ION BEAM APPLICATIONS (“IBA”)

IFRS INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2019

IFRS INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

In accordance with IAS 34, IBA SA has chosen to publish its interim consolidated financial statements as of June 30, 2019 in condensed form.

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

- 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 Company is a limited liabilty 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 20, 2019. 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 8, 2019; his term will expire at the Ordinary General Meeting of shareholders in 2022, which will approve the 2021 financial statements.

External Directors: Consultance Marcel Miller SCS represented by Mr. Marcel Miller, Hedvig Hricak, Katleen Vandeweyer Comm. V. represented by Mrs. Katleen Vandeweyer, Bridging for Sustainability SPRL represented by Sybille 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. Bridging for Sustainability SPRL (represented by Sybille 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.

Till May 8, 2019, date of the 2019 Ordinary General Meeting, Mr Jeroen Cammeraat was a member of the Board of Directors of IBA, acting as external director. As he accepted an executive management position in the Company, he did not wish to have his board membership renewed.

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, 2019

The Group has chosen to present its balance sheet on a current/non-current basis. The notes on pages 10 to 40 are an integral part of these condensed interim consolidated financial statements.

	Note	December 31, 2018 (EUR 000)	January 1, 2019 * (EUR 000)	June 30, 2019 (EUR 000)
ASSETS				
Goodwill	6.4	0	0	0
Other intangible assets	6.4	8 717	8 717	7 146
Property, plant and equipment	6.4	34 542	44 427	44 397
Investments accounted for using the equity method		0	0	720
Other investments		13 005	13 005	14 514
Deferred tax assets	3.1	6 161	6 161	6 304
Long-term financial assets		33	33	0
Other long-term assets	6.5	16 700	16 700	21 100
Non-current assets		**79 158**	**89 043**	**94 181**
Inventories and contracts in progress	6.7	131 073	131 073	150 363
Trade receivables		96 550	96 550	65 678
Other receivables	6.8	22 155	22 155	30 872
Short-term financial assets		95	95	294
Cash and cash equivalents	6.3	36 402	36 402	18 951
Assets held for sale		26 696	31 923	31 999
Current assets		**312 971**	**318 198**	**298 157**
TOTAL ASSETS		**392 129**	**407 241**	**392 338**
EQUITY AND LIABILITIES				
Capital stock	6.11	42 278	42 278	42 278
Capital surplus	6.11	41 863	41 863	41 863
Treasury shares	6.11	-8 502	-8 502	-8 502
Reserves		15 675	15 675	16 230
Currency translation difference		-3 299	-3 299	-3 034
Retained earnings		15 076	15 076	9 761
Capital and reserves		**103 091**	**103 091**	**98 596**
Non-controlling interests		0	0	0
EQUITY		**103 091**	**103 091**	**98 596**
Long-term borrowings	6.6	43 278	54 358	49 659
Long-term financial liabilities		220	220	509
Deferred tax liabilities		0	0	0
Long-term provisions	6.12	4 930	4 930	4 743
Other long-term liabilities		13 304	9 022	4 145
Non-current liabilities		**61 732**	**68 530**	**59 056**
Short-term provisions	6.12	5 749	5 749	3 073
Short-term borrowings	6.6	42 510	45 634	41 588
Short-term financial liabilities		571	571	954
Trade payables		42 074	42 074	34 089
Current income tax liabilities		1 224	1 224	2 288
Other payables	6.9	124 171	124 134	136 748
Liabilities directly related to assets held for sale		11 007	16 234	15 946
Current liabilities		**227 306**	**235 620**	**234 686**
TOTAL LIABILITIES		**289 038**	**304 150**	**293 742**
TOTAL EQUITY AND LIABILITIES		**392 129**	**407 241**	**392 338**

(*) Financial position reflecting impact of IFRS 16 at the opening of financial year 2019

INTERIM CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2019

The Group has chosen to present its income statement using the "function of expenses" method. The notes on pages 10 to 40 are an integral part of these IFRS interim condensed consolidated financial statements.

		Note	June 30, 2018 (EUR 000)	June 30, 2019 (EUR 000)
Sales			46 460	53 234
Services			43 893	49 581
Cost of sales and services (-)			-62 449	-73 838
Gross profit			**27 904**	**28 977**
Selling and marketing expenses (-)			-7 941	-7 973
General and administrative expenses (-)			-15 889	-15 968
Research and development expenses (-)			-10 230	-12 154
Other operating expenses (-)		6.10	-1 743	-3 527
Other operating income		6.10	116	5 180
Financial expenses (-)			-2 851	-3 152
Financial income			2 609	2 467
Share of profit/(loss) of companies consolidated using the equity method			0	0
Profit/(loss) before taxes			**-8 025**	**-6 150**
Tax income/(expenses)		6.14 & 3.1	348	-1 126
Profit/(loss) for the period from continuing operations			**-7 677**	**-7 276**
Profit/(loss) for the period from discontinued operations			662	1 959
Profit/(loss) for the period			**-7 015**	**-5 317**
Attributable to :				
Equity holders of the parent			-7 015	-5 317
Non-controlling interests			0	0
Earnings per share from continuing operations and discontinued operations (EUR per share)				
-	Basic	5.1	-0.2394	-0.1806
-	Diluted	5.2	-0.2394	-0.1806
Earnings per share from continuing (EUR per share)				
-	Basic	5.1	-0.2620	-0.2471
-	Diluted	5.2	-0.2620	-0.2471
Earnings per share from discontinued operations (EUR per share)				
-	Basic	5.1	0.0226	0.0665
-	Diluted	5.2	0.0226	0.0665

INTERIM CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED JUNE 30, 2019

	June 30, 2018 (EUR 000)	June 30, 2019 (EUR 000)
Profit/(loss) for the period	**-7 015**	**-5 317**
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
- Exchange differences on translation of foreign operations	-149	265
Exchange differences on translation of foreign operations	*-149*	*265*
- Reserves movements of investments accounted for using the equity method	0	0
Currency translation difference	*0*	*0*
Cash flow hedges	*0*	*0*
Other	*0*	*0*
- Exchange difference related to permanent financing	0	0
- Net movement on cash flow hedges	-3 396	-953
- Other	0	0
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	**-3 545**	**-688**
Other comprehensive income not to be reclassified to profit or loss in subsequent periods :		
- Movement on reserves for assets held for sale	0	0
- Net gain/(loss) on equity investments designated as Fair Value Other Comprehensive Income (FVOCI) (other investments)	0	1 508
- 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	**0**	**1 508**
Total comprehensive income for the period	**-10 560**	**-4 497**

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 – defined benefit plans	Other reserves - Other	Currency translation difference	Retained earnings	TOTAL Shareholders' equity and reserves
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	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	-3 396	0	0	0	-149	0	-3 545
Profit/(loss) for the period	0	0	0	0	0	0	0	0	-7 015	-7 015
Comprehensive income for the period	**0**	**0**	**0**	**-3 396**	**0**	**0**	**0**	**-149**	**-7 015**	**-10 560**
Dividends	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	132
Increase/ (decrease) in capital stock/ capital surplus	41	98	0	0	0	0	0	0	0	139
Other changes	0	0	0	0	0	0	0	0	0	0
Balance at 30/06/18	**42 094**	**41 420**	**-8 502**	**1 070**	**15 605**	**-3 888**	**154**	**-3 470**	**12 462**	**96 945**
Balance at 01/01/19	**42 278**	**41 863**	**-8 502**	**-650**	**15 714**	**-3 640**	**4 251**	**-3 299**	**15 076**	**103 091**
Other comprehensive income	0	0	0	-953	0	0	1 508	265	0	820
Profit/(loss) for the period	0	0	0	0	0	0	0	0	-5 317	-5 317
Comprehensive income for the period	**0**	**0**	**0**	**-953**	**0**	**0**	**1 508**	**265**	**-5 317**	**-4 497**
Dividends	0	0	0	0	0	0	0	0	0	0
Employee stock options and share-based payments	0	0	0	0	0	0	0	0	0	0
Increase/ (decrease) in capital stock/ capital surplus	0	0	0	0	0	0	0	0	0	0
Other changes	0	0	0	0	0	0	0	0	2	2
Balance at 30/06/19	**42 278**	**41 863**	**-8 502**	**-1 603**	**15 714**	**-3 640**	**5 759**	**-3 034**	**9 761**	**98 596**

INTERIM CONSOLIDATED STATEMENT OF CASH FLOW FOR THE SIX MONTHS ENDED JUNE 30, 2019

The group has chosen to present the cash flow statement using the indirect method. The notes on pages 10 to 40 are an integral part of these IFRS interim condensed consolidated financial statements.

