2022	% non-controlling	2021
Cinionic Ltd.		2,133		374		-208
Cinionic bv*		10,564		6,628		2,559
Cinionic Inc.*		857		1,072		-754
Barco Cine Appo Mexico, S.A. de C.V.*		376		-2,343		238
Cinionic Pty. Ltd.*		-26		146		116
Barco Solutions BV		-1,401		-688		
Dermicus AB		-4,293		-976		
Gnosco Dermicus Ltd.		7		2		
Net income		8,217		4,215		1,951
Cinionic Ltd.	20%	427	20%	75	45%	-93
Cinionic bv*	20%	2,112	20%	1,326	45%	1,151
Cinionic Inc.*	20%	171	20%	214	45%	-339
Barco Cine Appo Mexico, S.A. de C.V.*	20%	75	20%	-469	45%	107
Cinionic Pty. Ltd.*	20%	-5	20%	29	45%	52
Barco Solutions BV	30%	-420	30%	-206	-	-
Dermicus AB	30%	-1,288	30%	-293	-	-
Gnosco Dermicus Ltd.	30%	2	30%	1	-	-
Net income attributable to non-controlling interest		1,074		677		878

(*) 20% non-controlling interest included until October 31st, 2023.

Other comprehensive income/(loss) for the period, net of tax effect, part attributable to non-controlling interest amounts to -0.4 million euro in 2023, 2.5 million euro in 2022 and 2.4 million euro in 2021.

Total comprehensive income for the year, net of tax, part attributable to non-controlling interest amounts to 0.7 million euro in 2023, 3.2 million euro in 2022 and 3.2 million euro in 2021.

18. Trade payables and advances received from customers

In thousands of euro	2023	2022	2021
Trade payables (a)	89,350	121,920	113,979
Days payable outstanding (DPO)	50	68	80
Advances received from customers	40,613	51,183	54,105

(a) The decrease in trade payables in 2023 is the result of significant slowdown of the raw material purchases throughout the year, in order to reduce inventory levels. The increase in trade payables in 2022 and 2021 was the result of higher raw material purchases (increase in volume, component prices and transport charges). In 2022 higher purchases were caused by higher sales in the 4th quarter (+29% year-over-year). Payment terms with suppliers were not extended and there has been no change in payment behavior towards suppliers.

19. Provisions

In thousands of euro	Balance sheet 2023	Additional provisions made	Amounts used	Unused amounts reversed	Transfers	Remeasurement gains/(losses) on DBO	Translation (losses) / gains	Balance sheet 2022	Balance sheet 2021
Total long-term provision	15,131	2,886	-1,899	-	818	-1,297	-376	14,998	31,175
Defined benefit obligations (b)	4,870	1,650	-233	-	-	-1,297	-140	4,891	22,826
Technical warranty (a)	9,677	686	-1,666	-	818	-	-248	10,087	8,332
Other claims and risks (d)	583	550	-	-	-	-	12	20	18
Total short-term provision	10,284	12,241	-8,761	-1,585	-818	-	-119	9,325	8,537
Technical warranty (a)	3,951	102	-59	-	-818	-	-90	4,816	3,807
Restructuring provision (c)	4,399	9,500	-6,849	-	-	-	-	1,748	458
Other claims and risks (d)	1,934	2,639	-1,853	-1,585	-	-	-29	2,761	4,272
Provisions	25,415	15,128	-10,660	-1,585	-	-1,297	-494	24,323	39,712

(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 2023, 2022 and 2021, the defined benefit obligations are composed of:

In thousands of euro	2023	2022	2021
Pension plans in Belgium	793	732	17,835
Early retirement plans in Belgium	71	104	155
Local legal requirements (mainly Italy, Korea, Japan, Germany, France)	3,735	3,762	4,590
A small number of individual plans	270	293	246
Total	4,870	4,891	22,826

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 and 4 defined benefit plans in Cinionic 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.

2023, 2022 and 2021 changes in the Belgian defined benefit obligation and fair value of plan assets:

In thousands of euro	2023			2022			2021		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit liability
Pension cost charged to P/L									
On 1 January	116,560	-115,828	732	130,214	-112,378	17,835	134,340	-108,150	26,190
Service cost	5,844		5,844	5,575		5,575	5,639		5,639
Net interest expense	4,253	-4,401	-149	987	-862	126	388	-310	78
Decrease due to curtailment			-			-			-
Sub-total included in profit or loss	10,096	-4,401	5,695	6,562	-862	5,701	6,026	-310	5,716
Benefits paid	-4,020	4,020	-	-3,030	3,030	-	-2,383	2,383	-
Remeasurement gains/losses in OCI									
Increase due to effect of transfers	-270	270	-			-			-
Increase due to the effect plan combinations	206	-206							
Return on plan assets (excluding amounts included in net interest expense)		1,155	1,155		-1,210	-1,210		-2,231	-2,231
Actuarial changes arising from changes in demographic assumptions			-			-			-
Actuarial changes arising from changes in financial assumptions	-319		-319	-16,172		-16,172	-5,679		-5,679
Actuarial changes arising from changes in methodology	-7,188	7,238	50			-			-
Actuarial changes arising from experience adjustments	410		410	-1,014		-1,014	-2,091		-2,091
Sub-total included in OCI	-7,160	8,457	1,297	-17,186	-1,210	-18,395	-7,769	-2,231	-10,000
Contributions by employer		-6,931	-6,931		-4,409	-4,409		-4,070	-4,070
On 31 December	115,476	-114,683	793	116,560	-115,828	732	130,214	-112,378	17,835

For the closed plans with a plan asset value below 0.5 million euro, a confirmation and full recalculation of the plan assets will be done if there are still active members every 6 years. These plans will be revalued in 2028.

For the closed plans with a plan asset value above 0.5 million euro, but with no active members and for the closed plans above 0.5 million euro and with active members, a confirmation and full recalculation of the plan assets will be done, if there are still active members, every 3 years. These plans will be revalued in 2025.

This change in methodology is reflected in the line 'actual changes arising from changes in methodology'.

In 2023 the net defined benefit liability was in line with 2022, amounting to 0.8 million euro. A positive P&L impact of 1.3 million euro was recorded as the higher discount rate on the employer contributions reduces the service cost, offset by -1.2 million euro recorded via other comprehensive income for change in parameters (merit/inflation, discount rate).

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 fair value of the plan assets (115.5 million euro) are fully invested in insurance policies. In 2023, the target asset mix slightly changed compared to 2022 and consists of 66.50% government bonds (2022: 67.50%), 12% real estate (2022: 14%), 7.5% corporate bonds (2022: 7.50%), 7% corporate loans (2022: 6%) and 7% shares (2022: 5%).

The principal assumptions used in determining pension obligations for the Group's plans are shown below:

	2023	2022	2021
Discount rate	4.11%	3.73%	0.77%
Future salary increases*	6.55%	8.81%	2.43%
Future consumer price index increases**	6.05%	8.14%	1.75%

(*) 6.55% in 2023-2024; 2.5% from 2025

(**) 6.05% in 2023-2024; 2.0% from 2025

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	2023	2022	2021
Discount rate			
0.25% decrease	284	331	2,834
0.25% increase	-198	-265	-4,305
Future salary change			
0.25% decrease	-134	-143	-1,036
0.25% increase	176	112	1,093
Future consumer price index change			
0.25% decrease	-81	-88	-609
0.25% increase	96	106	615

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	2023	2022	2021
Within the next 12 months	5,853	4,750	3,724
Between 2 and 5 years	31,263	33,002	24,696
Between 5 and 10 years	38,968	40,332	41,648
Total expected payments	76,084	78,084	70,068

The average duration of the defined benefit plan obligation at the end of the reporting period is 10.1 years (11.3 years in 2022 and 12.3 years in 2021). The expected employer contributions to the plan for the next annual reporting period amounts to 5.9 million euro (9 million euro in 2023 and 3.9 million euro in 2022); the employee contributions are expected to amount to 1.3 million euro (1.2 million euro in 2023 and 1.1 million euro in 2022).

