

# **ION BEAM APPLICATIONS (“IBA”)**

**IFRS INTERIM CONDENSED  
CONSOLIDATED FINANCIAL STATEMENTS  
AS OF JUNE 30, 2018**

# IFRS INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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In accordance with IAS 34, IBA SA has chosen to publish its interim consolidated financial statements as of June 30, 2018 in condensed form.

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## GENERAL INFORMATION

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

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

- The **Proton therapy and other accelerators** segment, which constitutes the technological basis of the Group's businesses and encompasses development, fabrication, and services associated with medical and industrial particle accelerators and proton therapy solutions.
- The **Dosimetry** segment, which includes the activities that offer a full range of innovative high-quality solutions and services that maximize efficiency and minimize errors in radiation therapy and medical imaging Quality Assurance and calibration procedures.

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

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

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

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

These interim condensed consolidated financial statements have been approved for issue by the Board of Directors on August 21, 2018. The Board of Directors of IBA is composed as follows:

Internal directors: Messrs. Olivier Legrain and Yves Jongen, and Saint-Denis SA represented by Mr. Pierre Mottet. Olivier Legrain is Managing Director and Chief Executive Officer. His mandate was renewed at the Ordinary General Meeting of shareholders held on May 11, 2016; his term will expire at the Ordinary General Meeting of shareholders in 2020, which will approve the 2019 financial statements. Yves Jongen is Managing Director and Chief Research Officer. His mandate was renewed at the Ordinary General Meeting of shareholders of May 10, 2017; his term will expire at the Ordinary General Meeting of shareholders in 2021, which will approve the 2020 financial statements. The mandate of Saint-Denis SA was renewed as an internal director at the Ordinary General Meeting of shareholders of May 13, 2015; his term will expire at the Ordinary General Meeting of shareholders in 2019, which will approve the 2018 financial statements.

External Directors: Consultance Marcel Miller SCS represented by Mr. Marcel Miller, Hedvig Hricak, Katleen Vandeweyer Comm. V. represented by Mrs. Katleen Vandeweyer, Jeroen Cammeraat, Bridging for Sustainability SPRL represented by Sibille Vandenhove d'Ertsenryck. Consultance Marcel Miller SCS was renewed as an external director during the Ordinary General Meeting of shareholders held on May 11, 2016; its term will expire at the Ordinary General Meeting of shareholders of 2020, which will approve the 2019 financial statements. Hedvig Hricak was renewed as an external director during the Ordinary General Meeting of shareholders held on May 9, 2018; her term will expire at the Ordinary General Meeting of shareholders of 2022, which will approve the 2021 financial statements. Katleen Vandeweyer Comm. V. was renewed as an external director during the Ordinary General Meeting of shareholders held on May 9, 2018; its term will expire at the Ordinary General Meeting of shareholders of 2022, which will approve the 2021 financial statements. Jeroen Cammeraat was renewed external director during the Ordinary General Meeting of shareholders held on May 13, 2015; his term will expire at the Ordinary General Meeting of shareholders of 2019, which will approve the 2018

financial statements. Bridging for Sustainability SPRL (represented by Sibille Vandenhove d'Ertsenryck was appointed external director during the Ordinary General Meeting of shareholders held on May 11, 2016; its term will expire at the Ordinary General Meeting of shareholders of 2020, which will approve the 2019 financial statements.

Other directors: Bayrime SA represented by Mr. Eric de Lamotte. Bayrime SA was renewed as other director during the Ordinary General Meeting of shareholders

held on May 10, 2017; its term will expire at the Ordinary General Meeting of shareholders of 2021, which will approve the 2020 financial statements.

The IBA Board acts in accordance with the guidelines established in its Corporate Governance Charter as approved by the Board of Directors meeting of April 1, 2010. A copy of the charter can be found on the IBA website (<https://iba-worldwide.com/investor-relations/legal>).

## INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF JUNE 30, 2018

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

	Note	December 31, 2017 (EUR '000)	June 30, 2018 (EUR '000)
<b>ASSETS</b>			
Goodwill	6.3	3 821	3 821
Other intangible assets	6.3	12 396	10 589
Property, plant and equipment	6.3	22 686	21 655
Investments accounted for using the equity method		0	0
Other investments		8 909	8 909
Deferred tax assets	3.1	6 017	6 319
Long-term financial assets		2 289	382
Other long-term assets	6.4	18 572	20 023
<b>Non-current assets</b>		<b>74 690</b>	<b>71 698</b>
Inventories and contracts in progress	6.6	140 288	143 904
Trade receivables		61 000	82 481
Other receivables	6.7	26 218	23 001
Short-term financial assets		3 049	1 109
Cash and cash equivalents	6.2	27 273	36 302
<b>Current assets</b>		<b>257 828</b>	<b>286 797</b>
<b>TOTAL ASSETS</b>		<b>332 518</b>	<b>358 495</b>
<b>EQUITY AND LIABILITIES</b>			
Capital stock	6.10	42 053	42 094
Capital surplus	6.10	41 322	41 420
Treasury shares	6.10	-8 502	-8 502
Reserves		16 205	12 941
Currency translation difference		-3 321	-3 470
Retained earnings		20 937	12 462
<b>Capital and reserves</b>		<b>108 694</b>	<b>96 945</b>
Non-controlling interests		0	0
<b>EQUITY</b>		<b>108 694</b>	<b>96 945</b>
Long-term borrowings	6.5	19 286	31 404
Long-term financial liabilities		0	52
Deferred tax liabilities		667	667
Long-term provisions	6.11	5 975	5 303
Other long-term liabilities		8 970	13 877
<b>Non-current liabilities</b>		<b>34 898</b>	<b>51 303</b>
Short-term provisions	6.11	6 722	6 807
Short-term borrowings	6.5	23 464	43 985
Short-term financial liabilities		118	1 267
Trade payables		46 332	34 082
Current income tax liabilities		756	222
Other payables	6.8	111 534	123 884
<b>Current liabilities</b>		<b>188 926</b>	<b>210 247</b>
<b>TOTAL LIABILITIES</b>		<b>223 824</b>	<b>261 550</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>332 518</b>	<b>358 495</b>

## INTERIM CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2018

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

	Note	June 30, 2017 (*) (EUR '000)	June 30, 2018 (EUR '000)
Sales		107 731	67 991
Services		43 882	46 684
Cost of sales and services (-)		-96 663	-74 738
<b>Gross profit</b>		<b>54 950</b>	<b>39 937</b>
Selling and marketing expenses		14 332	12 357
General and administrative expenses		21 743	17 911
Research and development expenses		16 974	14 202
Other operating expenses	6.9	7 077	2 100
Other operating (income)	6.9	-4 660	-130
Financial expenses		2 227	3 066
Financial (income)		-298	-2 839
Share of (profit)/loss of companies consolidated using the equity method		-71	0
<b>Profit/(loss) before taxes</b>		<b>-2 374</b>	<b>-6 730</b>
Tax (income)/expenses	6.13 & 3.1	2 256	280
<b>Profit/(loss) for the period from continuing operations</b>		<b>-4 630</b>	<b>-7 010</b>
Profit/(loss) for the period from discontinued operations		-25	-5
<b>Profit/(loss) for the period</b>		<b>-4 655</b>	<b>-7 015</b>
<b>Attributable to :</b>			
Equity holders of the parent		-4 655	-7 015
Non-controlling interests		0	0
<b>Earnings per share from continuing operations and discontinued operations (EUR per share)</b>			
- Basic	5.1	-0.1598	-0.2394
- Diluted	5.2	-0.1598	-0.2394
<b>Earnings per share from continuing (EUR per share)</b>			
- Basic	5.1	-0.1590	-0.2392
- Diluted	5.2	-0.1590	-0.2392
<b>Earnings per share from discontinued operations (EUR per share)</b>			
- Basic	5.1	-0.0008	-0.0002
- Diluted	5.2	-0.0008	-0.0002

(\*) The Group has applied IFRS 15 using the modified retrospective method. Under this method, the comparative information is not restated.

## INTERIM CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED JUNE 30, 2018

	June 30, 2017 (*) (EUR '000)	June 30, 2018 (EUR '000)
<b>Profit/(loss) for the period</b>	<b>-4 655</b>	<b>-7 015</b>
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
- Exchange differences on translation of foreign operations	-1 237	-149
<i>Exchange differences on translation of foreign operations</i>	-1 237	-149
- Reserves movements of investments accounted for using the equity method	0	0
<i>Currency translation difference</i>	0	0
<i>Cash flow hedges</i>	0	0
<i>Other</i>	0	0
- Exchange difference related to permanent financing	0	0
- Net (loss)/gain on available for sale financial assets	0	0
- Net movement on cash flow hedges	5 098	-3 396
- Gain on sales of treasury shares	0	0
- Other	0	0
<b>Net other comprehensive income to be reclassified to profit or loss in subsequent periods</b>	<b>3 861</b>	<b>-3 545</b>
Other comprehensive income not to be reclassified to profit or loss in subsequent periods :		
- Movement on reserves for assets held for sale	0	0
- Reserves movements of investments accounted for using the equity method (actuarial gain/(loss))	0	0
<b>Net other comprehensive income not to be reclassified to profit or loss in subsequent periods</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income for the period</b>	<b>-794</b>	<b>-10 560</b>

(\*) The Group has applied IFRS 15 using the modified retrospective method. Under this method, the comparative information is not restated.

## INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

### Attributable to equity holders of the parent

	Capital stock	Capital surplus	Treasury Shares	Hedging reserves	Other reserves – value of stock option plans and share-based compensation	Other reserves – reserves movements of investment accounted for using the equity method	Other reserves – defined benefit plans	Other reserves – Other	Currency translation difference	Retained earnings	TOTAL Shareholders' equity and reserves
<b>Balance at 01/01/17</b>	<b>41 776</b>	<b>40 618</b>	<b>-8 502</b>	<b>-2 501</b>	<b>15 285</b>	<b>0</b>	<b>-3 463</b>	<b>175</b>	<b>-1 367</b>	<b>68 370</b>	<b>150 391</b>
Other comprehensive income	0	0	0	5 098	0	0	0	0	-1 237	0	3 861
Profit/(loss) for the period	0	0	0	0	0	0	0	0	0	-4 655	-4 655
<b>Comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5 098</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-1 237</b>	<b>-4 655</b>	<b>-794</b>
Dividends	0	0	0	0	0	0	0	0	0	-8 515	-8 515
Employee stock options and share-based payments	0	0	0	0	230	0	0	0	0	0	230
Increase/(decrease) in capital stock/capital surplus	123	315	0	0	0	0	0	0	0	0	438
Other changes	0	0	0	0	0	0	0	0	0	1	1
<b>Balance at 30/06/17</b>	<b>41 899</b>	<b>40 933</b>	<b>-8 502</b>	<b>2 597</b>	<b>15 515</b>	<b>0</b>	<b>-3 463</b>	<b>175</b>	<b>-2 604</b>	<b>55 201</b>	<b>141 751</b>
<b>Balance at 01/01/18</b>	<b>42 053</b>	<b>41 322</b>	<b>-8 502</b>	<b>4 466</b>	<b>15 473</b>	<b>0</b>	<b>-3 888</b>	<b>154</b>	<b>-3 321</b>	<b>20 937</b>	<b>108 694</b>
Change in accounting policy - IFRS 15 impact of modified retrospective method	0	0	0	0	0	0	0	0	0	-1 460	-1 460
<b>Adjusted balance at 01/01/18</b>	<b>42 053</b>	<b>41 322</b>	<b>-8 502</b>	<b>4 466</b>	<b>15 473</b>	<b>0</b>	<b>-3 888</b>	<b>154</b>	<b>-3 321</b>	<b>19 477</b>	<b>107 234</b>
Other comprehensive income	0	0	0	-3 396	0	0	0	0	-149	0	-3 545
Profit/(loss) for the period	0	0	0	0	0	0	0	0	0	-7 015	-7 015
<b>Comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-3 396</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-149</b>	<b>-7 015</b>	<b>-10 560</b>
Dividends	0	0	0	0	0	0	0	0	0	0	0
Employee stock options and share-based payments	0	0	0	0	132	0	0	0	0	0	132
Increase/(decrease) in capital stock/capital surplus	41	98	0	0	0	0	0	0	0	0	139
Other changes	0	0	0	0	0	0	0	0	0	0	0
<b>Balance at 30/06/18</b>	<b>42 094</b>	<b>41 420</b>	<b>-8 502</b>	<b>1 070</b>	<b>15 605</b>	<b>0</b>	<b>-3 888</b>	<b>154</b>	<b>-3 470</b>	<b>12 462</b>	<b>96 945</b>



## INTERIM CONSOLIDATED STATEMENT OF CASH FLOW FOR THE SIX MONTHS ENDED JUNE 30, 2018

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

	Note	June 30, 2017 (EUR '000)	June 30, 2018 (EUR '000)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>Net profit/(loss) for the period</b>		<b>-4 655</b>	<b>-7 015</b>
Adjustments for:			
Depreciation and impairment of property, plant, and equipment	6.3	1 551	1 745
Amortization and impairment of intangible assets	6.3	1 274	1 749
Write-off on receivables		1 152	251
Changes in fair values of financial assets (gains)/losses		191	1 653
Changes in provisions		-3 427	1 525
Deferred taxes	6.13	-9	-261
Share of results of associates and joint ventures accounted for using the equity method		-71	0
Other non-cash items		47	-634
<b>Net cash flow changes before changes in working capital</b>		<b>-3 947</b>	<b>-987</b>
Trade receivables, other receivables, and deferrals		2 526	-20 162
Inventories and contracts in progress		-6 957	-4 838
Trade payables, other payables, and accruals		555	-1 195
Other short-term assets and liabilities		-710	-317
<b>Changes in working capital</b>		<b>-4 586</b>	<b>-26 512</b>
Income tax paid / received, net		-2 391	-36
Interest paid/ Interest received		438	946
<b>Net cash (used in)/generated from operations</b>		<b>-10 486</b>	<b>-26 589</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Acquisitions of property, plant and equipment continuing activities	6.3	-7 078	-1 145
Acquisitions of intangibles assets continuing activities	6.3	-1 908	-207
Disposals of assets		0	8
Acquisitions of subsidiaries, net of acquired cash		0	0
Acquisitions of third party and equity-accounted investments		0	0
Disposals of subsidiaries and equity-accounted companies, and other investments net of cash disposed		0	0
Acquisitions of non-current financial assets and loan granted		0	0
Other investing cash-flows		-2	-3
<b>Net cash (used in)/generated from investing activities</b>		<b>-8 988</b>	<b>-1 347</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings	6.5	0	34 863
Repayment of borrowings	6.5	-1 110	-2 215
Net interest (paid)/received		-397	-839
Capital increase (or proceeds from issuance of ordinary shares)		438	139
(Purchase)/sales of treasury shares		0	0
Dividends paid		-8 515	0
Other financing cash flows		4 327	5 898
<b>Net cash (used in)/generated from financing activities</b>		<b>-5 257</b>	<b>37 846</b>
<b>Net cash and cash equivalents at the beginning of the period</b>		<b>74 564</b>	<b>27 273</b>
Change in net cash and cash equivalents		-24 731	9 910
Exchange gains/(losses) on cash and cash equivalents		126	-881
<b>Net cash and cash equivalents at the end of the period</b>		<b>49 959</b>	<b>36 302</b>

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 1. FINANCIAL STATEMENTS – BASIS OF PREPARATION

### 1.1 BASIS OF PREPARATION

These interim condensed consolidated financial statements of IBA cover the six months ended June 30, 2018. They have been prepared in accordance with IAS 34 "Interim Financial Reporting".

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at December 31, 2017.

#### 1.1.1 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

- IFRS 9 Financial Instruments
- IFRS 15 Revenue from Contracts with Customers, including amendments to IFRS 15: effective date of IFRS 15 and clarifications to IFRS 15

#### IFRS 9 Financial Instruments

IFRS 9 replaces the provisions of IAS 39 on the accounting and classification of financial assets and liabilities, financial instruments and hedging. The Group adopted IFRS 9 as from January 1, 2018.

#### 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 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. Consequently, the accounting policy disclosed in the annual report 2017 on this item remains valid.

### 4) **Fair value hedging**

Under IAS 39, the Group already applied fair value hedge accounting and will continue to do so under IFRS 9. Consequently, the accounting policy disclosed in the annual report 2017 on this item remains valid.

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

## IFRS 15 Revenue from Contracts with Customers, including amendments to IFRS 15

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.

The details of the significant changes and quantitative impact of the changes are set out below :

### **Equipment sale :**

The Group previously considered separately the production and installation of proton therapy center in the case of the installation was performed through a subsidiary of IBA SA. The revenue recognition occurred over time for both contracts with for each their own margin percentage based on the stage of completion.

Under IFRS 15, the Group considers that the sale of a proton therapy center is one single performance obligation and therefore, a global margin percentage is applied to the totality of this sale.

The initial impact on the equity at January 1, 2018 of this IFRS 15 retreatment is EUR -1.25 million.

### **Operation and maintenance services :**

The Group provides operation and maintenance services. The customers simultaneously receive and consume the benefits provided by the Group. Therefore, revenue recognition occurs over time using the linearized revenue recognition method.

Under IFRS 15, the Group continues to apply the same method except for preventive maintenance (above a threshold) included in their operation and maintenance services for which a selling price is separately specified. In this case, the revenue related to the preventive maintenance is recognized at a point in time when the preventive maintenance is taking place.

The initial impact on the equity at January 1, 2018 of this IFRS 15 retreatment is EUR -0.21 million.

The total impact of IFRS 15 on the Group's financial position as at January 1, 2018, is as follow:

	December 31, 2017 (EUR '000)	IFRS 15 Opening adjustments	January 1, 2018 (EUR '000)
<b>ASSETS</b>			
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
<b>Non-current assets</b>	<b>74 690</b>	<b>0</b>	<b>74 690</b>
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
<b>Current assets</b>	<b>257 828</b>	<b>-1 250</b>	<b>256 578</b>
<b>TOTAL ASSETS</b>	<b>332 518</b>	<b>-1 250</b>	<b>331 268</b>
<b>EQUITY AND LIABILITIES</b>			
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
<b>Capital and reserves</b>	<b>108 694</b>	<b>-1 460</b>	<b>107 234</b>
Non-controlling interests	0	0	0
<b>EQUITY</b>	<b>108 694</b>	<b>-1 460</b>	<b>107 234</b>
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
<b>Non-current liabilities</b>	<b>34 898</b>	<b>-840</b>	<b>34 058</b>
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
<b>Current liabilities</b>	<b>188 926</b>	<b>1 050</b>	<b>189 976</b>
<b>TOTAL LIABILITIES</b>	<b>223 824</b>	<b>210</b>	<b>224 034</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>332 518</b>	<b>-1 250</b>	<b>331 268</b>

For the presentation of the disaggregated revenue under IFRS 15 refer to the note 4.

