PROTECT, ENHANCE & SAVE LIVES

iba-worldwide.com

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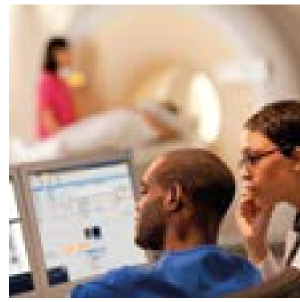



About IBA

WHAT DO WE DO?

We are world leaders in the design, production and marketing of innovative solutions for the diagnosis and treatment of cancer and other serious illnesses.

Around the world, thousands of hospitals use particle accelerators and dosimetry equipment designed, produced, and maintained by IBA as part of our mission to Protect, Enhance and Save Lives.

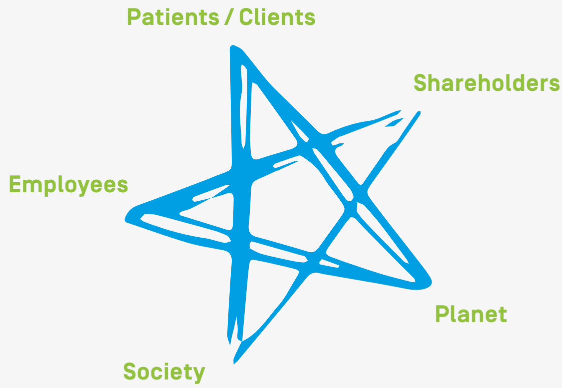
Through our four core activities, i.e., Industrial Solutions, RadioPharma Solutions, Proton Therapy and Dosimetry, we offer health care professionals solutions that allow them to take a fully-integrated approach to their patient care.

HOW DO WE WORK?

Our aim is to be a sustainable business that delivers consistent performance.

As part of the societal and environmental crisis the world is experiencing, companies have a huge responsibility which is why they need to think about how they work.

At IBA, we have adopted a sustainable and responsible management approach to achieve our performance objectives, taking all our stakeholders into account. Consequently, we ensure that our strategic and operational decisions are equally motivated by economic, societal and environmental concerns.



As a company, we are focused on increasing our market share and the return for our shareholders, improving the quality of life of our people, patients and employees, and contributing to the well-being of our society and planet.

WHY DO WE DO THIS?

To Protect, Enhance and Save Lives.

For over thirty years, our mission has been to provide for society's needs, and more specifically the needs of people who are ill, with our particle physics technology. This desire is reflected in our mission to Protect, Enhance and Save Lives.

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

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

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

Our society: we utilize a sustainable entrepreneurial business model that involves all our stakeholders.

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

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

A flexible and resilient business model.

In today's volatile and turbulent global economy, we have demonstrated flexibility, adaptability and resilience. These are fundamental for the continued success of our business activities.

The natural pace changes year to year, consistent with emerging markets such as proton therapy, can result periodically in slower sales than expected. We were able to offset this slowdown this past year through our improved performance in our RadioPharma and Industrial Solutions business units where each posted record results.

We also have adapted our strategy by strengthening our commitment to quality and innovation while paying increased attention to the need for upgrading our user's equipment with new technology.

OUR VALUES

Care **Dare** **Share** **Be Fair**

Care: we care about the well-being of our patients, our employees, our society, our planet, and our shareholders.

Dare: we dare to focus on innovative solutions that continually stretch the boundaries of technology.

Share: we share our ideas and our expertise with our clients and our partners to advance the diagnosis and the treatment of cancer.

Be Fair: we implement our mission to Protect, Enhance and Save Lives with ethical standards and transparency to remain worthy of our stakeholders' trust.

PROTECT +
ENHANCE +
SAVE LIVES

Message
from Olivier Legrain

BUILD TO LAST

IBA is an exciting and growing company. Its objective is to use particle accelerator technology for the benefit of society. In partnership with our customers, our employees are driven and motivated by the company's mission to Protect, Enhance and Save Lives of more patients everyday.

To maintain its growth throughout its history, IBA has regularly reinvented itself by innovating new applications of its technology and adapting to changing market conditions. Our 2019 theme of "Build to Last" is completely in line with this approach.

How do we do? First, by capitalizing on the renewed success in 2018 of our RadioPharma and Industrial Solutions business units. New products and markets have boosted the growth of these businesses, showing once again how important it is to capitalize on the existing synergies between divisions to strengthen our development. Another promising market in the long-term is the proton therapy market as evidenced by the increasing number of patients being treated with this technology.

In recent months, we have adapted our organization to better manage through market volatility and leaner years.

This transformation is accompanied by an increased focus on service offerings which accounted for over 45% of our revenue in 2018. The number of IBA proton therapy centers in clinical operation is set to double between 2018 and 2022. The development of our customer base offerings and the renewed commitment to customer will help increase the stability of our revenues as well as provide a significant competitive advantage in the proton therapy market.

We aim to achieve this transformation with dedication, conviction and respect for our values while also rising to the human, societal and environmental challenges of today's world.

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

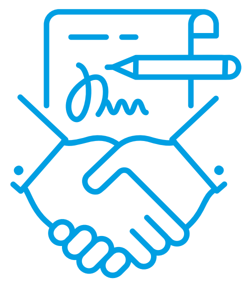
Olivier Legrain
CEO

IBA in 2018
at a glance

±180 000[1]
PATIENTS TREATED WITH PROTON THERAPY

5
CONTINENTS

+550
ACCELERATORS SOLD



INDUSTRIAL SOLUTIONS

Industrial Solutions mainly concentrates on developing dedicated solutions for the market for the sterilization of medical devices. Its products enable the medical industry to be less dependent on chemical products and radioactive processes.

RADIOPHARMA SOLUTIONS

RadioPharma Solutions assists hospitals and radiopharmaceutical product distribution centers by helping them design, build and operate their radiopharmacy.

Its products are used for producing isotopes vital for cancer diagnosis as well as use in cardiology and neurology fields.

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[1] Cumulative figure extrapolated from PTCOG data for 2017, across all proton therapy systems around the world.

4
BUSINESS ACTIVITIES

10%
OF TURNOVER INVESTED IN R&D

1451
EMPLOYEES

PROTON THERAPY

Proton Therapy is considered the most advanced form of radiotherapy in cancer treatments that utilize ionizing rays.

Thanks to the unique properties of protons, the tumor can be targeted more accurately. The protons deposit the majority of their energy in a controlled zone, limiting exposure of the surrounding healthy tissues to potentially harmful radiation.

DOSIMETRY

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

01 STERILIZATION

How do we implement our mission?

AT IBA, OUR BUSINESS PROJECT IS FOUNDED ON A STRONG STATEMENT: USING PARTICLE TECHNOLOGY FOR THE BENEFIT OF SOCIETY, TO HELP PROTECT, ENHANCE AND SAVE LIVES.

WE ACHIEVE OUR MISSION BY PROMOTING SUSTAINABLE DEVELOPMENT THROUGH A SERIES OF INNOVATIVE ACTIVITIES WITH HIGH TECHNOLOGICAL ADDED VALUE.

PROTECT, ENHANCE AND SAVE LIVES BY CONTRIBUTING TO INNOVATIVE STERILIZATION METHODS

The development of medical devices increasingly requires advanced sterilization methods to assure the safety of patients and medical staff.

In the sterilization market, we offer solutions that enable customers to sterilize medical devices, either with x-rays or with electron beams. This is an alternative to sterilization technologies using chemical or radioactive material.

2018 was a turning point in our strategy as we refocused on the technology and the market for the sterilization of medical devices. We adapted our organizational structure and mobilized the resources needed to grow this business.

To dare is one of IBA's founding values and is well represented in the spirit of innovation of our Industrial Solutions business. We currently offer the most advanced electron beam technology in the world and are well positioned as the sole supplier of this solution in the market.

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

Characteristics of the Rhodotron®

Three characteristics contribute to make the Rhodotron® the most complete accelerator on the sterilization market today and facilitate access to clean technology:

Pulsed Technology

It generates an equivalent output power with a reduced electrical energy consumption.

Modularity

It facilitates access to clean technology, and enables customers to progressively increase the energy used as it is needed.

High Energy

The accelerator's power capacity has been increased, opening the door to a whole new range of applications in the field of diagnosis and diagnosis-therapy.

THE NEW GENERATION OF RHODOTRON®

In 2018, we launched a new generation of Rhodotron®. New technology has improved the performance of these accelerators which has reduced energy consumption.

The pulsed technology, the modularity and the high energy enable Rhodotron® to meet our customers' ever-changing needs.

This strategic choice produced the exceptional results of this business in 2018, which was a record year. A growing number of customers have placed their trust in our team and technology, including the Aerial Technology Resource Center in Strasbourg, France.

Technology watch

Evolutions are the result of listening attentively to the needs of the market and our customers in terms of sterilization. IBA has a technology watch in place to close monitor changing trends, anticipate customer needs and respond with technological solutions that are entirely adapted to market demand.

Aerial is a Technology Resource Center, based in Strasbourg, France, was founded in 1985. The research center has a workforce of 25 employees. In addition to powerful analytical tools in various laboratories, the center also has several experimental irradiation facilities with electron accelerators, including the Rhodotron® which equips the center to handle a wide range of industrial requirements. Aerial is also one of 25 IAEA Collaborating Centers around the world.

"With our *feerix* (Faisceau d'Electrons Et Rayonnement Ionisants X/ebeam and x-ray ionizing radiation) project, we are supplementing our range of low and medium-energy equipment with a high-energy accelerator, namely IBA's Rhodotron®. This new investment, which is unique in France and the only one with this configuration in the world, makes Aerial an essential partner in Research & Development and Innovation in the field of ionization. This will enable us, among others, to develop new applications to sterilize increasingly sophisticated medical devices.

feerix, which will become operational in June 2019, has all the industrial "ingredients" while maintaining the required flexibility in terms of applied research. This enables the application of protocols that were developed in the industrial field, without changes of scale. The characteristics of this equipment enable us to explore a wide range of applications. We are pleased to develop a strong partnership with IBA, which extends well beyond the mere supply of equipment".

Alain Strasser
General Manager
Aerial

SYNERGIES ACROSS ACTIVITIES

The new generation high-energy Rhodotron® was developed in collaboration with our RadioPharma Solutions business. This technological breakthrough enables the innovative and clean production of radioisotopes for diagnostic and theranostics (a combination of diagnostics and therapy – see page 13) applications.

DYNAMITRON®: SERVICE AND UPGRADES

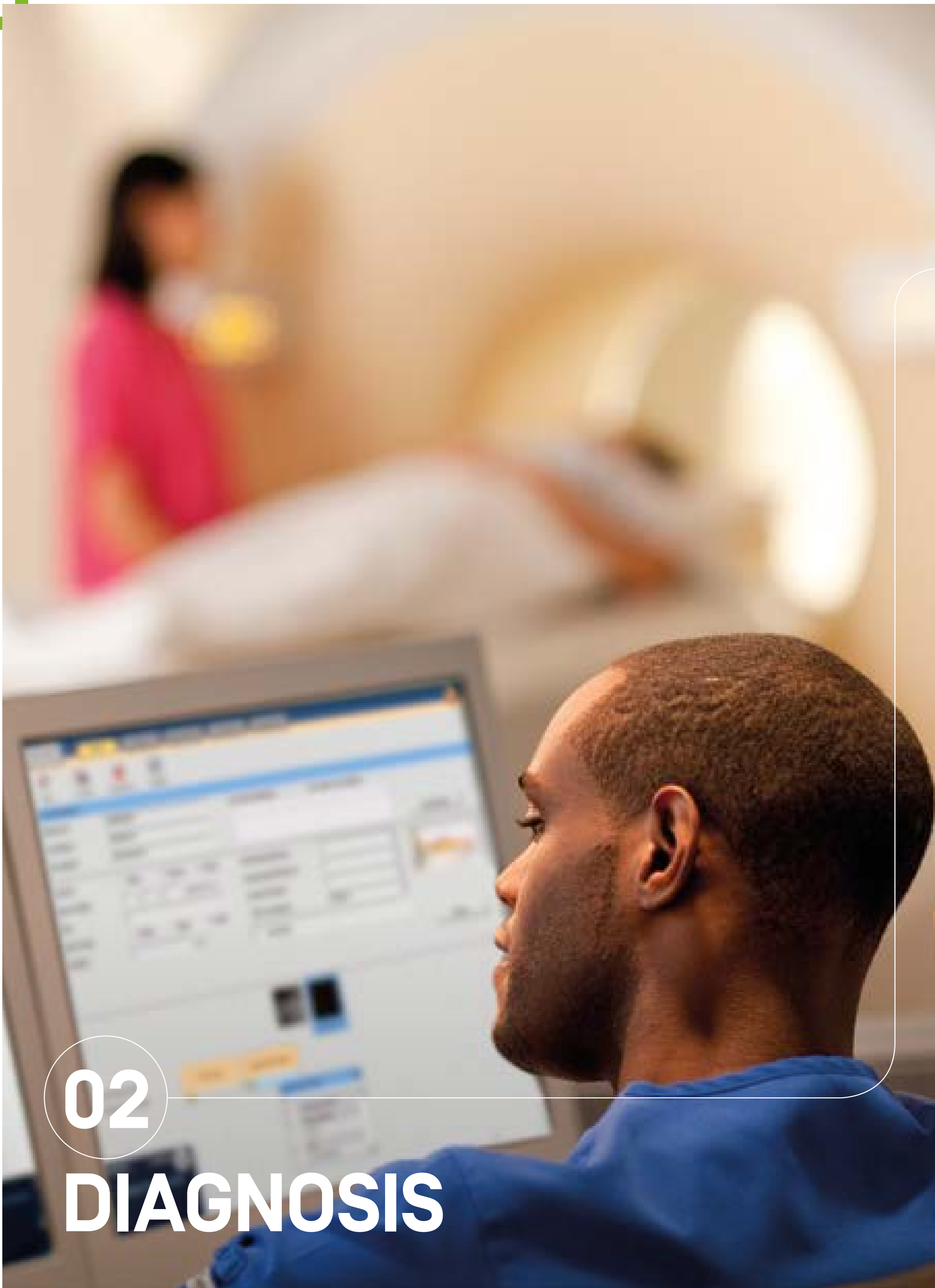
Another use of our Industrial Solutions business is the reticulation of polymers. In this field, we have delivered on our commitments to our Dynamitron® customer base. This technology increases the resistance of polymers by changing their molecular structure. In 2018, we elected to concentrate our efforts on service and upgrades to ensure these machines continue to remain at the cutting edge of technology.

An alternative to the SF6

The Dynamitron® customer base is IBA's largest. In 2017, the company took the initiative to replace the SF6 in the Dynamitron®. In 2018, this culminated in the financing of a project by the European Union with its LIFE funding instrument. This project, in partnership with General Electric and the University of Manchester, aims to develop a sustainable alternative solution to the SF6 in the Dynamitron®. The partners hope to implement it in a pilot project by 2021.

"The SF6 accounts for 60% of the Dynamitron®'s CO^2 emissions. Finding an alternative to the SF6 would have a tremendous positive impact on our carbon footprint."

Candice Nagel
Sustainability R&D Project Manager
IBA Industrial Solutions



02 DIAGNOSIS

PROTECT, ENHANCE AND SAVE LIVES BY CONTRIBUTING TO MORE ACCURATE DIAGNOSIS

ONCOLOGY: EARLY DETECTION SUBSTANTIALLY INCREASES THE CHANCES OF SURVIVAL

World Health Organization (WHO) figures indicate that 9.5 million people die from cancer yearly. However, patients' lives and chances of survival are significantly improved when the cancer is detected early.

3 million undiagnosed cases of childhood cancer

A modeling study published in The Lancet Oncology[2] projected cancer incidence for 200 countries worldwide and suggested that the number of undiagnosed cases of childhood cancer could account for more than half of the total in Africa, south-central Asia and the islands of the Pacific. In North America and Europe, by contrast, only 3% of cases are undiagnosed. If there is no improvement, the authors of the study estimated that more than 3 million new cases of childhood cancer will be missed between 2015 and 2030.

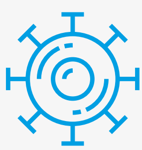
Cancer that is diagnosed at an earlier stage is more likely to be treated successfully (i.e. higher likelihood of survival, reduction of morbidity and lower cost of care). Cancer Research UK indicated that the average cancer survival rate for the 8 most common cancers for patients with stage 1 cancer is 90%. The survival rate plummets to just 5% when the patient is diagnosed as having stage 4 cancer.

In light of this conclusion, and in keeping with our mission to Protect, Enhance and Save Lives, our RadioPharma Solutions division is committed to make cancer diagnosis more accessible around the world by working on several levels.

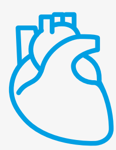
First, by reducing the size of the radiopharmacy where the radiopharmaceutical tracers for cancer diagnosis are produced. The IntegraLab®ONE solution is the most compact radiopharmacy solution on the market, facilitating its installation and reducing the building cost.

Applications of radiopharmaceuticals

Oncology



Cardiology



Neurology

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

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

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

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

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

"The Cyclone®KIUBE was designed with a reduced environmental impact in mind. Its technology enables the production of a wide range of radioisotopes while consuming less energy. The Eco mode of the "vacuum standby" reduces electricity consumption by 50% which has an immediate financial impact for the user. An environmental study demonstrated that the Cyclone®KIUBE emits 20% less CO_2 during its lifetime, which is below the market standard."

Jean-Michel Geets
IBA Fellow, Product Manager & IntegraLab® Leader
IBA RadioPharma Solutions

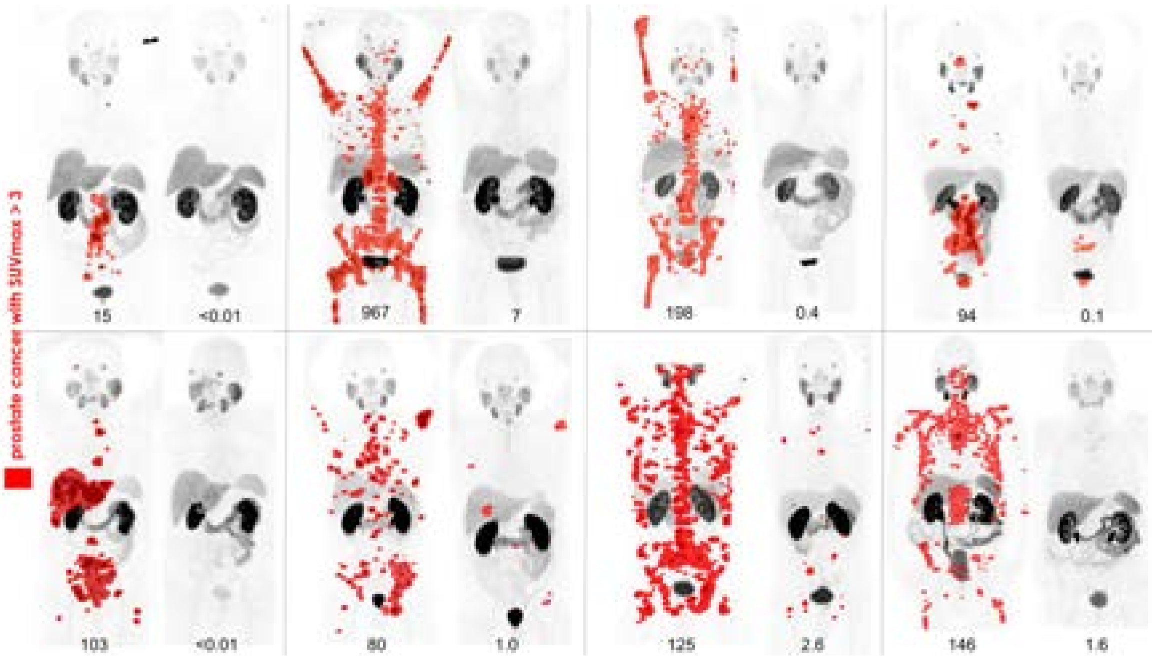
A combination of diagnosis and therapy: theranostics

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

IBA supports the Oncidium Foundation

Oncidium foundation

The Foundation's priority include promoting the awareness among patients and physicians, investing in research and scholarship, supporting and financing the development of new radiopharmaceuticals for therapy, supporting clinical best practice and improving access to patients.
Oncidium-life.org



Example of the use of theranostics for the treatment of prostate cancer: the extent of the spread of the tumor in each patient, before and after treatment with Luthetium-177-PSMA is clearly visualized using PSMA PET. The patients' quality of life was enhanced and pain reduced, with a marked reduction of the prostate-specific antigen PSA, a tumor marker.

With the kind permission of Professor Michael Hofman, Peter MacCallum Cancer Centre, Melbourne, Australia

A PREFERRED MODALITY FOR CARDIAC IMAGING

Major technological breakthroughs were achieved in the diagnosis of coronary heart disease through Positron Emission Tomography (PET). IBA's 70MeV cyclotron enables the production of Rubidium-82 which can be used for non-invasive myocardial perfusion tests.

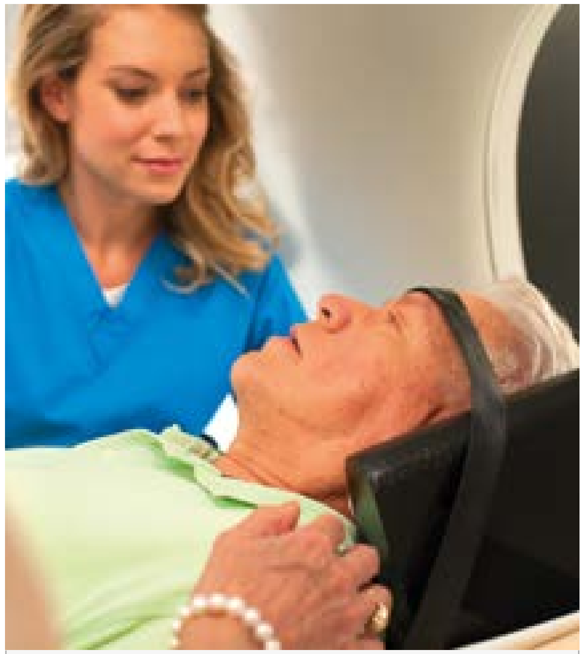
> Cardiac PET imaging can be very useful for the management of many patients with suspected or known heart disease. Cardiac PET imaging is increasingly used as new centers are established and clinical guidelines incorporate cardiac PET imaging into the management algorithms.
>
> **Terrence D. Ruddy,**
> MD, FRCPC, FACC, FAHA, FCCS
> Professor of Medicine and Radiology, University of Ottawa
> Director of Nuclear Cardiology,
> University of Ottawa Heart Institute

A MAJOR BREAKTHROUGH IN THE DIAGNOSIS OF NEURODEGENERATIVE DISEASES THANKS TO PET

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

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

Amyloid PET imaging yields a diagnostic accuracy of 90% in the diagnosis of Alzheimer's disease. Several tracers have received marketing approval for this indication, including 18F-florbetaben, which was developed and produced with IBA equipment.



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

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

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

03 TREATMENT

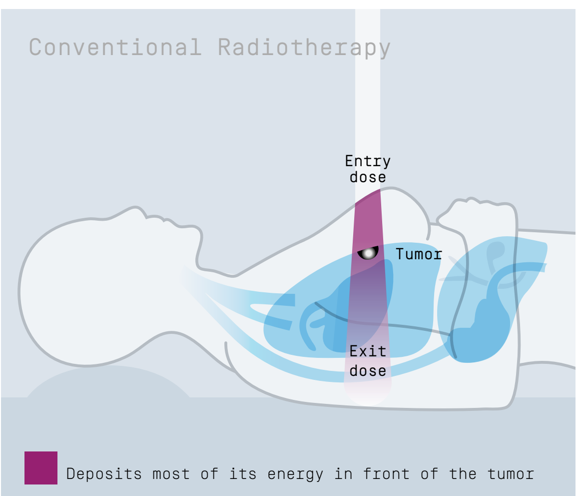
PROTECT, ENHANCE AND SAVE LIVES CONTRIBUTING TO MORE TARGETED TREATMENT

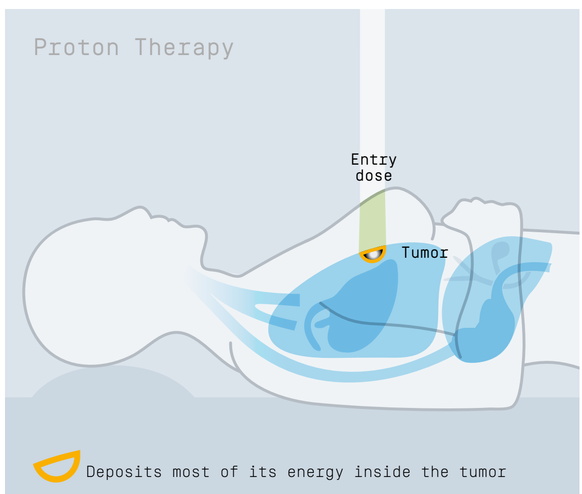
We are the global leader in proton therapy. This is considered the most advanced and most accurate radiation therapy currently available and a valuable treatment modality for thousands of women, men and children who are diagnosed with cancer.

This treatment destroys the cancer cells by radiating them with a proton beam. Protons release their maximum energy in a precisely controlled area within the tumor while limiting the amount of dose radiation that is deposited in the healthy tissue surrounding the tumor. This is not the case for photons, the most common type of radiation used in cancer therapy (conventional radiotherapy).

Moreover, proton therapy enables more dose to be released inside the tumor without increasing the risk of side-effects or long-term complications, which, consequently, can improve the outcome of the treatment and enhance patient's quality of life.

> Proton therapy has the potential to enhance the quality of life of patients during and after the treatment





Viggo has been in remission since November 2018

We fought hard to be able to give Viggo the best treatment possible, and we are convinced that proton therapy played a crucial role in his recovery. We are sure of this: he would have not been in such robust health if he had been treated with conventional radiotherapy.

This was the best treatment we could have given him. At the time, proton therapy was a real turning point for us. It helped us gather the strength we needed to start this treatment and we passed this optimism on to Viggo who kept on smiling throughout this ordeal.

Viggo has been in remission since November 2018. He is doing very well, he is our little miracle. He is now in year 2 (primary school), the second brightest child in his class and perfectly bilingual. Like any other boy, he is really enjoying life.

The Erasme university hospital in Brussels (Belgium) asked us to participate in a study to observe the evolution of children after heavy treatments (chemotherapy, radiotherapy, surgery). Viggo had a very high score on their IQ test.

We are always proud of our children but perhaps we are even prouder when we see how our children overcome obstacles with such courage.

Steve Mommaerts and Valérie Verlinden,
The parents of Viggo, who underwent proton therapy in 2012 at the age of 13 months

Our mission is to make this technology accessible to any patient who could benefit from it, which is far from the case today. Globally studies have shown that 20%[3] of patients who undergo radiation would benefit from proton beam therapy. Currently, less than 1% of all patients who are treated with radiotherapy receive this more targeted treatment.

Every day, our IBA team focuses on two major initiatives. Working closely with their users and partners to ensure that a maximum number of patients can benefit from this therapy option while simultaneously working on consolidating clinical evidence to increase the number of cancer indications that can be treated with proton beam therapy.

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[3] Extrapolation to the world's population by IBA based on the report of the Netherlands Health Council. https://www.healthcouncil.nl/documents/advisory-reports/2009/12/11/proton-radiotherapy

INFORMATION ABOUT THE TREATMENT

To ensure increased use of proton therapy, it is of paramount importance that doctors, stakeholders in cancer therapy, and patients receive accurate, timely information enabling them to choose the most appropriate treatment from a range of existing alternatives.

We organize several courses on proton therapy with our customers and their practitioners (e.g., Roberts Proton Therapy Center, United States; Institut Curie, France; UMC Groningen Protonentherapiecentrum, the Netherlands; Apollo Proton Cancer Centre, India) to educate professionals about the potential benefits of proton therapy and how best to identify those patients that will most benefit from it.

As part of this endeavor, we regularly enter into collaboration with national cancer associations. These valuable partnerships enable us to work in close collaboration with the caregivers in the field who serve as valuable sources of information when a patient receives a cancer diagnosis.

Finally, we also developed a “patient” page, which includes specific information on proton therapy as well as links to specialized institutions.

A dedicated webpage for patients

IBA’s dedicated webpage for patients (in English) was published at the end of 2017. In 2018, the information was added in 9 other languages (French, Dutch, Spanish, Czech, Italian, Portuguese, Russian, Chinese, and German) making it more accessible. These pages were translated in part by IBA volunteers who wanted to help make available information about proton therapy. Patients can also find a list of IBA proton therapy centers on this page, as well as links to testimonials and the contact details of patient associations and cancer information resources. This page enables patients to learn more about the next steps to start a proton therapy treatment.[4]

Belgian Foundation against Cancer

Fondation contre le cancer

The first proton therapy center in Belgium, where IBA is based, will be inaugurated in September 2019. In the run-up to this opening, IBA is working with the Belgian Foundation against Cancer, a national association that aims to inform patients about the various therapy options. Our Medical Affairs Director provided a training to the association’s members to explain what proton therapy does in preparation of the calls that the announcement of the center’s opening is bound to trigger.

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[4] https://iba-worldwide.com/proton-therapy/for-patients

IDENTIFYING THE PATIENTS WHO STAND TO BENEFIT FROM PROTON THERAPY

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

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

The Dutch authorities have based their reimbursement of the cost of proton therapy on this predictive approach. This modern reimbursement policy means new technology could be adopted faster, helps control cost, and the accuracy of the models is continually reassessed.

> "Our Dutch colleagues have developed a method that is specifically adapted to radiotherapy, based on decades of sensitivity data they collected for normal organs based on the delivered dose. Using current technology, they can now predict for each patient, based on a scan of the patient and a virtual comparison of the administered dose to the healthy tissues with protons or photons, if the benefits of protons are significant and whether the moderate additional cost is clinically justified."
>
> **BeSTRO**
> (Belgian Society for Radiotherapy and Oncology) and the College of Physicians for the Radiotherapy Centers.

Focus group on the benefits of protons for breast cancer

The results of the breast cancer focus group that was organized at the Centre Antoine Lacassagne in Nice (France) were significant. IBA gathered a remarkable panel of 20 high-level experts with varied profiles, including oncologists, physicians and epidemiologists, from America and Europe, who favored varied and complementary approaches. The focus group provided us with a rare opportunity to discuss protons for breast cancer and arrive at a multidisciplinary consensus on a range of specific themes for extending this proton therapy to new indications. These prominent thought leaders reached a consensus on the usefulness of proton therapy in cases where breast cancer is detected early. Breast cancer accounts for 20 to 25% of patients in radiology, and the cancer is detected early in two thirds of the cases. This is large numbers of patients who have experienced a very good survival rate for this in the long-term. We have noted, however, that the risk of secondary lung cancer surges after 30 years, even outweighing the risk of cardiac toxicity.

Hence the interest of using protons to limit the dose that is released to the lungs.

Jean-Philippe Pignol, Dr.
Former Medical Co-Director of
Holland PTC (Rotterdam, the Netherlands) Professor and
Department Head of the Department of Radiation Oncology
Dalhousie University (Halifax, Canada)

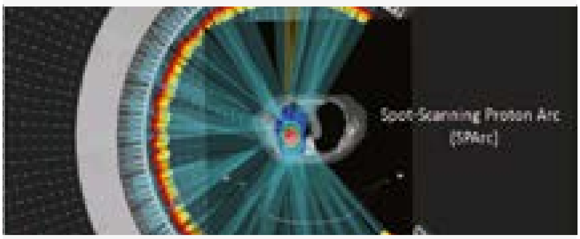
PUSHING BACK THE BOUNDARIES OF TECHNOLOGY

Pushing back the boundaries of technology and anticipating new developments in proton therapy is aligned with our spirit of innovation. These technological evolutions are being developed for future proton therapy centers, but we will also ensure that our existing centers can be upgraded to these technologies, through our service offerings.

Proton Arc Therapy

IBA wants to constantly improve proton therapy for the benefit of patients. We have worked hard to advance this technology, in close collaboration with our customers and through R&D partnerships.

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



Soon, this technological evolution will offer patients numerous advantages:

- Enhanced dose conformity at the tumor level and reduction of the total dose received by the patient,
- The possibility to increase the dose delivered to the tumor and potentially reduce the number of treatment sessions for the patient,
- Less time in the treatment room, hence increased comfort for patients.

"To get our son the best treatment possible, we had to spend six weeks in Switzerland while our oldest stayed behind in Belgium with his grand-parents. Having a center in Belgium, close to home, is crucial. This allows you to concentrate 100% on the therapy and well-being of your child and avoid the terrible emotional burden as a result of having to undergo therapy far away from home. This plays a major role in the quality of life during therapy."

Steve Mommaerts and Valérie Verlinden,
The parents of Viggo, who underwent proton therapy in 2012 at the age of 13 months

MAKING THE TREATMENT MORE ACCESSIBLE

To achieve our mission, we must work hard to ensure the maximum number of patients who can benefit clinically from proton therapy have access to it. This includes reducing the cost of this technology and the maintenance so that more centers are opened facilitating greater access for patients.

In addition, we are working diligently with our customers, industry and patient associations for better reimbursement of this therapy by public and private insurers and broader coverage for increased indications for proton therapy.

"We treated our first patient with our Proteus®Plus system in 2012. This machine has a lifetime of more than 25 years. So it was crucial that we received the guarantee that we would be able to implement the technological advances that would be developed in the future on our machine. Thanks to the upgrade in 2018, we were able to reduce the time per treatment session. This has enabled us to reduce the treatment time and enhance the comfort of most of our patients. In 2018, we treated an additional 550 fractions compared to 2017."

Dennis Mah, Ph.D.
Physics Director,
ProCure New Jersey, United States

DEVELOPING OUR SERVICES

Proton therapy is a rapidly developing technology. To date, more than 180 000 patients have received this treatment, and this number is expected to double by 2025. Likewise, the number of IBA centers in operation is set to double by 2022.

This compelled us to demonstrate our agility and resilience by increasing our focus on the services we offer to our Proteus® users. In keeping with our mission statement, we are committed to delivering total reliability of our systems, to ensure the continuity of patient treatments. We continue to modernize equipment so our customers and patients have access to the latest technological advances. We offer training courses to help caregivers maintain and improve their skills and support. And finally, we assist in the collecting and compiling of clinical evidence and conducting of proton therapy research.

04
QUALITY

PROTECT, ENHANCE AND SAVE LIVES BY CONTRIBUTING TO QUALITY ASSURANCE FOR EQUIPMENT

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

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

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

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

In radiotherapy, the idea is to expose tumor masses to a higher dose of destructive rays, with millimeter precision, while reducing the exposure to healthy tissue as much as possible.

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

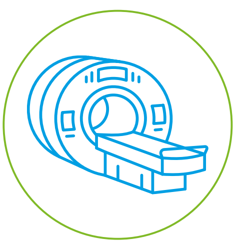
This is the responsibility of our Dosimetry business, which develops a range of tools to calibrate radiation equipment and verify the dose of ionizing radiation that the patient absorbs during medical imaging and radiotherapy.

1 Gy

WHAT IS A GRAY (Gy)?

The gray measures the total absorbed energy of radiation

500
Head &
Neck scans

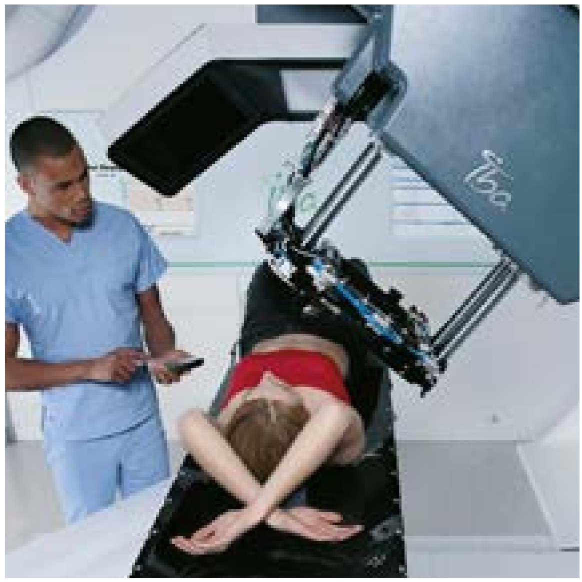


200 000
Intra-oral
X-rays

1 000 x
Annual
public limit

The patients' safety and the excellence of the care they receive are a major concern in our radio-oncology department at Queen's Hospital as well as in cancer therapy centers around the world. Modern quality assurance and the dosimetry of radiation are vital for the success of our vision in terms of clinical excellence. Nowadays we use extremely accurate dosimetry solutions, that enable us to perfectly measure and evaluate the therapeutic dose that we should administer to each patient.
Our dosimetry work helps us gain a very precise understanding of the therapeutic dose that is administered to the patient's tumor, prior to the treatment.
This enables us to optimize each therapy to obtain the best possible therapeutic results and guarantee patient safety to the best of our ability.

Liz Crees
Head of Radiotherapy Physics & Cancer Speciality Manager Queen's Hospital, Romford, United Kingdom



SAFE RADIOTHERAPY: QUALITY ASSURANCE DURING THE OPERATION OF EQUIPMENT FOR THE TREATMENT OF PATIENTS

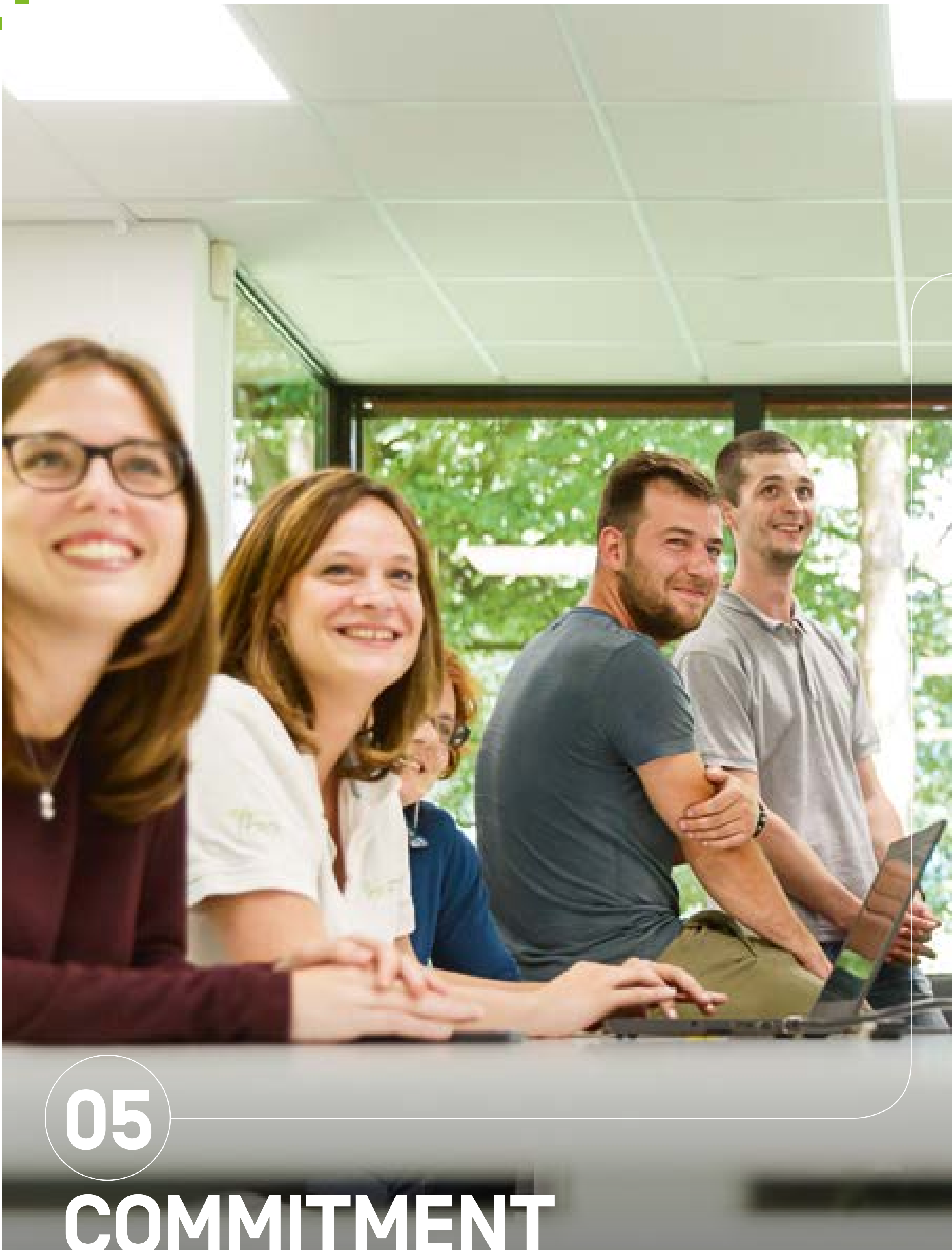
It is vital that the adequate calibration of the equipment is checked during a series of quality controls to ensure patient safety. These controls are designed to certify that the radiotherapy and proton therapy equipment will deliver the required dose in the exact location designated by the medical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

SAFE MEDICAL IMAGING: QUALITY ASSURANCE FOR A BETTER DIAGNOSIS AND BETTER CONTROL OF THE DOSE

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

IMAGING MARKERS: SAFER AND MORE EFFECTIVE RADIATION TREATMENTS

The flexible markers are directly inserted in the soft tissue and can be visually identified while the patient is positioned for radiotherapy treatment. They are minimally invasive, ensuring the patient confort. These markers also facilitate a more precise positioning of the patient to maximize therapy efficacy.