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 2023, 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 2023, 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 1 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 81.7% in 2023 (2022: 71%).

- Another impact is the fact that some of Barco's main competitors are USD-based. Whenever the USD decreases in value against the euro, these competitors have a worldwide competitive advantage over Barco. This impact on operating result cannot be measured reliably.

Interest rate risk

Barco uses following hedging instruments to manage its interest rate risk:

Swap on outstanding or anticipated borrowing

Barco concluded a series of interest rate swaps with an outstanding notional amount of 7 million euro by means of a partial hedge for the bilateral real estate leasing (currently outstanding at 14.0 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

Financial markets have shown a significant increase in both long-term and short-term interest rates following multiple policy rate increases concluded by most central banks in their attempt to slowdown economy and inflation rates. Management closely monitors the economic and financial

outlook and does not expect the interest rates to further increase in the near foreseeable future, which limits additional interest exposure on the short-term debt portfolio.

With reference to the fair values table below, approximately 70% of Barco's outstanding long-term debt portfolio has a fixed interest rate character, which again limits the exposure of the company to interest rate fluctuations. This ratio increases to 84% 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 2023, 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.

In thousands of euro	2023	2022	2021
	Carrying amount / Fair value (approx.)		
Financial assets			
Investments at fair value through equity	41,695	37,337	46,680
Trade receivables	208,567	194,643	156,977
Other receivables	14,458	14,509	16,211
Loan and other receivables	10,137	11,971	15,152
Interest receivable	-	1	4
Currency rate swap	4,185	2,187	1,055
Interest rate swap	136	350	-
Other non-current assets	4,335	5,819	6,849
Short term investments	4,670	1,651	2,763
Cash and cash equivalents	286,077	305,915	351,571
Total	559,802	559,874	581,051
Financial liabilities			
Financial debts	14,000	16,000	18,000
Floating rate borrowings	7,013	8,288	9,563
Fixed rate borrowings	6,988	7,713	8,438
Other long-term liabilities	54,374	44,524	48,860
Short-term debts	5,095	-	-
Trade payables	89,350	121,920	113,979
Other current liabilities	7,034	5,412	5,036
Other short term amounts payable	1,293	750	1,206
Dividends payable	2,289	2,289	2,289
Currency rate swap	3,452	2,373	859
Interest rate swap	-	-	682
Total	169,853	187,856	185,875

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 2023 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 2023, 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 2023, 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 2023, the Group held the following financial instruments measured at fair value:

In thousands of euro	2023	2022	2021
Assets measured at fair value			
Financial assets at fair value through profit or loss			
Foreign exchange contracts - non-hedged	4,185	2,187	1,055
Financial assets at fair value through equity			
Investments	41,695	37,337	46,680
Interest rate swap	136	350	-
Liabilities measured at fair value			
Financial liabilities at fair value through profit or loss			
Foreign exchange contracts - non-hedged	3,452	2,373	859
Financial liabilities at fair value through equity			
Interest rate swap	-	-	682

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 2023, 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	2023	2022	2021
Net financial cash / (debt)	14	241,147	264,014	309,750
Equity		811,295	778,981	734,814
% Net financial cash (debt) / Equity		29.7%	33.9%	42.2%

In thousands of euro	2023	2022	2021
Equity	811,295	778,981	734,814
Total equity and liabilities	1,159,415	1,147,405	1,104,249
% Equity / Total equity and liabilities	70.0%	67.9%	66.5%

In 2023, the net cash position ended at a level of 241 million euro compared to 264 million euro as per end of 2022. We refer to note 14 for the details on the movement.

The solvency position and other current ratios continue to consolidate at very 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 2023	Cash flows	Non-cash changes		31 December 2023
			IFRS 16 movements	Foreign exchange movement	
Long-term debts					
Long-term liabilities	14,000	-2,000		-	12,000
Long-term lease liabilities	18,335	-11,831	14,226	-514	20,217
Short-term debts					
Short-term liabilities	2,000	7,717		-2,622	7,095
Short-term lease liabilities	9,217	1,070			10,288
Total liabilities from financing activities	43,552	-5,043	14,226	-3,136	49,599

The long-term liabilities and lease liabilities are together the long-term debts as shown in the balance sheet. The short-term liabilities are the total of current portion of long-term debts and short-term debts, as shown in the balance sheet.

The non-cash changes include impacts from fluctuations in the translation of foreign operations balances, including inter-company borrowings of which the balances are eliminated at Group level.

21. Rights and commitments not reflected in the balance sheet

In thousands of euro	Note	2023	2022	2021
Guarantees given to third parties	(a)	3,926	3,594	3,474
Mortgage obligations given as security	(b)	30,000	30,000	30,000
Book value of the relevant assets		25,950	29,539	33,029

(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 2021 is due to depreciation.

22. Related party transactions

During the ordinary course of their business conduct Barco affiliates will also enter into related party transactions. This includes both service transactions and financing arrangements. Related party transactions are generally undertaken on an arm's length basis based on Barco's worldwide transfer pricing policies. Where appropriate, the arm's length nature of transactions is tested against benchmarking searches and the results thereof are shared with tax authorities worldwide in line with local transfer pricing requirements and regulations.

Barco commits not to use tax structures without economic substance or make use of jurisdictions for the sole purpose of tax avoidance. Barco NV, as the ultimate parent entity of the Barco group, submits the transfer pricing Country-by-Country (CbC) report in Belgium, thereby disclosing taxes paid worldwide on a jurisdictional level to the Belgian tax authorities on an annual basis. Following the implementation of the CbC reporting in Belgian legislation, submitted CbC reports will be shared by the Belgian tax authorities with tax authorities worldwide.

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated in the consolidation and are accordingly not disclosed in this note. None of the related parties have entered into any other transactions with the Group that meet the requirements of IAS 24, 'Related party disclosures'. We refer to note 1 Consolidated companies for an overview of the consolidated and equity accounted companies.

We refer to the '[Corporate Governance Chapter](#)' for information with respect to remuneration of directors and members of the core leadership team.

At the annual shareholders meeting of 29 April 2021, PWC Bedrijfsrevisoren bv, Culliganlaan 5, 1830 Diegem, was appointed as statutory auditor of the company for a period of three years. In 2023, remuneration approved by the Audit Committee to the statutory auditor for auditing activities amounted to 294.124 euro. Remuneration paid to the statutory auditor for special assignments was 59.165 euro.

23. Cash flow statement: effect of acquisitions and disposals

The following table shows the effect of acquisitions and disposals on the balance sheet movement of the Group.

In thousands of euro	Aquisitions 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 2023 and 2021.

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.

A notable subsequent event is the closure of the Changping production site in China, announced in January 2024, whereby the activities will be moved to the new factory in Wuxi with a lay-off cost of 1.5 million euro in 2024.