### 1.1.2 NEW STANDARDS ISSUED

The new standards and amendments below that require restatement of previous financial statements do not have an impact on the interim condensed consolidated financial statements of the Group.

- Amendments to IFRS 2 *Share-based Payment - Classification and Measurement of Share-based Payment Transactions*
- Amendments to IFRS 4 *Insurance Contracts – Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts*
- Amendments to IFRS 9 *Financial Instruments - Prepayment Features with Negative Compensation*
- Amendments to IAS 40 *Investment Property – Transfers of Investment Property*
- IFRIC 22 *Foreign Currency Transactions and Advance Considerations*
- Annual Improvements Cycle - 2014-2016

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards and interpretations, if applicable, when they become effective.

- Amendments to IFRS 9 *Financial Instruments - Prepayment Features with Negative Compensation*, effective 1 January 2019
- IFRS 16 *Leases*, effective 1 January 2019
- IFRS 17 *Insurance Contracts*, effective 1 January 2021
- 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

#### IFRS 16 Leases

IFRS 16 will replace IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases-Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving*

the Legal Form of a Lease. IFRS 16 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. The standard 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 separately recognise 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 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.

IFRS 16 is effective for annual periods beginning on or after 1 January 2019. Early application is permitted, but not before an entity applies IFRS 15.

In accordance with the transition method of the standard, IBA as a lessee choose to apply the standard using the modified retrospective approach. As of today, the Group has started to scan operating expenses and reviewing lease contracts, the Group will continue to assess the potential effect of IFRS 16 on its financial statements.

## 1.2 TRANSLATION OF FINANCIAL STATEMENTS OF FOREIGN OPERATIONS

All monetary and non-monetary assets and liabilities (including goodwill) are translated at the closing rate. Income and expenses are translated at the rate of the transaction date (historical rate) or at an average rate for the month. The principal exchange rates used for conversion to EUR are as follows:

	Closing rate at June 30, 2017	Average rate for the 6 months period at June 30, 2017	Closing rate at December 31, 2017	Average annual rate 2017	Closing rate at June 30, 2018	Average rate for the 6 months period at June 30, 2018
<b>USD</b>	1.1412	1.0825	1.1993	1.1295	1.1658	1.2108
<b>SEK</b>	9.6398	9.5912	9.8438	9.6316	10.4530	10.1465
<b>CNY</b>	7.7385	7.4403	7.8044	7.6263	7.717	7.7061
<b>INR</b>	73.7445	71.0314	76.6055	73.4296	79.8130	79.3703
<b>RUB</b>	67.5449	62.6922	69.3920	65.8283	73.1582	71.8445
<b>JPY</b>	127.7500	121.6277	135.0100	126.6319	129.0400	131.5801
<b>CAD</b>	1.4785	1.4440	1.5039	1.4351	1.5442	1.5461
<b>GBP</b>	0.8793	0.8600	0.8872	0.8762	0.8861	0.8797
<b>ARS</b>	18.8659	16.8146	22.3236	18.6400	33.7948	26.0189
<b>THB</b>	38.7440	37.4777	39.1210	38.2054	38.5650	38.3180
<b>MXN</b> <sup>(1)</sup>			23.6612	22.0681	22.8817	23.0443

(1) Average rate calculated on the basis of 4 months of activity 2017

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

IBA Group consists of IBA S.A. and a total of 23 companies and associated companies in 13 countries. Of these, 21 are fully consolidated and 2 are accounted for using the equity method.

### 2.1 LIST OF SUBSIDIARIES IN IBA GROUP

NAME	Assets held for sale	Country of incorporation	Equity ownership (%)	Change in % ownership over December 31, 2017
IBA Molecular Holding (BE 0880.070.706) <i>Chemin du Cyclotron, 3, B-1348 LLN</i>	No	Belgium	100%	-
IBA Participations SPRL (BE 0465.843.290) <i>Chemin du Cyclotron, 3, B-1348 LLN</i>	No	Belgium	100%	-
IBA Investments SCRL (BE 0471.701.397) <i>Chemin du Cyclotron, 3, B-1348 LLN</i>	No	Belgium	100%	-
Ion Beam Beijing Applications Co. Ltd. <i>No.6 Xing Guang Er Jie, Beijing OPTO-Mechatronics Industrial Park, 101 111 Tongzhou District, Beijing, China</i>	No	China	100%	-
Striba GmbH <i>Waidmarkt 11, 50676 KÖLN, GERMANY</i>	No	Germany	100%	-
IBA Radiosotopes France SAS <i>59 Blvd Pinel, 69003 LYON</i>	No	France	100%	-
IBA Dosimetry GmbH <i>Bahnhofstrasse 5, 90592 Schwarzenbruck, Germany</i>	No	Germany	100%	-
IBA Dosimetry America Inc. <i>3150 Stage Post Dr. Ste. 110, Bartlett, TN 38133, USA</i>	No	USA	100%	-
IBA Proton Therapy Inc. <i>152 Heartland Blvd, Edgewood New York 11717, USA</i>	No	USA	100%	-
IBA Industrial Inc. <i>152 Heartland Blvd, Edgewood New York 11717, USA</i>	No	USA	100%	-
RadioMed Corporation <i>3149 Stage Post Drive Suite 110, Bartlett, TN 38133, USA</i>	No	USA	100%	-
IBA USA Inc. <i>151 Heartland Blvd, Edgewood New York 11717, USA</i>	No	USA	100%	-
IBA Particle Therapy GmbH <i>Bahnhofstrasse 5, 90592 Schwarzenbruck, Germany</i>	No	Germany	100%	-
Normandy Hadrontherapy SAS <i>9 rue Ferdinand Buisson, 14280 Saint-Contest</i>	No	France	100%	-
LLC Ion Beam Applications <i>1st Magistralny tupik, 5A 123290 Moscow, Russia</i>	No	Russia	100%	-
IBA Particle Therapy India Private Limited <i>Office Unit - F, 3rd Floor, Ali Towers, Old No 22, New No. 55, Greams Road, Thousand Lights, Chennai - 600006, Tamil Nadu, INDIA</i>	No	India	100%	-
IBA (Thailand) Co., Ltd <i>N°888/70, Mahatun Plaza, 7<sup>th</sup> floor, Ploenchit Road Lumpini Sub-district, Parthumwan district, Bangkok</i>	No	Thailand	100%	-
Ion Beam Application SRL <i>Ortiz de Ocampo 3302 Modulo 1 Buenos Aires (1425), ARGENTINA</i>	No	Argentina	100%	-
IBA Mexico DE R.L.DE C.V. <i>Paseo de la Reforma 126 (internal number 4) 06600 Cuauhtemoc, City of Mexico, MEXICO</i>	No	Mexico	100%	-
IBA Japan KK <i>3/F Shiodome Building, 1-2-20 Kaigan Minato-ku, Tokyo, JAPAN</i>	No	Japan	100%	-
Imaging Innovation KK (1) <i>3-6-7 Kasumigaseki, Chiyoda-Ku, Tokyo, JAPAN</i>	No	Japan	0%	-100%
Ion Beam Applications Singapore PTE. LTD. (2) <i>1 Scotts Road #21-10 Shaw Centre, SINGAPORE (228208)</i>	No	Singapore	100%	+100%

- (1) The company has been merged with IBA Japan KK in April 2018  
(2) Newly created company

## 2.2 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%	-

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

### 2.3.1 ACQUISITIONS OF COMPANIES

No acquisition of company was completed during the 6 first months of 2018.

### 2.3.2 DISPOSAL OF COMPANIES

No disposal of company was completed during the 6 first months of 2018.



### 3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. We present below estimates and assumptions that could cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### 3.1 INCOME TAX – DEFERRED TAX

The Group recognizes deferred tax assets on unused losses carried forward to the extent that the taxable profit against which these assets are available can be used. The amounts recognized in the 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.

The June 30, 2018 income statement was positively impacted by the increase of deferred tax assets on temporary differences in the United-States for EUR 0.3 million.

As at June 30, 2018, the Group had accumulated net operating losses of EUR 102.4 million usable to offset future profits taxable mainly in Belgium and in Russia and temporary differences amounting to EUR 7.8 million mainly in the United States and in China. The Company recognized deferred tax assets of EUR 4.25 million with a view to use the tax losses carried forward and EUR 2.07 million as temporary differences.

The negative result of June 30, 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.

#### 3.2 REVENUE RECOGNITION

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 Group adopts the new standard on the required effective date using the modified retrospective method.

The Group is in the business of providing equipment and services. The equipment and services are sold both on its own in separate identified contracts with

customers and together as a bundled package of goods and/or services.