05 COMMITMENT

PROTECT, ENHANCE AND SAVE LIVES BY CONTRIBUTING TO HIGH QUALITY EMPLOYMENT AND WORKING ENVIRONMENT

Would our mission statement to Protect, Enhance and Save Lives still make sense if it hadn't been put into practice for and by our employees?

As Yves Jongen, IBA's founder, always reminds us, our people are IBA's most valuable asset.

These men and women, who are all experts in their field, are exceptionally passionate and enthusiastic about what they do. Our employees collectively undertake to play an active role in putting our mission statement into practice. We support and encourage their initiatives by providing them with a safe and stimulating place to work.

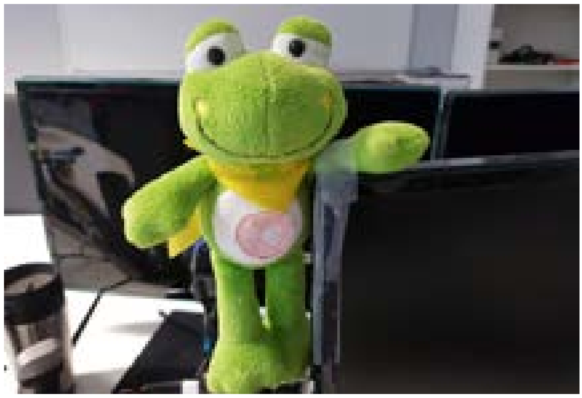
COMMITTED EMPLOYEES

Around the world, our employees engage in work that demonstrates their energy, engagement and desire to always go one step further for a cause that they care about, namely to ensure that every patient has access to the most beneficial treatment for their cancer.

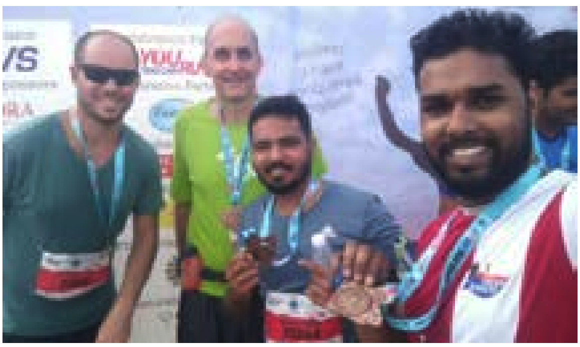
> "Men and women whose daily commitment to make our mission a reality, deserve to be praised. I wish to thank them for helping us to achieve our mission to Protect, Enhance and Save Lives."
>
> **Olivier Legrain**
> CEO, IBA

Oklahoma City, State of Oklahoma, Warrenville, State of Illinois, United States – IBA employees raised funds to fight cancer, by shaving their heads during the Saint Baldrick charity event.

Fairfax, State of Virginia, United States – Santa Claus and the IBA employees visited the children at the Inova Schar Cancer Institute, where an IBA proton therapy center is set to open in 2019.



Bernd the frog, who puts a smile on the faces of all the children that are treated in an IBA proton therapy center.



Let Us Run So They Can Walk, Chennai, India – This half-marathon, which was organized in Chennai, India, aimed to raise funds for 103 leg prostheses for disadvantaged people and to provide financial support to schools in need.

Thank You Day, Dresden, Germany / Oklahoma City, State of Oklahoma, Royal Oak, State of Michigan, Philadelphia, State of Pennsylvania and Seattle, State of Washington, United States – Taking the time to thank and congratulate employees and customers for their daily commitment as part of our mission.

Rock Against Cancer, Louvain-la-Neuve, Belgium – A rock festival, organized by IBA employees, to raise funds for cancer associations.

PRIORITY N° 1: A SAFE WORKING ENVIRONMENT

Providing our employees with a safe place to work, with the highest quality standards, is a priority for IBA. This enables us to avoid incidents that could have a negative impact on the continuity of service and consequently on providing patients with the most accurate diagnosis and the safest possible therapy. Our employees recognize IBA's commitment to providing a safe working environment in 2018. We improved working conditions for working at heights and updated our training on ionizing radiation. The design of our equipment is also continually evaluated to make it more effective, both for patients and the operators. By raising the awareness of each of our employees, we achieve the standard of excellence that we set ourselves for safety, both in our factories, offices and at our customer sites.

IBA has established a new notified body and obtained Medical Device Single Audit Program (MDSAP) certification in a spirit of continuous improvement and in anticipation of the new European regulation on medical devices.

Let's play the quality assurance game

In April, all the staff at our Louvain-la-Neuve headquarters (Belgium) joined us in quality assurance training. This training course was then organized for employees at other sites around the world. In 2018, IBA focused on "Step Up our Quality of Execution"; a perfect opportunity to launch this global training on quality-related topics. Our IBA employees received an overview of our quality processes and an understanding of the importance of quality in all that we do.

> We work day and night, 365 days a year, in direct contact with patients, to make proton therapy possible.

Antje Gaebel
Proton Therapy Site Administrative Assistant,
WPE Proton Therapy Center, Essen, Germany

A WORKPLACE THAT FOCUSES ON SUSTAINABLE DEVELOPMENT

IBA completed a large-scale building project in 2018, having built new infrastructure to cope with the evolution of the market in our various business lines: a 9 000 sqm building, housing offices, a warehouse and an assembly hall. With this expansion, we will be able to triple our production and adapt to the growth of the market.

From the outset, we thought about the sustainable dimension of this passive building, on various levels and paid special attention to the office layout, light and operational elements to provide a stimulating work environment where our employees can thrive.

Low activation concrete

Proton therapy treatments generate secondary radiation, that irradiates part of the walls of the room where the cyclotron is located. This is a massive, concrete structure, with walls that can be up to 3 meters thick. The concrete is activated by the secondary radiation. When the center is dismantled, several decades later, this concrete is categorized as radioactive waste, and must be processed as such. The low activation concrete that IBA developed with the help of reliable, high quality partners, means the product of radioactivity can be significantly reduced.

The Beam Factory

This new building is a perfect example of IBA's desire to use each stage of its development to generate a positive impact for our planet. We put this into practice in the structure of this building.

One of the main objectives for this site, as stated in the specifications, was to help reduce greenhouse gas emissions, by optimizing our energy and raw materials consumption. We realized there were three major ways to do this, which would allow us to reduce and even neutralize the negative impact: the choice of materials, the use of renewable energy (solar especially) and recycling.

Our heating and cooling equipment and lighting account for most of the energy consumption. We utilize a high level of insulation, combined with smart automation of the solar protection, in line with the weather conditions to reduce our energy requirements by approximately 15%, compared to a "passive" building.

We also take maximum advantage of daylight, so that each workstation has optimal exposure. This enables us to achieve daylight autonomy of more than 60%. We accomplish this by designing a building with offices that are arranged in a comb structure and by limiting the building's height to just two floors, with large windows and high lintels.

We recycle as well by recovering the energy used by our production facility to heat the building. The constant heat, that is produced during the testing process of our particle accelerators, is evacuated with cooling units. Rather than release this heat into the atmosphere, we instead chose to direct it to heat pumps that power the air conditioning units of the offices and workshops. With this system, we can meet 95% of the building's heating and cooling needs.

And finally, the building has an underground bunker, made of low activation concrete (see page 32).

MANAGEMENT REPORT

Approved by the Board of Directors at its meeting of March 19, 2019.

HIGHLIGHTS OF THE YEAR

The main events of the 2018 financial year, further details of which are contained in the Management report, were as follows:

- Order intake of seven rooms comprising seven Proteus®ONE solutions sold in the UK, Italy, China, Singapore and Belgium, equating to 58% share of the overall market.
- Currently 21 projects have been financially activated and 37 rooms are under development, comprising 14 Proteus®ONE and 7 Proteus®PLUS.
- The service business continued to grow, with 29 centers under operation at the end of December 2018. Six IBA proton therapy centers became operational during the period: Toyohashi, Japan; Sapporo, Japan; Caen, France; Newport, UK; Groningen, Netherlands; and Chennai, India at the start of 2019.
- Based on current activated contracts, 50 or more centers are expected to be under operation by 2023.
- Significant progress towards sustained profitability through a company-wide focus on operating expenses and cost-efficiency measures.
- Opening of a new factory at IBA's headquarters in Louvain-La-Neuve to assist in the efficient production of IBA's technology and contribute to the overall reduction of costs.
- Market authorization received from the Brazilian Health Regulatory Agency (ANVISA) for a Proteus®ONE single-room solution during the period, expanding global reach of proton therapy.
- Positive developments reinforcing the growth potential for proton therapy include:
    - Evidence generation through an increasing body of publications presenting the benefits of proton therapy for various indications.
    - On-going use and validation of the model-based approach at the University Medical Center Groningen (UMCG) that show positive early results. An increasing number of institutions in Europe, North America and Asia are showing interest in this model.
- New treatment techniques such as ARC and FLASH demonstrate significant potential patient benefits illustrated by the first irradiation of a Spot Scanning Proton Arc (SPArc) plan at the Beaumont Health Proton Therapy in Michigan and the first Flash irradiation in an IBA gantry treatment room at the University Medical Centre Groningen (UMCG) in The Netherlands.
- Continued commitment to develop clinically relevant proton therapy treatment innovations to patients with the launch of the Victoria Advisory Committee, a consortium of worldwide radiation therapy experts to help define the future of Proton Therapy care, at the American Society for Radiation Oncology (ASTRO) in October.
- Hosting of the 8th Annual Proteus® User Meeting in Miami providing a platform for open dialogue, technical and clinical discussions, collaboration and real-time feedback from the world's largest and most experienced proton therapy community, with more than 165 participants representing 40 sites in 17 countries.

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

- Total 2018 revenues of EUR 208.4 million, down 11.9% (2017: EUR 236.5 million), now composed solely of Proton Therapy and Other Accelerators operations in 2018, Dosimetry being presented as discontinued operations in 2018 (see comments under Dosimetry). The decrease was predominantly due to a slower PT market. Other Accelerators had a 33% increase in equipment sales, boosted by a record order intake.
- Equipment and service backlog of EUR 955 million, comprising an equipment backlog for Proton Therapy and Other Accelerators of EUR 278 million at full year 2018 including upgrades and services backlog of EUR 677 million.
- Full year REBIT amounted to EUR 0.9 million vs a loss of EUR 17.2 million for the previous year. On a proforma basis including Dosimetry numbers, REBIT for 2018 would have amounted to EUR 5.4 million, largely ahead of the break-even guidance that had been announced over the year. This strong improvement was largely driven

** The below numbers are stated with Dosimetry as an Asset Held for Sale except when explicitly mentioned otherwise* by a record order intake in Other Accelerators, excellent performance in service and a reduction in operating expenses as part of the ongoing cost cutting initiative.

- Full year REBIT margin of 0.4% versus -7.3% in the prior year (2.1% on a proforma basis vs -4% last year).
- Dosimetry (discontinued operation) net profit of EUR 3.2 million, up 29% (2017: EUR 2.5 million), driven by strong cost control and halting of depreciation in accordance with IFRS 5.
- The Company moved into profit at both REBIT and Net Income at the Group level in the second half compared with the first half of 2018.
- Total Group loss of EUR 4.4 million, representing an 89% improvement versus previous year (2017: EUR -39.2 million), driven by the Group wide program to reduce costs and the absence of exceptional items.
- Net debt position of EUR -47.1 million (including cash position of Dosimetry for EUR 2.3 million) at the end of 2018 compared to EUR -15.5 million at the end of December 2017, driven for around half by temporary working capital requirements and for half by a lease facility for IBA's new building. The Group has sufficient credit lines from its banks to finance its cash flow requirements. Moreover, the improved 2018 financial results also allow the Group to meet the bank covenants on its credit lines.

Dosimetry

On July 20, 2018, IBA announced that it had decided to explore new strategic alternatives for IBA Dosimetry which could include a sale, merger, initial public offering, or retention of the business. Following the announcement, IBA eventually initiated a disposal process and determined that all criteria of IFRS 5 were met in order to present the assets and liabilities of IBA Dosimetry as held-for-sale. As IBA Dosimetry is also a separate operating segment, it also meets the criteria of discontinued operations. Consequently, the results of this activity are presented on a separate line in the income statement as "Profit/(loss) from discontinued operations" in 2018 and in the comparative numbers for 2017.

Dosimetry showed at December 31, 2018, a net profit of EUR 3.2 million, up 29% (2017: EUR 2.5 million).

Dosimetry order intake remained close to prior year levels, while sales were down 6.3% mainly due to slower backlog conversion. Gross margin slightly decreased versus 2017, whilst the overall profit margin was more favorable as a result of sustained cost control.

The discussions on the sale of this division are currently ongoing and the Company expect to inform the market of the outcome of these discussions in the second quarter of 2019.

REVIEW OF IBA ACTIVITY SECTORS

THE PROTON THERAPY AND OTHER ACCELERATORS SEGMENT COVERS:

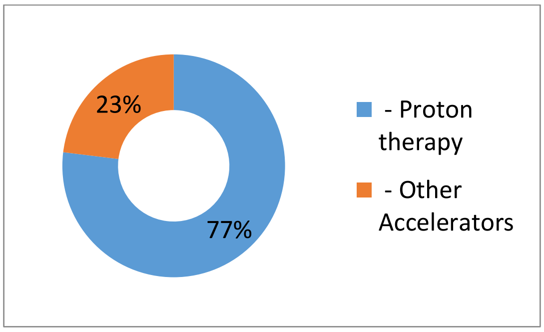
Proton therapy

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

Other accelerators

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

BREAKDOWN OF CONSOLIDATED TURNOVER BY ACTIVITY



PROTON THERAPY AND OTHER ACCELERATORS

	FY 2017 (EUR 000)	FY 2018 (EUR 000)	Variance (EUR 000)	Variance %
Net Sales	**236 485**	**208 440**	**-28 045**	**-11.9%**
- Proton therapy	196 290	160 395	-35 896	-18.3%
- Other accelerators	40 195	48 045	7 851	19.5%
REBITDA	**-11 517**	**7 782**	**19 299**	
% of Sales	*-4.9%*	*3.7%*		
REBIT	**-17 260**	**885**	**18 145**	
% of Sales	*-7.3%*	*0.4 %*		

Total net sales for Proton Therapy and Other Accelerators were down 11.9% year on year to EUR 208.4 million. This decrease is a result of:

- Lower Proton Therapy sales in 2018 compared to 2017, reflecting the fact that of the seven rooms sold (five sold in 2017), only three were financially activated at the year end. Despite this, IBA remains the market leader in terms of number of PT systems sold with a 58% market share for 2018. The Other Accelerator business saw record order intake with 20 new systems sold compared to 11 in 2017. These[2] sales included a large Cyclone 70® high energy cyclotron
- Over 2018, backlog conversion continued to remain strong with six PT centers completing installation in the period

The Proton Therapy systems sold were spread over customer sites in Europe and Asia, including Parkway Pantai in Singapore, which was the first Proteus®ONE contract in South East Asia as well as the second Proton Therapy system in Belgium.

IBA sold 20 Other Accelerator systems in 2018, posting a record order intake in this division, thanks to the continued interest in 1) its Cyclone®Kiube cyclotron for radioisotope production, 2) the Cyclone® 70 high energy cyclotron for production of isotopes used in the diagnosis of cardiovascular diseases and other critical illnesses; and 3) strong interest in its new generation of Rhodotron for sterilization and medical applications (radio-isotopes and theranostics production). Net sales for the Other Accelerators division were EUR 48 million, an increase of 19.5% versus previous year (2017: EUR 40 million).

Service revenues as a proportion of total sales grew from 36.1% in 2017 to 45.6% in 2018. These revenues grew 11.2% from 2017. Proton Therapy service sales showed the highest growth, growing from EUR 62.2 million in 2017 to EUR 73.8 million in 2018, up 18.5% as 6 new centers became operational during the year. Other Accelerators services fell by around EUR 2 million affected by lower service sales in the industrial sector.

Proton therapy market

Current market conditions remain challenging and the signing and financing of new contracts is difficult to forecast. However, IBA continues to be the market leader with 58% of the systems sold in 2018 going to IBA. The Company continues to have a strong backlog and pipeline, maintaining its clear competitive strengths. IBA has thus far maintained its market leading position in 2019 YTD.

Updates to Global proton therapy policies and guidelines

Updated guidelines from the American Society for Radiation Oncology (ASTRO) and National Comprehensive Cancer Network (NCCN), as well as new guidelines announced recently in Japan for prostate cancer, have further endorsed proton therapy as a treatment option for cancer.

Additional publications and results from ongoing trials will be important to further widen the use of proton therapy. Furthermore, in the University Medical Center Groningen (UMCG) in the Netherlands, an alternative evidence-based methodology to select patients for proton therapy and provide clinical validation of the technology is gaining momentum in all regions. The university started treating patients at the beginning of 2018 and has implemented advanced selection procedures for proton therapy in head and neck cancer patients. Preliminary results from this are promising in validating the model-based approach and potentially extending it to other indications.

Market leading technology

IBA announced in October 2018 the first irradiation of a Spot Scanning Proton Arc (SPArc) plan at the Beaumont Health Proton Therapy Center on its single-room proton therapy solution Proteus®ONE. Proton arc therapy has the possibility to further improve the quality of the treatment by enhancing the dose conformity at the tumor level while reducing the total dose received by the patient.

IBA announced in March 2019 the first Flash irradiation in an IBA gantry treatment room at the University Medical Centre Groningen (UMCG) in The Netherlands. This novel technique has the potential to dramatically change the landscape of radiotherapy and patient cancer care by enhancing the therapeutic window with a fast and powerful treatment that delivers a high dose of radiation at an ultra-high dose rate. Flash irradiation also opens the door to a shift in the economics of proton therapy using hypofractionation.

In 2018, in line with a Memorandum of Understanding signed in 2017, IBA signed a final agreement with Elekta to collaborate on software development and joint marketing of each other's product portfolios. Both companies will co-invest in developing and selling solutions that seamlessly integrate IBA's Proteus Series and Elekta's Monaco® treatment planning system and MOSAIQ® oncology information system. Adding to the existing partnerships with RaySearch and Philips, the agreement with Elekta is part of IBA's continued strategy to partner and develop technologies to reinforce the Company's market leadership.

Growing Service revenues

Service and upgrade revenues continued to grow, up 11% vs 2017, as the Proton Therapy installed base grew from 23 centers in operation to 29 centers at the end of 2018. The services activity at IBA is likely to develop significantly in the coming years, with an increase in our PT installed base to 50 centers in operation, or possibly even more, by 2023. IBA will continue to work on customer satisfaction and the profitability of services by further enhancing its range of services as well as the efficiency of the solutions on offer.

The Other Accelerator division also continued to contribute to service sales, with high value maintenance contracts helping to support this division.

Market leading installation time

IBA is a market leader in the delivery of proton therapy solutions demonstrating the fastest time from installation to patient treatment. In 2018 IBA completed four Proteus®ONE installations within a 12 months period, including Newport, UK (Rutherford CC), Sapporo, Japan (Hokkaido Ohno), Toyohashi, Japan and Caen, France (Cyclhad/Archade).

A Proteus®PLUS solution treated the first patients with PT within 12 months of installation in Groningen, Netherlands (UMCG) in 2018 and also the first Indian patient at the Apollo Proton Cancer Centre in Chennai in January 2019.

These installations demonstrate IBA's speed of delivery from contract signature to first treatment and secure the customers' investment as they can deliver treatment in line with their business plan.

MANAGEMENT'S STATEMENT

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

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

NON-FINANCIAL ACTIVITIES REPORT

In accordance with article 96, §4, of the Belgian Companies Code, IBA SA releases a statement on its non-financial activities. This non-financial statement is the subject matter of a separate report, which will be published on IBA website (https://iba-worldwide.com/about-iba/sustainability).

INCOME STATEMENT

As a result of the Group's decision to reclassify the Dosimetry business as discontinued operation, the 2017 and 2018 income statement has been restated to show net income from these operations on a single line, ''Profit/(loss) from discontinued operations.''

IBA reported a 11.9% decrease in revenues to EUR 208.4 million during 2018 (2017: EUR 236.5 million) due to a slower PT market. Other Accelerators had a 33% increase in equipment sales, boosted by a record order intake.

Recurring operating profits before interest and taxes (REBIT) increased from a loss of EUR -17.26 million in 2017 to a gain of EUR 0.9 million, this strong improvement was largely driven by a record order intake in Other Accelerators, high margins in service and a reduction in operating expenses as part of the ongoing cost cutting initiative

Other operating expenses were mostly related to restructuring and reorganization costs and project costs relating to Dosimetry being reclassified as ''held for sale''.

Financial results were affected by foreign exchange losses mainly on USD fluctuations, increase of interest paid on financial debts and discounting of long-term receivables.

As a result of the above effects, IBA reported a net loss of EUR -4.4 million up from a loss of EUR -39.2 million in the prior year.

CONSOLIDATED FINANCIAL POSITION AND FINANCIAL STRUCTURE

In the consolidated financial position at December 31, 2018, the financial position of Dosimetry discontinued operations has been aggregated under ''assets held for sales for EUR 26.7 million and ''liabilities directly related to assets held for sale'' for EUR 11.0 million.

Non-current assets after reclassification of EUR 6.3 million to ''Asset held for sale'' (December 31, 2017 Dosimetry financial position) increased by EUR 10.8 million during the 2018 financial year, essentially thanks to the combined effects of:

- high investment in software, buildings (new factory in Belgium) and equipment;
- the increase of deferred tax assets;
- the decrease of other long-term receivables;
- Reevaluation at fair value of investment in Proton Partners International;

Goodwill at the end of 2017 (EUR 3.8 million) has been reclassified to ''asset held for sale'' as it was related to the Dosimetry business and remained unchanged.

Intangible fixed assets (EUR 8.7 million) and tangible fixed assets (EUR 34.5 million) after reclassification of EUR 2.1 million to ''Asset held for sale'' (December 31, 2017 Dosimetry financial position) increased by a total of EUR 10.3 million. The change during the year is mainly attributable to high investment in software, buildings and equipment for EUR 17.5 million, disposals/reclassification for EUR 0.45 million and depreciation and amortization for 6.5 million.

Other investments increased by a total of EUR 4.1 million thanks to the reevaluation at fair value of investment in Proton Partners International

Deferred tax assets amounting to EUR 6.16 million after reclassification of EUR 0.34 million to ''Asset held for sale'' (December 31, 2017 Dosimetry financial position) increased by EUR 0.49 million and represent recoverable losses on future earnings, essentially on IBA SA and LLC Ion Beam Applications (Russia) for EUR 4.29 million and temporary differences on IBA's American entities and Ion Beam Beijing Applications Co Ltd. amounting to EUR 1.87 million.

Other long-term assets after reclassification of EUR 0.05 million to ''Asset held for sale'' (December 31, 2017 Dosimetry financial position) decreased by EUR -1.83 million to EUR 16.7 million. This change is essentially attributable to the recognition of additional research tax credit of EUR 1.74 million, the transfer to short term of research tax credit of EUR -0.63 million and write-offs and discounting on long-term financial assets on proton therapy customers of EUR -2.90 million.

Current assets excluding ''assets held for sale'' amount to EUR 286.3 million at the end of 2018 after reclassification of EUR 21.25 million to ''Asset held for sale'' (December 31, 2017 Dosimetry financial position). There was a large increase of EUR 49.7 million compared with 2017.

Inventories and contracts in progress 2018 after reclassification of EUR 7.1 million to ''Asset held for sale'' (December 31, 2017 Dosimetry financial position) decreased by EUR -2.1 million explained by the decreases of EUR -8.3 million attributable to contracts in progress, of EUR -0.1 million attributable to the finished products and of EUR -1.1 million attributable to write-off on inventories compensated by the increase of EUR 5.3 million attributable to work in progress and EUR 2.1 million attributable to raw materials.

Trade receivables after reclassification of EUR 8.9 million to ''Asset held for sale'' (December 31, 2017 Dosimetry financial position) increased by EUR 44.5 million.

The decrease after reclassification of EUR 3.03 million to ''Asset held for sale'' (December 31, 2017 Dosimetry financial position) of EUR -1.03 million in other receivables mainly related to the decrease of the non-trade receivables for EUR -1.74 million, the decrease of current income tax receivables for EUR -0.59 million and the decrease of the research tax credit receivable for EUR -0.26 million partially compensated the increase of the accrued income for EUR 1.44 million and the increase of insurance indemnity to be received for EUR 0.12 million.

Non-current liabilities after reclassification of EUR 0.81 million to ''Liabilities directly related to assets held for sale'' (December 31, 2017 Dosimetry financial position) increased by EUR 27.6 million compared with the end of 2017 to EUR 61.7 million at the end of 2018. This change is mainly attributable to the following factors:

- Long-term borrowings increased by EUR 23.99 million, due to new borrowings for EUR 23.88 million (EUR 5 million S.R.I.W. subordinated bonds, EUR 5 million S.F.P.I. subordinated bonds, EUR 13.88 million financial leases mainly related to the new factory in Belgium), the reclassification from short-term of private treasury notes for EUR 5.25 million and the reclassification to short-term of a portion of borrowings for EUR -5.14 million (loan from a Belgian bank of EUR -2.0 million, of SRIW loans of EUR -2.15 million, leasing's EUR -0.99 million). At the end of 2018, long-term borrowings amounted to EUR 43.28 million, comprising EUR 17.14 million for the S.R.I.W. subordinated loans, EUR 5 million S.F.P.I. subordinated bonds, EUR 3.0 million for a Belgian bank loan, EUR 5.25 million private treasury notes and EUR 12.89 million financial leases mainly related to the new factory in Belgium.
- The increase of EUR 4.33 million in other long-term liabilities results mainly from new cash advances from local government received in Belgium for EUR 4.72 million and the increase of other long-term liabilities related to the partial impact of the margin elimination surplus of a proton therapy project sold to an equity-accounted company for EUR 0.37 million partially compensated by the decrease of long-term contractual obligations related to proton therapy projects for EUR -0.83 million.
- The decrease after reclassification of EUR 0.15 million to ''Liabilities directly related to assets held for sale'' (December 31, 2017 Dosimetry financial position) of EUR -0.9 million in long-term provisions results mainly from the transfer to short-term of a provision for EUR -0.66 million covering the Group's estimated commitments under the agreement with SK Capital Partners, the reversal of a provision covering the risk of non-recoverability in full on a contractual commitment on a proton therapy project for EUR -0.58 million partially compensated by new provisions for warranties for EUR 0.11 million and defined employee benefits for EUR 0.42 million.

Current liabilities after reclassification of EUR 10.41 million to ''Liabilities directly related to assets held for sale'' (December 31, 2017 Dosimetry financial position) increased by EUR 37.78 million in 2018 to reach EUR 216.3 million excluding ''Liabilities directly related to assets held for sale'' in 2018. The following elements are to be noted:

- Short-term provisions after reclassification of EUR 0.29 million to ''Liabilities directly related to assets held for sale'' (December 31, 2017 Dosimetry financial position), which amounted to EUR 5.75 million at the end of 2018, decreased by EUR -0.68 million, mainly due to utilization of provisions for warranties for EUR -2.48 million, for tax risks for EUR -0.22 million, for commitments on another accelerator project for EUR -0.12 million and for restructuring / reorganization costs for EUR -0.45 million, reversal of provisions for tax risks for EUR -0.47 million, for contractual obligations of IBA to dispose of radioactive waste on the Fleurus site for EUR-0.28 million and for warranties for EUR -0.64 million partially compensated by new provisions for warranties for EUR 4.02 million.

- Short-term borrowings of EUR 42.51 million at the end of 2018 include the short-term portion of the loan from a Belgian bank for EUR 2.0 million, the short-term portion of S.R.I.W. loan of EUR 2.15 million, financial leases mainly related to the new factory in Belgium of EUR 0.89 million and short-term credit line facilities of EUR 37.47 million. Short-term borrowings have increased due the utilization of additional short-term credit line facilities of EUR 22.47 million and the reclassification of a portion of a loan from a Belgian bank of EUR 2.0 million, of a portion of the financials leases of EUR 1.0 million and of a portion of S.R.I.W. loan of EUR 2.15 million compensated by the repayment of the short-term portion of a loan borrowed from a Belgian bank for EUR -2.0 million, the partial repayment of treasury notes for EUR -0.5 million, S.R.I.W for EUR -0.72 million and the repayment of financial leases for EUR -0.1 million and by the reclassification to long of treasury notes for an amount of EUR -5.25 million.
- Other short-term payables at the end of 2018 amount to EUR 124.17 million which represent a increase of EUR 21.11 million compared to 2017 after reclassification of EUR 8.47 million to ''Liabilities directly related to assets held for sale'' (December 31, 2017 Dosimetry financial position). This increase is mainly explained by the increase of contractual advance payments received for proton therapy orders for EUR 15.58 million, the increase of deferred income for EUR 2.18 million, and the increase of advances received from Walloon Region of Belgium for EUR 1.78 million, by the increase of non-trade payables for EUR 1.30 million.

The Group's cash and cash equivalents presented in the cash-flow statement which includes Dosimetry discontinued operations increased by EUR 12.4 million in 2018, mainly due to a positive financing cash-flow of EUR 49.6 million mainly related to the proceed of borrowings for EUR 46.3 million (short credit line facilities for EUR 22.5 million, financial leases mainly related to the new factory in Belgium for EUR 13.8 million, S.R.I.W. subordinated bonds for EUR 5 million, S.F.P.I. subordinated bonds for EUR 5 million), capital increases for EUR 0.8 million, new grants and cash advances from local government received in Belgium for EUR 8.3 million, repayment of borrowings and financial leases for EUR -3.3 million and interest payments for EUR -2.3 million partially compensated by a negative operating cash-flow of EUR -18.5 million and acquisitions of tangible and intangible assets of EUR -18.7 million.

Net financial position decreased from EUR -15.5 million net cash end of 2017 to EUR -49.4 million end of 2018.

RESEARCH AND DEVELOPMENT

Research and development expenses related to the Group's businesses amounted to EUR 22.32 million (10.7% of sales) in 2018 less EUR 1.73 million of research tax credit.

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

CAPITAL INCREASES AND ISSUES OF STOCK OPTIONS AND CONVERTIBLE BONDS – ART 608 OF THE BELGIAN COMPANIES ACT

There was no issue of stock options or convertible bonds in 2018. Capital was increased several times further to the exercise of stock options granted to employees. Those are further detailed in Section General Information – Capital.

REPURCHASE OF OWN SHARES (ART. 624 C)

IBA SA did not repurchase or sell any of its stock in 2018. At December 31, 2018, IBA SA held 63 519 of its own shares.

IBA SA STATUTORY ACCOUNTS AND APPROPRIATION OF NET PROFIT (LOSS)

In 2018, IBA SA reported a loss of EUR 4.7 million compared to a loss of EUR 10 million in 2017, a variation of EUR 5.3 million.

Operating income decreased by 9.2% in 2018 from EUR 289.5 million to EUR 262.9 million, mostly due to lower order intake in proton therapy.

The operating loss amounted to EUR 8.8 million in 2018 against a loss of EUR 6.5 million in 2017, a net decrease of EUR 2.2 million. Operating expenses decreased EUR 24.3 million in 2018, reflecting lower sales from new contracts in Proton Therapy but also the cost reduction initiatives currently ongoing. The R&D expenditure of EUR 32.5 million in 2018 (EUR 37.2 million in 2017) is capitalized. The development expenditure capitalized for EUR 30.5 million are depreciated over three years while research expenses capitalized for EUR 2 million are depreciated immediately in the same year.

IBA presented a financial profit of EUR 4.9 million compared to a charge of EUR 2.5 million in 2017. A large portion of the profit stems for the dividend income from IBA Dosimetry GmbH of EUR 7.0 million. The remainder includes mostly interest expenses, foreign exchange impacts and bank charges.

The operational perspectives of IBA SA remain positive.

At the end of 2018, the Company had ten branches in Prague, Czech Republic; Orsay, France; Krakow, Poland; Trento, Italy; Seoul, South Korea; Uppsala, Sweden; Groningen, Netherlands; Newport, United Kingdom; Madrid, Spain and Dublin, Ireland. The branches were established as part of the company's Proton Therapy business.

In view of the loss of the 2018 exercise, IBA's Board of Directors proposes to the General Assembly to report the loss of 2018 to retained earnings.

CONFLICTS OF INTEREST

BOARD MEETING OF MARCH 20, 2018

During the Board of Directors' meeting held on March 20, 2018, the Managing Directors (i.e. Mr Yves Jongen and Mr Olivier Legrain) were in a position of a conflict of interests (within the meaning of art. 523 of the Belgian Companies Code) when the Board tackled the item on the agenda relating to the rating of the Managing Directors' performance.

In accordance with art. 523 of the Belgian Companies Code, the Managing Directors left the meeting and did not take part in the deliberations, nor the vote, that took place in this respect.

In accordance with the same legal provision, the Board resolution in this respect is copied here below:

"*The CEO then presents his assessment and recommendation for the management team. The Managing Directors are affected by a conflict of interests as defined in article 523 of the Belgian Companies Act (being the rating of their performance) and therefore decide not to participate in the deliberations relating to the following discussions, not to take part in the vote and leave the room.*

Considering the very heavy losses of the year, the Board has a long discussion on the merit to apply the defined process (for consistency) vs an exceptional decision not to pay individual variable at all. It also weighs the possible impact on motivation of the new management team who has started restructuring the company. It eventually concludes that the normal individual rating process and grid should be applied (vs the proposed global rating for the whole management team, with a couple of exceptions). It then tasks the compensation committee to have a final discussion with the management to make a proposal that would be a good trade-off between reflecting the poor results of 2017, assuring consistency in the process and keeping motivation in the new management team."

BOARD MEETING OF MAY 9, 2018

During the Board of Directors' meeting held on May 9, 2018, the Managing Directors (i.e. Mr Yves Jongen and Mr Olivier Legrain) were in a position of a conflict of interests (within the meaning of art. 523 of the Belgian Companies Code) when the Board tackled the item on the agenda relating to the rating of the Managing Directors' performance.

In accordance with art. 523 of the Belgian Companies Code, the Managing Directors left the meeting and did not take part in the deliberations, nor the vote, that took place in this respect.

In accordance with the same legal provision, the Board resolution in this respect is copied here below:

"*Remuneration Committee report.*

The Managing Directors are affected by a conflict of interests as defined in article 523 of the Belgian Companies Act (being the rating of their performance) and therefore decide not to participate in the deliberations relating to the following discussions, not to take part in the vote and leave the room.

At the last meeting, the Board had a long discussion on the bonus of management team and asked the Remuneration Committee to have a final discussion with the management.

The Board approves unanimously the following recommendation:

- *For 2017, no variable would be paid except for people with extraordinary contribution (Gery Gevers and Bruno Scutnaire who would receive the individual part of the variable).*
- *For 2018, the others will be able to recover half of the individual part of the 2017 variable if the 2018 goals are met.*"

COMPETENCE AND INDEPENDENCE OF MEMBERS OF THE AUDIT COMMITTEE

In accordance with article 96, §1, 9°, of the Belgian Companies Code, IBA's Board of Directors reports that:

- Ms Katleen Vandeweyer (representing Katleen Vandeweyer Comm. V.), chairman of the Audit Committee since 2015, member of the Audit Committee and Board member since 2013, is also Group Finance Director at Proximus SA/NV. As such, she is responsible for group financial reporting, working capital management, transversal finance transformation programs and efficiency trackings. Ms Katleen Vandeweyer is also member of the Board of Directors of Ageas SA/NV and is member of the Remuneration Committee of the same.
- Mr. Jeroen Cammeraat, member of the Audit Committee and Board member since 2014, is also CEO and co-founder of venture capital-backed ophthalmology company Cassini Technologies BV. He is also the former COO of global radiation therapy company Nucletron BV. As such, he has an extensive track record in managing global businesses including financial management, complex financing structures and shareholders and investors relations.

SIGNIFICANT ACQUISITIONS AND DIVESTMENTS IN 2018

No significant acquisition or divestment occurred in 2018.

PRINCIPAL RISKS AND UNCERTAINTIES FACED BY THE COMPANY

APPROACH TO RISK MANAGEMENT

The board of Director, supported by the Management Team and the Audit Committee, oversees and manages enterprise risk. The Management Team and the Audit Committee identified several functional experts covering the various categories of enterprise risk. The Management Team is continuously working to improve the enterprise risk management Framework and is the primary responsible for the implementation of appropriate risk responses.

Examples of measures taken to further strengthen the risk management framework include:

- Definition and execution of Enterprise Risk Management (ERM) improvement roadmap;
- Process standardization for Risk Management, Internal Control, Compliance and Audit processes;
- Establishment of an Information Security Office in light of increasing exposure to cybercrime and information security requirements resulting from digitalization and a focus on General Data Protection Regulation (GDPR).

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

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

IBA RISK MANAGEMENT FRAMEWORK

Risk management is part of IBA processes and Performance Management. The Board of Directors consider risk appetite when taking decisions and seek to manage risks consistently within the risk appetite.

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

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

IBA has designed its Enterprise Risk Management based on ERM Integrated framework updated in 2017 and established by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). IBA continuously evaluates and improves its ERM to align with business dynamics and good practice.

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

IBA has decided to present its risks as follow:

Strategic Risks

Customers, Competitors, Investors

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

Operational Risks

Processes, Systems, People, Value Chain

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

Legal & Compliance Risks

Law, Regulation, Politics, and Corporate Governance

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

Financial Risks

Market Changes and the Economy

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

Digital Risks

Hardware, Software, and Network Controls

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

STRATEGIC RISKS

OFFERING EVOLUTION RISK

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

ASSET DEPRECIATION RISK

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

STAFF BENCH STRENGTH RISK

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

COMPETITION RISK AND INDUSTRY RISK

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

The development and marketing of a new therapy does nevertheless require a relatively long period of time.