Supplementary statements

Free Cash Flow

In thousands of euro	2023	2022	2021
Adjusted EBIT	102,106	90,143	19,373
Restructuring	-6,849	-1,211	-8,204
Depreciations of tangible and intangible fixed assets	40,390	36,331	39,136
Gain/(Loss) on tangible fixed assets	119	-1,621	196
Share in the profit/(loss) of joint ventures and associates	2,539	3,337	48
Gross operating Free Cash Flow	138,305	126,979	50,549
Changes in trade receivables	-18,320	-35,615	-4,918
Changes in inventory	9,579	-70,161	4,432
Changes in trade payables	-30,306	7,425	42,825
Other changes in net working capital	1,551	2,823	13,195
Change in net working capital	-37,496	-95,528	55,534
Net operating Free Cash Flow	100,809	31,451	106,083
Interest received	6,514	2,773	713
Interest paid	-1,830	-1,930	-1,823
Income taxes	-13,343	-6,042	-8,386
Free Cash flow from operating activities	92,150	26,252	96,587
Purchases of tangible & intangible FA	-54,408	-21,218	-18,787
Proceeds on disposals of tangible & intangible fixed assets	209	8,038	183
Free Cash flow from investing activities	-54,199	-13,180	-18,604
FREE CASH FLOW	37,951	13,072	77,983

In 2023 the Company generated 38 million euro positive free cash flow, up from 13.1 million euro last year. The net operating cash flow realized reached 101 million euro versus 31.5 million euro in 2022. The higher gross operating cash flow was reduced by higher trade receivables, linked to high sales at the end of the year and lower trade payables, as a result of a break on purchases in order to reduce inventory. Inventories were build up in 2022, as a response to component shortages, supply chain challenges and inflation.

Capital expenditure more than doubled to 54.4 million euro, linked to investments in the new factories in China and in financing Cinema-as-a-Service business model.

At the end of December 2023, Barco's net cash position reaches 241.1 million euro, compared to 264 million euro last year (2021: 309.8 million euro). The decrease versus last year is attributable to dividend payments, the share buyback program and negative currency translation impacts, partially offset by the cash in from the free cash flow and the sale of minority investments.

We refer to note 14, note 16 and note 11 for more explanation.

Return on Operating Capital Employed

In thousands of euro	Note	2023	2022	2021
Trade debtors		208,567	194,643	156,977
Inventory		231,521	245,714	175,496
Trade payables		-89,350	-121,920	-113,979
Other working capital		-175,905	-168,014	-171,695
Working capital		174,832	150,423	46,799
Other long term assets & liabilities		218,916	194,119	204,646
Operating capital employed		393,749	344,543	251,445
Goodwill		105,612	105,612	105,612
Operating capital employed (incl goodwill)		499,360	450,155	357,056
Adjusted EBIT		102,106	90,143	19,373
Adjusted ROCE after tax (%)	(a)	17%	16%	4%

(a) Tax rate used is the effective tax rate (18% for 2023-2021)

The return on capital employed increased to 17% in 2023 (2022: 16%, 2021: 4%), thanks to a stronger increase in operational result compared to the increase in capital employed.

Balance Sheet

Net working capital amounted to 16.6% of sales, up from 14.3% of sales in 2022. Higher trade receivables contributed to the increase in working capital, mainly due to strong year-end sales, for which cash will be collected in 2024. Inventory remained at a high level throughout the year but started to decrease over the course of the second half of the year. Trade payables reduced year-over-year, in line with lower component purchases, in response to high inventories.

In 2022 the net working capital increased to 14.3% of sales compared to 5.8% in 2021.

The increase in working capital was 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. 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.

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 2023 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	2023	2022	2021
Fixed assets	375,398	345,576	351,619
Intangible fixed assets	8,513	11,381	17,505
Tangible fixed assets	59,701	61,623	63,788
Financial fixed assets	307,185	272,572	270,326
Current assets	393,260	340,521	273,469
Inventory	137,441	156,492	103,283
Amounts receivable within one year	215,966	145,766	129,543
Investments (own shares)	32,434	25,623	31,615
Cash and cash equivalents	578	2,818	124
Deferred charges and accrued income	6,841	9,822	8,904
TOTAL ASSETS	768,658	686,097	625,088
Capital and reserves	408,419	358,218	273,313
Capital	56,753	56,753	56,297
Share premium account	173,360	173,360	159,186
Reserves	39,498	32,687	38,678
Accumulated profits	138,429	93,383	18,042
Investment grants	379	2,035	1,110
Provisions	7,881	9,566	8,633
Provisions for liabilities and charges	7,881	9,566	8,633
Creditors	352,358	318,312	343,141
Amounts payable after more than one year	12,000	14,000	16,000
Amounts payable within one year	340,358	304,312	327,141
TOTAL LIABILITIES	768,658	686,097	625,088

Intangible fixed assets relate mainly to the implementation cost of SAP ERP software. These SAP capital expenditures are amortized over 7 years. In 2023, amortizations are higher than new investments in software (1.3 million euro), which are mainly related to the implementation of a cloud-based IT platform automation solution, a supplier relationship management tool as well as smaller investments in IT security.

The main capital expenditures realized in 2023 relate to various machinery and tooling (6 million euro) linked to new product introduction projects and production line enhancements. Other capital expenditures (1.3 million euro) concern the rollout of electric charging stations for greening of Barco's corporate fleet as well as fixed demo infrastructure in our HQ offices. Decrease in tangible fixed assets is the result of higher depreciations compared to new investments done.

Financial fixed assets in 2023 increased by net 36.8 million euro of which 35.5 million euro is attributable to Barco NV acquiring 100% of the shares of Cinionic BV and Cinionic Inc from Cinionic Ltd (Hong Kong). Subsequently, Cinionic Inc was merged in Barco Inc, via a side-wise merger per 31 December 2023.

The yearly statutory impairment analysis resulted in an impairment on the participation in Barco Fredrikstad AS (Norway) for 1.9 million euro as well as the write-off on Barco Trading Shanghai (CN) which was liquidated in 2023.

Inventory levels in 2022 were at an all-time high following the global supply chain constraints causing mainly higher levels of raw materials (caused by so-called 'last time buys') with missing components resulting in lower inventory turnover of both work-in-progress and finished goods. End 2023, inventory decreased by almost 20 million euro compared to year-end 2022. The decrease is linked to lower raw materials (15 million euro) in Belgium in the Healthcare division following the focused factories strategy, in preparation of the move of the full production from Belgium to the sites in Italy and China, expected to be completed mid 2024. For more information on the focused factories, we refer to [CORE report, Chapter 6 Innovation and Technology](#). For the same reason semi-finished goods and spare parts decreased with 6 million euro, along with a higher focus on sell-out of existing stock of finished goods.

Total amounts receivable within one year increased with around 70 million euro, a combination of higher external trade receivables and higher intercompany receivables.

Trade receivables are 33 million euro higher compared to 2022, linked to high sales at the end of the quarter. Consequently, days sales outstanding evolved from 44 days in 2022 to 69 days in 2023 (59.5 days in 2021). Similar increase is noted in intercompany receivables (31 million) at year-end coming from higher sale of goods to affiliates.

The investment in own shares increased as a result of the announced Share Buyback Program on 18 December 2023 to replenish its pool of shares for stock options. Barco mandated an independent broker with intention to purchase a maximum of two million (2,000,000) shares expected to be closed by latest April 24th, 2024. Per 31 December 2023, Barco acquired 491,000 own shares for a total amount of 8 million euro.

The increase in amounts payable within one year in 2023 is mainly attributable to the above mentioned intercompany payable to Cinionic Ltd (Hong Kong), related to the acquisition of 100% of the shares in Cinionic BV and Cinionic Inc. Further increases noted are linked to higher payroll liabilities (as a result of inflation) and current year income taxes.