	Note	June 30, 2018 (EUR 000)	June 30, 2019 (EUR 000)
CASH FLOW FROM OPERATING ACTIVITIES			
Net profit/(loss) for the period		**-7 015**	**-5 317**
Adjustments for:			
Depreciation and impairment of property, plant, and equipment	6.4	1 745	4 086
Amortization and impairment of intangible assets	6.4	1 749	1 625
Write-off on receivables		251	-448
Changes in fair values of financial assets (profits)/losses		1 653	-448
Changes in provisions		1 525	429
Deferred taxes	6.14	-261	11
Share of results of associates and joint ventures accounted for using the equity method		0	0
Other non-cash items		-634	-4 384
Net cash flow changes before changes in working capital		**-987**	**-4 446**
Trade receivables, other receivables, and deferrals		-20 162	25 051
Inventories and contracts in progress		-4 838	-10 998
Trade payables, other payables, and accruals		-1 195	-2 789
Other short-term assets and liabilities		-317	-4 161
Changes in working capital		**-26 512**	**7 103**
Income tax paid / received, net		-36	-692
Interest paid/ Interest received		946	1 333
Net cash (used in)/generated from operations		**-26 589**	**3 298**
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisitions of property, plant and equipment continuing activities	6.4	-1 145	-3 270
Acquisitions of intangibles assets continuing activities	6.4	-207	-94
Disposals of assets	6.10	8	2 092
Acquisitions of subsidiaries, net of acquired cash		0	0
Cash payments to acquire interests on equity accounting investments and other investments	2.2	0	-2 812
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	6.5	-3	-4 709
Net cash (used in)/generated from investing activities		**-1 347**	**-8 793**
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings	6.6	34 863	0
Repayment of borrowings	6.6	-2 215	-9 836
Net interest (paid)/received		-839	-2 369
Capital increase (or proceeds from issuance of ordinary shares)		139	0
(Purchase)/sales of treasury shares		0	0
Dividends paid		0	0
Other financing cash flows		5 898	-545
Net cash (used in)/generated from financing activities		**37 846**	**-12 750**
Net cash and cash equivalents at the beginning of the period		**27 273**	**38 696**
Change in net cash and cash equivalents		9 910	-18 245
Exchange gains/(losses) on cash and cash equivalents		-881	-107
Net cash and cash equivalents at the end of the period *		**36 302**	**20 344**

**The net cash and cash equivalents at June 30, 2019 includes EUR 1 393 of cash of the operations held for sale*

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, 2019. 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, 2018.

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 2018, except for the adoption of new standards and interpretations effective as of 1 January 2019 :

- IFRS 16 *Leases*
- IFRIC Interpretation 23 *Uncertainty over Income Tax Treatments*
- Amendments to IFRS 9 *Prepayment Features with Negative Compensation*
- Amendments to IAS 28 *Long-term Interests in Associates and Joint Ventures*
- Amendments to IAS 19 *Plan Amendment, Curtailment or Settlement*
- Annual IFRS Improvement Process
  - IFRS 3 Business Combinations - *Previously held Interests in a joint operation*
  - IFRS 11 Joint Arrangements - *Previously held Interests in a joint operation*
  - IAS 12 Income Taxes - *Income tax consequences of payments on financial instruments classified as equity*
  - IAS 23 Borrowing Costs - *Borrowing costs eligible for capitalisation*

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 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 has selected 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.

For the six months ended June 30, 2019, the impact on the income statement of continuing operations of IFRS 16 is as follow:

- Depreciation expenses increased by EUR 1.86 million relating to the depreciation of right-of-use assets
- Rent expense decreased by EUR 1.96 million relating to previous operating leases
- Financial expenses increased by EUR 0.12 million relating to the interest expenses on additional lease liabilities recognized

For the six months ended June 30, 2019, the impact on the income statement of discontinued operations of IFRS 16 is as follow:

- Depreciation expenses increased by EUR 0.56 million relating to the depreciation of right-of-use assets
- Rent expense decreased by EUR 0.60 million relating to previous operating leases
- Financial expenses increased by EUR 0.06 million relating to the interest expenses on additional lease liabilities recognized

For the six months ended June 30, 2019, the impact on the financial position of continuing operations of IFRS 16 is as follows:

	Right-of-use assets					Lease
	Building (EUR 000)	Vehicles (EUR 000)	Machinery (EUR 000)	Hardware (EUR 000)	Total (EUR 000)	Liabilities (EUR 000)
As at January 1, 2019	**6 676**	**2 864**	**35**	**310**	**9 885**	**9 922**
Transfer Emphyteutic rent LLN	4 055	0	0	0	4 055	4 282
Additions	5	546	0	0	551	551
Disposal	0	-17	0	0	-17	-21
Depreciation expenses	-943	-834	-18	-66	-1 861	0
Payments	0	0	0	0	0	-1 954
Currency translation difference	92	12	0	0	104	54
As at June 30, 2019	**9 885**	**2 571**	**17**	**244**	**12 717**	**12 834**

For the six months ended June 30, 2019, the impact on the financial position of discontinued operations of IFRS 16 is as follows:

	Right-of-use assets					Lease
	Building (EUR 000)	Vehicles (EUR 000)	Machinery (EUR 000)	Hardware (EUR 000)	Total (EUR 000)	Liabilities (EUR 000)
As at January 1, 2019	**4 779**	**208**	**139**	**101**	**5 227**	**5 227**
Additions	0	0	0	0	0	0
Depreciation expenses	-376	-74	-93	-23	-566	0
Payments	0	0	0	0	0	-567
Currency translation difference	-2	0	0	0	-2	-1
As at June 30, 2019	**4 403**	**134**	**46**	**78**	**4 659**	**4 659**

The reconciliation between operating leases presented in the annual report 2018 (note 31) and opening as at January 1,2019 of leases liabilities presented in this interim condensed consolidated financial statements is as follow :

(EUR 000)	Continuing operations	Discontinued operations	Total
Commitments at December 31, 2018	**13 545**	**5 646**	**19 191**
Impact of non-lease component	-2 511	-6	-2 517
Short-term leases	-53	0	-53
Low value items	-423	0	-423
No identified asset	-168	0	-168
Lease liabilities before discounting impact	**10 390**	**5 640**	**16 030**
Discounting impact	-468	-413	-881
Lease liabilities at January 1, 2019	**9 922**	**5 227**	**15 149**
Weighted average Incremental Borrowing rate at January 1, 2019	**2.31%**	**2.09%**	**2.23%**

The incremental borrowing rates (IBR) used for the calculation of the discounting of lease liabilities are between 1.23% and 11.21%.

IFRIC Interpretation 23 Uncertainty over Income Tax Treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 Income Taxes. It 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 the following:

• 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 (tax 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 needs to be followed.

The Group applies significant judgement in identifying uncertainties over income tax treatments. Since the Group operates in a complex multinational environment, it assessed whether the Interpretation had an impact on its consolidated financial statements.

Upon adoption of the Interpretation, the Group considered whether it has any uncertain tax positions, particularly those relating to transfer pricing. The Company's and the subsidiaries' tax filings in different jurisdictions include deductions related to transfer pricing and the taxation authorities may challenge those tax treatments. The Group determined, based on its tax compliance and transfer pricing study, that it is probable that its tax treatments (including those for the subsidiaries) will be accepted by the taxation authorities. At this stage, the interpretation did not have an impact on the consolidated financial statements of the Group.

Amendments to IFRS 9: 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 amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to IFRS 9 clarify that a financial asset passes the SPPI criterion regardless of an 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. These amendments had no impact on the consolidated financial statements of the Group.

Amendments to IAS 28: Long-term interests in associates and joint ventures

The amendments clarify that an entity applies IFRS 9 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.

These amendments had no impact on the consolidated financial statements as the Group does not have long-term interests in its associate and joint venture.