##### (a) Sale of goods

The revenue recognition occurs over time due to the fact that the Group has an enforceable right to payment for performance completed to date.

The Group is considering the following:

##### (i) Variable consideration

A limited number of contracts with customers provide a volume rebates. Currently, the Group recognises revenue from the sale of goods measured at the fair value of the consideration received or receivable, net of volume rebates. If revenue cannot be reliably measured, the Group defers revenue recognition until the uncertainty is resolved. Such provisions give rise to variable consideration under IFRS 15, and is required to be estimated at contract inception.

IFRS 15 requires the estimated variable consideration to be constrained to prevent over-recognition of revenue. The Group assess individual contracts to determine the estimated variable consideration and related constraint.

##### (ii) Warranty

The Group provides warranties for general repairs in its contracts with customers. As such, the Group determines that such warranties are assurance-type warranties which continue to be accounted for under IAS 37 Provisions, Contingent Liabilities and Contingent Assets consistent with its current practice.

##### (b) Rendering of services

The Group provides operation and maintenance services. These services are sold either on their own in contracts with the customers or bundled together with the sale of equipment to a customer. The Group accounts for the equipment and service as separate deliverables of bundled sales and allocates consideration between these deliverables using the relative fair value approach. Under IFRS 15, allocation is made based on relative stand-alone selling prices which is actually already the case. The Group has assessed that the services are satisfied over time given that the customer simultaneously receives and consumes the benefits provided by the Group. Consequently, the Group continues to recognise revenue for these service contracts/service components of bundled contracts over time rather than at a point in time.

(c) Equipment received from customers

Non cash considerations are not applicable in the Group sales contracts.

### **3.3 ESTIMATING THE VALUE IN USE OF INTANGIBLE AND TANGIBLE FIXED ASSETS**

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

The negative result of June 30, 2018 does not significantly affect the existing budgeted plan and there is therefore no indicator that would trigger an impairment test as of June 30, 2018.

### **3.4 LONG TERM INCENTIVE PLAN**

No new long-term incentive plan has been implemented for 2018. Given the current context of the Company, a discretionary special short term incentive plan applies instead for fiscal year 2018, providing increased payout levels directly geared towards accelerating the PBT generated over and above the PBT planned for the year.

### **3.5 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.

### 3.6 FINANCIAL ASSETS AND LIABILITIES – ADDITIONAL INFORMATION

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

(EUR '000)	December 31, 2017		June 30, 2018	
	Net carrying value	Fair value	Net carrying value	Fair value
<b>FINANCIAL ASSETS</b>				
Trade receivables	61 000	61 000	82 481	82 481
Long-term receivables on contracts in progress	762	762	767	767
Other long-term receivables	17 810	17 810	19 256	19 256
Non-trade receivables and advance payments	18 931	18 931	16 147	16 147
Other short-term receivables	7 287	7 287	6 854	6 854
Other investments	8 909	8 909	8 909	8 909
Cash and cash equivalents	27 273	27 273	36 302	36 302
Hedging derivative products	4 974	4 974	1 310	1 310
Derivative products – other	364	364	181	181
<b>TOTAL</b>	<b>147 310</b>	<b>147 310</b>	<b>172 207</b>	<b>172 207</b>
<b>FINANCIAL LIABILITIES</b>				
Bank and other borrowings	42 750	42 750	75 375	75 375
Financial lease liabilities	0	0	14	14
Trade payables	46 332	46 332	34 082	34 082
Hedging derivative products	93	93	748	748
Derivative products – other	25	25	571	571
Other long-term liabilities	8 970	8 970	13 877	13 877
Amounts due to customers for contracts in progress	72 906	72 906	72 348	72 348
Other short-term liabilities	21 764	21 764	36 515	36 515
<b>TOTAL</b>	<b>192 840</b>	<b>192 840</b>	<b>233 530</b>	<b>233 530</b>

At December 31, 2017 and June 30, 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.

The Group may acquire non-controlling interests from third companies, depending on the evolution of its strategy. At this stage based on limited available information, the fair value of equity investments is considered to be the carrying value.

### 3.7 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 IAS 39 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 the 6 first months of the year, there was no transfer between the various categories for the financial instruments existing as of June 30, 2018.

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

(EUR '000)	Level 1	Level 2	Level 3	June 30, 2018
- Forward foreign exchange contracts		1 300		1 300
- Foreign exchange rate swaps		10		10
<b>Hedge-accounted financial assets</b>		<b>1 310</b>		<b>1 310</b>
- Forward foreign exchange contracts		0		0
- Foreign exchange rate swaps		100		100
- Other financial assets at fair value		81		81
<b>Financial assets at fair value through the income statement</b>		<b>181</b>		<b>181</b>
- Forward foreign exchange contracts		120		120
- Foreign exchange rate swaps		628		628
<b>Hedge-accounted financial liabilities</b>		<b>748</b>		<b>748</b>
- Forward foreign exchange contracts		34		34
- Foreign exchange rate swaps		537		537
<b>Financial liabilities at fair value through the income statement</b>		<b>571</b>		<b>571</b>

## 4. OPERATING SEGMENTS

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

- Business segment-based information (Level 1);
- Geographical segment-based information (Level 2).  
Not presented in the interim condensed consolidated financial statements.

### 4.1 BUSINESS SEGMENTS

The operating segments are parts of the Company's business. Distinct financial information is available for these segments and is regularly checked by the Management team.

The presentation format of IBA's operational segments is represented by activities in the primary dimension, as the Company's risks of the Company and the productivity rates related to the activities are mainly affected by the fact that IBA operates activities which have different fundamental risk profiles. Consequently, the organization of the Company's Management and its internal reporting system to the Board of Directors have been implemented. A business segment is a separate component of a company which provides products or services in a specific field of activity which is subject to risks and returns different from those of other activities. In accordance with IFRS 8 Operating segments, the business segments on which segment information is based are (1) Protontherapy and other accelerators and (2) Dosimetry.

- **Protontherapy and other accelerators:** This segment constitutes the technological basis of the Group's many businesses and encompasses development production, and services associated with medical and industrial particle accelerators and proton therapy solutions.
- **Dosimetry:** this segment includes the activities that offer a full range of innovative high-quality solutions and services that maximize efficiency and minimize errors in radiation therapy and medical imaging Quality Assurance and calibration procedures.

The segment results, assets and liabilities include the items directly related to a segment, as well as those that may be allocated on a reasonable basis. The non-allocated assets mainly include deferred tax assets and some assets of companies that have a cross-segment role.

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 followings tables provide details of the income statement, assets, liabilities and other information for each segment. Any intersegment sales are contracted at arm's length.

Six months ended June 30, 2018	Protontherapy and other accelerators (EUR '000)	Dosimetry (EUR '000)	GROUP (EUR '000)
Sales	46 460	21 531	67 991
Services	43 893	2 791	46 684
<b>External sales</b>	<b>90 353</b>	<b>24 322</b>	<b>114 675</b>
Costs of sales and services (-)	-62 449	-12 289	-74 738
Operating (expenses)	-34 060	-10 410	-44 470
Other operating (expenses)/Income	-1 495	-342	-1 837
<b>Segment results</b>	<b>-7 651</b>	<b>1 281</b>	<b>-6 370</b>
Unallocated (expenses)/income <sup>(1)</sup>			-132
Financial (expenses)/income <sup>(2)</sup>			-228
Share of profit/(loss) of companies consolidated using the equity method			0
<b>result before taxes</b>			<b>-6 730</b>
Tax (expenses)/income <sup>(2)</sup>			-280
<b>Result for the period from continuing operations</b>			<b>-7 010</b>
Profit/(loss) for the period from discontinued operations			-5
<b>Profit/(loss) for the period</b>			<b>-7 015</b>

(1) Unallocated expenses consist mainly of expenses for stock option plans.

(2) Cash and taxes are handled at the Group level and are therefore presented under unallocated (expense)/income.

Six months ended June 30, 2018	Protontherapy and other accelerators (EUR '000)	Dosimetry (EUR '000)	GROUP (EUR '000)
Non-current assets	65 194	6 504	71 698
Current assets	265 500	21 297	286 797
<b>Segment assets</b>	<b>330 694</b>	<b>27 801</b>	<b>358 495</b>
Investments accounted for using the equity method	0	0	0
<b>TOTAL ASSETS</b>	<b>330 694</b>	<b>27 801</b>	<b>358 495</b>
Non-current liabilities	50 493	810	51 303
Current liabilities	199 701	10 546	210 247
<b>Segment liabilities</b>	<b>250 194</b>	<b>11 356</b>	<b>261 550</b>
<b>TOTAL LIABILITIES</b>	<b>250 194</b>	<b>11 356</b>	<b>261 550</b>
<b>Six months ended June 30, 2018</b>			
Capital expenditure	987	365	
Depreciation and impairment of property, plant and equipment	1 527	218	
Depreciation of intangible assets and goodwill	1 687	62	
Salary expenses	52 194	8 422	
Non-cash expenses/(income)	1 653	446	
Headcount at period-end	1 190	219	

Six months ended June 30, 2017	Protontherapy and other accelerators EUR '000)	Dosimetry (EUR '000)	GROUP (EUR '000)
Sales	82 381	25 350	107 731
Services	40 879	3 003	43 882
<b>External sales</b>	<b>123 260</b>	<b>28 353</b>	<b>151 613</b>
Costs of sales and services (-)	-83 682	-12 981	-96 663
Operating (expenses)	-43 125	-9 924	-53 049
Other operating (expenses)/Income	-1 601	-381	-1 982
<b>Segment results</b>	<b>-5 148</b>	<b>5 067</b>	<b>-81</b>
Unallocated (expenses)/income <sup>(1)</sup>			-435
Financial (expenses)/income <sup>(2)</sup>			-1 929
Share of profit/(loss) of companies consolidated using the equity method			71
<b>Result before taxes</b>			<b>-2 374</b>
Tax (expenses)/income <sup>(2)</sup>			-2 256
<b>Result for the period from continuing operations</b>			<b>-4 630</b>
Profit/(loss) for the period from discontinued operations			-25
<b>Profit/(loss) for the period</b>			<b>-4 655</b>

(1) Unallocated expenses consist mainly of expenses for stock option plans.