REIMBURSEMENT OF HEALTHCARE

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

OPERATIONAL RISKS

SALE RISK

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

INVENTORY RISK

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

PRODUCT DEVELOPMENT RISK

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

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

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

QUALITY RISK / CONSUMER PROTECTION / PRODUCT SAFETY RISK

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

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

LEGAL AND COMPLIANCE RISKS

ANTI-TRUST / FAIR COMPETITION RISK / ETHICS RISK

In our field of activity, and depending on the regions concerned, corruption is considered as a potential danger. Aware of this risk for over 10 years, we have published a Code of Business Conduct. This code defines, among other things, the strict framework in which IBA wishes to do business, including all elements and risks related to corruption. This code is part of our work policies. Each collaborator is required to have read and signed it for good understanding and acceptance. Failure to comply with this code will result in penalties for the employee concerned. This code is reviewed and amended on a regular basis. The last edition was published end of 2017.

Ethics are also part of our terms with agents, distributors and partners.

INTELLECTUAL PROPERTY RISK

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

LEGAL RISK

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

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

REGULATORY RISK

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

FINANCIAL RISKS

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

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

CREDIT RISK

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

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

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

FOREIGN CURRENCY RISK

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

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar, Chinese Yuan, Czech krona, Polish zlotys, Russian ruble, British pound, Indian Rupee, Japanese Yen, Swedish krona, Argentine peso, Singapore dollar, and Egyptian pound. Only US Dollar and Chinese Yuan are material for the Group.

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

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

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

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

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

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

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

In its continuing operations, Proton Therapy services is impacted by the fluctuation of the USD exchange rate against EUR. In 2018 a fluctuation of -3% of USD against EUR would have had a negative impact on the Proton Therapy Services sales segment by -1.74%.

In its discontinuing operations, Dosimetry segment is impacted by the fluctuation of the USD exchange rate against EUR. In 2018 a fluctuation of -3% of USD against EUR would have had a negative impact on the sales of Dosimetry segment by -0.78%.

Currency transactional risk

The Group has some transactional currency exposure that arises from sales or purchases by an operating unit in currencies other than the unit's functional currency. The parent company of the Group operating in euros but making certain transactions purchase/sales among others expressed in US dollars, Canadian Dollars, Euro, Swedish Kronas, British pounds, Chinese Yuan, Indian Rupee and Russian ruble.

Approximately 11% of the Group's sales (9% in 2017) are denominated in currencies other than the functional currency of the operating unit making the sales, while 91.5% of costs (93.7% in 2017) are denominated in the unit's functional currency. Where the Group considers that there are no natural hedging opportunities, forward exchange contracts or forward currency options are used to cover currency exposure.

INTEREST RATE RISK

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

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

At the end of 2017 and 2018, the Group has no interest rate swaps.

IBA's analysis of the impact of a 1% fluctuation in interest rates (sensitivity analysis) on the income statement of an average financial debt of EUR 68.9 million in 2018 (32.7 million in 2017 – impact of EUR -/+0.33 million) suggests that it will be EUR -/+0.69 million.

LIQUIDITY RISK

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

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

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

Following the terms of the S.R.I.W. and S.F.P.I. borrowings, the Group agreed to comply with specific covenants relating to IBA SA's level of equity.

In March 2018, IBA obtained new subordinated bonds of EUR 5 million each from of S.R.I.W. and S.F.P.I. to strengthen its financial position in the context of the increase of its short-term bank credit lines (see below). These loans are repayable bullet at maturity (on December 31, 2021).

Repayments have been made for EUR 0.72 million in 2018.

As at December 31, 2108, subordinated loans from S.R.I.W. amounts to EUR 19.29 million and new subordinated loan from S.F.P.I amounts to EUR 5 million.

Credit facilities

At December 31, 2017, IBA had short-term credit facilities with 3 leading Belgian banks, amounting to EUR 10 million each. On March 9, 2018, these banks together agreed to confirm these revolving credit facilities for a period of 3 years, and to increase the amount thereof from EUR 10 million to EUR 20 million each (i.e. from EUR 30 million to EUR 60 million in aggregate) until September 30, 2019. As at December 31, 2018, the credit facilities are used for an amount of EUR 36 million (EUR 15 million in 2017), or an increase of EUR 21 million compared to 2017.

In the third quarter of 2018, these short-term credit lines were complemented by an additional EUR 7 million facility from another bank established in Belgium in order to further improve the Group's financial flexibility.

In addition, bank overdrafts at a subsidiary amount to EUR 1.47 million as at December 31, 2018 (nihil as at December 31, 2017).

Treasury notes

In February 2016, IBA issued private 5-year treasury notes for a total subscribed amount of EUR 5.75 million. These notes are to be repaid in a single instalment in February 2021. At December 31, 2017, they were reclassified to “short term borrowings”, pending the outcome of discussions with the noteholders on a waiver of financial covenants.

In 2018, the majority of the noteholders had accepted the waiver of financial covenants as at December 31, 2017, and an amount of EUR 0.5 million has been repaid to some noteholder. In addition, the financial covenants (calculated on the same consolidation scope as 2017: Proton Therapy and other accelerators & Dosimetry) applying to these treasury notes were respected at December 31, 2018. As a result, the outstanding amount of EUR 5.25 million has been reclassified to long term borrowings as at December 31, 2018.

Bank and other borrowings

In April 2016, IBA borrowed EUR 10 million from a Belgian bank. This bank loan is repayable in 20 quarterly instalments equal in principal, starting end of July 2016 and ending in April 2021. Repayments have been made for EUR 2 million in 2018 and the outstanding loan as at December 31, 2018 amounts to EUR 5 million.

Financial lease

In March 2017, IBA had signed a financial lease agreement with two Belgian banks in order to finance the new factory. The lease became operational at the end of 2018, for an amount of EUR 13.8 million.

As at December 31, 2018, the Group has at its disposal credit facilities up to EUR 118.08 million of which 72.7% are used to date (59.7% in 2017).

(EUR 000)	Credit facilities used	Credit facilities available
Short-term credit facilities	37 470	69 760
Bank borrowings	5 000	5 000
S.R.I.W.	19 285	19 285
S.F.P.I.	5 000	5 000
Treasury Notes	5 250	5 250
Financial lease	13 783	13 783
TOTAL	**85 788**	**118 078**

COVENANT RISK

All the above facilities are subject to several financing covenants.

Financial covenants applying to the extended credit facilities with 3 banks are based on (a) a maximum net leverage ratio (calculated as the net senior indebtedness of the Group divided by its REBITDA over the last 12 months) and (b) a minimum corrected equity level (calculated as the sum of the Group's equity and its subordinated indebtedness). Covenants were complied with as at December 31, 2018.

The financial covenants applying to the treasury notes are fully complied with as at December 31, 2018. when calculated on the same consolidation scope as in 2017 (i.e. before discontinuing the Dosimetry segment).

Despite the fact that Dosimetry is presented as a discontinued operation, Management has added back Dosimetry REBITDA to the covenant calculations, as Dosimetry is still part of the Group at December 31, 2018. Management considers that this presentation is in line with the covenant requirements.

DIGITAL RISKS

INFORMATION QUALITY RISK

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

INTEGRITY RISK

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

IBA strategy is also to move part of its on-premise infrastructure in the cloud to benefit of the high level of security of our partners.

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

EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

No events subsequent to the end of the reporting period.

GENERAL OUTLOOK FOR 2019

Based on the current prudent outlook on the Proton Therapy market, IBA maintains guidance of positive REBIT for 2019.

CORPORATE GOVERNANCE STATEMENT (art. 96, §2, Companies code)

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

The Company has adopted the 2009 Belgian Code of Corporate Governance as its reference Code and does not deviate from it.

CHARACTERISTICS OF INTERNAL CONTROL SYSTEMS AND RISK MANAGEMENT

The principal characteristics of the internal control systems and risk management practices set up by IBA as part of the process of providing financial information are as follows:

CONTROL ENVIRONMENT

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

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

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

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

RISK MANAGEMENT PROCESS

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

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

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

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

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

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

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

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

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

CONTROL ACTIVITIES

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

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

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

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

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

INFORMATION AND COMMUNICATION

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

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

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

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

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

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

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

MANAGEMENT

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

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

Department during the preparation of these accounting principles and by management bodies during their successive reviews.

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

INFORMATION REQUIRED UNDER ART. 34, 3°, 5°, 7° AND 8°, ROYAL DECREE 14/11/2007 (ART. 96, §2, AL.1, 4°)

I. LEGAL OR STATUTORY RESTRICTION TO THE EXERCISE OF VOTING RIGHTS (34, 5°)

In accordance with Article 34, 5° of the Royal Decree of November 14, 2007 regarding the obligations of issuers of securities admitted to trading on a regulated market (B.S.G. 03/12/2007) (the "**RD of 14/07/2007**"), the management report of the Company sets out any existing legal restriction or restriction in force pursuant to the Company's articles of association, to the exercise of voting rights likely to have an influence in case of a takeover bid.

In this respect, Article 25 of the Company's Articles of Association provides the following limitation:

"Each share gives the right to one vote.

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

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

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

- *(i) any company or person affiliated to it in the meaning of Article 11 of the Belgian Companies Code;*
- *(ii) any natural person or legal entity that is part of the management of such shareholder or of a company listed under (i) above;*
- *(iii) any third party acting in its own name but on behalf of such shareholder or of a person listed under (i) or (ii) above;*
- *(iv) any shareholder who granted a power-of-attorney to such shareholder or to a person listed under (i), (ii) or (iii) above, to represent him/her at the said meeting."*

II. RULES APPLICABLE TO THE APPOINTMENT AND THE REPLACEMENT OF THE MEMBERS OF THE BOARD OF DIRECTORS AND TO THE AMENDMENT TO THE ARTICLES OF ASSOCIATION OF THE ISSUER (34, 7°)

(a) In accordance with Article 34, 7° of the RD of 14/07/2007, the management report of the Company sets out any existing rules applicable to the appointment and the replacement of the members of the board of directors that are likely to have an influence in case of a takeover bid.

In this respect, Article 11, §1, of the Company's Articles of Association provides the following:

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

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

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

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

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

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

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

(b) In accordance with Article 34, 7° of the RD of 14/07/2007, the management report of the Company sets out any existing rules applicable to the amendment of the issuer's articles of association that are likely to have an influence in case of a takeover bid.

In this respect, Article 26, §2, of the Company's Articles of Association provides the following:

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

SHAREHOLDING STRUCTURE BASED ON THE TRANSPARENCY NOTIFICATIONS RECEIVED (ART. 96, §2, AL.1, 4°, COMPANIES CODE)

Based on the transparency notifications received by the Company over the financial year 2018, the respective percentage of shares held by the Company's main and historical shareholders as at December 31, 2018 is as presented in the chart below. However, this chart cannot take into account the variations of which the Company has no knowledge as they do not reach the transparency notification thresholds.

Situation as at		December 31, 2017		December 31, 2018		Variation	
Denominator		29 962 246		30 122 528			
Entity		Shares	%	Shares	%	Shares	%
Belgian Anchorage SCRL		6 204 668	20.71%	6 204 668	20.60%	0	-0.11%
IBA Investment SCRL		610 852	2.04%	610 852	2.03%	0	-0.01%
IBA SA		63 519	0.21%	63 519	0.21%	0	0.00%
	Subtotal	*6 879 039*	*22.96%*	*6 879 039*	*22.84%*		
UCL		426 885	1.43%	426 885	1.41%	0	-0.02%
Sopartec SA		180 000	0.60%	180 000	0.60%	0	0.00%
	Subtotal	*606 885*	*2.03%*	*606 885*	*2.01%*		
S.R.I.W.		704 491	2.35%	704 491	2.34%	0	-0.01%
S.F.P.I.		58 200	0.19%	58 200	0.19%	0	0.00%
Institut des Radioéléments FUP		1 423 271	4.75%	1 423 271	4.72%	0	-0.03%
Capfi Delen Asset Management NV		1 920 265	6.41%	793 365	2.63%	0	-3.78%
Norges Bank Investment Management		1 147 906	3.83%	859 282	2.85%	0	-0.98%
Kempen Capital Management NV		N/A		875 388	2.91%	N/A	N/A
	Subtotal	*5 254 133*	*17.54%*	*4 713 997*	*15.65%*		
	Total	**12 740 057**	**42.52%**	**12 199 921**	**40.50%**		
Floating		**17 222 189**	**57.48%**	**17 922 607**	**59.50%**		

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

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

GOVERNING BODIES AND COMMITTEES (art. 96, §2, al.1, 5°, Companies code)

BOARD OF DIRECTORS

In accordance with the Company's articles of association (art. 11, §1), the Company is managed by a Board of Directors composed of minimum three and maximum twelve members, appointed by the shareholders' meeting for a renewable term of maximum 6 years.

The Board of Directors is currently composed of nine members.

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

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

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

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

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

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

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

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

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

During the financial year 2018, the Board of Directors met 7 times, under the chairmanship of Mr. Pierre Mottet. Attendance at meetings of the Board was very high. A large majority of the directors attended all meetings.

During the former Ordinary General Meeting (held on May 9, 2018), two director mandates were renewed:

(i) the mandate of Ms Hedvig Hricak, as independent director. The term of her mandate was set at the OGM to be held in 2022 (i.e. the OGM called to resolve on the financial accounts as at 31/12/2021); and
(ii) the mandate of Katleen Vandeweyer Comm. V., represented by its permanent representative Ms Katleen Vandeweyer, as independent director. The term of its mandate was set at the OGM to be held in 2022 (i.e. the OGM called to resolve on the financial accounts as at 31/12/2021).

Board of Directors as at December 31, 2018:

NAME	START OF TERM	END OF TERM	DUTIES AT IBA	PRIMARY DUTIES OUTSIDE IBA
Olivier Legrain[1]	2012	AGM 2020	Chief Executive Officer / Internal Director / Managing Director / NC	N/A
Saint-Denis SA (represented by Pierre Mottet)[1]	1998	AGM 2019	Internal Director / Chairman of the Board of Directors / RC (chairman) / NC (chairman)	Director of UWE (Walloon Business Association), Agoria and several funds and start-ups in the field of health and environment
Yves Jongen[1]	1991	AGM 2021	Chief Research Officer / Internal Director / Managing Director / NC	Before the incorporation of IBA in 1986, Director of the Cyclotron Research Center of the Université Catholique de Louvain (UCL)
Bayrime SA (represented by Eric de Lamotte) [3]	2000	AGM 2021	Other Director / AC	Director of several companies. Former CFO of IBA (1991- 2000)
Consultance Marcel Miller SCS (represented by Marcel Miller) [2]	2011	AGM 2020	Independent Director / RC NC	Former CEO Alstom Benelux / independent Director Schréder and Technord / Chairman of the Guidance Board ARES
Hedvig Hricak [2]	2017	AGM 2022	Independent Director	Chairman, Department of Radiology, Memorial Sloan Kettering Cancer Center / Professor of Radiology, Weill Medical College of Cornell University / Professor, Gerstner Sloan-Kettering Graduate School of Biomedical Sciences
Jeroen Cammeraat [3]	2014	AGM 2019	Independent Director / RC / NC / AC	CEO Cassini Technologies BV
Katleen Vandeweyer Comm. V. (represented by K Vandeweyer) [2]	2013	AGM 2022	Independent Director / AC (president)	Group Finance Director of Proximus SA/NV / Member of the Board of Directors of Ageas
Bridging for Sustainability SPRL (represented by Sybille van den Hove) [2]	2015	AGM 2020	Independent Director	Sustainability research and advice / Former chair of the scientific committee of the European Environment Agency

RC : Remuneration Committee - NC : Nomination Committee - AC : Audit Committee
(1) In accordance with the meaning ascribed by the corporate charter to the term "Internal director", namely an internal director is a director appointed on the proposal of the managing directors.
(2) Submitted to the General Meeting as candidate independent directors on their election, without excluding the fact that other directors also fulfill the independence criteria. None of the independent directors ceased during the financial year to fulfill the independence criteria set out in the corporate charter.
(3) An “other director” is a director who is neither an “internal director” nor an “independent director”.

REMUNERATION COMMITTEE

The Remuneration Committee met 5 times in 2018. A report on each meeting was provided to the Board.

Topics of discussion included matters relating to the 2018 bonuses, long terms incentives, and compensation schemes in general.

As at December 31, 2018, the Remuneration Committee was comprised of Saint-Denis SA represented by its managing director, Mr. Pierre Mottet, Consultance Marcel Miller SCS represented by its manager, Mr. Marcel Miller, and Mr. Jeroen Cammeraat. The latter two members being independent, the Remuneration Committee is thus comprised of a majority of independent directors. The Remuneration Committee is chaired by Mr. Pierre Mottet. Mr. Olivier Legrain and Mr Yves Jongen are invited to attend it, except where the Committee is called on to decide on the compensation policy or other matters relating to the managing directors.

NOMINATION COMMITTEE

The Nomination Committee met 5 times in 2018 to assess the areas of expertise needed by the Board of Directors, when directors' mandates come to an end, and to make proposals in this respect to the Board of Directors.

Based on the report prepared by this Committee, the Board had proposed to the Ordinary General Meeting held on May 9, 2018 (i) to approve the renewal of Ms Hedvig Hricak's mandate as independent director and to set the term of her mandate at the OGM to be held in 2022, called to resolve on the 2021 annual accounts, and (ii) to approve the renewal of Katleen Vandeweyer Comm. V.'s mandate, represented by its permanent representative Ms Katleen Vandeweyer, as independent director and to set the term of its mandate at the OGM to be held in 2022, called to resolve on the 2021 annual accounts.

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

As at December 31, 2018, the Nomination Committee was comprised of Saint-Denis SA represented by its managing director, Mr. Pierre Mottet, Consultance Marcel Miller SCS represented by its manager, Mr. Marcel Miller, and Mr Jeroen Cammeraat, Mr. Olivier Legrain and Mr. Yves Jongen. This Committee is chaired by Mr. Pierre Mottet.

PRODUCT COMMITTEE

A Product Committee has been set up in 2015 as an IBA Board Committee. That Committee met 1 time in October 2018 to overview the Protontherapy product strategy, to analyse and validate the research and development projects in Protontherapy and to report its activities to the Board.

All members were present during that meeting.

As at December 31, 2018, the Product Committee was composed by Saint-Denis SA represented by his managing director, Mr. Pierre Mottet, Ms. Hedvig Hricak, Bridging for Sustainability SPRL represented by its manager Ms. Sybille van den Hove, Consultance Marcel Miller SCS represented by its manager, Mr. Marcel Miller, and Mr. Jeroen Cammeraat, Olivier Legrain and Yves Jongen. The Committee is chaired by Mr. Pierre Mottet.

AUDIT COMMITTEE

The Audit Committee met 3 times in 2018, in the presence of Mr Olivier Legrain and Mr Pierre Mottet. On each occasion, the Committee reported about its meetings to the Board of Directors. The main topics addressed were the 2017 annual results and analysis of the external auditors' Management Letter, analysis of the 2018 half-year results, monitoring of the implementation of International Financial Reporting Standards (IFRS), examination of the 2019 budget and follow-up of the internal audit and risk management.

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

No absence was recorded for all of the meetings held.

As at December 31, 2018, the Audit Committee was comprised of three members: Bayrime SA, represented by its managing director Mr. Eric de Lamotte, Mr Jeroen Cammeraat, and Katleen Vandeweyer Comm. V. represented by its manager Mrs. Katleen Vandeweyer. It is chaired by Mrs. Katleen Vandeweyer.

SUSTAINABILITY COMMITTEE

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

That committee met twice in 2018 to define the strategy and ambition of IBA on the Sustainability fronts which is, at IBA, defined as commitments to our 5 stakeholders: our customers and their patients, our employees, our shareholders, the society and the planet.

That meeting was held in the presence of several members of the management interested by these questions. All members were present during this meeting.

As of December 31, 2018, the sustainability committee was composed by Saint-Denis SA represented by his managing director, Mr. Pierre Mottet, by Ms. Hedvig Hricak, by Bridging for Sustainability SPRL represented by her general manager Ms. Sybille van den Hove, Katleen Vandeweyer Comm. V. represented by its manager Mrs. Katleen Vandeweyer., Olivier Legrain and Yves Jongen. The Committee is chaired by Ms. Sybille van den Hove.

DAY-TO-DAY AND STRATEGIC MANAGEMENT

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

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

The Board of Directors has also asked the Management Team members and division heads to report to the Board on two topics: adoption of the strategic plan and adoption of the 2019 budget.

Management Team as at December 31, 2018:

MANAGEMENT TEAM MEMBERS	POSITIONS	OTHER AND PRIOR DUTIES
Olivier Legrain (representing Lamaris Group SPRL)	Chief Executive Officer	Internal Director/ Managing Director/ Member of Nomination Committee
Yves Jongen (representing Research Management Systems SA)	Chief Research Officer	Internal Director / Managing Director Before the establishment of IBA in 1986, Director of the Cyclotron Research Center of the Université Catholique de Louvain (UCL)
Jean-Marc Bothy	President IBA Dosimetry	President of IBA Dosimetry since February 2018/ Joined IBA more than 20 years ago: 4 years as Business controller; 2 years as Finance Manager for the division Medical Accelerator Solutions, 12 years as Chief Financial Officer (CFO) for IBA Group (4 of which as CFO and Chief of Staff), 2 years as Chief Strategy Officer / 4 years as Auditor At EY / 6 years as Financial Director for an international group specialized in software localization
Soumya Chandramouli	Chief Financial Officer	Chief Financial Officer since 2016/ Working at IBA since 2004, consecutively Group Consolidator, Group Financial Analyst, VP Corporate Finance and VP Finance, Medical Accelerators Solutions/ 5 years as Senior Auditor at EY
Frédéric Nolf	Chief Human Resources & Sustainability	Joined IBA in 2007 as HR Director Particle Therapy/ Previously working at Abbott Vascular (Guidant) and GSK in various HR roles

CODE OF CONDUCT

CODE OF ETHICS CONDUCT

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

This code defines the fundamental principles of ethical business conduct and provides guidance for the Group's employees and co-contracting parties on such matters as business partnerships, conflicts of interest, and confidentiality. All employees have read and approved this code.

CODE OF CONDUCT TO PREVENT INSIDER DEALING AND MARKET ABUSE

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

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

DIVERSITY WITHIN THE BOARD OF DIRECTORS (art. 96, §2, al.1, 6°, Companies code)

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

The Board and the Nomination Committee fully acknowledge the benefits of diversity within the Board of Directors.

At December 31, 2018, one third of the directors are are of the other gender which means that the company meets the requirements on diversity.

REMUNERATION REPORT (art. 96, §3, Companies code)

REMUNERATION POLICY

Procedure

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

By delegation of authority from the Board of Directors, direct or indirect remuneration paid to the managing directors is determined by the Compensation Committee in accordance with the remuneration policy defined in line with principles approved by the Board. The Committee ensures that remuneration is in line with market practice, as determined by studies performed by specialized firms. The Compensation Committee monitors and reviews the remuneration policy for management staff, adopted by the Chief Executive Officer.

For the purpose of the above and in general, the Board of Directors, the Compensation Committee and individual directors have the authority and duty, subject to the rules defined in the Corporate Governance Charter, to assign themselves sufficient resources, including the assistance of external consultants, if and when appropriate.

Policy

Directors

The remuneration policy for IBA directors has not substantially changed during 2018. However, considering the poor performance of the company in 2017 and the efforts made by the employees to turn the company around in 2018, each non managing director has voluntarily reduced by 15 % all his/her fees billed over fiscal year 2018.

A full description of the policy is included in annex 1 to the remuneration report. It is not anticipated that the policy will fundamentally change over the next two years. Both the level and structure of director remuneration continue to be monitored and reviewed on an annual basis, which may result in an adjustment when deemed necessary or appropriate.

Managing Directors and Other Executive Management Team Members

The remuneration policy for managing directors and other Executive Management Team members has not substantially changed during 2018. The overall philosophy remains focused on IBA's ability to attract, retain and engage the executive talent it requires to deliver on its promises. A description of the policy is included in annex 2 to this remuneration report.

For managing directors and other Executive Management Team members, total remuneration generally consists of fixed remuneration, variable remuneration, long-term incentives, retirement plan contributions and other components.

Each individual member does not necessarily benefit from each remuneration component: this is primarily dependent upon the position they hold, the nature and structure of the individual agreement and the practices in the different locations where each member is based. As a result, the weight of the different remuneration components, as part of total remuneration differs on an individual basis. In general terms, the weight of each component of remuneration accounts for a part of total remuneration that may be summarized as follows:

Managing Directors and Other Executive Management Team Members

REMUNERATION COMPONENT	PART OF TOTAL REMUNERATION (WHEN OFFERED)*
Annual fixed remuneration	Between 40% and 58%
Annual variable remuneration (at target)	Between 17% and 40%
Annualized value of long-term incentives*	Between 11% and 19%
Annual value of retirement plan contributions	Up to 8%
Annual value of other components	Up to 8%

It is not anticipated that the remuneration policy will fundamentally change over the next two years.

However, considering the poor performance of the company in 2017 and the efforts made by the employees to turn the company around in 2018, its managing directors, Mr Olivier Legrain and Mr Yves Jongen, have voluntarily reduced the amount of fixed remuneration directly or indirectly paid to them by 15% over fiscal year 2018.

The performance period under the long-term incentive plan has ended on December 31, 2017 for its cash component, and on December 31, 2018 for its warrant component. To focus the management on the challenging turn-around and considering the long-term shareholding position of the managing directors the Board has decided that no new long-term incentive plan would be proposed in 2018 but to rather allocate these rewards in case of achievement of the 2018 financial targets. Although the actual payout under this special plan is not yet known at the time of finalization of this report and despite the significant turn-around accomplished by the company, it is expected that the criteria under the plan will not be met to allow any payout to occur.

The design and implementation of a new long-term incentive plan, which may contain revised features, will be finalized in the course of 2019.

IBA continuously assesses the appropriateness of its remuneration programs in view of evolving needs and insights, both externally and internally, which may result in an adjustment when deemed necessary or appropriate.

**Under the prior long-term incentive plan, the annualized value of long-term incentives granted represented here corresponds to the sum of 25% of the target cash-based incentive granted in 2014 (i.e., the target payout over the four-year performance period prorated to one year) and 22.22% of the economic value of the warrants granted under the 2014 Warrant Plan (i.e., the economic value over the 4.5 years vesting period prorated to one year). The value has not been discounted to account for full vesting at the end of the respective performance or vesting periods, or considering any assessment of vesting or payout probability. More details on the plan design are included in annex 2 to this remuneration report.*

REMUNERATION OF THE BOARD OF DIRECTORS

The schedule below outlines the total remuneration received by each director related to their membership of the Board of Directors.

BOARD MEMBER	TOTAL FEES (EUR)	LUMP-SUM FEE (EUR)		MEETING RELATED FEES* (EUR)
Olivier Legrain **(internal director, Managing Director, CEO)**	None	None	BM AC NC/CC MAC PC SC Other	None N/A None None None None None
Yves Jongen **(internal director, Managing Director, Chief** **Research Officer)**	None	None	BM AC NC/CC MAC PC SC Other	None N/A None None None None None
Saint-Denis SA, represented by Pierre Mottet (internal director, Chairman of the Board, President of the Nomination Committee, President of the Compensation Committee)	63 750	10 200	BM AC NC/CC MAC PC SC Other	20 400 7 650 10 200 5 100 5 100 5 100 None
SCS Consultance Marcel Miller, represented by Marcel Miller (independent director)	22 780	5 100	BM AC NC/CC MAC PC SC Other	10 880 N/A 5 440 N/A 1 360 NA None
Bayrime SA, represented by Eric de Lamotte (other director)	22 780	5 100	BM AC NC/CC MAC PC SC Other	10 880 4 080 N/A 2 720 N/A NA None
Jeroen Cammeraat (independent director)	30 940	5 100	BM AC NC/CC MAC PC SC Other	10 880 4 080 5 440 2 720 2 720 NA None
Katleen Vandeweyer Comm.V., represented by Katleen Vandeweyer (independent director, President of the Audit Committee)	26 860	7 650	BM AC NC/CC MAC PC SC Other	10 880 5 610 N/A N/A N/A 2 720 None
Bridging for Sustainability, represented by Sybille van den Hove (independent director)	23 715	6 375	BM AC NC/CC MAC PC SC Other	10 880 N/A N/A N/A 2 720 3 740 None
Hedvig Hricak (independent director)	17 680	13 600	BM AC NC/CC MAC PC SC Other	4 080 N/A N/A N/A N/A NA None

In 2018, the Group has also employed the services of Saint-Denis SA for specific activities not related to its directorship. The fees corresponding to these services amounted to EUR 201 563.

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

REMUNERATION OF THE CHIEF EXECUTIVE OFFICER

In 2018, the total remuneration directly or indirectly received by the CEO, Mr Olivier Legrain, or by companies he controls was as follows. Fixed remuneration amounted to EUR 321 458. No variable remuneration has been paid in relation to performance related to fiscal year 2017, reflecting, in line with the remuneration policy in annex 2 to this remuneration report, below-target collective performance at Group level. Variable remuneration in relation to fiscal year 2018 will be paid in 2019 and is not yet known at the time of finalization of this report.

The total cash remuneration then amounted to EUR 321 458. All payments referred as made directly or indirectly to the CEO in this report are the aggregate of payments made to Mr Legrain and to Lamaris Group SPRL, a company controlled by Mr Legrain, which provides services to the Group. The Chief Executive Officer generally does not directly or indirectly receive any other form of remuneration, except through his participation in the Company's long-term incentive plan. The long-term incentive plan over the period 2014 – 2017 has ended, as described below. As indicated above, the Company has not implemented any new long-term incentive plan in 2018.

REMUNERATION OF THE EXECUTIVE MANAGEMENT TEAM

Total cash remuneration, including fixed remuneration and variable remuneration (as defined in the remuneration policy in annex 2 to this remuneration report), directly or indirectly received, under any agreement or in any form, by Executive Management Team members excluding the Chief Executive Officer amounted to EUR 838 183 in 2018.

Total cash remuneration corresponds to fixed remuneration only. No variable remuneration has been paid in relation to performance during fiscal year 2017, reflecting, in line with the remuneration policy, below-target collective performance at Group level. Variable remuneration in relation to fiscal year 2018 is paid in 2019 and is not yet known at the time of finalization of this report.

Other remuneration of members of the Executive Management Team excluding the Chief Executive Officer, received in 2018, includes i) contributions to retirement plans for a total amount of EUR 44 640, and ii) other remuneration components for a total amount of EUR 59 035. Retirement plans are defined contribution type of plans. Other remuneration components mainly include participation in personal risk insurance programs, company cars, meal vouchers, all in line with local practice where the Executive Management Team members are based.

Executive Management Team Members besides CEO

Besides the CEO, the Executive Management Team is comprised of the following members:

EXECUTIVE MANAGEMENT TEAM MEMBER	POSITION	CHANGES IN 2018
Yves Jongen **(Managing Director and representative of Research Management Systems SA)**	Chief Research Officer	None
Jean-Marc Bothy	President IBA Dosimetry	February 01, 2018
Soumya Chandramouli	Chief Financial Officer	None
Frédéric Nolf	Chief Human Resources & Sustainability Officer	None

LONG-TERM INCENTIVES OF THE EXECUTIVE MANAGEMENT TEAM

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

The long-term incentive plan over the period 2014 – 2017 has ended. For reference, for managing directors, including the Chief Executive Officer, and the other members of the Executive Management Team, the plan directly or indirectly combined a cash-based incentive and a grant of warrants under IBA's 2014 Warrant Plan, following the terms and conditions outlined in annex 2 to the remuneration report.

In 2018, no additional long-term incentives – either in the form of a cash-based incentive, in the form of warrants or in any other form – have been granted to the managing directors, including the Chief Executive Officer, and the other members of the Executive Management Team.

As indicated above, no new long-term incentive plan has been implemented for 2018.

The design and implementation of a new long-term incentive plan, which may contain revised features, will be finalized in the course of 2019.

The schedule below details, on an individual basis, the stock options exercised and expired in 2018:

EXECUTIVE MANAGEMENT TEAM MEMBER	WARRANTS EXERCISED IN 2018			WARRANTS EXPIRED IN 2018	
	WARRANTS (NUMBER)	EXERCISE PRICE (EUR)	GRANT DATE (YEAR)	WARRANTS (NUMBER)	GRANT DATE (YEAR)
Olivier Legrain (Managing director and CEO)	10 453	4.78	2012	None	N/A
Yves Jongen	42 634	4.78	2012	None	N/A
Jean-Marc Bothy	4 248	4.78	2012	None	N/A
Soumya Chandramouli	2 581	4.78	2012	None	N/A
Frédéric Nolf	2 870	4.78	2012	None	N/A

TERMINATION ARRANGEMENTS WITH THE EXECUTIVE MANAGEMENT TEAM

The schedule below summarizes the main contractual arrangements, concerning each member of the Executive Management Team, including the Chief Executive Officer, or companies they control, in relation to termination at the initiative of the Company.

EXECUTIVE MANAGEMENT TEAM MEMBER	TERMINATION ARRANGEMENT
Lamaris Group SPRL, represented by Olivier Legrain	The agreement, started in 2011, provides six months' notice or equivalent compensation. The agreement also contains a non-competition obligation for 12 months
Research Management Systems SA, represented by Yves Jongen	The agreement, started before 2009 and amended in 2012, provides 12 months' notice or equivalent compensation. The agreement also contains a non-competition obligation for the duration of the agreement
Jean-Marc Bothy	The applicable laws provide a total of 9 months and 18 weeks notice or equivalent compensation. The agreement also contains a non-competition obligation for nine months against 50% of remuneration over the same period, unless it is waived
Soumya Chandramouli	The applicable laws provide a total of 9 months and 18 weeks notice or equivalent compensation.The agreement also contains a non-competition obligation for nine months against 50% of remuneration over the same period, unless it is waived
Frédéric Nolf	The applicable laws provide a total of 9 months and 18 weeks notice or equivalent compensation.The agreement also contains a non-competition obligation for nine months against 50% of remuneration over the same period, unless it is waived

ANNEX 1 – REMUNERATION POLICY FOR DIRECTORS

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

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

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

Managing directors do not receive specific director remuneration. The remuneration they receive for their direct or indirect role in the company includes compensation for their director responsibilities.

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

However, in consideration of the remuneration efforts made by the employees to turn the company around in 2018, each non-managing director has voluntarily reduced by 15 % all his/her fees billed over fiscal year 2018.

ANNEX 2 – REMUNERATION POLICY FOR MANAGING DIRECTORS AND OTHER EXECUTIVE MANAGEMENT TEAM MEMBERS

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

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

- They appropriately balance external competitiveness with other organizations and internal equity, considering both the content of the position, and the personal competencies and effectiveness of the manager within IBA;
- They are affordable, sustainable and cost efficient, avoiding excesses;
- They reward performance – both individual and collective – aligned to the business strategy, considering short-term results and long-term focus, and supported by a robust performance management system;
- They provide transparency and predictability, whilst offering sufficient flexibility to swiftly respond to changing business needs, if and when required.

The remuneration structure at IBA contains both monetary and non-monetary components. The monetary components consist of annual fixed remuneration, annual variable remuneration, long-term incentives and, where appropriate, other components – such as benefit programs and benefits in kind.

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

At present, it is not anticipated that, in the next two years, the policy will fundamentally change, except as specifically indicated in the sections below. IBA does, however, continuously assess the appropriateness of its remuneration programs in view of evolving needs and insights, both externally and internally, which may result in an adjustment when deemed necessary or appropriate.

Annual Fixed Remuneration

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

As indicated above, the managing directors, Mr Olivier Legrain and Mr Yves Jongen, have voluntarily reduced the amount of fixed remuneration directly or indirectly paid to them by 15% over fiscal year 2018.

Annual Variable Remuneration

The annual variable remuneration program rewards performance against specified objectives, defined and formalized at the beginning of the performance period. Payout levels currently are targeted at between 25% and 100% of direct or indirect annual fixed remuneration, depending on the position. Actual payout levels are, for 50%, subject to collective performance at Group or at business unit level, and, for 50%, subject to individual performance.

At Group and business unit levels, collective performance is currently measured based on recurring earnings before interests and taxes (REBIT), profit before tax (PBT) and order intake targets, geared towards achieving and exceeding the Company's fiscal year 2018 objectives.

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

The performance period is the fiscal year.

Given the context of the Company, the variable remuneration program described above has been complemented with a special incentive plan for fiscal year 2018, providing increased payout opportunities directly geared towards accelerating the PBT generated over and above the PBT planned for the year and replacing the long term incentive plan for 2018. Any payout is expected to occur in shares subject to a holding requirement. Although the actual payout under this discretionary plan is not yet known at the time of finalization of this report, it is expected that the criteria under the plan will not be met to allow any payout to occur.

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

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

Long-Term Incentives

IBA's long-term incentive plans aim to support the Company's multi-year profitability targets, the alignment of plan participants with shareholder interests and longer-term shareholder value creation, as well as creating a suitable retention effect. The long-term incentive plan over the period 2014 – 2017 has ended. The Company has not implemented a new plan in 2018. Given the context of the Company, a discretionary special incentive plan has applied instead for fiscal year 2018 (see above, Annual Variable Remuneration).

The design and implementation of a new plan, which may contain revised features, are currently investigated and will be finalized in the course of 2019. In addition to the plan objectives stated above, particular attention will be given to ensuring an appropriate balance with regard to the interests of the various Company stakeholders identified – clients and patients, shareholders, employees, the society in general and the planet.

For reference, the former plan 2014 – 2017 was two-tiered, directly or indirectly combining a cash-based incentive with a grant of warrants. The cash-based incentive was implemented in 2014 and linked to actual cumulative profit before tax over the period 2014 – 2017 compared to a predefined target aligned to the Group strategic plan and the guidance provided to the market in this respect. Vesting occurred in full at the end of 2017, subject to each participant's continued service up to that date and subject to a threshold backlog requirement being met on the same date. The target payout was equal to 100% of annual fixed remuneration directly or indirectly received, except for the Chief Executive Officer, for whom it was 200%. The maximum payout upon superior performance was set at 200% of the target payout. Poor performance resulted in a zero payout. Satisfactory individual performance, for each calendar year included in the performance period, operated as an additional threshold under the plan, reducing the actual payout by 25% for each year that the individual performance was below expectations. Individual overachievement did not result in an increased payout under the plan. The threshold under the plan 2014 – 2017 has not been met. As a result, the cash-based incentive did not result in any payout.

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

Retirement Plan

Depending on the terms and conditions of their agreement and the programs in place where the individual is based, members of the Management Team may participate in a retirement plan. These plans follow market practice in the countries where they apply. They are generally defined contribution type of plans or plans where there is no funding risk for the Company.

Other Components

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

the countries where they apply. They are generally defined contribution type of plans or plans where there is no funding risk for the Company.

Other Components

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

IFRS CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018

INTRODUCTION

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

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

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

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

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

These consolidated financial statements were approved for release by the Board of Directors on March 19, 2019.

STATEMENT OF CONSOLIDATED FINANCIAL POSITION AT DECEMBER 31, 2018

The Group has chosen to present its financial position on a current/non-current basis.
The notes on pages 78 to 145 are an integral part of these consolidated financial statements.