Amendments to IAS 19: Plan Amendment, Curtailment or Settlement

The amendments to IAS 19 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 the 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. An entity is also required to determine the 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).

These amendments had no impact on the consolidated financial statements of the Group as it did not have any plan amendments, curtailments, or settlements during the period.

Annual Improvements 2015-2017 Cycle

IFRS 3 Business Combinations

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 acquirer remeasures its entire previously held interest in the joint operation.

An entity applies those 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, with early application permitted.

These amendments had no impact on the consolidated financial statements of the Group as there is no transaction where a joint control is obtained.

IFRS 11 Joint Arrangements

A party that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in IFRS 3. The amendments clarify that the previously held interests in that joint operation are not remeasured.

An entity applies those 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, with early application permitted.

These amendments had no impact on the consolidated financial statements of the Group as there is no transaction where a joint control is obtained.

IAS 12 Income Taxes

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 it originally recognised those past transactions or events.

An entity applies the amendments for annual reporting periods beginning on or after 1 January 2019, with early application permitted. When the entity first applies those 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 these amendments, they had no impact on the consolidated financial statements of the Group.

IAS 23 Borrowing Costs

The amendments clarify that an entity treats as part of general borrowings any borrowing 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.

The entity applies the amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 1 January 2019, with early application permitted.

Since the Group's current practice is in line with these amendments, they had no impact on the consolidated financial statements of the Group.

1.2 TRANSLATION OF FINANCIAL STATEMENTS OF FOREIGN OPERATIONS

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

	Closing rate at June 30, 2018	Average rate for the 6 months period at June 30, 2018	Closing rate at December 31, 2018	Average annual rate 2018	Closing rate at June 30, 2019	Average rate for the 6 months period at June 30, 2019
USD	1.1658	1.2108	1.1450	1.1812	1.1380	1.1296
SEK	10.4530	10.1465	10.2548	10.2522	10.5633	10.5098
CNY	7.7170	7.7061	7.8751	7.8027	7.8185	7.6623
INR	79.8130	79.3703	79.7298	80.5147	78.5240	78.9889
RUB	73.1582	71.8445	79.7153	73.9764	71.5975	73.6781
JPY	129.0400	131.5801	125.8500	130.3459	122.6000	124.2864
CAD	1.5442	1.5461	1.5605	1.5297	1.4893	1.5059
GBP	0.8861	0.8797	0.8945	0.8846	0.8966	0.8731
ARS	33.7948	26.0189	43.1079	32.8797	48.2748	46.7822
THB	38.5650	38.3180	37.0520	38.0689	34.8970	35.6150
MXN	22.8817	23.0443	22.4921	22.6762	21.8201	21.6341
SGD[1]	N/A	N/A	1.5591	1.5791	1.5395	1.5347
EGP[2]	N/A	N/A	20.4564	20.3389	18.9400	19.5182

[1]Average rate calculated on the basis of 6 months of activity 2018.
[2]Average rate calculated on the basis of 1 month of activity 2018.

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 24 companies and associated companies in 13 countries. Of these, 20 are fully consolidated and 4 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, 2018
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*	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*	No	France	41.84%	-58.16%
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. (1) Paseo de la Reforma 126 (internal number 4) 06600 Cuauhtemoc, City of Mexico, MEXICO	No	Mexico	0%	-100%
IBA Japan KK 3/F Shiodome Building, 1-2-20 Kaigan Minato-ku, Tokyo, JAPAN	No	Japan	100%	-
Ion Beam Applications Singapore PTE. LTD. 1 Scotts Road #21-10 Shaw Centre, SINGAPORE (228208)	No	Singapore	100%	-
IBA Egypt LLC *Building no.75/77 (Degla Plaza), 10th floor, Street no. 199, Degla, Maadi, Cairo, Egypt*	No	Egypt	100%	-

(1) The company has been liquidated in May 2019

2.2 LIST OF EQUITY-ACCOUNTED INVESTMENTS

NAME	Country of incorporation	Equity ownership (%)	Change in % ownership over December 31, 2018
Cyclhad SAS	France	33.33%	-
PharmaLogic Pet Services of Montreal Cie	Canada	48.00%	-
Normandy Hadrontherapy SAS	France	41.84%	+41.84%
Normandy Hadrontherapy SARL	France	50.00%	+50.00%

In June 2019, IBA ownership in Normandy Hadrontherapy SAS changed following the agreement signed to transfer intellectual property to this entity to further develop Hadrontherapy. IBA retains 41.84 % (100% as at December 31, 2018) of this entity following financing by several public and private players.

The equity accounted investments do not contribute to the Group's results as of June 30, 2018 and 2019. This is explained by the fact that IBA does not account for its share of the loss in Cyclhad SAS above its investment (no commitment or intention to participate in capital increase if any). In addition, operations at Normandy Hadrontherapy SAS have not yet started.

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 2019.

2.3.2 DISPOSAL OF COMPANIES

No disposal of company was completed during the 6 first months of 2019.

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 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 and June 30, 2019, it has determined that all criteria of IFRS 5 has been met and are still 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 and June 30, 2019.

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 mid-year 2019 financial year as "Profit/(loss) from discontinued operations" in the income statement and IBA also represented the comparative period for the financial year 2018 has discontinued operations.

3.2 INCOME TAX – DEFERRED TAX

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

The June 30, 2019 income statement was positively impacted by the increase of deferred tax assets on temporary differences in the United-States for EUR 0.1 million.

As at June 30, 2019, the Group had accumulated net operating losses of EUR 109.9 million usable to offset future profits taxable mainly in Belgium and in Russia and temporary differences amounting to EUR 8.5 million mainly in the United States and in China. The Company recognized deferred tax assets of EUR 4.30 million with a view to use the tax losses carried forward and EUR 2.00 million as temporary differences.

The negative result of June 30, 2019 does not significantly affect the existing budgeted plan and there is therefore no indicator that would trigger the reassessment of the deferred tax assets.

3.3 REVENUE RECOGNITION

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) of its annual report 2018.

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.

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*").

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.

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*".

3.4 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, 2019 does not significantly affect the existing budgeted plan and there is therefore no indicator that would trigger an impairment test as of June 30, 2019.

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, was 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:

	December 31, 2018		June 30, 2019	
(EUR 000)	Net carrying value	Fair value	Net carrying value	Fair value
FINANCIAL ASSETS				
Trade receivables	96 550	96 550	65 678	65 678
Other long-term receivables	16 700	16 700	21 100	21 100
Non-trade receivables and advance payments	16 645	16 645	19 137	19 137
Other short-term receivables	5 510	5 510	11 732	11 732
Other investments	13 005	13 005	14 513	14 513
Cash and cash equivalents	36 402	36 402	18 951	18 951
Hedging derivative products	58	58	65	65
Derivative products – other	70	70	229	229
TOTAL	**184 940**	**184 940**	**151 405**	**151 405**
FINANCIAL LIABILITIES				
Bank and other borrowings	72 005	72 005	65 127	65 127
Financial lease liabilities	13 783	13 783	13 286	13 286
Trade payables	42 074	42 074	34 089	34 089
Hedging derivative products	491	491	1 321	1 321
Derivative products – other	300	300	141	141
Other long-term liabilities	13 304	13 304	4 145	4 145
Amounts due to customers for contracts in progress	88 483	88 483	98 170	98 170
Other short-term liabilities	20 453	20 453	22 955	22 955
TOTAL	**250 893**	**250 893**	**239 234**	**239 234**

At December 31, 2018 and June 30, 2019, 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. Equity investments included in ‘’Other investments’’ relate primarily to Proton Partners International (PPI) (Level 1 in 2019 following introduction on a quoted market) and HIL Applied Medical Ltd (Level 3).

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 IFRS 9 all derivatives are recognized at fair value in the financial position.

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

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

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

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

During the 6 first months of the year, there was no transfer between the various categories for the financial instruments existing as of June 30, 2019.