(2) Cash and taxes are handled at the Group level and are therefore presented under unallocated (expense)/income.

Year ended December 31, 2017	Protontherapy and other accelerators (EUR '000)	Dosimetry (EUR '000)	GROUP (EUR '000)
Non-current assets	68 351	6 339	74 690
Current assets	236 581	21 247	257 828
<b>Segment assets</b>	<b>304 932</b>	<b>27 586</b>	<b>332 518</b>
Investments accounted for using the equity method			
<b>TOTAL ASSETS</b>	<b>304 932</b>	<b>27 586</b>	<b>332 518</b>
Non-current liabilities	34 085	813	34 898
Current liabilities	178 515	10 411	188 926
<b>Segment liabilities</b>	<b>212 600</b>	<b>11 224</b>	<b>223 824</b>
<b>TOTAL LIABILITIES</b>	<b>212 600</b>	<b>11 224</b>	<b>223 824</b>
<b>Other segment information</b>			
<b>Six months ended June 30, 2017</b>			
Capital expenditure	8 826	160	
Depreciation and impairment of property, plant and equipment	1 323	228	
Depreciation of intangible assets and goodwill	1 214	60	
Salary expenses	57 557	8 451	
Non-cash expenses/(income)	-1 448	-578	
Headcount at period-end	1 326	216	

## 5. EARNINGS PER SHARE

### 5.1 BASIC EARNINGS PER SHARE

Basic earnings are calculated by dividing the net profit attributable to the Company shareholders by the weighted average number of ordinary shares

outstanding during the period. The weighted average number of ordinary shares excludes shares purchased by the Company and held as treasury shares.

BASIC EARNINGS PER SHARE	June 30, 2017	June 30, 2018
Earnings attributable to parent equity holders (EUR '000)	-4 655	-7 015
Weighted average number of ordinary shares	29 124 307	29 299 475
<b>Basic earnings per share from continuing and discontinued operations (EUR per share)</b>	<b>-0.1598</b>	<b>-0.2394</b>
Earnings from continuing operations attributable to parent equity holders (EUR '000)	-4 630	-7 010
Weighted average number of ordinary shares	29 124 307	29 299 475
<b>Basic earnings per share from continuing operations (EUR per share)</b>	<b>-0.1590</b>	<b>-0.2392</b>
Earnings from discontinued operations attributable to parent equity holders (EUR '000)	-25	-5
Weighted average number of ordinary shares	29 124 307	29 299 475
<b>Basic earnings per share from discontinued operations (EUR per share)</b>	<b>-0.0008</b>	<b>-0.0002</b>

### 5.2 DILUTED EARNINGS PER SHARE

Diluted earnings per share are calculated by adjusting the weighted average number of ordinary shares outstanding for the effects of conversion of all dilutive potential ordinary shares. In 2014, the Company had two categories of potential dilutive ordinary shares: stock options and the SRIW reverse convertible bond. Since end 2015, the Company has only one category of potential dilutive ordinary shares: 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	June 30, 2017	June 30, 2018
Weighted average number of ordinary shares	29 124 307	29 299 475
Average share price over period	48.43	21.00
Weighted average diluted shares	452 903	217 449
Weighted average number of ordinary shares for diluted earnings per share	29 577 210	29 516 924
Earnings attributable to parent equity holders (EUR '000)	-4 655	-7 015
<b>Diluted earnings per share from continuing and discontinued operations (EUR per share)</b>	<b>-0.1598</b>	<b>-0.2394</b>
Earnings from continuing operations attributable to parent equity holders (EUR '000)	-4 630	-7 010
<b>Diluted earnings per share from continuing operations (EUR per share)</b>	<b>-0.1590</b>	<b>-0.2392</b>
Earnings from discontinued operations attributable to parent equity holders (EUR '000)	-25	-5
<b>Diluted earnings per share from discontinued operations (EUR per share)</b>	<b>-0.0008</b>	<b>-0.0002</b>

(\*) In compliance with IAS33, which stipulates that the diluted earnings per share does not take into account assumptions for conversion, financial year, or other issuing of potential ordinary shares which may have an anti-dilutive effect on the earnings per share (shares whose conversion involves a decrease in the loss per share).



## 6. OTHER SELECTED DISCLOSURES

### 6.1 SEASONALITY OR CYCLICALITY OF INTERIM OPERATIONS

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

### 6.2 CASH AND CASH EQUIVALENTS

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

	June 30, 2017 (EUR '000)	June 30, 2018 (EUR '000)
Bank balances and cash	49 931	36 268
Accounts with restrictions shorter than 3 months	0	0
Short-term bank deposits	28	34
	<b>49 959</b>	<b>36 302</b>
Cash and cash equivalents attributable to assets held for sale	0	0
	<b>49 959</b>	<b>36 302</b>

### 6.3 CAPITAL EXPENDITURE AND COMMITMENTS

Six months ended June 30, 2018	Property, plant and equipment (EUR '000)	Intangible (EUR '000)	Goodwill (EUR '000)
<b>Net carrying amount at opening</b>	<b>22 686</b>	<b>12 396</b>	<b>3 821</b>
Additions	1 145	207	0
Disposals	-7	-274	0
Transfers	-437	0	0
Currency translation difference	13	9	0
Depreciation/amortisation and impairment	-1 745	-1 749	0
<b>Net carrying amount at closing</b>	<b>21 655</b>	<b>10 589</b>	<b>3 821</b>

As at June 30, 2018, a capitalized equipment was transferred to a proton therapy project for EUR 0.4 million.

The negative result of June 30, 2018 does not significantly affect the existing budgeted plan. No impairment losses are therefore recognized on property, plant and equipment or intangible assets in the 2018 interim financial statement.

### 6.4 OTHER LONG-TERM ASSETS

	December 31, 2017 (EUR '000)	June 30, 2018 (EUR '000)
Long-term receivables on contracts in progress	762	767
Research and development tax credit	10 048	10 591
Other assets	7 762	8 665
<b>TOTAL</b>	<b>18 572</b>	<b>20 023</b>

As at June 30, 2018, “Other assets” mainly consist of a loan (principal and interest) and receivables for a net amount of EUR 8.18 million, bank deposits to EUR 0.33 million and other long-term assets for EUR 0.15 million.

As at June 30, 2017, “Other assets” mainly consist of EUR 0.8 million in receivables with an associated company, a loan (principal and interest) and receivables for a net amount of EUR 7.6 million and bank deposits to EUR 0.3 million.

## 6.5 MOVEMENT ON BANK AND OTHER BORROWINGS

### 6.5.1 BANK AND OTHER BORROWINGS

	December 31, 2017 (EUR '000)	June 30, 2018 (EUR '000)
Current	23 464	43 985
Non-current	19 286	31 404
<b>Total</b>	<b>42 750</b>	<b>75 389</b>
<b>Opening amount</b>	<b>29 750</b>	<b>42 750</b>
New borrowings	15 000	34 863
Repayment of borrowings	-2 000	-2 215
Transfers to liabilities directly related to assets held for sale	0	0
Currency translation difference	0	-9
<b>Closing balance<sup>1</sup></b>	<b>42 750</b>	<b>75 389</b>

<sup>1</sup>Including 2 subordinated loans and 1 bond for EUR 19.29 million from S.R.I.W. and 1 subordinated bond of EUR 5 million from S.F.P.I. at June 2018 (2 loans for a total amount of EUR 15 million at end 2017).

#### **S.R.I.W. and S.F.P.I.:**

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

In 2012, IBA obtained a long-term amortizing credit facility of EUR 20 million from S.R.I.W.. Under the terms of this financing, the Group agreed to comply with specific covenants relating to IBA SA's level of equity.

On June 30, 2014, the Group strengthened its equity position with a EUR 6 million capital increase (EUR 5 million from S.R.I.W. and 1 million from S.F.P.I.) and a “reverse convertible bond” subscribed by S.R.I.W. for EUR 5 million. EUR 10 million were used to repay outstanding other borrowings.

December 31, 2015 was the latest possible date for converting the EUR 5 million S.R.I.W. reverse convertible bond into equity. At that time, the Group decided not to exercise its right to convert, and as a consequence, the bond was reclassified from “equity” to “bank and other borrowings”.

In March 2018, IBA obtained new subordinated bonds of EUR 5 million from the 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

31/12/2021). Following the terms of the S.F.P.I. borrowing, the Group agreed to comply with specific covenants relating to IBA SA's level of equity.