	Note	December 31, 2017 (EUR 000)	December 31, 2018 (EUR 000)
ASSETS			
Goodwill	8	3 821	0
Other intangible assets	8	12 396	8 717
Property, plant and equipment	9	22 686	34 542
Investments accounted for using the equity method	11	0	0
Other investments	11	8 909	13 005
Deferred tax assets	12	6 017	6 161
Long-term financial assets	22	2 289	33
Other long-term assets	13	18 572	16 700
Non-current assets		**74 690**	**79 158**
Inventories and contracts in progress	14	140 288	131 073
Trade receivables	15	61 000	96 550
Other receivables	15	26 218	22 155
Short-term financial assets	22	3 049	95
Cash and cash equivalents	16	27 273	36 402
Assets held for sale	6	0	26 696
Current assets		**257 828**	**312 971**
TOTAL ASSETS		**332 518**	**392 129**
EQUITY AND LIABILITIES			
Capital stock	17	42 053	42 278
Capital surplus	17	41 322	41 863
Treasury shares	17	-8 502	-8 502
Reserves	18	16 205	15 675
Currency translation difference	18	-3 321	-3 299
Retained earnings	18	20 937	15 076
Capital and reserves		**108 694**	**103 091**
Non-controlling interests		0	0
EQUITY		**108 694**	**103 091**
Long-term borrowings	19	19 286	43 278
Long-term financial liabilities	22	0	220
Deferred tax liabilities	12	667	0
Long-term provisions	20	5 975	4 930
Other long-term liabilities	21	8 970	13 304
Non-current liabilities		**34 898**	**61 732**
Short-term provisions	20	6 722	5 749
Short-term borrowings	19	23 464	42 510
Short-term financial liabilities	22	118	571
Trade payables	23	46 332	42 074
Current income tax liabilities		756	1 224
Other payables	24	111 534	124 171
Liabilities directly related to assets held for sale	6	0	11 007
Current liabilities		**188 926**	**227 306**
TOTAL LIABILITIES		**223 824**	**289 038**
TOTAL EQUITY AND LIABILITIES		**332 518**	**392 129**

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2018

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

	Note	December 31, 2017 (EUR 000)	December 31, 2018 (EUR 000)
Sales		151 040	113 450
Services		85 445	94 990
Cost of sales and services (-)		-169 116	-139 332
Gross profit		**67 369**	**69 108**
Selling and marketing expenses (-)		-19 365	-16 849
General and administrative expenses (-)		-37 814	-30 787
Research and development expenses (-)		-27 450	-20 587
Other operating expenses (-)	25	-8 608	-1 672
Other operating income	25	5 063	0
Financial expenses (-)	26	-6 617	-7 915
Financial income	26	3 828	3 550
Share of profit/(loss) of companies consolidated using the equity method	11	92	0
Profit/(loss) before taxes		**-23 502**	**-5 152**
Tax income/(expenses)	27	-18 156	-2 420
Profit/(loss) for the period from continuing operations		**-41 658**	**- 7 572**
Profit/(loss) for the period from discontinued operations	6	2 457	3 171
Profit/(loss) for the period		**-39 201**	**-4 401**
Attributable to :			
Equity holders of the parent		-39 201	-4 401
Non-controlling interests		0	0
		-39 201	**-4 401**
Earnings per share from continuing operations and discontinued operations (EUR per share)			
- Basic	35	-1.344	-0.150
- Diluted	35	-1.344	-0.150
Earnings per share from continuing (EUR per share)			
- Basic	35	-1.428	-0.258
- Diluted	35	-1.428	-0.258
Earnings per share from discontinued operations (EUR per share)			
- Basic	35	+0.084	+0.108
- Diluted	35	+0.084	+0.108

Note: The above consolidated income statement recognizes the transactions between discontinued operations and continuing operations as third-party transactions.

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2018

	December 31, 2017 (EUR 000)	December 31, 2018 (EUR 000)
Profit/(loss) for the period	**-39 201**	**-4 401**
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
- Exchange differences on translation of foreign operations	-1 910	339
Exchange differences on translation of foreign operations	*-1 878*	*339*
Reclassification adjustment of CTA following IAS 21.48	*-32*	*0*
- Reserves movements of investments accounted for using the equity method	-94	0
Currency translation difference	*-94*	*0*
Cash flow hedges	*0*	*0*
Other	*0*	*0*
- Exchange difference related to permanent financing	50	-317
- Reserves movements	-21	0
- Net movement on cash flow hedges	6 967	-5 116
- Revaluation at fair value of other investments	0	4 097
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	**4 992**	**-997**
Other comprehensive income not to be reclassified to profit or loss in subsequent periods :		
- Reserves movements in post-employment benefit reserves	-425	248
- Reserves movements of investments accounted for using the equity method (actuarial gain/(loss))	0	0
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	**-425**	**248**
Total comprehensive income for the year	**-34 634**	**-5 150**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR 000	Capital stock	Capital surplus	Treasury shares	Hedging reserves	Other reserves – value of stock option plans and share-based compensation	Other reserves – defined benefit plans	Other reserves - Other	Currency translation difference	Retained earnings	TOTAL Shareholders' equity and reserves
Balance at 01/01/17	**41 776**	**40 618**	**-8 502**	**-2 501**	**15 285**	**-3 463**	**175**	**-1 367**	**68 370**	**150 391**
Other comprehensive income	0	0	0	6 967	0	-425	-21	-1 954	0	4 567
Profit/(loss) for the period	0	0	0	0	0	0	0	0	-39 201	-39 201
Total comprehensive income for the period	**0**	**0**	**0**	**6 967**	**0**	**-425**	**-21**	**-1 954**	**-39 201**	**-34 634**
Dividends	0	0	0	0	0	0	0	0	-8 232	-8 232
Employee stock options and share-based payments	0	0	0	0	188	0	0	0	0	188
Increase/ (decrease) in capital stock/ capital surplus	277	704	0	0	0	0	0	0	0	981
Other changes	0	0	0	0	0	0	0	0	0	0
Balance at 31/12/17	**42 053**	**41 322**	**-8 502**	**4 466**	**15 473**	**-3 888**	**154**	**-3 321**	**20 937**	**108 694**
Balance at 01/01/18	**42 053**	**41 322**	**-8 502**	**4 466**	**15 473**	**-3 888**	**154**	**-3 321**	**20 937**	**108 694**
Change in accounting policy - IFRS 15 impact of modified retrospective method	0	0	0	0	0	0	0	0	-1 460	-1 460
Adjusted balance at 01/01/18	**42 053**	**41 322**	**-8 502**	**4 466**	**15 473**	**-3 888**	**154**	**-3 321**	**19 477**	**107 234**
Other comprehensive income	0	0	0	-5 116	0	248	4 097	22	0	-749
Profit/(loss) for the period	0	0	0	0	0	0	0	0	-4 401	-4 401
Total comprehensive income for the period	**0**	**0**	**0**	**-5 116**	**0**	**248**	**4 097**	**22**	**-4 401**	**-5 150**
Dividends	0	0	0	0	0	0	0	0	0	0
Employee stock options and share-based payments	0	0	0	0	241	0	0	0	0	241
Increase/ (decrease) in capital stock/ capital surplus	225	541		0	0	0	0	0	0	766
Other changes	0	0	0	0	0	0	0	0	0	0
Balance at 31/12/18	**42 278**	**41 863**	**-8 502**	**-650**	**15 714**	**-3 640**	**4 251**	**-3 299**	**15 076**	**103 091**

CONSOLIDATED CASH FLOW STATEMENT

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

	Note	December 31, 2017 (EUR 000)	December 31, 2018 (EUR 000)
CASH FLOW FROM OPERATING ACTIVITIES			
Net profit/(loss) for the period		**-39 201**	**-4 401**
Adjustments for :			
Depreciation and impairment of tangible assets	9	3 381	3 311
Depreciation and impairment of intangible assets and goodwill	8	2 742	3 476
Write-off on receivables	15	1 994	-502
Changes in fair value of financial assets (profits)/losses		834	769
Changes in provisions	20	-2 146	2 633
Deferred taxes		16 586	-521
Share of result of associates and joint ventures accounted for using the equity method	11	-92	0
Other non-cash items	29	-737	2 359
Net cash flow changes before changes in working capital		**-16 639**	**7 124**
Trade receivables, other receivables and deferrals		-3 477	-41 410
Inventories and contracts in progress		-20 066	15 572
Trade payables, other payables and accruals		1 044	2 358
Other short-term assets and liabilities		-3 019	-2 723
Changes in working capital		**-25 518**	**-26 203**
Net income tax paid/received		-3 436	-1 712
Interest expense		994	2 311
Interest income		-42	-41
Net cash (used)/generated from operations		**-44 641**	**-18 521**
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	9	-9 913	-18 024
Acquisition of intangible assets	8	-5 363	-717
Disposals of fixed assets		1	10
Acquisition of subsidiaries net of acquired cash	7	0	0
Acquisition of third-party and equity-accounted investments	11.2	7	0
Disposals of subsidiaries		0	0
Disposals of other investments and equity method accounted companies, net of assigned cash		-494	0
Other investing cash flows	29	2 891	12
Net cash (used)/generated from investing activities		**-12 871**	**-18 719**
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings	19	15 000	46 333
Repayment of borrowings	19	-2 151	-3 313
Interest paid		-838	-2 320
Interest received		42	41
Capital increase (or proceeds from issuance of ordinary shares)	17	981	766
Dividends paid		-8 232	0
(Acquisitions)/disposal of treasury of shares		0	0
Other financing cash flows	29	5 391	8 126
Net cash (used)/generated from financing activities		**10 193**	**49 633**
Net cash and cash equivalents at beginning of the year		**74 564**	**27 273**
Net change in cash and cash equivalents		-47 319	12 393
Exchange (profits)/losses on cash and cash equivalents		28	-971
Net cash and cash equivalents at end of the year *	16	**27 273**	**38 696**

**The net cash and cash equivalents at 31/12/2018 includes 2 294 EUR of cash of the operations held for sale*

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE

1. SUMMARY OF SIGNIFICANT GROUP ACCOUNTING POLICIES

1.1 INTRODUCTION

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

1.2 BASIS OF PREPARATION

IBA's consolidated financial statements for the year ended December 31, 2018 have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union.

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

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

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

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

1.2.1 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the consolidated financial statements for the year ended 31 December 2018 are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2017, except for the change presented below and for the adoption of new standards and interpretations effective as of 1 January 2018.

1.2.2 STANDARDS ISSUED AND EFFECTIVE

The Group applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2018. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Although these new standards and amendments apply for the first time in 2018, they do not have a material impact on the consolidated financial statements of the Group. The nature and the impact of each of the following new standards, amendments and/or interpretations are described below:

- Amendments to IFRS 2 Share-based payment - classification and measurement of share-based payment transactions, effective 1 January 2018
- IFRS 9 Financial instruments
- Amendments to IFRS 9 Financial instruments, effective 1 January 2018
- IFRS 15 Revenue from contracts with customers, including amendments to IFRS 15
- IFRIC 22 Foreign currency transactions and advance considerations
- Annual improvements cycle - 2014-2016, effective 1 January 2018

Amendments to IFRS 2 Share-based payment - classification and measurement of share-based payment transactions

The amendments address three main areas:

- The effects of vesting conditions on the measurement of a cash-settled share-based payment transaction;
- The classification of a share-based payment transactions with net settlement features for withholding tax obligations; and
- Accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash-settled to equity-settled.

On adoption, entities are required to apply the amendments without restating prior periods. The amendments are effective for annual periods beginning on or after 1 January 2018, with early application permitted. The Group assessed the potential effect of the amendments on its consolidated financial statements. The amendment didn't have any significant impact for the Group.

IFRS 9 Financial instruments

IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

		IFRS 9 Measurement category		
		Fair Value through profit or loss (EUR 000)	Amortized cost (EUR 000)	Fair value through OCI (EUR 000)
YEAR ENDED DECEMBER 31,2017 **IAS 39 measurement category**				
Loans and receivables				
Trade receivables	88 455		88 455	
Available for sale				
Derivative (hedging) financial instruments	5 338	5 338		
Non-listed equity investments	8 909			8 909
		5 338	**88 455**	**8 909**

1) *Classification and measurement*

Under IFRS 9, debt financial instruments are subsequently measured at fair value through profit or loss (FVPL), amortized cost, or fair value through other comprehensive income (FVOCI). The classification is based on two criteria: the Group's business model for managing the assets; and whether the instruments' contractual cash flows represent ''solely payments of principal and interest'' on the principal amount outstanding (the ''SPPI criterion'').

The new classification and measurement of the Group's debt financial assets are, as follows:

- Debt instruments at amortized cost for financial assets that are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows that meet the SPPI criterion. This category includes the Group's trade receivables, long-term receivables on contracts in progress, other receivables and loans included under other long-term assets, non-trade receivables/advance payments, short-term receivables and cash and cash equivalents.
- Equity instruments at FVOCI, with no recycling of gains or losses to profit or loss on derecognition. This category only includes equity instruments (other investments), which the Group intends to hold for the foreseeable future and which the Group has irrevocably elected to so classify upon initial recognition or transition. The Group classified its unquoted equity instruments as equity instruments at FVOCI. Equity instruments at FVOCI are not subject to an impairment assessment under IFRS 9. Under IAS 39, the Group's unquoted equity instruments (other investments) were classified as AFS financial assets.
- Financial assets at FVPL comprise only derivative instruments.

The assessment of the Group's business models was made as of the date of initial application, 1 January 2018, and then applied retrospectively to those financial assets that were not derecognised before 1 January 2018.

There were no restatement impacts on the statement of financial position as at December 31, 2017.

2) *Impairment of financial assets – Expected Credit Loss allowance*

All financial assets, in particular trade and other receivables (short-term and long-term) are subject to a new impairment methodology, referred to as the Expected Credit Loss (ECL) model, measuring the expected credit losses. Those ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive.

For the trade receivables, the Group has established an allowance matrix based on ageing balances adjusted for forward-looking factors linked to the customers.

For other debt instruments (loans and debt securities), the ECL is based on the 12-month ECL. The 12-month ECL is the portion of lifetime ECLs that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in the credit risk since origination, the allowance will be based on the lifetime ECL. The Group consider a financial asset to be in default (totally or partially) when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full and account the appropriated ECL.

This resulted in no significant additional allowance to the existing incurred losses allowances at the opening as at January 1, 2018.

3) Cash flow hedging

Derivative financial instruments used for the protection of future cash flows are designated as hedges under cash flow hedge accounting. Under IAS 39, the Group already applied cash flow hedge accounting for such hedging transactions and will continue to do so under IFRS 9.

4) Fair value hedging

Under IAS 39, the Group already applied fair value hedge accounting and will continue to do so under IFRS 9.

No impact of IFRS 9 on the Group's retained earnings has been recorded as at January 1, 2018.

Amendments to IFRS 9 Financial instruments - Prepayment features with negative compensation

In the Basis for Conclusions to the amendment which is effective for annual periods beginning on or after 1 January 2019, the IASB clarified that the requirements in IFRS 9 for adjusting the amortized cost of a financial liability when a modification (or exchange) does not result in derecognition are consistent with those applied to the modification of a financial asset that does not result in derecognition. This amendment is effectively effective for annual periods beginning on or after January 1, 2018, and is applied retrospectively.

IFRS 15 Revenue from contracts with customers, including amendments to IFRS15

IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with its customers.

IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires applying significant judgement to account for the revenue which is provided by IBA under note 3 (C). IFRS 15 also increased significantly the disclosures that an entity has to provide.

The Group has applied IFRS 15 using the modified retrospective method by recognizing the initially applying IFRS 15 as an adjustment to the opening balance of equity at January 1, 2018. Therefore, the comparative information has not been restated and continues to be reported under IAS 18 and IAS 11.

At the first-time application, the Group has developed new accounting policies for the application of IFRS 15 which are discussed below. The following sections cover a description of the significant changes and quantitative impact of those changes:

Equipment and installation services:

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

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

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

During the implementation of IFRS 15, IBA noted that for 2 contracts it was recognizing revenue separately for the equipment and installation services and not as one performance obligation. As under IFRS 15, it considers the sale of a proton therapy center equipment and installation services as one single performance obligation, these 2 contracts have been restated as first-time application impact of IFRS 15. The restatement decreased the contract assets (presented under the line "*Inventories and contract in progress*") by EUR 1.25 million and consequently it has decreased the retained earnings by the same amount.

Operation and maintenance services

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

For one preventive maintenance contract, IBA recognized higher proportion of revenue at the early part of the contract as it assumed reaching certain key events. With the implementation of IFRS 15 this contract has been restated in order to align with the straight-line method, as the analysis confirmed that IBA efforts are in general expended evenly throughout the performance period of this contract. Consequently, IBA increased current other payables by EUR 0.21 million and decreased retained earnings respectively. Further, it reclassified an amount of EUR 0.84 million between non-current other payables and current other payables.

Transaction price

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

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due which is typically the case for the equipment and installation services, a contract asset is recognized for the earned consideration that is conditional. IBA presents the contract assets as part of "*Inventories and contract in progress*".

Trade receivables

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

Contract liabilities

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

The first-time application impact of IFRS 15 on the Group's opening statement of financial position as of January 1, 2018, is as follow:

	December 31, 2017 (EUR '000)	IFRS 15 Opening adjustments	January 1, 2018 (EUR '000)
ASSETS			
Goodwill	3 821	0	3 821
Other intangible assets	12 396	0	12 396
Property, plant and equipment	22 686	0	22 686
Investments accounted for using the equity method	0	0	0
Other investments	8 909	0	8 909
Deferred tax assets	6 017	0	6 017
Long-term financial assets	2 289	0	2 289
Other long-term assets	18 572	0	18 572
Non-current assets	**74 690**	**0**	**74 690**
Inventories and contracts in progress	140 288	-1 250	139 038
Trade receivables	61 000	0	61 000
Other receivables	26 218	0	26 218
Short-term financial assets	3 049	0	3 049
Cash and cash equivalents	27 273	0	27 273
Current assets	**257 828**	**-1 250**	**256 578**
TOTAL ASSETS	**332 518**	**-1 250**	**331 268**
EQUITY AND LIABILITIES			
Capital stock	42 053	0	42 053
Capital surplus	41 322	0	41 322
Treasury shares	-8 502	0	-8 502
Reserves	16 205	0	16 205
Currency translation difference	-3 321	0	-3 321
Retained earnings	20 937	-1 460	19 477
Capital and reserves	**108 694**	**-1 460**	**107 234**
Non-controlling interests	0	0	0
EQUITY	**108 694**	**-1 460**	**107 234**
Long-term borrowings	19 286	0	19 286
Long-term financial liabilities	0	0	0
Deferred tax liabilities	667	0	667
Long-term provisions	5 975	0	5 975
Other long-term liabilities	8 970	-840	8 130
Non-current liabilities	**34 898**	**-840**	**34 058**
Short-term provisions	6 722	0	6 722
Short-term borrowings	23 464	0	23 464
Short-term financial liabilities	118	0	118
Trade payables	46 332	0	46 332
Current income tax liabilities	756	0	756
Other payables	111 534	1 050	112 584
Current liabilities	**188 926**	**1 050**	**189 976**
TOTAL LIABILITIES	**223 824**	**210**	**224 034**
TOTAL EQUITY AND LIABILITIES	**332 518**	**-1 250**	**331 268**

Annual improvements cycle - 2014-2016

The IASB issued the 2014-2016 cycle improvements to its standards and interpretations, primarily with a view to removing inconsistencies and clarifying wording. These improvements include:

- IAS 28 Investments in Associates and Joint Ventures: The amendments clarify that the measurement election, ie. measuring investees at fair value through profit or loss, is available on an investment-by-investment basis. Additionally, the amendment clarify that the choice, for an entity that is not an investment entity, to retain the fair value measurements used by that investment entity associate or joint venture when applying the equity method is also available on an investment-by-investment basis. The amendments are effective for annual periods beginning on or after 1 January 2018. This amendment is not expected to have any impact on the Group.

1.2.3 STANDARDS ISSUED BUT NOT YET EFFECTIVE

Standards and interpretations issued but not yet effective during the reporting period are listed below:

- Amendments to IFRS 3 Business combinations – definition of a business, effective 1 January 2020[1]
- Amendments to IFRS 9 Financial instruments - prepayment features with negative compensation, effective 1 January 2019
- IFRS 16 Leases, effective 1 January 2019
- Amendments to IAS1 Presentation of financial statements and IAS 8 Accounting policies, changes in accounting estimates and errors - definition of material, effective 1 January 2020[1]
- Amendments to IAS 19 Employee benefits -plan amendments, curtailment or settlement, effective 1 January 2019
- Amendments to IAS 28 Investments in associates and joint ventures - long-term interests on associates and joint ventures, effective 1 January 2019
- IFRIC 23 Uncertainty over income tax treatments, effective 1 January 2019
- Annual improvements cycle 2015-2017, effective 1 January 2019

Amendments to IFRS 3 Business combinations – definition of a business[1]

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

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

Amendments to IFRS 9 Financial instruments - prepayment features with negative compensation

Under IFRS 9, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendment to IFRS 9 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

The amendments should be applied retrospectively and are effective for annual periods beginning on or after 1 January 2019. The amendments will not have any impact on the Group's consolidated financial statements.

IFRS 16 Leases

IFRS 16 replaces *IAS 17 Leases* and sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17 Leases. The standard

[1] *Not yet endorsed by the EU as at 2 November 2018.*

includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to recognise separately the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

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

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

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

The new standard is effective for annual periods beginning on or after 1 January 2019. IBA did not elect for an early application. IBA will select the modified retrospective approach. The standard's transition provisions permit certain reliefs. In 2018, the Group assessed the potential effect of IFRS 16 on its consolidated financial statements. The Group expects the impact to be an increase of the Group financial liabilities and right of use of EUR 9.9 million for its continuing operations and EUR 5.2 million for its discontinuing operations.

Amendments to IAS 1 Presentation of financial statements and IAS 8 Accounting policies, changes in accounting estimates and errors – definition of material[1]

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

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

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

Amendments to IAS 19 Employee benefits – plan amendment, curtailment or settlement[1]

The amendments address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

- Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and
- Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event, and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss. An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognised in other comprehensive income.

[1] *Not yet endorsed by the EU as at 2 November 2018.*

The amendments should be applied prospectively to plan amendments, curtailments or settlements occurring on or after the beginning of the first annual reporting period that begins on or after 1 January 2019, with earlier application permitted. These amendments will apply only to any future plan amendments, curtailments, or settlements of the Group.

Amendments to IAS 28 Investments in associates and joint ventures - long-term interests on associates and joint ventures

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

The amendments also clarified that, in applying IFRS 9, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying IAS 28 Investments in Associates and Joint Ventures.

The amendments should be applied retrospectively and are effective for annual periods beginning on or after 1 January 2019. Exceptions could be applied. Since the Group does not have such long-term interests in its associate and joint venture, the amendments will not have any impact on the Group's consolidated financial statements.

IFRIC 23 Uncertainty over income tax treatments

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

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

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

The interpretation is effective for annual reporting periods beginning on or after 1 January 2019, but certain transition reliefs are available. The Group will apply the Interpretation from its effective date. Since the Group operates in a complex multinational tax environment, applying the Interpretation may affect its consolidated financial statements. In addition, the Group may need to establish processes and procedures to obtain information that is necessary to apply the Interpretation on a timely basis.

Annual improvements cycle - 2015-2017[1]

The IASB issued the 2015-2017 cycle improvements to its standards and interpretations, primarily with a view to removing inconsistencies and clarifying wording. These improvements include:

- IFRS 3 Business Combinations - Previously held interest in a joint operation: The amendments clarify that when an entity obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the entity remeasures its entire previously held interest in the joint operation. An entity applies the amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2019. The amendments will apply to future business combinations of the Group.

[1] *Not yet endorsed by the EU as at 2 November 2018.*

- IFRS 11 Joint Arrangements - Previously held interest in a joint operation: The amendments clarify that when a party that participates in, but does not have joint control of, a joint operation in which the activity of the joint operation constitutes a business as defined in IFRS 3, obtains joint control of the joint operation, the previously held interests it in that joint operation are not remeasured. An entity applies the amendments to transactions in which it obtains joint control on or after the beginning of the first annual reporting period beginning on or after 1 January 2019. These amendments are currently not applicable to the Group but may apply to future transactions.
- IAS 12 Income Taxes – Income tax consequences of payments on financial instruments classified as equity: The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity recognised the originating transaction or event that generated the distributable profits giving rise to the dividend. An entity applies the amendments for annual reporting periods beginning on or after 1 January 2019. When an entity first applies the amendments, it applies them to the income tax consequences of dividends recognised on or after the beginning of the earliest comparative period. Since the Group's current practice is in line with the amendments, the Group does not expect any effect on its consolidated financial statements.

IAS 23 Borrowing Costs – Borrowing costs eligible for capitalisation: The amendments clarify that an entity treats as part of general borrowings any borrowings originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete. An entity applies the amendments to borrowings costs incurred on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity applies the amendments for annual reporting periods beginning on or after 1 January 2019. Since the Group's current practice is in line with the amendments, the Groups does not expect any effect on its consolidated financial statements.

1.3 CONSOLIDATION

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

1.3.1 SUBSIDIARIES

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

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

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

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

The following treatments are applied on consolidation:

- The carrying amount of the parent's investment in each subsidiary and the parent's portion of the equity of each subsidiary are eliminated;
- In the statement of consolidated financial position, non-controlling interests in the net assets of subsidiaries are identified and reported separately in the caption "Non- controlling interests";
- The portion of the profit or loss of the fully consolidated subsidiaries attributable to shares

held by entities outside the Group is presented in the consolidated income statement in the caption "Profit/(loss) attributable to non-controlling interests";

- Intra-Group balances and transactions and unrealized gains and losses on transactions between Group companies are eliminated in full.

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

1.3.2 ASSOCIATES

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

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

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

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

1.3.3 JOINT ARRANGEMENTS

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

1.3.4 TREATMENT OF GOODWILL OR NEGATIVE GOODWILL

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

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

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

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

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

1.3.5 ACQUISITION OF NON-CONTROLLING INTERESTS

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

1.3.6 TRANSLATION OF FINANCIAL STATEMENTS OF FOREIGN OPERATIONS

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

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

	Closing rate on December 31, 2017	Average annual rate 2017	Closing rate on December 31, 2018	Average annual rate 2018
USD	1.1993	1.1295	1.1450	1.1812
SEK	9.8438	9.6316	10.2548	10.2522
CNY	7.8044	7.6263	7.8751	7.8027
INR	76.6055	73.4296	79.7298	80.5147
RUB	69.3920	65.8283	79.7153	73.9764
JPY	135.0100	126.6319	125.8500	130.3459
CAD	1.5039	1.4351	1.5605	1.5297
GBP	0.8872	0.8762	0.8945	0.8846
ARS	22.3236	18.6400	43.1079	32.8797
THB	39.1210	38.2054	37.0520	38.0689
MXN	23.6612	22.0681	22.4921	22.6762
SGD[1]	N/A	N/A	1.5591	1.5791
EGP[2]	N/A	N/A	20.4564	20.3389

[1] Average rate is calculated on the basis of 6 months of activity.
[2] Average rate is calculated on the basis of 1 month of activity.

1.4 INTANGIBLE FIXED ASSETS

Recognition as an intangible fixed asset is required when

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

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

(3) IBA can control the resource; and

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

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

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

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

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

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

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

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

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

The applicable useful lives are as follows:

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

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

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

1.5 TANGIBLE FIXED ASSETS (PROPERTY, PLANT AND EQUIPMENT)

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

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

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

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

The applicable useful lives are as follows:

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

1.5.1 LEASE TRANSACTIONS INVOLVING IBA AS A LESSEE

A finance lease, which transfers substantially all the risks and rewards incident to ownership, is recognized as an asset and a liability at amounts equal to the fair value of the leased assets or, if lower, the present value of the minimum lease payments (= sum of capital and interest portions included in the lease payments). Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The depreciation policy for leased assets is consistent with that for similar assets owned.

An operating lease is a lease other than a finance lease. Operating lease payments are recognized as an operating expense in the statement of profit or loss on a straight-line basis over the lease term.

1.6 IMPAIRMENT OF INTANGIBLE AND TANGIBLE FIXED ASSETS

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

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

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

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

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

1.7 INVENTORIES

Inventories are measured at the lower of cost and net realizable value at the balance sheet date.

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

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

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

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

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

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

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

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

1.8 REVENUE RECOGNITION (EXCLUDING CONTRACTS IN PROGRESS, WHICH ARE COVERED IN THE FOLLOWING SECTION)

Following section describes the application of IAS 18 which was still applicable to the comparative figures of 2017 whereas IFRS 15 was applicable for 2018. The accounting policies of IFRS 15 are described above under section 1.2.2.

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

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

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

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

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

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

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

1.9 CONTRACTS IN PROGRESS

Following section describes the application of IAS 11 which was still applicable to the comparative figures of 2017 whereas IFRS 15 was applicable for 2018. The accounting policies of IFRS 15 are described above under section 1.2.2.

Contract costs comprise:

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

When the outcome of a construction contract (i.e. estimation of the final margin) can be reliably estimated, contracts in progress are measured at production cost increased, according to the stage of completion of the contract, by the difference between the contract price and production cost ("percentage of completion" method).

The stage of completion is determined by comparing actual costs incurred to date with estimated costs to completion (costs that do not reflect work performed, such as commissions and royalties are excluded for this calculation). The percentage of completion is applied on a cumulative basis.

When the outcome of the contract cannot be estimated reliably, revenue is recognized only to the extent of costs incurred that it is probable will be recovered; contract costs are recognized as an expense as incurred. When it is probable that total contract costs will exceed total contract revenue, the expected loss is immediately expensed to income statement, and a loss-at-completion provision is recorded.

The Group presents as an asset the net amount due from customers on contract work for all contracts in progress for which costs incurred plus recognized profits (less recognized losses) exceed progress billings. Progress billings not yet paid by customers and retention are included in trade receivables.

The IBA Group presents as a liability the net amount due to customers on contract work for all contracts in progress for which progress billings exceed costs incurred plus recognized profits (less recognized losses).

When financial guarantees must be given to third parties in connection with a contract and these guarantees involve a financial risk for IBA, a financial liability is recognized.

1.10 RECEIVABLES

Following section describes the application of IAS 39 which was still applicable to the comparative figures of 2017 whereas IFRS 9 was applicable for 2018. The accounting policies of IFRS 9 financials are described above under section 1.2.2.

Receivables are recognized initially at fair value and subsequently measured at amortized cost, i.e., at the net present value of the receivable amount.

Unless the discounting impact is significant, receivables are measured at nominal value. Receivables are written down when receipt of all or part is uncertain or doubtful.

In general, IBA applies the following rule to write-downs of bad or doubtful debts:

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

However, the recoverability of receivables is assessed on a case-by-case basis, and exceptions to the above general rule are made when justified.

1.11 FINANCIAL ASSETS

Following section describes the application of IAS 39 which was still applicable to the comparative figures of 2017 whereas IFRS 9 was applicable for 2018. The accounting policies of IFRS 9 are described above under section 1.2.2.

1) Classification and measurement

Under IFRS 9, debt financial instruments are subsequently measured at fair value through profit or loss (FVPL), amortized cost, or fair value through other comprehensive income (FVOCI). The classification is based on two criteria: the Group's business model for managing the assets; and whether the instruments' contractual cash flows represent ''solely payments of principal and interest'' on the principal amount outstanding (the ''SPPI criterion'').

The new classification and measurement of the Group's debt financial assets are, as follows:

- Debt instruments at amortized cost for financial assets that are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows that meet the SPPI criterion. This category includes the Group's Trade receivables, long-term receivables on contracts in progress, other receivables and loans included under other long-term assets, non-trade receivables/advance payments, short-term receivables and cash and cash equivalents.
- Equity instruments at FVOCI, with no recycling of gains or losses to profit or loss on derecognition. This category only includes equity instruments (other investments), which the Group intends to hold for the foreseeable future and which the Group has irrevocably elected to so classify upon initial recognition or transition. The Group classified its unquoted equity instruments as equity instruments at FVOCI. Equity instruments at FVOCI are not subject to an impairment assessment under IFRS 9. Under IAS 39, the Group's unquoted equity instruments (other investments) were classified as AFS financial assets.
- Financial assets at FVPL comprise only derivative instruments.

The assessment of the Group's business models was made as of the date of initial application, 1 January 2018, and then applied retrospectively to those financial assets that were not derecognized before 1 January 2018.

There were no restatement impacts on the statement of financial position as at December 31, 2017.

2) Impairment of financial assets – Expected credit loss allowance

All financial assets, in particular trade and other receivables (short-term and long-term) are subject to a new impairment methodology, referred to as the Expected Credit Loss (ECL) model, measuring the expected credit losses. Those ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive.

For the trade receivables, the Group has established an allowance matrix based on ageing balances adjusted for forward-looking factors linked to this customer.

For other debt financial assets (loans and debt securities), the ECL is based on the 12-month ECL. The 12-month ECL is the portion of lifetime ECLs that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in the credit risk since origination, the allowance will be based on the lifetime ECL. The Group consider a financial asset to be in default (totally or partially) when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full and account the appropriated ECL.

This resulted in no significant additional allowance to the existing incurred losses allowances at the opening as at January 1, 2018.

3) Cash flow hedging

Derivative financial instruments used for the protection of future cash flows are designated as hedges under cash flow hedge accounting. Under IAS 39, the Group already applied cash flow hedge accounting for such hedging transactions and will continue to do so under IFRS 9.

4) Fair value hedging

Under IAS 39, the Group already applied fair value hedge accounting and will continue to do so under IFRS 9.

No impact of IFRS 9 on the Group's retained earnings has been recorded as at January 1, 2018.

1.12 CASH AND CASH EQUIVALENTS

Cash balances are recorded at their nominal value. Cash equivalents are short-term, highly liquid investments that can be used for any purpose and have a maturity date not exceeding three months from acquisition date. For the purpose of the statement of cash flow, Cash and cash equivalents include bank overdrafts.

If liquid funds are held in a special purpose account in the form of highly liquid investments that are renewed at maturity until needed for the special purpose, these cash equivalents are deemed restricted and are classified as other long-term receivables.

1.13 DEFERRED CHARGES AND ACCRUED INCOME

Deferred charges are the prorated amount of charges incurred in the current or prior financial periods but which are related to one or more subsequent periods. Accrued income is the prorated amount of income earned in the current or prior periods which will be received only in subsequent periods.

1.14 CAPITAL STOCK

Ordinary shares are classified in the caption "Capital stock." Treasury shares are deducted from equity. Treasury share movements do not affect the income statement.

1.15 CAPITAL GRANTS

Capital grants are recorded as deferred income. Grants are recognized as income at the same rate as the rate of depreciation for related fixed assets. When grants relate to a non-capitalized cost, they are systematically recognized as income for the period during which the cost they are supposed to offset has incurred.

1.16 PROVISIONS

A provision is recognized only when:

- IBA has a present obligation to transfer economic benefits as a result of past events;
- It is probable (more likely than not) that such a transfer will be required to settle the obligation;
- A reliable estimate of the amount of the obligation can be made.

When the impact is likely to be material (for long-term provisions), the amount recognized as a provision is estimated on a net present value basis (discount factor). The increase in provision due to the passage of time is recognized as a financial expense.

A present obligation arises from an obligating event and may take the form of either a legal obligation or a constructive obligation (A constructive obligation exists when IBA has an established pattern of past practice that indicates to other parties that it will accept certain responsibilities and as a result has created a valid expectation on the part of those other parties that it will discharge those responsibilities). An obligating event leaves IBA no realistic alternative to settling the obligation, independently of its future actions.

Provisions for site repair, restoration, and decommissioning costs are recorded as appropriate in application of the above.

If IBA has an onerous contract (that is, if the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it), the present obligation under the contract is recognized as a provision.

A provision for restructuring is recorded only if IBA can demonstrate that the Company is under an obligation to restructure at the balance sheet date. Such obligation must be demonstrated by (a) preparing a detailed formal plan identifying the main features of the restructuring and (b) raising a valid expectation to those affected that it will carry out the restructuring by starting to implement the plan or by announcing its main features to those affected.

1.17 PENSIONS AND OTHER EMPLOYEE BENEFITS

1.17.1 PENSIONS

The Group operates a contribution based plan funded through payments to an insurance company. The employer guarantees a minimum return on employer contributions resulting in a financial risk to be borne by the Group.

Up to December 31, 2015, the Group had opted to account for these plans using the intrinsic value method.

Following the evolution with respect of minimum guaranteed return, the plans are to be considered as defined benefit plans instead of contribution plans following IAS 19. As a result, as from January 1, 2016, the Group has changed its valuation rule and has adopted the projected unit credit method. This method considers that each service period gives rise to an additional benefit entitlement unit. According to this method, the plans' cost is recognized as an expense in the income statement so as to spread this cost evenly throughout the employee's career, and this based on the recommendations of actuaries who carry out complete assessments on these retirement plans each year.

Actuarial differences include, for assets and liabilities, differences between previous actuarial assumptions and what actually happened, and the impact of changes of actuarial assumptions on the plans' liabilities. Actuarial differences are fully recorded in other items of the comprehensive income statement during their period of occurrence.

1.17.2 STOCK OPTION PLANS AND SHARE-BASED PAYMENTS

Share-based payments are transactions to be paid with shares, stock options, or other equity instruments (granted to employees or other parties) and transactions paid in cash or other assets when the amount payable is based on the price of the Group's shares.

All transactions involving share-based payments are recognized as expenses.

Equity-settled share-based payment transactions are measured at the fair value of the goods or services received at the date on which the Group recognizes the goods and services. If the fair value of goods or services cannot be determined, the Group uses the fair value of the equity instruments granted. Equity-settled share-based payments are not re-measured.

1.18 DEFERRED TAXES

Deferred taxes are recorded on the temporary differences arising between the carrying amount of the balance sheet items and their tax base, using the rate of tax expected to apply when the asset is recovered or the liability is settled.

There are three exceptions to the general principle that deferred taxes are recognized on all temporary differences. Deferred taxes are not recognized for:

- Goodwill that is not amortized for tax purposes;
- Initial recognition of an asset or liability in a transaction that is not a business combination and that affects neither accounting profit nor taxable profit;
- Investments in subsidiaries, branches, associates, and joint ventures (deferred taxes may be recognized only when IBA does not have control over the distribution or, if IBA controls the distribution, that it is likely that dividends will be distributed in the foreseeable future).

A deferred tax asset is recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized. The same principle applies to recognition of deferred tax assets for unused tax losses carried forward. When assessing deferred tax assets management ensure that it is based on a reasonable number of years of taxable results.

Deferred taxes are calculated for each fiscal entity in the Group. IBA is able to offset deferred tax assets and liabilities only if the deferred balances relate to income taxes levied by the same taxation authority.

1.19 PAYABLES AFTER AND WITHIN ONE YEAR

Following section describes the application of IAS 39 which was still applicable to the comparative figures of 2017 whereas IFRS 9 was applicable for 2018. The accounting policies of IFRS 9 are described above under section 1.2.2.

Payables after and within one year are measured at amortized cost, i.e., at the net present value of the payable amount.

Unless the impact of discounting is material, the nominal value is taken.

1.20 ACCRUED CHARGES AND DEFERRED INCOME

Accrued charges are the prorated amount of expenses which will be paid in a subsequent financial period but relate to a prior period. Deferred income is the prorated amount of income received in the current or prior periods but related to a subsequent period.

1.21 FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions are converted into the functional currency of the Group entity party to the transaction using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the conversion at the period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.

Exchange differences arising from the consolidation of currency items that constitute part of the reporting entity's net investment in a foreign entity (i.e. when settlement is neither planned nor likely to occur in the foreseeable future) are recorded in equity if the following two conditions are met:

(1) The loan is made in either the functional currency of the reporting entity or the foreign operation; and
(2) The loan is made between the reporting entity and a foreign operation.

1.22 DERIVATIVES AND HEDGING ACTIVITIES

Following section describes the application of IAS 39 which was still applicable to the comparative figures of 2017 whereas IFRS 9 was applicable for 2018. The accounting policies of IFRS 9 are described above under section 1.2.2.

Derivative instruments are accounted for at fair value on the date the contracts are entered into.

Changes in the fair value of derivative instruments are accounted for in the income statement unless they qualify as cash flow hedges.

The Group designates certain derivative transactions as hedges of the variability of the fair value of recognized assets or liabilities (fair value hedges); as unrecognized firm commitments; or as hedges of the cash flow variability arising from a specific risk associated with a recognized asset or liability or with a highly probable forecast transaction (cash flow hedges).

The Group documents at the inception of the transaction the relationship between the hedging instruments and the hedged item, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

a) Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

b) Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in equity. Gain or loss relating to the ineffective portion of the hedge is recognized immediately in the income statement.

Amounts accumulated in equity are reclassified to the income statement in the periods when the hedged item affects the income statement (e.g., when the forecast sale that is hedged takes place).