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

(EUR 000)	Level 1	Level 2	Level 3	June 30, 2019
- Forward foreign exchange contracts				
- Foreign exchange rate swaps		65		65
Hedge-accounted financial assets		**65**		**65**
- Forward foreign exchange contracts		229		229
- Foreign exchange rate swaps				
Financial assets at fair value through the income statement		**229**		**229**
- Forward foreign exchange contracts		1 131		1 131
- Foreign exchange rate swaps		190		190
Hedge-accounted financial liabilities		**1 321**		**1 321**
- Forward foreign exchange contracts		5		5
- Foreign exchange rate swaps		137		137
Financial liabilities at fair value through the income statement		**142**		**142**

4. OPERATING SEGMENTS

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

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

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

4.1 OPERATING SEGMENTS

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

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

However, following the decision to present Dosimetry as held for sale, 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.

Six months ended June 30, 2019	Protontherapy and other accelerators (EUR 000)	Dosimetry discontinued operations (EUR 000)	GROUP (EUR 000)
Sales	53 234	0	53 234
Services	49 581	0	49 581
External sales	**102 815**	**0**	**102 815**
Costs of sales and services (-)	-73 838	0	-73 838
Operating expenses (-)	-36 095	0	-36 095
Other operating income /(expenses)	1 653	0	1 653
Segment result (EBIT) *	**-5 465**	**0**	**-5 465**
Financial income /(expenses)	-685	0	-685
Share of profit/(loss) of companies consolidated using the equity method	0	0	0
Result before taxes	**-6 150**	0	**-6 150**
Tax income /(expenses)	-1 126	0	-1 126
Result for the period from continuing operations	**-7 276**	**0**	**-7 276**
Profit/(loss) for the period from discontinued operations	0	1 959	1 959
Profit/(loss) for the period	**-7 276**	**1 959**	**-5 317**
REBITDA *	**-1 546**	**0**	**-1 546**

* IFRS 16 – Leases became effective on January 1, 2019. The effect of this accounting standard at June 30, 2019 is an improvement of EBIT/REBIT by EUR 0.1 million and of REBITDA by EUR 1.9 million.

Six months ended June 30, 2019	Protonherapy and other accelerators (EUR 000)	Dosimetry discontinued operations (EUR 000)	GROUP (EUR 000)
Non-current assets	93 461	0	93 461
Current assets	266 158	0	266 158
Assets held for sale	0	31 999	31 999
Segment assets	**359 619**	**31 999**	**391 618**
Investments accounted for using the equity method	720	0	720
TOTAL ASSETS	**360 339**	**31 999**	**392 338**
Non-current liabilities	59 056	0	59 056
Current liabilities	218 740	0	218 740
Liabilities hed for sale	0	15 946	15 946
Segment liabilities	**277 796**	**15 946**	**293 742**
TOTAL LIABILITIES	**277 796**	**15 946**	**293 742**
Other segment information			
Six months ended June 30, 2019			
Capital expenditure	3 209	155	
Depreciation and impairment of property, plant and equipment	3 520	566	
Depreciation of intangible assets and goodwill	1 625	0	
Salary expenses	56 027	8 165	
Non-cash expenses/(income)	829	-332	
Headcount at period-end	1 144	225	

Six months ended June 30, 2018	Protontherapy and other accelerators (EUR 000)	Dosimetry discontinued operations (EUR 000)	GROUP (EUR 000)
Sales	46 460	0	46 460
Services	43 893	0	43 893
External sales	**90 353**	**0**	**90 353**
Costs of sales and services (-)	-62 449	0	-62 449
Operating expenses (-)	-34 060	0	-34 060
Other operating income /(expenses)	-1 627	0	-1 627
Segment result (EBIT)	**-7 783**	**0**	**-7 783**
Financial income /(expenses)	-242	0	-242
Share of profit/(loss) of companies consolidated using the equity method	0	0	0
Result before taxes	-8 025	0	-8 025
Tax income /(expenses)	348	0	348
Result for the period from continuing operations	**-7 677**	**0**	**-7 677**
Profit/(loss) for the period from discontinued operations	0	662	662
Profit/(loss) for the period	**-7 677**	**622**	**-7 015**
REBITDA	**-3 072**	**0**	**-3 072**

Year ended December 31, 2018	Protontherapy 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**	**289 038**
Other segment information			
Six months ended June 30, 2018			
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	

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, 2018	June 30, 2019
Earnings attributable to parent equity holders (EUR 000)	-7 015	-5 317
Weighted average number of ordinary shares	29 299 475	29 448 157
Basic earnings per share from continuing and discontinued operations (EUR per share)	**-0.2394**	**-0.1806**
Earnings from continuing operations attributable to parent equity holders (EUR 000)	-7 677	-7 276
Weighted average number of ordinary shares	29 299 475	29 448 157
Basic earnings per share from continuing operations (EUR per share)	**-0.2620**	**-0.2471**
Earnings from discontinued operations attributable to parent equity holders (EUR 000)	662	1 959
Weighted average number of ordinary shares	29 299 475	29 448 157
Basic earnings per share from discontinued operations (EUR per share)	**0.0226**	**0.0665**

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, 2018	June 30, 2019
Weighted average number of ordinary shares	29 299 475	29 448 157
Average share price over period	21.00	13.87
Weighted average diluted shares	217 449	50 207
Weighted average number of ordinary shares for diluted earnings per share	29 516 924	29 498 364
Earnings attributable to parent equity holders (EUR 000)	-7 015	-5 317
Diluted earnings per share from continuing and discontinued operations (EUR per share)	**-0.2394**	**-0.1806**
Earnings from continuing operations attributable to parent equity holders (EUR 000)	-7 677	-7 276
Diluted earnings per share from continuing operations (EUR per share)	**-0.2620**	**-0.2471**
Earnings from discontinued operations attributable to parent equity holders (EUR 000)	662	1 959
Diluted earnings per share from discontinued operations (EUR per share)	**0.0226**	**0.0665**

(*) 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 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 initiated a disposal process and as of December 31, 2018 it has determined that all criteria of IFRS 5 have been met in order to present the assets and liabilities IBA Dosimetry as held-for-sale.

Consequently, IBA 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.

Discussions are ongoing and consequently, the June 30, 2019 results of this segment continue to be presented as "Profit/(loss) from discontinued operations" in the income statement. The comparative 2018 results have also been presented as "Profit/(loss) from discontinued operations".

The Company expects to inform the market of the outcome of these discussions before year end.

	June 30, 2018 (EUR 000)	June 30, 2019 (EUR 000)
Sales	21 530	22 351
Services	2 792	2 928
Cost of sales and services (-)	-12 289	-12 759
Gross profit	**12 033**	**12 520**
Selling and marketing expenses (-)	-4 416	-3 341
General and administrative expenses (-)	-2 022	-2 588
Research and development expenses (-)	-3 971	-3 898
Other operating expenses (-)	-342	-9
Other operating income	0	0
Segment result (EBIT)	**1 282**	**2 684**
Financial expenses (-)	-262	-283
Financial income	270	55
Profit/(loss) before taxes from discontinued operations	**1 290**	**2 456**
Tax income/(expenses)	-628	-497
Profit/(loss) for the period from discontinued operations	**662**	**1 959**
REBITDA	**2 366**	**2 960**

The main asset and liability categories for discontinued operations are the followings:

	December 31, 2018 (EUR 000)	June 30, 2019 (EUR 000)
ASSETS		
Goodwill	3 821	3 821
Other intangible assets	663	705
Property, plant and equipment	2 428	7 200
Deferred tax assets	420	297
Other long-term assets	48	128
Non-current assets	**7 380**	**12 151**
Inventories	7 665	8 885
Trade receivables	7 101	8 208
Other receivables	2 256	1 362
Cash and cash equivalents	2 294	1 393
Current assets	**19 316**	**19 848**
TOTAL ASSETS HELD FOR SALES	**26 696**	**31 999**
LIABILITIES		
Long-term borrowings	0	3 755
Deferred tax liabilities	657	657
Long-term provisions	145	146
Other long-term liabilities	0	0
Non-current liabilities	**802**	**4 558**
Short-term provisions	208	214
Short-term borrowings	0	903
Trade payables	1 105	1 251
Current income tax liabilities	200	234
Other payables	8 692	8 786
Current liabilities	**10 205**	**11 388**
TOTAL LIABILITIES DIRECLTY RELATED TO ASSETS HELD FOR SALE	**11 007**	**15 946**
NET ASSETS DIRECLTY RELATED TO OPERATIONS HELD FOR SALE	**15 689**	**16 053**

Included in the overall statement of comprehensive income :