Income statement

In thousands of euro	2023	2022	2021
Sales	808,385	745,160	583,012
Recurring operating income/(loss)	93,983	76,974	-4,097
Recurring financial result	9,721	46,201	19,388
Non-recurring financial result	-2,182	-11,024	3,966
Income taxes	-6,423	-2,960	-66
Profit/(loss) for the year	95,099	109,191	19,191

Barco NV sales grew by almost 65 million euro (+8.5% compared to 2022). Sales to customers were stable cross divisions year over year, whereas the sale of goods to group companies showed a strong increase in the Entertainment division.

Gross margin in 2023 further improved to 43.9% compared to 41% in 2022 and 40.3% in 2021. The higher topline at improved margins led to a 22.1% increase in operating income. Indirect costs increased mainly due to the higher payroll costs after salary indexation. Operating expenses relative to sales remained flat in 2023.

The recurring financial result of 9.7 million, in 2023, includes the intercompany dividends from Barco Systems Pty. Ltd. (AU), Barco Singapore Private Limited and Barco GmbH (DE). 2022 included a dividend from Barco Coordination Center NV, together with other dividends. Next, interest expenses on the intercompany loan of Barco Coordination Center NV increased (4 million euro) as a result of higher interest rates, in line with market interest rate evolution.

The negative non-recurring financial result in 2023 is caused by an impairment on Barco Fredrikstad AS (Norway). In 2022 there was a negative non-recurring financial result following the reclassification of the impairment on caresyntax (8.9 million euro) to other investments, formerly included in intangibles.

The increase in income tax versus 2022 mainly related to a higher taxable operational result, less tax exempted from dividend income.

As a result of the lower financial result in 2023, Barco NV realized a 14 million euro lower profit for the year (95.1 million euro) than in 2022. Compared to 2021, net profit is 76 million euro higher in 2023, as a result of the high recurring operating income compared to an operating loss in 2021.

Proposed appropriation of Barco NV result

In thousands of euro	2023	2022	2021
Profit/(loss) for the year for appropriation	95,099	109,191	19,191
Profit brought forward	93,383	18,002	38,978
Profit to be appropriated	188,482	127,193	58,169
Transfer from other reserves	6,811	-5,992	4,472
Profit to be carried forward	138,429	93,383	18,042
Gross dividends	43,243	39,802	35,655
Total	188,483	127,193	58,169

The board of directors of Barco NV will propose to the General Assembly to distribute a gross dividend of 0.48 euro per share relating to the result as of 31 December 2023.

Events subsequent to the balance sheet date

Subsequent to year-end on 15 January 2024, Cinionic BV and Barco NV are merged, with accounting retroactivity from January 1st, 2024.

Information about the share

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Information about the share

Barco

Integrated report 2023

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Key figures for the shareholder

Number of shares (in thousands):	92,917	92,917	92,170
Per share (in euro)	2023	2022	2021
EPS	0.89	0.84	0.10
Diluted EPS	0.88	0.83	0.10
Gross dividend	0.48	0.44	0.400
Net dividend	0.34	0.31	0.28
Return on Equity (ROE)	10.0%	9.7%	1.3%
Gross dividend yield (a)	2.9%	1.9%	2.1%
Yearly return (b)	-26.4%	22.5%	9.6%
Pay-out ratio (c)	55.60%	54.4%	415.1%
Price/earnings ratio (d)	18.7	27.6	191.9

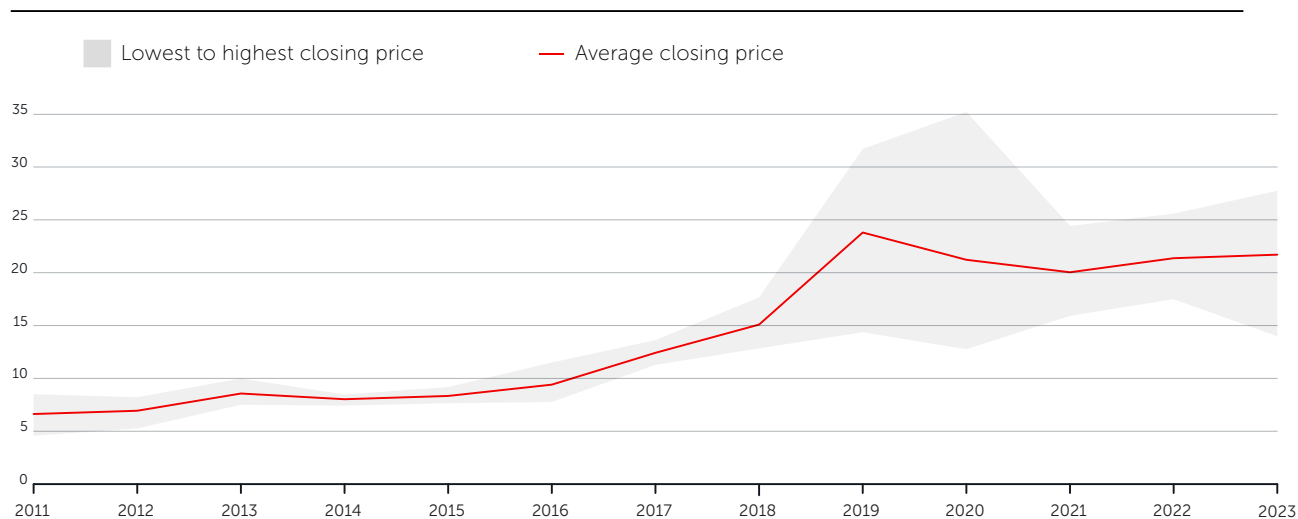
(a) Gross dividend / share price at year-end closing date

(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)	2023	2022	2021	2020	2019
Average closing price	21.73	21.37	20.04	21.22	23.80
Highest closing price	27.78	25.58	24.42	35.21	31.71
Lowest closing price	14.00	17.50	15.92	12.76	14.37
Closing price 31 December	16.55	23.08	19.16	17.82	31.29
Daily average number of shares traded per month**	398,168	373,343	495,007	279,797	165,784
Stock market capitalization on 31 December (in millions)	1,537.77	2,144.52	1,765.98	1,630.31	2,862.09

* Values for 2011-2019 restated following to the 7:1 share split; see [press release](#)

** The daily average number of shares traded per month for the period 2021-2023 is taking into account the trades on All Venues: Euronext as well as registered trades on alternative platforms such as Lit-venues, the Systematic internalisers and dark venues (LIT+Auction+Dark+OTC+SI).

Source: Refinitiv Market Share Reporter and Euronext' customer portal "Connect".

Values for the periods 2019-2020 are based on Euronext' customer portal "Connect" only.

Liquidity*

Source	Source	2023	2022	2021
Total yearly volume (shares)	Euronext	28,301,284	26,486,626	42,646,488
	Lit venues	43,764,378	45,549,874	48,913,548
	All venues	101,125,065	95,232,679	86,712,750
Daily average number of shares traded per month	Euronext	111,617	103,737	166,823
	Lit venues	172,583	178,660	191,214
	All venues	398,168	373,343	495,007
Total yearly volumes (turnover) in million euro	Euronext	580.47	563.11	837.86
	Lit venues	903.18	971.24	958.21
	All venues	2,115.63	2,036.62	2,501.13
Velocity	Euronext	29.21%	27.27%	44.98%

* The numbers referenced here take into account the trades on All Venues: Euronext as well as registered trades on alternative platforms such as Lit-venues, the Systematic internalisers and dark venues (LIT+Auction+Dark+OTC+SI). Source: Refinitiv Market Share Reporter and Euronext' customer portal "Connect".