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and reclassified to the income statement when the forecast transaction is ultimately recognized in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately moved to the income statement.

c) Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Such derivatives are recognized at fair value on the statement of financial position, with changes in fair value recognized in the income statement.

These instruments are considered economic hedges inasmuch as they are not used to speculate on positions.

The Group does not hold instruments for speculative purposes.

1.23 OPERATING SEGMENTS

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM), who is responsible for allocating resources and assessing performance of the operating segments (see Note 4).

An operating segment is a component of an entity:

(a) that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity),

(b) whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and

(c) for which discrete financial information is available.

2. DESCRIPTION OF FINANCIAL RISK MANAGEMENT

2.1. DESCRIPTION FINANCIAL RISK

The Group has decided to present its financial risks with the other principal identified risks in the section ''Principal risks and uncertainties faced by the company'' starting on page 46.

2.2 FINANCIAL ASSETS AND LIABILITIES – ADDITIONAL INFORMATION

The tables below summarize the maturity profile of the Group's financial assets:

DECEMBER 31, 2017 (EUR 000)	Due	< 1 year	1-2 years	2-5 years	> 5 years	Total
FINANCIAL ASSETS						
Trade receivables	43 621	17 379	0	0	0	61 000
Other ST and LT assets	308	28 959	1 790	7 099	11 972	50 128
TOTAL	**43 929**	**46 338**	**1 790**	**7 099**	**11 972**	**111 128**

DECEMBER 31, 2018 (EUR 000)	Due	< 1 year	1-2 years	2-5 years	> 5 years	Total
FINANCIAL ASSETS						
Trade receivables	64 770	31 780	0	0	0	96 550
Other ST and LT assets	0	22 250	1 417	6 332	8 984	38 983
TOTAL	**64 770**	**54 030**	**1 417**	**6 332**	**8 984**	**135 533**

The tables below summarize the maturity profile of the Group's financial liabilities:

DECEMBER 31, 2017 (EUR 000)	due	< 1 year	1-2 years	2-5 years	> 5 years	Total
FINANCIAL LIABILITIES						
Bank and other borrowings	0	24 471	4 819	10 732	6 084	46 106
Financial lease liabilities	0	0	0	0	0	0
Trade payables	28 646	17 686	0	0	0	46 332
Other ST and LT liabilities	281	94 013	736	1 722	7 009	103 761
TOTAL	**28 927**	**136 170**	**5 555**	**12 454**	**13 093**	**196 199**

DECEMBER 31, 2018 (EUR 000)	due	< 1 year	1-2 years	2-5 years	> 5 years	Total
FINANCIAL LIABILITIES						
Bank and other borrowings	0	42 792	5 200	24 389	3 718	76 099
Financial lease liabilities	136	1 029	1 042	3 096	10 390	15 693
Trade payables	24 426	17 648	0	0	0	42 074
Other ST and LT liabilities	66	109 441	1 142	4 185	8 197	123 031
TOTAL	**24 628**	**170 910**	**7 384**	**31 670**	**22 305**	**256 897**

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

EUR 000	December 31, 2017 Net carrying value	December 31, 2017 Fair value	December 31, 2018 Net carrying value	December 31, 2018 Fair value
FINANCIAL ASSETS				
Trade receivables	61 000	61 000	96 550	96 550
Other long-term receivables	18 572	18572	16 700	16 700
Non-trade receivables and advance payments	18 931	18 931	16 645	16 645
Other short-term receivables	7 287	7 287	5 510	5 510
Other investments	8 909	8 909	13 005	13 005
Cash and cash equivalents	27 273	27 273	36 402	36 402
Hedging derivative products	4 974	4 974	58	58
Derivative products – other	364	364	70	70
TOTAL	**147 310**	**147 310**	**184 940**	**184 940**
FINANCIAL LIABILITIES				
Bank and other borrowings	42 750	42 750	72 005	72 005
Financial lease liabilities	0	0	13 783	13 783
Trade payables	46 332	46 332	42 074	42 074
Hedging derivative products	93	93	491	491
Derivative products – other	25	25	300	300
Other long-term liabilities	8 970	8 970	13 304	13 304
Amounts due to customers for contracts in progress	72 906	72 906	88 483	88 483
Other short-term liabilities	21 764	21 764	20 453	20 453
TOTAL	**192 840**	**192 840**	**250 893**	**250 893**

As at December 31, 2017 and 2018, the net carrying value of these financial assets and liabilities did not differ significantly from their fair value.

The headings “Hedging derivative products” and “Derivative products – other” in assets and liabilities include the fair value of forward exchange contracts and currency swaps.

2.3 CATEGORIES OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In conformity with IFRS 9 all derivatives are recognized at fair value in the balance sheet.

The fair value of derivative financial instruments is either the quoted market price or is calculated using pricing models taking into account current market rates. Fair values of hedging instruments are determined by valuation techniques widely used in financial markets and are provided by reliable financial information sources. Fair values are based on the trade dates of the underlying transactions.

The fair value of these instruments generally reflects the estimated amount that IBA would receive on the settlement of favorable contracts or be required to pay to terminate unfavorable contracts at the balance sheet date, and thereby takes into account any unrealized gains or losses on open contracts.

As required by IFRS 13 *Fair value measurement*, the following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques for which the lowest level of input that is significant to the fair value measurement is unobservable.

During this past financial year, there was no transfer between the various categories presented below:

(EUR 000)	Level 1	Level 2	Level 3	December 31, 2017
Forward foreign exchange contracts		4 870		4 870
Foreign exchange rate swaps		104		104
Hedge-accounted financial assets		**4 974**		**4 974**
Forward foreign exchange contracts		104		104
Foreign exchange rate swaps		210		210
Other financial assets at fair value through the income statement		50		50
Financial assets at fair value through the income statement		**364**		**364**
Forward foreign exchange contracts		19		19
Foreign exchange rate swaps		6		6
Hedge-accounted financial liabilities		**25**		**25**
Forward foreign exchange contracts		18		18
Foreign exchange rate swaps		75		75
Financial liabilities at fair value through the income statement		**93**		**93**

(EUR 000)	Level 1	Level 2	Level 3	December 31, 2018
Forward foreign exchange contracts		33		33
Foreign exchange rate swaps		25		25
Hedge-accounted financial assets		**58**		**58**
Forward foreign exchange contracts		0		0
Foreign exchange rate swaps		70		70
Financial assets at fair value through the income statement		**70**		**70**
Forward foreign exchange contracts		467		467
Foreign exchange rate swaps		24		24
Hedge-accounted financial liabilities		**491**		**491**
Forward foreign exchange contracts		39		39
Foreign exchange rate swaps		261		261
Financial liabilities at fair value through the income statement		**300**		**300**

2.3.1 HEDGE-ACCOUNTED FINANCIAL INSTRUMENTS

As at December 31, 2018, the Group held 13 forward exchange contracts (42 as at December 31, 2017) and 10 foreign exchange swaps (9 as at December 31, 2017) to cover future cash flow movements US dollars, British pounds and Singapore dollars cash flows. These hedges are deemed highly effective.

These hedges generated a EUR 1.05 million loss in 2018 (gain of EUR 0.94 million in 2017). This loss is recognized in the other items of the comprehensive income statement.

			Hedge instrument maturities		
(EUR 000)		Equity	< 1 year	1-2 years	> 2 years
AS AT DECEMBER 31, 2017					
Foreign exchange hedge in	GBP	3 248	3 248	0	0
Foreign exchange hedge in	USD	1 218	247	340	631
		4 466	**3 495**	**340**	**631**
AS AT DECEMBER 31, 2018					
Foreign exchange hedge in	GBP	1 025	1 025	0	0
Foreign exchange hedge in	USD	-1 576	-1 489	-112	25
Foreign exchange hedge in	SGD	-99	0	-78	-21
		-650	**-464**	**-190**	**4**

2.3.2 FAIR VALUE THROUGH INCOME STATEMENT

As at 31 December 2018, the Group holds 6 forward exchange contracts (10 on December 31, 2017), 41 exchange rate swaps (23 swaps and 1 ''option'' as at December 31, 2017), to cover future cash flows of US dollars, Chinese Yuan, Canadian dollars, British pounds and Euro.

As they do not qualify for hedge accounting under the IFRS, the various hedge instruments discussed in this section are measured at fair value through the income statement.

The loss generated on these instruments included in the income statement amount to EUR 0.29 million at December 31, 2018 (loss of EUR 0.27 million at December 31, 2017).

2.4 CAPITAL MANAGEMENT

The Group's aim is to optimize the capital structure in order to maximize its value for the shareholders while maintaining the financial flexibility required carrying out the strategy approved by the Board of Directors.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(A) DISCONTINUED OPERATIONS

On the 20 July 2018, IBA announced that it has decided to explore new strategic alternatives for IBA Dosimetry which could include a sale, merger, initial public offering, or retention of the business. Following the announcement, IBA has initiated the disposal process and as of 31 December 2018 it has determined that all criteria of IFRS 5 has been met in order to present the assets and liabilities IBA Dosimetry as held for sale.

Consequently, IBA has presented those assets and liabilities in the statement of financial position on a separate line items as "*Assets held for sale*" and "*Liabilities directly related to assets held for sale*" as of 31 December 2018.

As IBA Dosimetry was presented as a separate operating segment, management concluded that it also meets the criteria of discontinued operations. Consequently, the results of this component have been presented for the full 2018 financial year as "Profit/(loss) from discontinued operations" in the income statement and IBA also represented the comparative period for the financial year 2017 has also.

(B) INCOME TAXES

The Group recognizes deferred tax assets on unused losses carried forward to the extent that the taxable profit against which these assets are available can be used. The amounts recognized in the balance sheet are prudent estimates made on the basis of recent financial plans approved by the Board of Directors and depend on certain judgments with respect to the amounts and location of the future taxable profits of the Group's subsidiaries and parent company.

Deferred tax assets increased from EUR 6.02 million in 2017 to EUR 6.16 million in 2018 mainly due to the increase of temporary differences in the US entities (EUR +0.54 million for continuing operation and EUR -0.42 million reclassified to assets held for sales).

As at December 31, 2018, the Group had for its continuing operations accumulated net operating losses of EUR 108.9 million usable to offset future profits taxable mainly in Belgium and in Russia and temporary differences amounting to EUR 6.2 million mainly in the United States and in China. The Company recognized for its continuing activities deferred tax assets of EUR 4.3 million with the view to use the tax losses carried forward and EUR 1.9 million as temporary differences.

As at December 31, 2018, the Group had for its discontinuing operations temporary differences amounting to EUR 1.6 million mainly in the United States. The Company recognized for its discontinuing activities deferred tax assets of EUR 0.42 million as temporary differences presented under assets held for sale.

The negative result of December 31, 2018 does not significantly affect the existing budgeted plan and there is therefore no indicator that would trigger the reassessment of the deferred tax assets.

(C) REVENUE RECOGNITION

IFRS 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The Group is in the business of providing equipment and installation (reported as "Sales"), and operation and maintenance services (reported as "Services"). In applying IFRS 15, IBA makes the following significant judgements and estimates.

(a) Equipment and installation considered as one performance obligation

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

(b) Estimating the progress under the equipment and installation services contract

The Group recognises revenue over time under such contracts and the progress is measured by reference to the costs incurred when comparing it to the costs to complete. The costs to complete is a significant estimate because it determines the progress made since the inception of the contract and IBA recognises the revenue of the contract based on the progress estimated in percentage.

(D) ESTIMATING THE VALUE IN USE OF INTANGIBLE AND TANGIBLE FIXED ASSETS

When management considers that there is a risk of impairment, the recoverable amounts of tangible and intangible fixed assets are determined on a “value in use” basis. Value in use is determined on the basis of cash-flows coming from IBA’s most recent business plans, as approved by the Board of Directors. These plans incorporate various assumptions made by management and approved by the Board as to how the business, profit margins, and investments will evolve.

The negative result of December 31, 2018 does not significantly affect the existing budgeted plan and there is therefore no indicator that would trigger an impairment test as of December 31, 2018.

(E) STOCK OPTION PLAN

The company is using the Black & Scholes model to measure the options value. Terms and conditions of the Group stock option plans are described in note 17.2.

(F) LOCAL TAXES IN COUNTRIES OTHER THAN BELGIUM

In 2015, the Company initiated an analysis on the Group exposure in countries other than Belgium to be potentially obliged to pay certain local taxes whereas the payment of those taxes has been transferred to the Group's customers. Exposure identified as of December 31, 2015, has been reduced as a result of further investigation performed in 2016 and 2017. Based on the data available, it is still not possible to make a reliable estimate of the remaining exposure and therefore no provision has been accrued for in the Group financial statements.

4. OPERATING SEGMENTS

IBA identified its Management Team as its CODM because this is the committee which decides how to allocate resources and assesses performance of the components of the Group.

4.1 OPERATING SEGMENTS

The operating segments are defined based on the information provided to the Management Team. On the basis of its internal financial reports and given the Group's primary source of risk and profitability, IBA has identified two operating segments. In accordance with IFRS 8 Operating segments, the business segments on which segment information is based are (1) Proton therapy and other accelerators and (2) Dosimetry.

Distinct financial information is available for these reporting segments and is used by the Management Team to make decisions about resources to be allocated to the segment and assess its performance.

However, following the decision to dispose of Dosimetry, Proton therapy and other accelerators is the only business segment that will be reported in this consolidated financial statement as operating segment.

- **Proton therapy and other accelerators:** This segment constitutes the technological basis of the Group's many businesses and encompasses development, fabrication, and services associated with medical and industrial particle accelerators and proton therapy systems.

The segment results, assets and liabilities include the items directly related to a segment, as well as those that may be allocated on a reasonable basis.

The segment investment expenses include the total cost of investments incurred during the period of acquisition of tangible and intangible assets investments, except goodwill.

The following table provides details of the income statement for each segment.

	Proton Therapy and Other Accelerators (EUR 000)	Dosimetry discontinued operations (EUR 000)	Group (EUR 000)
YEAR ENDED DECEMBER 31, 2017			
Sales	151 040	0	151 040
Services	85 445	0	85 445
External Sales	**236 485**	**0**	**236 485**
Costs of sales and services (-)	-169 116	0	-169 116
Operating expenses (-)	-84 629	0	-84 629
Other operating income/(expenses)	-3 545	0	-3 545
Segment result (EBIT)	**-20 805**	**0**	**-20 805**
Financial income/(expenses)	-2 789	0	-2 789
Share of profit/(loss) of companies consolidated using the equity method	92	0	92
Result before taxes	**-23 502**	0	**-23 502**
Tax income/(expenses)	-18 156	0	-18 156
RESULT FOR THE PERIOD FROM CONTINUING OPERATIONS	**-41 658**	0	**-41 658**
Profit/(loss) for the period from discontinued operations	0	2 457	2 457
Profit/(loss) for the period	**-41 658**	**2 457**	**-39 201**
REBITDA	**11 517**	**0**	**11 517**

	Proton Therapy and Other Accelerators (EUR 000)	Dosimetry discontinued operations (EUR 000)	Group (EUR 000)
Non-current assets	68 351	6 339	74 690
Current assets	236 581	21 247	257 828
Segment assets	**304 932**	**27 586**	**332 518**
Investments accounted for using the equity method			
TOTAL ASSETS	**304 932**	**27 586**	**332 518**
Non-current liabilities	34 085	813	34 898
Current liabilities	178 515	10 411	188 926
Segment liabilities	**212 600**	**11 224**	**223 824**
TOTAL LIABILITIES	**212 600**	**11 224**	**223 824**
Other segment information			
Capital expenditure	14 614	662	15 276
Depreciation and impairment of property, plant and equipment	2 946	435	3 381
Depreciation of intangible assets and goodwill	2 621	121	2 742
Salary expenses	112 632	16 523	129 155
Non-cash expenses/(income)	-164	76	-88
Headcount at year-end	1 257	219	1 476

Balance sheet intercompany position between segments is excluded from the assets and liabilities of the segment.

	Proton Therapy and Other Accelerators (EUR 000)	Dosimetry discontinued operations (EUR 000)	Group (EUR 000)
YEAR ENDED DECEMBER 31, 2018			
Sales	113 450	0	113 450
Services	94 990	0	94 990
External Sales	**208 440**	**0**	**208 440**
Costs of sales and services (-)	-139 332	0	-139 332
Operating expenses (-)	-68 223	0	-68 223
Other operating income/(expenses)	-1 672	0	-1 672
Segment result (EBIT)	**-787**	**0**	**-787**
Financial income/(expenses)	-4 365	0	-4 365
Share of profit/(loss) of companies consolidated using the equity method	0	0	0
Result before taxes	**-5 152**	**0**	**-5 152**
Tax income/(expenses)	-2 420	0	-2 420
RESULT FOR THE PERIOD FROM CONTINUING OPERATIONS	**-7 572**	**0**	**-7 572**
Profit/(loss) for the period from discontinued operations	0	3 171	3 171
Profit/(loss) for the period	**-7 572**	**3 171**	**-4 401**
REBITDA	**7 782**	**0**	**7 782**

	Proton Therapy and Other Accelerators (EUR 000)	Dosimetry discontinued operations (EUR 000)	Group (EUR 000)
Non-current assets	79 158	0	79 158
Current assets	286 275	0	286 275
Assets held for sale	0	26 696	26 696
Segment assets	**365 433**	**26 696**	**392 129**
Investments accounted for using the equity method	0	0	0
TOTAL ASSETS	**365 433**	**26 696**	**392 129**
Non-current liabilities	61 732	0	61 732
Current liabilities	216 299	0	216 299
Liabilities held for sale	0	11 007	11 007
Segment liabilities	**278 031**	**11 007**	**289 038**
TOTAL LIABILITIES	**278 031**	**11 007**	**298 038**
Other segment information			
Capital expenditure	17 495	1 246	18 741
Depreciation and impairment of property, plant and equipment	3 094	217	3 311
Depreciation of intangible assets and goodwill	3 412	64	3 476
Salary expenses	100 849	16 263	117 112
Non-cash expenses/(income)	3 111	466	3 577
Headcount at year-end	1 182	224	1 406

4.2 ENTITY WIDE DISCLOSURE

The Group's operate in three main geographical areas, Belgium, the United States and the rest of the world.

The sales figures presented below are based on customer location, whereas non-current and current assets are based on the physical location of the assets.

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	Belgium (EUR 000)	USA (EUR 000)	ROW (EUR 000)	Operations held for sale (EUR 000)	Group (EUR 000)
YEAR ENDED DECEMBER 31, 2017					
Net sales and services*	10 228	85 552	140 705		236 485
Non-current assets	60 792	7 432	6 466	0	74 690
Current assets	214 279	11 664	31 885	0	257 828
Segment assets	**275 071**	**19 096**	**38 351**	**0**	**332 518**
Investments accounted for using the equity method	0	0	0	0	0
TOTAL ASSETS	**275 071**	**19 096**	**38 351**	0	**332 518**
Capital expenditure (incl. fixed assets from acquisitions in 2017)	14 100	477	698	0	15 273

	Belgium (EUR 000)	USA (EUR 000)	ROW (EUR 000)	Operations held for sale (EUR 000)	Group (EUR 000)
YEAR ENDED DECEMBER 31, 2018					
Net sales and services*	11 129	70 365	126 946		208 440
Non-current assets	72 105	6 406	647		79 158
Current assets	255 306	15 033	15 936		286 275
Segment assets	**327 411**	**21 439**	**16 583**	**26 696**	**392 129**
Investments accounted for using the equity method	0	0	0	0	0
TOTAL ASSETS	**327 411**	**21 439**	**16 583**	**26 696**	**392 129**
Capital expenditure (incl. fixed assets from acquisitions in 2018)	17 316	58	120	1 247	18 741

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

As at December 31, 2018, no single customer represents more than 10% of the Group's sales and services.

5. LISTS OF SUBSIDIARIES AND EQUITY-ACCOUNTED INVESTMENTS

As at December 31, 2018, the IBA Group consists of IBA SA and 24 companies and associates in 14 countries. 22 of them are fully consolidated and 2 are accounted for using the equity method.

5.1 LIST OF SUBSIDIARIES

NAME	Assets held for sale	Country of incorporation	Equity ownership (%)	Change in % ownership over December 31, 2017
IBA Molecular Holding (BE 0880.070.706) *Chemin du Cyclotron, 3, B-1348 LLN*	No	Belgium	100%	-
IBA Participations SPRL (BE 0465.843.290) *Chemin du Cyclotron, 3, B-1348 LLN*	No	Belgium	100%	-
IBA Investments SCRL (BE 0471.701.397) *Chemin du Cyclotron, 3, B-1348 LLN*	No	Belgium	100%	-
Ion Beam Beijing Applications Co. Ltd. *No.6 Xing Guang Er Jie, Beijing OPTO-Mechatronics Industrial Park, 101 111 Tongzhou District, Beijing,China*	No	China	100%	-
Striba GmbH *Waidmarkt 11, 50676 KÖLN, Germany*	No	Germany	100%	-
IBA RadioIsotopes France SAS *59 Blvd Pinel, 69003 LYON, France*	No	France	100%	-
IBA Dosimetry GmbH *Bahnhofstrasse 5, 90592 Schwarzenbruck, Germany*	Yes	Germany	100%	-
IBA Dosimetry America Inc. *3150 Stage Post Dr., Ste. 110, Bartlett, TN 38133, USA*	Yes	USA	100%	-
IBA Proton Therapy Inc. *152 Heartland Blvd, Edgewood New York 11717, USA*	No	USA	100%	-
IBA Industrial Inc. *152 Heartland Blvd, Edgewood New York 11717, USA*	No	USA	100%	-
RadioMed Corporation *3149 Stage Post Drive, Suite 110, Bartlett, TN 38133, USA*	Yes	USA	100%	-
IBA USA Inc. *151 Heartland Blvd, Edgewood New York 11717, USA*	No	USA	100%	-
IBA Particle Therapy GmbH *Bahnhofstrasse 5, 90592 Schwarzenbruck, Germany*	No	Germany	100%	-
Normandy Hadrontherapy SAS *9 rue Ferdinand Buisson, 14280 Saint-Contest, France*	No	France	100%	-
LLC Ion Beam Applications *1st Magistralny tupik, 5A, 123290 Moscow, Russia*	No	Russia	100%	-
IBA Particle Therapy India Private Limited *Office Unit - F, 3rd Floor, Ali Towers, Old No 22, New No. 55, Greams Road, Thousand Lights, Chennai - 600006, Tamil Nadu, India*	No	India	100%	-
IBA (Thailand) Co., Ltd *N°888/70, Mahatun Plaza, 7th floor, Ploenchit Road Lumpini Sub-district, Parthumwan district, Bangkok*	No	Thailand	100%	-
Ion Beam Application SRL *Ortiz de Ocampo 3302 Modulo 1 Buenos Aires (1425), Argentina*	No	Argentina	100%	-
IBA Mexico DE R.L.DE C.V. *Paseo de la Reforma 126 (internal number 4) 06600 Cuauhtemoc, City of Mexico, Mexico*	No	Mexico	100%	-
IBA Japan KK *3/F Shiodome Building, 1-2-20 Kaigan Minato-ku, Tokyo, Japan*	No	Japan	100%	-
Imaging Innovation (1) *3-6-7 Kasumigaseki, Chiyoda-Ku, Tokyo, Japan*	No	Japan	-	-100%
Ion Beam Applications Singapore PTE. Ltd *1 Scotts Road #21-10, Shaw centre, Singapore (228208)*	No	Singapore	100%	+100%
IBA Egypt LLC *Building no.75/77 (Degla Plaza), 10th floor, Street no. 199, Degla, Maadi, Cairo, Egypt*	No	Egypt	100%	+100%

(1) *Imaging Innovation merged with IBA Japan KK in May 2018.*

5.2 LIST OF EQUITY-ACCOUNTED INVESTMENTS

NAME	Country of incorporation	Equity ownership (%)	Change in % ownership over December 31, 2017
Cyclhad SAS	France	33.33%	-
PharmaLogic Pet Services of Montreal Cie	Canada	48.00%	-

6. DISCONTINUED OPERATIONS

On July 20, 2018, IBA announced that it has decided to explore new strategic alternatives for IBA Dosimetry which could include a sale, merger, initial public offering, or retention of the business. Following the announcement, IBA has initiated the disposal process and as of December 31, 2018 it has determined that all criteria of IFRS 5 has been met in order to present the assets and liabilities IBA Dosimetry as held-for-sale.

Consequently, IBA has presented those assets and liabilities in the statement of financial position on a separate line items as "*Assets held-for-sale*" and "*Liabilities directly related to assets held-for-sale*" as of December 31, 2018.

As IBA Dosimetry was presented as a separate operating segment, management concluded that it also meets the criteria of discontinued operations. Consequently, the results of this segment have been presented for the full 2018 financial year as "Profit/(loss) from discontinued operations" in the income statement and IBA also represented the comparative period for the financial year 2017 has also.

The discussions on the sale of this division are currently ongoing and the Company expect to inform the market of the outcome of these discussions in the second quarter of 2019.

	December 31, 2017 (EUR 000)	December 31, 2018 (EUR 000)
Sales	47 716	44 576
Services	6 122	5 873
Cost of sales and services (-)	-26 287	-25 401
Gross profit	**27 551**	**25 048**
Selling and marketing expenses (-)	-9 477	-7 981
General and administrative expenses (-)	-5 424	-4 922
Research and development expenses (-)	-6 985	-7 370
Other operating expenses (-)	-1 681	-667
Other operating income	584	25
Segment result (EBIT)	**4 568**	**4 133**
Financial expenses (-)	-875	-366
Financial income	134	490
Profit/(loss) before taxes from discontinued operations	**3 827**	**4 257**
Tax income/(expenses)	-1 370	-1 086
Profit/(loss) for the period from discontinued operations	**2 457**	**3 171**
REBITDA	**6 777**	**5 429**

The main asset and liability categories for discontinued operations are the followings:

	December 31, 2017 (EUR 000)	December 31, 2018 (EUR 000)
ASSETS		
Goodwill	3 821	3 821
Other intangible assets	295	663
Property, plant and equipment	1 832	2 428
Deferred tax assets	343	420
Other long-term assets	47	48
Non-current assets	**6 338**	**7 380**
Inventories	7 106	7 665
Trade receivables	8 941	7 101
Other receivables	3 030	2 256
Cash and cash equivalents	2 169	2 294
Current assets	**21 246**	**19 316**
TOTAL ASSETS HELD FOR SALES		**26 696**
LIABILITIES		
Long-term borrowings	0	0
Deferred tax liabilities	667	657
Long-term provisions	147	145
Other long-term liabilities	0	0
Non-current liabilities	**814**	**802**
Short-term provisions	291	208
Short-term borrowings	0	0
Trade payables	1 015	1 105
Current income tax liabilities	632	200
Other payables	8 473	8 692
Current liabilities	**10 411**	**10 205**
TOTAL LIABILITIES DIRECLTY RELATED TO ASSETS HELD FOR SALE		**11 007**
NET ASSETS DIRECLTY RELATED TO OPERATIONS HELD FOR SALE		**15 689**

Included in the overall statement of comprehensive income for the financial year ending December 31, 2017 and December 31, 2018:

	December 31, 2017 (EUR 000)	December 31, 2018 (EUR 000)
Actuarial reserves	0	0
Revaluation reserves	0	0
Currency translation difference	1 222	1 682
Reserve of disposal group classified as held for sale	**1 222**	**1 682**

The net cash flows of the discontinued operations are the following:

	December 31, 2017 (EUR 000)	December 31, 2018 (EUR 000)
Cash flow from operating activities	365	4 709
Cash flow from investing activities	-662	-1 241
Cash flow from financing activities	11	0
Net change in cash flow from discontinued operations	**-286**	**3 468**

7. BUSINESS COMBINATIONS AND OTHER CHANGES IN THE COMPOSITION OF THE GROUP

7.1 ACQUISITIONS OF COMPANIES

No acquisition of company was completed in 2018.

In December 2017, the Group acquired 100% of Japanese company Imaging Innovation KK shares. The net acquired assets and goodwill arising from this acquisition were as follows:

	Fair Value	Carrying amount of net acquired assets
Cash and cash equivalents	10 961	10 961
Trade payables	-3 013	-3 013
Current income tax liabilities	-1 008	-1 008
Net acquired assets (YEN 000)	**6 940**	**6 940**
Net acquired assets (EUR 000)	**52**	
Price paid (EUR 000)	**75**	
Cash	75	
Fair value of net acquired assets (EUR 000)	52	
Goodwill (+)/Negative goodwill (-) (EUR 000)	**23**	

This goodwill has been impaired in 2017. In May 2018, this company has been absorbed by IBA Japan KK

7.2 DISPOSAL OF COMPANIES

No disposal of company was completed in 2018.

In December 2017, the Group sold its participation of 39.8% in Japanese company Sceti Medical Labo KK. Net assets disposed of in this sale were as follows:

	Fair Value	Carrying amount of net assets disposed
Cash and cash equivalents	34 613	34 613
Trade receivables	161 176	161 176
Other receivables	14 193	14 193
Inventories and contracts in progress	82 020	82 020
Property, plant and equipment	442 005	442 005
Other intangible assets	3 860	3 860
Trade payables	-156 078	-156 078
Other payables	-21 553	-21 553
Current income tax liabilities	-9 125	-9 125
Other long-term liabilities	-360 000	-360 000
Provisions	-13 294	-13 294
Net assets disposed (YEN 000)	**177 817**	**177 817**
Net assets disposed (EUR 000)	**1 336**	
39.8% of net assets disposed (EUR 000)	**532**	
Price received (EUR 000)	**38**	
Cash received	38	
Fair value of net assets disposed (EUR 000)	532	
Disposal result (EUR 000)	**-494**	

8. GOODWILL AND OTHER INTANGIBLE ASSETS

8.1 GOODWILL

Movements of goodwill are detailed as follows:

As at January 1, 2017	**3 821**
Additions	23
Goodwill impairment	-23
Currency translation difference	0
As at December 31, 2017	**3 821**
As at January 1, 2018	**3 821**
Additions	0
Goodwill impairment	0
Transfer to assets held for sale	-3 821
Currency translation difference	0
As at December 31, 2018	**0**

The goodwill generated by an acquisition is allocated to the cash-generating units (CGUs) concerned and an impairment test is carried out annually on the CGUs' fixed assets (including goodwill).

The following table summarizes allocation of the carrying amount of goodwill by business segment:

(EUR 000)	Proton therapy and Other accelerators	Dosimetry	Group
December 31, 2017	0	3 821	3 821

No impairment test has been performed in 2018 as the goodwill has been reclassified to ''Assets held for sale''.

8.2 OTHER INTANGIBLE ASSETS

EUR 000	Software	Patents and trademarks	Development costs	Other	Total
Gross carrying amount as at January 1, 2017	**21 516**	**142**	**0**	**3 714**	**25 372**
Additions	2 302	0	0	3 061	5 363
Disposals	-194	0	0	0	-194
Transfers	2 592	0	0	-2 592	0
Currency translation difference	-127	-17	0	-32	-176
Gross carrying amount as at December 31, 2017	**26 089**	**125**	**0**	**4 151**	**30 365**
Accumulated depreciation as at January 1, 2017	**14 017**	**142**	**0**	**1 241**	**15 400**
Additions	2 640	0	0	79	2 719
Disposals	-27	0	0	0	-27
Transfers	0	0	0	0	0
Currency translation difference	-74	-17	0	-32	-123
Accumulated depreciation as at December 31, 2017	**16 556**	**125**	**0**	**1 288**	**17 969**
Net carrying amount as at January 1, 2017	**7 499**	**0**	**0**	**2 473**	**9 972**
Net carrying amount as at December 31, 2017	**9 533**	**0**	**0**	**2 863**	**12 396**
Gross carrying amount as at January 1, 2018	**26 089**	**125**	**0**	**4 151**	**30 365**
Additions	421	0	0	296	717
Disposals	-7	0	0	-400	-407
Transfers	226	0	0	-226	0
Transfer to assets held for sale	-1 640	0	0	-274	-1 914
Currency translation difference	34	6	0	-7	33
Gross carrying amount as at December 31, 2018	**25 123**	**131**	**0**	**3 540**	**28 794**
Accumulated depreciation as at January 1, 2018	**16 556**	**125**	**0**	**1 288**	**17 969**
Additions	2 904	0	0	572	3 476
Disposals	-6	0	0	-126	-132
Transfers	0	0	0	0	0
Transfer to assets held for sale	-1 089	0	0	-162	-1 251
Currency translation difference	16	6	0	-7	15
Accumulated depreciation as at December 31, 2018	**18 381**	**131**	**0**	**1 565**	**20 077**
Net carrying amount as at January 1, 2018	**9 533**	**0**	**0**	**2 863**	**12 396**
Net carrying amount as at December 31, 2018	**6 742**	**0**	**0**	**1 975**	**8 717**

In 2017, additional investments were made in software's mainly CMMS and sales license for the Japanese market (Shonin).

In 2018, additional investments were made in software mainly CMMS, travel tool and SAP.

In 2018, Product Life cycle management related software was scrapped for EUR 0.27 million.

Amortization expense for intangible assets was recognized in the income statement in the “Cost of sales and services”, “Sales and marketing expenses”, “General and administrative expenses”, “Research and development expenses”, and “Other operating expenses” line items.

No impairment of the intangible assets was recognized on December 31, 2017 and December 31, 2018.

9. PROPERTY, PLANT AND EQUIPMENT

EUR 000	Land and buildings	Plant, machinery and equipment	Furniture, fixtures and vehicles	Other tangible fixed assets	Total
Gross carrying amount as at January 1, 2017	**13 611**	**10 682**	**2 715**	**8 177**	**35 185**
Additions	6 889	2 228	377	419	9 913
Disposals	-16	-180	-34	-86	-316
Transfers	704	380	-9	-1 075	0
Currency translation difference	-30	-154	-82	-107	-373
Gross carrying amount as at December 31, 2017	**21 158**	**12 956**	**2 967**	**7 328**	**44 409**
Accumulated depreciation as at January 1, 2017	**7 351**	**5 187**	**1 846**	**4 479**	**18 863**
Additions	552	1 680	172	977	3 381
Disposals	-13	-120	-33	-85	-251
Transfers	0	0	0	0	0
Currency translation difference	-13	-130	-65	-62	-270
Accumulated depreciation as at December 31, 2017	**7 877**	**6 617**	**1 920**	**5 309**	**21 723**
Net carrying amount as at January 1, 2017	**6 260**	**5 495**	**869**	**3 698**	**16 322**
Net carrying amount as at December 31, 2017	**13 281**	**6 339**	**1 047**	**2 019**	**22 686**
Gross carrying amount as at January 1, 2018	**21 158**	**12 956**	**2 967**	**7 328**	**44 409**
Additions	15 111	1 359	450	1 104	18 024
Disposals	0	-51	-11	-45	-107
Transfers	325	302	43	-670	0
Reclassification	0	-656	0	0	-656
Transfer to assets held for sale	-1 184	-2 822	-560	-1 314	-5 880
Currency translation difference	14	49	7	35	105
Gross carrying amount as at December 31, 2018	**35 424**	**11 137**	**2 896**	**6 438**	**55 895**
Accumulated depreciation as at January 1, 2018	**7 877**	**6 617**	**1 920**	**5 309**	**21 723**
Additions	769	1 417	193	932	3 311
Disposals	0	-48	-7	-43	-98
Transfers	0	0	0	0	0
Reclassification	0	-219	0	0	-219
Transfer to assets held for sale	-661	-1 389	-467	-934	-3 451
Currency translation difference	7	43	8	29	87
Accumulated depreciation as at December 31, 2018	**7 992**	**6 421**	**1 647**	**5 293**	**21 353**
Net carrying amount as at January 1, 2018	**13 281**	**6 339**	**1 047**	**2 019**	**22 686**
Net carrying amount as at December 31, 2018	**27 432**	**4 716**	**1 249**	**1 145**	**34 542**

"Other tangible fixed assets'' mainly include computer hardware and assets under construction. There are no tangible fixed assets subject to title restrictions.

Depreciation expense for tangible assets was recognized in the income statement in the "Cost of sales and services", "Sales and marketing expenses", "General and administrative expenses", "Research and development expenses" and "Other operating expenses" line items.

No impairment was recognized in the 2017 and 2018 financial year.

In 2017 and 2018, additional investments were made for asset maintenance and for the new factory that became operational end 2018.

In 2017 and 2018, the disposals of tangible assets mainly correspond to the scrapping of unused assets by the Group.

In 2018, a capitalized equipment has been reclassified on a proton therapy project for EUR 0.44 million.

10. LEASE ARRANGEMENTS

IBA holds the following assets under finance lease contracts:

(EUR 000)	Land and buildings		Plant, machinery and equipment		Furniture, fixtures and vehicles	
	December 31, 2017	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017	December 31, 2018
Gross carrying amount	4 135	17 972	0	25	0	26
Accumulated depreciations (-)	-38	-115	0	-2	0	-3
Net carrying amount	**4 097**	**17 857**	**0**	**23**	**0**	**23**

Details of lease payments on finance liabilities relating to leased assets are set out in Note 19.2. These amounts are included in tangible fixed assets.

The finance lease contracts at the end of 2017 relate to the emphyteutic lease of the land of the new factory in Belgium. Options related to several buildings located in Louvain-la-Neuve, were levied during 2017.

The 2018 increase of land and buildings finance lease contracts is related to the new Belgian factory that became operational at the end of 2018, for an amount of EUR 13.8 million.

11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD AND OTHER INVESTMENTS

(EUR 000)	December 31, 2017	December 31, 2018
Investments accounted for using the equity method	0	0
Other investments	8 909	13 005
TOTAL	**8 909**	**13 005**

11.1 MOVEMENTS IN EQUITY-ACCOUNTED INVESTMENTS

Equity-accounted companies are listed in Note 5.2. and are Cyclhad SAS and PharmaLogic Pet Services of Montreal Cie.

(EUR 000)	December 31, 2017	December 31, 2018
As at January 1	**1 402**	**0**
Share of profit/(loss) of equity-accounted investments	92	0
Additions	0	0
Disposals	0	0
Impact of margin elimination on tangible assets	-1 400	0
Dividend received	0	0
Transfers to assets held for sale	0	0
Equity movements of equity accounted investments	-94	0
Currency translation difference	0	0
As at December 31	**0**	**0**

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

(EUR 000)	Country	Assets	Liabilities	Revenue	Profit/(Loss)	% Interest
2017						
CONTINUING OPERATIONS						
Cyclhad SAS	France	78 326	73 816	0	0	33.33%
DISCONTINUING OPERATIONS						
PharmaLogic Pet Services of Montreal Cie. (2)	Canada	152	8	0	-149	48.0%

(EUR 000)	Country	Assets	Liabilities	Revenue	Profit/(Loss)	% Interest
2018						
CONTINUING OPERATIONS						
Cyclhad SAS (1)	France	77 903	73 393	0	0	33.33%
DISCONTINUING OPERATIONS						
PharmaLogic Pet Services of Montreal Cie. (2)	Canada	47	5	0	-84	48.0%

(1) Financial statement of June 30, 2018.
(2) The activity of the company has been sold in March 2014 through an asset deal.

The Group has a 33.33% interest in Cyclhad SAS, which was building up a proton therapy center which is operational since the summer 2018. At the date of the publication of IBA consolidated statements, the financial statements of Cyclhad SAS at December 31, 2018 were not yet finalized. For this reason, we are presenting in our consolidated financial statements the latest Cyclhad SAS available financial information.

The following table illustrates the summarized financial information of the Group's investment in Cyclhad SAS:

	Cyclhad SAS (EUR 000) December 31, 2017	Cyclhad SAS (EUR 000) June 30, 2018
Investment in affiliated companies		
Current assets	14 702	10 311
Non-current assets	54 869	57 707
Current liabilities (-)	-1 140	-246
Non-Current liabilities (-)	-72 676	-73 147
Equity	**-4 245**	**-5 375**
Group's share in equity – 33.33% (2017: 33.33%)	-1 415	-1 792
Cumulative unrecognized share of losses of associate	+1 415	+1 792
Group's carrying amount of Investment accounted for using the equity method	**0**	**0**

IBA has no capital commitments as at December 31, 2018 and 2017 and has therefore not accounted its share of the negative equity. For this reason also, the absence of financial information as of December 31, 2018 does not impact the consolidated financial statements of the Group.