	December 31, 2018 (EUR 000)	June 30, 2019 (EUR 000)
Actuarial reserves	0	0
Revaluation reserves	0	0
Currency translation difference	1 682	1 678
Reserve of disposal group classified as held for sale	**1 682**	**1 678**

The net cash flows of the discontinued operations are the following:

	June 30, 2018 (EUR 000)	June 30, 2019 (EUR 000)
Cash flow from operating activities	545	1 361
Cash flow from investing activities	-362	-155
Cash flow from financing activities	-2	-657
Net change in cash flow from discontinued operations	**181**	**549**

6.3 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, 2018 (EUR 000)	June 30, 2019 (EUR 000)
Bank balances and cash	36 268	18 951
Accounts with restrictions shorter than 3 months	0	0
Short-term bank deposits	34	0
	36 302	**18 951**
Cash and cash equivalents attributable to assets held for sale	0	1 393
	36 302	**20 344**

6.4 CAPITAL EXPENDITURE AND COMMITMENTS

Six months ended June 30, 2019	Property, plant and equipment (EUR 000)		Intangible (EUR 000)	Goodwill (EUR 000)
	Property, plant and equipment	Right of use		
Net carrying amount at December 31, 2018	**34 542**	**0**	**8 717**	**0**
Impact IFRS 16 on Property plant and equipment	0	9 885	0	0
Transfer Emphyteutic rent LLN	-4 055	4 055	0	0
Net carrying amount at January 1, 2019	**30 487**	**13 940**	**8 717**	**0**
Additions	3 158	551	52	0
Disposals	-312	-17	0	0
Transfers	0	0	0	0
Revalorisation	0	0	0	0
Currency translation difference	7	104	2	0
Depreciation/amortisation and impairment	-1 660	-1 861	-1 625	0
Net carrying amount at closing	**31 680**	**12 717**	**7 146**	**0**

The negative result of June 30, 2019 does not significantly affect the existing budgeted plan. No impairment losses are therefore recognized on property, plant and equipment or intangible assets in the 2019 interim financial statement.

6.5 OTHER LONG-TERM ASSETS

	December 31, 2018 (EUR 000)	June 30, 2019 (EUR 000)
Long-term receivables on contracts in progress	711	707
Research and development tax credit	11 152	10 843
Other assets	4 837	9 550
TOTAL	**16 700**	**21 100**

As at June 30, 2019, "Other assets" mainly consist of financial notes granted to proton therapy customers for a total amount of EUR 4.42 million, a subordinated loan and cash advance for future capital increase granted to Normandy Hadrontherapy SAS for a total amount of EUR 4.72 million (see note 2.2), bank deposits to EUR 0.25 million and other long-term assets for EUR 0.15 million.

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.

6.6 MOVEMENT ON BANK AND OTHER BORROWINGS

6.6.1 BANK AND OTHER BORROWINGS

	December 31, 2018 (EUR 000)	January 1, 2019 (EUR 000)	June 30, 2019 (EUR 000)
Non-current	30 390	30 390	27 245
Current	41 615	41 615	37 882
Total	**72 005**	**72 005**	**65 127**
Opening amount	**42 750**		**72 005**
New borrowings	32 470		0
Repayment of borrowings	-3 215		-6 878
Transfers to liabilities directly related to assets held for sale	0		0
Currency translation difference	0		0
Closing balance[1]	**72 005**		**65 127**

[1]Including 2 subordinated loans and 1 bond for EUR 17.14 million from S.R.I.W. and 1 subordinated bond of EUR 5 million from S.F.P.I. at June 2019.

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. (EUR 8.57 million outstanding as at June 30, 2019). 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, a bond was subscribed by S.R.I.W. for EUR 5 million (EUR 3.57 million outstanding as at June 30, 2019).

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 December 31, 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.

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 June 30, 2019, the credit facilities are used for an amount of EUR 33 million (EUR 36 million in December 2018).

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

IBA is currently in ongoing discussions with its financial institutions in order to restructure its borrowings and replace part of its short-term credit lines with longer term lines, thus reducing its dependence on short term lines to buffer large working capital variations. It expects these discussions to be completed before year-end.

In addition, the Group has a bank overdraft facility at a subsidiary for EUR 1.82 million (of which EUR 0.74 million is used as at June 30, 2019).

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 was repaid to a 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 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 1 million in 2019 and the outstanding loan as at June 30, 2019 amounts to EUR 4 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 adjusted 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 June 30, 2019.

The financial covenants applying to the treasury notes are only calculated at year-end.

Despite the fact that Dosimetry is presented as a discontinued operation, in agreement with its bankers' covenant requirements, Management has added back Dosimetry REBITDA to the covenant calculations, as Dosimetry is still part of the Group at June 30, 2019.

As at June 30, 2019, the Group has at its disposal credit facilities up to EUR 100.22 million of which 65.0% are used to date.

(EUR 000)	Credit facilities used	Credit facilities available
Short-term credit facilities	33 737	68 825
Bank borrowings	4 000	4 000
S.R.I.W.	17 140	17 140
S.F.P.I.	5 000	5 000
Treasury Notes	5 250	5 250
TOTAL	**65 127**	**100 215**

Utilized credit facilities are as follows:

	December 31, 2018 (EUR 000)	June 30, 2019 (EUR 000)
FLOATING RATE		
– expiring within one year	37 470	33 737
– expiring beyond one year	0	0
TOTAL FLOATING RATE	**37 470**	**33 737**
FIXED RATE		
– expiring within one year	4 145	4 145
– expiring beyond one year	30 390	27 245
TOTAL FIXED RATE	**34 535**	**31 390**
TOTAL	**72 005**	**65 127**

The bank and other borrowings include loans and a bond from S.R.I.W. for EUR 17.14 million in 2019 (EUR 19.29 million in December 31, 2018), a bond from S.F.P.I. for EUR 5 million in 2019 (EUR 5 million in December 31, 2018), a bank loan for an amount of EUR 4 million in 2019 (EUR 5 million in December 31, 2018), an issued bond for an amount of EUR 5.25 million in 2019 (EUR 5.25 million in December 31, 2018) and short term credit lines for an amount of EUR 33,74 million in 2019 (EUR 37.47 million in December 31, 2018).

Unutilized credit facilities are as follows:

	December 31, 2018 (EUR 000)	June 30, 2019 (EUR 000)
FLOATING RATE		
– expiring within one year[1]	32 290	35 088
– expiring beyond one year	0	0
TOTAL FLOATING RATE	**32 290**	**35 088**
FIXED RATE		
– expiring within one year	0	0
– expiring beyond one year	0	0
TOTAL FIXED RATE	**0**	**0**
TOTAL	**32 290**	**35 088**

1 Out of which 30 million will expire at September 30, 2019

6.6.2 FINANCIAL LEASE LIABILITIES

(EUR 000)	December 31, 2018	January 1, 2019	June 30, 2019
Non-current	12 888	23 968	22 414
Current	895	4 019	3 706
TOTAL	**13 783**	**27 987**	**26 120**

Changes in financial lease liabilities as follows:

(EUR 000)	December 31, 2018	June 30, 2019		
		Financial leases	IFRS 16 leases	TOTAL
Opening balance	**0**	**13 783**	**14 204**	**27 987**
New borrowings	13 881	0	551	551
Repayment of borrowings	-98	-498	-1 954	-2 452
Lease disposals under IFRS 16	0	0	-21	-21
Currency translation difference	0	1	54	55
Closing balance	**13 783**	**13 286**	**12 834**	**26 120**

6.7 INVENTORIES AND CONTRACTS IN PROGRESS

	December 31, 2018 (EUR 000)	June 30, 2019 (EUR 000)
Raw materials and supplies	69 513	74 732
Finished products	143	407
Work in progress	12 741	7 267
Contracts in progress (in excess of billing)	57 079	76 805
Write-off of inventories	-8 403	-8 848
Inventories and contracts in progress	**131 073**	**150 363**

Contracts in progress	December 31, 2018 (EUR 000)	June 30, 2019 (EUR 000)
Costs to date and recognized revenue	479 735	497 219
Less : progress billings	-422 656	-420 414
Contracts in progress	**57 079**	**76 805**
Net amounts due to customers for contracts in progress	88 483	98 170

6.8 OTHER RECEIVABLES

	December 31, 2018 (EUR 000)	June 30, 2019 (EUR 000)
Non-trade receivables and advance payments	16 645	19 137
Deferred charges	1 858	2 134
Accrued income related to maintenance contracts	2 728	4 918
Accrued interest income	0	1 083
Current income tax receivable	82	1 442
Other current assets	842	2 158
Other receivables	**22 155**	**30 872**

Main movements on ‘’non-trade receivables” are explained by the increase of advance payments to suppliers for EUR 0.7 million and VAT to be received EUR 1.9 million.