#### **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.

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. However, 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. At June 30, 2018, as the majority of the noteholders had accepted the waiver applying at December 31, 2017, the outstanding amount of EUR 5.25 million has been reclassified to “long term borrowings”.

At December 31, 2017, IBA also 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.

In March 2017, IBA signed a financial lease agreement with two Belgian banks in order to finance the new factory that will become operational in second half of 2018, for a maximum amount of EUR 13.84 million.

All the above credit facilities and other borrowings are subject to financial covenants. In particular, the short-term credit facilities include a covenant defined as a minimum level of adjusted equity and another covenant based on the ratio of adjusted net debt to REBITDA. The covenants are to be tested for the first time as of December 31, 2018. Based on projections at the end of

2018, Management believes that IBA will comply with the related covenants.

As at June 30, 2018, the Group has at its disposal credit lines up to EUR 111.14 million of which 67.8% are used to date.

(EUR 000)	Credit facilities used	Credit facilities available
Short-term credit facilities	39 840	61 754
Bank borrowings	6 000	6 000
S.R.I.W.	19 285	19 285
S.F.P.I.	5 000	5 000
Treasury Notes	5 250	5 250
Financial lease	14	13 851
<b>TOTAL</b>	<b>75 389</b>	<b>111 140</b>

Utilized credit facilities are as follows:

	December 31, 2017 (EUR '000)	June 30, 2018 (EUR '000)
<b>FLOATING RATE</b>		
– expiring within one year	15 000	840
– expiring beyond one year	0	0
<b>TOTAL FLOATING RATE</b>	<b>15 000</b>	<b>840</b>
<b>FIXED RATE</b>		
– expiring within one year	8 464	43 145
– expiring beyond one year	19 286	31 404
<b>TOTAL FIXED RATE</b>	<b>27 750</b>	<b>74 549</b>
<b>TOTAL</b>	<b>42 750</b>	<b>75 389</b>

The bank and other borrowings include loans and a bond from S.R.I.W. for EUR 19.29 million in 2018 (EUR 15 million in 2017), a new bond from S.F.P.I. for EUR 5 million, a bank loan for an amount of EUR 6 million in

2018 (EUR 8 million in 2017), an issued bond for an amount of EUR 5.25 million in 2018 (EUR 5.75 million in 2017) and short term credit lines for an amount of EUR 39,85 million in 2018 (EUR 15 million in 2017).

Unutilized credit facilities are as follows:

	December 31, 2017 (EUR '000)	June 30, 2018 (EUR '000)
<b>FLOATING RATE</b>		
– expiring within one year	15 000	914
– expiring beyond one year	0	0
<b>TOTAL FLOATING RATE</b>	<b>15 000</b>	<b>914</b>
<b>FIXED RATE</b>		
– expiring within one year	0	21 000
– expiring beyond one year	0	0
<b>TOTAL FIXED RATE</b>	<b>0</b>	<b>21 000</b>
<b>TOTAL</b>	<b>15 000</b>	<b>21 914</b>

## 6.5.2 FINANCIAL LEASE LIABILITIES

(EUR 000)	December 31, 2017	June 30, 2018
Current	0	0
Non-current	0	14
<b>TOTAL</b>	<b>0</b>	<b>14</b>

Changes in financial lease liabilities as follows:

(EUR 000)	December 31, 2017	June 30, 2018
<b>Opening balance</b>	<b>151</b>	<b>0</b>
New borrowings	0	14
Repayment of borrowings	-151	0
Currency translation difference	0	0
<b>Closing balance</b>	<b>0</b>	<b>14</b>

## 6.6 INVENTORIES AND CONTRACTS IN PROGRESS

	December 31, 2017 (EUR '000)	June 30, 2018 (EUR '000)
Raw materials and supplies	72 021	76 660
Finished products	2 414	2 411
Work in progress	8 812	11 879
Contracts in progress (in excess of billing)	65 352	61 635
Write-off of inventories	-8 311	-8 681
<b>Inventories and contracts in progress</b>	<b>140 288</b>	<b>143 904</b>

	December 31, 2017 (EUR '000)	June 30, 2018 (EUR '000)
<b>Contracts in progress</b>		
Costs to date and recognized revenue	492 103	460 543
Less : progress billings	-426 751	-398 908
<b>Contracts in progress</b>	<b>65 352</b>	<b>61 635</b>
Net amounts due to customers for contracts in progress	72 906	72 348

## 6.7 OTHER RECEIVABLES

	December 31, 2017 (EUR '000)	June 30, 2018 (EUR '000)
Non-trade receivables	18 931	16 147
Deferred charges	2 185	2 815
Accrued Income	1 290	1 462
Current income tax receivable	2 790	1 735
Other current assets	1 022	842
<b>Other receivables</b>	<b>26 218</b>	<b>23 001</b>

Main movements on “non-trade receivables” are explained by the decrease of advance payments to suppliers, VAT to be received and the repayments of taxes and an insurance indemnity.

## 6.8 OTHER PAYABLES AND ACCRUALS

	December 31, 2017 (EUR '000)	June 30, 2018 (EUR '000)
Amounts due to customers for contracts in progress (or advances received on contracts in progress)	72 906	72 348
Social debts	16 864	15 021
Accrued charges	2 686	2 876
Accrued interest charges	201	215
Deferred income	8 179	15 169
Capital grants	1 842	1 569
Non-trade payables	5 662	13 257
Other	3 194	3 429
<b>Other payables and accruals</b>	<b>111 534</b>	<b>123 884</b>

Main movements on “non-trade payables” are explained by the increase of VAT to be paid and customers with credit ending balance.

## 6.9 OTHER OPERATING INCOME AND EXPENSES

The other operating expenses of EUR 2.1 million in 2018 include the valuation of stock option plans offered to IBA employees for EUR 0.13 million, reorganization expenses for EUR 1.26 million, new provision for tax risk for EUR 0.11 million, amortizations for EUR 0.25 million and other expenses for EUR 0.35 million.

The other operating expenses of EUR 7.1 million in 2017 included the valuation of stock option plans offered to IBA employees for EUR 0.23 million, a special discretionary bonus granted to IBA employees excluding management for EUR 2.85 million,

reorganization expenses for EUR 0.53 million, new provision for tax risk for EUR 0.9 million, write offs for EUR 1.83 million and other expenses for EUR 0.8 million.

The other operating income of EUR 4.7 million in 2017 mainly included a partial reversal of the accrued expenses related to the long-term incentive plan for EUR 3.62 million and the reversal of a tax risk provision for EUR 1.0 million.

## 6.10 ORDINARY SHARES, SHARE PREMIUM AND TREASURY SHARES

	Number of shares	Issued Capital stock (EUR)	Capital surplus (EUR)	Treasure shares (EUR)	Total (EUR)
<b>Balance at December 31, 2017</b>	<b>29 962 246</b>	<b>42 053 238</b>	<b>41 321 502</b>	<b>-8 501 979</b>	<b>74 872 761</b>
Stock options exercised	29 000	40 701	98 143	0	138 844
Capital increase	0	0	0	0	0
<b>Balance at June 30, 2018</b>	<b>29 991 246</b>	<b>42 093 939</b>	<b>41 419 645</b>	<b>-8 501 979</b>	<b>75 011 605</b>

## 6.11 PROVISIONS

	Environment	Warranties	Litigation	Defined employee benefits	Other employee benefits	Other	Total
<b>At January 1, 2018</b>	<b>438</b>	<b>2 896</b>	<b>223</b>	<b>4 244</b>	<b>175</b>	<b>4 721</b>	<b>12 697</b>
Additions (+)	0	1 574	0	0	32	109	1 715
Write-backs (-)	0	-190	0	0	0	0	-190
Utilizations (-)	0	-735	0	0	-46	-1 338	-2 119
Actuarial (gains)/losses	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0
Currency translation difference	0	4	3	0	0	0	7
<b>Total movement</b>	<b>0</b>	<b>653</b>	<b>3</b>	<b>0</b>	<b>-14</b>	<b>-1 229</b>	<b>-587</b>
<b>At June 30, 2018</b>	<b>438</b>	<b>3 549</b>	<b>226</b>	<b>4 244</b>	<b>161</b>	<b>3 492</b>	<b>12 110</b>

Main movement on “other provisions” can be detailed as follows:

- Additional provisions amounting to EUR 0.11 million for tax risk.
- Use of provisions amounting to EUR -0.66 million for contractual commitments under the agreement of the disposal of IBA Molecular

business, to EUR -0.08 million covering commitments on another accelerator project, to EUR 0.41 million for restructuring and reorganization costs and to EUR 0.19 million for tax risk.

## 6.12 LITIGATION

The Group is not involved in any significant litigation currently.

## 6.13 INCOME TAX

	June 30, 2017 (EUR '000)	June 30, 2018 (EUR '000)
Current taxes	2 265	541
Deferred taxes (income)/expense	-9	-261
<b>Total</b>	<b>2 256</b>	<b>280</b>

## 6.14 EMPLOYEE BENEFITS

For more information on employee benefits see annual report point 28 as movements in employee benefits are not significant.

## 6.15 PAID AND PROPOSED DIVIDENDS

IBA confirms its intention to maintain a future dividend payout target of 30% on net profit for the foreseeable future subject to approval of its General Assembly and credit institutions.