11.2 MOVEMENTS IN OTHER INVESTMENTS

The "Other investments" are comprised of shares of unlisted companies. These shares are reassessed either on the basis of the discount method for expected future cash flows, or on the basis of the value granted to them during the most recent operation to raise additional capital or from valuation by independent third parties.

(EUR 000)	TOTAL
As at December 31, 2017	**8 909**
Equity stake acquisition	0
Equity stake disposal	0
Movements through reserves (Valuation at fair value - IFRS 9)	4 096
Impairment	0
As at December 31, 2018	**13 005**

In 2016, the Group took a stake of 10.26% (USD 2 million) in HIL Applied Medical Ltd, a private Israeli developer of laser-based proton therapy systems which is applying a novel, patented approach to particle acceleration and delivery, combining non-technology with ultra-high-intensity lasers and ultra-fast magnets. This potential technological breakthrough could enable a meaningful reduction in the size and cost of proton therapy systems without compromising clinical utility. Alongside this investment, IBA and HIL have signed an Original Equipment Manufacturer (OEM) agreement which gives IBA the right to purchase HIL's laser-based proton accelerators for the purpose of integrating them into proton therapy solutions.

In 2015, the Group took a minority stake of GBP 5 million in Proton Partners International (PPI).

The investment in Proton Partners International has been reevaluated at its fair value based on their latest 2018 capital increase of GBP 2 per share. This reevaluation at fair value increased at December 31, 2018 the value of our investment by EUR 4.1 million against the Group other reserves.

12. DEFERRED TAXES

The Group recognizes deferred tax assets on unused losses carried forward to the extent that the taxable profit against which these assets are available can be used. The amounts recognized in the balance sheet are prudent estimates made on the basis of recent financial plans approved by the Board of Directors and depend on certain judgments with respect to the amounts and location of the future taxable profits of the Group's subsidiaries and parent company.

(EUR 000)	December 31, 2017	December 31, 2018
DEFERRED TAX ASSETS		
Deferred tax assets to be recovered after 12 months – Tax losses on carry-forward	4 250	4 287
Deferred tax assets to be recovered after 12 months - temporary differences	0	0
Deferred tax assets to be recovered within 12 months - Tax losses on carry-forward	0	0
Deferred tax assets to be recovered within 12 months - temporary differences	1 767	1 874
TOTAL	**6 017**	**6 161**
DEFERRED TAX LIABILITIES		
Deferred tax liabilities to be paid after 12 months - temporary differences	667	0
Deferred tax liabilities to be paid within 12 months - temporary differences	0	0
TOTAL	**667**	**0**
Net deferred tax assets	**5 350**	**6 161**

Deferred tax assets increased from EUR 6.02 million in 2017 to EUR 6.16 million in 2018 mainly due to the increase of temporary differences in the US entities.

In 2017 and in 2018, the recognized temporary differences are mainly related to taxable deferred revenues, non-deductible allowance for doubtful accounts, expenses accrual and inventory in the US entities.

(EUR 000)	TOTAL
DEFERRED TAX ASSETS	
As at January 1, 2017	**22 796**
Credited/(charged) to the income statement	-16 501
Transfers to assets held for sale	0
Currency translation difference	-278
As at December 31, 2017	**6 017**
Credited/(charged) to the income statement	399
Transfers to assets held for sale	-343
Currency translation difference	88
As at December 31, 2018	**6 161**

(EUR 000)	TOTAL
DEFERRED TAX LIABILITIES	
As at January 1, 2017	**582**
Credited/(charged) to the income statement	85
Transfers to liabilities directly related to assets held for sale	0
Currency translation difference	0
As at December 31, 2017	**667**
Credited/(charged) to the income statement	0
Transfers to liabilities directly related to assets held for sale	-667
Currency translation difference	0
As at December 31, 2018	**0**

Deferred tax assets are recognized on tax loss carry-forwards to the extent that it is likely that they can be recovered through future earnings. Note 3 explains the estimates and judgments used by IBA in making this assessment.

On December 31, 2018, EUR 23.0 million of deferred taxes were not recognized as assets in the balance sheet (EUR 27.7 million in 2017). Tax losses and corresponding temporary differences have no expiry dates.

13. OTHER LONG-TERM ASSETS

(EUR 000)	December 31, 2017	December 31, 2018
Long-term receivables on contracts in progress	762	711
Research tax credit	10 048	11 152
Other assets	7 762	4 837
TOTAL	**18 572**	**16 700**

As at December 31, 2018, "Other assets" mainly consists of financial notes issued by a proton therapy customer for a total amount of EUR 4.4 million and bank deposits of EUR 0.34 million. The financial notes is explained by the conversion of loans and receivables existing at December 31, 2017. This conversion impacted the financial results with an amount of EUR 1.92 million (write-offs on loans and discounting of the financial notes - see note 26.1).

As at December 31, 2017, "Other assets" mainly consisted of a loan (principal and interest) and long-term receivables for a total amount of EUR 7.3 million in a company in which the Group holds a participation and bank deposits of EUR 0.34 million.

14. INVENTORIES AND CONTRACTS IN PROGRESS

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

(EUR 000)	December 31, 2017	December 31, 2018
Raw materials and supplies	72 022	69 513
Finished products	2 414	143
Work in progress	8 811	12 741
Contracts in progress	65 352	57 079
Write-off of inventories (-)	-8 311	-8 403
Inventories and contracts in progress	**140 288**	**131 073**
Costs to date and recognized revenue	492 103	479 735
Less : progress billings	-426 751	-422 656
Contracts in progress	**65 352**	**57 079**
Net amounts due to customers for contracts in progress (Note 24)	72 906	88 483

As at December 31, 2017 and 2018, there are no contracts in progress set as a warranty to cover the financing of a proton therapy contract.

As at December 31, 2018, contracts in progress and amounts due to customers for contracts in progress shows a net position of EUR -31.40 million compared to EUR -7.55 million as at December 31, 2017. The positive evolution amounting to EUR 23.85 million is primarily explained by the level of billings during 2018.

15. TRADE AND OTHER RECEIVABLES

15.1 TRADE RECEIVABLES

Trade account receivables are detailed as follows:

(EUR 000)	December 31, 2017	December 31, 2018
Amounts invoiced on contracts in progress but for which payment has not yet been received at balance sheet date	15 498	52 633
Other trade receivables	49 038	44 783
Impairment of trade receivables (-)	-3 536	-866
TOTAL	**61 000**	**96 550**

The increase in trade receivables amounts to EUR 35.55 million as at December 31, 2018, or EUR 42.65 million when considering the reclassification made in 2018 to "Assets held for sale". This increase is explained by the improvement of the net position of Contracts in progress by EUR 23.85 million (see Note 14) but also by some delayed payment from customers.

As at December 31, the repayment schedule for trade receivables (excluding impairments) was as follows:

(EUR 000)	TOTAL	not due	< 30 days	30-59	60-89	90-179	180-269	270-360	> 1 year
2017	**64 536**	22 517	6 104	13 611	2 420	15 086	888	1 436	2 474
2018	**97 416**	31 780	15 878	6 190	3 046	861	10 334	9 211	20 116

In 2019, IBA received customer payments of EUR 11.35 million for outstanding invoices of more than 1 year and EUR 9.25 million related to outstanding invoices between 180 – 269 days. In addition to these payments, it should be noted that the unpaid balances above 180 days do not present significant exposure as they are primarily covered by the related balances in "Amounts due to customers for contracts in progress". The ageing balance above does not yet reflect rescheduled payment terms agreed early in 2019.

As at December 31, 2018, trade receivable impairments totals EUR 0.87 million. Changes in the provision for doubtful debts for the past two years are as follows:

(EUR 000)	
As at January 1, 2017	**3 096**
Charge for the year	2 575
Utilizations	-1 376
Write-backs	-581
Currency translation difference	-178
As at December 31, 2017	**3 536**
Charge for the year	464
Utilizations	-1 320
Write-backs	-1 120
Transfer to assets held for sale	-748
Currency translation difference	54
As at December 31, 2018	**866**

15.2 OTHER RECEIVABLES

Other receivables on the financial position primarily involve advance payments on orders, deferred charges and accrued income.

The decrease of ''Other receivables'' with EUR 4.06 million is primarily explained by the reclassification of amounts to "Assets held for sale" for EUR 3.03 million. Other receivables are detailed as follows:

(EUR 000)	December 31, 2017	December 31, 2018
Non-trade receivables and advance payments	18 931	16 645
Deferred charges	2 185	1 858
Accrued income	1 290	2 728
Current income tax receivables	2 790	82
Other current receivables	1 022	842
TOTAL	**26 218**	**22 155**

As at December 31, 2018, the ''non-trade receivables and advance payments'' heading is mainly composed of VAT receivable for EUR 2.3 million, advance payments to supplier for EUR 11.4 million, grants receivables for EUR 2.4 million, other tax receivables for EUR 0.4 million and other non-trade receivables for EUR 0.1 million.

As at December 31, 2018, the "Other current receivables" heading is mainly composed of ''research tax credit" for EUR 0.63 million and insurance indemnity to be received for EUR 0.13 million.

As at December 31, 2018, the ''Current income tax receivable'' heading is composed of tax assets in the United States for EUR 0.08 million.

As at December 31, 2017, the ''non-trade receivables and advance payments'' heading was mainly composed of VAT receivable for EUR 3.9 million, advance payments to supplier for EUR 12.1 million, grants receivables for EUR 1.4 million, other tax receivables for EUR 0.7 million and other non-trade receivables for EUR 0.8 million.

As at December 31, 2017, the "Other current receivables" heading was mainly composed of ''research tax credit" for EUR 0.89 million.

As at December 31, 2017, the ''Current income tax receivable'' heading was composed of tax assets in the United States for EUR 0.32 million and in Dosimetry Germany for EUR 2.47 million.

16. CASH AND CASH EQUIVALENTS

(EUR 000)	December 31, 2017	December 31, 2018
Bank balances and cash	27 238	36 368
Accounts with restrictions shorter than 3 months	0	0
Short-term bank deposits	35	34
CASH AND CASH EQUIVALENTS - CONTINUING OPERATIONS	**27 273**	**36 402**
Cash and cash equivalents attributable to discontinued operations (Note 6)	0	2 294
CASH AND CASH EQUIVALENTS - CONTINUING AND DISCONTINUED OPERATIONS	**27 273**	**38 696**

As at December 31, 2018, the effective interest rate on the cash position was 0.15% (0.10% in 2017). Short-term deposits have an average maturity of less than 30 days.

17. CAPITAL STOCK AND SHARE-BASED PLANS

17.1 CAPITAL STOCK

	Number of shares	Issued capital stock (EUR)	Capital surplus (EUR)	Treasury shares (EUR)	Total (EUR)
Balance as at January 1, 2017	**29 764 396**	**41 775 555**	**40 617 898**	**-8 501 979**	**73 891 474**
Stock options exercised	197 850	277 683	703 604	0	981 287
Capital increases (other)	0	0	0	0	0
Disposal of treasury shares	0	0	0	0	0
Other	0	0	0	0	0
Balance as at December 31, 2017	**29 962 246**	**42 053 238**	**41 321 502**	**-8 501 979**	**74 872 761**
Stock options exercised	160 282	224 956	541 416	0	7 66 372
Capital increases (other)	0	0	0	0	0
Disposal of treasury shares	0	0	0	0	0
Other	0	0	0	0	0
Balance as at December 31, 2018	**30 122 528**	**42 278 194**	**41 862 918**	**-8 501 979**	**75 639 133**

As at December 31, 2018, 59.50% of IBA's stock was traded on Euronext. Full details of the Group's shareholders are set out in the section "The stock market and shareholders" of this annual report.

In view of the loss of the 2018 financial year, IBA's Board of Directors intends to recommend to the General Assembly to not pay any dividend in 2019.

In 2013, no stock option plan has been launched.

Stock option plans launched in 2014 and 2015 have the following vesting scheme: 100 percent vesting as at December 31, 2018 and can be exercised until June 30, 2024.

In 2016, 2017 and 2018, no stock option plan has been launched.

17.2 STOCK OPTIONS AND SHARE-BASED PAYMENTS

Group employees and Management can purchase or obtain IBA stock through various stock option and stock plans. Option strike prices are set at the market price of the underlying stock on the date of grant. As far as stock plans are concerned, the benefit awarded is either the market value of the shares at the grant date or a discount of 16.67 % on the value of the shares at the grant date. Stock ownership vests irrevocably on the date of granting.

However, stock must be held for three years following the grant date. As far as stock option plans are concerned, the fair value of the benefit awarded is determined using the Black & Scholes model, as described below. The benefit granted is recognized as an employee cost, and the share-based payment reserve is increased accordingly.

As at December 31, 2017, IBA had 3 stock option plans in place. These plans had a vesting date at December 31, 2018.

The Company used the Black & Scholes model to value options, with no vesting conditions other than time. Expected volatility for the stock option plans is based on historical volatility determined by statistical analysis of daily share price movements. The exercise price of shares for the stock option plans was based on the average share price for the 30 days preceding the grant date.

As at December 31, 2018, a charge of EUR 0.24 million was recognized in the other operating expenses for employee stock options (EUR 0.19 million in 2017).

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

	December 31, 2017		December 31, 2018	
Expiration date	Exercise price (EUR)	Number of stock options	Exercise price (EUR)	Number of stock options
September 30, 2017	5.10	2 537	5.10	0
September 30, 2018	4.78	161 116	4.78	0
June 30, 2024	11.52	186 500	11.52	178 500
June 30, 2024	31.84	50 000	31.84	20 000
TOTAL outstanding stock options		**400 153**		**198 500**

Stock option movements can be summarized as follows:

	December 31, 2017		December 31, 2018	
	Average exercise price in EUR per share	Number of stock options	Average exercise price in EUR per share	Number of stock options
Outstanding as at January 1	**9.20**	**598 003**	**11.30**	**400 153**
Issued		0		0
Forfeited (-)		0	25.72	-41 371
Exercised (-)	4.94	-197 850	4.78	-160 282
Expired (-)		0		0
Outstanding as at December 31	**11.30**	**400 153**	**13.57**	**198 500**
Exercisable as at December 31		**161 116**		**198 500**

18. RESERVES

(EUR 000)	December 31, 2017	December 31, 2018
Hedging reserves	4 466	-650
Other reserves - value of stock option plans and share-based compensation	15 473	15 714
Other reserves - other	154	154
Other reserves - fair value adjustment of available-for-sale investments	0	4 097
Other reserves - Defined benefit plan	-3 888	-3 640
Reserves for assets held for sale	0	0
Currency translation difference	-3 321	-3 299
Retained earnings	20 937	15 076

The hedging reserves include changes in the fair value of financial instruments used to hedge cash flows of future transactions. Hedging reserves have decreased with EUR 5.1 million in 2018.

In 2018, the increase of '' Other reserves - fair value adjustment of available-for-sale investments'' is related to the reevaluation at fair value of the other investment in Proton Partners International.

Cumulative translation difference includes differences related to the translation of financial statements of consolidated entities whose functional currency is not the euro. It also includes foreign exchange differences arising from long-term loans that are part of the Group's net investment in foreign operations.

In 2018, a loss of EUR -0.32 million on the retranslation of these loans was reclassified to equity in order to offset the loss arising from the translation of these loans between subsidiaries of the Group (profit of EUR 0.05 million in 2017).

As at December 31, 2017, the following loans between subsidiaries were designated as the Group's permanent financing in foreign operations:

- IBA SA to IBA USA Inc.: USD 0.5 million
- IBA SA to IBA Industrial Inc.: EUR 3.1 million
- Ion Beam Beijing Medical Applications Technology Service Co. Ltd. To IBA SA: CNY 45.0 million and CNY 14.8 million

As at December 31, 2018, the following loans between subsidiaries are designated as the Group's permanent financing in foreign operations:

- Ion Beam Beijing Medical Applications Technology Service Co. Ltd. To IBA SA: CNY 45.0 million and CNY 14.8 million

19. BORROWINGS

(EUR 000)	December 31, 2017	December 31, 2018
Non-current		
Bank and other borrowings (Note 19.1)	19 286	30 390
Financial lease liabilities (Note 19.2)	0	12 888
TOTAL	**19 286**	**43 278**
Current		
Short-term bank loans	15 000	37 470
Bank and other borrowings (Note 19.1)	8 464	4 145
Financial lease liabilities (Note 19.2)	0	895
TOTAL	**23 464**	**42 510**

Loan/Credit line	Ranking	Status	Outstanding December 31, 2018 (EUR 000)	Outstanding December 31, 2017 (EUR 000)	Currency	Interest	Maturity	Repayment
S.R.I.W.	Subordinated	Unsecured	4 286	5 000	EUR	Fixed	2024	Amortizing
S.R.I.W.	Subordinated	Unsecured	10 000	10 000	EUR	Fixed	2025	Amortizing
S.R.I.W.	Subordinated	Unsecured	5 000	0	EUR	Fixed	2021	Bullet at maturity
S.F.P.I.	Subordinated	Unsecured	5 000	0	EUR	Fixed	2021	Bullet at maturity
Treasury notes	Senior	Unsecured	5 250	5 750	EUR	Fixed	2021	Bullet at maturity
Investment loan	Senior	Unsecured	5 000	7 000	EUR	Fixed	2021	Amortizing
Real estate leasing	Senior	Secured	13 784	0	EUR	Fixed	2033	Amortizing
Overdraft facility - India	Senior	Secured	1 469	0	INR	Floating*	2019	Revolving
Revolving short term facilities	Senior	Unsecured	36 000	15 000	EUR	Floating**	2021	Revolving

** MCLR + margin*

*** EURIBOR + margin dependent on Net Leverage ratio*

19.1 BANK AND OTHER BORROWINGS

	December 31, 2017 (EUR '000)	December 31, 2018 (EUR '000)
Current	23 464	41 615
Non-current	19 286	30 390
Total	**42 750**	**72 005**
Opening amount	**29 750**	**42 750**
New borrowings	15 000	32 470
Repayment of borrowings	-2 000	-3 215
Transfers to liabilities directly related to assets held for sale	0	0
Currency translation difference	0	0
Closing balance (1)	**42 750**	**72 005**

(1) Including 3 subordinated bonds for EUR 19.29 million from S.R.I.W.at end 2018 (2 loans for a total amount of EUR 15 million at end 2017) and a new subordinated bond from S.F.P.I for EUR 5 million

As at December 31, 2018, the bank and other borrowings include unsecured subordinated bonds from S.R.I.W. for a total of EUR 19.29 million (EUR 15 million in 2017), a new unsecured subordinated bond from S.F.P.I. for EUR 5 million, an unsecured bank loan for an amount of EUR 5 million (EUR 7 million in 2017), an unsecured senior bond for EUR 5.25 million (EUR 5.75 million in 2017), bank overdrafts outside of Belgium for EUR 1.47 million (nihil in 2017), and short term credit facilities for EUR 36 million (EUR 15 million in 2017).

As detailed further, new borrowings relate to increased usage of credit facilities (EUR 21 million), new bonds from S.R.I.W. and S.F.P.I. (EUR 10 million) and bank overdrafts (EUR 1.47 million).

Repayments of borrowings relate to Treasury notes (EUR 0.5 million), bank loan (EUR 2 million) and S.R.I.W. loans (EUR 0.72 million).

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

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

Following the terms of the S.R.I.W. and S.F.P.I. borrowings, the Group agreed to comply with specific covenants relating to IBA SA's level of equity.

In March 2018, IBA obtained new subordinated bonds of EUR 5 million each from of S.R.I.W. and S.F.P.I. to strengthen its financial position in the context of the increase of its short-term bank credit lines (see below). These loans are repayable bullet at maturity (on December 31, 2021).

Repayments have been made for EUR 0.72 million in 2018.

As at December 31, 2108, subordinated bonds from S.R.I.W. amounts to EUR 19.29 million and new subordinated bond from S.F.P.I amounts to EUR 5 million.

Credit facilities

At December 31, 2017, IBA had short-term credit facilities with 3 leading Belgian banks, amounting to EUR 10 million each. On March 9, 2018, these banks together agreed to confirm these revolving credit facilities for a period of 3 years, and to increase the amount thereof from EUR 10 million to EUR 20 million each (i.e. from EUR 30 million to EUR 60 million in aggregate) until September 30, 2019. As at December 31, 2018, the credit facilities are used for an amount of EUR 36 million (EUR 15 million in 2017), or an increase of EUR 21 million compared to 2017.

In the third quarter of 2018, these short-term credit lines were complemented by an additional EUR 7 million facility from another bank established in Belgium in order to further improve the Group's financial flexibility.

In addition, bank overdrafts at a subsidiary amount to EUR 1.47 million as at December 31, 2018 (nihil as at December 31, 2017).

Treasury notes

In February 2016, IBA issued private 5-year treasury notes for a total subscribed amount of EUR 5.75

million. These notes are to be repaid in a single instalment in February 2021. At December 31, 2017, they were reclassified to “short term borrowings”, pending the outcome of discussions with the noteholders on a waiver of financial covenants.

In 2018, the majority of the noteholders had accepted the waiver of financial covenants as at December 31, 2017, and an amount of EUR 0.5 million has been repaid to some noteholder. In addition, the financial covenants (calculated on the same consolidation scope as 2017: Proton Therapy and other accelerators & Dosimetry) applying to these treasury notes were respected at December 31, 2018. As a result, the outstanding amount of EUR 5.25 million has been reclassified to “long term borrowings as at December 31, 2018.

Bank and other borrowings

In April 2016, IBA borrowed EUR 10 million from a Belgian bank. This bank loan is repayable in 20 quarterly instalments equal in principal, starting end of July 2016 and ending in April 2021. Repayments have been made for EUR 2 million in 2018 and the outstanding loan as at December 31, 2018 amounts to EUR 5 million.

Covenants

All the above facilities are subject to several financing covenants.

Financial covenants applying to the credit facilities with 3 banks are based on (a) a maximum net leverage ratio (calculated as the net senior indebtedness of the Group divided by its REBITDA over the last 12 months) and (b) a minimum corrected equity level (calculated as the sum of the Group’s equity and its subordinated indebtedness). Covenants were complied with as at December 31, 2018.

The financial covenants applying to the treasury notes are fully complied with as at December 31, 2018 when calculated on the same consolidation scope as in 2017 (i.e. before discontinuing the Dosimetry segment).

Despite the fact that Dosimetry is presented as a discontinued operation, Management has added back Dosimetry REBITDA to the covenant calculations, as Dosimetry is still part of the Group at December 31, 2018. Management considers that this presentation is in line with the covenant requirements.

The maturities of bank and other borrowings are detailed as follows:

(EUR 000)	December 31, 2017	December 31, 2018
One year or less	23 464	41 615
Between 1 and 2 years	4 143	4 145
Between 2 and 5 years	9 429	22 685
Over 5 years	5 714	3 560
TOTAL	**42 750**	**72 005**

The minimum payments of bank and other borrowings are as follows:

(EUR 000)	December 31, 2017	December 31, 2018
One year or less	24 471	42 792
Between 1 and 2 years	4 819	5 200
Between 2 and 5 years	10 732	24 389
Over 5 years	6 084	3 718
	46 106	**76 099**
Future interest expense on bank and other borrowings (-)	-3 356	-4 094
TOTAL	**42 750**	**72 005**

The effective interest rates for bank and other borrowings at the balance sheet date are as follows:

	December 31, 2017		December 31, 2018	
	EUR	INR	EUR	INR
Bank and other borrowings	2.95%	N/A	3.18%	10.40%

The carrying amounts of the Group's borrowings are denominated in the following currencies:

(EUR 000)	December 31, 2017	December 31, 2018
EUR	42 750	70 535
INR	0	1 470
USD	0	0
TOTAL	**42 750**	**72 005**

Utilized credit facilities are as follows:

(EUR 000)	December 31, 2017	December 31, 2018
FLOATING RATE		
– expiring within one year	15 000	37 470
– expiring beyond one year	0	0
TOTAL FLOATING RATE	**15 000**	**37 470**
FIXED RATE		
– expiring within one year	8 464	4 145
– expiring beyond one year	19 286	30 390
TOTAL FIXED RATE	**27 750**	**34 535**
TOTAL	**42 750**	**72 005**

Unutilized credit facilities are as follows:

(EUR 000)	December 31, 2017	December 31, 2018
FLOATING RATE		
– expiring within one year	15 000	32 290
– expiring beyond one year	0	0
TOTAL FLOATING RATE	**15 000**	**32 290**
FIXED RATE		
– expiring within one year	0	0
– expiring beyond one year	0	0
TOTAL FIXED RATE	**0**	**0**
TOTAL	**15 000**	**32 290**

The facilities expiring within one year are annual facilities subject to review at various dates during the 12 months following the end of the financial year.

The other facilities have been arranged to help to finance the proposed expansion of the Group's activities.

19.2 FINANCIAL LEASE LIABILITIES

In March 2017, IBA had signed a financial lease agreement with two Belgian banks in order to finance the new factory. The lease became operational at the end of 2018, for an amount of EUR 13.8 million.

(EUR 000)	December 31, 2017	December 31, 2018
Non-current	0	12 888
Current	0	895
TOTAL	**0**	**13 783**

Changes in financial lease liabilities are as follows:

(EUR 000)	December 31, 2017	December 31, 2018
Opening balance	**151**	**0**
New borrowings	0	13 881
Repayment of borrowings	-151	-98
Transfers to liabilities directly related to assets held for sale	0	0
Currency translation difference	0	0
Closing balance	**0**	**13 783**

The increase of financial lease liabilities correspond to the financing of a new factory in Belgium that became operational end 2018 for EUR 13.8 million.

Minimum lease payments on financial lease liabilities are as follows:

(EUR 000)	December 31, 2017	December 31, 2018
Due	0	136
One year or less	0	1 029
Between 1 and 2 years	0	1 042
Between 2 and 5 years	0	3 096
Over 5 years	0	10 390
TOTAL	**0**	**15 693**
Future financial charges on financial leases (-)	0	-1 910
Present value of financial lease liabilities	**0**	**13 783**

The present value of financial lease liabilities is as follows:

(EUR 000)	December 31, 2017	December 31, 2018
Due	0	98
One year or less	0	797
Between 1 and 2 years	0	825
Between 2 and 5 years	0	2 521
Over 5 years	0	9 542
TOTAL	**0**	**13 783**

The carrying amounts of financial lease liabilities are denominated in the following currencies:

(EUR 000)	December 31, 2017	December 31, 2018
EUR	0	13 762
CNY	0	21
USD	0	0
TOTAL	**0**	**13 783**

As at December 31, 2018, the average interest rate paid on financial lease debts is not relevant due to the fact that the new financial lease for the new factory in Belgium has been accounted in December 2018 for EUR 13.8 million.

20. LONG-TERM AND SHORT-TERM PROVISIONS

	Environment	Warranties	Litigation	Defined employee benefits	Other employee benefits	Other	Total
As at January 1, 2017	**607**	**2 989**	**140**	**3 425**	**4 424**	**4 838**	**16 423**
Additions (+)	1	1 633	84	394	74	1 732	3 918
Write-backs (-)	0	-834	0	0	-4 252	-977	-6 063
Utilizations (-)	-170	-869	0	0	-43	-830	-1 912
Actuarial (gains)/losses generated during the year	0	0	0	425	0	0	425
Transfers to liabilities directly related to assets held for sale	0	0	0	0	0	0	0
Currency translation difference	0	-23	-1	0	-28	-42	-94
Total movement	**-169**	**-93**	**83**	**819**	**-4 249**	**-117**	**-3 726**
As at December 31, 2017	**438**	**2 896**	**223**	**4 244**	**175**	**4 721**	**12 697**

	Environment	Warranties	Litigation	Defined employee benefits	Other employee benefits	Other	Total
As at January 1, 2018	**438**	**2 896**	**223**	**4 244**	**175**	**4 721**	**12 697**
Additions (+)	0	4 131	0	479	75	0	4 685
Write-backs (-)	-284	-635	0	0	0	-1 061	- 1 980
Utilizations (-)	-46	-2 484	0	0	-69	-1 445	-4 044
Actuarial (gains)/losses generated during the year	0	0	0	-248	0	0	-248
Transfers to liabilities directly related to assets held for sale	-108	-235	-83	0	0	-12	-438
Currency translation difference	0	6	0	0	0	1	7
Total movement	**-438**	**783**	**-83**	**231**	**6**	**-2 517**	**2 018**
As at December 31, 2018	**0**	**3 679**	**140**	**4 475**	**181**	**2 204**	**10 679**

20.1 ENVIRONMENT

Provisions for decommissioning costs related to the Group sites where radiopharmaceutical agents are produced have been recognized where an obligation exists to incur these costs. These provisions are measured at the net present value of the best estimate of the costs that will need to be incurred.

Movements can be detailed as follows:

- Utilizations of provision related to the contractual obligations of IBA to dispose of radioactive waste on the Fleurus site for EUR 0.05 million.
- Reversal of the remaining provision related to the contractual obligations of IBA to dispose of radioactive waste on the Fleurus site for EUR 0.28 million.

20.2 WARRANTIES

Provisions for warranties cover warranties for machines sold to customers.

Movements can be detailed as follows:

- New provisions in relation to Proton therapy and others accelerators amounting to EUR 4.13 million.
- Reversals of provisions in relation to Proton therapy and others accelerators amounting to EUR -0.64 million.
- Utilizations of provisions in relation to Proton therapy and others accelerators amounting to EUR -2.48 million.

20.3 DEFINED EMPLOYEE BENEFITS

See note 28.

20.4 OTHER EMPLOYEE BENEFITS

Other employee benefits provisions as at December 31, 2018 consisted primarily of the following:

- An amount of EUR 0.18 million relating to retirement plan for our Italian personnel.

20.5 OTHER

Other provisions as at December 31, 2018 consisted primarily of the following:

- An amount of EUR 1.02 million relating to non-recurring commitments on proton therapy projects, an amount of EUR 0.83 million covering the Group's commitments under the agreement with SK Capital Partners and an amount of EUR 0.36 million covering tax risks.

Details of the main movements are as follows:

- Reversal of provisions covering tax risks amounting to EUR -0.47 million, risk of non-recoverability in full on a contractual commitment on a proton therapy project amounting to EUR -0.58 million and restructuring and reorganization costs amounting to EUR -0.01 million.
- Utilizations of provisions amounting to EUR -0.66 million covering the Group's estimated commitments under the agreement with SK Capital Partners, EUR -0.45 million covering restructuring and reorganization costs, EUR -0.22 million covering tax risks and EUR -0.12 million covering commitments on another accelerator project.

21. OTHER LONG-TERM LIABILITIES

(EUR 000)	December 31, 2017	December 31, 2018
Advances received from local government	24	4 744
Emphyteutic land lease	4 203	4 270
Other	4 743	4 290
TOTAL	**8 970**	**13 304**

In 2018, the Group has received new advances from local government for EUR 5.8 million, after impact of discounting, of which EUR 4.7 million is due in more than one year and of which EUR 1.1 million are due in less than one year.

In 2017, IBA had recorded a liability relating to the emphyteutic lease of the land of the new factory in Belgium for EUR 4.2 million. The increase in 2018 is due to the impact of reversing the discounting impact.

The caption "Other" primarily includes of long-term contractual obligations related to proton therapy projects for EUR 4.3 million (EUR 3.9 million in 2017).

22. OTHER FINANCIAL ASSETS AND LIABILITIES

(EUR 000)	December 31, 2017	December 31, 2018
HEDGE-ACCOUNTED FINANCIAL INSTRUMENTS		
Forward foreign exchange contracts	2 644	0
Foreign exchange rate swaps	104	25
INSTRUMENTS RECOGNIZED AT FAIR VALUE		
Forward foreign exchange contracts	96	0
Foreign exchange rate swaps	155	70
Options	50	0
Short-term financial assets	**3 049**	**95**
HEDGE-ACCOUNTED FINANCIAL INSTRUMENTS		
Forward foreign exchange contracts	2 226	33
INSTRUMENTS RECOGNIZED AT FAIR VALUE		
Forward foreign exchange contracts	8	0
Foreign exchange rate swaps	55	0
Long-term financial assets	**2 289**	**33**
HEDGE-ACCOUNTED FINANCIAL INSTRUMENTS		
Forward foreign exchange contracts	19	247
Foreign exchange rate swaps	6	24
INSTRUMENTS RECOGNIZED AT FAIR VALUE		
Forward foreign exchange contracts	18	39
Foreign exchange rate swaps	75	261
Short-term financial liabilities	**118**	**571**
HEDGE-ACCOUNTED FINANCIAL INSTRUMENTS		
Forward foreign exchange contracts	0	220
INSTRUMENTS RECOGNIZED AT FAIR VALUE		
Forward foreign exchange contracts	0	0
Foreign exchange rate swaps	0	0
Long-term financial liabilities	**0**	**220**

The Group's policy on the use of financial instruments is detailed in Note 1.22 on Group accounting policies and Note 2.1 on financial risk management.

As at December 31, 2018, an amount of EUR 0.10 million recognized as a short-term financial asset represents EUR 0.03 million in cash flow hedging instruments and EUR 0.07 million in hedging instruments recognized at fair value through profit and loss.

As at December 31, 2017, an amount of EUR 3.05 million recognized as a short-term financial asset represented EUR 2.75 million in cash flow hedging instruments and EUR 0.30 million in hedging instruments recognized at fair value through profit and loss.

As at December 31, 2018, an amount of EUR 0.03 million recognized as a long-term financial asset represents EUR 0.03 million in cash flow hedging instruments.

As at December 31, 2017, an amount of EUR 2.29 million recognized as a long-term financial asset represented EUR 2.23 million in cash flow hedging instruments and EUR 0.06 million in hedging instruments recognized at fair value through profit and loss.

As at December 31, 2018, an amount of EUR 0.57 million recognized as short-term financial liabilities represents EUR 0.27 million in cash flow hedging instruments and EUR 0.30 million in hedging instruments recognized at fair value through profit and loss.

As at December 31, 2017, an amount of EUR 0.12 million recognized as short-term financial liabilities represented EUR 0.03 million in cash flow hedging instruments and EUR 0.09 million in hedging instruments recognized at fair value through profit and loss.

As at December 31, 2018, an amount of EUR 0.22 million recognized as long-term financial liabilities represents EUR 0.22 million in cash flow hedging instruments.

Some of these financial instruments are designated as hedging instruments as they hedge specific exchange rate risks to which the Group is exposed. Hedge accounting has been applied to these contracts because they are deemed to be effective hedges. Those transactions are highly probable as they are linked to contracts. For these cash flow hedges, movements are recognized directly in equity and released to the income statement to offset the income statement impact of the underlying transactions.

In 2018, a cumulative loss of EUR 5.11 million was therefore directly recorded in equity (under "Hedging Reserves") resulting in an accumulated losses amounting to EUR 0.65 million as at December 31, 2018. At December 31, 2017, the accumulated gain amounted to EUR 4.47 million.

23. TRADE PAYABLES

As at December 31, the payment schedule for trade payables was as follows:

(EUR 000)	TOTAL	Due	< 3 months	4-12 months	1-5 years	> 5 years
2017	**46 332**	28 646	17 105	581	0	0
2018	**42 074**	24 426	16 681	967	0	0

24. OTHER PAYABLES

(EUR 000)	December 31, 2017	December 31, 2018
Amounts due to customers for contracts in progress (or advances received on contracts in progress) (see note 14)	72 906	88 483
Social debts	16 864	15 235
Accrued charges	2 686	1 069
Accrued interest charges	201	192
Deferred income	8 179	7 105
Capital grants	1 842	3 617
Non-trade payables	5 662	5 437
Other	3 194	3 033
TOTAL	**111 534**	**124 171**

At December 31, 2018, the heading "Other" is mainly composed of advances of EUR 2.06 million received from the Walloon Region of Belgium and other amounting to EUR 0.97 million.

At December 31, 2017, the heading "Other" was mainly composed of advances of EUR 1.8 million received from the Walloon Region of Belgium, advance payments from customers of EUR 0.1 million and other amounting to EUR 1.3 million.

25. OTHER OPERATING EXPENSES AND INCOME

25.1 OTHER OPERATING EXPENSES

Other operating expenses can be broken down as follows:

(EUR 000)	December 31, 2017	December 31, 2018
Write-offs	-1 300	0
Provisions	-1 498	0
One-time bonus granted to employees, except management	-2 547	0
Reorganization expenses	-1 277	-1 036
Costs related to specific projects (Assets held for sale in 2018)	-553	-607
Other	-1 433	-29
TOTAL	**-8 608**	**-1 672**

At December 31, 2018, the heading '' costs related to specific projects'' includes the costs engaged by the Group for the strategic review of the Dosimetry business.

At December 31, 2017, the heading '' costs related to specific projects'' includes costs related to seeking new strategic partnerships.

At December 31, 2017, the heading "other" mainly includes commitments on proton therapy and other accelerators projects for EUR 1.0 million, cost of share-based payments for EUR 0.18 million and other expenses for EUR 0.25 million.

25.2 OTHER OPERATING INCOME

Other operating income can be broken down as follows:

(EUR 000)	December 31, 2017	December 31, 2018
Reversal long term incentive plan provision	3 649	0
Reversal of other provisions	999	0
Other	415	0
TOTAL	**5 063**	**0**

In 2017 the heading "Reversal of other provisions" includes the impact of the reversal of provisions for tax risk for EUR 1.0 million.

26. FINANCIAL EXPENSES AND INCOME

26.1 FINANCIAL EXPENSES

(EUR 000)	December 31, 2017	December 31, 2018
Interest paid on debts	-989	-2 311
Foreign exchange differences	-2 634	-100
Change in fair value of derivatives	-2 166	-2 168
Discounting on financial notes (see note 13)	0	-1 252
Write-offs on financial loans (see note 13)	0	-677
Other	-828	-1 407
TOTAL	**-6 617**	**-7 915**

As at December 31, 2018, the heading “Other” mainly includes commission and bank charges of EUR 1.05 million.

As at December 31, 2017, the heading “Other” mainly includes commission and bank charges of EUR 0.77 million.

26.2 FINANCIAL INCOME

(EUR 000)	December 31, 2017	December 31, 2018
Interest received on cash and cash equivalents	42	41
Foreign exchange differences	0	1 695
Change in fair value of derivatives	3 103	1 119
Other	683	695
TOTAL	**3 828**	**3 550**

As at December 31, 2018, the heading “Other” mainly includes EUR 0.31 million of rebilling of interest charges in relation to a proton therapy project, EUR 0.22 million of interest on long-term receivables and EUR 0.17 million of other interests.

As at December 31, 2017, the heading “Other” mainly includes EUR 0.42 million of rebilling of interest charges in relation to a proton therapy project, EUR 0.11 million of interest on long-term receivables and EUR 0.15 million of other interests.

27. INCOME TAXES

The tax profit/(charge) for the year can be broken down as follows:

(EUR 000)	December 31, 2017	December 31, 2018
Current taxes	-1 884	-2 819
Deferred taxes	-16 272	399
TOTAL	**-18 156**	**-2 420**

The tax charge on IBA's result before taxes differs from the theoretical amount that would have resulted from application of the average applicable tax rates to the profits of the consolidated companies. The analysis is as follows:

(EUR 000)	December 31, 2017	December 31, 2018
Result from continuing operations before taxes	**-23 502**	**-5 152**
Deduct share of profit of companies consolidated using equity method	-92	0
Result before tax and before share of associate	**-23 594**	**-5 152**
Tax (charge)/profit calculated based on local tax rates	**8 086**	**1 805**
Unrecognized deferred tax assets	-8 269	-2 633
Recognized deferred tax assets	0	431
Tax-exempt transactions and non-deductible expenses	-1 028	-2 149
Tax exempt transactions - CIRD & Grants	0	566
Adjustments in respect of income tax charges of previous years	-731	-424
Write-down of previously recognized deferred tax assets	-16 271	0
Utilization of previously unrecognized tax losses	57	16
Utilization of deferred tax assets	0	-32
Utilization of deferred tax liabilities	0	0
Other tax (income)/expense	0	0
Booked tax (charge)/profit	**-18 156**	**-2 420**
Theoretical tax rate	**34.27%**	**35.04%**
Effective tax rate	**-76.95%**	**-46.99%**

Given the available tax losses, IBA did not calculate deferred taxes on items credited or charged directly to other comprehensive income.