Main movements on ‘’other current assets’’ are explained by the increase of research tax credit to be received in cash for EUR 0.7 million and an insurance reimbursement to be received for EUR 0.7 million.

6.9 OTHER PAYABLES AND ACCRUALS

	December 31, 2018 (EUR 000)	June 30, 2019 (EUR 000)
Amounts due to customers for contracts in progress (or advances received on contracts in progress)	88 483	98 170
Social debts	15 235	15 624
Accrued charges	1 069	1 787
Accrued interest charges	192	239
Deferred income related to maintenance contracts	7 105	9 942
Capital grants	3 617	3 457
Non-trade payables	5 437	4 185
Other	3 033	3 344
Other payables and accruals	**124 171**	**136 748**

6.10 OTHER OPERATING INCOME AND EXPENSES

The other operating expenses of EUR 3.5 million in 2019 include reorganization expenses for EUR 3.4 million and other expenses for EUR 0.1 million.

The other operating expenses of EUR 1.74 million in 2018 included the valuation of stock option plans offered to IBA employees for EUR 0.13 million, reorganization expenses for EUR 1.12 million, a provision for tax risk for EUR 0.11 million, amortizations for EUR 0.25 million and other expenses for EUR 0.13 million.

The other operating income of EUR 5.2 million in 2019 mainly includes the gain realized on the disposal of intellectual property (see note 2.2) for EUR 2.9 million and the reversal of a long-term contractual obligation related to proton therapy projects for EUR 2.3 million.

6.11 ORDINARY SHARES, SHARE PREMIUM AND TREASURY SHARES

	Number of shares	Issued Capital stock (EUR)	Capital surplus (EUR)	Treasure shares (EUR)	Total (EUR)
Balance at December 31, 2018	**30 122 528**	**42 278 194**	**41 862 918**	**-8 501 979**	**75 639 133**
Stock options exercised	0	0	0	0	0
Capital increase	0	0	0	0	0
Balance at June 30, 2019	**30 122 528**	**42 278 194**	**41 862 918**	**-8 501 979**	**75 639 133**

6.12 PROVISIONS

	Environment	Warranties	Litigation	Defined employee benefits	Other employee benefits	Other	Total
At January 1, 2019	**0**	**3 679**	**140**	**4 475**	**181**	**2 204**	**10 679**
Additions (+)	0	757	0	0	53	0	810
Write-backs (-)	0	-386	0	0	0	-2	-388
Utilizations (-)	0	-2 352	0	0	-20	-914	-3 286
Actuarial (gains)/losses	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0
Currency translation difference	0	1	0	0	0	0	1
Total movement	**0**	**-1 980**	**0**	**0**	**33**	**-916**	**-2 863**
At June 30, 2019	**0**	**1 699**	**140**	**4 475**	**214**	**1 288**	**7 816**

Main movements on ''provisions for warranties'' can be detailed as follows:

- New provisions in relation to Proton therapy and others accelerators amounting to EUR 0.76 million.
- Reversals of provisions in relation to Proton therapy and others accelerators amounting to EUR -0.39 million.
- Utilizations of provisions in relation to Proton therapy and other accelerators amounting to EUR -2.35 million.

Main movement on "other provisions" can be detailed as follows:

- Use of provisions amounting to EUR -0.66 million for contractual commitments under the agreement of the disposal of IBA Molecular business and to EUR -0.25 million for tax risk.

Other employee benefits provisions as at June 30, 2019 consisted primarily of the following:

- An amount of EUR 0.21 million relating to retirement plan for our Italian personnel.

6.13 LITIGATION

The Group is not involved in any significant litigation currently.

6.14 INCOME TAX

The tax profit/(charge) for the year can be broken down as follows:

	June 30, 2018 (EUR 000)	June 30, 2019 (EUR 000)
Current taxes income/(expenses)	159	-1 242
Deferred taxes income/(expenses)	189	116
Total	**348**	**-1 126**

6.15 EMPLOYEE BENEFITS

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

6.16 PAID AND PROPOSED DIVIDENDS

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

6.17 RELATED PARTY TRANSACTIONS

6.17.1 CONSOLIDATED COMPANIES

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

6.17.2 TRANSACTIONS WITH AFFILIATED COMPANIES

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

	June 30, 2018 (EUR 000)	June 30, 2019 (EUR 000)
ASSETS		
Receivables		
Long-term receivables (see note 6.5)	0	4 723
Trade and other receivables	0	0
Impairment of receivables	0	0
TOTAL RECEIVABLES	**0**	**4 723**
LIABILITIES		
Payables		
Trade and other payables	0	0
TOTAL PAYABLES	**0**	**0**
INCOME STATEMENT		
Sales	2 208	3 611
Costs (-)	-1 078	-1 822
Financial income	0	0
Financial expense (-)	0	0
Other operating income (see note 6.10)	0	2 908
Other operating expense (-)	0	0
TOTAL INCOME STATEMENT	**1 130**	**4 697**

6.17.3 SHAREHOLDER RELATIONSHIPS

The following table shows IBA shareholders at June 30, 2019

	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%
Institut des Radioéléments FUP	1 423 271	4.72%
Société Régionale d'Investissement de Wallonie (S.R.I.W.)	704 491	2.34%
Société Fédérale de Participation et d'investissement (S.F.P.I.)	961 954	3.19%
Capfi Delen Asset Management N.V.	117 066	0.39%
Norges Bank Investment Management	1 211 337	4.02%
Kempen Capital Management N.V.	875 388	2.91%
Public	17 343 097	57.57%
TOTAL	**30 122 528**	**100.00%**

The transactions completed with the shareholders are the following:

	June 30, 2018 (EUR 000)	June 30, 2019 (EUR 000)
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 borrowings	24 285	22 140
Trade and other payables	151	184
TOTAL PAYABLES	**24 436**	**22 324**
INCOME STATEMENT		
Sales	0	0
Costs (-)	0	0
Financial income	0	0
Financial expense (-)	-503	-574
Other operating income	0	0
Other operating expense (-)	0	0
TOTAL INCOME STATEMENT	**-503**	**-574**

To the best of the Company's knowledge, there were no other relationships or special agreements among the shareholders at June 30, 2019.

6.18 EVENTS AFTER THE BALANCE SHEET DATE

On August 5, 2019, IBA announced the signature of a formal contract with the Institute for Basic Science (IBS) to install a Cyclone® 70 system in Daejeon, South Korea. The installation of the system is worth between USD 13 and USD 16 million to IBA and the project is fully financed.

7. INTERIM MANAGEMENT REPORT

7.1 FIGURES AND SIGNIFICANT EVENTS:

	H1 2019 (EUR 000)	H1 2018 (EUR 000)	Variance (EUR 000)	Variance %
PT & Other Accelerators	102 815	90 353	+12 462	+13.8%
Total Net Sales	**102 815**	**90 353**	**+12 462**	**+13.8%**
REBITDA*	**-1 546**	**-3 072**	**+1 526**	**+49.7%**
% of Sales	-1.5%	*-3.4%*		
REBIT*	**-7 118**	**-6 156**	**-962**	**-15.6%**
% of Sales	-6.9%	*-6.8%*		
Profit Before Tax	**-6 150**	**-8 025**	**+1 875**	**+23.4%**
% of Sales	-6.0%	*-8.9%*		
Discontinued operations	1 959	662	+1 297	+195.9%
NET RESULT*	**-5 317**	**-7 015**	**+1 698**	**+24.2%**
% of Sales	-5.2%	-7.8%		

* IFRS 16 – Leases became effective on January 1, 2019. The effect of this accounting standard at June 30, 2019 is an improvement of REBIT by EUR 0.1 million and of REBITDA by EUR 1.9 million. The impact on the net result is immaterial.