Daily average shares traded per month*

All venues
Euronext data



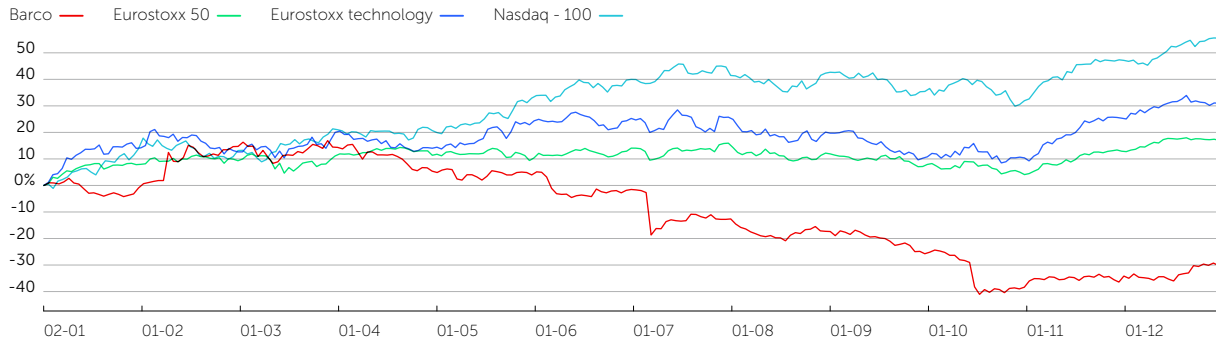
* The daily average number of shares traded for the period 2021-2023 is taking into account the trades on All Venues: Euronext as well as registered trades on alternative platforms such as Lit-venues, the Systematic internalisers and dark venues (LIT+Auction+Dark+OTC+SI). Source: Refinitiv Market Share Reporter and Euronext' customer portal "Connect".

Barco share price 2023

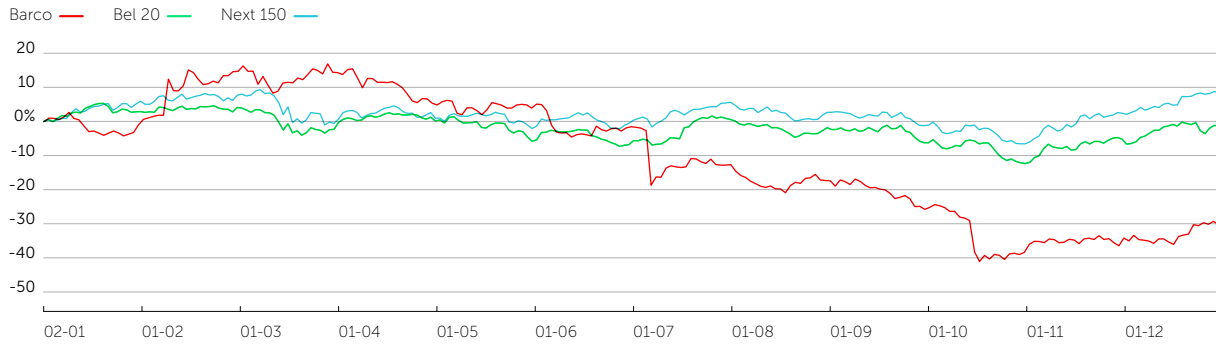
Barco share price 2023



Barco / Eurostoxx 50 / Eurostoxx Technology / Nasdaq - 100



Barco / Bel 20 / Next 150



Shareholder structure

Shareholders

A study of Barco's global shareholdership was carried out with a different data provider in mid-December 2023, just after the start of the share buyback program. This study plotted 93% of the company's shareholder composition⁽¹⁾, a slightly lower response rate than for the study of 2022 (98%), notably in the institutional space.

Identified institutional investors hold 67.11% of all shares. Treasury shares held by the company are good for 2.51% of the shares and approximately 23.57% of the shares are held by retail investors. 6.81% of the shares were not identified.

Geographic distribution

Belgium remains the dominant investment region in Barco's total (institutional and retail) shareholder base, with a strong proportional representation versus peers and industry averages. At the end of 2023, Belgian ownership accounts for 58.59% of shares. This includes 22.13% held by retail investors, for which the ownership is highly concentrated in Belgium (93% of retail shares).

United States remains the second largest region in total share ownership with 9.47% of the shares. Ireland is the third largest country with 4.37% of the shares, an important uptake since last year due to the move of the seat of a large institutional holder. Fourth is France with 4.26% of the shares and fifth is the United Kingdom with 3.74% of the shares, followed by Luxemburg holders owning 3.49% of the shares.

Compared to the benchmark of peer companies, 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.

Concentration

The concentration level amongst Barco top holders moved slightly in 2023, with the top-5 and top-10 categories increasing over this analysis period, and the top-25 category flat year-over-year.

The categories now account for:

- Top 5: 35.89% of total shares, or 51.55% of institutional holders (down versus 50.76% institutional holders last year)
- Top 10: 43.82% of total shares, or 62.94% of institutional holders (up versus 59.20% institutional holders last year)
- Top 25: 53.59% of total shares, or 76.98% of institutional holders (up versus 75.50% institutional holders last year)

Compared to the average observed in the mid-cap client base benchmark, Barco's concentration levels are above average.

⁽¹⁾ Shareholder analysis performed by ABN Amro in December 2023.

Shareholder remuneration

Dividend

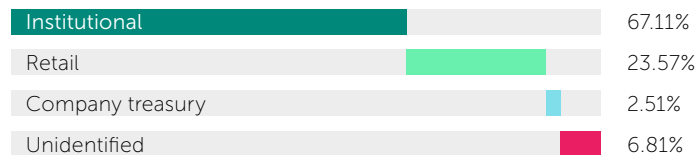
Barco's Board of Directors will propose to the General Assembly to distribute a gross dividend of 0.48 euro per share, up 0.04 euro versus last year's dividend of 0.44 euro.

Dividend policy

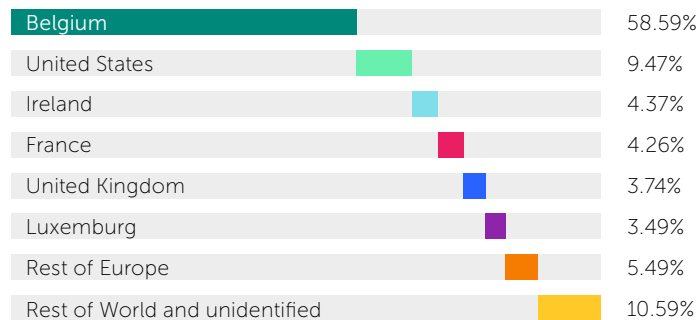
The dividend is set by the Board of Directors and subsequently proposed at the Annual General Meeting of shareholders at the end of each fiscal year.

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.