28. EMPLOYEE BENEFITS

DEFINED CONTRIBUTION PLANS

As at December 31, 2018, the Group recognized expenses in the United stated of EUR 0.44 million for contribution based plans accounted for using the intrinsic value.

DEFINED BENEFIT PLANS

The Group operates in Belgium a contribution based plan funded through payments to an insurance company. The employer guarantees a minimum return on employer contributions resulting in a financial risk to be borne by the Group.

Up to December 31, 2015, the Group had opted to account for these plans using the intrinsic value method.

Following the evolution with respect of minimum guaranteed return, the plans are to be considered as defined benefit plans instead of contribution plans following IAS 19. Since January 1, 2016, the Group has changed its valuation rule and has adopted the projected unit credit method.

Changes in the present value of defined benefit obligations are presented as follows:

(EUR 000)	January 1, 2017	Service cost	Net interest expenses	Actuarial change arising from change in financial assumptions	Contributions by employer	Benefits plan	December 31, 2017
Defined benefit obligation	**-9 616**	-1 279	-152	-182	-21	416	**-10 834**
Fair value of plan assets	**6 191**	0	103	-244	956	-416	**6 590**
Benefit liability	**-3 425**	**-1 279**	**-49**	**-426**	**935**	**0**	**-4 244**

(EUR 000)	January 1, 2018	Service cost	Net interest expenses	Actuarial change arising from change in financial assumptions	Contributions by employer	Benefits plan	December 31, 2018
Defined benefit obligation	**-10 834**	-1 368	-169	1 036	-18	520	**-10 833**
Fair value of plan assets	**6 590**	0	106	-788	970	-520	**6 358**
Benefit liability	**-4 244**	**-1 368**	**-63**	**248**	**952**	0	**-4 475**

The employee benefit provisions have been calculated on the basis of the following assumptions at January 1, 2016 :

Discount rate: 0.7% or 1.5% based the respective duration of each plan
Mortality table: IABE
Inflation rate: 1.6%
Salary adjustment rate: 2% per annum
Retirement age: 60

And at December 31, 2016 :
Discount rate: 1.69%, 1.43% or 1.03% based the respective duration of each plan
Mortality table: IABE
Inflation rate: 1.6%
Salary adjustment rate: 1.9% or 1.6% per annum
Retirement age: 65

And at December 31, 2017 :
Discount rate: 1.70%, 1.40% or 0.85% based the respective duration of each plan
Mortality table: IABE
Inflation rate: 1.6%
Salary adjustment rate: 1.83% per annum
Retirement age: 65

And at December 31, 2018 :
Discount rate: 2.20%, 2.00% or 1.50% based the respective duration of each plan
Mortality table: IABE
Inflation rate: 1.9%
Salary adjustment rate: 2.15% per annum
Retirement age: 65

The impact on the benefit liability of the fluctuation of the discount rate is as follow:

(EUR 000)	December 31, 2017	December 31, 2018
Discount rate 0.25% increase	-4 114	-4 339
Discount rate apply	-4 244	-4 475
Discount rate 0.25% decrease	-4 382	-4 619

29. CASH FLOW STATEMENT

29.1 OPERATING CASH FLOW

	Note	December 31, 2017 (EUR 000)	December 31, 2018 (EUR 000)
CASH FLOW FROM OPERATING ACTIVITIES			
Net profit/(loss) for the period		**-39 201**	**-4 401**
Adjustments for:			
Depreciation and impairment of tangible assets	9	3 381	3 311
Depreciation and impairment of intangible assets and goodwill	8	2 742	3 476
Write-off on receivables	15	1 994	-502
Changes in fair value of financial assets (profits)/losses		834	769
Changes in provisions	20	-2 146	2 633
Deferred taxes		16 586	-521
Share of result of associates and joint ventures accounted for using the equity method	11	-92	0
Other non-cash items		-737	2 359
Net cash flow changes before changes in working capital		**-16 639**	**7 124**
Trade receivables, other receivables and deferrals		-3 477	-41 410
Inventories and contracts in progress		-20 066	15 572
Trade payables, other payables and accruals		1 044	2 358
Other short-term assets and liabilities		-3 019	-2 723
Changes in working capital		**-25 518**	**-26 203**
Net income tax paid/received		-3 436	-1 712
Interest expense		994	2 311
Interest income		-42	-41
Net cash (used)/generated from operations		**-44 641**	**-18 521**

As at December 31, 2018, the heading “Other non-cash items” mainly includes expenses in connection with employee stock option plans and stock plans (EUR +0.24 million), the net impact of losses and write-downs on inventories (EUR +1.38 million), the impact of research tax credit not received in cash during the year (EUR -1.74 million), the impact of the scrapping of fixed assets (EUR +0.27 million), the impact of grant depreciation (EUR -0.93 million), the impact of the margin elimination on the sale of a proton therapy center to an equity accounted company (EUR +0.37 million), discount impact on long term advances from local government in Belgium (EUR -0.52 million), discount impact on the long term liability relating to the emphyteutic lease of the land of the new factory in Belgium (EUR +0.07 million), write-offs and discounting on long-term financial assets on proton therapy customers (EUR +3.21 million).

As at December 31, 2017, the heading “Other non-cash items” mainly included expenses in connection with employee stock option plans and stock plans (EUR +0.19 million), the net impact of losses and write-downs on inventories (EUR +0.01 million), the impact of research tax credit not received in cash during the year (EUR -1.86 million), the impact of the disposal of fixed assets (EUR +0.23 million), the impact of grant depreciation (EUR -0.15 million), the impact of interest income not received (EUR -0.2 million), the impact of the margin elimination on the sale of a proton therapy center to an equity accounted company (EUR +0.92 million).

29.2 INVESTING CASH FLOW

	Note	December 31, 2017 (EUR 000)	December 31, 2018 (EUR 000)
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	9	-9 913	-18 024
Acquisition of intangible assets	8	-5 363	-717
Disposals of fixed assets		1	10
Acquisition of subsidiaries net of acquired cash	7	0	0
Acquisition of third-party and equity-accounted investments	11.2	7	0
Disposals of subsidiaries		0	0
Disposals of other investments and equity method accounted companies, net of assigned cash	7.2	-494	0
Other investing cash flows		2 891	12
Net cash (used)/generated from investing activities		**-12 871**	**-18 719**

As at December 31, 2017, "Other cash flows from investing activities" mainly included the repayment of a loan granted to Sceti Medical Labo KK for EUR 2.9 million.

29.3 FINANCING CASH FLOW

	Note	December 31, 2017 (EUR 000)	December 31, 2018 (EUR 000)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings	19	15 000	46 333
Repayment of borrowings	19	-2 151	-3 313
Interest paid		-838	-2 320
Interest received		42	41
Capital increase (or proceeds from issuance of ordinary shares)	17	981	766
Dividends paid		-8 232	0
(Acquisitions)/disposal of treasury of shares		0	0
Other financing cash flows		5 391	8 126
Net cash (used)/generated from financing activities		**10 193**	**49 633**

As at December 31, 2018, "Other cash flows from financing activities" includes new payment of grants in Belgium and advances from local government in Belgium (EUR +8.46 million), changes in liabilities towards Group employees in connection with the exercise of stock option plans (EUR -0.15 million) and repayments of advances from local government in Belgium (EUR -0.19 million).

As at December 31, 2017, "Other cash flows from financing activities" included new payment of grants in Belgium (EUR +1.15 million), changes in liabilities towards Group employees in connection with the exercise of stock option plans (EUR +0.04 million) and the liability relating to the emphyteutic lease of the land of the new factory in Belgium for EUR 4.2 million.

30. LITIGATION

The Group is currently not involved in any significant litigation. The potential risks connected to minor proceedings are deemed to be either groundless or insignificant, or when the risk of payment of potential damages seems actual, are either adequately covered by provisions or insurance policies.

31. COMMITMENTS

31.1 OPERATING LEASES

The Group has a number of non-cancelable operating leases relating to vehicles, equipment, and office space rental.

The Group operating leases were concluded under the following conditions:

- Buildings: terms between three and fifteen years. The Group has the option to lease the assets for additional term negotiable with the lessor or for an additional term of four years for two operating leases in the United-States.
- Equipment: terms between five and seven years. The Group has the option, under some of its leases, to lease the assets for an additional term negotiable with the lessor.
- Vehicles: terms of three and four years and no option to lease the assets for an additional term.

Total future minimum lease payments under non-cancelable operating leases are as follows:

31.1.1 OPERATING LEASES OF CONTINUING OPERATIONS

(EUR 000)	December 31, 2017	December 31, 2018
Due	0	0
One year or less	5 461	4 969
Between 1 and 2 years	4 562	3 678
Between 2 and 5 years	6 406	4 195
Over 5 years	1 717	703
TOTAL	**18 146**	**13 545**

Those operating leases are related to:

(EUR 000)	December 31, 2017	December 31, 2018
Building	9 618	7 596
Equipment	384	401
Computer and hardware	0	317
Vehicles	8 144	5 228
Other	0	3
TOTAL	**18 146**	**13 545**

Total operating lease payments included in the income statement:

(EUR 000)	December 31, 2017	December 31, 2018
Building	2 305	2 540
Equipment	150	155
Computer and hardware	2	3
Vehicles	3 137	2 864
Other	0	49
TOTAL	**5 594**	**5 611**

Operating lease charges are recognized in the income statement in the "Cost of sales and services", "Sales and marketing expenses", "General and administrative expenses", and "Research and development expenses" line items.

31.1.2 OPERATING LEASES OF DISCONTINUED OPERATIONS

(EUR 000)	December 31, 2017	December 31, 2018
One year or less	1 167	1 132
Between 1 and 2 years	1 063	934
Between 2 and 5 years	2 232	2 114
Over 5 years	2 072	1 466
TOTAL	**6 534**	**5 646**

Those operating leases are related to:

(EUR 000)	December 31, 2017	December 31, 2018
Building	5 738	5 148
Equipment	327	140
Computer and hardware	123	104
Vehicles	311	235
Other	35	19
TOTAL	**6 534**	**5 646**

Total operating lease payments included in the income statement:

(EUR 000)	December 31, 2017	December 31, 2018
Building	725	802
Equipment	187	196
Computer and hardware	38	41
Vehicles	215	232
Other	47	78
TOTAL	**1 212**	**1 349**

31.2 FINANCIAL GUARANTEES

As at December 31, 2018, IBA held financial guarantees for EUR 63.2 million given by Group's business units as security for debts or commitments, mainly in advance payment guarantees (EUR 79.0 million December 31, 2017).

The Group is paying financial interest at a fixed rate on its financial guarantees. The interest depends on the duration of the guarantee. Therefore, the Group is not exposed to financial credit risk.

32. RELATED PARTY TRANSACTIONS

32.1 CONSOLIDATED COMPANIES

A list of subsidiaries and equity-accounted companies is provided in Note 5.

32.2 TRANSACTIONS WITH AFFILIATED COMPANIES

The main transactions completed with affiliated companies (companies using the equity accounting method) are the following:

(EUR 000)	December 31, 2017	December 31, 2018
ASSETS		
Receivables		
Long-term receivables	0	0
Inventory and contracts in progress	0	0
Trade and other receivables	0	0
Impairment of receivables	0	0
TOTAL RECEIVABLES	**0**	**0**
LIABILITIES		
Payables		
Trade and other payables	0	0
TOTAL PAYABLES	**0**	**0**
INCOME STATEMENT		
Sales	6 267	2 324
Costs (-)	-3 515	-1 203
Financial income	0	0
Financial expense (-)	0	0
Other operating income	0	0
Other operating expense (-)	0	0
TOTAL INCOME STATEMENT	**2 752**	**1 121**

32.3 SHAREHOLDERS' RELATIONSHIPS

The following table shows IBA shareholders at December 31, 2018:

	Number of shares	%
Belgian Anchorage SCRL	6 204 668	20.60%
IBA Investments SCRL	610 852	2.03%
IBA SA	63 519	0.21%
UCL	426 885	1.42%
Sopartec SA	180 000	0.60%
S.R.I.W.	704 491	2.34%
S.F.P.I.	58 200	0.19%
Institut des Radioéléments FUP	1 423 271	4.72%
Capfi Delen Asset Management N.V.	793 365	2.63%
Norges Bank Investment Management	859 282	2.85%
Kempen Capital Management NV	875 388	2.91%
Public	17 922 607	59.50%
TOTAL	**30 122 528**	**100.00%**

The main transactions completed with the shareholders are the following:

(EUR 000)	December 31, 2017	December 31, 2018
ASSETS		
Receivables		
Long-term receivables	0	0
Trade and other receivables	0	0
Impairment of receivables	0	0
TOTAL RECEIVABLES	**0**	**0**
LIABILITIES		
Payables		
Bank and other borrowings	15 000	24 285
Trade and other payables	127	69
TOTAL PAYABLES	**15 127**	**24 354**
INCOME STATEMENT		
Sales	0	0
Costs (-)	0	0
Financial income	0	0
Financial expense (-)	-697	-1 106
Other operating income	0	0
Other operating expense (-)	0	0
TOTAL INCOME STATEMENT	**-697**	**-1 106**

To the best of the Company's knowledge, there were no other relationships or special agreements among the shareholders at December 31, 2018.

32.4 DIRECTORS AND MANAGEMENT

See remuneration report on page 62.

33. FEES FOR SERVICES RENDERED BY THE STATUTORY AUDITORS

Ernst & Young Réviseurs d'Entreprises SCCRL, auditors of the statutory accounts of IBA SA and auditors of the consolidated accounts of IBA, provided the following services during the year:

(EUR 000)	December 31, 2017	December 31, 2018
Remuneration for statutory audits and audit of consolidated accounts	-293	-298
Other audit work and reports	-19	-74
Other services	0	-160
TOTAL	**-312**	**-532**

34. EVENTS AFTER THE BALANCE SHEET DATE

AT THE CLOSING OF THE BALANCE SHEETS

No events subsequent to the end of the reporting period.

35. NET EARNINGS PER SHARE

35.1 NET BASIC EARNINGS

Net basic earnings per share are calculated by dividing the net profit attributable to Company shareholders by the weighted average number of ordinary shares outstanding during the period. The weighted average number of ordinary shares excludes shares purchased by the Company and held as treasury shares.

BASIC EARNINGS PER SHARE	December 31, 2017	December 31, 2018
Earnings attributable to parent equity holders (EUR 000)	-39 201	-4 401
Weighted average number of ordinary shares	29 171 420	29 320 173
Net earnings per share from continuing and discontinued (EUR per share)	**-1.344**	**-0.150**
Earnings from continuing operations attributable to parent equity holders (EUR 000)	-41 658	-7 572
Weighted average number of ordinary shares	29 171 420	29 320 173
Basic earnings per share from continuing operations (EUR per share)	**-1.428**	**-0.258**
Earnings from operations held for sale attributable to parent equity holders (EUR 000)	+2 457	+3 171
Weighted average number of ordinary shares	29 171 420	29 320 173
Basic earnings per share from discontinued operations (EUR per share)	**+0.084**	**+0.108**

35.2 DILUTED EARNINGS

Diluted earnings per share are calculated by adjusting the weighted average number of ordinary shares outstanding for the effects of conversion of all dilutive potential ordinary shares. In 2017 and 2018, the Company had only one category of dilutive potential on ordinary share: stock options. The calculation is performed for the stock options to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding stock options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the stock options.

DILUTED EARNINGS PER SHARE	December 31, 2017	December 31, 2018
Weighted average number of ordinary shares	29 171 420	29 320 173
Weighted average number of stock options	397 616	198 500
Average share price over period	38.42	19.96
Dilution effect from weighted number of stock options	382 797	194 692
Weighted average number of ordinary shares for diluted earnings per share	29 554 217	29 514 865
Earnings attributable to parent equity holders (EUR 000)	-39 201	-4 401
Diluted earnings per share from continuing and discontinued operations (EUR per share)	**-1.344**	**-0.150**
Earnings from continuing operations attributable to parent equity holders (EUR 000)	-41 658	-7 572
Diluted earnings per share from continuing operations (EUR per share)	**-1.428**	**-0.258**
Earnings from operations held for sale attributable to parent equity holders (EUR 000)	+2 457	+3 171
Diluted earnings per share from discontinued operations (EUR per share)	**+0.084**	**+0.108**

(*) In compliance with IAS33, which stipulates that the diluted earnings per share does not take into account assumptions for conversion, financial year, or other issuing of potential ordinary shares which may have an anti-dilutive effect on the earnings per share (shares whose conversion involves a decrease in the loss per share).

AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Building a better working world

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Auditor's report to the general meeting of Ion Beam Application SA for the year ended 31 December 2018

As required by law and the Company's articles of association, we report to you as statutory auditor of Ion Beam Application SA (the "Company") and its subsidiaries (together the "Group"). This report includes our opinion on the statement of consolidated financial position as at 31 December 2018, the consolidated income statement, the consolidated statement of other comprehensive income, the consolidated statement of changes in shareholders' equity and the consolidated cash flow statement for the year ended 31 December 2018 and the disclosures (all elements together the "Consolidated Financial Statements") and includes as well our report on other legal and regulatory requirements. These two reports are considered as one report and are inseparable.

We have been appointed as statutory auditor by the shareholders meeting of 10 May 2017, in accordance with the proposition by the Board of Directors following recommendation of the Audit Committee and on presentation of the Workers Council. Our mandate expires at the shareholders meeting that will deliberate on the Statutory Financial Statements for the year ending 2019. We performed the audit of the Consolidated Financial Statements of the Group during 13 consecutive years.

Report on the audit of the Consolidated Financial Statements

Unqualified opinion

We have audited the Consolidated Financial Statements of Ion Beam Applications SA, which consists of the statement of consolidated financial position as at 31 December 2018, the consolidated income statement, the consolidated statement of other comprehensive income, the consolidated statement of changes in shareholders' equity and the consolidated cash flow statement for the year ended 31 December 2018 and the disclosures, which show a consolidated balance sheet total of thousand € 392,129 and of which the consolidated income statement shows a loss for the year of thousand € 4,401.

In our opinion, the Consolidated Financial Statements of the Group give a true and fair view of the consolidated net equity and financial position as at 31 December 2018, as well as its consolidated results and its consolidated cash flows for the year then ended in accordance with the International Financial Reporting Standards as adopted by the European Union ("IFRS") and with applicable legal and regulatory requirements in Belgium.

Basis for the unqualified opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the Consolidated Financial Statements" section of our report.

We have complied with all ethical requirements that are relevant to our audit of the Consolidated Financial Statements in Belgium, including those with respect of independence.

We have obtained from the Board of Directors and the officials of the Company the explanations and information necessary for the performance of our audit and we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements.

These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole and in forming our opinion thereon, and consequently we do not provide a separate opinion on these matters.

Revenue recognition on long-term contracts

Description of the matter

The Group applies the percentage-of-completion ("POC") method in determining revenue and cost recognition for its Proton therapy long-term contracts. For these contracts, management has to estimate the completion of the contract work, which is used to measure the POC for the recognition of contract revenue.

Significant judgements are used to estimate the POC and total contract costs. In making these estimates, management has relied on the expertise of the Group's experts to determine the progress of the contract and also on past experience of completed projects and industry practices.

The nature of these judgements result in them being susceptible to management bias, and inaccuracy in estimating POC and total contract costs can have a significant effect on the Consolidated Financial Statements.

We have considered this to be a key audit matter.

Description of procedures performed

We have, amongst others, performed following procedures:

- Updated our understanding of the revenue recognition process.
- Analysed sales contracts characteristics and ensured specific financial impacts have been identified and addressed by management.
- Reviewed significant components of estimated total contract costs and revenues for a sample of projects and challenged the completeness and accuracy of total contract costs estimated by management by comparing the total contract costs for selected ongoing projects to similar projects.
- Evaluated management's estimations of total expected costs per project by comparing initial to actual total expected costs.
- Traced significant actual costs incurred for selected contracts to the relevant supporting documents to ensure that the costs are directly attributable to the contracts tested.
- Assessed the correct application of the POC method.
- Performed detailed analytical review procedures by comparing results on these contracts with prior year.

Asset held for Sale and Discontinued Operations

Description of the audit matter

In July 2018, the company announced that its decision to explore new strategic alternatives for the company's operating segment Dosimetry which could include a sale, merger, initial public offering or retention of the business. Following this announcement, IBA initiated the sales process of this activity.

Because Dosimetry is an important segment and is therefore considered as a disposal group, management classified and presented the 2018 result of this segment as "result from discontinued operations" in accordance with IFRS 5. The comparative figures have also been restated for this segment. On the balance sheet, all assets and liabilities of the segment were presented and classified as assets and liabilities held for sale.

We consider the classification and presentation of assets and liabilities held for sale on the balance sheet and results of discontinued operations in the income statement as a key audit matter due to the specific IFRS requirements which have to be met for this classification.

Summary of audit procedures performed

We have, amongst others, performed following procedures:

- Assessed whether the requirements for classification and presentation as assets and liabilities held for sale and discontinued operations in accordance with IFRS 5 were met with regard to the planned sale of Dosimetry.
- Evaluated whether, as per balance sheet date, the Company was committed to sell the Dosimetry business and actively initiated the sales process.
- Assessed the likelihood of the Dosimetry business being available for immediate sale in its current state and whether it is highly probable that the sale will take place.
- Assessed that management's measurement at fair value less cost to sell of the Dosimetry disposal group exceeds the carrying value of the disposal group.

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- Examined whether the comparative figures in the consolidated income statement for the discontinued operations for the Dosimetry business were accurately presented.
- Assessed the appropriateness and completeness of the disclosures in accordance with IFRS 5 as included in Note 6 of the Consolidated Financial Statements.

Responsibilities of the Board of Directors for the preparation of the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the Consolidated Financial Statements that give a true and fair view in accordance with IFRS and with applicable legal and regulatory requirements in Belgium. This responsibility involves implementing internal controls relevant to the preparation of the Consolidated Financial Statements that give a true and fair view and that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the Consolidated Financial Statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, and provide, if applicable, information on matters impacting going concern. The Board of Directors should prepare the Consolidated Financial Statements using the going concern basis of accounting, unless the Board of Directors either intends to liquidate the Company or to cease business operations, or has no realistic alternative but to do so.

Our responsibilities for the audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement, whether due to fraud or error, to express an opinion on these Consolidated Financial Statements based on our audit. Reasonable assurance is a high level of assurance, but not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit, in accordance with ISAs, we exercise professional judgment and we maintain professional skepticism throughout the audit. We also perform the following procedures:

- Identification and assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, the planning and execution of audit procedures to respond to these risks and obtain audit evidence which is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting material misstatements is larger when these misstatements are due to fraud, since fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtaining insight in the system of internal controls that are relevant for the audit and with the objective to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- Evaluating the selected and applied accounting policies, and evaluating the reasonability of the accounting estimates and related disclosures made by the Board of Directors as well as the underlying information given by the Board of Directors;
- Conclude on the appropriateness of Board of Director's use of the going-concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to event or conditions that may cast significant doubt on the Company or Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company or Group to cease to continue as a going-concern;

- Evaluating the overall presentation, structure and content of the Consolidated Financial Statements, and of whether these financial statements reflect the underlying transactions and events in a true and fair view.

We communicate with the Audit Committee within the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the audits of the subsidiaries. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities.

We also provide the Audit Committee within the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and we have communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee within the Board of Directors, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements and are therefore the key audit matters. We describe these matters in our report, unless the law or regulations prohibit this.

Report on other legal and regulatory requirements

Responsibilities of the Board of Directors

The Board of Directors is responsible for the preparation and the content of the Board of Director's report on the Consolidated Financial Statements, the non-financial information and other information included in the annual report.

Responsibilities of the auditor

In the context of our mandate and in accordance with the additional standard to the International Standards on auditing ("ISA's") applicable in Belgium, it is our responsibility to verify, in all material respects, the Board of Director's report on the Consolidated Financial Statements, the non-financial information and, if relevant, other information included in the annual report, and to report any matters on these other legal and regulatory requirements.

Aspects relating to Board of Director's report

In our opinion, after carrying out specific procedures on the Board of Director's report, the Board of Director's report on the Consolidated Financial Statements is consistent with the Consolidated Financial Statements and has been prepared in accordance with article 119 of the Belgian Companies Code.

In the context of our audit of the Consolidated Financial Statements, we are also responsible to consider whether, based on the information that we became aware of during the performance of our audit, the Board of Director's report contain any material inconsistencies or contains information that is inaccurate or otherwise misleading. In light of the work performed, we do not need to report any material inconsistencies. In addition, we do not provide any form of assurance regarding the Board of Director's report.

The non-financial information required by article 119 §2 of the Belgian Companies Code has been prepared as a separate report and is not included in the annual report. The report on the non-financial information has been prepared in accordance with article 119 §2 of the Belgian Companies Code and is consistent with the Consolidated Financial Statements for the same financial year. The Group has prepared this non-financial information based on Global Reporting Initiative Standards. We do not comment on whether this non-financial information has been prepared, in all material respects, in accordance with Global Reporting Initiative Standards and we do not express any form of assurance regarding the individual elements included in this non-financial information.

Independence matters

Our auditor's office and our network have not performed any services that are not compatible with the audit of the Consolidated Financial Statements and has remained independent of the Company during the course of our mandate.

The fees for additional services that are compatible with the audit of the Consolidated Financial Statements intended by article 134 of the Belgian Companies Code have been correctly disclosed and detailed in the disclosures of the Consolidated Financial Statements.

Other communications

This report is consistent with our supplementary declaration to the Audit Committee as specified in article 11 of the regulation (EU) nr. 537/2014.

Diegem, 5 April 2019

Ernst & Young Réviseurs d'Entreprises SCRL

Statutory auditor
Represented by

Vincent Etienne
Partner*

*Acting on behalf of a BVBA/SPRL

19VE0075

IBA SA

ANNUAL FINANCIAL STATEMENTS

In accordance with article 105 of the Belgian Company Code, the following statements represent a condensed version of the annual financial statements. The full text is available on request from the headquarters of the Company and will be filed with the National Bank of Belgium. This condensed version does not contain all of the appendixes or the auditor's report, who expressed an unqualified opinion.

ASSETS (EUR 000)	2017	2018
FIXED ASSETS	**128 649**	**135 929**
Formation expenses	**0**	**0**
Intangible fixed assets	**43 504**	**38 750**
Tangible fixed assets	**16 280**	**29 921**
Land and buildings	8 632	9 402
Plant, machinery, and equipment	5 098	4 542
Furniture and vehicles	1 895	1 812
Leases and similar rights	0	13 826
Assets under construction and advance payments	656	340
Financial assets	**68 865**	**67 258**
Affiliated companies	59 735	58 184
Other investments	0	0
Others financial assets	9 130	9 074
CURRENT ASSETS	**254 388**	**302 805**
Accounts receivable in more than one year	**13 037**	**12 248**
Inventories and contracts in progress	**130 736**	**127 600**
Inventories	64 334	73 524
Contracts in progress	66 402	54 076
Accounts receivable within one year	**87 377**	**129 332**
Trade receivables	77 882	118 169
Other receivables	9 495	11 163
Investments	**621**	**621**
Cash at bank and in hand	**17 875**	**26 118**
Deferred charges and accrued income	**4 742**	**6 885**
TOTAL ASSETS	**383 038**	**438 734**

LIABILITIES AND EQUITY (EUR 000)	2017	2018
SHAREHOLDERS' EQUITY	**121 450**	**119 326**
Capital stock	**42 053**	**42 278**
Capital surplus	**41 322**	**41 863**
Reserves	**4 960**	**4 960**
Legal reserve	4 177	4 177
Reserves not available for distribution	580	580
Untaxed reserves	203	203
Retained earnings	**31 273**	**26 608**
Capital grants	**1 842**	**3 617**
PROVISIONS AND DEFERRED TAXES	**6 590**	**6 080**
LIABILITIES	**254 997**	**313 327**
Accounts payable in more than one year	**91 504**	**129 269**
Financial debts	20 000	43 257
Advances received on contracts in progress	60 488	70 122
Other accounts payable	11 016	15 890
Accounts payable within one year	**158 687**	**177 513**
Financial debts - current portion of long-term financial debts	9 477	7 098
Financial debts – current	68 727	86 141
Trade debts	58 175	60 235
Advances received on contracts in progress	6 806	7 950
Current tax and payroll liabilities	14 370	15 250
Other accounts payable	1 131	840
Accrued charges and deferred income	**4 806**	**6 544**
TOTAL LIABILITIES	**383 038**	**438 734**

INCOME STATEMENT (EUR 000)	2017	2018
Operating income	**289 456**	**262 953**
Turnover	207 158	167 799
Work in progress, finished goods and contracts in progress	-3 892	12 326
Capitalized production	37 180	30 894
Other operating income	49 010	51 934
Other extraordinary income	0	0
Operating expenses (-)	**-295 977**	**-271 709**
Raw materials, consumables, and goods for resale	-93 751	-79 072
Services and other goods	-94 878	-86 868
Salaries, social security, and pensions	-69 464	-62 046
Depreciation and write-offs on fixed assets	-38 672	-38 622
Increase/(Decrease) in write-downs on inventories, work in progress, and trade debtors	-834	-3 362
Provisions for liabilities and charges	4 093	508
Other operating expenses	-1 083	-1 461
Other extraordinary expenses	-1 388	-785
Operating profit/loss)	**-6 521**	**-8 756**
Financial income	**6 563**	**15 690**
Income from financial assets	0	7 000
Income from current assets	876	525
Other financial income	5 687	8 165
Extraordinary financial income	0	0
Financial expenses (-)	**-9 046**	**-10 830**
Interest expense	-1 569	-3 215
Amounts written off on current assets other than inventories, work in progress and trade debtors - increase (decrease)	0	0
Other financial charges	-7 477	-7 615
Extraordinary financial expenses (-)	0	0
Profit/(loss) for the period before taxes	**-9 004**	**-3 896**
Income taxes (-) (+)	-948	-769
Profit/(loss) for the period	**-9 952**	**-4 665**
Transfers to tax free reserves (-)	**0**	**0**
Profit/(loss) for the period available for appropriation	**-9 952**	**-4 665**

APPROPRIATION OF RESULTS (EUR 000)	2017	2018
Profit/(Loss) to be appropriated	**31 273**	**26 608**
Profit/(loss) for the period available for appropriation	-9 952	-4 665
Profit/(Loss) carried forward	41 226	31 273
Transfers to capital and reserves	**0**	**0**
On capital stock and capital surplus	0	0
From reserves	0	0
Appropriations to capital and reserves	**0**	**0**
To capital stock and capital surplus	0	0
To legal reserve	0	0
To other reserves	0	0
Profit/(Loss) to be carried forward	**31 273**	**0**
Profit to distribute	**31 273**	**26 608**
Dividends	0	0

STATEMENT OF CAPITAL (EUR 000)	2017 Amount (EUR 000)	2017 Number of shares	2018 Amount (EUR 000)	2018 Number of shares
Capital				
1. Issued capital				
At the end of the previous financial year	**41 775**		**42 053**	
Changes during the financial year	278	197 850	225	160 282
At the end of the current financial year	**42 053**		**42 278**	
2. Structure of the capital				
2.1. Categories of shares				
• Ordinary shares without designation of face value	24 052	17 259 757	24 277	17 420 039
• Ordinary shares without designation of face value with WPR strips	18 001	12 702 489	18 001	12 702 489
2.2. Registered or bearer shares				
• Registered shares		7 967 000		8 134 075
• Bearer shares		21 995 246		21 988 453
Own shares held by				
• The Company itself	90	63 519	90	63 519
• Its subsidiaries	858	610 852	858	610 852
Stock issue commitments				
Following exercise of share options				
• Number of outstanding share options		400 153		198 500
• Amount of capital to be issued	562		279	
Maximum number of shares to be issued		400 153		198 500
Amount of non-issued authorized capital	**23 314**		**0**	

GENERAL INFORMATION

CORPORATE NAME

Ion Beam Applications SA, abbreviated IBA SA.

REGISTERED OFFICE

Chemin du Cyclotron, 3; B-1348 Louvain-la-Neuve, Belgium; enterprise number VAT BE0428.750.985, Register of Legal Entities (RLE) of the Walloon Brabant.

DATE, FORM AND PERIOD OF INCORPORATION

IBA was incorporated for an indefinite period on March 28, 1986 as a limited liability company (*société anonyme*) under Belgian law. IBA is a listed company in the meaning of Article 4 of the Belgian Companies Code and a "company having issued equity to the public" in the meaning of Article 438 of the same Code.

CORPORATE PURPOSE (ARTICLE 3 OF THE ARTICLES OF INCORPORATION)

The purpose of the Company is to engage in research and development and to acquire intellectual property rights with a view to the operation, manufacturing, and marketing of applications and equipment in the field of applied physics. It may carry out financial, commercial and industrial transactions, and all transactions involving movable or immovable property, relating directly or indirectly to its corporate purpose. It may acquire an interest, by contribution, merger, purchase of shares, or any other means, in companies, partnerships, or corporations whose purpose is similar, comparable, related, or useful to the achievement of its corporate purpose in whole or in part.

CONSULTATION OF CORPORATE DOCUMENTS

The Company's statutory and consolidated statements are filed with the National Bank of Belgium. Copies of the Company's consolidated articles of incorporation, its annual and semi-annual reports, and all other shareholder documentation may be obtained at the Company's website (www.iba-worldwide.com) or by shareholder's request to the Company's registered office.

CAPITAL

As at December 31, 2018, IBA's share capital amounted to EUR 42,278,193.63 and was represented by 30,122,528 fully paid-up shares with no face value.

In September 2011, the Company issued 1 487 000 stock options for Group employees (the "**2011 Plan**"). They allow the beneficiary to purchase a new share at EUR 5.03 (EUR 5.42 for determined persons) following certain procedures during specific periods between January 1, 2015 and September 30, 2017.

As at December 31, 2017, there were 2 537 outstanding stock options of this 2011 Plan.

The following exercises of these stock options were recorded by notarial deed in 2018: 896 stock options exercised on 19/04/2018, and 1641 stock options were cancelled on 19/04/2018.

As at December 31, 2018, there were thus zero outstanding stock options of this 2011 Plan.

In September 2012, the Company issued 870 000 stock options for Group employees (the "**2012 Plan**"). They allow the beneficiary to purchase a new share at EUR 4.78 following certain procedures during specific periods between January 1, 2016 and September 30, 2018.

As at December 31, 2017, there were 161,116 outstanding stock options of this 2012 Plan.

The following exercises of these stock options were recorded by notarial deed in 2018: 28,104 stock options exercised on 19/04/2018, 793 stock options were cancelled on 19/04/2018, 131,282 stocks options were exercised on 28/11/2018 and 937 stocks options were cancelled on 28/11/2018.

As at December 31, 2018, there were thus zero outstanding stock options of this 2012 Plan.

In June 2014, the Company issued 250,000 stock options for the Group management (the "**2014 Plan**"). They allow the beneficiary to purchase a new share at EUR 11.52 following certain procedures during specific periods, i.e. between January 1, 2019 and June 30, 2024.

As at December 31, 2017, there were 186,500 outstanding stock options of this 2014 Plan.

In 2018, 8,000 of these stock options were cancelled on 19/04/2018.

As at December 31, 2018, there were thus 178,500 outstanding stock options of this 2014 Plan.

In December 2015, the Company issued 50,000 stock options for the Group management (the "**2015 Plan**"). They allow the beneficiary to purchase a new share at EUR 31.84 following certain procedures between January 1, 2019 and June 30, 2024.

As at December 31, 2017, there were 50,000 outstanding stock options of this 2015 Plan.

In 2018, 30,000 of these stock options were cancelled on 19/04/2018.

As at December 31, 2018, there were thus 20,000 outstanding stock options of this 2015 Plan.

IBA decided on August 26, 2015 to render the current SOPs exercisable on a continued period (outside of anti-insider dealing blackout periods and outside of any additional technical black out period) as from October 1st, 2015.

All stock options may also be exercised in the event of a takeover bid on IBA or of an increase of shareholders' equity with preemptive rights.

AUTHORIZED CAPITAL

As at December 31, 2018, the Company has no authorized share capital.

PATENTS AND TECHNOLOGIES

IBA is careful to patent all aspects of its technology for which a patent provides a commercial advantage.

In addition, the Company has maintained the secrecy of a significant portion of its know-how that is not patentable or for which the Company believes secrecy is more effective than publication in a patent application. More fundamentally, the Company believes that the best way to protect itself from its competitors is not only by patenting its inventions, but by maintaining its technological lead.

IBA also licenses patents from third parties and pays royalties to them.

LICENSING AND COOPERATION AGREEMENTS

IBA has licensing agreements involving various aspects of its technology. Listing and explaining the nature and terms of these licensing agreements falls beyond the scope of this annual report. These agreements cover, for example, certain aspects of its particle accelerator technology and a number of components of its proton therapy equipment.