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

Business Highlights

- Strong order intake across all business lines, with total order intake for Proton Therapy and Other Accelerators of EUR 133.4 million, up 112% from the same period last year
- Two Proteus®ONE* contracts (Kansas, US and Milan, Italy) and one Proteus®PLUS contract (Shenzhen, China) signed and revenue recognition initiated
- IBA selected by Shenzhen Municipal People's Government in March as preferred vendor to install a Proteus®PLUS five-room PT solution. Contract signed before period-end with down payment expected imminently and revenue recognition commenced
- Proton therapy projects on track, with 24 under construction comprising 16 Proteus®ONE and eight Proteus®PLUS solutions
- No new installations started during the first half of 2019 but the second half is expected to be strong

with two Proteus®Plus projects (six rooms) expected to start installation. In comparison, in 2018, two project installations (two rooms) started in the first half while installation of five projects (five rooms) started over the second half
- Another period of high sales in Other Accelerators for H1 2019 with nine machines sold in Asia, Europe and the US at end of June, with another six machines sold after period end
- Growing contribution from service revenues, up 13%, including operations and maintenance revenues from three additional PT contracts
- Agreement signed to transfer intellectual property to dedicated entity for the development of a hadron therapy system, as part of IBA's ongoing strategy to leverage its unique expertise in particle accelerator technology; EUR 2.9 million gain on sale of intangible assets. IBA to retain 41.8% of entity following financing by several public and private players
- Strong cost control measures remain in place, while allowing for strategic investments in R&D

First Flash irradiations delivered in research model at UMCG in Groningen, Netherlands in March, and the Rutherford Cancer Centre in Reading, UK in June, demonstrating IBA's leadership in this novel, non-invasive delivery of ultra-high dose radiation

Financial Highlights

- Total Group H1 revenues of EUR 102.8 million, up 13.8% (H1 2018: EUR 90.4 million), driven by significant Proton Therapy and Other Accelerator sales from new prospects and backlog conversion of the strong order intake in 2018
- EUR 1.1 billion equipment and service backlog, up more than 12%
- Total operating expenses up 6% to EUR 36.1 million, reflecting targeted R&D investment including in ARC and Flash therapy research
- REBIT loss of EUR -7.1 million versus EUR -6.2 million in the prior year, reflecting a slower Proton Therapy backlog conversion in H1, pricing pressure from competition and increased investment in R&D. The REBITDA line in the period was positively impacted by an IFRS16 adjustment of EUR 1.9 million.
- REBIT margin of -6.9% (H1 2018: -6.8%)
- Dosimetry (discontinued operation) net profit EUR 2.0 million, up 195.9% (H1 2018: EUR 0.7
- million), driven by strong sales and cost controls, and REBIT up 66%. The division remains held for sale
- Gross cash of EUR 20.3 million (including cash from Dosimetry for EUR 1.4 million) and net debt position of EUR -58.1 million (excluding impact of IFRS16)

7.2 OPERATING REVIEW

IBA is focused on creating a global proton therapy platform that is built for the long term through continuous upgradability. Its product offering of compact and multi-room solutions is optimally positioned to capture the projected growth of the proton therapy market.

IBA's growth strategy is focused around three 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, 2) increasing IBA's market share by focusing on system performance, future technology developments including Flash therapy, speed of delivery and reducing cost and 3) growing service revenues thanks to the strong increase in our PT installed base. 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.

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 2019 (EUR 000)	H1 2018 (EUR 000)	Variance (EUR 000)	Variance %
Equipment Proton Therapy	34 903	38 157	-3 254	-8.5%
Equipment Other Accelerators	18 330	8 303	+10 027	+120.8%
Total equipment revenues	**53 233**	**46 460**	**+6 773**	**+14.6%**
Services Proton Therapy	38 925	33 443	+5 482	+16.4%
Services Other Accelerators	10 657	10 450	+207	+2.0%
Total service revenues	**49 582**	**43 893**	**+5 689**	**+13.0%**
Total revenues Proton Therapy & Other Accelerators	**102 815**	**90 353**	**+12 462**	**+13.8%**
Service in % of segment revenues	48.2%	*48.6%*		

Total net sales were up 13.8% in the first half to EUR 102.8 million, predominantly due to a strong first half for Proton Therapy service revenues and Other Accelerators, both in terms of new sales and backlog conversion of last year's strong order intake. While Proton Therapy overall revenues were up slightly by 3.1%, equipment revenues were down by 8.5% due to the late impact of order intake in the period and slower backlog conversion in the first half. A significant second half weighting is expected, when two major Proteus®PLUS installations are expected to start and more than ten rooms are expected to be delivered to customers.

IBA was selected in April to install a five-room ProteusPlus system in Shenzhen, China and the contract was signed by both parties before the end of period. Although the down payment has not yet been received, it is expected that this will occur very soon and therefore, in line with IFRS, the contract has been financially activated and revenue recognition has been initiated as of H1 2019.

There are currently 24 projects under construction or installation, comprising 16 Proteus®ONE and eight Proteus®PLUS solutions.

Services revenue continues to increase, with sales up 13% compared to the same period in 2018. Services accounted for 48.2% of segment revenues, as three new Proton Therapy contracts started delivering operations and maintenance revenues in H1 2019.

Other Accelerators equipment revenues were up 121%, reflecting a strong order intake in 2018 and good backlog conversion over the period. Other Accelerators service revenues remained high, boosted by recognition of revenues on multiple high margin upgrades and maintenance services.

REBIT margin was impacted negatively by a weakened gross margin as a result of price pressure on contracts as competitors attempt to gain market share. In spite of this, all contracts remain profit-making and the Company is currently working on further optimizing installation time on its systems and improving overall service margins.

REBIT margin was also impacted by a 6% increase in operating expenses, which was predominantly due to an uplift in R&D as we invested in several major projects in the period such as Arc and Flash therapies. This is in line with the Company's strategic objective of focusing on innovative technologies to deliver future growth. General & Administrative (G&A) and Sales & Marketing (S&M) expenses were broadly similar to the same period last year, despite inflation and several one-off cost saving measures taken in 2018. We remain committed to these ongoing cost control measures, which have been successfully implemented so far, whilst maintaining strategic initiatives.

In June, IBA signed an agreement with several public and private investors to transfer its intellectual property to a dedicated company for further development of hadron therapy (including Carbon Therapy). The agreement generated a EUR 2.9 million gain on sale of the intangible assets. IBA will retain 41.84 % of the entity following completion of financing by the investors.

Proton therapy market

Although signing and financing of new contracts continues to be difficult to forecast, IBA saw a strong order intake across all business lines in the first half, with proton therapy demand increasing in 2019. The longer-term fundamentals of the proton therapy market are solid, and the Company continues to have a growing and high-quality backlog and strong pipeline with multiple prospects across different markets.

To date over 190,000 patients have been treated with proton therapy worldwide and, of these, 56% have been treated on IBA systems, which is more than all the installations of its competitors combined. This is a testimony to its superior offering in the proton therapy space.

Future technological advancements

IBA remains focused on future technological breakthroughs in the proton therapy field to accelerate the adoption of proton therapy.

IBA hosted its 8th Annual IBA Proton Therapy Users Meeting in Miami, USA, in February. This year IBA welcomed more than 165 participants, representing 40 sites from 17 countries, making IBA's proton therapy community the largest and most experienced in the industry.

In April, the second meeting of the Victoria Advisory Committee took place, which saw a gathering of clinical experts from the world's leading cancer centers specializing in radiation and proton therapy together with IBA. During the meeting the participants worked together to define future roadmaps, establish a framework to increase treatment efficiency as well as discussing how to simplify clinical adoption easy for technologies such Arc therapy, Adaptive technology and Flash therapy. IBA will host the third Victoria Advisory Committee in September 2019, at the ASTRO Annual Meeting.

Research and Development

IBA's research program is centred on three axes: motion management, proton Arc therapy and Flash therapy, with a continued focus on upgradability.

Arc therapy has the potential to allow proton therapy practitioners to improve dose conformity at the tumor while further reducing the dose to surrounding healthy tissue. In addition, it has the potential to make treatment easier to deliver for practitioners. During the first half, IBA delivered 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. IBA has seen significant interest from the market in its Arc technology, which will be added in the IBA catalogue of products when ready.