## 6.16 RELATED PARTY TRANSACTIONS

### 6.16.1 CONSOLIDATED COMPANIES

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

### 6.16.2 TRANSACTIONS WITH AFFILIATED COMPANIES

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

	June 30, 2017 (EUR '000)	June 30, 2018 (EUR '000)
<b>ASSETS</b>		
<b>Receivables</b>		
Long-term receivables	766	0
Trade and other receivables	251	0
Impairment of receivables	0	0
<b>TOTAL RECEIVABLES</b>	<b>1 017</b>	<b>0</b>
<b>LIABILITIES</b>		
<b>Payables</b>		
Trade and other payables	0	0
<b>TOTAL PAYABLES</b>	<b>0</b>	<b>0</b>
<b>INCOME STATEMENT</b>		
Sales	5 547	2 208
Costs	-2 612	-1 078
Financial income	0	0
Financial expense	-38	0
Other operating income	0	0
Other operating expense	0	0
<b>TOTAL INCOME STATEMENT</b>	<b>2 897</b>	<b>1 130</b>

### 6.16.3 SHAREHOLDER RELATIONSHIPS

The following table shows IBA shareholders at June 30, 2018

	Number of shares	%
Belgian Anchorage SCRL	6 204 668	20.69%
IBA Investments SCRL	610 852	2.04%
IBA SA	63 519	0.21%
UCL	426 885	1.42%
Sopartec SA	180 000	0.60%
Institut des Radioéléments FUP	1 423 271	4.75%
Société Régionale d'Investissement de Wallonie (S.R.I.W.)	704 491	2.35%
Société Fédérale de Participation et d'investissement (S.F.P.I.)	58 200	0.19%
Capfi Delen Asset Management N.V.	1 745 461	5.82%
Norges Bank Investment Management	811 548	2.71%
Public	17 762 351	59.22%
<b>TOTAL</b>	<b>29 991 246</b>	<b>100.00%</b>

The transactions completed with the shareholders are the following:

	June 30, 2017 (EUR '000)	June 30, 2018 (EUR '000)
<b>ASSETS</b>		
<b>Receivables</b>		
Long-term receivables	0	0
Trade and other receivables	0	0
Impairment of receivables	0	0
<b>TOTAL RECEIVABLES</b>	<b>0</b>	<b>0</b>
<b>LIABILITIES</b>		
<b>Payables</b>		
Bank borrowings	15 000	24 285
Trade and other payables	75	151
<b>TOTAL PAYABLES</b>	<b>15 075</b>	<b>24 436</b>
<b>INCOME STATEMENT</b>		
Sales	0	0
Costs	0	0
Financial income	0	0
Financial expense	-348	-503
Other operating income	0	0
Other operating expense	0	0
<b>TOTAL INCOME STATEMENT</b>	<b>-348</b>	<b>-503</b>

To the best of the Company's knowledge, there were no other relationships or special agreements among the shareholders at June 30, 2018.

## 6.17 EVENTS AFTER THE BALANCE SHEET DATE

On July 20, 2018, IBA announced a strategic review of its Dosimetry business. The company is reviewing strategic alternatives for IBA Dosimetry, including a

sale, merger, initial public offering, or retention of the business, and will provide an update on its plans by the end of the year.



## 7. INTERIM MANAGEMENT REPORT

### 7.1 FIGURES AND SIGNIFICANT EVENTS:

	H1 2017 (EUR '000)	H1 2018 (EUR '000)	Variation (EUR '000)	%
Sales & Services	151 613	114 675	-36 938	-24.4%
<b>REBITDA</b>	<b>5 264</b>	<b>-706</b>	<b>-5 970</b>	<b>-113.4%</b>
% of Sales	3.5%	-0.6%		
<b>REBIT</b>	<b>1 901</b>	<b>-4 533</b>	<b>-6 434</b>	<b>-338.6%</b>
% of Sales	1.3%	-4.0%		
<b>Net Profit</b>	<b>-4 655</b>	<b>-7 015</b>	<b>-2 360</b>	<b>N/A</b>
% of Sales	-3.1%	-6.1%		

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

#### Business Highlights

- Four Proteus@ONE\* contracts signed in the period, (three in the UK and one in China) and one term sheet signed in Italy. This represents 100% of the global market share for proton therapy systems sold so far in 2018. Of these, only the contract in China was recognizing revenue as of June 30, 2018, as the others await financing or contract finalization over the second half of the year
- IBA continues to provide the quickest installation time on the market, with all projects completed-in under 12 months, as demonstrated by two projects in Japan, one in the Netherlands, one in France and a record nine month installation in Wales
- All proton therapy projects on track with 20 under construction globally, comprising 12 Proteus@ONE and eight Proteus@PLUS solutions, of which five projects on schedule to start installation in H2 2018
- Construction of the new factory is on track and when operational in early Q4 2018, will enable a reduction in lead time and cost
- Memorandum of Understanding with Elekta formalized in a final agreement with commitment to collaborate on software development as well as the sales and marketing of each other's products
- Other Accelerators has seen an exceptional year with the sale of 11 systems including a highenergy Cyclone 70, coupled with strong upgrade sales and a promising Service pipeline

- As previously announced, IBA is reviewing strategic alternatives for IBA Dosimetry, including a sale, merger, initial public offering, or retention of the business, and plans to update the market by the end of the year

#### Financial Highlights

- Total Group H1 revenues of EUR 114.7 million, down 24.4% (H1 2017: EUR 151.6 million), stemming from low revenue recognition on new contracts over the first half and phasing of backlog conversion
  - Proton Therapy and Other Accelerators revenue of EUR 90.4 million, down 26.7% (H1 2017: EUR 123.3 million)
  - Dosimetry revenue down 14.2% to EUR 24.3 million compared to an exceptional 2017 (H1 2017: EUR 28.4 million) with strong backlog conversion
- Operating expenses down 16.2% to EUR 44.5 million, reflecting the measures taken to adapt the business to a slower market with continuing tight cost controls and efficiency measures across the cost base
- Group REBIT of EUR -4.5 million, reflecting only one of five new orders starting to recognize revenue in the period, partially offset by four new service contracts starting over the period. Group REBIT was up 61% from EUR -11.6 million at the end of 2017 and up 67% from H2 2017 (H2 2017: EUR -13.5 million)
- Just under EUR 1 billion equipment and service backlog comprising a period-end equipment backlog for Proton Therapy and Other Accelerators of EUR 297 million, up 5% from

2017, and a services backlog of EUR 682 million, down 1% from H1 2017

- Gross cash of EUR 36.3 million and net cash position of EUR -39.1 million. Working capital requirements remain stable compared to 2017, reflecting increased invoicing of milestones while build-up of inventory slowed down on ongoing projects

## 7.2 OPERATING REVIEW

IBA is focused on creating a global proton therapy platform that is built for the long term and is optimally positioned to capture the projected growth of the proton therapy market.

Our growth strategy is focused around two axes: 1) growing the proton therapy market by encouraging the adoption and awareness of proton therapy, including through education and facilitating the generation of robust supporting data and 2) increasing IBA's market

share by focusing on technology, speed of delivery and reducing cost.

This strategy is underpinned by our strong global network of partnerships and collaborations which is central to IBA being able to provide a full spectrum proton therapy offering that will remove barriers to adoption and enable further acceptance and market growth.

## PROTON THERAPY AND OTHER ACCELERATORS

	H1 2017 (EUR '000)	H1 2018 (EUR '000)	Change (EUR '000)	Change %
<b>Net Sales</b>	<b>123 260</b>	<b>90 353</b>	<b>-32 807</b>	<b>-26.7%</b>
- Protontherapy	105 030	71 600	-33 430	-31.8%
- Other accelerators	18 230	18 753	523	2.9%
<b>REBITDA</b>	<b>-372</b>	<b>-3 072</b>	<b>-2 700</b>	<b>N/A</b>
% of Sales	-0.3%	-3.4%		
<b>REBIT</b>	<b>-3 548</b>	<b>-6 156</b>	<b>-2 608</b>	<b>N/A</b>
% of Sales	-2.9%	-6.8%		

Total net sales were down 26.7% in the first half to EUR 90.4 Million, reflecting the reduced order intake over H2 2017 and that four of the new orders are expected to start recognizing revenues in the second half. Other Accelerator sales showed growth of 2.9%, reflecting the strong conversion of 2017 sales and the record order intake in 2018 so far.

There are currently 20 projects under construction or installation, comprising 12 Proteus@ONE and eight Proteus@PLUS solutions, of which five projects are on schedule to start installation in H2 2018.

Services were up approximately 10% compared to the same period in 2017 and accounted for approximately 48.6% of segment revenues, as six new Proton Therapy contracts started delivering operations and maintenance revenues in H1 2018. Other Accelerators equipment revenues were up 6.5%, reflecting a strong order intake over the last 18 months. Other Accelerators service revenues remained high, boosted by recognition of revenues on multiple high margin upgrades and maintenance services.

Operating expenses reduced by more than 20%, reflecting the continuing cost control measures which have been successfully implemented. The Company remains committed to its ongoing cost control program while maintaining strategic initiatives.