FIVE-YEAR CAPITAL HISTORY

OPERATION	Number of new shares	Total number of shares	Variation (Δ)	Amount
28/02/2014 Exercise of options under extended 2005 plan	32 197	27 667 636	45 211.03	38 832 558.90
29/04/2014 Exercise of options under extended 2005 plan	7 890	27 675 526	11 079.14	38 843 638.04
29/04/2014 Exercise of options under 2009 plan BE	221	27 675 747	310.22	38 843 948.26
29/04/2014 Exercise of options under 2010 BE plan	208	27 675 955	291.97	38 844 240.23
27/06/2014 capital increase in favor of S.R.I.W./S.F.P.I.	520 832	28 196 787	730 987.71	39 575 227.94
25/07/2014 Exercise of options under 2009 plan	78 679	28 275 466	110 441.71	39 685 669.65
25/07/2014 Exercise of options under 2010 plan	63 535	28 339 001	89 184.08	39 774 853.73
6/11/2014 Exercise of options under 2009 plan	28 494	28 367 495	39 997.03	39 814 850.76
6/11/2014 Exercise of options under 2010 plan	26 309	28 393 804	36 929.94	39 851 780.70
26/02/2015 Exercise of options under 2006 plan	38.287	28 432 091	53 751.12	39 905 531.82
26/02/2015 Exercise of options under 2006 plan (det pers)	800	28 432 891	1 123.12	39 906 654.94
26/02/2015 Exercise of options under 2009 plan	45.237	28 478 128	63 499.18	39 970 154.12
26/02/2015 Exercise of options under 2010 plan	49.528	28 527 656	69 522.45	40 039 676.57
26/02/2015 Exercise of options under 2011 plan	99.408	28 627 064	139 519.13	40 179 195.70
26/02/2015 Exercise of options under 2011 plan (det pers)	26.456	28 653 520	37 131.00	40 216 326.69
27/05/2015 Exercise of options under extended 2006 plan (det pers)	3.000	28 656 520	4 211.70	40 220 538.39
27/05/2015 Exercise of options under extended 2006 plan	34 205	28 690 725	48 020.40	40 268 558.79
27/05/2015 Exercise of options under extended 2007 plan	13 119	28 703 844	18 415.14	40 286 973.93
27/05/2015 Exercise of options under 2009 plan	141 435	28 845 279	198 532.31	40 485 506.24
27/05/2015 Exercise of options under 2010 plan	65 579	28 910 858	92 053.24	40 577 559.48
27/05/2015 Exercise of options under 2011 plan	72 340	28 983 198	101 529.19	40 679 088.67
27/05/2015 Exercise of options under 2011 plan (det pers)	34 232	29 017 430	48 044.61	40 727 133.28
31/08/2015 Exercise of options under extended 2006 plan (det pers)	3 000	29 020 430	4 211.70	40 731 344.98
31/08/2015 Exercise of options under extended 2006 plan	6 500	29 026 930	9 125.35	40 740 470.33
31/08/2015 Exercise of options under extended 2007 plan (det pers)	3 000	29 029 930	4 211.10	40 744 681.43
31/08/2015 Exercise of options under extended 2007 plan	5 349	29 035 279	7 508.39	40 752 189.82
31/08/2015 Exercise of options under 2009 plan	19 456	29 054 735	27 310.39	40 779 500.21
31/08/2015 Exercise of options under 2010 plan	5 507	29 060 242	7 730.18	40 787 230.38
31/08/2015 Exercise of options under 2011 plan	14 435	29 074 677	20 259.52	40 807 489.91
18/12/2015 Exercise of options under extended 2006 plan	8 750	29 083 427	12 284.13	40 819 774.04
18/12/2015 Exercise of options under extended 2007 plan	3 454	29 086 881	4 848.38	40 824 622.41
18/12/2015 Exercise of options under 2009 plan	20 328	29 107 209	28 534.41	40 853 156.83
18/12/2015 Exercise of options under 2010 plan	1 441	29 108 650	2 022.73	40 855 179.56
18/12/2015 Exercise of options under 2011 plan	6 417	29 115 067	9 006.26	40 864 185.82
22/04/2016 Exercise of options under 2007 plan (det pers prolonged)	3 993	29 119 060	5 604.97	40 869 790. 79
22/04/2016 Exercise of options under 2007 plan (prolonged)	23 656	29 142 716	33 205.93	40 902 996.72
22/04/2016 Exercise of options under 2010 plan	97 925	29 240 641	137 457.32	41 040 454.04
22/04/2016 Exercise of options under 2011 plan (det pers)	14 577	29 255 218	20 458.82	41 060 912.86
22/04/2016 Exercise of options under 2011 plan (empl)	109 472	29 364 690	153 643.95	41 214 556.81
22/04/2016 Exercise of options under 2012 plan	159 194	29 523 884	223 428.78	41 437 985.59
20/09/2016 Exercise of options under 2007 plan (det pers prolonged)	664	29 524 548	932.06	41 438 917.65
20/09/2016 Exercise of options under 2007 plan (prolonged)	1 879	29 526 427	2 637.55	41 441 555.20
20/09/2016 Exercise of options under 2010 plan	23 174	29 549 601	32 529.34	41 474 084.54
20/09/2016 Exercise of options under 2011 plan (det pers)	2 000	29 551 601	2 807.00	41 476 891.54
20/09/2016 Exercise of options under 2011 plan (empl)	5 586	29 557 187	7 839.95	41 484 731.49
20/09/2016 Exercise of options under 2012 plan	28 516	29 585 703	40 022.21	41 524 753.70
15/12/2016 Exercise of options under 2007 plan	8 812	29 594 515	12 369.40	41 537 123.10
15/12/2016 Exercise of options under 2010 plan	21 407	29 615 922	30 049.01	41 567 172.11
15/12/2016 Exercise of options under 2011 plan (det pers)	14 639	29 630 561	20 545.84	41 587 717.95
15/12/2016 Exercise of options under 2011 plan (empl)	100 080	29 730 641	140 462.28	41 728 180.23
15/12/2016 Exercise of options under 2012 plan	33 755	29 764 396	47 375.14	41 775 555.37
21/04/2017 Exercise of options under 2011 plan (det pers)	12 595	29 776 991	17 677.08	41 793 232.40
21/04/2017 Exercise of options under 2011 plan (empl)	35 266	29 812 257	49 495.83	41 842 728.28
21/04/2017 Exercise of options under 2012 plan	40 292	29 852 549	56 549.82	41 899 278.10
22/08/2017 Exercise of options under 2011 plan (empl)	16 128	29 868 677	22 635.65	41 921 913.75
22/08/2017 Exercise of options under 2012 plan	11 574	29 880 251	16 244.11	41 938 157.86
17/11/2017 Exercise of options under 2011 plan (det pers)	16 029	29 896 280	22 496.70	41 960 654.56
17/11/2017 Exercise of options under 2011 plan (empl)	17 582	29 913 862	24 676.34	41 985 330.90
17/11/2017 Exercise of options under 2012 plan	48 384	29 962 246	67 906.94	42 053 237.84
19/04/2018 Exercise of options under 2012 plan (empl)	29 000	29 991 246	138 844.00	42 192 081.84
28/11/2018 Exercise of options under 2012 plan (empl)	125 275	30 116 521	598 814.48	42 790 896.32
28/11/2018 Exercise of options under 2012 plan (det pers)	6 007	30 122 528	28 713.46	42 819 609.78

THE STOCK MARKET AND THE SHAREHOLDERS

IBA STOCK'

IBA stock is listed on the Euronext Brussels continuous market (Compartment B since January 17, 2013). It was introduced on the Stock Exchange on June 22, 1998 at a price of EUR 11.90 (adjusted for a 5 to 1 split in June, 1999).

IBA stock closed at EUR 12.84 on December 31, 2018.

The total number of outstanding stock options as at December 31, 2018 amounts to 198 500. There are no convertible bonds or bonds with warrants outstanding as at 31 December 2018.

Situation as at	December 31, 2018 Non diluted		December 31, 2018 Fully diluted	
Entity	**Number of shares**	**%**	**Number of shares**	**%**
Belgian Anchorage SCRL [1]	6 204 668	20.60%	6 204 668	20.46%
IBA Investments SCRL [2]	610 852	2.03%	610 852	2.01%
IBA SA	63 519	0.21%	63 519	0.21%
UCL	426 885	1.42%	426 885	1.41%
Sopartec SA	180 000	0.60%	180 000	0.60%
SRIW	704 491	2.34%	704 491	2.32%
SFPI	58 200	0.19%	58 200	0.19%
Institut des Radioéléments FUP	1 423 271	4.72%	1 423 271	4.70%
Subtotal	**9 671 886**	**32.11%**	**9 671 886**	**31.90%**
Public (including Capfi Delen Asset Management N.V. and Norges Bank Investment Management)	20 450 642	67.89%	20 649 142	68.10%
Total	**30 122 528**	**100.00%**	**30 321 028**	**100.00%**

[1] Belgian Anchorage is a company established and wholly owned by IBA Management and a number of IBA employees.
[2] IBA Investments is a second-tier subsidiary of IBA SA.

SHAREHOLDERS' SCHEDULE

Interim statements, first quarter 2019	May 8, 2019
2018 Annual Shareholders' Meeting	May 8, 2019
Publication of the half-yearly results as of June 30, 2019	August 22, 2019
Interim statements, third quarter 2019	November 14, 2019

STOCK MARKET PRICES

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Glossary of Alternative Performance Measures (APM)

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

(EUR 000)	2017	2018
EBIT = Segment result (Note 4)	**-20 805**	**-787**
Other operating expenses (+)	+8 608	+1 672
Other operating income (-)	-5 063	-0
REBIT	**-17 260**	**+885**
Depreciation and impairment of intangible and tangible assets (+)	+5 543	+6 509
Write-offs on receivables and inventory (+/-)	+200	+388
REBITDA	**-11 517**	**+7 782**

(EUR 000)	2017	2018
Long-term borrowings (+)	19 286	43 278
Short-term borrowings (+)	23 464	42 510
Cash and cash equivalents (-)	-27 273	-36 402
Net financial debt	**15 477**	**49 386**

Non-financial activities Report

Year 2018

PROTECT +
ENHANCE +
SAVE LIVES

GRI CONTENT INDEX - IBA: CORE

GRI 102 : General Disclosures		
GRI Standard	**GRI Disclosure**	**Comment**
1. Organizational Profile		
102-1	Name of the organization	Ion Beam Applications SA
102-2	Activities, brands products and/or services	Please refer to the "Review of IBA activity sectors" section of the 2018 Management Report and also to our website https://iba-worldwide.com/
102-3	Headquarters address	Ion Beam Applications SA Chemin du Cyclotron, 3 1348 Louvain-la-Neuve Belgique
102-4	Operational sites	IBA regional offices: https://iba-worldwide.com/contact IBA employees working for our Protontherapy clients: https://iba-worldwide.com/proton-therapy/proton-therapy-centers
102-5	Ownership and legal form	Please refer to the "General" section of the 2018 Management Report.
102-6	Markets served	We do business globally with manufacturing, engineering, and/or development in Europe, China and/or United States and with sales and service operations and customers throughout the world.
102-7	Scale of the organization	Total number of employees: details in GRI 102-8 appendix Total number of operations: https://iba-worldwide.com/proton-therapy/proton-therapy-centers NET revenues, total capitalization: Please refer to the section "highlights of the year" of the 2018 Management Report
102-8	Information on employees and other workers	See appendix GRI 102-8 for the employee details by employee contract type, gender and region. The Board and the Nomination Committee fully acknowledge the benefits of diversity within the Board of Directors and are committed to addressing the gender imbalance in line with legal requirements both in the board committee and within the company. Over the year 2018 initial efforts have been made, both with a direct and immediate impact, and with a view of progressing towards the required results in a structured and sustainable way.
102-9	Supply chain	IBA has approximately 100 main suppliers worldwide to support its design and manufacturing of products. The majority of IBA suppliers are located in Europe. IBA suppliers have been selected for their ability to best comply with requirements as requested by ISO13485:2016. The selection and qualification process of a supplier take into account the criticality of the supplied goods and services. IBA promotes technical collaboration and innovation with its partners in order to reduce risks, costs and improve the quality of its products and services. Strategic partnerships are developed whenever benefical.
102-10	Significant changes to the organisation and its supply chain	No significative changes to the organization during the reporting period.
102-11	Precautionary approach or principle	IBA's mission is to Protect, Enhance and Save Lives. We adhere to the principle of precautionary management by following the philosophy in ISO14971. Therefore, IBA has adopted the precautionary approach that in instances where there may be threats of serious or irreversible impact without full scientific certainty, the lack of scientific certainty will not be a reason for postponing cost-effective measures that may prevent negative or harmful impact on the environment or society. IBA ensures all devices it markets are safe to all exposed to them and designed and manufactured to reduce residual exposure risks. You can find more information in the "principal risks and uncertainties faced by the company" outlined in IBA's 2018 Management Report.
102-12	External initiatives	We use a variety of information sources, including the "UN 2030 Agenda for Sustainable Development", the Intergovernmental Panel on Climate Change (IPCC), the World Health Organization. Our work also involves tracking issues or concerns of governments, nongovernmental organizations, government agencies, regulators, universities and publications in the media.
102-13	Memberships of associations	IBA is a member of ASTRO (corporate membership) and ESTRO (gold membership), two major associations in the field of radiotherapy, in the United States and Europe. IBA is also a member of the EANM, European Association of Nuclear Medicine and the iiA, an organization which aims to support the global irradiation industry and scientific community. IBA is a member of the Belgian association The Shift, leading the Belgian sustainable development network. IBA develops synergies in both Belgium and the United States and collaborates with numerous associations that aim to promote employment, education and awareness in relation to proton therapy.
2. Strategy		
102-14	President's word	Olivier Legrain, CEO and the sustainability comittee have approved the whole report, which covers IBA's material issues. Please refer to Message from Olivier Legrain in 2018 Annual Report. Within this report, IBA shares its policies and performances in terms of social (Affordability and accessibility of our solutions), environmental (GRI 302-1, GRI 302-2, GRI 306-2), employees (GRI 102-08, GRI 102-16, GRI 403-2), respect for human rights and the fight against corruption (GRI 205-3, GRI 412-2) issues.

3. Ethics and Integrity		
102-15	Key impacts, risks, and opportunities	You can find in the "principal risks and uncertainties faced by the company" outlined in IBA's 2018 Management Report the key impacts and risks of IBA and the associated risk management. You can also find below more information on risk and risk management associated to the personnel, environment and human rights Risks & risk management "Personnel & Environnent" An internal procedure is in place to document the responsibilities and requirements for identifying environmental, health and safety hazards of the organization's activities, products or services, and for evaluating and controlling the associated risks and impacts. This management tool is used to assess environmental, health and safety risks and impacts. It also records the actions and control measures deployed by our various entities in the context of their continuous improvement process. Risks & risk management "Human right" The nature of our activities and the origin of products entering our production chain are not considered to be risky in terms of respect for human rights. However, we recognize that our knowledge of our entire value chain is not optimal. We have a good view of our first level of supply, including rigorous vendor selection and validation processes. With regard to suppliers and subcontractors beyond the first level, we must acknowledge our ignorance. In this context, we have already initiated in 2018 a project to improve our purchasing management, inspired by the principles of ISO 20400. The work is still ongoing at present.
102-16	Values, principles, standards and norms of behavior	All information available within IBA Code of Business Conduct, https://iba-worldwide.com/content/code-conduct and also in IBA board statement : https://iba-worldwide.com/sites/protontherapy/files/ibal01_5048_charte_ca-nov2015_a4_v6_hr_nocrops.pdf
4. Governance		
102-18	Governance Structure	Please refer to the "governing bodies and committees" section of the 2018 Management Report.
5. Stakeholders Engagement		
102-40	List of Stakeholder groups	Please refer to the «IBA in 2018 at a glance» section in 2018 Annual Report.
102-41	Collective bargaining agreements	In all countries where we operate we are compliant with legislation and applicable industry collective agreement. In Belgium, where IBA's head office is located, we have several agreements applicable to 100% of our employees.
102-42	Identifying and selecting stakeholders	Stakeholders have been identified on the basis of who IBA as a business affects and engages the most with respect to financial, social and environmental matters.
102-43	Stakeholder engagement	To succeed, any responsible approach requires the support of the company's ecosystem nurtured by its stakeholders. This is why IBA includes the challenges of its stakeholders in its reflection and actions on sustainable development. With one ambition: to generate value and a positive impact for each of them, in a respectful and sustainable way. The year 2018 has allowed us to strengthen relationships with our stakeholders and expand a dialogue based on trust. - Clients and patients: we exchanged with our clients on their expectations in the use of our solutions to continue together to protect, enhance and save lives. We also nourished our approach by meeting patients. We hope to multiply these meetings and sharing moments in the future. - Collaborators: the sustainable development issues are part of the topics discussed during our internal meetings, throughout the year. - Society: meetings organized throughout the year encourage exchanges with local authorities, universities, schools, associations, etc. - Planet: to identify the issues of this particular stakeholder, we rely on reliable sources, including the UN 2030 Agenda for Sustainable Devlopment, IPCC reports, COP21 work, etc. - Shareholders: IBA's key shareholders support the process and the Board of Directors has signed a charter that promotes the integration of the different stakeholders in our strategy. The presentation of the annual results in April 2018 and the general assembly allowed to deepen the discussion.
102-44	Key topics and concerns raised	The 2018 Annual Report covers some of our key engagements with our stakeholders, showing how we listened and responded to varying needs.

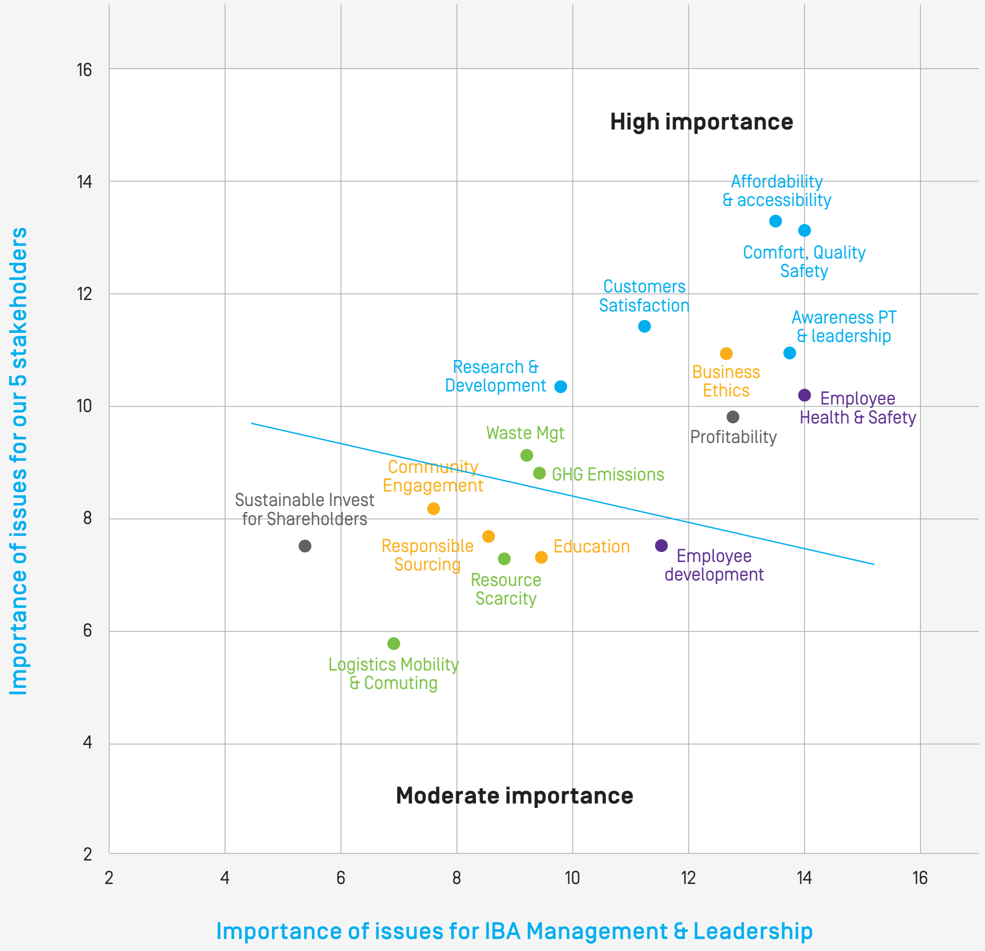
6. Reporting practice		
102-45	All entities included in the organisation's consolidated financial statements	This report covers the same entities as our 2018 Management Report.
102-46	Report content and standards boundaries	To clarify its priority issues, IBA has built a materiality matrix based on a dialogue with its stakeholders and the reference framework recommended by the Global Reporting Initiative (GRI). It is in this broad area that we lead our reflection. The hierarchy of our priorities is obtained by crossing the concerns of the company with the positions of its stakeholders. We focus on the rest of the report on topics of high importance for both our stakeholders and the management team. Please, find the materiality matrix in our appendix GRI 102-46.
102- 47	List of material topics	Affordability and accessibility of our solutions Awareness of proton therapy and thought leadership Satisfaction of our customers Comfort, quality and safety of our medical and industrial solutions Employee health & safety Business ethics Research and development Profitability Greenhouse gas emissions Waste management
102-48	Restatements of information	There are no statements
102-49	Changes in reporting	There are no significant changes in the list of material topics or measurement method applied
102-50	Reporting period	From the 1st of January 2018 untill the 31st of December 2018
102-51	Date of most recent report	The previous report was published in April 2018: https://iba-worldwide.com/content/iba-non-financial-activities-report
102-52	Reporting cycle	sustainability@iba-group.com
102-53	Contact point for questions regarding the report	sustainability@iba-group.com
102-54	Claims of reporting in accordance with the GRI Standards	This report is written based on the essential conformity option
102-55	GRI content index	Please see our GRI index
102-56	External assurance	To date, IBA has no ambition to seek external assurance for its sustainability report. This decision will be re-evaluated each year as our maturity evolves in terms of sustainable development reporting.

GRI Specific Disclosures		
GRI Standard	GRI Disclosure	Comment
Affordability and accessibility of our solutions (GRI 2016 – n/a)		
	Disclosures of Management Approach (DMA)	Our goal: Ensuring the affordability and accessibility of our medical and industrial solutions and equipments to as many patients and end users as possible.
		Our strategy is described in each business line chapter of the Annual Report.
	2018 progress	Please refer to the section "highlights of the year" of the 2018 Management Report for the number of sold and installed machines. In 2018 more than 220000 fractions were delivered on an IBA machines, which represents 11000 patients. It is an increase of 10% compared to the previous year.
Comfort, quality and safety of our medical and industrial solutions (GRI 2016: 416 - Customer health and safety)		
	DAM	At IBA, we are constantly improving our products and quality management processes in order to offer the market complete, safe and efficient solutions. We train our clients and help the medical community to provide users and patients with reliable and safe treatments. In order to raise the quality of the product IBA delivers on the market, we changed in 2018 our notified body and successfully passed the ISO13485:2016, ISO9001:2015. We also took the opportunity to become MDSAP certified.
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services.	There have been no material incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of IBA's products and services. IBA is complying to the ISO 13485:2016 regulation.
Awareness of proton therapy and thought leadership (GRI 2016 – n/a)		
	DAM	It is part of our mission to make proton therapy known and recognized by all. This includes increasing the awareness on the benefits of proton therapy in the medical and patient communities and sharing our expertise with authorities, institutions and/or health insurance companies to improve the quality and accessibility of healthcare.
	2018 progress	Our progresses in 2018 (see our «A more precise treatment» chapter in the Annual Report): IBA continues to promote interest in proton therapy through meetings, publications and collaborations. IBA organizes its 7th annual Proteus® User Meeting in Stockholm, Sweden in March 2018 (https://iba-worldwide.com/content/largest-proton-therapy-users-community-meeting-achieve-excellence) IBA continues to work hard with its clinical partners to push back the boundaries of cancer treatment and provide information for patients to make the right decisions about their treatment (https://iba-worldwide.com/proton-therapy/for-patients). IBA continues to be engaged with "Alliance for Proton Therapy access" to increase patient access to protontherapy in North America. By engaging patient and caregiver advocates, physicians, and other allies to educate and influence insurance providers and policymakers, the Alliance will advocate to ensure that proton therapy is recognized by private and public insurance providers as a long-term cost effective and medically necessary treatment for certain cancer types.
Employee health and safety (GRI 2016: 403 - Occupational health and safety)		
	DAM	As a responsible employer, we wish to provide our employees with safe working conditions and a friendly environment conducive to their professional and personal development. Please, see the «Quality of the jobs and the work environment» section of our Annual Report for the 2018 update. About our Global and Regional EHS Strategy, we continue our journey to build a responsible and sustainable culture. Each department is accountable for its continuous EHS improvement with the support of our EHS experts. We are happy to publish positive evolution in the number of recordable incidents (see GRI 403-2 section). In 2018 we completed an extensive training program in the US on radiation safety as part of a refresher. Installations of new sites benefited from closer EHS coaching for the management and mitigation of risks specific to the project phase and EHS has continued bringing expertise to SOP improvements.
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities.	Numbers are available in the GRI 403-2 appendix. The number of TRCs (Total Recordable Cases) has shown a healthy evolution compared to 2017. The number of work accidents resulting in personal injuries beyond first aid has fallen sharply (-30%). TRCs numbers illustrate a decrease of the three categories of recordable cases while the number of employees increases. The TRCs numbers of 2018 obviously had a positive impact on the Lost Time Accident Frequency Rate (LTAFR), which marks a clear decrease. The Total Recordable Incident Rate (TRIR) obviously follows the same trend.
Satisfaction of our customers (GRI 2016 – n/a)		
	DAM	Our vision: Please refer to the message from Olivier Legrain in the Annual Report 2018. Our three levers: - Accessible solutions: innovation must serve to develop solutions at the cutting edge of medical and technological progress, sustainable and accessible to the greatest possible number. - Quality of our products and services: we are constantly improving our products and quality management processes in order to offer the market complete, safe and efficient solutions. We offer our customers the opportunity to upgrade their systems with the latest technologies available on the market. We train our clients and help the medical community to provide users and patients with reliable and safe treatments. - Effective partnerships: we consider the dialogue with our clients, universities and many other partners as an important source of inspiration and progress. We pay particular attention to involving the scientific and medical communities in the development of our products and services.
	Customer's voice	Please, see the first four chapters of our Annual Report for the 2018 update.

Business ethics (GRI 2016: 205 - Anti-corruption and GRI 2016: 412 - Human rights assessment)		
	DAM	IBA strives to apply the highest ethical standards, in particular those concerning respect for working conditions and human rights, the fair treatment of every human being and the fight against corruption. This position is detailed in IBA Code of Business Conduct https://iba-worldwide.com/content/code-conduct. Our concern for integrity applies to all levels of the organization and to every action. IBA ensures that its principles are known and shared by all employees: in the context of their training plan, employees are invited to attend specific courses followed by an examination on corporate ethics.
205-3	Confirmed incidents of corruptions and actions taken	No known corruption incidents within IBA Group.
412-2	Employees training on human rights policies and procedures	So far, no case of human rights violations has been identified in IBA's value chain. The nature of our activities and the origin of products entering our production chain are not considered to be risky in terms of respect for human rights.
	2018 progress	Our Code of Business Conduct is signed by each employee.
Research and development (GRI 2016: 201 - n/a)		
	DAM	As Yves Jongen, the founder of IBA, likes to remind, IBA's employees are like craftsmen. Men and women experts in their field and animated by an amazing passion and enthusiasm. With a strong culture, IBA employees are collectively engaged to play an active role in achieving our mission.
	2018 progress	Please find in the different sections of our 2018 Annual Report, our progress in research and development by type of solutions.
Profitability (GRI 2016: 201 - Economic performance)		
	DAM	Please refer to the section "highlights of the year" of the 2018 Management Report.
	2018 progress	The company's financial results can be found in the 2018 Financial Annual Report.
Greenhouse gas emissions (GRI 2016: 305 - Emissions)		
	DAM	Our ambition is described in our 2018 Annual Report (Message from Olivier Legrain, Quality of the jobs and the work environment) CDP Climate Change submission: IBA received a C score in the CDP 2018 report, https://www.cdp.net/en/responses/31428
	2018 progress	**GRI 302-1 : Energy consumption within the organization** Our 2018 energy consumption numbers for IBA SA are available in GRI Index Appendix 302-01. We extended our consumption inventory to waste management and made a correction for the 2017 computation. Transport remains our main energy consumption impact on the environment. - The impact due to air transport is down sharply (25% less emissions compared to 2017) - The fuel impact of our company car fleet decreased by 3.9% compared to 2017. When this indicator is related to the number of Full Time Equivalents (FTE), a 13% increase is observed. This increase is due to an exceptional measure of reduction of working hours in 2018. In 2018, IBA continued its policy of encouraging cleaner mobility alternatives: - Discount for company cars with lower direct emissions (<60gCO2/km) (26 cars on a fleet of 500 on 31st December 2018) - 100% reimbursement of public transportation - Electric bike leasing with 0.2€/km reimbursement. (170 bikes leasing on 31st December 2018) As you can read in our annual report "Quality of the jobs and the work environment» section, we opened our new green factory in November 2018. Our contracts with our electricity suppliers are 100% green energy contracts, but we have included electricity consumption in our calculation of environmental impact in order to reduce our consumption. We expect to see a positive impact on our electricity consumption from 2019.
		GRI 302-2: Energy consumption outside the organization The data in the appendix GRI 302-2 below comes from an analysis based only on the aspects of the most important products from a climate impact point of view. In the last few years, IBA's offer has been considerably improved, especially with the ProteusOne Protontherapy concept. This system is equipped with a particle accelerator (S2C2) whose energy performance is greatly improved through the use of superconductivity. In 2018, the Radiopharma Solutions division completed the technological transition from Cyclone 18/9 to Cyclone Kiube. This new accelerator offers a higher energy efficiency compared to the old machine (see our chapter RPS BU), Cyclone C18 / 9. Finally, the industrial division is also transitioning with an explosion in sales of Rhodotron New Generation, whose energy performance has been greatly improved (see our chapter Indus BU). In addition, IBA is continuing its efforts as part of a research program to find a substitute for SF6, which is still a very important part of our company's installed base.
Waste management (GRI 2016: 306 - Waste by type and disposal method)		
	DAM	In 2019, IBA publishes for the first time the data related to the production of waste at the Belgian sites.
	2018 progress	The graph GRI306-2 shows an increase in waste production in 2017 an unusual increase in the volume of purchases explains the 2017 pic. In addition, since 2017, IBA has strengthened the on-site sorting of recoverable waste. This allowed us to sort close to 11 tons of wood in 2017 and close to 20 tons in 2018. The proportion of unsorted waste has remained stable since 2016 and still represents around 35% of the total.

GRI Specific appendix	
GRI 102-46	Materiality matrix
GRI 102-8	Information on employees and other workers
GRI 403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities.
GRI 302-1	Energy consumption within the organization
GRI 306-2	Waste by type and disposal method

GRI 102-46 MATERIALITY MATRIX



GRI 102-8

As of December 31, 2018				
Employee type by region	ASIA	EMEA	North America	Total
full time	115	912	270	**1297**
part time	1	148	5	**154**
Total	**116**	**1060**	**275**	**1451**

Working contract by region	ASIA	EMEA	North America	Total
permanent	97	996	265	**1358**
temporary	19	64	10	**93**
Total	**116**	**1060**	**275**	**1451**

Employee gender by region	ASIA	EMEA	North America	Total
Female	28	291	44	**363**
Male	88	769	231	**1088**
Total	**116**	**1060**	**275**	**1451**

Working contract per gender type	Female	Male	Total
full time	271	1026	**1297**
part time	92	62	**154**
Total	**363**	**1088**	**1451**

GRI 403-2

Number of employee	Column1	2017	2018
number of employee		1518	1451

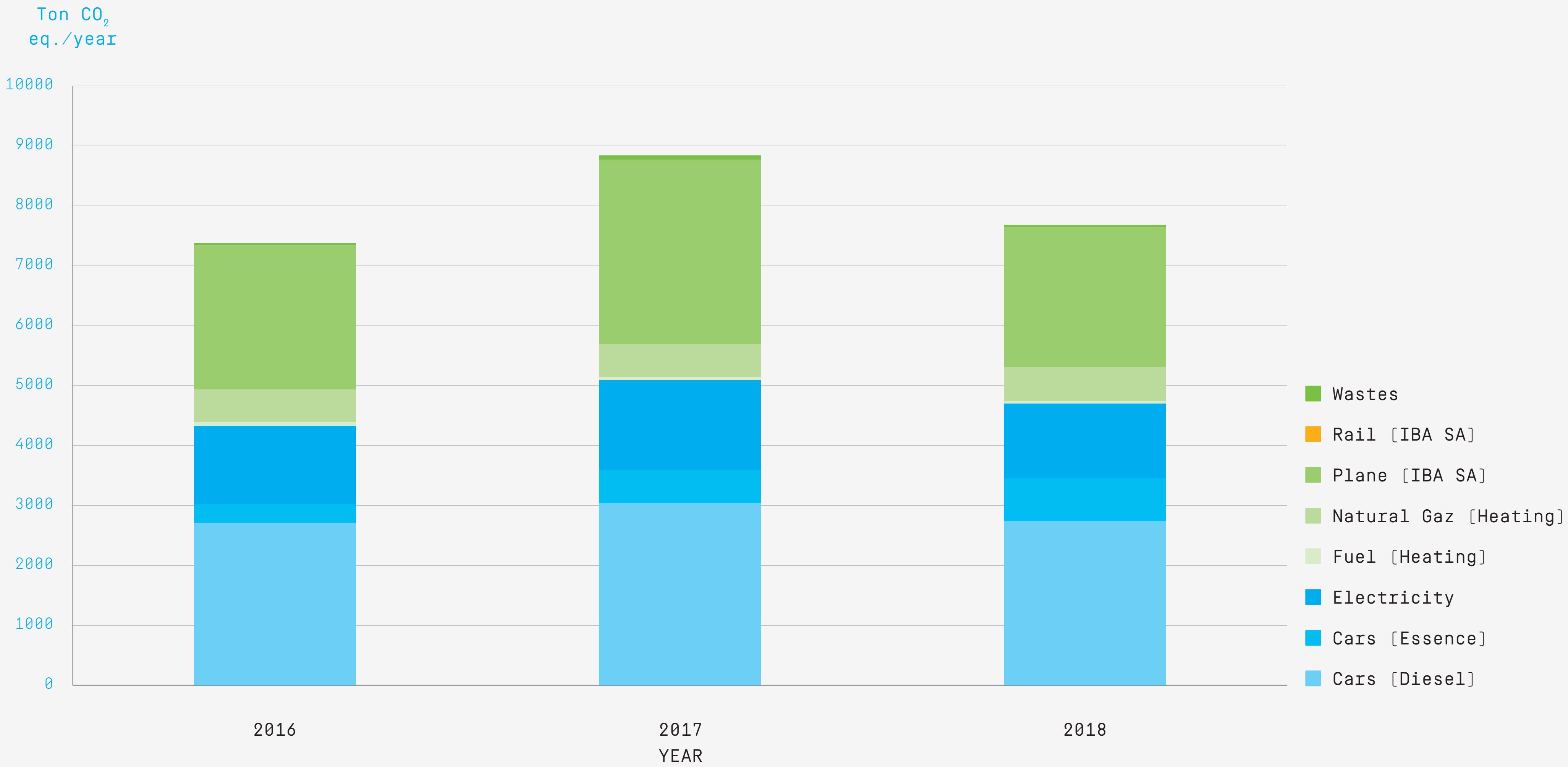
Total recordable cases	Column1	2017	2018
# Lost time accident cases		9	6
# Restricted work cases		4	2
# Medical treatment cases		17	12
Lost Time accident frequency rate		3,54	2,62
Total recordable incident rate		11,8	8,72

Accident rate	Column1	2017	2018
Lost Time accident frequency rate		3,54	2,62
Total recordable incident rate		11,8	8,72

(# LTA/working hours) x 1.000.000
(# TRC/working hours) x 1.000.000

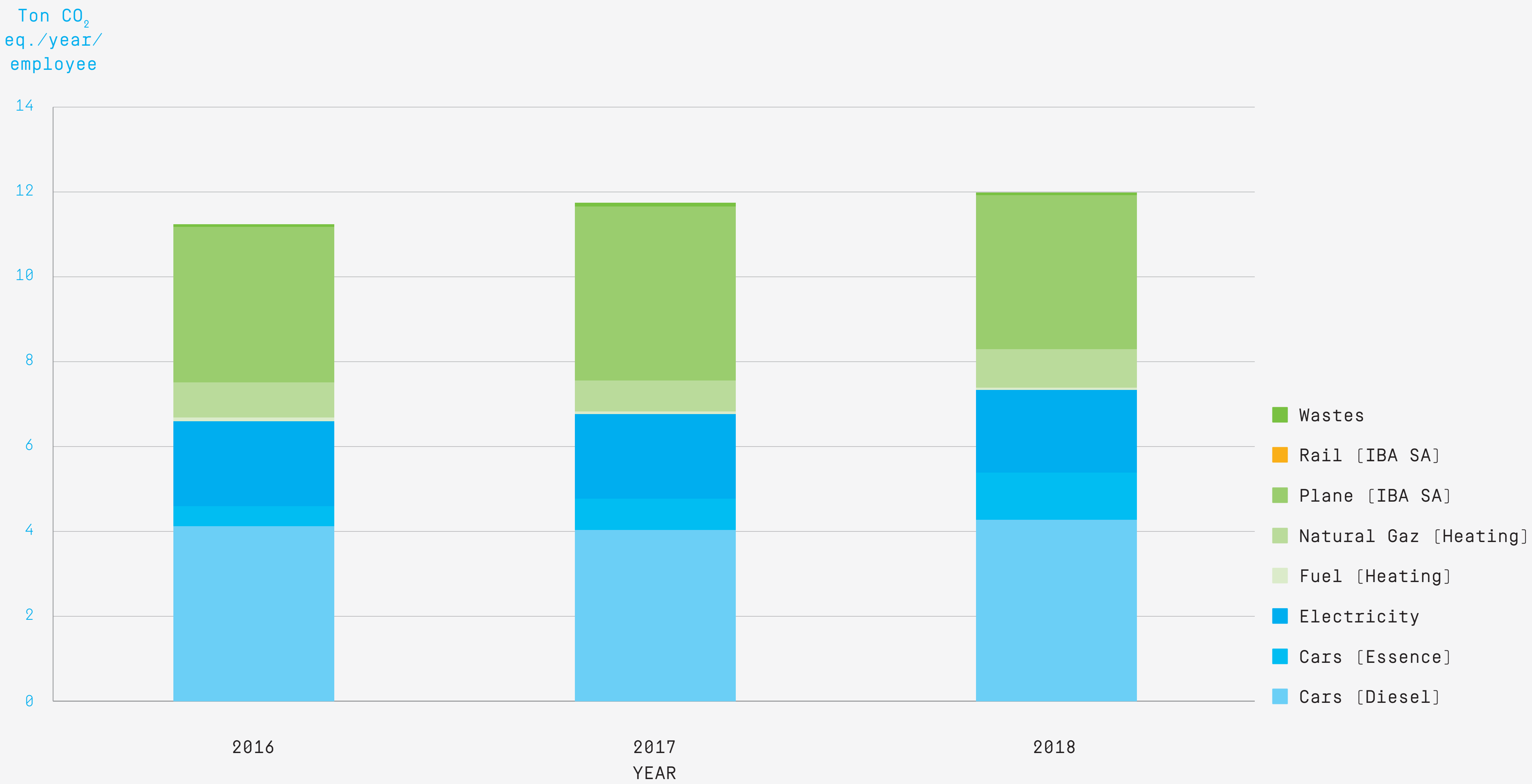
GRI 302-1 IMPACT OF THE IBA S.A. ORGANIZATION ON CLIMATE (ABSOLUTE VALUE)

Somme de Climate Change (Total Scopes 1,2,3) Value Ton	CATEGORY								
Entry year	Cars (Diesel)	Cars (Essence)	Electricity	Fuel (Heating)	Natural Gaz (Heating)	Plane (IBA SA)	Rail (IBA SA)	Wastes	Grand Total
2016	2708	308	1315	58	544	2409		37	7380
2017	3034	555	1500	53	549	3083		66	8841
2018	2739	712	1250	33	579	2326	4	40	7682
Grand Total	**8482**	**1575**	**4065**	**144**	**1672**	**7818**	**4**	**143**	**23903**



GRI 302-1 IMPACT OF THE IBA S.A. ORGANIZATION ON CLIMATE (AVERAGE PER FULL-TIME EQUIVALENT)

Sum of Climate Change [Total Scopes 1,2,3] - Rel. Value Ton2	CATEGORY								
Entry year	Cars [Diesel]	Cars [Essence]	Electricity	Fuel [Heating]	Natural Gaz [Heating]	Plane [IBA SA]	Rail [IBA SA]	Wastes	Grand Total
2016	4,123388182	0,469268234	2,001907736	0,088702585	0,828024054	3,667123102		0,057090891	11,23550478
2017	4,030750246	0,737451805	1,992698468	0,07081356	0,728842441	4,095338654		0,088148476	11,74404365
2018	4,273604731	1,110483258	1,950082618	0,051327491	0,903615677	3,629998268	0,006111073	0,061765198	11,98698831
Grand Total	**12,42774316**	**2,317203296**	**5,944688822**	**0,210843636**	**2,460482172**	**11,39246002**	**0,006111073**	**0,207004565**	**34,96653675**



GRI 306-1 AMOUNT OF WASTES IN BELGIAN SITES

Amount of Waste [kg]									
Entry year	Waste production [glass]	Waste production [metal]	Waste production [mixed]	Waste production [paper/cardboard]	Waste production [plastics]	Waste production [wood]	Waste WEEE [Waste of Electrical and Electronic Equipments] [kg]	Wastes [Hazardous]	Total général
2016	159,78	951,8	56213	96587,16	734,83				154646,57
2017	360	1368	100023	171080	2263	11440	49,13	9,8	286592,93
2018	240,66	585,41	60377,66	90740,54	1737,03	19993,68	57,52	21,41	173753,91