IBA is particularly excited by the potential of Flash proton therapy, which could dramatically change the landscape of radiotherapy and patient cancer care, by making proton therapy more effective, cheaper and therefore more accessible. Flash irradiation delivers a high dose of radiation at an ultra-high dose rate, resulting in less toxicity and potentially shortening treatment time from 6-8 weeks to 1-2 weeks.

IBA's equipment is Flash ready and IBA is the only company to have demonstrated a Flash compatible dose rate delivery in a clinical environment. In March the Company successfully performed the first Flash irradiation in a Proteus®PLUS treatment room at the University Medical Centre Groningen (UMCG) in the Netherlands and then in June the first procedure was performed in a Proteus®ONE compact gantry treatment room at the Rutherford Cancer Centre Thames Valley in Reading, United Kingdom. With this demonstrated leadership in Flash technology on both single and multi-room solutions, IBA will continue its commitment to further develop the technology alongside partnering opportunities within the user community.

Customer Service

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 latest installation in Reading, United Kingdom, which was completed in ten months. IBA remains focused on further reducing installation time on our systems, allowing our customers to treat patients as soon as possible. IBA continues to enhance its range of services as well as the efficiency of the solutions on offer.

DOSIMETRY

	H1 2019 (EUR 000)	H1 2018 (EUR 000)	Variance (EUR 000)	Variance %
Net sales	25 279	24 322	+957	+3.9%
REBITDA*	2 960	**2 366**	+594	+25.1%
% of Sales	11.7%	*9.7%*		
REBIT*	**2 693**	**1 623**	+1 070	+65.9%
% of Sales	10.7%	*6.7%*		

* IFRS 16 – Leases became effective on January 1, 2019. The effect of this accounting standard at June 30, 2019 is an improvement of Dosimetry REBITDA by EUR 0.6 million. The impact on REBIT and net result is immaterial.

In the first half, Dosimetry sales were up 4% versus H1 2018, due to growth of conventional radiation therapy sales and a strong EMEA market. Tight cost controls helped to deliver REBIT of EUR 2.7 million, a 66% increase from the prior year.

In June 2019 IBA Dosimetry launched myQA® iON, a fast and accurate cancer patient QA in proton therapy.

The Dosimetry division remains held for sale at the end of June 2019, as discussions on its future are ongoing. It is therefore included in the P&L as a discontinued operation.

Financial review

Numbers below exclude Dosimetry figures, following the classification of the division as an Asset Held for Sale.

IBA reported revenues of EUR 102.8 million, up 13.8% (H1 2018: EUR 90.4 million), driven by significant Proton Therapy and Other Accelerator sales from new prospects and backlog conversion of the strong order intake in 2018, coupled with continuing growth in services.

The Company's recurring operating loss before interest and taxes (REBIT) line showed a loss of EUR -7.1 million from EUR -6.2 million in H1 2018, impacted by a weakened gross margin as a result of the price pressure on new proton therapy contracts and investment in innovative projects such as Flash and Arc. The REBIT line in the period was positively impacted by an IFRS16 adjustment of EUR 0.1 million while REBITDA was positively impacted by EUR 1.9 million.

Other operating income was EUR 1.7 million (H1 2018: expense of EUR 1.6 million), which mainly included reorganizational costs as well as profit from the reversal of a large accrual for a project-related risk and the sale of intellectual property related to hadron therapy.

Net financial expenses amounted to EUR 0.7 million in H1 2019 compared EUR 0.2 million a year earlier, mainly due to fluctuations in the US dollar and interest on credit lines set up in March last year.

Discontinued operations include Dosimetry, which had sales of EUR 25.3 million (H1 2018: EUR 24.3 million), driven by growth of conventional radiation therapy sales and a strong EMEA market. Tight cost controls helped to deliver REBIT of EUR 2.7 million, a 66% increase from the prior year.

Cash flow from operations continued to show an improving trend from H1 2018, with operating cashflow up to EUR 3.3 million, (compared to negative EUR 18.5 million at the end of 2018 and negative EUR 26.6 million at end of H1 2018) boosted by strong collection on customer receivables and sustained inventory build-up to deliver the strong order intake in Other Accelerators.

Cash flow from investing fell to negative EUR 8.8 million versus negative EUR 1.3 million in H1 2018 and mostly included amounts related to commitments on capital and loan increases in an investment for the development of hadron therapy. CAPEX was significantly reduced to EUR 3.4 million, reflecting the continued cost control measures after the investments in the new production facilities and offices in 2018.

Cash flow from financing was negative EUR 12.7 million in H1 2019 (positive EUR 37.8 million in H1 2018) reflecting a reduction of drawdowns on credit lines and reimbursement on long-term borrowings, including the leasing of the new production facilities. It also included interest payments on the same facilities.

IBA had a cash position of EUR 20.3 million at the end of H1 2019 (including cash from dosimetry for EUR 1.4 million) compared to EUR 38.6 million at the end of 2018. The net debt position rose to EUR 58.1 million (excluding the impact of IFRS16), reflecting the overall increase in borrowings to absorb working capital requirements.

IBA currently remains well financed to advance its strategic objectives and grow the business. The company is currently in discussions with financial institutions in order to restructure its borrowings and replace part of its short-term credit lines with longer term lines, thus reducing its dependence on short term lines to buffer large working capital variations. It expects these discussions to be completed before year-end.

Outlook and guidance

IBA reiterates its outlook given at the time of its first quarter 2019 Business Update and 2018 Full Year Results

Based on the current market outlook, IBA continues to anticipate a positive REBIT for full-year 2019, driven by a significant second-half weighting. A high level of activity is anticipated for H2 with installation starting for two large systems (six rooms), high production activity on its Other Accelerators backlog, more than ten Proton Therapy rooms being delivered to customers and related service revenues ramping up.

The fundamentals of the proton therapy market continue to be solid, as demonstrated by the numerous prospects IBA is pursuing across all global markets and the quality of its equipment and service backlog. However, the market continues to show signs of lumpiness and to address this IBA remains focused on driving growth whilst absorbing the unpredictability through continued cost controls and maintaining the world's most competitive and attractive proton therapy offering.

7.3 SUBSEQUENT EVENTS

On August 5, 2019, IBA announced the signature of a formal contract with the Institute for Basic Science (IBS) to install a Cyclone® 70 system in Daejeon, South Korea. The installation of the system is worth between USD 13 and USD 16 million to IBA and the project is fully financed.

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 2019 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 2019 Annual General Meeting, the following mandates were renewed at the level of the management of the Company:

- The mandate of Saint Denis SA as internal director was renewed, and
- Till the 2019 annual General Meeting Mr Jeroen Cammeraat was a member of the Board of Directors of IBA, acting as external director. As he accepted an executive management position in the Company, he did not wish to have his board membership renewed

AUDITOR'S REPORT ON THE IFRS INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AT JUNE 30, 2019

Building a better working world

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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 2019 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 2019 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) 392.338 and a consolidated loss for the six months period then ended of € (thousand) 5.317.

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 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.

Building a better working world

Report of the statutory auditor dated 22 August 2019 on the interim condensed consolidated financial statements of Ion Beam Applications SA for the six month period ended 30 June 2019 (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 2019

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

Vincent Etienne*
Partner

* Acting on behalf of an SPRL

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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)	June 2018	June 2019
EBIT = Segment result (Note 4)	**-7 783**	**-5 465**
Other operating expenses (+)	+1 743	+3 527
Other operating income (-)	-116	-5 180
REBIT *	**-6 156**	**-7 118**
Depreciation and impairment of intangible and tangible assets (+)	+2 973	+5 146
Write-offs on receivables and inventory (+/-)	+111	+426
REBITDA *	**-3 072**	**-1 546**

* IFRS 16 – Leases became effective on January 1, 2019. The effect of this accounting standard at June 30, 2019 is an improvement of REBIT by EUR 0.1 million and of REBITDA by EUR 1.9 million.

(EUR 000)	December 31, 2018	January 1, 2019	June 30, 2019
Long-term borrowings (+)	43 278	54 465	49 659
Short-term borrowings (+)	42 510	45 634	41 588
Cash and cash equivalents (-)	-36 402	-36 402	-18 951
Net financial debt	**49 386**	**63 697**	**72 296**