Shareholder structure

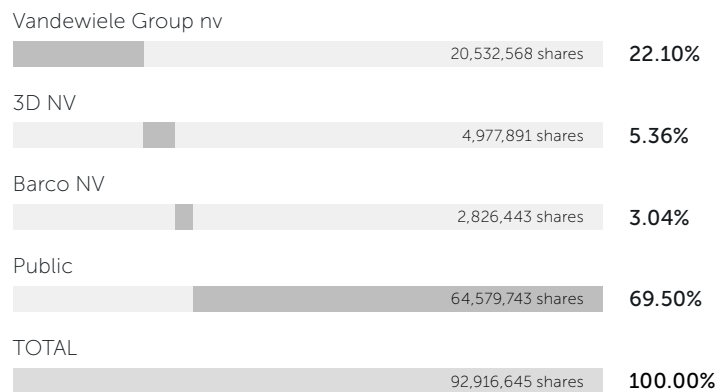


Geographic distribution



Ownership of Barco's shares 2023

(per 31 December 2023)



Barco's investment case

Strong foundation with technology and market leadership in healthy markets

With a rich history of 90 years, 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 increasingly software-driven and are often mission-critical with a true 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 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 faced significant challenges 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%. In 2023, although facing headwinds for the topline development, notably in China, the gross margin further expanded to record-high levels and the EBITDA margin climbed to 13.6% of revenues.

Except in 2020, Barco booked year-on-year net cash positive results. The company follows a conservative course in managing its financials and has a significant net cash position.

A strong and reliable leadership team

Further strengthened with the onboarding of new internally promoted leaders, Barco's leadership team holds diverse and global competencies and insights. The organizational redesign brings together focused teams per market, with accountability over R&D, product development, supply chain, marketing 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 27,5% of Barco's shares.

The 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

ABN AMRO ODDO BHF	Stefano Toffano
Bank Degroof Petercam sa	Kris Kippers
Berenberg	Trion Reid
De Belegger	Geert Smet
Flemish Federation of Investors and Investor Clubs	Gert De Mesure
KBC Securities	Guy Sips
Kepler Cheuvreux	Matthias Maenhaut
ING	Marc Hesselink
Van Lanschot Kempen	Nikos Kolokotronis

Financial calendar 2024

Announcement of results 4Q23 and FY23	Thursday 8 February 2024
Trading update 1Q24	Tuesday 23 April 2024
Annual General Shareholders Meeting	Thursday 25 April 2024
Announcement of results 1H24	Wednesday 17 July 2024
Trading update 3Q24	Thursday 17 October 2024

Share info

Barco share	BAR	ISIN BE0974362940
Reuters	BARbt.BR	
Bloomberg	BAR BB	

More info including the quarterly consensus update, reports, references, conferences and roadshows are available on [Barco's investor portal](#).

2023 Integrated annual report



Integrated Data Pack

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This is the Integrated Data Pack 2023. This is an appendix to the 2023 Annual Report. Other sections are available via the download center at ir.barco.com/2023.

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	2023	2022	2021
FINANCIAL	Sustained profitable growth	Group sales	mio €	1,050.1	1,058.3	804.3
		Gross profit	mio €	438.5	412.8	287.5
		Gross profit (% of sales)	%	41.8	39.0	35.7
		EBITDA	mio €	142.5	126.5	58.5
		EBITDA margin	%	13.6	12.0	7.3
		OPEX as % of sales	%	32.2	30.3	33.0
		Earnings per share	€	0.89	0.84	0.10
		Dividend	€	0.48	0.44	0.40
		Nominal tax amount paid	mio €	13.3	6.0	8.0
		Effective tax rate	%	18	18	18
	Financial resilience	Total amount paid in dividends to shareholders	k€	43,243	39,802	33,388
		Total amount of share buybacks undertaken	# of shares	491,000	-	600,000
		Net financial cash/(debt)	mio €	241.1	264.0	309.7
		Free Cash Flow	mio €	38.0	13.1	78.0
		Equity as % of balance sheet total	%	70.0	67.9	66.5

Capital	Topic	Indicator	Unit	2023	2022	2021
MANUFACTURED	Long term asset performance	% make	%	65.9	61.5	66.2
		Countries with a manufacturing facility	#	4	4	4
		ROCE	%	17.2	16.0	4.4
		Inventory turns	#	2.1	2.1	2.4
		Capex (in % of sales)	%	5.2	2.0	2.3

Capital	Topic	Indicator	Unit	2023	2022	2021
INTELLECTUAL	Innovation management	Number of patents at year-end	#	902*	550	504
		Number of new patent filings	#	16	13	17
		% of employees in R&D	% of heads	31.3	30.5	30.1
		R&D spend	mio €	132	121	101
		R&D spend (in % of sales)	%	12.6	11.4	12.6
		Innovation awards	#	12	3	11

Capital	Topic	Indicator	Unit	2023	2022	2021
PLANET	EU taxonomy	% revenues eligible for EU Taxonomy alignment	%	89.0	90.3	91.0
		% revenues aligned under EU Taxonomy alignment	%	45.0	27.0	-
		% capex eligible for EU Taxonomy alignment	%	100	100	100
		% capex aligned under EU Taxonomy alignment	%	11.0	4.8	-
		% opex eligible for EU Taxonomy alignment	%	77	72	100
		% opex aligned under EU Taxonomy alignment	%	48.0	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)	%	90	63	65
		Revenues from products with Barco ECO label	mio € revenues	620.4	476.1	226.2
		% revenues from products with Barco ECO label (hardware)	%	65	50	31
		Energy efficiency index of sold products relative versus base year 2015	#	0.70	0.73	0.70
		Greenhouse gas emissions of sold products (product use emissions) (relative)	Tonnes CO ₂ e /mio € revenues	241.5	272.4	296.9
		Material use (absolute)	kg	3,436,538	3,715,435	3,235,416
		Material use (relative)	kg /mio € revenues	3,272	3,511	4,441
% of new products released with recycled plastics (hardware)		%	10	12	35	
% of revenues in countries with Barco return and recycling programs	%	69	65	25		
% of active components covered by Full Material Declarations	%	83.4	83.6	82.5		

Capital	Topic	Indicator	Unit	2023	2022	2021	
	Climate change & energy	Total greenhouse gas emissions (absolute)	Tonnes CO ₂ e	292,523	330,424	281,874	
		Total greenhouse gas emissions (relative)	Tonnes CO ₂ e /mio € revenues	278.6	312.2	350.5	
		Greenhouse gas emissions scope 1 (absolute)	Tonnes CO ₂ e	2,803	3,057	3,256	
		Greenhouse gas emissions scope 2 (absolute)	Tonnes CO ₂ e	619	783	459	
		Greenhouse gas emissions scope 3 incl. product use emissions (absolute)	Tonnes CO ₂ e	289,101	326,583	278,160	
		Greenhouse gas emissions of our own operations	Tonnes CO ₂ e /mio € revenues	37.1	39.8	53.6	
		Greenhouse gas emissions infrastructure	Tonnes CO ₂ e /mio € revenues	2.7	2.9	4.0	
		Greenhouse gas emissions mobility	Tonnes CO ₂ e /mio € revenues	8.5	6.7	7.0	
		Greenhouse gas emissions logistics	Tonnes CO ₂ e /mio € revenues	25.9	30.2	42.7	
		Energy consumption in own operations (absolute)	MWh	30,692	31,560	31,345	
		Energy consumption in own operations (relative)	MWh/mio € revenues	29.2	29.9	39.0	
		% energy consumption from renewable sources	%	61	57	52	
		Total electricity consumption (absolute)	MWh	19,094	18,297	16,747	
		% electricity from renewable sources	%	98.7	99.0	98.0	
		Waste management	Total solid waste (absolute)	Tonnes	1,370	1,282	1,131
			Total solid waste (relative)	Tonnes/mio € revenues	1.30	1.20	1.40
	Total hazardous waste (absolute)		Tonnes	25.98	17.60	27.40	
	% hazardous waste of solid waste		%	1.9	1.4	2.4	