### Market

As expected, the proton therapy market during the first half of the year has continued to be slow and, due to this, finalizing contracts has taken longer than usual. However, IBA continues to be the proton therapy market leader with 44% of all proton therapy systems historically sold globally having gone to the Company. IBA has a strong backlog and pipeline and is the only company to have sold systems in 2018, which shows the Company's clear competitive strengths. Today, approximately 70,000 patients have been treated by IBA clients, more than all the installations of its competitors combined.

## Pipeline

Despite the characteristic lumpiness of the current proton therapy market, the long-term potential remains encouraging. IBA's pipeline of new prospects is showing a strong increase in the number of potential customers considering investment in proton therapy. A key driver of this interest is IBA's compact Proteus®ONE solution which continues to be a large proportion of the pipeline, due to its cost attractiveness and ability to be integrated into a comprehensive cancer care center.

## 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. 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.

## Speed

IBA continues to provide the quickest installation in the market, which enables customers to reduce costs and deliver an optimum business model. This is evidenced by the completion of five projects in the first half,

including Newport, UK (Rutherford CC), Sapporo, Japan (Hokkaido Ohno), Groningen, Netherlands (UMCG), Toyohashi, Japan and Caen, France (Cyclhad/Archade), which were all delivered within 12 months. In particular, the project in Newport was delivered in a record time of nine months, demonstrating IBA's speed of delivery from contract signature to first treatment and secures the customers' investment as they can deliver treatment in line with their business plan.

## Technology

In the period, 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.

## Delivery

Finally, during the period, all of IBA's 20 projects under construction are on schedule, and continue to be monitored constantly, based on reviews between project management and customers. To maintain this high level of delivery and to reduce lead-time and costs, IBA is constructing a new Proteus®ONE manufacturing site in Belgium. The construction of this site is on track and set to be operational in the third quarter of 2018, with accompanying offices and a new Customer Center operational by the end of the year.

## DOSIMETRY

	H1 2017 (EUR '000)	H1 2018 (EUR '000)	Change (EUR '000)	Change %
<b>Net Sales</b>	<b>28 353</b>	<b>24 322</b>	<b>-4 031</b>	<b>-14.2%</b>
<b>REBITDA</b>	<b>5 636</b>	<b>2 366</b>	<b>-3 270</b>	<b>-58.0%</b>
<i>% of Sales</i>	19.9%	9.7%		
<b>REBIT</b>	<b>5 449</b>	<b>1 623</b>	<b>-3 826</b>	<b>-70.2%</b>
<i>% of Sales</i>	19.2%	6.7%		

In the first half, Dosimetry sales were down 14.2% versus H1 2017, due to exceptional backlog conversion in H1 2017. REBIT margins were lower due to slower backlog conversion and the fixed cost structure.

There was high order intake in H1 2018 of EUR 25.8 million, similar to 2017. The backlog grew to EUR 16.1

million versus EUR 15.4 million at the end of 2017, boosted by a strong growth in Services and proton therapy dosimetry.

During H1, IBA demonstrated its innovation leadership with the launch of several new products and features, namely Halo, Blue Phantom PT and Compass 2018.

Order intake and revenue recognition in the second half of 2018 are expected to be stronger, thanks to the impact of H1 product launches coupled with the additional launches at the American Association of Physicians in Medicine (AAPM) in early H2, including SMARTSCAN™, SciMoCa, Blue Phantom PT and DigiPhant with MyQA. SMARTSCAN™ is an automated and guided beamcommissioning. SciMoCa is the new Monte Carlo-powered secondary dose check and plan verification software. The Blue Phantom PT allows beam commissioning and Machine QA for Pencil Beam Scanning.

## Financial Review

IBA reported revenues of EUR 114.7 million, down 24.4% (H1 2017: EUR 151.6 million), stemming from low revenue recognition on new contracts over the first half and phasing of backlog conversion.

The Company's recurring operating loss before interest and taxes (REBIT) line decreased to a loss of EUR -4.5 million from EUR 1.9 million in H1 2017, affected by the low topline.

CAPEX was significantly reduced to EUR 1.3 million (H1 2017: EUR 9.0 million), reflecting higher investments in new projects in 2017 and cost control measures taken in 2018.

There was a reduction in net other operating expenses to EUR 2.0 million from EUR 2.4 million in H1 2017. The expenses stemmed mostly from reorganizational costs incurred early 2018.

Net financial expenses amounted to EUR 0.2 million in H1 2018 compared to expenses of EUR 1.9 million a year earlier, helped by Forex gains on the US dollar.

Cash flow from operations was negative EUR 26.6 million at the end of June 2018 (negative EUR 10.5 million at the end of June 2017), mostly due to the negative variation of working capital, stemming from invoicing of milestones to customers and inventory build-up on projects.

Cash flow from financing was EUR 37.8 million in H1 2018, reflecting increased drawdowns on the Group's credit lines.

IBA had a cash position of EUR 36.3 million at the end of H1 2018 compared to EUR 27.3 million at the end of 2017. The net debt position rose to EUR 39.1 million, reflecting the increase in borrowings to absorb working capital requirements.

## Guidance

IBA reiterates its outlook given at the time of its first quarter 2018 Business Update and Year Results.

Based on the current market outlook, IBA continues to anticipate a positive REBIT and net profit after tax for full-year 2018, driven by second-half weighting, and beyond. This includes recently signed projects awaiting financing, a strong pipeline of near-term projects and five installations due to start in H2.

The fundamentals of the proton therapy market continue to be solid, as demonstrated by the numerous prospects IBA is pursuing across all global markets. However, the market continues to show signs of lumpiness. IBA remains fully focused on driving growth whilst absorbing this unpredictability through tight cost controls and delivering success through strategic partnerships, continued focus on efficiencies and maintaining the world's most competitive and attractive proton therapy offering.

IBA will remain focused around its two axes for growth: growing the market by facilitating evidence generation and creating awareness of the benefits of proton therapy, whilst improving its affordability, and increasing IBA's market share with its superior clinical technology, industry-leading installation times, proven quality of service and unique ability to completely upgrade all systems to the latest technology available.

## 7.3 SUBSEQUENT EVENT

On July 20, 2018, IBA announces a strategic review of its Dosimetry business. The company is reviewing strategic alternatives for IBA Dosimetry, including a sale, merger, initial public offering, or retention of the business, and will provide an update on its plans by the end of the year.

## 7.4 STATEMENT BY THE DIRECTORS

These interim condensed consolidated financial statements have been prepared by the Chief Executive Officer (CEO) Olivier Legrain and Chief Financial Officer (CFO) Soumya Chandramouli. To their knowledge: they are prepared in accordance with applicable accounting standards, give a true and fair view of the consolidated results. The interim management report includes a fair review of important events and significant transactions with related parties for the first half of 2018 and their impact on the interim condensed consolidated financial statements, as well as a description of the principal risks and uncertainties that the Company faces.

## 7.5 CORPORATE GOVERNANCE

On the occasion of the 2018 Annual General Meeting, the following mandates were renewed at the level of the management of the Company:

- The mandate of Hedvig Hricak as external director was renewed, and
- The mandate of Kathleen Vandeweyer Comm. V., represented by Ms Kathleen Vandeweyer, as external director, was renewed.

# AUDITOR'S REPORT ON THE IFRS INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AT JUNE 30, 2018



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## Report of the statutory auditor to the shareholders of the limited company Ion Beam Applications on the review of the Interim Condensed Consolidated Financial Statements as of 30 June 2018 and for the six months period then ended

### Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Ion Beam Applications SA (the "Company"), and its subsidiaries (collectively referred to as "the Group") as of 30 June 2018 and the related interim condensed consolidated income statement, other comprehensive income, statement of changes in equity and statement of cash flow for the six months period then ended, and explanatory notes, collectively, the "Interim Condensed Consolidated Financial Statements". These statements show a consolidated statement of financial position amounting to a total assets of € (thousand) 358,495 and a consolidated loss for the six months period then ended of € (thousand) 7,015.

The board of directors is responsible for the preparation and presentation of these Interim Condensed Consolidated Financial Statements in accordance with International Financial Reporting Standard (IAS 34 *Interim Financial Reporting* ("IAS 34")) as adopted for use in the European Union. Our responsibility is to express a conclusion on these Interim Condensed Consolidated Financial Statements based on our review.

### Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the International Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Statutaire verslag over de toestand van de maatschappij en de aansprakelijkheid van de  
Directie, de raad van bestuur en de raad van toezicht op grond van de wet van 19 juni 2008  
(WV 60) betreffende de IFRS-Interim Condensed Consolidated Financial Statements (ICCS)  
-- rapport au statutaire comité de surveillance et conseil d'administration de la société anonyme

Aanbeveling van de statutaire commissie van toezicht



**Report of the statutory auditor dated 22 August 2018 on the interim condensed consolidated financial statements of Ion Beam Applications SA for the six month period ended 30 June 2018 (continued)**

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Interim Condensed Consolidated Financial Statements are not prepared, in all material aspects, in accordance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*, as adopted by the European Union.

Diegem, 22 August 2018

Ernst & Young Réviseurs d'Entreprises SCCRL  
Statutory auditor  
represented by

A handwritten signature in blue ink, appearing to read 'VE', is written over a faint, light blue grid background.

Vincent Etienne  
Partner\*  
\* Acting on behalf of a BVBA/SPRL

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