Capital	Topic	Indicator	Unit	2023	2022	2021
		Recycled & composted solid waste (absolute)	Tonnes	1,090.52	806.00	659.40
		Recycled & composted solid waste (relative)	Tonnes/mio € revenues	1.0	0.8	0.8
		Landfilled waste (absolute)	Tonnes	26.13	131.80	174.04
		Landfilled waste (relative)	Tonnes/mio € revenues	0.02	0.12	0.22
		% waste to landfill	%	1.9	10.0	15.0
		Recycling & composting rate of solid waste	%	79.60	63.00	58.30
	Water	Water withdrawal (absolute)	m ³	37,266	37,973	35,323

Capital	Topic	Indicator	Unit	2023	2022	2021
PEOPLE		Number of employees at the end of the financial year (heads)	# heads	3,360	3,302	3,141
		Number of employees at the end of the financial year (FTEs)	# FTEs	3,256	3,202	3,039
		Number of new (external) hires	# heads	429	655	384
		Permanent workforce at the end of the financial year (heads)	# heads	3,037	3,013	2,882
		Non-permanent workforce at the end of the financial year directly employed by Barco (heads, fixed-term contracts + temporary work + apprenticeship)	# heads	417	394	307
		Employee wages and benefits (personnel costs)	mio €	307	289	241
		Employer contributions to pensions or other retirement plans	mio €	14	13	13
	Employee engagement	Employee Net Promoter Score	#	13	16	-
		Voluntary turnover rate	% of heads	4.9	10.6	10.5
		Number of iGemba improvement suggestions per operator	#	5.1	6.3	5.5
	Learning & Development	Average training hours per employee	# hours	15.8	12.3	10.5
		% of employees having received training	% of heads	99	91	89
		Average training investment per employee	€	323.0	318.6	302.0
		Internal mobility (% of vacancies filled internally)	%	25	17	20
		% of employees who received Annual performance review, or regular feedback/check-in session(s)	% of heads	63	62	58
	Employee health, safety & wellbeing	Lost Time Injury Frequency rate (per 1,000,000 hours worked) employees	#	1.57	1.44	1.59
		Lost Time Injury Severity rate (per 1,000 hours worked) employees	#	0.03	0.03	0.07
		Total work-related fatalities (employees and contractors)	#	0	0	0
		% employees trained in Standards@Work Safety (white collars)	% of heads	99.1	99.0	99.6
		Rate of absenteeism	%	3.1	2.7	2.7

Capital	Topic	Indicator	Unit	2023	2022	2021
	Diversity & inclusion	% women overall	% of heads	29.6	29.1	27.1
		% women in senior management	% of heads	18	19	16
		% women in Core Leadership Team	% of heads	14	14	13
		% women in Board	% of heads	43	50	50
		% employees < 30 yrs	% of heads	11	10	9
		% employees > 30 yrs < 50 yrs	% of heads	60	61	63
		% employees > 50 yrs	% of heads	29	29	28
		Average age of the workforce	#	43	43	43
		Number of nationalities in the global workforce	#	50	48	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	51	52

Capital	Topic	Indicator	Unit	2023	2022	2021
COMMUNITIES	Customer engagement	Customer Net Promoter Score (relationship NPS)	#	48	44	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	99.1	99.8	99.7
		% of (development and manufacturing) sites covered by a certified quality management system	%	100	100	100
		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	#	215	289	267
	Information security & data protection	Number of data / GDPR / privacy incidents reported to data protection authorities	#	0	0	0
		Average cybersecurity maturity (NIST CSF) score	#	2.78	2.66	2.23
		Number of product lines in scope of ISO 27001	#	3	2	2
		% employees trained in Standards@Work Cybersecurity (white collars)	% of heads	99.1	99.6	99.6
		% employees trained in Standards@Work Data protection (white collars)	% of heads	99.1	99.7	99.7
	Business ethics	% employees trained in Standards@Work (white collars)	% of heads	99.1	99.0	99.0
		% employees trained in Standards@Work Ethics (white collars)	% of heads	98.3	99.4	99.9
		Number of ethical issues	#	21	9	8
	Corporate governance	Average remuneration per FTE employee	k€	92.4	88.3	75.0
		Total CEO Compensation	k€	1,489.1	1,289.6	1,086.0
		Highest CEO compensation / Lowest employee compensation in legal entity Barco nv (euros/euros)	ratio	20.9	21.1	26.2
		Number of non-executive Board members / Number of Board members excluding employee representatives	ratio	5/7	4/6	4/6
		% independent directors	% of heads	71	67	50
		% non-Belgian members in the Core Leadership Team	% of heads	27	27	38

Capital	Topic	Indicator	Unit	2023	2022	2021
		Participation rate Annual General Meeting	%	64	57	51
		Average % of 'For' votes in Annual General Meeting	%	91	88	88
		Average total attendance rate at Board and Committee meetings	%	96	100	99
	Responsible supply chain management	Number of major (key, key+, core) suppliers (covering X% of production spend)	# (%)	175 (94)	159 (87)	144 (84)
		Days payment outstanding (average payment term of suppliers)	#	50	68	80
		Number of supplier quality audits	#	47	37	41
		% of production spend covered by signed Barco supplier code of conduct	%	89.8	84.0	83.00
		% of production spend covered by contracts with sustainability clause (MSA, signed T&Cs, PA)	%	88.3	84.5	89.0
		% of production spend covered by supplier sustainability score	%	80.7	70.9	58.2
		% of new production suppliers screened using social and environmental criteria	%	100	100	100
		% in-scope suppliers that responded to Conflict Minerals Reporting Template	%	100	100	100
		Community engagement	Community investment	€	52,132.2	38,527

2023 Integrated annual report



Glossary



This is the Glossary 2023. This is an appendix to the 2023 Annual Report. Other sections are available via the download center at ir.barco.com/2023.

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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 CO2e-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.

GLOSSARY

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": finished electronic hardware product, either designed inhouse or outsourced to OEM suppliers, that can deliver standalone its intended function. This includes peripherals from our products sold such as lenses and key components. The following products are currently not in scope: software, services, hardware not consuming electricity (spare parts, options) and modules. 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 .

GLOSSARY

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": finished electronic hardware product, either designed inhouse or outsourced to OEM suppliers, that can deliver standalone its intended function. This includes peripherals from our products sold such as lenses and key components. The following products are currently not in scope: software, services, hardware not consuming electricity (spare parts, options) and modules. 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.

GLOSSARY

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)

GLOSSARY

Indicator	Unit of measure	Definition
Customer Net Promoter Score (relationship NPS)	#	"Calculation of the Net Promoter (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, promoters score 9-10. Calculation of NPS result = % promoters - % 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
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 promoter 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 promoter 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.

GLOSSARY

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).
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.

GLOSSARY

Indicator	Unit of measure	Definition
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 period 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.
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.

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Indicator	Unit of measure	Definition
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 ethical incidents reported	#	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. Next to the ethics mailbox, incidents reported via the whistleblowers tool are also included.
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). In July 2022, the implementation of a new centralized patent database for Barco NV and its subsidiaries marked a significant milestone, providing a comprehensive overview of the entire patent portfolio, encompassing both purchased patents and those of subsidiaries. Also, before 2023 European patents were counted as one, instead of one for each country jurisdiction. Thanks to this enhancement, the Barco global patent group now oversees the entire patent portfolio, offering a comprehensive global perspective on our intellectual property assets.
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.

GLOSSARY

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 .
Subsidiaries		Companies in which Barco exercises control.
TFA	€	Tangible fixed assets
Theoretical tax rate	%	The theoretical tax rate is the corporate tax rate applied in the country of origin of the parent legal entity (i.e. Belgium). The Belgian corporate tax rate as of 2020 is 25% (2019: 29.58%)
Total amount of share buybacks undertaken	# of shares	# of shares bought back over the reporting year
Total amount paid in dividends to shareholders	k€	Amount of dividends (in cash/shares) to be distributed as proposed by the Board of Directors of Barco nv to the General Assembly.

GLOSSARY

Indicator	Unit of measure	Definition
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

2023 Integrated annual report



GRI Content index

GRI Content index

Reporting period, cycle and scope

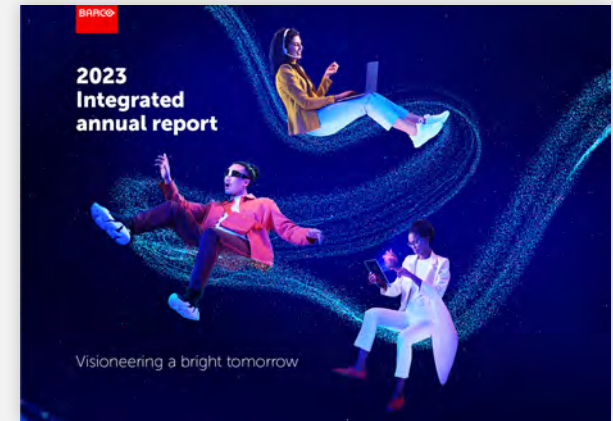
This integrated report provides an overview of our most relevant intentions, achievements and objectives in 2023, unless stated otherwise. The scope of the report is Barco worldwide (same as financial reporting), unless stated otherwise. The report is published annually, coinciding with the financial results. Date of previous report: February 2023.

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 2023 Integrated annual report. Other sections are available via the download center at ir.barco.com/2023.

CORE

MORE

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

ANNEX

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STATUTORY AUDITOR'S REPORT TO THE GENERAL SHAREHOLDERS' MEETING OF BARCO NV ON THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2023

We present to you our statutory auditor's report in the context of our statutory audit of the consolidated accounts 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 accounts for the year ended 31 December 2023. We have performed the statutory audit of the Group's consolidated accounts for 6 consecutive years.

Report on the consolidated accounts

Unqualified opinion

We have performed the statutory audit of the Group's consolidated accounts, which comprise the consolidated balance sheet as at 31 December 2023, 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 1,159,415 and a net profit attributable to the equity holder of the parent of EUR'000 80,168.

In our opinion, the consolidated accounts give a true and fair view of the Group's net equity and consolidated financial position as at 31 December 2023, 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 accounts 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 accounts of the current period. These matters were addressed in the context of our audit of the consolidated accounts 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 the Key Audit Matter

The carrying value of the Group's goodwill amounts to EUR'000 105,612 at 31 December 2023.

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 the Key Audit Matter

Deferred tax assets on tax losses carried forward and tax credits amounts to EUR'000 29,900 (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 Group'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 accounts

The board of directors is responsible for the preparation of consolidated accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated accounts, 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 accounts

Our objectives are to obtain reasonable assurance about whether the consolidated accounts 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 accounts.

In performing our audit, we comply with the legal, regulatory and normative framework applicable to the audit of the consolidated accounts in Belgium. A statutory audit does not provide any assurance as to the Group's future viability nor as to the efficiency or effectiveness of the board of directors' current or future business management at Group level. Our responsibilities in respect of the use of the going concern basis of accounting by the board of directors are described below.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional 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 accounts 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 accounts, the separate report on non-financial information and the other information included in the annual report on the consolidated accounts.

Statutory auditor's responsibilities

In the context of our engagement 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 accounts, the separate report on non-financial information and the other information included in the annual report on the consolidated accounts and to report on these matters.

Aspects related to the directors' report on the consolidated accounts and to the other information included in the annual report on the consolidated accounts

In our opinion, after having performed specific procedures in relation to the directors' report on the consolidated accounts, this directors' report is consistent with the consolidated accounts 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 accounts, we are also responsible for considering, in particular based on the knowledge acquired resulting from the audit, whether the directors' report on the consolidated accounts 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 draft standard on the 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, 7 February 2024

The statutory auditor

PwC Bedrijfsrevisoren BV/PwC Reviseurs d 'Entreprises SRL
Represented by

DocuSigned by:

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Lien Winne*
Bedrijfsrevisor

*Acting on behalf of Lien Winne BV



INDEPENDENT LIMITED ASSURANCE REPORT ON A SELECTION OF SUSTAINABILITY KPIS IN THE INTEGRATED ANNUAL REPORT 2023 OF BARCO NV

To the Board of Directors of Barco NV

This report has been prepared in accordance with the terms of our engagement contract dated 21 November 2023 (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 2023 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 2023, 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 2023 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 2023, 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 management

We have complied with the independence and other ethical requirements in the International Ethics Standards Board for Accountants' (IESBA) International Code of Ethics for Professional Accountants (IESBA Code) together with the legal Belgian requirements in respect of the auditor independence, particularly in accordance with the rules set down in articles 12, 13, 14, 16, 20, 28 and 29 of the Belgian Act of 7 December 2016 organising the audit profession and its public oversight of registered auditors and with Art. 3:62, 3:63 and 3:64 and 3:65 of the Companies' and Associations' Code.

Our firm applies International Standard on Quality Management n°1, Quality Management 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 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 2023 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, to whom it is addressed, in connection with their Report as of and for the year ended 31 December 2023 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.

Ghent, 7 February 2024

The statutory auditor

PwC Bedrijfsrevisoren BV/PwC Réviseurs d'Entreprises SRL
Represented by

A blue DocuSigned signature stamp with the name 'Lien Winne' and a handwritten signature.

Lien Winne*
Bedrijfsrevisor/Réviseur d'Entreprises

*Acting on behalf of Lien Winne BV



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 2023 IN ACCORDANCE 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 2023.

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 2023 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 2023.

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 2023 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 2023;
- Reconciliation of the marked data with the audited consolidated financial statements of Barco NV per 31 December 2023;
- 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 management

We have complied with the independence and other ethical requirements in the International Ethics Standards Board for Accountants' (IESBA) International Code of Ethics for Professional Accountants (IESBA Code) together with the legal Belgian requirements in respect of the auditor independence, particularly in accordance with the rules set down in articles 12, 13, 14, 16, 20, 28 and 29 of the Belgian Act of 7 December 2016 organising the audit profession and its public oversight of registered auditors and with Art. 3:62, 3:63 and 3:64 and 3:65 of the Companies' and Associations' Code.

Our firm applies 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 of and the marking language of the digital consolidated financial statements as included within the annual financial report of Barco NV per 31 December 2023 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 7 February 2024.


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 7 February 2024 and has been subject to a statutory audit. Our statutory auditor's report (signed on 7 February 2024 includes an unqualified opinion on the true and fair view of the Group's equity and consolidated financial position as of 31 December 2023, 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, 22 March 2024

The statutory auditor

PwC Bedrijfsrevisoren BV/Reviseurs d'Entreprises SRL
represented by

DocuSigned by:

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Lien Winne*
Bedrijfsrevisor / Réviseur d'Entreprises

*Acting on behalf of Lien Winne BV

Group management

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Financial information

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